

LIBER 5001 FOLIO 154

"EXHIBIT B"

BYLAWS

COUNCIL OF UNIT OWNERS OF
MUTUAL EIGHTEEN CONDOMINIUM OF ROSSMOOR, INC.

ARTICLE 1

Name and Location

Section 1. Name and Location. The name of the Council of Unit Owners is as follows: COUNCIL OF UNIT OWNERS OF MUTUAL 18 CONDOMINIUM OF ROSSMOOR, INC.

Its principal office and mailing address is as follows:
3700 Rossmoor Boulevard, Silver Spring, Maryland, 20906.

ARTICLE II

Definitions

Section 1. Declaration. "Declaration", as used herein, means that certain Declaration made the _____ day of _____, 1977 by the Declarant therein identified pursuant to Title 11, Real Property Article, Annotated Code of Maryland (1974 Repl. Vol.), by which certain described premises (including land) are submitted to a condominium property regime and which Declaration is recorded among the Land Records for Montgomery County, Maryland, immediately prior hereto and to which these Bylaws are appended as an Exhibit.

Section 2. Mortgagee. "Mortgagee," as used herein, means the holder of any recorded mortgage, or the party secured or beneficiary of any recorded deed of trust, encumbering one or more of the condominium units in the condominium. "Mortgage", as used herein, shall include deed of trust. "First mortgage", as used herein, shall mean a mortgage with priority over other mortgages. As used in these Bylaws, the term "mortgagee" shall mean any mortgagee and shall not be limited to institutional mortgagees. As used in these Bylaws, the term "institutional mortgagee" or "institutional holder" shall include banks, trust companies, insurance companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, mortgage companies, Federal National Mortgage Association ("FNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), all

corporations and any agency or department of the United States Government or of any state or municipal government.
Section 3. Other Definitions. Unless it is plainly evident from the context that a different meaning is intended, all other terms used herein shall have the same meaning as they are defined to have in the Declaration or in Title 11, Real Property Article, Annotated Code of Maryland (1974 Repl. Vol.).

ARTICLE III

Membership

Section 1. Members. Every person, group of persons, Corporation, partnership, trust or other legal entity, or any combination thereof, who holds legal title to a unit within the condominium shall be a member of the Council of Unit Owners; provided, however, that any person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who holds such interest solely as security for the performance of an obligation shall not be a member of the Council of Unit Owners by reason only of such interest.

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Section 2. Membership Certificates. In the event the Board of Directors considers it necessary or appropriate to issue membership certificates or the like, then each such membership certificate shall state that the Council of Unit Owners is organized under the laws of the State of Maryland, the name of the registered holder or holders of the membership represented thereby, and shall be in such form as shall be approved by the Board of Directors. Membership certificates shall be consecutively numbered, bound in one or more books, and shall be issued therefrom upon certification) as to the transfer of title to the condominium unit to which such membership is appurtenant. Every membership certificate shall be signed by the President or a Vice President and the Secretary or an Assistant Secretary of the Council of Unit Owners and shall be sealed with the seal of the Council of Unit Owners, if any. Such signatures and seal may be original or facsimile.

Section 3. Lost Certificates. The Board of Directors may direct a new certificate or certificates be issued in place of any certificate or certificates previously issued by the Council of Unit Owners and alleged to have been destroyed or lost, upon the making of an affidavit of that fact by the unit owner claiming the membership certificate to be lost or destroyed. When authorizing such issuance of a new certificate or certificates, the Board of Directors may, in its discretion, and as a condition precedent to the issuance thereof, require the registered holder or holders

of such lost or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as the Board of Directors shall require and to give the Council of Unit Owners a bond in such sums as the Board of Directors may require as indemnity against any claim that may be made against the Council of Unit Owners.

ARTICLE IV

Meetings of Unit Owners

Section 1. Place of Meeting. Meetings of the unit owners shall be held at the principal office of the Council of Unit Owners or at such other suitable place within the State of Maryland reasonably convenient to the unit owners as may from time to time be designated by the Board of Directors.

Section 2. Annual Meetings. The first annual meeting of the unit owners shall be held at such time as the Board of Directors shall determine, but, in any event, within one hundred twenty (120) days after eighty percent (80%) of the condominium units in the project have been sold and title to the same has been conveyed by the Declarant. Thereafter the annual meetings of the unit owners shall be held on the 2nd Tuesday of May of each succeeding year. At such meeting there shall be elected by ballot of the unit owners a Board with the requirements of Article V of Directors in accordance of these Bylaws. The unit owners may also transact such other business of the Council of Unit Owners as may properly come before them.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the unit owners as directed by resolution of the Board of Directors or upon a petition signed by unit owners representing at least twenty percent (20%) of the total votes of the unit owners having been presented to the Secretary; provided, however, that, except upon resolution of the Board of Directors, no special meeting of the unit owners shall be called prior to the first annual meeting of the unit owners as hereinabove provided for. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as specifically stated in the notice.

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Section 4. Roster of Unit Owners. The Council of Unit Owners shall maintain a current roster of the names and addresses of each unit owner to which written notice of meetings of the Council of Unit Owners shall be delivered or mailed. Each unit owner shall furnish the Council of Unit Owners with his name and current mailing address.

Section 5. Notice of Meetings. It shall be the duty of the Secretary to mail or otherwise deliver a notice of each annual and special meeting of the Council of Unit Owners, stating the purpose thereof as well as the time and place where it is to be held, to each unit owner at his address as it appears on the roster of unit owners maintained by the Council of Unit Owners, or if no such address appears, as his last known place of address or at his condominium unit, at least fifteen (15) but not more than ninety (90) days prior to such meeting. Notice by either such method shall be considered as notice served and proof of such notice shall be made by the affidavit of the person giving such notice. Attendance by a unit owner at any annual or special meeting shall be a waiver of notice by him of the time, place and purpose thereof. Notice of any annual or special meeting of the unit owners may also be waived by any unit owner either prior to, at, or after any such meeting.

Section 6. Quorum. The presence, either in person or by proxy, of unit owners representing at least fifty-one percent (51%) of the total votes of the Council of Unit Owners shall be requisite for, and shall constitute a quorum for the transaction of business at all meetings of members.

Section 7. Adjourned Meetings. If any meeting of unit owners cannot be organized because a quorum has not attended, the unit owners who are present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 8. Voting. At every meeting of the unit owners, each of the unit owners shall have the right to cast the number of votes appurtenant to his unit, as established in "EXHIBIT C" of the Declaration, on each question. The votes of the unit owners representing fifty-one percent (51%) of the votes of the unit owners present and voting, in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of the Condominium Act, or of the Articles of Incorporation of the Council of Unit Owners, or of the Declaration or of these Bylaws, a different vote is required, in which case such express provision shall govern and control. The vote for any condominium unit which is owned by more than one person may be exercised by any of them present at any meeting unless any objection or protest by any other owner of such condominium unit is noted at such meeting. In the event all of the co-owners of such condominium unit who are present at any meeting of the unit owners are unable to agree on

the manner in which the vote for such condominium unit shall be cast on any particular question, then such vote shall not be counted for purposes of deciding the question. In the event any condominium unit is owned by a corporation, then the vote appurtenant to such condominium unit shall be cast by a person designated in a certificate signed by the president or any vice president and attested by the secretary or assistant secretary of such corporation and filed with the Secretary of the Council of Unit Owners at or prior to the meeting. Any such certificate shall remain valid until revoked or superseded in writing. The vote appurtenant to any condominium unit which is owned by a trust or partnership may be exercised by any trustee or partner thereof, as the case may be, and, unless any objection or protest by any other trustee or partner is noted at such meeting, the Chairman of such meeting shall have no duty to inquire as to the authority of the person casting the vote, either in person or by proxy, or to be elected to the Board of Directors who is known on the books or management accounts of the Council of Unit Owners to be more than thirty (30) days delinquent in any payment due the Council of Unit Owners.

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Section 9. Proxies. A unit owner may appoint any other unit owner, his tenant, mortgagee, or the Declarant or the Management Agent, as his proxy. In no case may any unit owner (except the Declarant, Management Agent, or any mortgagee) cast more than three (3) votes by proxy in addition to his own vote. Any proxy must be in writing and must be filed with the Secretary in form approved by the Board of Directors at or before the appointed time of each meeting. Unless limited by its term any proxy shall continue until revoked by a written notice of revocation filed with the Secretary or by the death of the unit owner; provided, however, that no proxy is effective for a period in excess of one hundred eighty (180) days unless granted to a mortgagee or lessee of the condominium unit to which the votes are appurtenant.

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Section 10. Rights of Mortgagees. Any institutional mortgagee of any condominium unit in the condominium who desires notice of the annual and special meetings of the unit owners shall notify the Secretary to that effect by Registered Mail-Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the annual and special meetings of the unit owners should be addressed. The Secretary of the Council of Unit Owners shall maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each annual

or special meeting of the unit owners to each such institutional mortgagee, in the same manner, and subject to the same requirements and limitations as are provided in this Article for notice to the members. Any such institutional mortgagee shall be entitled to designate a representative to attend any annual or special meeting of the unit owners and such representative may participate in the discussion at any such meeting and may, upon his request made to the Chairman in advance of the meeting, address the unit owners present at any such meeting. Such representative shall have no voting rights at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the unit owners upon request made in writing to the Secretary.

Section 11. Order of Business. The order of business at all annual meetings of the unit owners of the Council of Unit Owners shall be as follows:

- (a) Roll call and certification of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading and disposal of minutes of preceding meetings, if any.
- (d) Election or appointment of inspectors of election. Amended
- (e) Election of directors. 5/12/81
- (f) Reports of officers, if any. Liber 5710
- (g) Reports of committees, if any. Folio 393
- (h) Unfinished business.
- (i) New Business. Liber 5001
- (j) Adjournment. Folio 158

In the case of special meetings, items (a) through (d) shall be applicable and thereafter the agenda shall consist of the items specified in the notice of the meeting.

Section 12. Rules of Order and Procedure. The rules of order and all other matters of procedure at all annual and special meetings of the unit owners shall be determined by the Chairman of such meeting.

Section 13. Inspectors of Election. The Board of Directors may, in advance of any annual or special meeting of the unit owners appoint an uneven number of one or more inspectors of election to act at the meeting and at any adjournment thereof. In the event inspectors are not so appointed, the Chairman of any annual or special meeting of unit owners shall appoint such inspectors of election. Each inspector so appointed, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector of election at such meeting. The oath so taken shall be filed with the Secretary of the Council of Unit Owners. No officer or

director of the Council of Unit Owners, and no candidate for Director of the Council of Unit Owners, shall act as an inspector of election at any meeting of the unit owners if one of the purposes of such meeting is to elect Directors.

ARTICLE V

Directors

Section 1. Number and Qualification. The affairs of the Council of Unit Owners shall be governed by a Board of Directors composed of an uneven number of at least three (3) natural persons and not more than five (5) natural persons, a majority of whom (after the first annual meeting of unit owners hereinabove provided for) shall be unit owners. Prior to the first annual meeting of unit owners, the number of Directors shall be determined, from time to time, by a vote of the initial Directors hereinafter named. Thereafter, the number of Directors shall be determined by a vote of the unit owners at the first annual meeting of unit owners and the number of Directors may be changed by a vote of the unit owners at any subsequent annual or special meeting of the unit owners; provided, however, that (a) the limitations of this Section shall continue to apply; and (b) no such change shall operate to curtail or extend the term of any incumbent Director.

Section 2. Initial Directors. The initial Directors shall be selected by the Declarant and need not be unit owners. The names of the Directors who shall act as such from the date upon which the Declaration is recorded among the Land Records for Montgomery County, Maryland, until the first annual meeting of the unit owners or until such time as their successors are duly chosen and qualified are as follows: Lewis M. Letson, Harley E. Kinkead, and Donald C. Elias.

Section 3. Powers and Duties. The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Council of Unit Owners and the condominium and may do all such acts and things as are not by the law or by these Bylaws directed to be exercised and done by the unit owners. The powers and duties of the Board of Directors shall include, but not be limited to, the following:

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To provide for the

- (a) care, upkeep and surveillance of the condominium and its general and limited common elements and services in a manner consistent with law and the provisions of these Bylaws and the Declaration; and

- (b) establishment, collection, use and expenditure of assessments and carrying charges from the unit owners and for the assessment, the filing and enforcement of Statement of Condominium Liens therefore in a manner consistent with law and the provisions of these Bylaws and the Declaration; and
- (c) designation, hiring and dismissal of the personnel necessary for the good working order of the condominium and for the proper care of the common elements and to provide services for the project in a manner consistent with law and the provisions of these Bylaws and the Declaration; and
- (d) promulgation and enforcement of such rules and regulations and such restrictions on or requirements as may be deemed proper respecting the use, occupancy and maintenance of the condominium and the use of the general and limited common elements and as are designated to prevent unreasonable interference with the use and occupancy of the condominium and of the general and limited common elements by the unit owners and others, all of which shall be consistent with law and the provisions of these Bylaws and the Declaration; and
- (e) authorization, in their discretion, of the payment of patronage refunds from residual receipts or common profits when and as reflected in the annual report; and
- (f) to enter into agreements whereby the Council of Unit Owners acquires leaseholds, memberships and other possessory or use interests in real or personal property for the purpose of promoting the enjoyment, recreation or welfare of the unit owners and to declare expenses incurred in connection therewith to be common expenses of the Council of Unit Owners; and
- (g) to purchase insurance upon the condominium in the manner provided for in these Bylaws; and
- (h) to repair, restore or reconstruct all or any part of the condominium after casualty loss in a manner consistent with law and the provisions of these Bylaws and to otherwise improve the condominium; and
- (i) to lease, grant licenses, easements, rights-of-way, and other rights of use in all elements of the condominium; easements,

(j) to purchase condominium units in the condominium and to lease, mortgage or convey the same, subject to the provisions of these Bylaws and the Declaration; and

(k) to appoint the members of the Architectural and Environmental Control Committee provided for in Article X of these Bylaws and to appoint the members of such other committees as the Board of Directors may from time to time designate.

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Section 4. Management Agent. The Board of Directors shall employ for the Council of Unit Owners a management agent or manager (the "Management Agent") at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize in writing. The Council of Unit Owners shall not undertake "self-management" or otherwise fail to employ a professional management agent or manager without the prior written approval of all of the institutional holders of all first mortgages on the condominium units in the condominium. Any management agreement entered into by the Council of Unit Owners shall provide, inter alia, that such agreement may be terminated for cause upon thirty (30) days written notice thereof. The term of any such management agreement shall not exceed one year; provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive one year periods.

Section 5. Election and Term of Office. The term of the Directors named herein shall expire when their successors have been elected at the first annual meeting of unit owners and are duly qualified. The election of Directors shall be by ballot, unless balloting is dispensed with by the unanimous consent of the unit owners present at any meeting, in person or by proxy. There shall be no cumulative voting. At the first annual meeting of the unit owners, the term of office of the Director receiving the greatest number of votes shall be fixed for two (2) years and the term of office of the other Director or Directors shall be fixed for one (1) year. Thereafter, the term of office of each director elected shall be three (3) years, except as provided in section 6 (relating to filling of vacancies) and except that at the annual meeting in calendar year 1983, the term of office shall be three (3) years in the case of one director, two (2) years in the case of a second director, and one (1) year in the case of a third director. If at any meeting the terms of office of directors to be elected vary--

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(a) the term of office of each candidate elected shall be

determined by the relative number of votes received by each of them, with the candidate receiving the greatest, second greatest, and (to the extent more than two (2) offices are to be filled at that meeting) third greatest, fourth greatest, and fifth greatest number of votes being elected, respectively, to the longest, second longest, third longest, fourth longest, and fifth longest terms of office to be filled;

- (b) if two (2) or more candidates receive the same number of votes, the length of the term of office of each one elected shall be determined by lot.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the membership shall be filled by vote of a majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected by the unit owners at the next annual meeting to serve out the unexpired portion of the term.

Section 7. Removal of Directors. At an annual meeting of unit owners, or at any special meeting duly called for such purpose (but only at or after the first annual meeting of unit owners, as hereinabove provided for) any Director may be removed with or without cause by the affirmative vote of the majority of the votes of the unit owners present and voting, in person or by proxy, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the unit owners shall be given an opportunity to be heard at the meeting. The term of any Director who becomes more than sixty (60) days delinquent in payment of any assessments or carrying charges due the Council of Unit Owners may be terminated by resolution of the remaining Directors and the remaining Directors shall appoint his successor as provided in this Article.

Section 8. Compensation. No compensation shall be paid to Directors for their services as Directors. After the first annual meeting of the unit owners, no remuneration shall be paid to any Director who is also a unit owner for services performed by him for the Council of Unit Owners in any other capacity unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors before such services are undertaken. Directors may be reimbursed for their actual out-of-pocket expenses necessarily incurred in connection with their services as Directors.

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Section 9. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, provided a majority of the whole Board of Directors shall be present at such first meeting.

Section 10. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least six (6) days prior to the day named for such meeting.

Section 11. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days notice of each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least one-third (1/3) of the Directors.

Section 12. Waiver of Notice. Before, at or after any meeting of the Board of Directors, any Director may, in writing, waive notice of any such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall be a waiver of notice by him of the time, place, and purpose thereof. If all the Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 13. Quorum. At all meetings of the Board of Directors a majority of the Directors present at any meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 14. Action Without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or

collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

Section 15. Rights of Mortgagees. Any institutional mortgagee of any condominium unit in the condominium who desires notice of the regular and special meetings of the Board of Directors shall notify the Secretary to that effect by Registered Mail - Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the regular and special meetings of the Board of Directors should be addressed. The Secretary of the Council of Unit Owners shall maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each regular or special meeting of the Board of Directors to each such institutional mortgagee, in the same manner, and subject to the same requirements and limitations, as are otherwise provided in this Article for notice to the members of the Board of Directors. Any such institutional mortgagee shall be entitled to designate a representative to attend any regular or special meeting of the Board of Directors and such representatives may participate in the discussion at any such meeting and may, upon his request made to the Chairman in advance of the meeting, address the members of the Board of Directors present at any such meeting. Such representative shall have no voting rights at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the Board of Directors upon request made in writing to the Secretary.

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Section 16. Fidelity Bonds. The Board of Directors shall require that all officers, Directors and employees of the Council of Unit Owners regularly handling or otherwise responsible for the funds of the Council of Unit Owners shall furnish adequate fidelity bonds or equivalent insurance against acts of dishonesty in accordance with the requirements of Article XI of these Bylaws. The premiums on such bonds or Insurance shall be paid by the Council of Unit Owners.

ARTICLE VI

Officers

Section 1. Designation. The principal officers of the Council of Unit Owners shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by the Board of Directors. Prior to the first annual meeting of unit owners, the officers of the Council

of Unit Owners need not be unit owners. The Directors may appoint an assistant secretary and an assistant treasurer and such other officers as in their judgment may be necessary. The offices of Secretary and Treasurer may be filled by the same person.

Section 2. Election of Officers. The officers of the Council of Unit Owners shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board of Directors.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Council of Unit Owners. He shall preside at all meetings of the unit owners and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in office of president of the corporation, including, but not limited to, the power to appoint such committees from among the unit owners from time to time as he may, in his discretion, decide are appropriate to assist in the conduct of the affairs of the Council of Unit Owners. The President shall count the votes at all meetings of the unit owners.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also assist the President generally and shall perform such other duties as shall from time to time be delegated to him by the Board of Directors.

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Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the unit owners for the recording of the resolutions of the Council of Unit Owners. The Secretary shall have notice of all annual and special meetings of the unit owners in conformity with the requirements of these Bylaws. The Secretary shall have custody of the seal of the Council of Unit Owners, if any. The Secretary shall have charge of the membership transfer books and of such other books and papers as the Board of Directors may direct and he shall, in general, perform all

of the duties incident to the office of Secretary.

Section 7. Treasurer. The Treasurer shall have responsibility for funds and securities of the Council of Unit Owners and shall be responsible for keeping, or causing to be kept, full and accurate accounts of all receipts and disbursements in books belonging to the Council of Unit Owners. He shall be responsible for causing the deposit of all monies and other valuable effects in the name, and to the credit, of the Council of Unit Owners in such depositories as may from time to time be designated by the Board of Directors.

ARTICLE VII

Liability and Indemnification of Officers and Directors

Section 1. Liability and Indemnification of Officers and Directors. The Council of Unit Owners shall indemnify every officer and Director of the Council of Unit Owners against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or Director in connection with any action, suit or other proceeding (including the settlement of any such suit or proceeding if approved by the then Board of Directors of the Council of Unit Owners) to which he may be made a party by reason of being or having been an officer or Director of the Council of Unit Owners, whether or not such person is an officer or Director of the Council of Unit Owners at the time such expenses are incurred. The officers and Directors of the Council of Unit Owners shall not be liable to the unit owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The officers and Directors of the Council of Unit Owners shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Council of Unit Owners or the condominium (except to the extent that such officers or Directors may also be owners of condominium units) and the Council of Unit Owners shall indemnify and forever hold each such officer and Director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall be in addition to and not exclusive of any other rights to which any officer or Directors of the Council of Unit owners, or former officer or Director of the Council of Unit Owners may be entitled.

Section 2. Common or Interested Directors. The Directors shall exercise their powers and duties in good

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faith and with a view to the interests of the Council of Unit Owners and the condominium. No contract or other transaction between the Council of Unit Owners and one or more of its Directors, or between the Council of Unit Owners and any corporation, firm or association (including the Declarant) in which one or more of the Directors of the Council of Unit Owners are directors or officers or are pecuniarily or otherwise interested, is either void or voidable because such Director or Directors are present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because his or their votes are counted for such purpose, if any of the conditions specified in any of the following subparagraphs exist:

- (a) the fact of the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof or noted in the minutes, and the Board of Directors authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or
- (b) the fact of the common directorate or interest is disclosed or known to the unit owners, or a majority thereof, and they approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or
- (c) the contract or transaction is commercially reasonable to the Council of Unit Owners at the time it is authorized, ratified, approved or executed.

Common or interested Directors may be counted in determining the presence of a quorum of any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote thereat to authorize any contract or transaction with like force and effect as if he were not such director or officer of such other corporation or not so interested.

ARTICLE VIII

Assessments and Carrying Charges for Common Expenses

Section 1. Annual Assessment for Expenses. Each unit owner shall pay to the Council of Unit Owners, in advance, for each month of each year, a sum equal to one-twelfth (1/12) of the total of the following amounts, as estimated by the Board of Directors:

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- (a) an amount to cover the expected cost of electricity furnished for that year to that unit, which amount (1)

shall be determined by applying the E-Rating formulated by the Leisure World of Maryland Corporation for or assigned by it to that unit or, if the Board of Directors so decides, shall be computed under any other method established by the Board that is reasonably designed to measure the expected use of electricity by that unit during that year, and (2) may include additional amounts with respect to any bonus or Florida room or other additional rooms of the unit or space therein;

- (b) an equal amount for each unit in the condominium to cover the cost of garbage and trash collection and of facilities and other services furnished for that year under the Leisure World of Maryland Trust Agreement of March 9, 1966 (recorded at Liber 3479, Folio 396, in the land records of Montgomery County, Maryland, as amended);
- (c) an amount equal to the unit owner's proportionate share (determined in accordance with the percentage interests in common expenses and common profits of the condominium set forth in Exhibit C attached to the Declaration) of the sum required to meet the other annual expenses of the condominium, including:
 - (1) the cost of necessary management and administration;
 - (2) the amount of all taxes and assessments levied against the Council of Unit Owners or upon any property which it may own or which it is otherwise required to pay;
 - (3) the cost of fire and extended liability insurance on the project and the cost of such other insurance as the Council of Unit Owners may secure;
 - (4) the cost of furnishing or securing water and sewer service, and (except to the extent included in clause (a) or (b) of this section) other services or utilities not separately metered or billed directly to the unit by the utility or other company;
 - (5) the cost of funding contributions to the "Paid-in-Surplus" account of the Council of Unit Owners and the cost of funding all reserves established by the Council of Unit Owners, or under such Trust Agreement of March 9, 1966 including, when appropriate, a general operating reserve and a

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reserve for replacement;

- (6) the estimated cost of repair, maintenance and replacement of the common elements of the condominium to be made by the Council of Unit Owners; and
- (7) the cost of all other operating expenses of the condominium and of other facilities and services furnished or secured by it (except to the extent included in clause (a) or (b) of this section).

The Board of Directors shall determine the amount of the assessments at least annually, but may do so at more frequent intervals should circumstances so require. Upon resolution of both the Board of Directors and the unit owners representing at least fifty-one percent (51%) of the total votes of the unit owners, installments of annual assessments may be levied and collected on a quarterly, semi-annual or annual basis rather than on the monthly basis hereinabove provided for.

The Board of Directors of the Council of Unit Owners shall make reasonable efforts to fix the amount of the assessment against each condominium unit for each annual assessment period at least thirty (30) days in advance of the commencement of such period and shall, at that time, prepare a roster of the condominium units and assessment applicable thereto which shall be kept in the office of the Council of Unit Owners and shall be open to inspection by the owner or mortgagee of any condominium unit, and by their respective duly authorized agents and attorneys, upon reasonable notice to the Board of Directors. Written notice of the assessments shall thereupon be sent to the unit owners. The omission of the Board of Directors, before the expiration of any annual assessment period, to fix assessments for that or the next such period shall not be deemed a waiver or modification in any respect of the provisions of this Article, or a release of any unit owner from the obligation to pay the assessment, or any installment thereof, for that or any subsequent assessment period; but the assessment fixed for the preceding period shall continue until a new assessment is fixed. No unit owner may exempt himself from liability of assessments or carrying charges by a waiver of the use or enjoyment of any of the common elements or by abandonment of any condominium unit belonging to him.

Section 2. Budget. The Board of Directors, with the assistance and counsel of the Management Agent, shall prepare and adopt a budget for each annual assessment period which shall include estimates of the funds required

by the Council of Unit Owners to meet its annual expenses and other amounts referred to in Section 1 of this Article for that period. The budget herein required to be prepared and adopted by the Board of Directors shall be in a format consistent with the classification of the accounts of the Council of Unit Owners as hereinafter in these Bylaws, provided for, and shall provide for sufficient estimates on a monthly basis, to permit comparison to and analysis of deviations from the various periodic reports of the actual results of operations and the actual financial condition of the Council of Unit Owners, on both a current basis and for prior corresponding periods, all in accordance with generally accepted accounting practices, consistently applied. Copies of the budget shall be available for examination by the unit owners and by their duly authorized agents and attorneys, and to the institutional holder of any first mortgage on any condominium unit in the condominium and by their duly authorized agents and attorneys during normal business hours for purposes reasonably related to their respective interests.

Amended
5/14/85
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Section 3. Special Assessments. In addition to the regular assessments authorized by this Article, the Council of Unit Owners may levy in any assessment year a special assessment or assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement located upon the condominium, including the necessary fixtures and personal property related thereto, or for such other purpose as the Board of Directors may consider appropriate; provided, however, that any such special assessment shall have the assent of the unit owners representing two-thirds (2/3) of the total votes of the Council of Unit Owners. A special meeting of the unit owners shall be duly called for this purpose.

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Section 4. Reserve for Replacements. The Council of Unit Owners shall establish and maintain a reserve fund for replacements by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Board of Directors. Such funds shall be conclusively deemed to be a common expense. Such funds shall be deposited in a special account with a lending institution the accounts of which are insured by an agency of any state or an agency of the United States of America or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, any state or the United States of America. The reserve for replacements may be expended only for the purpose of effecting the replacement of the common elements and equipment of the condominium and for start-up costs and

operating contingencies of a nonrecurring nature. The proportionate interest of any unit owner in any reserve for replacements and any other reserves established by the Council of Unit Owners shall be considered an appurtenance of his condominium unit and shall not be separately withdrawn, assigned or transferred or otherwise separated from the condominium unit to which it appertains and shall be deemed to be transferred with such condominium unit.

Section 5. Non-Payment of Assessments - Statement of Condominium Lien. Any assessment levied pursuant to the Declaration or these Bylaws, and any installment thereof, which is not paid on the date when due shall be delinquent and shall entitle the Council of Unit Owners to claim the amount of such assessment, together with interest thereon and the actual costs of collection thereof, as a lien on the condominium unit against which it is assessed; provided, however, that such lien shall be effective only after a Statement of Condominium Lien is recorded among the Land Records for Montgomery County, Maryland, stating the description of the condominium unit, the name of the unit owner of record, the amount due and the period for which the assessment is due. Any such Statement of Condominium Lien shall be in substantially the following form or as may otherwise be required by the Condominium Act:

STATEMENT OF CONDOMINIUM LIEN

This is to certify that _____ owner(s) of Unit No. _____ in "MUTUAL 18-CONDOMINIUM OF ROSSMOOR", (is) (are) indebted to the Council of Unit Owners in the amount of \$_____ as of _____, 19_____, for (his) (their) proportionate share of common expenses of the condominium for the period from _____, 19_____, to _____, 19_____, plus interest thereon at the rate of eight percent (8%), costs of collection and reasonable attorney's fees.

COUNCIL OF UNIT OWNERS OF
MUTUAL 18 CONDOMINIUM OF ROSSMOOR, INC.

By: _____
Officer's Title (or Agent)
Address
Telephone Number

I HEREBY AFFIRM under penalties of perjury that the information contained in the foregoing Statement of Condominium Lien is true and correct to the best of my knowledge, information and belief.

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The Statement of Condominium Lien shall be signed and verified as required in the Condominium Act by any officer of the Council of Unit Owners, or by the Management Agent or any duly authorized representative thereof, or by any agent, attorney or other person duly authorized by the Board of Directors of the Council of Unit Owners for such purpose.

Upon recordation of the Statement of Condominium Lien as aforesaid, the lien shall bind the condominium unit described in the statement of Condominium Lien in the hands of the unit owners, his heirs, devisees, personal representatives and assigns. The personal obligation of the unit owner to pay the assessment shall, however, remain his personal obligation for the statutory period and a suit to Recover a money judgment for non-payment of any assessment levied pursuant to the Declaration or these Bylaws, or any installment thereof, may be maintained without foreclosing or waiving the lien established by the statement of Condominium Lien to secure payment of such assessment. Upon full payment of the amount for which the lien is claimed, the unit owner shall be entitled to a recordable satisfaction of the lien.

Any assessment levied pursuant to the Declaration or these Bylaws, and any installment thereof, which is not paid when due may, upon resolution of the Board of Directors subject the unit owner obligated to pay the same to the payment of such penalty or "late charge" as the Board of Directors may fix an the Council of Unit Owners may bring an action at law against the unit owner personally obligated to pay the same or may, after the recordation of the Statement of Condominium Lien provided for in this Article and in the Condominium Act, foreclose the lien against the condominium unit or units then belonging to said unit owner in the same manner, and subject to the same requirements, now or hereafter provided for the foreclosure or mortgages or deeds of trust in the State of Maryland containing a power of sale or an assent to a decree; in either of which events interest at the rate of eight percent (8%) per annum, actual costs of collection and reasonable attorney's fees of not less than twenty percent (20%) of the sum claimed shall be added to the amount of each assessment. Suit for any deficiency following foreclosure may be maintained in the same proceeding. No suit may be brought to foreclose the lien except after ten (10) days' written notice to the unit owner given by registered mail - return receipt requested to the address of the unit owner shown on the roster of unit owners maintained by the Council of Unit Owners.

In the event any proceeding to foreclose the lien for any

assessment due the Council of Unit Owners pursuant to this Article is commenced with respect to any condominium unit or units in the condominium, then the owner of such condominium unit or units, upon resolution of the Board of Directors, may be required to pay a reasonable rental for such unit or units and the Council of Unit Owners shall be entitled to the appointment of a receiver to collect the same.

The Board of Directors may post a list of members who are delinquent in the payment of any assessment or other fees which may be due the Council of Unit Owners, including any installment thereof which becomes delinquent, in any prominent location within the condominium.

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Section 6. Priority of Lien. The lien established by the recordation of a Statement of Condominium Lien, as in this Article provided, shall have preference over any other assessments, liens, judgments or charges of whatever nature, except the following:

- (a) general and special assessments for ad valorem real estate taxes on the condominium unit; and
- (b) the lien of any bona fide deed of trust, mortgage or other encumbrance duly recorded on the condominium unit prior to the recordation of the statement of Condominium Lien, or duly recorded on the condominium after receipt by the holder of any such mortgage (or the holder of the indebtedness or note secured thereby) of a certificate or statement in writing signed by an officer or agent of the Council of Unit Owners stating the payments on account of all assessments levied by the Council of Unit Owners against the condominium unit were current as of the date of recordation of such deed of trust, mortgage instrument or other encumbrance.

The lien established by the recordation of a Statement of Condominium Lien as in this Article provided, shall be subordinate to the lien of any deed of trust, mortgage or other encumbrance duly recorded on the condominium unit and made in good faith and for value received; provided, however that such subordination shall apply only to assessments, and installments thereof, which have become due and payable prior to a sale or transfer of the condominium unit pursuant to a foreclosure or any deed, assignment, or other proceeding or arrangement in lieu of foreclosure. Any holder of any deed of trust, mortgage or other encumbrance duly recorded on the condominium unit and made in good faith and for value received who comes into

possession of the condominium unit pursuant to a foreclosure or any deed, assignment or other proceeding or arrangement in lieu of foreclosure, and any other purchaser at a foreclosure sale, shall take the condominium unit free of any claims for unpaid common expense assessments and carrying charges levied against the condominium unit which accrue prior to the time such holder comes into possession of the condominium unit or prior to the foreclosure sale, except for claims for proportionate share of such unpaid common expense assessments and carrying charges resulting from a reallocation of such unpaid common expense assessments or carrying charges among all of the condominium units in the condominium. Such foreclosure, deed, assignment or other proceeding or arrangement in lieu of foreclosure shall not relieve the mortgagee in possession or the purchaser at any foreclosure sale from any liability for any common expense assessments and carrying charges thereafter becoming due, or from the lien established by the recordation of a Statement of Condominium Lien with respect to any common expense assessments and carrying charges thereafter becoming due.

No amendment to this Section shall affect the rights of the holder of any such deed of trust, mortgage or other encumbrance recorded prior to the recordation of such amendment unless the holder of such deed of trust, mortgage or other encumbrance shall join in the execution of such amendment.

Section 7. Additional Rights of Mortgagees - Notice.

The Council of Unit Owners shall promptly notify the holder of the first mortgage on any condominium unit for which any assessment levied pursuant to the Declaration or these Bylaws, or any installment thereof, becomes delinquent for a period in excess of thirty (30) days and the Council of Unit Owners shall promptly notify the holder of the first mortgage on any condominium unit with respect to which any default in any provision of the Declaration or these Bylaws remains uncured for a period in excess of thirty (30) days following the date of such default. Any failure to give any such notice shall not affect the priorities established by this Article, the validity of any assessment levied pursuant to the Declaration or these Bylaws or the validity of any lien to secure the same.

No suit or other proceeding may be brought to foreclose the lien for any assessment levied pursuant to the Declaration or these Bylaws except after ten (10) days' written notice to the holder of the first mortgage on the condominium unit which is the subject matter of such suit or proceeding.

Section 8. Acceleration of Installments. Upon default in

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the payment of any one or more monthly installments of any assessment levied pursuant to the Declaration or these Bylaws, or any other installment thereof, the entire balance of said assessment may be accelerated at the option of the Board of Directors and be declared due and payable in full.

Section 9. Assessment Certificates. The Council of Unit Owners shall upon demand at any time, furnish to any unit owner liable for any assessment levied pursuant to the Declaration or these Bylaws (or any other party legitimately interested in the same) a certificate in writing signed by an officer or agent of the Council of Unit Owners, setting forth the status of said assessment, i.e., whether the same is paid or unpaid. Such certificate shall be conclusive evidence of the payment of any installment of any assessment therein stated to have been paid. A charge not to exceed Thirty Dollars (\$30.00) may be levied in advance by the Council of Unit Owners for each certificate so delivered, except that no charge shall be levied against any institutional mortgagee of any condominium unit in the condominium who requests such a certificate.

Section 10. Additional Default. Any recorded first mortgage secured on a condominium unit in the condominium shall provide that any default by the mortgagor in the payment of any assessment levied pursuant to the Declaration or these Bylaws, or any installment thereof, shall likewise be a default in such mortgage (or the indebtedness or rote secured thereby). Such mortgages shall also provided that, in the event of any default thereunder, the mortgagee shall have the right, at its option exercised by notice in writing to the mortgagor and the Secretary of the Council of Unit Owners, to cast the votes appurtenant to the condominium unit which is security for the repayment of the mortgage debt a" all meetings of the unit owners. Failure to include such provisions in any such mortgage shall not affect the validity or priority thereof and the protection extended to the holder of such mortgage (or the holder of the indebtedness or note secured thereby) by reason of the provisions of this Article shall not be altered, modified, or diminished by reason of any such failure.

ARTICLE IX

Use Restrictions

Section 1. Residential Use - Age Limitations, etc. Except for such condominium units as may be designated in the Declar-

ation or on the Condominium Plat for commercial or other non-residential purposes, if any, and except for such temporary non-residential uses as may be permitted by the Board of Directors from time to time, all condominium units shall be used for private residential purposes exclusively. Nothing in this Section, or hereinelsewhere, shall be construed to prohibit the Declarant from the use of any condominium units which the Declarant owns for promotional or display purposes, as "model apartments", a sales office or the like, or from leasing any unit or units which the Declarant owns except that Declarant shall nevertheless be bound by the provisions of Section 2 of this Article. No more than two (2) persons may permanently reside in any one-bedroom condominium unit, and no more than three (3) persons may permanently reside in any two-bedroom condominium unit without the prior written approval of the Board of Directors. It is the policy of this Mutual to provide housing for older persons. Implementation of this policy and other reasonable age restrictions on occupants or residents in the units of this Mutual shall be governed by rules established by the Board of Directors.

Amended
5/8/90
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Folio 871

Section 2. Leasing. No portion of any condominium unit (other than the entire unit) shall be leased for any period. Any owner of any condominium unit who shall lease such unit shall, promptly following the execution of any such lease, forward a conformed copy thereof to the Board of Directors. All leases shall be in writing. Any such lease shall contain a provision to the effect that the rights of the tenant to use and occupy the condominium unit shall be subject and subordinate in all respects to the provisions of the Declaration and these Bylaws and to such other reasonable rules and regulations relating to the use of the common elements, or other "house rules," as the Board of Directors may from time to time promulgate and shall provide further, that any failure by the tenant to comply with the provisions of such documents shall be a default under the lease. The provisions of this subsection shall not apply to any institutional first mortgagee of any condominium unit who comes into possession of the unit by reason of any remedies provided by law or in such mortgage or as a result of a foreclosure sale or other judicial sale or as a result of any proceeding, arrangement, assignment or deed in lieu of foreclosure. No condominium unit within the condominium shall be rented for transient or hotel purposes or, without the prior written approval of the Board of Directors, for any period less than three (3) months.

Section 3. Prohibited Uses and Nuisances. Except for the activities of the Declarant and its agents in connection with the construction of the condominium, and

except as may be reasonable and necessary in connection with the maintenance, improvement, repair or reconstruction of any portion of the condominium by the Declarant or the Council of Unit Owners.

- (a) no noxious or offensive trade or activity shall be carried on within the condominium or within any condominium unit, nor shall anything be done therein or thereon which may be or become an annoyance to the neighborhood or the other unit owners. No nuisances shall be permitted within the condominium, nor shall any use or practice be permitted which is or becomes a source of annoyance to the unit owners or which interferes with the peaceful use and possession thereof by the unit owners.
- (b) there shall be no obstruction of any of the common elements. Nothing shall be stored upon any of the common elements, excepting those areas designated for storage of personal property by the owner's of the condominium units.
- (c) nothing shall be done or maintained in any condominium unit or upon any of the common elements which will increase the rate of insurance on any condominium unit or the common elements, or result in the cancellation thereof, without the prior written approval of the Board of Directors. Nothing shall be done or maintained in any condominium unit or upon the common elements which would be in violation of any law. No waste shall be committed upon any of the common elements.
- (d) no structural alteration, construction, addition or removal of any condominium unit or the common elements shall be commenced or conducted except in strict accordance with the provisions of these Bylaws.
- (e) the maintenance, keeping, breeding, boarding and/or raising of animals, livestock, or poultry of any kind, regardless of number, shall be and is hereby prohibited within any condominium unit or upon any of the common elements, except that this shall not prohibit the keeping of a dog, cat or caged birds as domestic pets provided that they are not kept or maintained for commercial purposes or for breeding. Pets shall not be permitted upon the general common elements of the condominium unless accompanied by an adult and unless they are carried or leashed. Any unit owner who keeps or maintains any pet condominium shall be deemed to have indemnified and agreed to hold the Council of Unit Owners, each of the unit owners and

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the Declarant and Management Agent free and harmless from any loss, claim or liability of any kind or character arising by reason of keeping or maintaining such pet within the condominium. All pets shall be registered with the Board of Directors and shall otherwise be registered and inoculated as required by law. The Board of Directors shall have the right to order any person whose pet is a nuisance, to remove such pet from the premises and the Board of Directors, after affording the right to a hearing to the unit owner affected, shall have the exclusive authority to declare any pet a nuisance.

- (f) except for such signs as may be posted by the Declarant or the Council of Unit Owners for promotional or marketing purposes, traffic control or the like, no signs of any character shall be erected, posted or displayed upon, in, from, or about any condominium unit or the common elements without the prior consent in writing of the Board of Directors and under such conditions as they may establish. The provisions of this subsection shall not be applicable to the institutional holder of any first mortgage which comes into possession of any condominium unit by reason of any remedies provided by law or in such mortgage or as a result of a foreclosure sale or other judicial sale or other proceeding, arrangement, assignment or deed in lieu of foreclosure.
- (g) except as hereinelsewhere provided, no junk vehicle or other vehicle on which current registration plates are not displayed, trailer, truck, camper, camp truck, house trailer, boat or the like shall be kept upon any of the general common elements, nor shall the repair or extraordinary maintenance or automobiles or other vehicles be carried out on any of the common elements or within or upon any condominium unit.
- (h) except as hereinelsewhere provided, no part of the common elements shall be used for commercial activities of any character. This subsection shall not apply to the use of the common elements and of condominium unit by the Declarant for display, marketing, promotional or sales purposes or as "model" condominium units.
- (i) no burning of any trash and no unreasonable or unsightly accumulation or storage of litter, new or used building materials, or trash of any other kind shall be permitted within any condominium unit or upon any of the common elements. Trash and garbage containers shall not be permitted to remain in public view,

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except on days of collection. All refuse shall be deposited with care in containers or trash chutes designated for such purpose during such hours as may from time to time be designated by the Board of Directors.

- (j) no structure of temporary character, trailer, tent, shack, barn or other outbuilding shall be maintained upon any common elements at any time. Outdoor clothes dryers or clothes lines shall not be maintained upon any of the common elements at any time. No clothing, laundry, or the like shall be hung from any part of any condominium unit or upon any of the common elements or from or upon any balcony or patio.
- (k) no outside television or radio aerial or antenna, or other aerial or antenna, for reception or transmission, shall be maintained upon any condominium unit or upon any of the common elements without the prior written consent of the Board of Directors.
- (l) nothing shall be stored upon any balcony or patio, nor shall the cooking or preparation of food be permitted upon any balcony or upon any portion of the general common elements of the project, except with the consent of the Board of Directors.
- (m) no unlawful use shall be made of any condominium unit or any portion of the common elements and all laws, zoning and other ordinances, regulations of governmental and other municipal bodies and the like shall be observed at all times.
- (n) no unit owner shall engage or direct any employee of the Council of Unit Owners or the Management Agent on any private business of the unit owner during the hours such employee is employed by the Council of Unit Owners or the Management Agent nor shall any member direct, supervise or in any manner attempt to assert control over any such employee.
- (o) there shall be no violation of any rules for the use of the common elements, or other "house rules" which may from time to time be adopted by the Board of Directors and promulgated among the unit owners by them in writing, and the Board of Directors is hereby and elsewhere in these Bylaws authorized to adopt and promulgate such rules. The procedures and other provisions of section 11-111 of the Real Property Article of the Annotated Code of Maryland do not apply to the adoption, amendment or repeal of rules by the Board

Amended
5/11/82
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of Directors. Instead, the Board shall send (which, for purposes of this section, means mail or otherwise deliver) to each unit and lessee (if any) of a unit of the Condominium, a copy of any proposal for the adoption, repeal, or amendment of any rule, together with the text of the rule or amendment and with notice of the date by which the recipients may comment in writing. That date may not be less than 15 days after the date the notice is sent. After considering any such comments, the Board shall act to adopt the proposal with any modifications it may determine, or to withdraw it. The Board shall send to all unit owners and lessees a report of its action, including (except in the case of withdrawal of the proposal) the text of any rule or amendment it adopts. The report shall also specify an effective date for the rule, repeal or amendment to which it relates, which effective date may not be less than 10 days after the date on which the report is sent.

Section 3A. Enforcement of Rules. The provisions of subsection (b) of section 11-113 of the Real Property Article of the Annotated Code of Maryland (relating to imposition of fines and other penalties for violation of rules) do not apply to enforcement of the house rules or other rules of the Board of Directors. Instead, if the Board of Directors decides that any of its rules may have been violated:

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(a) It shall send (which, for purposes of this section, means mail or otherwise deliver) to the alleged violator written demand to cease the alleged violation which shall -

(1) state the alleged violation;

(2) state the action required

(3) (i) if the violation is a continuing one, specify a time period of not less than 10 days during which the violation may be abated without sanction, and the sanctions that may be imposed if it is not so abated, or

(ii) if the violation is not a continuing one, state the sanctions that may be imposed for the violation or state that any further violation of the same rule may result in imposition of sanctions, and what the sanctions are that may be imposed.

(b) Within twelve (12) months of the demand if the violation

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continues past the period allowed for abatement without abatement without penalty, or if the same rule is violated subsequently or if the Board proposed to impose any sanctions for a violation that has occurred, the Board shall send to the alleged violator a written notice of an opportunity for a hearing, to be held by the Board containing:

- (1) a description of the alleged violation or violations;
 - (2) the place of the hearing and its time (which may not be less than 10 days after the date of the notice is sent); and
 - (3) the sanctions that may be imposed.
- (c) At the hearing the alleged violator shall (1) be informed of the evidence of the alleged violations, and (2) be given an opportunity to explain or justify the alleged violation or to present evidence as to its nonexistence. Within 15 days after the date on which the hearing ends (or within 15 days after the date set for the hearing if the alleged violator does not take advantage of the opportunity for a hearing), the Board shall render a decision on the alleged violation and shall promptly send a copy thereof to all parties to the proceedings.
- (d) The owner of a unit and its lessee (if any) shall each be treated as a full party to proceedings under this section even though such owner or such lessee is not the alleged violator, but only if the alleged violator has, at the time of the alleged violation that is the subject of such proceedings, an occupant of that unit or a guest of the owner, lessee, or other occupant of the unit.
- (e) If the Board's decision under this section is against the alleged violator, the Board may take any one or more of the following actions against any persons: impose a fine on, assess damages against, suspend the voting privileges of, or otherwise limit the rights of the alleged violator and (if different) the owner, lessee or other occupant of a unit, but only if the alleged violator was, at the time of the alleged violation that is the subject of the proceedings under this section, an occupant of that unit or a guest of such owner, lessee, or other occupant. In addition, the legal remedies specified in subsection (c) of section 11-113 of the Real Property Article of the Annotated Code of Maryland (relating to law suits

because of noncompliance with law, Declaration, Bylaws, or a decision under that section) apply to any such decision of the Board to the same extent as they apply to decisions under that section.

Section 4. Drapery Liners. In order to preserve the harmony of the exterior design of the building, the Board of Directors shall have the authority to require that all drapery liners shall be of a uniform color and material as selected, from time to time, by the Board of Directors. Drapery liners installed in any condominium unit shall be maintained and periodically replaced at the expense of the owner of such unit and not at common expense.

ARTICLE X

Architectural Control

Section 1. Architectural and Environmental Control Committee. Liber 5001
Except for the construction of the condominium by the Folio 173
Declarant or its agents and any improvements to any condominium unit or to the common elements accomplished concurrently with said original construction, and except for purposes of proper maintenance and repair or as otherwise in the Condominium Act or these Bylaws provided, it shall be prohibited for any unit owner to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, remove or construct any lighting, shades, screens, awning, patio covers, decorations, fences, walls, aerials, antennas, radio or television broadcasting or receiving devices, slabs, sidewalks, curbs, gutters, patios, balconies, porches, driveways, walls or to make any change or otherwise alter (including any alteration in color) in any manner whatsoever the exterior of any condominium unit or upon any of the common elements within the project or to combine or otherwise join two or more condominium unit, or to partition the same after combination, or to remove or alter any window or exterior doors of any condominium unit, or to make any change or alteration within any condominium unit which will alter the structural integrity of any building or otherwise affect the property, interest, or welfare of any other unit owner, materially increase the cost of operating or insuring the condominium or impair any easement, until the complete plans and specifications, showing location, nature, shape, change (including, without limitation, any other information specified by the board of Directors or its designated committee) shall have been submitted to and approved in writing as to safety, the effect of any such alterations on the costs of maintaining and insuring the condominium and harmony of design, color and location in relation to surrounding structures and topography, by the Board of Directors of the Council of

Unit Owners, or by an Architectural and Environmental Control Committee designated by the Board of Directors. In

any case to which Section 8 applies, such approval by the Board of Directors shall be conditioned upon meeting the requirements of that section.

Amended
5/8/84
Liber 6458
Folio 274

Section 2. Architectural and Environmental Control Committee -Operation. The Architectural and Environmental Control Committee shall be composed of an uneven number of three (3) or more natural persons designated from time to time by the Board of Directors of the Council of Unit Owners and such persons shall serve at the pleasure of the Board of Directors. In the event the Board of Directors fails to appoint an Architectural and Environmental Control Committee, then the Board of Directors shall constitute the committee. The affirmative vote of a majority of the members of the Architectural and Environmental Control Committee shall be required in order to adopt or promulgate any rule or regulation, or to make any finding, determination, ruling or order or to issue any permit, consent, authorization, approval or the like pursuant to the authority contained in his Article.

Section 3. Approvals, etc. Upon approval of the Architectural and Environmental Control Committee of any plans and specifications submitted pursuant to the provisions of this Article, a copy of such plans and specifications, as approved, shall be deposited among the permanent records of such Committee and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. In the event the Architectural and Environmental Control Committee fails to approve or disapprove any plans and specifications which may be submitted to it pursuant to the provisions of this Article within sixty (60) days after such plans and specifications (and all other materials and information required by the Architectural and Environmental Control Committee) may have been submitted to it in writing, then approval will not be required and this Article will be deemed to have been fully complied with.

Section 4. Limitations. Construction or alterations in accordance with plans and specification approved by the Architectural and Environmental Control Committee pursuant to the provisions of this Article shall be commenced within six (6) months following the date upon which the same are approved by the Architectural and Environmental Control Committee (whether by affirmative action or by forbearance from action, as in Section 3 of this Article provided), and shall be substantially completed within twelve (12) months following the date of commencement, or within such longer

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period as the Architectural and Environmental Control Committee shall specify in its approval. In the event construction is not commenced within the period aforesaid, then approval of the plans and specifications by the Architectural and Environmental Control Committee shall be conclusively deemed to have lapsed and compliance with the provisions of this Article shall again be required. There shall be no deviations from plans and specifications approved by the Architectural and Environmental Control Committee without the prior consent in writing of the Architectural and Environmental Control Committee. Approval of any particular plans and specifications or design shall not be construed as a waiver of the right of the Architectural and Environmental Control Committee to disapprove such plans and specifications, or any elements or features thereof, in the event such plans and specifications are subsequently submitted for use in any other instance.

Section 5. Certificate of Compliance. Upon the completion of any construction or alteration or other improvements or structure in accordance with plans and specifications approved by the Architectural and Environmental Control Committee in accordance with the provisions of this Article, the Architectural and Environmental Control Committee shall, at the request of the owner thereof, issue a certificate of compliance which shall be prima facie evidence that such construction, alteration, or other improvements referenced in such certificate have been approved by the Architectural and Environmental Control Committee and construct compliance with the provisions of other provisions and requirements applicable.

Section 6. Rules and Regulations. The Architectural and Environmental Control Committee may from time to time adopt and promulgate such rules and regulations regarding the form and content of plans and specifications to be submitted for approval and may publish such statements of policy, standards, guidelines, and establish such criteria relative to architectural style, or details, or other related matters, as it may consider necessary or appropriate. No such rules, regulations, statements, criteria or the like shall be construed as a waiver of the provisions of this Article or any other provision or requirement of these Bylaws. The Architectural and Environmental Control Committee may charge and collect a reasonable fee for the examination of any plans and specifications submitted for approval pursuant to the provisions of this Article. The decisions of the Architectural and Environmental Control Committee shall be final except that any unit owner who is aggrieved by any

action or forbearance from action by the Architectural and Environmental Control Committee may appeal the decision of the Architectural and Environmental Control Committee to the Board of Directors of the Council of Unit Owners and, upon the request of such unit owner, shall be entitled to a hearing before the Board of Directors.

Section 7. Additions, Alterations or Improvements
by Board of Directors. Except in cases of bona fide emergencies involving manifest danger to life, safety or property, or the interruption of essential services to the condominium, whenever in the judgment of the Board of Directors the common elements of the condominium shall require additions, alterations, or improvements requiring the expenditure of funds of the Council of Unit Owners in excess of Twenty-five Thousand and ***No/100 Dollars (\$25,000), such additions, alterations or improvements shall not be made until the same shall have been approved by (a) unit owners representing a majority of the total votes of the Council of Unit Owners at a meeting of the such purpose; and (b) the institutional holder of any mortgages or other obligations secured by any condominium unit or units in the aggregate principal sum of more than \$150,000.00, which approval shall be in writing.

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Section 8. Easements.

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(a) Granting and Recording of Easements, Rights-of-Way, Licenses, and Similar Interests Affecting Common Elements. An easement, right-of-way, license, or any similar interest affecting a portion of the general common elements of the condominium which abut the unit of a unit owner may be granted if the grant is approved by the affirmative vote of unit owners having sixty-six and two-thirds (66 2/3) percent or more of the votes, and with the express written consent of the mortgages holding an interest in those units as to which the unit owners vote affirmatively. Any grant so approved by the unit owners and consented to by the corresponding mortgages shall be registered with and entered into the Land Records for Montgomery County.

(b) Procedure for Securing Approval.

(1) Voting. The voting of the unit owners for the purposes of this section may be by ballot delivered to unit owners by mail or otherwise or by ballot at a special or regular meeting of the Council of Unit Owners.

(2) Written Consent of Mortgagees. If the grant is so approved by the required sixty-six and two-

thirds of the votes, then the Board shall mail to the mortgages holding an interest in those units the owners of which voted affirmatively a request for written consent to the granting of the easement.

(c) Allocation of Costs. Any unit owner applying for an easement under this Section shall pay for any costs incurred by the Board in processing the application, including the costs of:

- (1) Preparing and tabulating the ballots and other necessary materials.
- (2) (A) Conducting the balloting by mail or
(B) The meeting at which the balloting is conducted; except that if the meeting is a regular meeting of the Council of Unit Owners or is a special meeting called for other purposes as well, only the additional costs of the meeting attributable to the balloting under this section may be included.
- (3) Legal services.
- (4) Recording and fees or charges.
- (5) Securing mortgagee consent.
- (6) Secretarial services and postage.

(d) Statement. Any such easement, right-of-way, license, or similar interest shall state that the grant thereof was approved by unit owners having at least sixty-six and two-thirds (66 2/3) percent of the votes and by the corresponding mortgages, and certification to that effect shall be included with any documents relating to the grant of such an interest which are recorded in the Land Records of Montgomery County.

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ARTICLE XI

Insurance

Section 1. Insurance. The Board of Directors of the Council of Unit Owners shall obtain and maintain to the extent reasonably available, at least the following:

- (a) casualty or physical damage insurance in an amount equal to the full replacement value (i.e., 100% of

"replacement cost" exclusive of land, foundation and excavation) of the condominium (including all building service equipment and the like) with an "Agreed Amount Endorsement" or its an "Increased Cost of Construction Endorsement" or its equivalent, a "Demolition Endorsement" or its equivalent, an "Increased Cost of Construction Endorsement" or its equivalent, and a "Contingent Liability from Operation of Building Laws Endorsement" or its equivalent, without deduction or allowance for depreciation, as determined annually by the Board of Directors with the assistance of the insurance company affording such coverage), such coverage to afford protection at least:

- (i) loss or damage by fire and other hazards covered by the standard extended coverage endorsement; and
 - (ii) such other risks as shall customarily be covered with respect to projects similar in construction, location and use, including, but not limited to, sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage, boiler and machinery explosion or damage, and such other insurance as the Board of Directors may from time to time determine; and
- (b) public liability insurance with a "Severability of Interest Endorsement" or its equivalent in such amounts and in such forms as may be considered appropriate by the Board of Directors (but not less than One Million and ***No/100 Dollars (\$1,000,000.00) covering all claims for bodily injuries and/or property damage arising out of a single occurrence), including, but not limited to, water damage liability, legal liability, hired automobile liability, non-owned automobile liability, liability for property of others, elevator collision, garage keeper's liability, and such other risks as shall customarily be covered with respect to projects similar in construction, location and use, including any and all other liability incident to the ownership and use of the condominium or any portion thereof.
- (c) workmen's compensation insurance to the extent necessary to comply with any applicable law; and
- (d) a "Legal Expense Indemnity Endorsement", or its equivalent affording protection for the officers and Directors of the Council of Unit Owners for expenses

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and fees incurred by any of them in defending any suit or settling any claim judgment or cause of action to which any such officer or Director shall have been made a party by reason of his or her services as such; and

(e) such other policies of insurance, including insurance for other risks of a similar or dissimilar nature and fidelity coverage as required by Section 16 of Article V of these Bylaws, as are or shall hereafter be considered appropriate by the Board of Directors. The Board of Directors shall maintain adequate fidelity coverage to protect against dishonest acts on the part of officers and Directors of the Council of Unit Owners, trustees for the Council of Unit Owners and such employees and agents of the Council of Unit Owners who handle or are responsible for the handling of funds of the Council of Unit Owners. Such fidelity coverage shall meet the following requirements:

(i) all such fidelity bonds and policies of insurance shall name the Council of Unit Owners as obligee or named insured, as the circumstances may require; and

(ii) all such fidelity bonds and policies of insurance shall be written in an amount equal to at least one hundred fifty percent (150%) of the estimated annual operating budget of the condominium, including reserves; and

(iii) all such fidelity bonds and policies of insurance shall contain waivers off any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression; and

(iv) all such fidelity bonds and insurance shall provide that they may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days prior written notice to any and all obliges and insureds named thereon and to any mortgagee of any condominium unit who requests such notice in writing.

Section 2. Limitations. Any insurance obtained pursuant to the requirements of this Article shall be subject to the following provisions:

(a) all policies shall be written or reinsured with a company or companies licensed to do business in the

State where the condominium is located and holding a rating of "A+AAAA" or better in the current edition of Best's Insurance Guide.

- (b) exclusive authority to negotiate losses under said policies shall be vested in the Board of Directors of the Council of Unit Owners, as trustee for the owners of the condominium units, or its authorized representative, including any trustee with which the Council of Unit Owners may enter into any Insurance Trust Agreement, or any successor trustee, each of which shall be hereinelsewhere referred to as the "Insurance Trustee."
- (c) in no event shall the insurance coverage obtained and maintained pursuant to the requirements of this Article be brought into contribution with insurance purchased by the owners of the condominium units or their mortgagees, as herein permitted, and any "no other insurance" or similar clause in any policy obtained by the Council of Unit Owners pursuant to the requirements of this Article shall exclude such policies from consideration.
- (d) such policies shall contain no provision relieving the insurer from liability because of loss occurring while the hazard is increased in the building whether or not within the control or knowledge of the Board of Directors and shall contain no provision relieving the insurer from liability by reason of any breach of warranty or condition caused by the Board of Directors or any owner of any condominium unit, or their respective agents, employees, tenants, mortgages, or invitees or by reason of any act of neglect or negligence on the part of any of them.
- (e) all policies shall provided that such policies may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days prior written notice to any and all insureds named thereon, including any and all mortgages of the condominium units.
- (f) all policies of casualty insurance shall provide that, notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the prior written approval of the Board of Directors (for an Insurance Trustee) or when in conflict with the provisions of any Insurance Trust Agreement to which the Council of Unit Owners may be a party, these Bylaws or the provisions of the

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Condominium Act.

- (g) all policies shall contain a waiver of subrogation by the insurer as to any and all claims against the Council of Unit Owners, the Board of Directors, the owner of any condominium unit and their respective agent, employees or tenants, and of any defenses based upon co-insurance or invalidity arising from the acts of the insured.
- (h) all policies of casualty insurance shall contain the standard mortgagee clause except that any loss or losses payable to named mortgages shall be payable in the manner set forth in Article XII of these Bylaws. Such mortgagee clause shall provide for notice in writing to the mortgagee of any loss paid as aforesaid.

Section 3. Individual Policies - Recommendation of Declarant - Notice to Board of Directors. The owner of any condominium unit (including the holder of any mortgage thereon) may obtain additional insurance (including a "Condominium Unit-Owner's Endorsement" or its equivalent, for improvements and betterments to the condominium unit made or acquired at the expense of the owner) at his own expense. Such insurance shall be written by the same carrier as that purchased by the Board of Directors pursuant to this Article or shall provide that it shall be without contribution as against the same. Such insurance shall contain the same waiver of subrogation provision as that set forth in Section 2(g) of this Article. The Declarant recommends that each owner of a condominium unit in the condominium obtain, in addition to the insurance hereinabove provided to be obtained by the Board of Directors, a plateglass damage policy and a "Tenant's Homeowners Policy" or its equivalent, to insure against loss or damage to personal property used or incidental to the occupancy of the condominium unit, additional living expense, vandalism or malicious mischief, theft, personal liability or the like. Such later policy should include a "Condominium Unit-Owner's Endorsement", or its equivalent covering losses to improvements and betterments to the condominium unit made or acquired at the expense of the unit owner. Copies of all such policies shall be filed with the Secretary.

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The owner of any condominium unit shall notify the Board of Directors in writing of any and all improvements and betterments made to the condominium unit the (expense of such unit owners, the value of which is in excess of One Thousand and ***No/100 Dollars (\$1,000.00).

Section 4. Endorsements, etc. The Board of Directors, at

the request of any owner of any condominium unit in the condominium or at the request of the mortgagee of any such condominium unit, shall promptly obtain and forward to such owner of mortgagee (a) an endorsement to any of the policies aforementioned in this Article showing the interest of such unit owner or mortgagee as it may appear; and (b) certificates of insurance relating to any such policies; and (c) copies of any such policies, certified by the insurer or its duly authorized agent.

ARTICLE XII

Casualty Damage - Reconstruction or Repair

Section 1. Use of Insurance Proceeds. In the event of damage or destruction to the condominium by fire or other casualty, the same shall be promptly repaired or (reconstructed in substantial conformity with the original plans and specifications for the condominium with the proceeds of Insurance available for that purpose, if any.

Section 2. Proceeds Insufficient. In the event that the proceeds of insurance are not sufficient to repair damage or destruction by fire or other casualty, or in the event such damage or destruction is caused by any casualty not insured against, then the repair or reconstruction of the damage shall be accomplished promptly by the Council of Unit Owners at its common expense, pursuant and subject to such conditions and subject to such controls as the mortgagee, as defined in Section 4 of this Article, may require. The ratable share of the expense of such repairs of reconstruction may be assessed and, in the event any Statement of Condominium Lien is recorded with respect to any such assessments, then the lien shall have all the priorities provided for in Article VIII of these Bylaws. In the event that the proceeds of casualty insurance are paid to any Insurance Trustee pursuant to the requirements of Section 4 of this Article, then all funds collected from the unit owners of the condominium units pursuant to this Section 2 shall be disbursed by such Insurance Trustee in accordance with the provisions of Section 4 of this Article.

Section 3. Restoration Not Required. In the event the condominium is damaged or destroyed by fire or other casualty to the extent of two-thirds (2/3) of the full replacement value of the condominium, as estimated by the Board of Directors and the insurer pursuant to the requirements of Section 1(a) of Article XII of these Bylaws for the period during which such loss was sustained, and the unit owners do not promptly and unanimously resolve to proceed with repair and reconstruction, then and in that

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event the condominium shall be deemed to be owned in common by the owners of all of the condominium units in the same proportion as that established in the Declaration for ownership of appurtenant undivided interests in the common elements and the condominium shall be subject to an action for partition at the suit of the owner of any condominium unit, in which event the net proceeds of sale, together with the net proceeds of any insurance paid to the Council of Unit Owners or the unit owners in common, shall be considered as one fund and shall be divided among the owners of all of the condominium units in the same proportion as that established in the Declaration for ownership of appurtenant undivided interests in the common elements, after first paying out of the share of the owner of any condominium unit, to the extent such payment is required by any lienor and to the extent such share is sufficient for the purpose, all liens upon said condominium unit in of interests in each unit.

Section 4. Insurance Trustee. In the event the cost of reconstruction or repair (as estimated by the Board of Directors) shall exceed an amount equal to two and one-half percent (2-1/2%) of the full replacement value of the condominium as estimated by the Board of Directors and the insurer pursuant to the requirements of Section 1(a) of Article XII of these Bylaws for the period during which such loss was sustained, and the institutional holder or holders of any mortgages or other obligations secured by any condominium unit or units in the aggregate principal sum of more than \$150,000.00 (hereinafter in this Section 4 called the "mortgagee") shall so require, all proceeds of insurance shall be paid over to a trust company or bank (the "Insurance Trustee") having trust powers and authorized to engage in trust business in the jurisdiction wherein the condominium is located, selected by the Board of Directors with the approval of the mortgagee and shall be paid out from time to time as the reconstruction or repair progresses in accordance with the provisions of an Insurance Agent Agreement satisfactory in form and substance to the mortgagee and which shall contain, inter alia, the following provisions:

- (a) the reconstruction or repair shall be in the charge of an architect or engineer, who may be an employee of the Council of Unit Owners, satisfactory to the mortgagee, and hereinafter in this Section 4 called the "architect."
- (b) prior to the commencement of the reconstruction or repair, other than such work as may be necessary to protect the condominium from further damage, the mortgagee shall have approved the plans and

specifications for such reconstruction or repair, which approval shall not be unreasonably withheld or delayed.

- (c) unless otherwise required by the mortgagee, each request for an advance of the proceeds of insurance shall be made to the mortgagee at least ten (10) days prior to delivery to the Insurance Trustee and shall be accompanied by a certificate from the architect to the effect that (i) all work then completed has been performed in accordance with the plans and specifications and all building codes or similar governmental requirements; and (ii) the amount requested to be advanced is required to reimburse the Council of Unit Owners for payments previously made by the Council of Unit Owners or is due to the contractors responsible for the restoration or repair, or to subcontractors, materialmen, laborers, engineers, architects, or to other persons responsible for services or materials in connection with such restoration or repair, or for fees or the license necessarily incurred in connection with the same; and (iii) when added to amounts previously advanced by the Insurance Trustee, the amount requested to be advanced does not undreasonably exceed the value of the work done and materials delivered to the date of such request; and (iv) funds remaining available to the Insurance Trustee for the purpose or sufficient to complete the reconstruction or repair.
- (d) each request for an advance of the proceeds of insurance shall, if required by the mortgagee, be accompanied by satisfactory waivers of liens covering that portion of the repair or reconstruction for which payment of reimbursement is being requested, together with appropriate evidence from a title insurance company or the like to the effect that there has not been filed with respect to the condominium any mechanic's or other lien, or notice of intention to file the same, which has not been dismissed or satisfied of record.
- (e) the fees and expenses of the Insurance Trustee, as agreed upon by the Board of Directors and the Insurance Trustee, shall be paid by the Council of Unit Owners as common expense, and such fees and expenses may be deducted from any insurance proceeds in the hands of the Insurance Trustee, pro rata as the reconstruction or repair progresses.
- (f) such other provisions not inconsistent with the provisions hereof as the Board of Directors, the Insurance Trustee or the mortgagee may reasonably

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require.

Upon completion of the reconstruction or repair and payment in full of all amounts due on account thereof, any proceeds of insurance then in the hands of the Insurance Trustee shall be paid to the Council of Unit Owners and shall be considered as one fund and shall be divided among the owners of all of the condominium units in the same proportion as that established in the Declaration for ownership of appurtenant undivided interests in the common elements, after first paying out of the share of the owner of any condominium unit, to the extent such payment is required by any lienor and to the extent the same is sufficient for the purpose, all liens upon said condominium unit in accordance with the priority of interest in each unit.

ARTICLE XIII

Fiscal Management

Section 1. Fiscal Year. The fiscal year of the Council of Unit Owners shall begin on the first day of January every year, except for the first fiscal year of the Council of Unit Owners which shall begin at the date of recordation of the Declaration among the Land Records for Montgomery County, Maryland. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should the practice of the Council of Unit Owners subsequently dictate.

Section 2. Principal Office - Change of Same. The principal office of the Council of Unit Owners shall be as set forth in Article 1 of these Bylaws. The Board of Directors by appropriate resolution, shall have the authority to change the location of the principal office of the Council of Unit Owners from time to time; provided, however, that no such change shall become effective until a certificate evidencing such change shall have been made by the Secretary or any Assistant Secretary of the Council of Unit Owners and recorded, in the name of the Council of Unit Owners, among the Land Records for the jurisdiction where the Declaration is originally recorded.

Section 3. Books and Accounts. Books and accounts of the Council of Unit Owners shall be kept under the direction of the Treasurer in accordance with generally accepted accounting practices, consistently applied. The same shall include books with detailed accounts, in chronological order, of receipts and of the expenditures and other transactions of the Council of Unit Owners and its administration and shall specify the maintenance and repair

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expenses of the common elements of the condominium, services provided with respect to the same and any other expenses incurred by the Council of Unit Owners. The amount of any assessment required for payment of any capital expenditures or reserves of the Council of Unit Owners shall be credited upon the books of the Council of Unit Owners to the "Paid-in-Surplus" account as a capital contribution by the members. The receipts and expenditures of the Council of Unit Owners shall be credited and charged to other accounts under at least the following classifications:

- (a) "Current Operations" which shall involve the control of actual expenses of the Council of Unit Owners, including reasonable allowances for necessary contingencies and working capital funds in relation to the assessments and expenses hereinelsewhere provided for; and
- (b) "Reserves for Deferred Maintenance" which shall involve the control of monthly funding and maintenance of such deferred maintenance costs and reserves as are approved by the Board of Directors from time to time; and
- (c) "Reserves for Replacement" which shall involve the control of such reserves for replacement as are provided for in these Bylaws and as may from time to time be approved by the Board of Directors; and
- (d) "Other Reserves" which shall involve the control over funding and charges against any other reserve funds which may from time to time be approved by the Board of Directors; and
- (e) "Investments" which shall involve the control over investment of reserve funds and other funds as may be deemed suitable for investment on a temporary basis by the Board of Directors; and
- (f) "Betterments" which shall involve the control over funds to be used for the purpose of defraying the cost of any construction or reconstruction, unanticipated repair or replacement of a described capital improvement and for expenditures for additional capital improvements or personal property made of acquired by the Council of Unit Owners with the approval of the Board of Directors.

Section 4. Auditing. At the close of each fiscal year, the books and records of the Council of Unit Owners shall be audited by an independent Certified Public Accountant

whose report shall be prepared and certified in accordance with generally accepted auditing standards, consistently applied. Based upon such report, the Council of Unit Owners shall furnish the unit owners and any mortgagee requesting the same with an annual financial statement, including the income and disbursements of the Council of Unit Owners, within ninety (90) days following the end of each fiscal year.

Section 5. Inspection of Books. The books and accounts of the Council of Unit Owners, vouchers accrediting the entries made thereupon and all other records maintained by the Council of Unit Owners shall be available for examination by the unit owners and their duly authorized agents or attorneys, and to the institutional holder of any first mortgage on any condominium unit and its duly authorized agents or attorneys, during normal business hours and for purposes reasonably related to their respective interests and after reasonable notice.

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Section 6. Execution of Corporate Documents. With the prior authorization of the Board of Directors, all notes and contracts shall be executed on behalf of the Council of Unit Owners by either the President or a Vice President, and all checks shall be executed on behalf of the Council of Unit owners by such officers, agents, or other persons as are from time to time so authorized by the Board of Directors.

Section 7. Seal. The Board of Directors may provide a suitable corporate seal containing the name of the Council of Unit Owners, which seal shall be in the charge of the Secretary. If so directed by the Board of Directors, a duplicate seal may be kept and used by the Treasurer or any assistant secretary or assistant treasurer.

ARTICLE XIV

Physical Management

Section 1. Management and Common Expenses. The Council of Unit Owners, acting by and through its Board of Directors, shall manage, operate and maintain the condominium and, for the benefit of the condominium units and the unit owners, shall enforce the provisions hereof and shall pay the cost of managing, operating and maintaining the condominium, including, without limitation, the following:

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- (a) the cost of providing water, sewer, garbage, and trash collection, and electrical, gas, and other necessary utility services for the common elements and, to the

extent that the same are not separately metered or billed to each condominium unit, for the condominium units; and

- (b) the cost of fire and extended liability insurance on the condominium and the cost of such other insurance as the Council of Unit Owners may effect; and
- (c) the cost of the services of a person or firm to manage the project to the extent deemed advisable by the Council of Unit Owners consistent with the provisions of these Bylaws, together with the services of such other personnel as the Board of Directors of the Council of Unit Owners shall consider necessary for the operation of the condominium; and
- (d) the cost of providing such legal and accounting services as may be considered necessary by the Board of Directors for the operation of the condominium; and
- (e) the cost of repairs, maintenance, service, and replacement of the common elements of the condominium, including, without limitation, the cost of painting, maintaining, replacing, repairing and landscaping the common elements and such furnishings and equipment for the common elements as the Board of Directors shall determine are necessary and proper; provided, however, that nothing herein contained shall require the Council of Unit Owners to repair, replace, or otherwise maintain the interior of any condominium unit or any fixtures, appliances, equipment or the like located therein; and
- (f) the cost of any and all other materials, supplies, labor, services, maintenance, repairs, taxes, assessments, or the like, which the Council of Unit Owners is required to secure or pay for by law, or otherwise, or which in the discretion of the Board of Directors shall be necessary or proper for the operation of the condominium; provided, however, that if any of the aforementioned are provided or paid for the specific benefit of a particular condominium unit or units, the cost thereof shall be specially assessed to the owner or owners thereof in the manner provided in this Article; and
- (g) the cost of maintenance or repair of any condominium unit in the event such maintenance or repair is reasonably necessary in the discretion of the Board of Directors to protect the common elements or to preserve the appearance of value of the condominium, or is otherwise in the interest of the general welfare

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of all of the unit owners; provided, however, that, except in cases involving emergencies or manifest danger to safety of person or property, no such maintenance or repair shall be undertaken without a resolution by the Board of Directors and not without reasonable notice to the owner of the condominium unit proposed to be maintained and, provided further, that the cost thereof shall be assessed against the condominium unit for which such maintenance or repair is performed and, when so assessed, a statement for the amount thereof shall be rendered promptly to the then owner of said condominium unit at which time the assessment shall become due and payable and a continuing obligation of said unit owners in all respects as provided in Article VIII of these Bylaws; and

- (h) any amounts necessary to discharge any lien or encumbrance levied against the condominium, or any portion thereof, which may, in the opinion of the Board of Directors, constitute a lien against any of the common elements rather than the interest of the owner of any individual condominium unit.

Section 2. Council of Unit Owners as Attorney-in-Fact. The Council of Unit Owners is hereby irrevocably appointed as attorney-in-fact for the owners of all of the condominium units in the condominium, and for each of the, to manage, control, and deal with the interests of such unit owners in the common elements of the condominium so as to permit the Council of Unit Owners to fulfill all of its powers, functions and duties under the provisions of the Condominium Act, the Declaration and the Bylaws, and to exercise all of its rights thereunder and to deal with the condominium upon its destruction and the proceeds of any insurance indemnity, as hereinelsewhere provided. The foregoing shall be deemed to be a power of attorney coupled with an interest and the acceptance by any person or entity of any interest in any condominium unit shall constitute an irrevocable appointment of the Council of Unit owners as attorney-in-fact as aforesaid.

Section 3. Management Agent. The Council of Unit Owners may by contract in writing delegate any of its ministerial duties, powers or functions to the Management Agent. The Council of Unit Owners and the Board of Directors shall not be liable for any omission or improper exercise by the Management Agent of any such duty, power or function so delegated.

Section 4. Duty to Maintain. Except for maintenance requirements herein imposed upon the Council of Unit Owners,

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the owner of any condominium unit shall, at his own expense, maintain the interior of his condominium unit and any and all equipments, appliances or fixtures, therein situate, and its other appurtenances (including, without limitation, any balcony, terrace, fenced area, courtyard, patio or the like appurtenant to such condominium unit, and designated herein or in the Declaration of the Condominium Plat as a limited common element reserved for exclusive use by the owner of that particular condominium unit, and including, except as otherwise provided by generally applicable decision of the Board of Directors, all mechanical equipment and appurtenances located outside such unit which are designed, designated, or installed to serve only that unit, in good order, condition, and repair, free and clear of ice and snow, and in a clean and sanitary condition, and shall do all redecorating, painting, and the like which may at any time be necessary to maintain the good appearance of his condominium unit. In addition to the foregoing, the owner of any condominium unit shall, at his own expense, maintain and replace any plumbing and electrical fixtures, appliances and other equipment except to the extent otherwise provided by generally applicable decision of the Board of Directors. The owner of any condominium unit shall also, at his own expense, keep any other limited common elements which may be appurtenant to such condominium unit and reserved for his exclusive use in a clean, orderly and sanitary condition.

Amended
5/12/81
Liber 5710
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Amended
6/7/84
Liber 6458
Folio 267

Section 5. Windows and Doors. The owner of any condominium unit shall, at his own expense, clean and maintain both the interior and exterior surfaces of all windows of such condominium unit and shall, at his own expense, clean and maintain both the interior and exterior glass entry doors of the condominium unit including the interior and exterior surfaces of any door leading to any balcony, deck, terrace, fenced area, courtyard, patio, or the like appurtenant to such condominium unit and designated herein or in the Declaration or the Condominium Plat as a limited common element reserved for the exclusive use of the owner of that particular condominium unit. The exterior surfaces of all other entry doors shall be cleaned and maintained by and at the expense of the individual condominium unit owners. Notwithstanding the provisions of this Section, the Board of Directors may resolve to clean the exterior surfaces of all windows in the condominium at common expense in accordance with a schedule to be determined by the Board of Directors.

Section 6. Access at Reasonable Times. The Council of Unit Owners shall have an irrevocable right and an easement to enter condominium units for the purpose of making repairs to the common elements when the repairs reasonably

appear necessary for public safety or to prevent damage to other portions of the condominium. Except in cases involving manifest damage to public safety or property, the Council of Unit Owners shall make a reasonable effort to give notice to the owner of any condominium unit to be entered for the purpose of such repairs. No entry by the Council of Unit Owners for the purpose specified in this Section may be considered a trespass.

Section 7. Easement for Utilities and Related Purposes. The Council of Unit Owners is authorized and empowered to grant (and shall from time to time grant) such licenses, easements, and rights-of-way for sewer lines, water lines, electrical cables, telephone cables, gas lines, storm drains, overhead or underground conduits and such other purposes related to the provision of public utilities to the condominium as may be considered necessary and appropriate by the Board of Directors for the orderly maintenance, preservation, and enjoyment of the common elements or for the preservation of health, safety, convenience and welfare of the owners of the condominium units or the Declarant.

Section 8. Limitation of Liability. The Council of Unit Owners shall not be liable for any failure of water supply or others to be obtained by the Council of Unit Owners or paid for out of the common expense funds, or for injury or damage to person or property caused by the elements or resulting from electricity, water, snow or ice which may leak or flow from any portion of the common elements or from any wire, pipe, drain, conduit, appliance or equipment. The Council of Unit Owners shall not be liable to the owner of any condominium unit for loss or damage, by theft or otherwise, of articles which may be stored upon any of the common elements. No diminution or abatement of common expense assessments, as hereinelsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the common elements, or to any condominium unit, or from any action taken by the Council of Unit Owners to comply with any law or ordinance or with the order or directive of any municipal or other governmental authority.

Liber 5001
Folio 185

ARTICLE XV

Parking

Section 1. General Requirements. All parking areas within the condominium shall be considered part of the general common elements. Parking may be regulated by the Board of Directors and parking spaces may initially be assigned by the Declarant and thereafter by the Board of

Directors. No unit owner shall make use of any parking space other than the space or spaces appurtenant or assigned to his condominium unit by the Board of Directors, if any, without the express written consent of both the unit owner to whom such space has been assigned and the Board of Directors, nor shall any unit owner invite, encourage or permit the use by his guests of parking spaces appurtenant or assigned to condominium units other than his own. No vehicle belonging to any unit owner, or to any guest or employee of any unit owner, shall be parked in a manner which unreasonably interferes with or impedes ready vehicular access to any parking space assigned to any other unit owner. Nothing shall be stored upon any parking space nor shall the same be permitted to accumulate trash or debris.

Each unit owner shall comply in all respects with such supplementary rules and regulations which are not inconsistent with the provisions of these Bylaws which the Board of Directors may from time to time adopt and promulgate with respect to parking and traffic control within the condominium and the Board of Directors is hereby, and elsewhere in these Bylaws, authorized to adopt such rules and regulations.

In the event the Board of Directors elects to assign parking spaces within the condominium, the Board of Directors may make reasonable efforts to assign parking spaces in a manner calculated to make reasonable adjustments to accommodate the elderly and handicapped.

ARTICLE XVI

Rights of First Refusal

Section 1. Right of First Refusal. In the event the owner of any condominium unit wishes to transfer the title thereto (and as a condition precedent to each and every such transfer) and shall have received a bona fide offer to purchase the same, such unit owner shall notify the Board of Directors in writing that the condominium unit is for sale and shall supply the Board of Directors with an executed copy of such offer and the terms thereof, including the name of the prospective purchaser and such other information as the Board of Directors, in the reasonable exercise of its discretion, may request. For a period of ten (10) days following receipt of the aforesaid notice by the Board of Directors, the Council of Unit owners shall have the right, but not the obligation, to purchase the subject condominium unit upon the same terms and conditions as set forth in the offer therefor. The failure or refusal by the Board of Directors to exercise

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Folio 186

the right of first refusal shall not constitute or be deemed a waiver of such right in the event the owner of any condominium unit (receives any subsequent bona fide offer to purchase the same from the same or a different party.

Section 2. Application. The right of first refusal provided for in this Article shall not apply to transfers made by the Declarant, the Council of Unit Owners or any affiliate or subsidiary of the Declarant, or to transfers made solely for the purpose of securing the performance of an obligation, transfers involving a foreclosure sale or other judicial sale or any transfer to a mortgagee in lieu of foreclosure or any proceeding, arrangement or deed in lieu thereof, the transfer of one joint tenant's or other co-tenant's interest to another, by operation of law or otherwise, or transfers by will or intestate distribution.

Section 3. Certificate of Termination. The Council of Unit Owners shall upon demand at any time, furnish to any unit owner, or other party legitimately interested in the same, a certificate in writing signed by an officer of the Council of Unit Owners, or execute an appropriate certificate on any deed for any condominium unit, stating that the requirements of this Article have been complied with or duly waived by the Board of Directors and that the rights of the Board of Directors thereunder have terminated. Such certificate shall be conclusive evidence of the compliance with the requirements of this Article for all persons who rely thereon in good faith. A charge not to exceed Thirty Dollars (\$30.00) may be levied in advance by the Council of Unit owners for each certificate so delivered.

ARTICLE XVII

Amendment

Section 1. Amendments. These Bylaws may be amended by

the affirmative vote of unit owners representing sixty-six and two-thirds percent (66 2/3%) of the Council of Unit Owners. The vote on any such amendment may be conducted by mail or at any meeting of the unit owners duly called for such purpose, in accordance with the provisions and requirements of these Bylaws and Title 11, Real Property Article of the Annotated Code of Maryland (1974 Repl. Vol.). Any amendment to these Bylaws shall be effective only upon the recordation of such amendment among the Land Records for Montgomery County, Maryland, together with a certificate in writing of the President of the Council of Unit Owners stating that the amendment was approved as aforesaid.

Amended
6/12/81
Liber 5710
Folio 393
Amended
6/7/84
Liber 6458
Folio 267

Section 2. Proposal of Amendments. Amendments to these

Liber 5001

Bylaws may be proposed by the Board of Directors of the Council of Unit Owners or by petition signed by least twenty-five percent (25%) of the total votes of the Council of Unit Owners, which petition shall be delivered to the Secretary. A description of any proposed amendment shall accompany the notice of any annual or special meeting of the unit owners at which such proposed amendment is to be considered and voted upon.

Folio 187

ARTICLE XVIII

Mortgages - Notice - Other Rights of Mortgagees

Section 1. Notice to Board of Directors. Any owner of any condominium unit in the condominium who mortgages such unit shall promptly notify the Board of Directors of the name and address of his mortgagee, and, if requested so to do, shall file a conformed copy of such mortgage with the Board of Directors. The Board of Directors shall maintain suitable records pertaining to such mortgages.

Section 2. Consents. Any other provisions of these Bylaws or of the Declaration to the contrary notwithstanding, neither the unit owners, the Board of Directors, nor the Council of Unit Owners shall take any of the following actions without the prior written consent and approval of the holders of all first mortgages of record on the condominium units:

- (a) abandon or terminate the condominium except for abandonment or termination provided in the Condominium Act in the case of substantial damage or destruction of the condominium by fire or other casualty or in the case of a taking by condemnation or eminent domain; or
- (b) modify or amend any material provision of the Declaration or of these Bylaws, including, but with limitation, any amendment which would change the percentage interests of the unit owners in the common elements of the condominium, the percentage interests of the unit owners in the common expenses and common profits of the condominium or the voting rights of the unit owners; or
- (c) modify the method of determining and collecting common expense assessments or other assessments as provided in Article VIII of these Bylaws; or
- (d) partition, subdivide, transfer or otherwise dispose of any of the common elements of the condominium project; or
- (e) resolve to use the proceeds of casualty insurance for

any purpose other than the repair or restoration of the condominium.

Section 3. Subdivision or Partition. No condominium unit in the condominium shall be subdivided or partitioned without the prior written approval of the holder of any first mortgage on such condominium unit.

Section 4. Casualty Losses. In the event of damage or destruction of any condominium unit or any part of the common elements of the condominium the Board of Directors of the Council of Unit Owners shall give prompt written notice of such damage or destruction to the holders of all first mortgages of record on the condominium units. No provision of the Declaration or these Bylaws shall entitle any unit owner to any priority over the holder of any first mortgage of record on his condominium unit with respect to the distribution to such unit owner of any insurance proceeds.

Section 5. Condemnation or Eminent Domain. In the event any condominium unit or any part of the common elements of the condominium is made the subject matter of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by any condemning authority, then the Board of Directors of the Council of Unit Owners shall give prompt written notice of any such proceeding or proposed acquisition to the holders of all first mortgages of record on the condominium units. No provision of the Declaration or these Bylaws shall entitle any unit owner to any priority over the holder of any first mortgage of record on his condominium unit with respect to the distribution to such unit owner of the proceeds of any condemnation award or settlement.

Liber 5001
Folio 188

ARTICLE XIX

Compliance - Interpretation - Miscellaneous

Section 1. Compliance. These Bylaws are set forth in compliance with the requirements of Title 11, Real Property Article, Annotated Code of Maryland (1974 Repl. Vol.).

Section 2. Conflict. These Bylaws are subordinate and subject to all provisions of the Declaration and to the provisions of Title 11, Real Property Article, Annotated Code of Maryland (1974 Repl. Vol.). All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as in the Declaration or the aforesaid statute. In the event of any conflict between these Bylaws and the Declaration, the provisions of the Declaration shall have control; and in the event of any

conflict between the aforesaid Declaration and Title 11, Real Property Article, Annotated Code of Maryland (1974 Repl. Vol.), the provisions of the statute shall control.

Section 3. Notices. Unless another type of notice is hereinelsewhere specifically provided for, any and all notices called for in the Declaration and in these Bylaws shall be given in writing.

Section 4. Severability. In the event any provision or provisions of these Bylaws shall be determined to be invalid, void, or unenforceable, such determination shall not render invalid, void, or unenforceable any other provisions hereof which can be given effect.

Section 5. Waiver. No restriction, condition, obligation or provisions of these Bylaws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 6. Captions. The captions contained in these Bylaws are for convenience only and are not a part of these Bylaws and are not intended in any way to limit or enlarge the terms and provisions of these Bylaws.

Section 7. Gender, etc. Whenever in these Bylaws the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

CERTIFICATE OF AMENDMENT

OF BY-LAWS

COUNCIL OF UNIT OWNERS OF

MUTUAL 18 - CONDOMINIUM OF ROSSMCOR, INC.

A CONDOMINIUM

This is to certify that the By-Laws of the Council of Unit Owners of Mutual 18 - Condominium of Rossmoor, Inc., a Maryland Corporation, referred to in that Declaration, made by Rossmoor Corporation, recorded among the Land Records of Montgomery County, Maryland, in Liber 5001 at Folio 154, et seq., (said By-Laws being attached to said Declaration as "Exhibit B") were duly amended at the annual meeting of the membership of said corporation held on the 12th day of May 1981; that said meeting was duly called pursuant to all requirements for notice so as to permit said amendment of the By-Laws; that said amendment was duly adopted at said meeting in accordance with all requirements for adoption of an amendment to said By-Laws; that the entry from the minutes of said meeting attached hereto as "Exhibit I" is a true and complete copy of the amendment so adopted; and that attached hereto as "Exhibit II" is a certificate of the persons appointed to count votes at the meeting of the Council of Unit Owners; that the amendment was approved by unit owners having the percentage of votes required by the By-Laws.

In witness whereof we hereunto set our hands and seals this _____ day of _____, 1981.

Sidney A. Saperstein, President

Council of Unit Owners of Mutual 18-
Condominium of Rossmoor, Inc.

ATTEST:

David Sheppard, Secretary
Council of Unit Owners of Mutual 18-
Condominium of Rossmoor, Inc.

CERTIFICATE AND REPORT

OF

INSPECTORS OF ELECTION

The undersigned, duly appointed Inspectors of Election of do hereby certify as follows:

- (A) That a meeting of the members of the Corporation was held on the 12th day of May, 1981, pursuant to due notice.
- (B) That before entering upon the discharge of our duties we were severally sworn, and the oath so taken by us is annexed hereto.
- (C) That we inspected the signed proxies used at the meeting, if any, and found the same to be in proper form.
- (D) That members representing at least fifty-one percent of the total value of the project were present at the meeting, either in person or by proxy.
- (E) That we received the votes by the members by ballot for the election of one directors of the Corporation and that the following received the number of votes set opposite their names, said votes representing the percentages of the total value of the project set opposite their respective names.

Nominee	Pink	Blue	Yellow	Total
	.0123344	.0132076	.0130766	
Ackerman, Peg	.0616720	.1584912	.1569192	.3770842
Ingraham, Albert	.0123344	.0660380		.0783724
McManus, Edward	.0123344	.0660380	.0392298	.1176022
Heffron, Joseph	.0986752	.1716988	.0915362	.3619102

(OVER)

Inspector of Election

Inspector of Election

Inspector of Election

LIBER 6458 FOLIO 266

CERTIFICATE OF AMENDMENT

OF BY-LAWS

COUNCIL OF UNIT OWNERS OF

MUTUAL 18 - CONDOMINIUM OF ROSSMOOR, INC.

A CONDOMINIUM

This is to certify that the By-Laws of the Council of Unit Owners of Mutual 18 - Condominium of Rossmoor, Inc., a Maryland Corporation, referred to in that Declaration, made by Rossmoor Corporation, recorded among the Land Records of Montgomery County, Maryland, in Liber 5001 at Folio 154, et seq., (said By-Laws being attached to said Declaration as "Exhibit B") were duly amended at the special meeting of the membership of said corporation held on the 7th day of June 1984; that said meeting was duly called pursuant to all requirements for notice so as to permit said amendment of the By-Laws; that said amendments were duly adopted at said meeting in accordance with all requirements for adoption of amendments to said By-Laws; that the entry from the minutes of said meeting attached hereto as "Exhibit I" is a true and complete copy of the amendments so adopted; and that attached hereto as "Exhibit II" is a certificate of the persons appointed to count votes at the meeting of the Council of Unit Owners; that the amendments were approved by unit owners having the percentage of votes required by the By-Laws.

In witness whereof we hereunto set our hands and seals this 21st day of June, 1984.

Sidney A. Saperstein, President

Council of Unit Owners of Mutual 18-
Condominium of Rossmoor, Inc.
Address: Leisure World of Maryland
Corporation
3701 Rossmoor Boulevard
Silver Spring, Maryland
20906

ATTEST:

Winfield Dampier, Secretary

Council of Unit Owners of Mutual 18 -
Condominium of Rossmoor, Inc.

EXHIBIT I

EXCERPT FROM MINUTES OF THE
SPECIAL MEETING OF THE MEMBERSHIP OF
THE COUNCIL OF UNIT OWNERS OF
MUTUAL 18 - CONDOMINIUM OF ROSSMOOR, INC.

The By-Laws of the Council of Unit Owners of Mutual 18 - Condominium of Rossmoor, Inc., are amended as follows:

The second sentence of Article XIV, section 4, of the Bylaws is amended:

- (1) by striking out "maintain, repair,";
- (2) by striking out ", except with respect to any of such items as are specified in any generally applicable decision of the Board of Directors,";
- (3) by inserting before the period ", and shall, at his own expense, maintain and repair such plumbing and electrical fixtures, appliances, and other equipment except to the extent otherwise provided by generally applicable decision of the Board of Directors".

Section 1 of Article XVII of the Bylaws is amended by striking out "the total votes of the Council of Unit Owners," and inserting in lieu thereof "the total votes of the Council of Unit Owners. The vote on any such amendment may be conducted by mail or".

THIS IS TO CERTIFY that the foregoing amendments to the By-Laws were adopted at the special meeting of the membership for the Council of Unit Owners of Mutual 18 - Condominium of Rossmoor, Inc., on June 7, 1984, and that said action is approved by the Board of Directors.

Winfield Dampier, Secretary

Sidney A. Saperstein, President

STATE OF MARYLAND)
)SS:
COUNTY OF MONTGOMERY)

I HEREBY CERTIFY that on this 21st day of June, 1984, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Sidney A. Saperstein, who made oath is due form of law that he executed in his capacity as President of the Council of Unit Owners, Mutual 18 - Condominium of Rossmoor, Inc., the foregoing document (Certification of Amendment of By-laws, of said Corporation) for the purpose therein contained and acknowledges this to be his act.

WITNESS my hand and notarial seal.

Joanne K. Vadelund, Notary Public

My Commission Expires July 1, 1986

STATE OF MARYLAND)
)SS:
COUNTY OF MONTGOMERY)

I HEREBY CERTIFY that on this 21st day of June, 1984, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Winfield Dampier, who made oath is due form of law that he executed in his capacity as Secretary of the Council of Unit Owners, Mutual 18 - Condominium of Rossmoor, Inc., the foregoing document (Certification of Amendment of By-laws, of said Corporation) for the purpose therein contained and acknowledges this to be his act.

WITNESS my hand and notarial seal.

Joanne K. Vadelund, Notary Public

My Commission Expires July 1, 1986

LIBER 6458 FOLIO 273

CERTIFICATE OF AMENDMENT

OF BY-LAWS

COUNCIL OF UNIT OWNERS OF

MUTUAL 18 - CONDOMINIUM OF ROSSMOOR, INC.

A CONDOMINIUM

This is to certify that the By-Laws of the Council of Unit Owners of Mutual 18 - Condominium of Rossmoor, Inc., a Maryland Corporation, referred to in that Declaration, made by Rossmoor Corporation, recorded among the Land Records of Montgomery County, Maryland, in Liber 5001 at Folio 154, et seq., (said By-Laws being attached to said Declaration as "Exhibit B") were duly amended at the annual meeting of the membership of said corporation held on the 8th day of May 1984; that said meeting was duly called pursuant to all requirements for notice so as to permit said amendment of the By-Laws; that said amendment was duly adopted at said meeting in accordance with all requirements for adoption of an amendment to said By-Laws; that the entry from the minutes of said meeting attached hereto as "Exhibit I" is a true and complete copy of the amendment so adopted; and that attached hereto as "Exhibit II" is a certificate of the persons appointed to count votes at the meeting of the Council of Unit Owners; that the amendment was approved by unit owners having the percentage of votes required by the By-Laws.

In witness whereof we hereunto set our hands and seals this 21st day of June, 1984.

Sidney A. Saperstein, President

Council of Unit Owners of Mutual 18-
Condominium of Rossmoor, Inc.

Address: Leisure World of Maryland
Corporation
3701 Rossmoor Boulevard
Silver Spring, Maryland
20906

ATTEST:

Winfield Dampier, Secretary

Council of Unit Owners of Mutual 18 -
Condominium of Rossmoor, Inc.

EXHIBIT I

EXCERPT FROM MINUTES OF THE
ANNUAL MEETING OF THE MEMBERSHIP OF
THE COUNCIL OF UNIT OWNERS OF
MUTUAL 18 - CONDOMINIUM OF ROSSMOOR, INC.

The By-Laws of the Council of Unit Owners of Mutual 18 - Condominium of Rossmoor, Inc., are amended as follows:

1. Amend Section 1 of Article X, by adding at the end thereof, the following:

In any case to which Section 8 applies, such approval by the Board of Directors shall be conditioned upon meeting the requirements of that Section.

2. Add a new Section 8 to Article X, as follows:

Section 8. Easements.

(a) Granting and Recording of Easements, Rights-of-Way, Licenses, and Similar Interests Affecting Common Elements. An easement, right-of-way, license, or any similar interest affecting a portion of the general common elements of the condominium which abut the unit of a unit owner may be granted if the grant is approved by the affirmative vote of unit owners having sixty-six and two-thirds (66 2/3) percent or more of the votes, and with the express written consent of the mortgagees holding an interest in those units as to which the unit owners vote affirmatively. Any grant so approved by the unit owners and consented to by the corresponding mortgagees shall be registered with and entered into the Land Records of Montgomery County.

(b) Procedure for Securing Approval.

(1) Voting. The voting of the unit owners for the purposes of this section may be by ballot delivered to unit owners by mail or otherwise or by ballot at a special or regular meeting of the Council of Unit Owners.

(2) Written Consent of Mortgagees. If the grant is so approved by the required sixty-six and two-thirds of the votes, then the Board shall mail to the mortgagees holding an interest in those units the owners of which voted affirmatively a request for written consent to the granting of the easement.

(c) Allocation of Costs. Any unit owner applying for an easement under this Section shall pay for any costs incurred by the Board in processing the application, including the costs of:

(1) Preparing and tabulating the ballots and other necessary materials.

(2) (A) Conducting the balloting by mail or

(B) The meeting at which the balloting is conducted; except that if the meeting is a regular meeting of the Council of Unit Owners or is a special meeting called for other purposes as well, only the additional costs of the meeting attributable to the balloting under this section may be included.

(3) Legal services.

(4) Recording and fees or charges.

(5) Securing mortgagee consent.

(6) Secretarial services and postage.

LIBER 6458 FOLIO 275

(d) Statement. Any such easement, right-of-way, license, or similar interest shall state that the grant thereof was approved by unit owners having at least sixty-six and two-thirds (66 2/3) percent of the votes and by the corresponding mortgagees, and certification to that effect shall be included with any documents relating to the grant of such an interest which are recorded in the Land Records of Montgomery County.

Item C - Re-designate present Section 5 and Section 6.

Item D - Re-designate present Section 6 as Section 7.

Item E - Re-designate present Section 7 as Section 8.

Item F - Re-designate present Section 8 as Section 9.

THIS IS TO CERTIFY that the foregoing amendment to the By-Laws was adopted at the annual meeting of the membership for the Council of Unit Owners of Mutual 18 - Condominium of Rossmoor, Inc., on May 8, 1984, and that said action is approved by the Board of Directors.

ATTEST:

Winfield Dampier, Secretary

Sidney A. Saperstein, President

STATE OF MARYLAND)
)SS:
COUNTY OF MONTGOMERY)

I HEREBY CERTIFY that on this 21st day of June, 1984, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Sidney A. Saperstein, who made oath is due form of law that he executed in his capacity as President of the Council of Unit Owners, Mutual 18 - Condominium of Rossmoor, Inc., the foregoing document (Certification of Amendment of By-laws, of said Corporation) for the purpose therein contained and acknowledges this to be his act.

WITNESS my hand and notarial seal.

Joanne K. Vadelund, Notary Public

My Commission Expires July 1, 1986

STATE OF MARYLAND)
)SS:
COUNTY OF MONTGOMERY)

I HEREBY CERTIFY that on this 21st day of June, 1984, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Winfield Dampier, who made oath is due form of law that he executed in his capacity as Secretary of the Council of Unit Owners, Mutual 18 - Condominium of Rossmoor, Inc., the foregoing document (Certification of Amendment of By-laws, of said Corporation) for the purpose therein contained and acknowledges this to be his act.

WITNESS my hand and notarial seal.

Joanne K. Vadelund, Notary Public

My Commission Expires July 1, 1986

CERTIFICATE AND REPORT

OF

INSPECTORS OF ELECTION

The undersigned, duly appointed Inspectors of Election of _____
MUTUAL EIGHTEEN - CONDOMINIUM OF ROSSMOOR, INC. _____
hereby certify as follows:

- (A) That an annual meeting of the Corporation was held on the 8th day of May, 1984, pursuant to due notice.
- (B) That before entering upon the discharge of our duties we were severally sworn, and the oath so taken by us is annexed hereto.
- (C) That we inspected the signed proxies used at the meeting, if any, and found the same to be in proper order.
- (D) That members representing at least 51 percent of the total value of the project were present at the meeting, either in person or by proxy.
- (E) That we received the votes by the members by ballot for the election of two directors of the Corporation and that the following received the number of votes set opposite their names, said votes representing the percentages of the total value of the project set opposite their respective names:
- (F) That we received the votes by the members by ballot for amending the bylaws of the Corporation and that the amendments received the number of votes set opposite their titles, said votes representing the percentages of the total value of the project set opposite their respective titles:

Inspector

Inspector

Inspector

BYLAW AMENDMENT

PRESCRIBING EASEMENT		Oxford .0123344	Chesapeake .0132076	Easton .0130766	Total
PROCEDURE IN BYLAWS	For	.1603472	.4754736	.2746086	.9104294
	Against	NONE	NONE	NONE	NONE

DIRECTORS

SAPERSTEIN, SIDNEY A.	.1480128	.2773596	.1699958	.5953682
SCHWARTZ, PAUL E.	.1110096	.4226432	.2223022	.755955
SCHWARTZ, HI EASTLAND	.0863408	.2113216	.1046128	.4022752

CERTIFICATE OF AMENDMENT
OF BY-LAWS
OF THE COUNCIL OF
UNIT OWNERS OF
MUTUAL 18-CONDOMINIUM OF ROSSMOOR, INC.

This is to certify that the By-Laws of The Council of Unit Owners of Mutual 18 - Condominium of Rossmoor, Inc., a Maryland Corporation referred to in that Declaration, made by Rossmoor Corporation, recorded among the Land Records of Montgomery County, Maryland, in Liber 5001 at Folio 000145, et seq., (said By-Laws being attached to said Declaration as "Exhibit B") were duly amended at the annual meeting of the membership of said corporation held on the 14th day of May 1985; that said meeting was duly called pursuant to all requirements for notice so as to permit said amendment of the By-Laws; that said amendment was duly adopted at said meeting in accordance with all requirements for adoption of an amendment to said By-Laws; that the entry from the minutes of said meeting attached hereto as "Exhibit I" is a true and complete copy of the amendment so adopted; and that attached hereto as "Exhibit II" is a certificate of the persons appointed to count votes at the meeting of the Council of Unit Owners; that the amendment was approved by unit owners having the percentage of votes required by the By-Laws.

In witness whereof we hereunto set our hands and seals this 12th day of August, 1985.

Sidney A. Saperstein, President

Council of Unit Owners of Mutual 18-
Condominium of Rossmoor, Inc.

ATTEST:

Winfield Dampier, Secretary

Council of Unit Owners of Mutual 18 -
Condominium of Rossmoor, Inc.

I.D. No. _____

STATE OF MARYLAND)
)SS:
COUNTY OF MONTGOMERY)

I HEREBY CERTIFY that on this 12th day of August, 1985, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Sidney A. Saperstein, who made oath is due form of law that he executed in his capacity as President of the Council of Unit Owners, Mutual 18 - Condominium of Rossmoor, Inc., the foregoing document (Certification of Amendment of By-laws, of said Corporation) for the purpose therein contained and acknowledges this to be his act.

WITNESS my hand and notarial seal.

Elizabeth A. L'Heureux, Notary Public

My Commission Expires 7-1-86

STATE OF MARYLAND)
)SS:
COUNTY OF MONTGOMERY)

I HEREBY CERTIFY that on this 12th day of August, 1985, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Winfield Dampier, who made oath is due form of law that he executed in his capacity as Secretary of the Council of Unit Owners, Mutual 18 - Condominium of Rossmoor, Inc., the foregoing document (Certification of Amendment of By-laws, of said Corporation) for the purpose therein contained and acknowledges this to be his act.

WITNESS my hand and notarial seal.

Elizabeth A. L'Heureux, Notary Public

My Commission Expires 7-1-86

EXHIBIT 1

AMENDMENT OF THE BYLAWS AS APPROVED AT THE
ANNUAL MEETING OF THE MEMBERSHIP OF
THE COUNCIL OF UNIT OWNERS OF
MUTUAL 18-CONDOMINIUM OF ROSSMOOR, INC.

The following amendments to the Bylaws of the Council of Unit Owners of Mutual 18-Condominium of Rossmoor, Inc., were approved by the unit owners representing 89.62176 of the Membership:

AMEND ARTICLE VIII, Section 1, by deleting in its entirety all of Section 1 preceding the last two paragraphs thereof and substituting in lieu thereof the following:

Section 1. Annual Assessment for Expenses. Each unit owner shall pay to the Council of Unit Owners, in advance, for each month of each year, a sum equal to one-twelfth (1/12) of the total of the following amounts, as estimated by the Board of Directors:

- (a) an amount to cover the expected cost of electricity furnished for that year to that unit, which amount (1) shall be determined by applying the E-Rating formulated by the Leisure World of Maryland Corporation for or assigned by it to that unit or, if the Board of Directors so decides, shall be computed under any other method established by the board that is reasonable designed to measure the expected use of electricity by that unit during that year, and (2) may include additional amounts with respect to any bonus or Florida room or other additional rooms of the unit or space therein;
- (b) an equal amount for each unit in the condominium to cover the cost of garbage and trash collection and of facilities and other services furnished for that year under the Leisure World of Maryland Trust Agreement of March 9, 1966 (recorded at Liber 3479, Folio 396, in the land records of Montgomery County, Maryland) as amended;
- (c) an amount equal to the unit owner's proportionate share (determined in accordance with the percentage interests in common expenses and common profits of the condominium set forth in Exhibit C attached to the Declaration) of the sum required to meet the other annual expenses of the condominium, including:
 - (1) the cost of necessary management and administration;
 - (2) the amount of all taxes and assessments levied against the Council of Unit Owners or upon any property which it may own or which it is otherwise required to pay;

- (3) the cost of fire and extended liability insurance on the project and the cost of such other insurance as the Council of Unit Owners may secure;

LIBER 6898 FOLIO 422

- (4) the cost of furnishing or securing water and sewer service, and (except to the extent included in clause (a) or (b) of this section) other services or utilities not separately metered or billed directly to the unit by the utility or other company;
- (5) the cost of funding contributions to the "Paid-in-Surplus" account of the Council of Unit Owners and the cost of funding all reserves established by the Council of Unit Owners, or under such Trust Agreement of March 9, 1966 including, when appropriate, a general operating reserve and a reserve for replacement;
- (6) the estimated cost of repair, maintenance and replacement of the common elements of the condominium to be made by the Council of Unit Owners; and
- (7) the cost of all other operating expenses of the condominium and of other facilities and services furnished or secured by it (except to the extent included in clause (a) or (b) of this section).

AMEND ARTICLE VIII, Section 2, the first sentence, by inserting "and other amounts referred to in Section 1 of this Article" after "its annual expenses", so that the first sentence reads as follows:

The Board of Directors, with assistance and counsel of the Management Agent, shall prepare and adopt a budget for each annual assessment period which shall include estimates of the funds required by the Council of Unit Owners to meet its annual expenses and other amounts referred to in Section 1 of this Article for that period.

AMEND so much of Section 1 of Article XIV as precedes clause (a) by striking out "out of the common expense fund hereinelsewhere provided for", so that the portion of such Section 1 preceding clause (a) reads as follows:

The Council of Unit Owners, acting by and through its Board of Directors, shall manage, operate and maintain the condominium and, for the benefit of the condominium units and the unit owners, shall enforce the provisions hereof and shall pay the costs of managing, operating and maintaining the condominium, including, without limitation, the following:

THIS IS TO CERTIFY that the foregoing amendment to the Bylaws was adopted; at the annual meeting of the membership of the Council of Unit Owners of Mutual 18-Condominium of Rossmoor, Inc., on May 14, 1985 by 89.62176 of the total votes of the membership.

ATTEST:

Winfield Dampier, Secretary

Sidney A. Saperstein, President

CERTIFICATE AND REPORT
OF
INSPECTORS OF ELECTION

The undersigned, duly appointed Inspectors of Election of Mutual Eighteen- Condominium of Rossmoor, Inc., hereby certify as follows:

- (A) That an (annual) meeting of the Corporation was held on the 8th day of May, 1990 , pursuant to due notice.
- (B) That before entering upon the discharge of our duties we were severally sworn, and the oath so taken by us is annexed hereto.
- (C) That we inspected the signed proxies used at the meeting, if any, and found the same to be in proper order.
- (D) That members representing at least 51 percent of the total value of the project were present at the meeting, either in person or by proxy.
- (E) That we received the votes by the members by ballot for the election of 2 directors of the Corporation and that the following received the number of votes set opposite their names, said votes representing the percentages of the total value of the project set opposite their respective names: (see reverse side)
- (F) That we received the votes by the members by ballot for bylaw amendments and that the following amendment received the votes representing the percentages of the total value of the project set opposite the respective amendment: (see reverse side)

Inspector

Inspector

Inspector

LIBER 9512 FOLIO 874

MUTUAL 18—CONDOMINIUM OF ROSSMOOR, INC.
ANNUAL MEETING
MAY 8, 1990

BYLAW AMENDMENT

MASTER TALLY SHEET

	BLUE Chesapeake	PINK Oxford	YELLOW Easton	TOTAL
APPROVE	.4094356	.1480128	.1830724	74.05208
DISAPPROVE	-0-	-0-	-0-	-0-

<u>Unit No.</u>	<u>Percentage interest in common elements, common expenses and common profits</u> (also controls voting rights)
57-A	.0132076
57-B	.0123344
57-C	.0130766
58-A	.0132076
59-A	.0132076
59-B	.0123344
60-A	.0132076
61-A	.0132076
61-B	.0130766
61-C	.0132076
62-A	.0130766
62-B	.0123344
62-C	.0132076
63-A	.0130766
63-B	.0123344
64-A	.0132076
64-B	.0130766
64-C	.0132076
65-A	.0123344
65-B	.0132076
66-A	.0130766
66-B	.0123344
67-A	.0132076

<u>Unit No.</u>	<u>Percentage interest in common elements, common expenses and common profits</u>
68-A	.0132076
68-B	.0130766
68-C	.0132076
69-A	.0130766
69-B	.0132076
70-A	.0132076
70-B	.0130766
70-C	.0132076
71-A	.0123344
71-B	.0132076
72-A	.0132076
72-B	.0123344
73-A	.0130766
73-B	.0123344
73-C	.0132076
74-A	.0123344
75-A	.0132076
75-B	.0123344
75-C	.0130766
76-A	.0132076
76-B	.0130766
76-C	.0132076
77-A	.0123344
77-B	.0132076

<u>Unit No.</u>	<u>Percentage interest in common elements, common expenses and common profits</u> (also controls voting rights)
78-A	.0130766
78-B	.0123344
78-C	.0132076
79-A	.0132076
79-B	.0130766
79-C	.0132076
80-B	.0130766
81-A	.0123344
81-B	.0132076

LIBER 18000 FOLIO 404

CERTIFICATE OF AMENDMENT
OF BY-LAWS
COUNCIL OF UNIT OWNERS

MUTUAL 18 - CONDOMINIUM OF ROSSMOOR, INC.

This is to certify that the by-laws of the Council of Unit Owners of Mutual 18-Condominium of Rossmoor, Inc. a Maryland Corporation referred to in that Declaration, made by Rossmoor Corporation, recorded among the Land Records of Montgomery County, Maryland, in Liber 5001 at Folio 154, et seq., (said By-Laws being attached to said Declaration as Exhibit B) were duly amended at the annual meeting of the membership of said corporation held on the 11th day of May, 1999; that said meeting was duly called pursuant to all requirements for notice so as to permit said amendment of the By-laws; that said amendment was duly adopted at said meeting in accordance with all requirements for adoption of an amendment to said by-law; that the entry from the minutes of said meeting attached hereto as "Exhibit I" is a true and complete copy of the amendment so adopted; and that attached hereto as "Exhibit II" is a certificate of the persons appointed to count votes at the meeting of the Council of Unit Owners; that the amendment was approved by unit owners having the percentage of votes required by the By-laws.

In witness whereof we hereunto set our hands and seals this 11th day of May, 1999.

Sidney A. Saperstein, President
Council of Unit Owners of Mutual 18-
Condominium of Rossmoor, Inc.

ATTEST:

Mary Jo Broomall, Vice President

EXHIBIT I

EXCERPT FROM MINUTES OF THE
SPECIAL MEETING OF THE MEMBERSHIP OF
COUNCIL OF UNIT OWNERS OF
MUTUAL 18 - CONDOMINIUM OF ROSSMOOR, INC.

The By-laws of the Council of Unit Owners of Mutual 18 - Condominium of Rossmoor, Inc., are amended as follows:

Amend the first sentence of section 1 of Article V of the By-laws of Mutual 18 by striking out "five (5)" and inserting in lieu there of "seven (7)".

Number and Qualification - The affairs of the Council of Unit Owners shall be governed by a Board of Directors composed of an uneven number of at least three (3) natural persons and not more than **seven (7)** natural persons, a majority of whom (after the first annual meeting of unit owners hereinabove provided for) shall be unit owners.

Sidney A. Saperstein, President

ATTEST:

Mary Jo Broomall, Vice President

STATE OF MARYLAND)
)SS:
COUNTY OF MONTGOMERY)

I HEREBY CERTIFY that on this 11th day of May, 1999, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Sidney Saperstein, who made oath is due form of law that he executed in his capacity as President of the Council of Unit Owners, Mutual 18 - Condominium of Rossmoor, Inc., the foregoing document (Certification of Amendment of By-laws, of said Corporation) for the purpose therein contained and acknowledges this to be his act.

WITNESS my hand and notarial seal.

Elizabeth A. L'Heureux, Notary Public

My Commission Expires 8-1-02

STATE OF MARYLAND)
)SS:
COUNTY OF MONTGOMERY)

I HEREBY CERTIFY that on this 11th day of May, 1999, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Mary Jo Broomall, who made oath is due form of law that she executed in her capacity as Vice President of the Council of Unit Owners, Mutual 18 - Condominium of Rossmoor, Inc., the foregoing document (Certification of Amendment of By-laws, of said Corporation) for the purpose therein contained and acknowledges this to be her act.

WITNESS my hand and notarial seal.

Elizabeth A. L'Heureux, Notary Public

My Commission Expires 8-1-01

RETURN TO:

Leisure World of MD
3701 Rossmoor Blvd.
Silver Spring, MD 20906

ATTN: B. L'Heureux

TWENTY-SECOND ANNUAL MEETING
OF THE COUNCIL OF UNIT OWNERS OF
MUTUAL 18 - CONDOMINIUM OF ROSSMOOR, INC.

TUESDAY, MAY 11, 1999

The Twenty-second annual meeting of the Council of Unit Owners of Mutual 18 was held in the Maryland Room of Clubhouse I, 3700 Rossmoor Boulevard, Silver Spring, Maryland on Tuesday, May 11, 1999.

Present were Mutual 18 Board of Directors Sidney Saperstein, Alan Stokely, Mary Jo Broomall

For Management: Robert Sullivan, General Manager; Karen Davila, Board Secretary

1. Call to Order - Mr. Saperstein called the meeting to order at 8:00 p.m.
2. Introduction of Directors and Leisure World Management - Mr. Saperstein introduced each member of the Board of Directors. He introduced Robert Sullivan, General Manager and Karen Davila, Board Secretary.
3. Appointment of Inspectors - Mr. Saperstein announced that members of the Leisure World staff would be the inspectors of the election. They were: Betty L'Heureux, Joan Berg, Nancy Mach, Jessie Maselka, Joanne Vadelund.
4. Announcement of Tally and quorum - Mr. Saperstein announced that there were 37 units represented in person and 21 by proxy and declared a quorum required for the meeting to proceed.
5. Waiver of Proof of Notice - Mr. Saperstein stated that the Notice of the Annual Meeting had been sent to all unit owners. All members had received said notice. Upon motion duly made and seconded it was unanimously agreed to waive the reading of the Notice of the Annual Meeting.
6. Reading or Waiver of Reading of Minutes of Annual Meeting of 1998 - The minutes of the Annual Meeting held May 12,1998 were approved as presented.
7. By-law Amendments
 - a. Discussion - Mr. Saperstein read aloud each of the By-law amendments to be voted on during the meeting. He answered all questions from the membership.
 - b. Marking of Ballots - Mr. Saperstein asked all persons to mark their ballots.

**CERTIFICATE OF AMENDMENT
OF BYLAWS**

MUTUAL EIGHTEEN CONDOMINIUM OF ROSSMOOR, INC

This is to certify that the Bylaws of Mutual 18, Condominium of Rossmoor, Inc, referred to in that Declaration, made by Rossmoor Construction Corporation, Inc., recorded among the Land Records of Montgomery County, Maryland, in Liber 5001 at Folio 154, et. seq., (said Bylaws being attached to said Declaration as "Exhibit B") were duly amended by a Mail Ballot of the membership of said Corporation 15th day of October, 2001; that said amendment was duly adopted by Mail Ballot in accordance with all requirements for adoption of an amendment to said Bylaws; that the notice of said Mail Ballot attached hereto as "Exhibit I" is a true and complete copy of the amendment so adopted; and that attached hereto as "Exhibit II" is a certificate of the persons appointed to count votes for the Mail Ballot of the Council of Unit Owners; that the amendment was approved by unit owners having the percentage of votes required by the Bylaws.

In witness whereof we hereunto set our hands and seals this 6th day of November, 2001.

Sidney A. Saperstein, President

Mutual 18 Condominium of Rossmoor, Inc.

ATTEST:

Mary Jo Broomall, Vice President

Mutual 18, Condominium of Rossmoor, Inc.

Mutual 18

Proposed By-Law Amendment

Insurance Deductible

Effective November 1, 2001, Article XI of the Bylaws of the Council of Unit Owners of Mutual .18 Condominium of Rossmoor, Inc. is amended by adding at the end thereof the following new section:

"Section 5, Damage Originating from Unit. Notwithstanding the provisions of subsection (g)(2) of section 11 -114 of the Maryland Condominium Act, if the cause of any damage to or destruction of any portion of the condominium originates from a unit, the owner of such unit is responsible for the insurance deductible (but not in excess of \$1000.00) under the insurance policy in effect pursuant to subsection (a) of this section, except in such cases and under such conditions and with such limitations as may be prescribed in Rules of the Mutual"

Explanation:

In the recent session of the Maryland Legislature, legislation was enacted relating to the insurance deductible in the case of damage to or destruction of any portion of the condominium (including its units). It provides that in the case of any such damage or destruction covered by our insurance, the deductible is a common expense to be borne by the mutual whether the cause originates in the common elements or a unit. And this is the case whether or not that cause is the result of negligence of a unit owner.

However, there is an exception where the cause originates in the unit, but only if the mutual's bylaws specifically so provide; and if there is such a provision in the bylaws, the deductible may not exceed \$1000.00. Your Board felt it prudent and appropriate to enact such a bylaw provision (as most of the other condominium mutuels have done or are planning to do); for without it we all bear the cost of repair or replacement even when the damage or destruction is clearly the result of the unit owner's negligence.

On the other hand, your Board wants you to know that we plan to propose rules in the near future to avoid assessing the unit owner for the deductible when the cause originates in the unit if the unit owner is clearly responsible for causing the damage or destruction. When these rules are proposed, you all have ample opportunity to express you views on them before they become effective.

Because the new legislation becomes effective October 1 of this year, it is important that you act expeditiously in approving this amendment to the bylaws and mailing your response

to the Board's Secretary in the enclosed self-addressed stamped envelope. A favorable vote of 2/3 of the voting power of the mutual is needed to enact the amendment.

MUTUAL 18, CONDOMINIUM OF ROSSMOOR, INC.

OATH OF INSPECTORS OF ELECTION

STATE OF MARYLAND)
) §
COUNTY OF MONTGOMERY)

The undersigned, duly appointed Inspectors of Election of Mutual 18, Condominium of Rossmoor, Inc., being severally and duly sworn, do solemnly swear that we will fairly and impartially perform our duties as Inspectors of Election for the Mail Ballot held on October 15, 2001, for amendment of the Bylaws, and will faithfully and diligently canvass the votes cast at such vote and honestly and truthfully report the results of said vote.

Clarise Pruitt
Inspector of Election

Elizabeth A. L'Heureux
Inspector of Election

SUBSCRIBED AND SWORN to before me on this 15th day of October, 2001

Notary Public

My Commission Expires: 8-1-05

EXHIBIT II

MUTUAL 18 CONDOMINIUM OF ROSSMOOR, INC.

REPORT OF INSPECTORS OF ELECTION

The undersigned, duly appointed and qualified Inspectors of Election for the Special Meeting of members of Mutual 18, Condominium of Rossmoor, Inc., held on October 15, 2001 hereby certify that there are registered by a total of 50 memberships of said Corporation, and that the same represent 74% of the total of the project known as Mutual 18, Condominium of Rossmoor, Inc.

Present 74% (By Mail Ballot)

WITNESS our hands the year and day first above written.

Clarise Pruitt
Inspector of Election

Elizabeth A. L'Heureux
Inspector of Election

MUTUAL 18 CONDOMINIUM OF ROSSMOOR, INC.

**CERTIFICATE AND REPORT
OF
INSPECTORS OF ELECTION**

The undersigned, duly appointed Inspectors of Election of Mutual 18, Condominium of Rossmoor, Inc., hereby certify as follows:

- (A) The Special Meeting of the Corporation was held on the 15th day of October 2001, pursuant to due notice.
- (B) That before entering upon the discharge of our duties we were severally sworn, and the oath so taken by us is annexed hereto.
- (C) That we inspected the ballots used at the meeting, and found the same to be in proper order.
- (D) That members representing at least 66-2/3 percent of the total value of the project were registered by the mail ballot.
- (E) That we received the votes by the members by ballot for amendment of the Bylaws, and that the amendment received affirmative votes representing 74% of the total value of the project.

Clarise Pruitt
Inspector of Election

Elizabeth A. L'Heureux
Inspector of Election