



Abaris Realty, Inc.

7811 Montrose Road, Suite 110, Potomac, MD 20854

301-468-8919 • Fax: 301-468-0983

Web Site: www.abarisrealty.com



CERTIFICATE OF RESALE

(Use only for Condominium Projects of 7 or more units)

RESALE CERTIFICATES ARE NOT TO BE USED BY TITLE COMPANIES FOR SETTLEMENT INFORMATION. TITLE COMPANIES MUST CONTACT THE ABARIS REALTY ACCOUNTS RECEIVABLE DEPARTMENT VIA EMAIL FOR ACCURATE SETTLEMENT INFORMATION.

To: Council of Unit Owners
Condominium Project: Potomac Oaks Condominium
Address of Unit: 796 Quince Orchard Blvd. #T2
Gaithersburg, MD 20878

Unit Owner(s): Anthony Malek

Section 11-135(c) of the Maryland Condominium Act requires that effective July 1, 1982; the Council of Unit Owners must provide the following information within twenty (20) days after receipt of request by the unit owner. The undersigned unit owner(s) of the above described unit request that you provide this information. A reasonable fee, if any, not to exceed the cost to the Council of Unit Owners for providing this information, is enclosed herewith. If you have your own form for this certificate, which complies with the statute, as amended on July 1, 1982, then please provide certificate in lieu of completing this form.

(Signature) Unit Owner/Seller

(Signature) Unit Owner/Seller

Pursuant to Section 11-135(a) of the Maryland Condominium Act, the following certificate is provided for the benefit of the above described unit owner and purchaser(s) thereof, and reflects the herein stated information as of the date indicated below:

- Right of First Refusal:** The effect on the proposed conveyance of any right of first refusal or other restraint on the free alienability of the unit, other than any restraint created by the unit owner, is: ***There is NO right of first refusal in the condominium's declaration or bylaws.***
- Common Expense/General Assessment:** The amount of the monthly common expense assessment is: ***Condo Fee \$222.00, Utility (Electric, Gas and Water) \$181.00, Replacement Reserve \$108.00, Special Assessment \$32.00. Monthly total of \$543.00***



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3. **Other Fees:** The amount of any other fees payable by the unit owners to the Council of Unit Owners is: ***none to the best of our knowledge***
4. **Unpaid Assessments:** The amount of any unpaid common expense and special assessment adopted by the council of unit owners that is due and payable from the selling unit owner is: ***\$00.00 as of today's date.***
5. **Unbudgeted, Approved Capital Expenditures:** Capital expenditures approved by the Council of Unit Owners planned at the time of conveyance (estimated to be six months from the date hereof) which are not reflected in the current operating budget disclosed under item 5 are: ***none to the best of our knowledge.***
6. **Balance Sheet and Income Statement:** Attached hereto is a copy of the most recent regularly prepared balance sheet and income and expense statement of the condominium.
7. **Budget and Reserve Study:** Attached hereto is a copy of the current operating budget of the condominium including details concerning the reserve fund for repair and replacement and its intended use, or a statement that there is no reserve fund.
8. **Outstanding Judgements and Pending Lawsuits:** The following judgments against the condominium remain unpaid and unsatisfied: ***none to the best of our knowledge.*** The existence of any pending suits to which the Council of Unit Owners is a party: ***none to the best of our knowledge.***
9. **Insurance Policies:** Any insurance policies provided for the benefit of unit owners are described below: (Terms if the policy prevails over the descriptions.) A description of the various insurance policies is attached.

PROPERTY INSURANCE DEDUCTIBLE DISCLOSURE: The condominium maintains property insurance, and the deductible under the property insurance is: ***\$25,000.00.*** If the damage originates in a Unit, the owner of that Unit is responsible for the payment of the deductible under the Association's property insurance policy, up to \$25,000. Copies of the policies are available for inspection at the following location: ***Martens-Johnson Insurance (o) 301-231-5447, (f).***
10. **Known Violations:** The Council of Unit Owners has no knowledge that any alteration or improvement to the above described unit or to the limited common elements assigned to the unit violates any provision of the Master Deed, Declaration, Bylaws, or Rules and Regulations, except for: ***none to the best of our knowledge.***



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- 11. **Known Violations of Health and Building Code:** The Council of Unit Owners has no knowledge of any current violation of the health or building codes with respect to the above described unit, the limited common elements assigned to the unit, or any other portion of the condominium, except for: ***none to the best of our knowledge.***
- 12. **Leasehold Estate:** The remaining term of any leasehold estate affecting the condominium and the provisions governing any extension of renewal thereof are: ***none to the best of our knowledge.***

 (Black's Law Dictionary defines "leasehold" as an estate (interest) in realty held under a lease. The existence of a ground rent on the land would usually indicate that the land itself is leasehold.)
- 13. **Recreational Facilities:** The following is a description of any recreational or other facilities which are to be used by the unit owners or maintained by them or the Council of Unit Owners: ***swimming pool and club house.*** These facilities are part of the common elements, except: ***none.***
- 14. **Move-In Fees:** The Association charges for every move-in, whether owner or renter, a move-in of ***\$300.00*** must be collected at the time of settlement.



 Financial Manager

June 6, 2019
 Date

Please notify Abaris Realty, Inc. when settlement is complete. This will help expedite updating records for the new unit owners.

Resale Certificates are only valid for thirty (30) days from the date on the Certificate. Subsequent Resale Certificates are available for \$75.00 excluding documents previously received.

POTOMAC OAKS CONDOMINIUM

GOVERNING DOCUMENTS

(Montgomery County, Maryland)



Declaration

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0603, MSA_CE63_5772. Date available 07/01/2005. Printed 05/03/11

1981 DEC 28 PM 3:15

LIBER 5814 FOLIO 603
T.D. 9-244-1187325
9-256-2101572
2101561
1726471

CLERK'S OFFICE
MONTGOMERY COUNTY, MD

11/05/81

DECLARATION

DIAMOND FARMS CONDOMINIUM

THIS DECLARATION, made and entered into this 23rd day of February, 1981, by DIAMOND FARMS ASSOCIATES, INC., a Delaware corporation (hereinafter and in the exhibits attached hereto called the "Declarant").

WHEREAS, the Declarant is the owner in fee simple of certain land and premises and the buildings constructed or to be constructed thereon and all appurtenances thereto (hereinafter called the "Property") located in Montgomery County, State of Maryland, and more particularly described on Exhibit "A", attached hereto and made a part hereof; and,

WHEREAS, the Declarant desires to establish a Condominium pursuant to Real Property Article, Title 11, Section 11-101, et seq., of the Annotated Code of Maryland (1974) (hereinafter called the "Act"), and it is the desire and intention of the Declarant to divide the Property into condominium units and to sell and convey the same subject to the covenants, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and liens hereinafter set forth, each of which is for the benefit of the Property and the owners thereof from time to time; and,

WHEREAS, prior to the recordation hereof the Declarant has filed for record in the Office of the Clerk of the Circuit Court for Montgomery County, Maryland, a certain "Plat of Diamond Farms Condominium" (hereinafter referred to as the "Condominium Plat"), which Condominium Plat (consisting of 13 sheets) is recorded in Condominium Plat Book 25, at Plat 624, et seq.; and,

WHEREAS, the Declarant hereby desires and intends by the recordation of this Declaration to submit the Property and all appurtenances thereto to the provisions of the Act.

HTSC. 272.00
SUBTOTAL 397.00
CHECK 397.00
#63706 C216 R01 T15:20
DEC 28 81

ARTICLE I
DEFINITIONS

Unless the context shall plainly require otherwise, the following words when used in this Declaration and/or any and all exhibits attached hereto shall have the following meanings:

(a) "Common Elements" means all of the Property other than Units, and includes both General Common Elements and Limited Common Elements, as defined in Article III hereof.

(b) "Condominium" means the Property having the status of a "Condominium" pursuant to and as defined in the Act.

272.00

(c) "Council of Unit Owners" means the unincorporated entity comprised of all Unit owners.

(d) "Declarant" shall mean and refer to Diamond Farms Associates, Inc., and its successors and assigns to whom the special rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant are specifically assigned or transferred in writing.

(e) "Eligible Mortgage Holder" means a holder of a first mortgage on a Unit who has requested notice from the Council of Unit Owners of amendments to the Condominium documents or other significant matters which would affect the interests of the Mortgagee.

(f) "Percentage Interest" means the undivided interest of each Unit owner, as set forth on Exhibit "D", with respect to Common Elements of the Condominium and the Common Profits and Common Expenses of the Council of Unit Owners.

(g) "Unit" means a three-dimensional area, as described below and as shown on the Condominium Plat, and includes all improvements contained within the area except such as are expressly excluded in this Declaration or on the Condominium Plat. The lower boundary of such Unit is a horizontal plane (or planes), the elevation of which coincides with the elevation of the upper surface of the unfinished subfloor thereof extended to intersect the lateral or perimetrical boundaries thereof. The upper boundary of any such Unit is a horizontal plane (or planes), the elevation of which coincides with the top surface of the plasterboard of the uppermost ceiling in the Unit, extended to intersect the lateral or perimetrical boundaries thereof. The lateral or perimetrical boundaries of any such Unit is a vertical plane (or planes) which coincide with the outermost surfaces of the perimeter plasterboard walls thereof, including windows and doors thereof, extended to intersect the upper and lower horizontal boundaries thereof and to intersect the other lateral or perimetrical boundaries of the Unit. Unless otherwise designated herein and/or on the Condominium Plat as a Common Element, mechanical equipment and appurtenances located within or without any Unit and designated to serve only that Unit, such as pipes, wires, cables, conduits, electrical receptacles and outlets, ducts, flues, chutes, appliances, range hoods, fixtures, and the like, shall be considered a part of the Unit.

(h) "Unit owner" means any person, group of persons, corporation, trust or other legal entity, or any combination thereof, which owns a Unit; provided, however, that any person, group of persons, corporation, trust or other legal entity, or any combination thereof, which holds such interest solely as security for the performance of an obligation shall not be a Unit owner solely by reason of such interest.

ARTICLE II
CREATION OF CONDOMINIUM REGIME

Section 1. Submission of Property to the Act. The Property and all appurtenances thereto shall be held, conveyed, divided or subdivided, leased, rented and occupied, improved, hypothecated and/or encumbered subject to the Act and the covenants, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0605, MSA_CES3_5772. Date available 07/01/2005. Printed 05/31/05

liens (hereinafter sometimes referred to as "Covenants and Restrictions") herein set forth, including the provisions of the bylaws of the Council of Unit Owners of Diamond Farms Condominium (a copy of which is attached hereto and made a part hereof as Exhibit "B"), all of which are declared and agreed to be in aid of a plan for the division of the Property into a Condominium pursuant to the Act, and all of which shall be deemed to run with and bind the land, and shall inure to the benefit of and be enforceable by the Declarant and by any person acquiring or owning an interest in the Property, including, without limitation, any person, group of persons, corporation, trust or other entity, or any combination thereof, which holds such interest solely as security for the performance of an obligation; provided, however, that the special rights, restrictions, easements, interests, exemptions, privileges, and powers of the Declarant shall inure to the benefit of and be enforceable by only those successors and assigns of the Declarant to whom any of the same have been specifically assigned or transferred in writing.

Section 2. Description of the Units. The general description and number of each Unit, including its area, location and such other data as may be necessary or appropriate for its identification, is set forth on the Condominium Plat, which Condominium Plat is annexed hereto as Exhibit "C" (and by this reference is made a part hereof).

Section 3. Name of Condominium. The name by which the Condominium shall be known is "Diamond Farms Condominium."

ARTICLE III
COMMON ELEMENTS

Section 1. General Common Elements. The General Common Elements means all of the Common Elements except Limited Common Elements, and shall (unless otherwise specifically designated herein or on the Condominium Plat), include the following:

- (a) The Property (other than Units); and,
- (b) The foundation(s), bearing walls, perimeter walls, main walls, roofs, parking areas, landscaping, halls, hallways, columns, girders, beams, supports, corridors, stairways, and entrances and exits or communication ways; and,
- (c) The laundry rooms, boiler rooms and roof(s); and,
- (d) The components or installations of central services such as power, light, gas, water, sewer, telephone, master antennae, including tanks, pumps, motors, fans, compressors, pipes, valves, controls or other similar equipment to be used in common (unless designated to serve only one Unit); and,
- (e) All Units which may hereafter be acquired and held by the Council of Unit Owners on behalf of all Unit owners.
- (f) All recreational facilities, including swimming pool, tennis courts and clubhouse.

(g) All other elements of common use or necessary to its existence, upkeep and/or safety.

Section 2. Limited Common Elements. The Limited Common Elements include those designated as such on the Condominium Plat. All areas designated as Limited Common Elements are reserved for the exclusive use of the Unit owner(s) of the Unit(s) to which they are declared to be appurtenant by appropriate designation on the Condominium Plat. If no such designation is made on the Condominium Plat, then the Limited Common Elements shall be deemed to be appurtenant to Unit(s) to which they are adjacent or which they rationally are designed and/or are intended to serve and benefit. The right of the Unit owner(s) to whose Unit(s) the Limited Common Elements are appurtenant to use and enjoy the same shall be subject to such reasonable rules and regulations as the Board of Directors of the Council of Unit Owners may from time to time enact.

ARTICLE IV
PERCENTAGE INTEREST AND VOTING RIGHTS

Each Unit shall have the same incidents as real property, and the Unit owner shall hold the same in fee simple and shall have a common right to a share with the other Unit owners of an undivided fee simple interest in the Common Elements, which shall be known as the "Percentage Interest in the Common Elements". The Percentage Interest in the Common Elements appertaining to each Unit is set forth on Exhibit "D". Also set forth on Exhibit "D" is the Percentage Interest of each Unit owner in the Common Profits and Common Expenses of the Council of Unit Owners and the vote of each Unit owner in the Council of Unit Owners, there being a total of one hundred (100) votes. Except as otherwise specifically provided in this Declaration, the Percentage Interests heretofore described and votes herein established shall not be changed without the unanimous consent of all of the Unit owners and the mortgagees (as defined in the Act) evidenced by an appropriate amendment to this Declaration recorded among the Land Records of Montgomery County, Maryland; shall not be separated from the Unit to which they appertain; and shall be deemed conveyed or encumbered with the Unit even though such Percentage Interests and/or votes are not expressly mentioned or described in the conveying deed or other instrument. Subject to the provisions of the bylaws of the Council of Unit Owners, and the Declaration, a Unit owner may, pursuant to and in accordance with Section 11-107(d) of the Act, grant a part of his Unit to another Unit owner and the part of the Unit conveyed may be incorporated as part of such other Unit, or he may subdivide his Unit, whereupon he shall reallocate a portion of his Percentage Interest in the Common Elements of the Condominium and Percentage Interest in the Common Profits and Common Expenses of the Council of Unit Owners, and the vote appurtenant to his Unit, accordingly, in accordance with procedures established by the Board of Directors.

ARTICLE V
COVENANT AGAINST PARTITION; ENCROACHMENTS, EASEMENTS

Section 1. Covenant Against Partition. The Common Elements, both General and Limited, shall remain undivided and, except as otherwise provided herein and in the

Act, shall remain appurtenant to the designated Unit. No Unit owner or any other person shall bring any action for partition or division thereof except as may be provided for herein and in the Act.

Section 2. Encroachments. If any portion of the Common Elements now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, as a result of the construction, reconstruction, repair, shifting, settlement or movement of the Units and/or Common Elements, or if any such encroachment shall occur hereafter as a result of construction, reconstruction, repair, shifting, movement or settlement, or otherwise, a valid easement for the encroachment and for the maintenance of the same shall exist so long as the encroaching Unit and/or Common Elements shall stand. In the event any Unit, any adjoining Unit, or any adjoining Common Elements shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then constructed, reconstructed or repaired, encroachment of parts of the Common Elements resulting from such reconstruction, construction or repair shall be permitted, and valid easements for such encroachment and the maintenance thereof shall exist so long as the encroaching improvements shall stand.

Section 3. Easements.

(a) The Council of Unit Owners, its agents and employees, shall have an irrevocable right and an easement to enter Units to make repairs to 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 danger to public safety or property, the Council of Unit Owners shall make a reasonable effort to give notice to the owner of any Unit to be entered for the purpose of such maintenance and repair. If damage is inflicted on the Common Elements or any Unit through which access is taken, the Unit owner responsible for the damage, or the Council of Unit Owners if it is responsible, is liable for the prompt repair. An entry by the Council of Unit Owners for the purposes specified in this section may not be considered a trespass. An easement for mutual support shall exist in the Units and the Common Elements.

(b) Each of the sidewalks, paths, walks, lanes, driveways, paved areas, roadways, stairwells and other General Common Elements shall be subject to an easement in favor of all the Unit owners for reasonable and necessary pedestrian and vehicular ingress and egress to and from the improvements to and from public and private roadways and streets.

(c) There is hereby reserved unto the Declarant and its agents a non-exclusive easement over, across and through all of the Property for the purpose of access, the storage of building supplies and materials and equipment in the Common Elements and, without any limitation, for any and all purposes reasonably related to the completion of the construction or rehabilitation and repair of the Property.

(d) There is hereby reserved unto the Declarant (and its successors and assigns to whom such easement has been specifically assigned in writing), for the benefit of the real property described on Exhibit "E" attached hereto and made a part hereof, a blanket easement upon, across, and under all of the General Common Elements for ingress, egress, installation, replacement, repair and maintenance of all utilities, including, but not limited to, water, sewer, drainage, gas, cable television,

telephones and electricity, and further including the right to connect to and use any such utilities which may exist or be located upon the Property from time to time. By virtue of this easement, it shall be expressly permissible to erect and maintain the necessary poles and other equipment on the Property, to affix and maintain electrical or telephone wires and conduits, sewer and water drainage lines, on, above, or below any portion of the Property, including any improvements constructed thereon and to have construction vehicles, equipment and the like exercise the aforesaid right of ingress and egress over the Property. There is further reserved unto the Declarant (and its successors and assigns to whom such right has been specifically assigned in writing), the right to grant specific easements, both temporary and permanent, to any person or entity, including all public authorities and utility companies, over any part of the Property in furtherance of the blanket easement created by this subsection (d).

ARTICLE VI
DECLARANT'S RIGHT TO RENT OR SELL UNITS

Anything contained in this Declaration or the bylaws of the Council of Unit Owners to the contrary notwithstanding, the Declarant shall have the right to transact any business on the Property (including the Common Elements) necessary or desirable to consummate sales or rentals of Units owned by it, including, but not limited to, the right to maintain employees in the sales or rental office, and to show Units for sale or rent. The sales or rental office, the furniture and furnishings in the model Units, signs and all items pertaining to the sale or rental of Units by the Declarant shall not be considered Common Elements but shall remain the property of the Declarant.

ARTICLE VII
DECLARANT'S EXPANSION RIGHTS

Section 1. Reservation of Right to Expand Condominium. The Declarant hereby reserves the right to expand the Condominium without the consent of Unit owners and to annex to the Property additional land and improvements thereon, provided that this reserved right shall terminate on the seventh (7th) anniversary after the date of the recordation of this Declaration and shall otherwise comply with the provisions of Section 11-120 of the Act.

Section 2. Conditions of Right to Expand Condominium.

(a) The land and the improvements now or hereafter to be located thereon which may be annexed to and made a part of the Condominium are described by metes and bounds on Exhibit "E" hereof and are graphically shown on Exhibit "F" attached hereto and made a part hereof.

(b) The total number of Units which may be added to the Condominium are two hundred eighty-eight (288).

(c) The Percentage Interest in the common elements, in the common expenses and common profits of the Council of Unit Owners and the number of votes appurtenant to any Unit following the addition of units to the Condominium described in Section 2(a) above are as set forth on Exhibit "G" annexed hereto

and made a part hereof.

(d) The expansion of the Condominium shall not be effective until such time as there has been recorded among the Land Records for Montgomery County, Maryland (i) an amended Declaration setting forth the new Percentage Interest in the Common Elements and Percentage Interest in the Common Profits and Common Expenses appurtenant to each Unit and the vote appertaining thereto, and (ii) an amendment to the Condominium Plat setting forth with respect to the new property which has been added to the Condominium the detail and information that is required to be shown upon the Condominium Plat, pursuant to Section 11-105 of the Act.

Section 3. Effect of Expansion. Upon the recordation of the amended Declaration and Condominium Plat, each Unit owner shall automatically have the Percentage Interest in the Common Elements and Percentage Interest in the Common Profits and Common Expenses and the number of votes appurtenant to his Unit set forth in the amended Declaration. The interest of each mortgagee, as that term is defined in the Act, shall attach by operation of law to the Percentage Interest in the Common Elements appurtenant to the Unit with respect to which it holds a lien.

Section 4. Power of Attorney. There is hereby reserved unto Lykes Boykin (or such other party as may in writing be designated by the Declarant) an irrevocable Power of Attorney, coupled with an interest, for the purpose of reallocating the Percentage Interests and voting rights appurtenant to each of the Units in the Condominium in accordance with the provisions of this Declaration and to execute, acknowledge and deliver such further instruments as may from time to time be required in order to accomplish the purposes of this Article VII. Each Unit owner and each mortgagee of a Unit shall be deemed to have acquiesced in amendments to this Declaration and in amendments to the Condominium Plat for the purpose of adding the aforesaid additional Units and Common Elements to the Condominium, as set forth above, and shall be deemed to have granted unto Lykes Boykin (or such other party as may in writing be designated by the Declarant), an irrevocable Power of Attorney, coupled with an interest, to effectuate, execute, acknowledge and deliver any such amendments and each such Unit owner and mortgagee shall be deemed to have agreed and covenanted to execute such further assurances and instruments, if any, as may be required by the Declarant and/or the said Lykes Boykin, his successors or assigns, to properly accomplish such amendments.

Section 5. Future Improvements. All future improvements to the Property which result from an expansion of the Condominium shall be consistent with the initial improvements in terms of quality of construction and must be substantially completed prior to annexation.

Section 6. FHA and VA Approvals. Provided that any Unit subject to this Declaration is then encumbered by a deed of trust or mortgage which is insured by the Federal Housing Administration or guaranteed by the Veterans Administration, neither the Declarant nor the Council of Unit Owners shall (i) amend this Declaration and/or the exhibits hereto so as to include within the effect of the condominium regime created hereby any other condominium regime or (ii) merge the Condominium with a successor condominium regime, without the prior written approval of the Federal Housing Administration and/or the Veterans Administration (as applicable). Nothing contained in this Section 6 shall be construed to restrict or restrain the

Declarant's right to expand the Condominium in accordance with Section 1 of this Article VII.

ARTICLE VIII

WASHINGTON SUBURBAN SANITARY COMMISSION AGREEMENT

(a) In the event that any sewer or water use charge, or sewer charge, or ad valorem tax, imposed pursuant to the Washington Suburban Sanitary District Code is not paid by the Council of Unit Owners, or by one or more of the Unit owners, the Washington Suburban Sanitary Commission shall have the right, within the time provided by law and the Regulations of said Commission, to terminate sewer and water service to all of the Units.

(b) Each present and future Unit owner and tenant shall acknowledge and take title subject to the obligation for payment by the each Unit owner of annual front-foot benefit charges levied by the Washington Suburban Sanitary Commission, based upon water and sewer front-foot allocations made by the Washington Suburban Sanitary Commission and commensurate with the life of the bonds issued for the construction of said water and/or sewer lines as applicable.

(c) Each present and future Unit owner and, if applicable, tenants of each Unit owner, shall grant a right of access to his Unit to the management agent employed by the Unit owner or the Council of Unit Owners and/or any other person authorized by said Council of Unit Owners for the purpose of making inspections of the plumbing system or for the purpose of correcting any plumbing problems in any Unit which might affect that Unit, any other Unit in the building or any of the Common Elements. In case of emergency, such entry shall be immediate whether the Unit owner or tenant is present or not. The management agent or other person authorized may permit employees of the said Commission to enter the premises for the purpose of making corrections in order to protect the Washington Suburban Sanitary Commission's water and sewer system.

ARTICLE IX

MISCELLANEOUS

Section 1. Construction and Enforcement.

(a) The provisions hereof shall be liberally construed to achieve the purpose of creating a uniform plan for the operation of the Property as a Condominium. Enforcement of these Covenants and Restrictions and of the bylaws attached hereto shall be by any Unit owner and/or the Council of Unit Owners by any proceeding at law or in equity against any person or persons violating any of the same, either to restrain or enjoin violation or to recover damages, or both, and against any Unit to enforce any lien created hereby; and the failure or forbearance by the Council of Unit Owners or the Unit owner of any Unit to enforce any of the covenants or restrictions herein or in the bylaws contained shall in no event be deemed a waiver of the right to do so thereafter.

(b) There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or any attempted violation or breach of any of the within Covenants and Restrictions cannot be adequately remedied by action at law or exclusively by recovery of damages.

(c) In accordance with the provisions of Section 11-108.1 of the Act, the maintenance responsibilities for the Property shall be as set forth in the Bylaws.

(d) In accordance with the provisions of Section 11-115 of the Act, the right to make improvements, alterations, additions or changes to any Units by any Unit owner shall be governed by the provisions of the Bylaws.

Section 2. Severability. Invalidation of any part of this Declaration by judgment, decree or order shall in no way affect any other provisions hereof, each of which shall remain in full force and effect.

Section 3. Captions. The captions contained in this Declaration are for convenience only, are not a part of this Declaration and are not intended in any way to limit or enlarge the terms and provisions of this Declaration.

Section 4. Amendments. This Declaration may be amended only by the written consent of every Unit owner and the written consent of every mortgagee, as defined in Section 11-101(g) of the Act. Any amendment to the Declaration shall not become effective until such time as it has been recorded in the same manner as the Declaration among the Land Records of Montgomery County, Maryland.

Section 5. Consents. Notwithstanding any other provision of this Declaration, except as provided by statute in case of condemnation or substantial loss to the Units and/or common elements of the Condominium, neither the Association nor the Board of Directors shall take any of the following actions:

(a) by act or omission, seek to abandon or terminate the Condominium project unless at least one hundred percent (100%) of the Unit owners and sixty-seven percent (67%) of the Eligible Mortgage Holders (based upon one vote for each first mortgage owned) have given their prior written approval;

(b) except in connection with an expansion of the Condominium pursuant to Article VII of this Declaration, change the pro-rata interest or obligation of any individual condominium unit unless all the first mortgagees and Unit owners of the individual condominium units have given their prior written approval;

(c) partition or subdivide any Unit, unless at least fifty-one percent (51%) of the Eligible Mortgage Holders (based upon one vote for each first mortgage owned), and Unit owners representing sixty-seven percent (67%) of the votes in the Association have given their prior written approval;

(d) by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the common elements, unless at least fifty-one percent (51%) of the Eligible Mortgage Holders (based upon one vote for each first mortgage owned) and Unit owners representing sixty-seven percent (67%) of the votes in the Council of Unit Owners have given their prior written approval (the granting of easements for public

utilities or for other public purposes consistent with the intended use of the common elements by the Council of Unit Owners shall not be deemed a transfer within the meaning of this clause);

(c) use hazard insurance proceeds for losses to any condominium property (whether to Units or to common elements) for other than repair, replacement or reconstruction of such condominium property in accordance with this Declaration and the original plans and specifications, unless at least fifty-one percent (51%) of the Eligible Mortgage Holders (based upon one vote for each first mortgage owned) and Unit owners representing sixty-seven percent (67%) of the votes in the Association have given their prior written approval.

(f) unless the consent of the Unit owners to which at least sixty-seven percent (67%) of the votes in the Council of Unit Owners are allocated (or such higher percentage as required by statute) and the approval of Eligible Mortgage Holders holding mortgages on Units which have at least fifty-one percent (51%) (or such higher percentage as required by statute) of the votes of Units subject to mortgages or deeds of trust held by Eligible Mortgage Holders is obtained, add or amend any material provisions of the constituent documents of the project, which establish, provide for, govern or regulate:

- (i) Voting;
- (ii) Assessments, assessment liens or subordination of such liens;
- (iii) Reserves for maintenance, repair and replacement of the Common Elements (or Units if applicable);
- (iv) Insurance or Fidelity Bonds;
- (v) Right to use the Common Elements;
- (vi) Responsibility for maintenance and repair of the several portions of the Condominium;
- (vii) Expansion or contraction of the Property or the addition, annexation or withdrawal of the Property to or from the Condominium;
- (viii) Boundaries of any Unit;
- (ix) The interests in the General or Limited Common Elements;
- (x) Convertibility of Units into Common Elements or of Common Elements into Units;
- (xi) Leasing of Units;
- (xii) Imposition of any right of first refusal or similar restriction on the right of a Unit owner to sell, transfer, or otherwise convey his or her Unit;

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0613, MSA_CE63_5772, Date available 07/01/2005. Printed 05/31

(xiii) Any provisions which are for the express benefit of mortgage holders, Eligible Mortgage Holders or eligible insurers or guarantors of first mortgages on Units.

IN WITNESS WHEREOF, the Declarant has caused this writing to be executed and delivered in its name and on its behalf on the day and year first above written.

ATTEST:

DIAMOND FARMS ASSOCIATES, INC.,
a Delaware corporation

Rosann Conner
Secretary

By: Robert M. Boyer
, (Vice) President



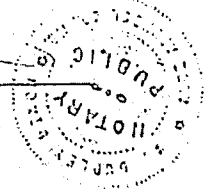
[CORPORATE SEAL]

STATE OF MARYLAND *
COUNTY OF MONTGOMERY * to wit:

I HEREBY CERTIFY that on the 25th day of February, 1981, before the subscriber, a Notary Public in and for the above jurisdiction, personally appeared Robert M. Boyer and Rosann Conner, who have been satisfactorily proven to be the persons whose names are subscribed to this written instrument, who acknowledged themselves to be (Vice) President and Secretary, respectively, of Diamond Farms Associates, Inc., a Delaware corporation, and that said Robert M. Boyer and Rosann Conner, as such (Vice) President and Secretary, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by themselves as (Vice) President and Secretary, respectively.

GIVEN under my hand and seal this 25th day of February, 1981.

Robert M. Boyer
Notary Public



My Commission Expires: July 1, 1982
[NOTARIAL SEAL]

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0614, MSA CE63_5772, Data available 07/01/2005. Printed 05/31

LIBER 5814 FOLIO 614

DECLARANT'S CERTIFICATION

I HEREBY AFFIRM under penalty of perjury that the notice requirements of Section 11-102.1 of the Real Property Article of the Annotated Code of Maryland, if applicable, have been fulfilled.

ATTEST:

DIAMOND FARMS ASSOCIATES, INC.,
a Delaware corporation

Rosann Carter
Asst. Sec.

By: James M. Bayne
, (Vice) President



[CORPORATE SEAL]

ATTORNEY'S CERTIFICATION

I HEREBY CERTIFY that the foregoing instrument was prepared by or under the supervision of an attorney duly admitted to practice before the Court of Appeals of Maryland.

Roger D. Winston
Roger D. Winston

Exhibit "A" to Declaration
(Description of Phase I)

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0616, MSA CE63_5772. Date available 07/01/2005. Printed 05/31

JOHN J. ALLEN ASSOCIATES

CIVIL ENGINEERS, LAND PLANNERS & SURVEYORS

4121 MONTGOMERY AVENUE, SUITE 200 • BETHESDA, MD, 20814 • 301/656-9150

JOHN J. ALLEN, P.L.S.
GEORGE A. SIMPSON, P.L.C.
WILLIAM C. MITCHELL, P.E.
LARRY W. WALLACE, E.L.T.
DAVID T. WELCH, P.L.S.

LIBER 5814 FOLIO 616

BIOLOGICAL STUDIES
EQUIPMENT AND SURVEY
EQUIPMENT CONTROL
SEWER & WATER DESIGN
SITE PLANNING
STREET DESIGN
STORM DRAINAGE DESIGN
STORM WATER MANAGEMENT
SURVEYS DESIGN
TOPOGRAPHIC MAPPING
ZONING & SPECIAL EXCEPTION CASES

August 27, 1981
A-6575-M

DESCRIPTION OF
DIAMOND FARM CONDOMINIUMS
PHASE 1 (in three parts)
PART 1
PART OF LOT 1, BLOCK "A", PLAT ONE, DIAMOND FARMS
9TH ELECTION DISTRICT
GAITHERSBURG, MARYLAND

Plat Book No. 84, Plat No. 8748

Being part of Lot 1, Block A as shown on a plat of subdivision entitled "Plat One, Diamond Farm" and recorded among the Land Records of Montgomery County, Maryland (9th Election District) in Plat Book 84 as Plat 8748; and being more particularly described as follows:

Beginning at a point in the easterly line of Quince Orchard Boulevard, seventy (70) feet wide as shown on said plat of subdivision, said point being the point of compound curvature between Curves 19 and 22 as shown on said plat; thence running with said easterly line of Quince Orchard Boulevard,

1. 723.07 feet along the arc of a curve to the right having a radius of 580.00 feet and a chord bearing N. 11° 56' 52" E., 677.15 feet; thence,
2. N. 47° 39' 45" E., 254.43 feet; thence,
3. 292.30 feet along the arc of a curve to the left having a radius of 470.00 feet and a chord bearing N. 29° 50' 46" E., 287.61 feet; thence,
4. N. 12° 01' 47" E., 132.50 feet; thence running through said Lot 1, Block A,
5. S. 77° 58' 13" E., 285.00 feet; thence,
6. S. 12° 01' 47" W., 365.00 feet; thence,
7. S. 77° 58' 13" E., 317.20 feet; thence running with the easterly line of said Lot 1, Block A,

PROFESSIONAL REGISTRATIONS IN MARYLAND, VIRGINIA, DISTRICT OF COLUMBIA, DELAWARE, PENNSYLVANIA, NORTH CAROLINA & WEST VIRGINIA
MEMBERS OF AMERICAN COUNCIL ON SURVEYING & MAPPING • MARYLAND SOCIETY OF SURVEYORS • NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS
VIRGINIA ASSOCIATION OF SURVEYORS • WASHINGTON SOCIETY OF ENGINEERS

CLERK'S NOTATION
Document submitted for record
in a condition not permitting
satisfactory photographic repro-
duction.

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0617, MSA_CE63_5772. Date available 07/01/2005. Printed 05/3

8. 308.00 feet along the arc of a curve to the left having a radius of 2400.00 feet and a chord bearing S. 15° 29' 28" W., 307.79 feet; thence running through said Lot 1, Block A,
9. N. 77° 58' 13" W., 120.00 feet; thence,
10. S. 12° 01' 47" W., 53.00 feet; thence,
11. N. 77° 58' 13" W., 180.00 feet; thence,
12. 60.00 feet along the arc of a curve to the right having a radius of 130.00 feet and a chord bearing N. 64° 44' 54" W., 59.47 feet; thence,
13. S. 38° 28' 26" W., 40.00 feet; thence,
14. S. 12° 01' 47" W., 118.00 feet; thence,
15. N. 77° 58' 13" W., 82.00 feet; thence,
16. N. 12° 01' 47" E., 95.00 feet; thence,
17. N. 77° 58' 13" W., 82.00 feet; thence,
18. S. 12° 01' 47" W., 520.00 feet; thence,
19. N. 77° 58' 13" W., 80.00 feet; thence,
20. S. 12° 01' 47" W., 98.00 feet; thence,
21. N. 77° 58' 13" W., 125.26 feet; thence running with the aforesaid easterly line of Quince Orchard Boulevard,
22. 122.90 feet along the arc of a curve to the right having a radius of 3000.00 feet and a chord bearing N. 24° 56' 25" W., 122.89 feet to the place of beginning, containing 616,676 square feet or 14.15693 acres of land.

and also,

CLERK'S NOTATION
Document submitted for record
in a condition not permitting
satisfactory photographic repro-
duction.

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0618, MSA_CE63_5772, Date available 07/01/2005, Printed 05/9

LIBER 5814 FOLIO 618

JOHN J. ALLEN ASSOCIATES
CIVIL ENGINEERS, LAND PLANNERS & SURVEYORS

4474 MONTGOMERY AVENUE, SUITE 300 • BETHESDA, MD, 20814 • 301/656-2330

JOHN J. ALLEN, P.L.S.
GEORGE A. SIMPSON, P.E.
WILLIAM L. MITCHELL, P.E.
LARRY W. WALLACE, L.L.T.
DAVID E. WILDER, P.L.S.

ECOLOGICAL STUDIES
PROPERTY LINE SURVEYS
SEWAGE CONDUITS
SEWER & WATER DESIGN
SITE PLANNING
STREET DESIGN
STORM DRAINAGE DESIGN
STORM WATER MANAGEMENT
SUBDIVISION DESIGN
TOPOGRAPHIC MAPPING
ZONING & SPECIAL EXCEPTION CASES

September 10, 1981
Description

PART 2

Being Parcel I as shown on a plat of subdivision entitled "Plat Four, Orchard Place" and recorded among the Land Records of Montgomery County, Maryland (9th Election District) in Plat Book 108 as Plat 12527; and being more particularly described as follows:

Beginning at the southwesterly corner of said Parcel I; thence running with the outlines thereof;

1. N. 12° 01' 47" E., 281.59 feet; thence,
2. S. 77° 58' 13" E., 82.00 feet; thence,
3. S. 12° 01' 47" W., 95.00 feet; thence,
4. S. 77° 58' 13" E., 82.00 feet; thence;
5. S. 12° 01' 47" W., 149.46 feet; thence,
6. S. 37° 52' 13" W., 41.26 feet; thence,
7. N. 77° 58' 13" W., 146.02 feet to the place of beginning

Containing 38,056 square feet or 0.87365 of an acre of land.

and also,

PROFESSIONAL REGISTRATIONS IN MARYLAND, VIRGINIA, DISTRICT OF COLUMBIA, DELAWARE, PENNSYLVANIA, NORTH CAROLINA & WEST VIRGINIA
MEMBERS OF AMERICAN SOCIETY OF SURVEYING & MAPPING • MARYLAND SOCIETY OF SURVEYORS • NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS
MEMBERS OF AMERICAN SOCIETY OF CIVIL ENGINEERS • WASHINGTON SOCIETY OF ENGINEERS

CLERK'S NOTATION
Document submitted for record
in a condition not permitting
satisfactory photographic repro-
duction.

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0619, MSA_CE63_5772, Date available 07/01/2005, Printed 05/3

JOHN J. ALLEN ASSOCIATES
CIVIL ENGINEERS, LAND PLANNERS & SURVEYORS

4124 MONTGOMERY AVENUE, SUITE 300 • BETHESDA, MD, 20814 • 301/291-9550

JOHN J. ALLEN, P.L.S.
GEORGE A. SIMPSON, P.L.
JAMES W. ANDREWS, P.L.S.
WILLIAM E. MITCHELL, P.C.
LARRY W. WALLACE, C.I.T.
DAVID L. WILDER, P.L.S.

GENERAL SURVEY
PROJECT LINE SURVEY
SEWER & WATER DESIGN
SITE PLANNING
STREET DESIGN
STORM DRAINAGE DESIGN
SIDEWALK MANAGEMENT
SUDSATION DESIGN
TOPOGRAPHIC MAPPING
ZONING & SPECIAL EXCEPTION CASES

March 18, 1980
Description for Quince Associates

PART 3

All that land being a part of Diamond Farm, Part of Lot 1, Block 'A' as recorded in Plat Book 84 at Plat 8748 in the Land Records of Montgomery County, Maryland and being more particularly described as follows:

PARCEL 'A'

Beginning for the same the following courses from the southeasterly corner of Diamond Farm, Part of Lot 1, Block 'A', which is a point on the northerly line of Quince Orchard Boulevard: 386.82 feet measured northerly along a curve to the right of 1200 feet radius; 970.45 feet measured northerly along a curve to the right of 2400 feet radius; and N. 77° 58' 13" W., 92.00 feet.

Thence, from the point of beginning; S. 12° 01' 47" W., 53.00 feet;
thence N. 77° 58' 13" W., 28.00 feet;
thence N. 12° 01' 47" W., 53.00 feet;
thence S. 77° 58' 13" E., 28.00 feet to the point of beginning, and containing 1,484 square feet. Subject to restrictions of record.

PARCEL 'B'

Beginning for the same N. 77° 58' 13" W., 122.50 feet from the southwesterly corner of Parcel 'A' described above.

Thence S. 12° 01' 47" W., 27.00 feet;
thence N. 77° 58' 13" W., 57.50 feet;
thence 72.46 feet measured northwesterly along a curve to the right of 157.00 feet radius;
thence N. 38° 28' 26" E., 27.00 feet;
thence 60.00 feet measured southeasterly along a curve to the left of 130.00

CLERK'S NOTATION
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MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0620, MSA CE63_5772. Date available 07/01/2005. Printed 05/31

March 18, 1980
Page 2

LIBER 5814 FOLIO 620

feet radius;

thence S. 77° 58' 13" E., 57.50 feet to the point of beginning, and
containing 3,340.7 square feet. Subject to restrictions of record.

Containing a total area for Phase 1 of 659,556.7 square feet
or 15.1413 acres of land.

CLERK'S NOTATION
Document submitted for record
in a condition not permitting
satisfactory photographic repro-
duction.

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0657, MSA CE63 5772 Date available 07/01/2005. Printed 05/31

LIBER 5814 FOLIO 657

Exhibit "C" to Declaration
(Condominium Plats - Phase I)

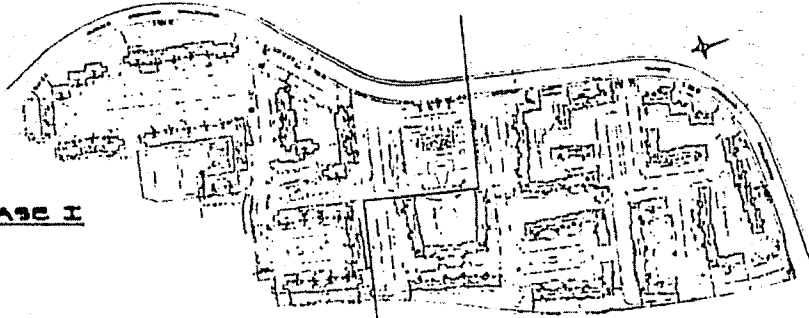
MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0558, MSA_CE63_5772, Date available 07/01/2005. Printed 05/83

LIBER 5814 FOLIO 58

OWNERS' DEDICATION

We, Diamond Farms Associates, Inc., a Delaware Corporation, by LYKES V. SKYKIN President, and ROSEAN CONNER Assistant Secretary, owners of the property shown hereon and described in the Surveyor's and Engineer's certifications, hereby adopt this Plat of Condominium, consisting of 15 sheets pursuant to the provisions and requirements of Title 11 of the Real Property Article, Section 11-101, et seq., of the Annotated Code of Maryland (1981 laws).

Date: _____ 'Diamond Farms Associates, Inc.,
a Delaware Corporation
Witness: _____ Lykes V. Skykin, President
Witness: _____ Rosean Conner, Assistant Secretary



PHASE I

ENGINEER'S CERTIFICATE

I hereby certify that the plat of condominium subdivision, consisting of 15 sheets, together with the applicable wording of the declaration, is a correct representation of the condominium described; furthermore, the identification and location of each unit and the common elements, as constructed, can be determined from same.

I further certify that this plat of condominium subdivision was prepared in accordance with the requirements of Title 11, Real Property Article, Section 11-101, et seq., of the Annotated Code of Maryland (1981 Supp.).

Date: 08/27/81 By: [Signature]
S. RUFFO MADDOX, JR.
Md. P.E. # 7115

PHASE II

RESERVED FOR FUTURE
EXHIBITION IN ACCORDANCE
WITH THE DECLARATION.

SURVEYOR'S CERTIFICATE

I hereby certify that the location and dimensioning of the buildings and other improvements shown on sheets 2 and 3 of 15 this plat of condominium subdivision was accomplished by traverse survey and is correct. Unless otherwise noted, there are no encroachments.

I further certify that the land and the buildings shown thereon are all a part of Lot 1, Block A, Plat One, Diamond Farms, 53 recorded in Plat Book 84 at Plat 8746 and parts of said Lot 1, Block A, recorded as Parcel A and B in Liber 804 at Page 425 and as Parcel 1, Plat Four, Orchard Place recorded in Plat Book 100 at Plat 12527 all among the Land Records of Montgomery County, Maryland.

Date: Oct. 26, 1981 By: [Signature]
JOHN J. ALEBU, SR.
Registered Land Surveyor
Maryland No. 2780

**PLAT OF CONDOMINIUM
DIAMOND FARMS CONDOMINIUM
PHASING PLAN
PHASE I**

9th ELECTION DISTRICT
MONTGOMERY COUNTY, MARYLAND
Scale: 1" = 200' August, 1981

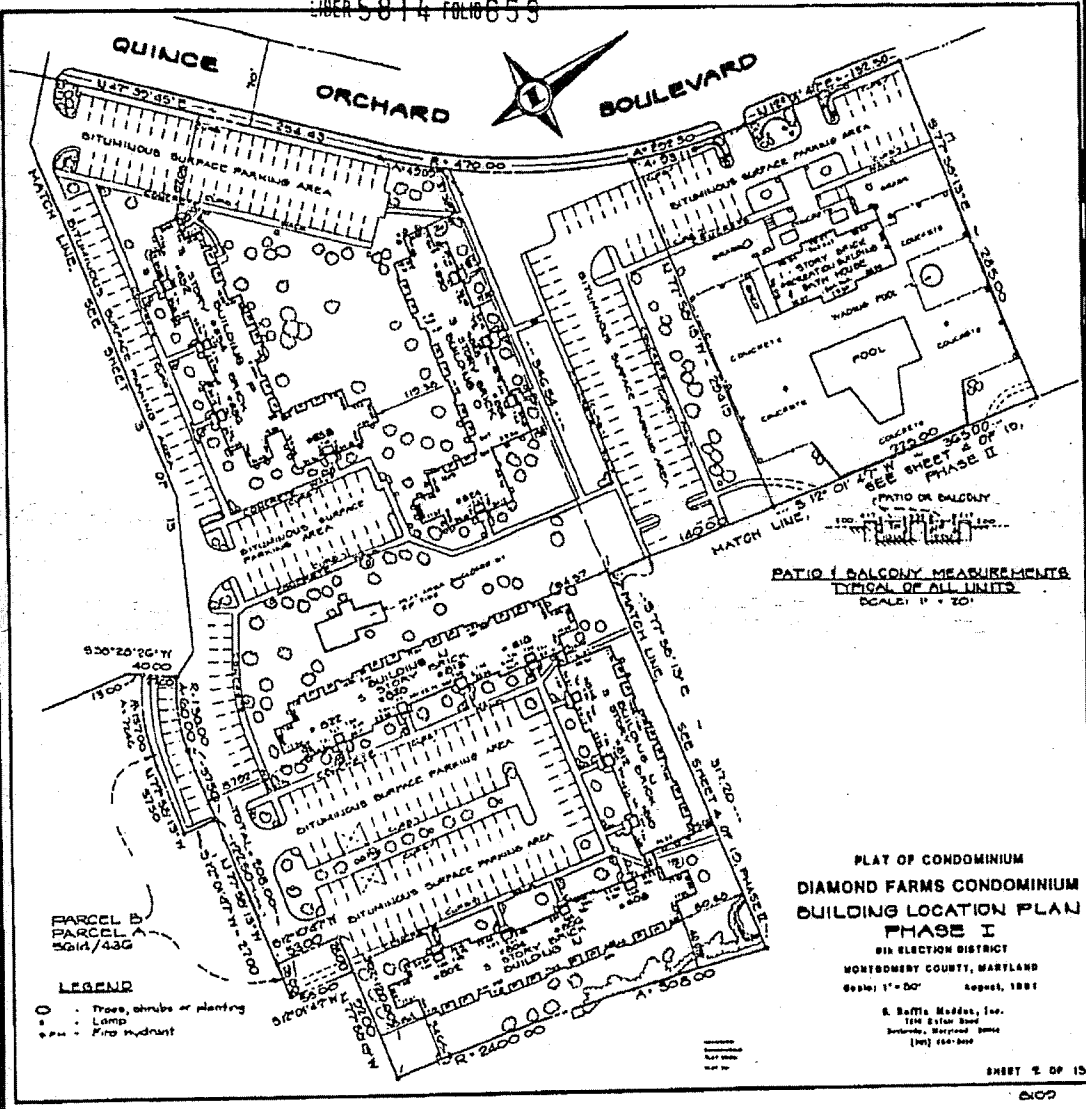
S. Ruffo Maddox, Inc.
1201 Kaylor Road
Baltimore, Maryland 21202
(301) 944-3414

SHEET 1 OF 15
B109

CLERK'S NOTATION
Document submitted for record
in a condition not permitting
satisfactory photographic reproduction.

MONTGOMERY COUNTY CIRCUIT COURT (Laid Records) HMS 5814, p. 0659, MSA_CE63_5772. Date available 07/01/2005. Printed 05/93

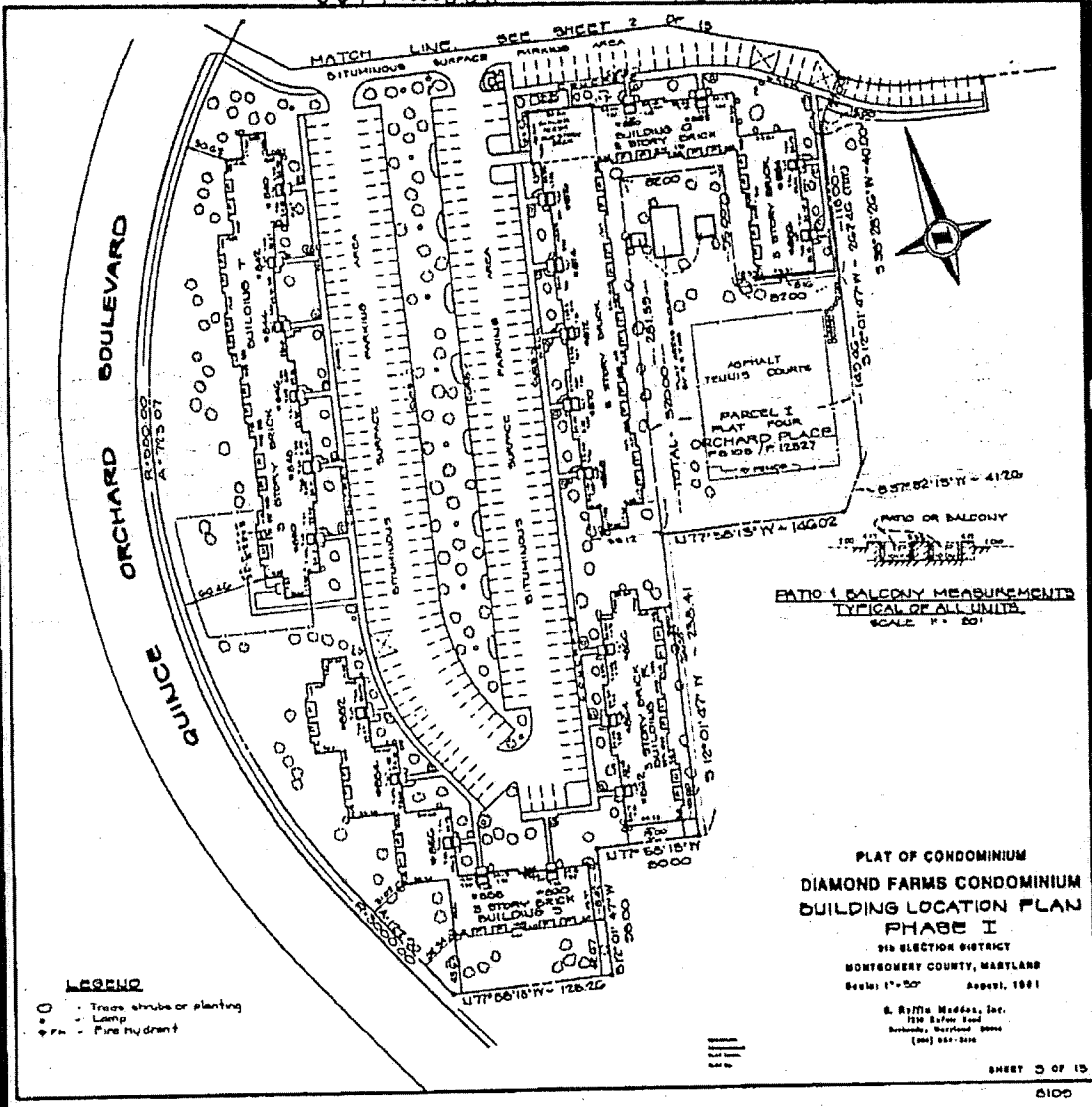
LIBER 5814 FOLIO 653



CLERK'S NOTATION
Document submitted for record
in a condition not permitting
satisfactory photographic repro-
duction.

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0660, MSA_CES3_5772. Date available 07/01/2005. Printed 05/31/05

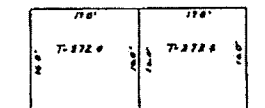
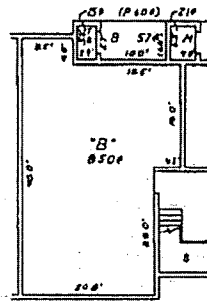
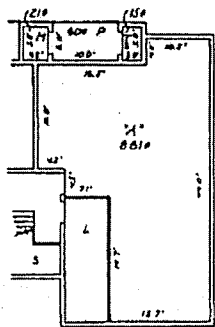
LIDER 5814 FOLIO 660



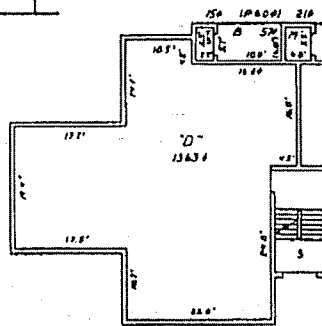
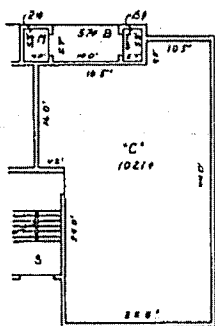
PARCEL 1
PLAT FOUR
ORCHARD PLACE
12,800 S.F. 125.27

APRIL 1991 MEASUREMENTS
TYPICAL OF ALL UNITS
SCALE 1" = 50'

CLERK'S NOTATION
Document submitted for record
in a condition not permitting
satisfactory photographic repro-
duction.



PHILADINIA
TYPICAL WARRANCE
*(All dimensions shown conforming
 dimensions and notes unless
 otherwise indicated)*



PLAN OF CONDOMINIUM
DIAMOND FARMS CONDOMINIUM
 TYPICAL FLOOR PLANS PHASE I

DISTRICT OF COLUMBIA
 MONTGOMERY COUNTY, MARYLAND
 Scale: 1" = 10' August, 1981

G. Ruffin Hedges, Inc.
 1700 Kiefer Road
 Bethesda, Maryland 20814
 (301) 556-5411

SHEET 7 OF 13

LEGEND

- CC - GENERAL COMMON ELEMENT
- LC - LIMITED COMMON ELEMENT
- B - BALCONY (L.C.E.)
- L - LIVING ROOM (L.C.E.)
- K - KITCHEN (L.C.E.)
- M - MECHANICAL ROOM (L.C.E.)
- W - WASHING MACHINE (L.C.E.)
- S - SINK (L.C.E.)
- T - TERRACE (L.C.E.)
- TR - TRANSFORMER ROOM (L.C.E.)
- ST - STORAGE (L.C.E.)
- FL - FLOOR LEVEL FLOOR ELEVATION
- PL - FLOOR LEVEL CEILING ELEVATION
- FT - FLOOR LEVEL FINISH ELEVATION
- SL - SECOND FLOOR CEILING ELEVATION
- BL - SECOND FLOOR CEILING ELEVATION

GENERAL NOTES

UNITS ARE IDENTIFIED BY THEIR STREET ADDRESS AND A UNIT DESIGNATION WITHIN THE BUILDING, I.e., 151-153.

THE LETTERS "A" THRU "D" REFER TO THE UNIT TYPE. WHEN THESE LETTERS ARE FOLLOWED BY A "0", THE UNIT IS A VARIANTE OF THE TYPE DESIGNATED IMMEDIATELY THEREAFTER WITH ALL DIMENSIONS AS SHOWN ON THIS SET OF CONDOMINIUM PLANS.

THE AREA OF UNITS HAS BEEN ROUNDED TO SQUARE FEET AND SHOWN AS FOLLOWS: 1510

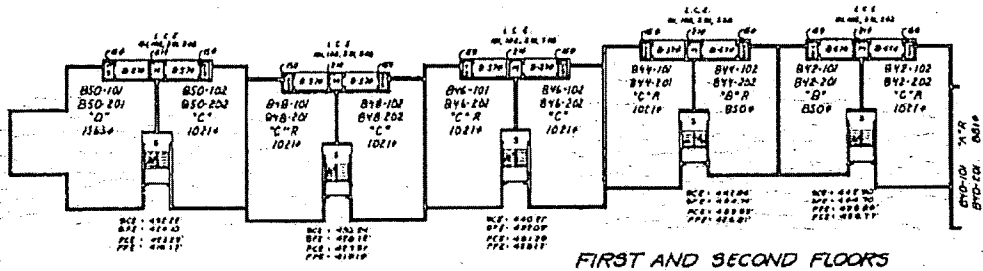
THE FLOOR AND CEILING ELEVATIONS AND THE UNIT DIMENSIONS ARE HELD IN ACCORDANCE WITH THE OFFICIAL PROVISIONS OF THE DECLARATION OF DIAMOND FARMS CONDOMINIUM.

NOTATIONS ARE REFERENCED TO THE MONTGOMERY COUNTY DEPARTMENT OF PERMITS AND INSPECTION.

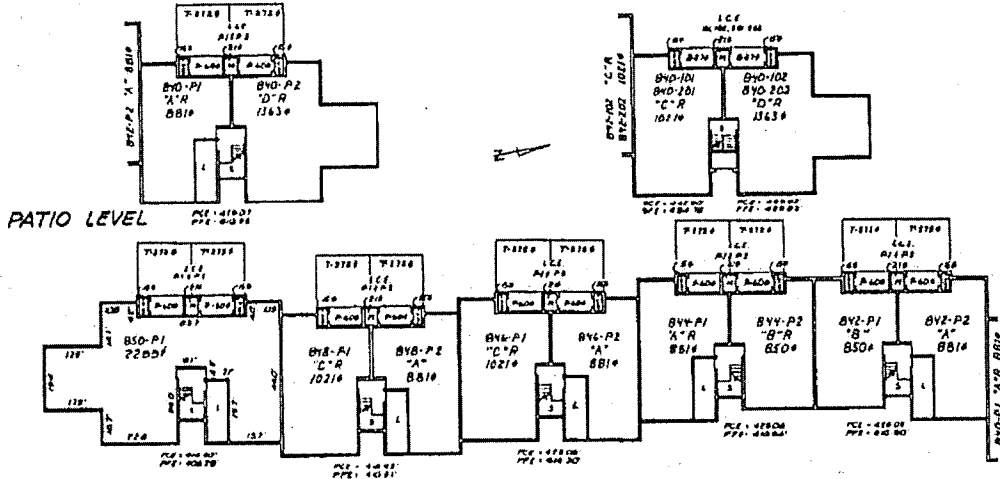
CLERK'S NOTATION
 Document submitted for record
 in a condition not permitting
 satisfactory photographic repro-
 duction.

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0662, MSA_CES3_5772, Date available 07/01/2005, Printed 05/31

LINDER 5814, FOLIO 662



FIRST AND SECOND FLOORS



PATIO LEVEL

PLAT OF CONDOMINIUM
DIAMOND FARMS CONDOMINIUM

- LEGEND**
- CC - GENERAL COMMON ELEMENT
 - LC - LIMITED COMMON ELEMENT
 - C - BALCONY (L.C.E.)
 - L - LAUNDRY ROOM (L.C.E.)
 - P - PATIO (L.C.E.)
 - M - MECHANICAL ROOM (L.C.E.)
 - ST - STAIRS (L.C.E.)
 - TS - TRASH STORAGE (L.C.E.)
 - TR - TRANSFORMER ROOM (L.C.E.)
 - PF - PATIO LEVEL FLOOR ELEVATION
 - FF - FIRST FLOOR ELEVATION
 - SE - SECOND FLOOR ELEVATION
 - RF - FIRST FLOOR CEILING ELEVATION
 - SE - SECOND FLOOR CEILING ELEVATION
 - RF - FIRST FLOOR CEILING ELEVATION
 - SE - SECOND FLOOR CEILING ELEVATION

GENERAL NOTES

UNITS ARE IDENTIFIED BY THEIR STREET ADDRESS AND A UNIT DESIGNATION WITHIN THE BUILDING, I.E. 102111.

THE LETTERS "C", "R", "P", "A", "L", "M", "S", "T", "TR", "TS", "PF", "FF", "SE", "RF", "SE", "RF" ARE FOLLOWED BY A "B", THE UNIT IS A "BAY" OF THE TYPE INDICATED. DIMENSIONS TYPICAL UNITS ARE SHOWN ON INDICATED "B" OF THIS SET OF CONDOMINIUM PLANS.

THE AREA OF UNITS ARE MEASURED IN SQUARE FEET AND SHOWN AS FOLLOWS: 102111.

THE FLOOR AND CEILING ELEVATIONS AND THE UNIT DIMENSIONS ARE MEASURED IN ACCORDANCE WITH THE APPLICABLE PERMITS OF THE DECLARATION OF DIAMOND FARMS CONDOMINIUM.

ELEVATIONS ARE REFERENCED TO THE MONTGOMERY BAROMETRIC DATUM. CONVERSION TABLE.

BUILDING 1 PHASE 1

DISTRICT OF MONTGOMERY COUNTY, MARYLAND

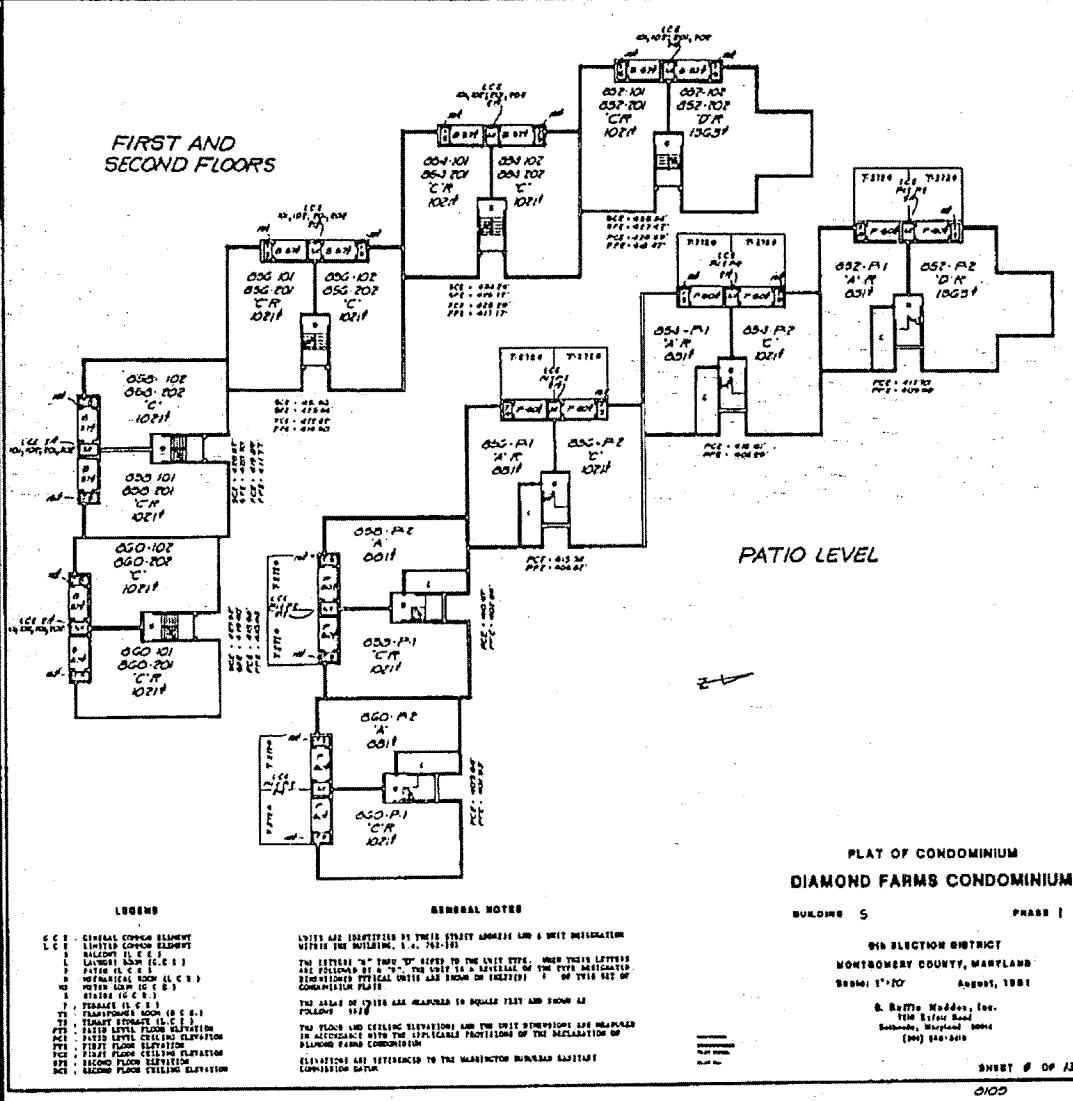
Scale: 1" = 30' August, 1991

E. Ruffin Waddell, Inc.
1144 Wilson Road
Bethesda, Maryland 20814
(301) 499-8400

SHEET 5 OF 13

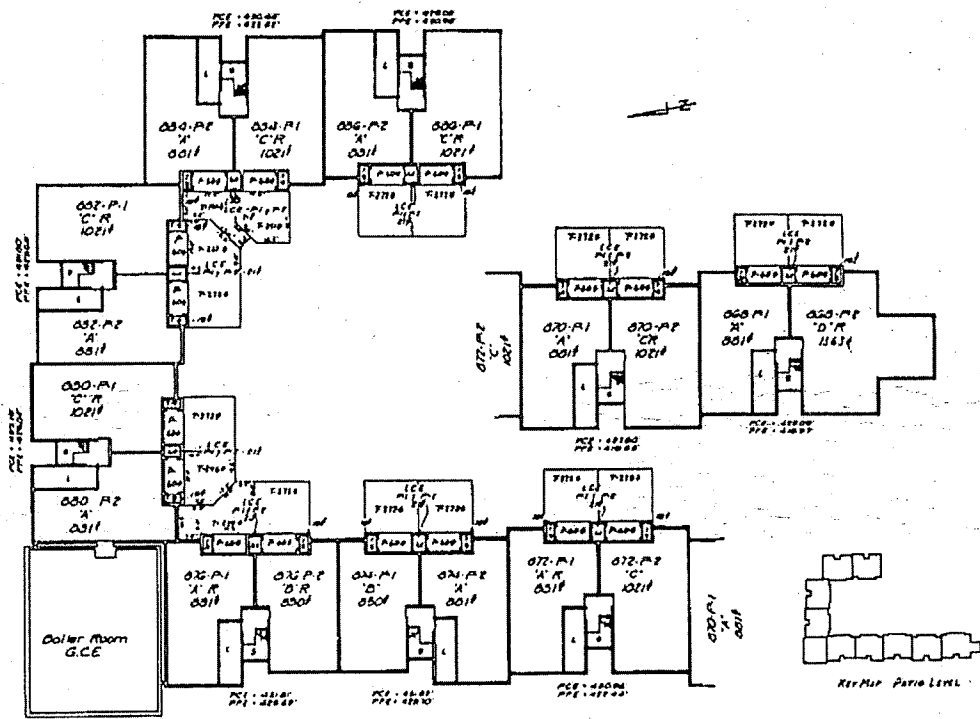
CLERK'S NOTATION
Document submitted for record
in a condition not permitting
satisfactory photographic repro-
duction.

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5614, p. 0563, MSA CE63_5772, Date available 07/01/2005, Printed 05/31



CLERK'S NOTATION
Document submitted for record
in a condition not permitting
satisfactory photographic repro-
duction.

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0665, MSA_CEB3_5772. Date available 07/10/2005. Printed 05/03/11



PATIO LEVEL

PLAT OF CONDOMINIUM
DIAMOND FARMS CONDOMINIUM

- LEGEND**
- 1. GENERAL COMMON ELEMENT
 - 2. LIMITED COMMON ELEMENT
 - 3. BALCONY (L.C.E.)
 - 4. LAUNDRY ROOM (L.C.E.)
 - 5. PATIO (L.C.E.)
 - 6. MECHANICAL ROOM (L.C.E.)
 - 7. STAIR (L.C.E.)
 - 8. STAIRWELL (L.C.E.)
 - 9. TERRACE (L.C.E.)
 - 10. TRANSPORTATION (L.C.E.)
 - 11. TRUNK STORAGE (L.C.E.)
 - 12. PATIO LEVEL FLOOR ELEVATION
 - 13. PATIO LEVEL CEILING ELEVATION
 - 14. FIRST FLOOR ELEVATION
 - 15. FIRST FLOOR CEILING ELEVATION
 - 16. SECOND FLOOR ELEVATION
 - 17. SECOND FLOOR CEILING ELEVATION

GENERAL NOTES

UNITS ARE IDENTIFIED BY THEIR STREET ADDRESS AND A UNIT DESIGNATION WITHIN THE BUILDING, I.E. 700-101.

THE LETTERS "X" THROUGH "Z" ARE FOLLOWED BY A SERIAL OF THE FIVE DESIGNATED, DIMENSIONED TYPICAL UNITS ARE THOSE OF DESIGNATION "A" OF THIS SET OF CONDOMINIUM PLANS.

THE AREAS OF UNITS ARE MEASURED IN SQUARE FEET AND SHOWN AS FOLLOWS: UNITS

THE FLOOR AND CEILING ELEVATIONS AND THE UNIT DIMENSIONS ARE MEASURED IN ACCORDANCE WITH THE SPECIFIABLE PROVISIONS OF THE DECLARATION OF DIAMOND FARMS CONDOMINIUM.

ELEVATIONS ARE REFERENCED TO THE WASHINGTON GEODESIC DATUM.

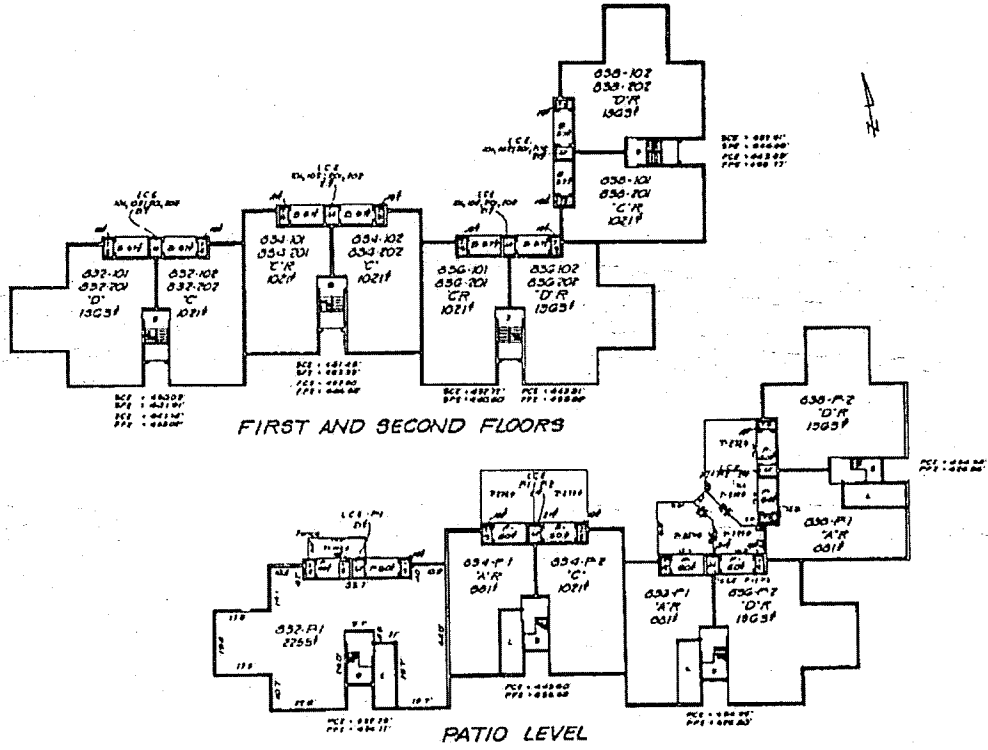
BUILDING 0 PHASE 1

9th ELECTION DISTRICT
MONTGOMERY COUNTY, MARYLAND
Book: 1-10 August, 1981

E. Betty Maddox, Inc.
7100 Belton Road
Bethesda, Maryland 20814
(301) 434-3400

SHEET 8 OF 18
000

CLERK'S NOTATION
Document submitted for record in a condition not permitting satisfactory photographic reproduction.



FIRST AND SECOND FLOORS

PATIO LEVEL

NOT TO SCALE
SEE PLAN SHEET
FOR DIMENSIONS

NOT TO SCALE
SEE PLAN SHEET
FOR DIMENSIONS

PLAN OF CONDOMINIUM
DIAMOND FARMS CONDOMINIUM

BUILDING P PHASE I

- LEGEND**
- C.C. GENERAL COMMON ELEMENT
 - L.L. LIMITED COMMON ELEMENT
 - B. BALCONY (L.C.E.)
 - L. LANDSCAPE (L.C.E.)
 - P. PATIO (L.C.E.)
 - M. MECHANICAL ROOM (L.C.E.)
 - H. HEAVY MECHANICAL (L.C.E.)
 - E. ELEVATOR (L.C.E.)
 - T. STAIRWAY (L.C.E.)
 - TR. TRANSFORMER ROOM (L.C.E.)
 - ST. STAIRWAY ENCLOSURE (L.C.E.)
 - PE. PATIO LEVEL CEILING ELEVATION
 - FL. FIRST FLOOR CEILING ELEVATION
 - SL. SECOND FLOOR CEILING ELEVATION
 - BC. SECOND FLOOR CEILING ELEVATION

GENERAL NOTES

UNITS ARE IDENTIFIED BY THEIR STREET ADDRESSES AND A UNIT IDENTIFICATION WITHIN THE BUILDING, I.E., 701/101A.

THE LETTERS "A" THROUGH "Z" REFER TO THE UNIT TYPE. UNITS SHALL LETTERED ARE FOLLOWED BY A "1" OR "2" TO INDICATE A REPEAT OF THE TYPE UNITS. DIMENSIONS TYPICAL UNITS ARE SHOWN ON INSERTS "A" OF THIS SET OF CONDOMINIUM PLANS.

THE SIZES OF UNITS ARE MEASURED TO INSIDE FINISH AND SHALL BE TAKEN AT 1987.

THE FLOOR AND CEILING ELEVATIONS AND THE UNIT DIMENSIONS ARE MEASURED IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF THE DECLARATION OF DIAMOND FARMS CONDOMINIUM.

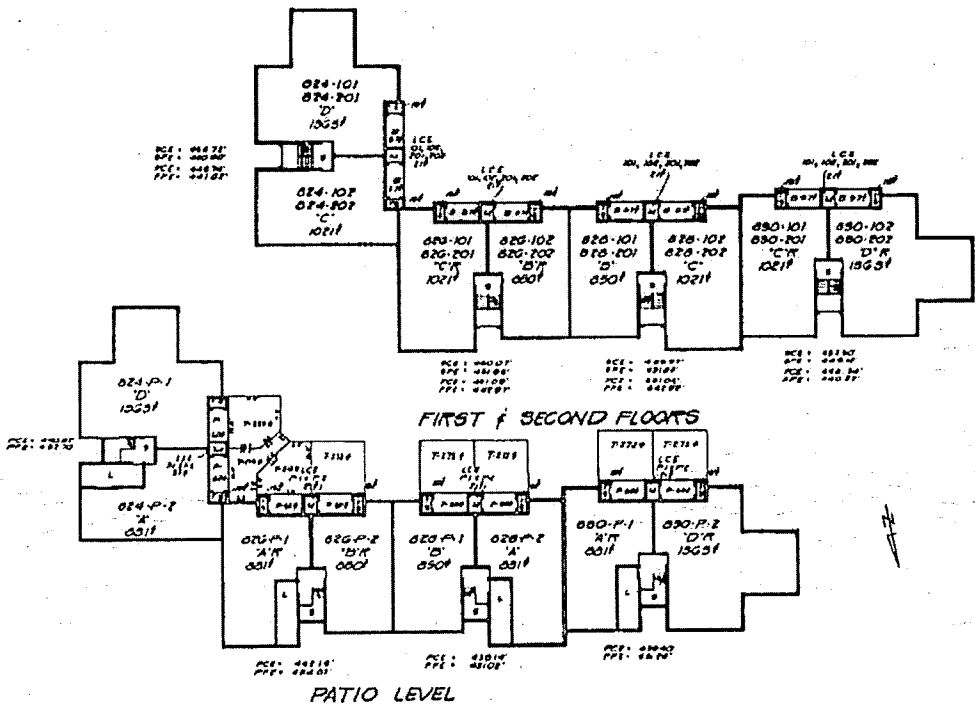
ELEVATIONS ARE REFERENCED TO THE NATIONAL MEAN SEA LEVEL; CONVERSION TABLE.

DIA ELECTION DISTRICT
 MONTGOMERY COUNTY, MARYLAND
 Booked 1/10/05 August, 1981

S. Ruffin Madson, Inc.
 7140 River Road
 Bethesda, Maryland 20814
 (301) 914-3414

CLERK'S NOTATION
 Document submitted for record
 in a condition not permitting
 satisfactory photographic repro-
 duction.

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5314, p. 0668, MSA CE63-5772 Date available 07/01/2005. Printed 05/03



FIRST & SECOND FLOORS

PATIO LEVEL

PLAT OF CONDOMINIUM
DIAMOND FARMS CONDOMINIUM

- LEGEND**
- C.C. - GENERAL COMMON ELEMENT
 - L.C. - LIMITED COMMON ELEMENT
 - 1 - BALCONY (I.C.E.)
 - 2 - LAUNDRY ROOM (I.C.E.)
 - 3 - PATIO (I.C.E.)
 - 4 - MECHANICAL ROOM (I.C.E.)
 - 5 - STAIRS (I.C.E.)
 - 6 - STAIRS (I.C.E.)
 - 7 - STAIRS (I.C.E.)
 - 8 - STAIRS (I.C.E.)
 - 9 - STAIRS (I.C.E.)
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 - 17 - STAIRS (I.C.E.)
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 - 94 - STAIRS (I.C.E.)
 - 95 - STAIRS (I.C.E.)
 - 96 - STAIRS (I.C.E.)
 - 97 - STAIRS (I.C.E.)
 - 98 - STAIRS (I.C.E.)
 - 99 - STAIRS (I.C.E.)
 - 100 - STAIRS (I.C.E.)

GENERAL NOTES

UNITS ARE IDENTIFIED BY THEIR STREET ADDRESS AND A UNIT DESIGNATION WITHIN THE BUILDING, I.E., 101-101.

THE LETTERS "A" THROUGH "Z" ARE TO BE USED TO IDENTIFY THESE UNITS AND ARE FOLLOWED BY A "1" THROUGH "10" TO IDENTIFY THE TYPE DESIGNATED. DIMENSIONS TYPICAL WITH ALL UNITS OR INDICATED BY THE SET OF CONSTRUCTION PLANS.

THE AREA OF UNITS ARE MEASURED IN SQUARE FEET AND SHOULD BE MEASURED AS FOLLOWS:

THE FLOOR AND CEILING ELEVATIONS AND UNIT DIMENSIONS ARE MEASURED IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF THE DECLARATION OF DIAMOND FARMS CONDOMINIUM.

ELEVATIONS ARE REFERENCED TO THE MEASUREMENT SUBMERGE SURFACE COMMISSION MATH.

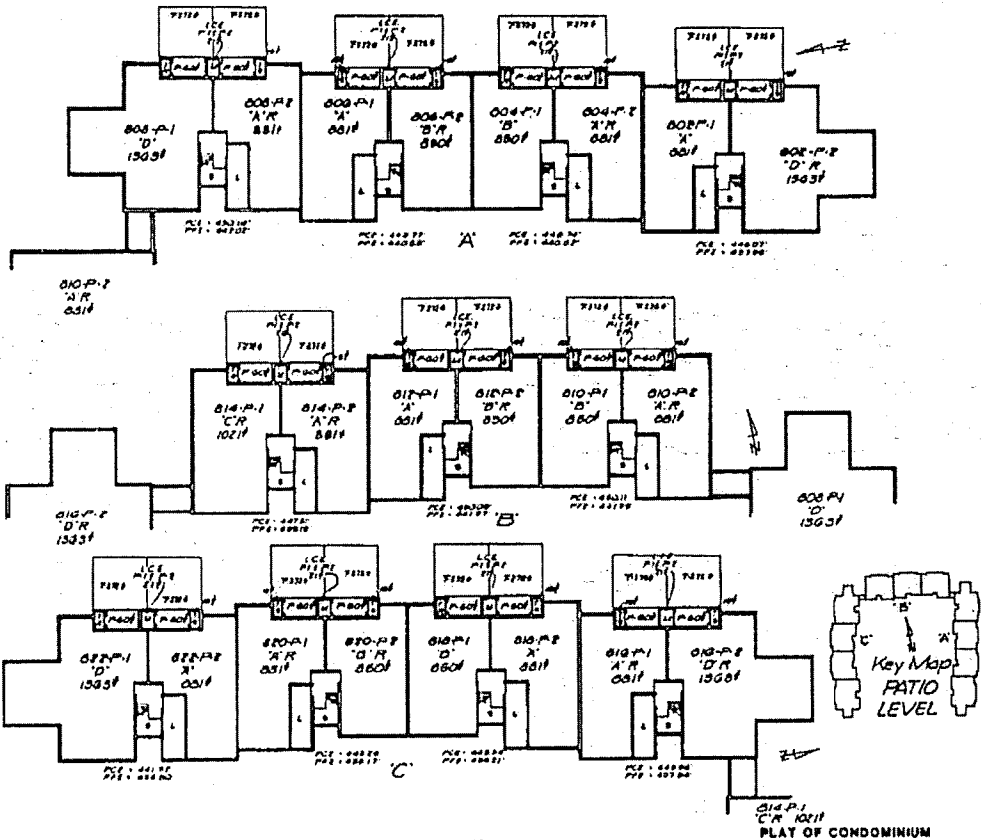
BUILDING 0 PHASE 1

101 ELECTION DISTRICT
MONTGOMERY COUNTY, MARYLAND
Scale: 1" = 10'
August, 1991

E. Ruffin Madson, Inc.
1700 Kaylor Road
Baltimore, Maryland 21286
(410) 536-3446

SHEET 11 OF 12
8109

CLERK'S NOTATION
Document submitted for record
in a condition not permitting
satisfactory photographic repro-
duction.



PATIO LEVEL

DIAMOND FARMS CONDOMINIUM

LEGEND

- 0 C 1 - CASUAL OPEN ELEMENT
- 0 C 2 - LIMITED COMMON ELEMENT
- 0 C 3 - BALCONY (I.C.E.)
- 0 C 4 - LAUNDRY ROOM (I.C.E.)
- 0 C 5 - PATIO (I.C.E.)
- 0 C 6 - MECHANICAL ROOM (I.C.E.)
- 0 C 7 - WALKWAY (I.C.E.)
- 0 C 8 - STAIRS (I.C.E.)
- 0 C 9 - TRUNKS (I.C.E.)
- 0 C 10 - TELEPHONE ROOM (I.C.E.)
- 0 C 11 - TRAMP ROOM (I.C.E.)
- 0 C 12 - PATIO LEVEL FLOOR ELEVATION
- 0 C 13 - PATIO LEVEL CEILING ELEVATION
- 0 C 14 - FIRST FLOOR CEILING ELEVATION
- 0 C 15 - SECOND FLOOR CEILING ELEVATION
- 0 C 16 - SECOND FLOOR CEILING ELEVATION

GENERAL NOTES

UNITS ARE IDENTIFIED BY THEIR STREET ADDRESS AND A UNIT DESIGNATION WITHIN THE BUILDING, I.E., 714-1011.
 THE LETTERS "A", "B", "C" REFER TO THE UNIT TYPE. WHEN THESE LETTERS ARE FOLLOWED BY A "P", THE UNIT IS A SPECIALTY OF THE TYPE DESIGNATED. REPRESENTATIVE TYPICAL UNITS ARE SHOWN ON SHEETS "A" OF THIS SET OF CONDOMINIUM PLANS.
 THE AREA OF UNITS ARE RELATED TO SQUARE FEET AND SHOWN AS FOLLOWS: 714-1011
 THE FLOOR AND CEILING ELEVATIONS AND THE UNIT DIMENSIONS ARE RELATED IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF THE DECLARATION OF DIAMOND FARMS CONDOMINIUM.
 ELEVATIONS ARE REFERENCED TO THE WASHINGTON BENCHMARK DATUM.
 COMMISSION DATE: _____

BUILDING N PHASE I

914 ELECTION SUBTRACT
 MONTGOMERY COUNTY, MARYLAND
 Date: 11-70 August, 1981

E. Ruffin Madson, Inc.
 7100 Belton Road
 Belton, Maryland 20814
 (301) 814-8444

SHEET 12 OF 13

0100

CLERK'S NOTATION
 Document submitted for record
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 satisfactory photographic repro-
 duction.

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0671, MSA_CE63_5772. Date available 07/01/2005. Printed 05/01

LIBER 5814 FOLIO 671

Exhibit "D" to Declaration
(Percentage Interests in Common Elements,
Common Profits, Common Expenses and Votes - Phase I)

CLERK'S NOTATION
Document submitted for record
in a condition not permitting
satisfactory photographic repro-
duction.

LIBER 5814 FOLIO 672

UNIT NUMBER	PERCENT OWNERSHIP OF PROJECT
802 0P1	.003393
802 0P2	.005250
802 101	.003933
802 102	.005250
802 201	.003933
802 202	.005250
804 0P1	.003274
804 0P2	.003393
804 101	.003274
804 102	.003933
804 201	.003274
804 202	.003933
806 0P1	.003393
806 0P2	.003274
806 101	.003933
806 102	.003274
806 201	.003933
806 202	.003274
808 0P1	.005250
808 0P2	.003393
808 101	.005250
808 102	.003933
808 201	.005250
808 202	.003933
810 0P1	.003274
810 0P2	.003393
810 101	.003274
810 102	.003933
810 201	.003274
810 202	.003933
812 0P1	.003393
812 0P2	.003274
812 101	.003933
812 102	.003274
812 201	.003933
812 202	.003274
814 0P1	.003933
814 0P2	.003393
814 101	.003933
814 102	.003933
814 201	.003933
814 202	.003933
816 0P1	.003393
816 0P2	.005250
816 101	.003933
816 102	.005250
816 201	.003933
816 202	.005250
818 0P1	.003274
818 0P2	.003393
818 101	.003274
818 102	.003933
818 201	.003274
818 202	.003933
820 0P1	.003393

CLERK'S NOTATION
Document submitted for record
in a condition not permitting
satisfactory photographic repro-
duction.

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0673, MSA_CE63_5772, Date available 07/01/2005, Printed 05/31

LIBER 5814 FOLIO 673

UNJI NUMBER	PERCENT OWNERSHIP OF PROJECT
820 0P2	.003274
820 101	.003933
820 102	.003274
820 201	.003933
820 202	.003274
822 0P1	.005250
822 0P2	.003933
822 101	.005250
822 102	.003933
822 201	.005250
822 202	.003933
824 0P1	.005250
824 0P2	.003933
824 101	.005250
824 102	.003933
824 201	.005250
824 202	.003933
826 0P1	.003933
826 0P2	.003274
826 101	.003933
826 102	.003274
826 201	.003933
826 202	.003274
828 0P1	.003274
828 0P2	.003933
828 101	.003274
828 102	.003933
828 201	.003274
828 202	.003933
830 0P1	.003933
830 0P2	.005250
830 101	.003933
830 102	.005250
830 201	.003933
830 202	.005250
832 0P1	.003643
832 101	.005250
832 102	.003933
832 201	.005250
832 202	.003933
834 0P1	.003933
834 0P2	.003933
834 101	.003933
834 102	.003933
834 201	.003933
834 202	.003933
836 0P1	.003933
836 0P2	.005250
836 101	.003933
836 102	.005250
836 201	.003933
836 202	.005250
838 0P1	.003933

CLERK'S NOTATION
Document submitted for record
in a condition not permitting
satisfactory photographic repro-
duction.

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0674, MSA_CES3_5772. Data available 07/01/2005. Printed 05/31

LIBER 5814 FOLIO 674

UNIT NUMBER	PERCENT OWNERSHIP OF PROJECT
838 0P2	.005250
838 101	.003933
838 102	.005250
838 201	.003933
838 202	.005250
840 0P1	.003933
840 0P2	.005250
840 101	.003933
840 102	.005250
840 201	.003933
840 202	.005250
842 0P1	.003274
842 0P2	.003933
842 101	.003274
842 102	.003933
842 201	.003274
842 202	.003933
844 0P1	.003933
844 0P2	.003274
844 101	.003933
844 102	.003274
844 201	.003933
844 202	.003274
846 0P1	.003933
846 0P2	.003933
846 101	.003933
846 102	.003933
846 201	.003933
846 202	.003933
848 0P1	.003933
848 0P2	.003933
848 101	.003933
848 102	.003933
848 201	.003933
848 202	.003933
850 0P1	.008645
850 101	.005250
850 102	.003933
850 201	.005250
850 202	.003933
852 0P1	.003933
852 0P2	.005250
852 101	.003933
852 102	.005250
852 201	.003933
852 202	.005250
854 0P1	.003933
854 0P2	.003933
854 101	.003933
854 102	.003933
854 201	.003933
854 202	.003933
856 0P1	.003933

CLERK'S NOTATION
Document submitted for record
in a condition not permitting
satisfactory photographic repro-
duction.

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0675, MSA_CESS_5772, Date available 07/01/2005. Printed 05/31/05

UNIT NUMBER	PERCENT OWNERSHIP OF PROJECT
856 0P2	.003933
856 101	.003933
856 102	.003933
856 201	.003933
856 202	.003933
858 0P1	.003933
858 0P2	.003933
858 101	.003933
858 102	.003933
858 201	.003933
858 202	.003933
860 0P1	.003933
860 0P2	.003933
860 101	.003933
860 102	.003933
860 201	.003933
860 202	.003933
862 0P1	.003933
862 0P2	.003933
862 101	.003933
862 102	.003933
862 201	.003933
862 202	.003933
864 0P1	.003933
864 0P2	.003933
864 101	.003933
864 102	.003933
864 201	.003933
864 202	.003933
866 0P1	.005250
866 0P2	.003933
866 101	.005250
866 102	.003933
866 201	.005250
866 202	.003933
868 0P1	.003933
868 0P2	.005250
868 101	.003933
868 102	.005250
868 201	.003933
868 202	.005250
870 0P1	.003933
870 0P2	.003933
870 101	.003933
870 102	.003933
870 201	.003933
870 202	.003933
872 0P1	.003933
872 0P2	.003933
872 101	.003933
872 102	.003933
872 201	.003933
872 202	.003933

CLERK'S NOTATION
Document submitted for record
in a condition not permitting
satisfactory photographic repro-
duction.

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0676, MSA_CE63_5772. Date available 07/01/2005. Printed 05/31/05

LIBER 5814 FOLIO 676

PERCENT OWNERSHIP LISTING-PHASE ONE

10/21/88

UNIT NUMBER	PERCENT OWNERSHIP OF PROJECT
874 0P2	.003374
874 101	.003274
874 102	.003933
874 201	.003274
874 202	.003933
876 0P1	.003393
876 0P2	.003274
876 101	.003933
876 102	.003274
876 201	.003933
876 202	.003274
880 0P1	.003933
880 0P2	.003393
880 101	.003933
880 102	.003933
880 201	.003933
880 202	.003933
882 0P1	.003933
882 0P2	.003393
882 101	.003933
882 102	.003933
882 201	.003933
882 202	.003933
884 0P1	.003933
884 0P2	.003393
884 101	.003933
884 102	.003933
884 201	.003933
884 202	.003933
886 0P1	.003933
886 0P2	.003393
886 101	.003933
886 102	.003933
886 201	.003933
886 202	.003933

TOTAL OWNERSHIP= 1.00000000004

TOTAL UNITS= 5
250

CLERK'S NOTATION
Document submitted for record
in a condition not permitting
satisfactory photographic repro-
duction.

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0577, MSA_CE60_5772. Date available 07/01/2005. Printed 05/81

LIBER 5814 FOLIO 677

Exhibit "E" to Declaration
(Property Description of Phase II)

CLERK'S NOTATION
Document submitted for record
in a condition not permitting
satisfactory photographic repro-
duction.

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0578, MSA CE63_5772. Date available 07/01/2005. Printed 05/3

LIBER 5814 folio 678

JOHN J. ALLEN ASSOCIATES
CIVIL ENGINEERS, LAND PLANNERS & SURVEYORS

4174 MONTGOMERY AVENUE, SUITE 200 • BETHESDA, MD, 20814 • 301/528-2570

JOHN J. ALLEN, P.L.S.
GEORGE A. SIMPSON, P.E.
WILLIAM E. MICHELL, P.E.
LARRY W. WALLACE, E.L.T.
DAVID C. WILDER, P.L.S.

ECOLOGICAL STUDIES
PROPERTY LINE SURVEYS
SEWER & WATER DESIGN
SITE PLANNING
STREET DESIGN
STORM DRAINAGE DESIGN
STORM WATER MANAGEMENT
SUBDIVISION DESIGN
TOPOGRAPHIC MAPPING
ZONING & SPECIAL EXCEPTION CASES

August 27, 1981
A-6575-M

DESCRIPTION OF
DIAMOND FARM CONDOMINIUMS
PHASE 2

PART OF LOT 1, BLOCK "A", PLAT ONE, DIAMOND FARMS
9TH ELECTION DISTRICT
GAITHERSBURG, MARYLAND

Plat Book No. 84, Plat No. 8748

Being part of Lot 1, Block A as shown on a plat of subdivision entitled "Plat One, Diamond Farm" and recorded among the Land Records of Montgomery County, Maryland (9th Election District) in Plat Book 84 as Plat 8748; and being more particularly described as follows:

Beginning at a point in the easterly line of Quince Orchard Boulevard, seventy (70) feet wide as shown on said plat of subdivision, said point lying N. 12° 01' 47" E., 132.50 feet from the point of tangency of Curve 16 as shown on said plat; thence running with said easterly line of Quince Orchard Boulevard,

1. N. 12° 01' 47" E., 517.50 feet; thence,
2. 456.54 feet along the arc of a curve to the right having a radius of 350.00 feet and a chord bearing N. 49° 23' 54" E., 424.86 feet; thence,
3. 358.13 feet along the arc of a curve to the right having a radius of 4330.00 feet and a chord bearing N. 89° 08' 10" E., 358.03 feet; thence,
4. 78.66 feet along the arc of a curve to the left having a radius of 470.00 feet and a chord bearing N. 86° 42' 40" E., 78.57 feet; thence running with the easterly line of said Lot 1, Block A,
5. 1046.45 feet along the arc of a curve to the right having a radius of 2400.00 feet and a chord bearing S. 13° 33' 12" W., 1038.18 feet; thence,
6. 288.05 feet along the arc of a curve to the left having a radius of 2400.00 feet and a chord bearing S. 22° 36' 22" W., 287.88 feet; thence running through said Lot 1, Block A,

PROFESSIONAL REGISTRATIONS IN MARYLAND, VIRGINIA, DISTRICT OF COLUMBIA, DELAWARE, PENNSYLVANIA, NORTH CAROLINA & WEST VIRGINIA
MEMBERS OF AMERICAN CONGRESS ON SURVEYING & MAPPING • MARYLAND SOCIETY OF SURVEYORS • NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS
VIRGINIA ASSOCIATION OF SURVEYORS • WASHINGTON SOCIETY OF ENGINEERS

CLERK'S NOTATION
Document submitted for record
in a condition not permitting
satisfactory photographic repro-
duction.

7. N. 77° 58' 13" W., 317.20 feet; thence,
8. N. 12° 01' 47" E., 365.00 feet; thence,
9. N. 77° 58' 13" W., 285.00 feet to the place of beginning,
containing 736,721 square feet or 16.91280 acres of land.

CLERK'S NOTATION
Document submitted for record
in a condition not permitting
satisfactory photographic repro-
duction.

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0680, MSA_CE63_5772, Date available 07/01/2005. Printed 05/8

LIDER 5814 FOLIO 680

Exhibit "F" to Declaration
(Plat for Phase II)

CLERK'S NOTATION
Document submitted for record
in a condition not permitting
satisfactory photographic repro-
duction.

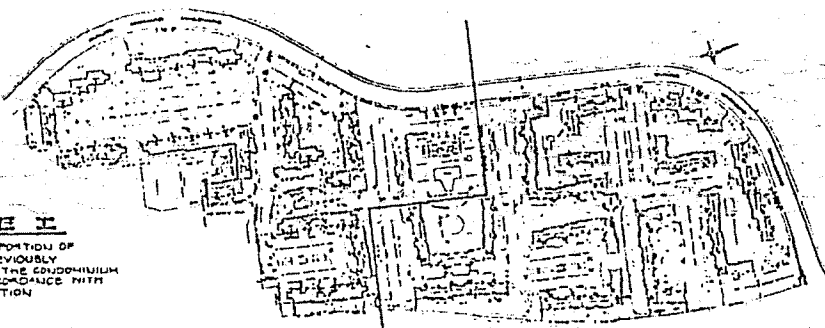
MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0881, NSA CE33 5872. Date available 07/01/2005. Printed 05/93

LIBER 5814 FOLIO 681

OWNERS' DEDICATION

The Diamond Farms Associates, Inc., a Delaware Corporation, by L. F. M. Boykin, President, and Richard C. Carr, Secretary, owners of the property shown hereon and described in the Surveyor's and Engineer's Certifications, hereby adopt this Plat of Condominium, consisting of 19 sheets pursuant to the provisions and requirements of Title 11 of the Real Property Article, Section 11-101, et seq., of the Annotated Code of Maryland (1981 Supp.).

Date: _____ Diamond Farms Associates, Inc.,
a Delaware Corporation
Witness: _____ L. F. M. Boykin, President
Witness: _____ Richard Carr, Assistant Secretary



PHASE II
REPRESENTS PORTION OF
PROPERTY PREVIOUSLY
SUBMITTED TO THE CONDOMINIUM
REGIME IN ACCORDANCE WITH
THE DECLARATION

ENGINEER'S CERTIFICATE
I hereby certify that this plat of condominium subdivision, consisting of 19 sheets, together with the applicable wording of the declaration, is a correct representation of the condominium as described. Furthermore, the identification and location of each unit and the common elements, as constructed, can be determined from them.
I further certify that this plat of condominium subdivision was prepared in accordance with the requirements of Title 11, Real Property Article, Section 11-101, et seq., of the Annotated Code of Maryland (1977 Supp.).

Date Oct 22, 1981 by [Signature]
S. RICHARD HEDDUM, JR.
Md. P.E. # 7113

SURVEYOR'S CERTIFICATE
I hereby certify that the location and dimensioning of the buildings and other improvements shown on sheets 2, 3, 4 of 19 the plat of condominium subdivision was accomplished by a transit-type survey and is correct. Unless otherwise noted, there are no encroachments.
I further certify that the land and the buildings shown hereon and all part of Lot 1, Block A, Plat Dm, Diamond Farms, as recorded in Plat Book 84 of Plat 6748 among the Land Records of Montgomery County, Maryland.

Oct. 26, 1981
Date [Signature]
John J. Allred, Jr.
Registered Land Surveyor
Maryland No. 2206

PHASE II

PLAT OF CONDOMINIUM
DIAMOND FARMS CONDOMINIUM
PHASING PLAN
PHASE II
E18 ELECTION DISTRICT
MONTGOMERY COUNTY, MARYLAND
Scale: 1" = 200' August, 1981
R. Kettle Meador, Inc.
1110 E. Jefferson Road
Bethesda, Maryland 20814
(301) 462-1010

6100

CLERK'S NOTATION
Document submitted for record
in a condition not permitting
satisfactory photographic repro-
duction.

LIBER 5814 FOLIO 682

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0582, MSA_C569_5772. Date available 07/01/2005. Printed 05/31

Exhibit "G" to Declaration
(Percentage Interests for Phases I and II)

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duction.

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0683, MSA CE83_5772, Date available 07/01/2005, Printed 05/3

LIBER 5814 FOLIO 683

PERCENT OWNERSHIP LISTING

09/28/01

UNIT NUMBER	PERCENT OWNERSHIP OF PROJECT
702 0P1	.001916
702 0T2	.001781
702 101	.001916
702 102	.001943
702 201	.001916
702 202	.001943
704 0P1	.001916
704 0T2	.001781
704 101	.001916
704 102	.001943
704 201	.001916
704 202	.001943
706 0P1	.001916
706 0T2	.001781
706 101	.001916
706 102	.001943
706 201	.001916
706 202	.001943
708 0P1	.001916
708 0T2	.001781
708 101	.001916
708 102	.001943
708 201	.001916
708 202	.001943
710 0P1	.001741
710 0T2	.002445
710 101	.001916
710 102	.002445
710 201	.001916
710 202	.002445
712 0P1	.001465
712 0T2	.001781
712 101	.001465
712 102	.001943
712 201	.001465
712 202	.001943
714 0P1	.001741
714 0T2	.001465
714 101	.001916
714 102	.001465
714 201	.001916
714 202	.001465
716 0P1	.002445
716 0T2	.001741
716 101	.002445
716 102	.001916
716 201	.002445
716 202	.001916
718 0P1	.001781
718 0T2	.001916
718 101	.001943
718 102	.001916
718 201	.001943
718 202	.001916
720 0P1	.001741

CLERK'S NOTATION
Document submitted for record
in a condition not permitting
satisfactory photographic repro-
duction.

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0684, MSA_CE83_5772, Date available 07/01/2005, Printed 05/31

LIDER 5814 FOLIO 684

PERCENT OWNERSHIP LISTING

09/28/81

UNIT NUMBER	PERCENT OWNERSHIP OF PROJECT
720 072	.001943
720 101	.001916
720 102	.001943
720 201	.001916
720 202	.001943
722 071	.001943
722 072	.001741
722 101	.001943
722 102	.001916
722 201	.001943
722 202	.001916
724 071	.001781
724 072	.001916
724 101	.001943
724 102	.001916
724 201	.001943
724 202	.001916
726 071	.001781
726 072	.001916
726 101	.001943
726 102	.001916
726 201	.001943
726 202	.001916
728 071	.001781
728 072	.001916
728 101	.001943
728 102	.001916
728 201	.001943
728 202	.001916
730 071	.001741
730 072	.001465
730 101	.001916
730 102	.001465
730 201	.001916
730 202	.001465
732 071	.001465
732 072	.001781
732 101	.001465
732 102	.001943
732 201	.001465
732 202	.001943
734 071	.001781
734 072	.001916
734 101	.001943
734 102	.001916
734 201	.001943
734 202	.001916
736 071	.001465
736 072	.001741
736 101	.001465
736 102	.001916
736 201	.001465
736 202	.001916
738 071	.001741

CLERK'S NOTATION
Document submitted for record
in a condition not permitting
satisfactory photographic repro-
duction.

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0685, MSA_CE63_5772. Date available 07/01/2005. Printed 05/31

LIBER 5814 FOLIO 685

PERCENT OWNERSHIP LISTING

09/28/81

UNIT NUMBER	PERCENT OWNERSHIP OF PROJECT
738 0P2	.001465
738 101	.001916
738 102	.001465
738 201	.001916
738 202	.001465
740 0P1	.001741
740 0P2	.002445
740 101	.001916
740 102	.002445
740 201	.001916
740 202	.002445
742 0P1	.002445
742 0P2	.001741
742 101	.002445
742 102	.001916
742 201	.002445
742 202	.001916
744 0P1	.001741
744 0P2	.001916
744 101	.001916
744 102	.001916
744 201	.001916
744 202	.001916
746 0P1	.001741
746 0P2	.002445
746 101	.001916
746 102	.002445
746 201	.001916
746 202	.002445
748 0P1	.002445
748 0P2	.001741
748 101	.002445
748 102	.001916
748 201	.002445
748 202	.001916
750 0P1	.001465
750 0P2	.001741
750 101	.001465
750 102	.001916
750 201	.001465
750 202	.001916
752 0P1	.001781
752 0P2	.001465
752 101	.001943
752 102	.001465
752 201	.001943
752 202	.001465
754 0P1	.002445
754 0P2	.001741
754 101	.002445
754 102	.001916
754 201	.002445
754 202	.001916
756 0P1	.002445

CLERK'S NOTATION
Document submitted for record
in a condition not permitting
satisfactory photographic repro-
duction.

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0686, MSA_CE83_5772. Date available 07/01/2005. Printed 05/8/

LIBER 5814 FOLIO 686 PERCENT OWNERSHIP LISTING

09/28/81

UNIT NUMBER	PERCENT OWNERSHIP OF PROJECT
756 0P2	.001741
756 101	.002445
756 102	.001916
756 201	.002445
756 202	.001916
758 0P1	.001741
758 0P2	.002445
758 101	.001916
758 102	.002445
758 201	.001916
758 202	.002445
760 0P1	.001741
760 0P2	.002445
760 101	.001916
760 102	.002445
760 201	.001916
760 202	.002445
762 0P1	.001465
762 0P2	.001781
762 101	.001465
762 102	.001943
762 201	.001465
762 202	.001943
764 0P1	.001741
764 0P2	.001465
764 101	.001916
764 102	.001465
764 201	.001916
764 202	.001465
768 0P1	.001741
768 0P2	.002445
768 101	.001916
768 102	.002445
768 201	.001916
768 202	.002445
770 0P1	.002445
770 0P2	.001741
770 101	.002445
770 102	.001916
770 201	.002445
770 202	.001916
772 0P1	.001781
772 0P2	.001916
772 101	.001943
772 102	.001916
772 201	.001943
772 202	.001916
774 0P1	.001465
774 0P2	.001741
774 101	.001465
774 102	.001916
774 201	.001465
774 202	.001916
776 0P1	.001741

CLERK'S NOTATION
Document submitted for record
in a condition not permitting
satisfactory photographic repro-
duction.

UNIT NUMBER	PERCENT OWNERSHIP OF PROJECT
776 072	.001465
776 101	.001916
776 102	.001465
776 201	.001916
776 202	.001465
778 071	.001916
778 072	.001781
778 101	.001916
778 102	.001943
778 201	.001916
778 202	.001943
782 071	.001741
782 072	.002445
782 101	.001916
782 102	.002445
782 201	.001916
782 202	.002445
784 071	.001916
784 072	.001781
784 101	.001916
784 102	.001943
784 201	.001916
784 202	.001943
786 071	.002445
786 072	.001741
786 101	.002445
786 102	.001916
786 201	.002445
786 202	.001916
788 071	.001741
788 072	.002445
788 101	.001916
788 102	.002445
788 201	.001916
788 202	.002445
790 071	.001781
790 072	.001916
790 101	.001943
790 102	.001916
790 201	.001943
790 202	.001916
792 071	.002445
792 072	.001741
792 101	.002445
792 102	.001916
792 201	.002445
792 202	.001916
794 071	.001943
794 072	.001741
794 101	.001943
794 102	.001916
794 201	.001943
794 202	.001916
796 071	.001781

CLERK'S NOTATION
Document submitted for record
in a condition not permitting
satisfactory photographic repro-
duction.

PERCENT OWNERSHIP LISTING

09/28/81

UNIT NUMBER	PERCENT OWNERSHIP OF PROJECT
796 072	.001465
796 101	.001943
796 102	.001465
796 201	.001943
796 202	.001465
798 071	.001465
798 072	.001781
798 101	.001465
798 102	.001943
798 201	.001465
798 202	.001943
800 071	.001781
800 072	.001916
800 101	.001943
800 102	.001916
800 201	.001943
800 202	.001916
802 071	.001520
802 072	.002352
802 101	.001762
802 102	.002352
802 201	.001762
802 202	.002352
804 071	.001467
804 072	.001520
804 101	.001467
804 102	.001762
804 201	.001467
804 202	.001762
806 071	.001520
806 072	.001467
806 101	.001762
806 102	.001467
806 201	.001762
806 202	.001467
808 071	.002352
808 072	.001520
808 101	.002352
808 102	.001762
808 201	.002352
808 202	.001762
810 071	.001467
810 072	.001520
810 101	.001467
810 102	.001762
810 201	.001467
810 202	.001762
812 071	.001520
812 072	.001467
812 101	.001762
812 102	.001467
812 201	.001762
812 202	.001467
814 071	.001762

CLERK'S NOTATION
 Document submitted for record
 in a condition not permitting
 satisfactory photographic repro-
 duction.

LIBER 5814 FOLIO 689
 PERCENT OWNERSHIP LISTING

09/28/81

UNIT NUMBER	PERCENT OWNERSHIP OF PROJECT
814 0P2	.001520
814 101	.001762
814 102	.001762
814 201	.001762
814 202	.001762
816 0P1	.001520
816 0P2	.002352
816 101	.001762
816 102	.002352
816 201	.001762
816 202	.002352
818 0P1	.001467
818 0P2	.001520
818 101	.001467
818 102	.001762
818 201	.001467
818 202	.001762
820 0P1	.001520
820 0P2	.001467
820 101	.001762
820 102	.001467
820 201	.001762
820 202	.001467
822 0P1	.002352
822 0P2	.001520
822 101	.002352
822 102	.001762
822 201	.002352
822 202	.001762
824 0P1	.002352
824 0P2	.001520
824 101	.002352
824 102	.001762
824 201	.002352
824 202	.001762
826 0P1	.001520
826 0P2	.001467
826 101	.001762
826 102	.001467
826 201	.001762
826 202	.001467
828 0P1	.001467
828 0P2	.001520
828 101	.001467
828 102	.001762
828 201	.001467
828 202	.001762
830 0P1	.003872
830 101	.001762
830 102	.002352
830 201	.001762
830 202	.002352
832 0P1	.003872

CLERK'S NOTATION
 Document submitted for record
 in a condition not permitting
 satisfactory photographic repro-
 duction.

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0690, MSA_CE63_5772. Date available 07/01/2005. Printed 05/03

LIBER 5814 FOLIO 690

PERCENT OWNERSHIP LISTING

09/28/81

UNIT NUMBER	PERCENT OWNERSHIP OF PROJECT
832 101	.002352
832 102	.001762
832 201	.002352
832 202	.001762
834 071	.001520
834 072	.001762
834 101	.001762
834 102	.001762
834 201	.001762
834 202	.001762
836 071	.001520
836 072	.002352
836 101	.001762
836 102	.002352
836 201	.001762
836 202	.002352
838 071	.001520
838 072	.002352
838 101	.001762
838 102	.002352
838 201	.001762
838 202	.002352
840 071	.001520
840 072	.002352
840 101	.001762
840 102	.002352
840 201	.001762
840 202	.002352
842 071	.001467
842 072	.001520
842 101	.001467
842 102	.001762
842 201	.001467
842 202	.001762
844 071	.001520
844 072	.001467
844 101	.001762
844 102	.001467
844 201	.001762
844 202	.001467
846 071	.001762
846 072	.001520
846 101	.001762
846 102	.001762
846 201	.001762
846 202	.001762
848 071	.001762
848 072	.001520
848 101	.001762
848 102	.001762
848 201	.001762
848 202	.001762
850 071	.003872

CLERK'S NOTATION
Document submitted for record
in a condition not permitting
satisfactory photographic repro-
duction.

LIBER 5814 FOLIO 691
PERCENT OWNERSHIP LISTING

09/28/81

UNIT NUMBER	PERCENT OWNERSHIP OF PROJECT
850 101	.002352
850 102	.001762
850 201	.002352
850 202	.001762
852 0P1	.001520
852 0P2	.002352
852 101	.001762
852 102	.002352
852 201	.001762
852 202	.002352
854 0T1	.001520
854 0T2	.001762
854 101	.001762
854 102	.001762
854 201	.001762
854 202	.001762
856 0P1	.001520
856 0P2	.001762
856 101	.001762
856 102	.001762
856 201	.001762
856 202	.001762
858 0T1	.001762
858 0T2	.001520
858 101	.001762
858 102	.001762
858 201	.001762
858 202	.001762
860 0P1	.001762
860 0P2	.001520
860 101	.001762
860 102	.001762
860 201	.001762
860 202	.001762
862 0T1	.001762
862 0T2	.001520
862 101	.001762
862 102	.001762
862 201	.001762
862 202	.001762
864 0T1	.001762
864 0T2	.001520
864 101	.001762
864 102	.001762
864 201	.001762
864 202	.001762
866 0P1	.002352
866 0P2	.001520
866 101	.002352
866 102	.001762
866 201	.002352
866 202	.001762
868 0T1	.001520

CLERK'S NOTATION
Document submitted for record
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satisfactory photographic repro-
duction.

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0692, MSA CE83_5772, Date available 07/01/2005, Printed 05/31

LIBER 5814 FOLIO 692
PERCENT OWNERSHIP LISTING

09/28/81

UNIT NUMBER	PERCENT OWNERSHIP OF PROJECT
868 072	.002352
868 101	.001762
868 102	.002352
868 201	.001762
868 202	.002352
870 071	.001520
870 072	.001762
870 101	.001762
870 102	.001762
870 201	.001762
870 202	.001762
872 071	.001520
872 072	.001762
872 101	.001762
872 102	.001762
872 201	.001762
872 202	.001762
874 071	.001467
874 072	.001520
874 101	.001467
874 102	.001762
874 201	.001467
874 202	.001762
876 071	.001520
876 072	.001467
876 101	.001762
876 102	.001467
876 201	.001762
876 202	.001467
880 071	.001762
880 072	.001520
880 101	.001762
880 102	.001762
880 201	.001762
880 202	.001762
882 071	.001762
882 072	.001520
882 101	.001762
882 102	.001762
882 201	.001762
882 202	.001762
884 071	.001762
884 072	.001520
884 101	.001762
884 102	.001762
884 201	.001762
884 202	.001762
886 071	.001762
886 072	.001520
886 101	.001762
886 102	.001762
886 201	.001762
886 202	.001762

Total # of units = 538 Total Ownership = 1.0000

CLERK'S NOTATION
Document submitted for record
in a condition not permitting
satisfactory photographic repro-
duction.

Corrective Declaration

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5962, p. 0678, MSA_CE63_5920. Date available 08/04/2005. Printed 05/31

LIBER 5962 FOLIO 678

NOV 17 1982

4111582RDW

CORRECTIVE DECLARATION
DIAMOND FARMS CONDOMINIUM

HISC. 27.00

THIS CORRECTIVE DECLARATION, made and entered into this 29th day of October, 1982, by DIAMOND FARMS ASSOCIATES, INC., a Delaware corporation (the "Declarant").

WHEREAS, the Declarant has recorded among the Land Records of Montgomery County, Maryland, a certain Declaration for Diamond Farms Condominium (the "Declaration"), such Declaration being recorded on December 28, 1981, in Liber 5814, Folio 603, et seq.; and

WHEREAS, by virtue of a typographical error, there exists an inconsistency among the condominium plats set forth in Exhibit "C" to the Declaration, the "Percentage Interest in Common Elements, Common Profits, Common Expenses and Votes - Phase I" set forth in Exhibit "D" to the Declaration, and the "Percentage Interests for Phases I and II" set forth in Exhibit "G" to the Declaration; and

WHEREAS, the Declarant wishes to conform Exhibit "C" of the Declaration to Exhibit "D" and Exhibit "G" of the Declaration; and

WHEREAS, the plat appearing on the fifth page of Exhibit "C" to the Declaration (Liber 5814, Folio 662) incorrectly depicts Unit 850-P1 as a single unit; and

WHEREAS, said Unit 850-P1 is actually two (2) units, to wit Unit 850-P1 containing approximately 1,363 square feet, and Unit 850-P2 containing approximately 881 square feet; and

WHEREAS, prior to the recordation hereof, the Declarant has filed for record in the Office of the Clerk of the Circuit Court for Montgomery County, Maryland, a corrective "Plat of Diamond Farms Condominium", consisting of one sheet and recorded in Condominium Plat Book 28, at Plat 2970, which plat corrects the Condominium Plat recorded in Condominium Plat Book 25, at Plat 2628; and

WHEREAS, the Declarant wishes to conform Exhibit "C" to the Declaration to the corrective "Plat of Diamond Farms Condominium" filed for record in the Office of the Clerk of the Circuit Court in Montgomery County, Maryland.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) and for other good and valuable consideration, the receipt and sufficiency of which the Declarant does hereby acknowledge, the Declarant does hereby grant and declare the following:

1. The "Percentage Interests for Phases I and II" of Unit No. "830-0P1" on the seventh page of Exhibit "G" of the Declaration (Liber 5814, Folio 689) is modified to read ".001520."

1982 NOV 17 PM 1:41
CLERK'S OFFICE
MONTGOMERY COUNTY, MD

17 00

LIBER 5962 FOLIO 679

2. Unit No. "830-0P2," previously omitted from the Declaration, is inserted following Unit No. "830-0P1" on the seventh page of Exhibit "G" of the Declaration (Liber 5814, Folio 689) and the "Percentage Interests for Phases I and II" appurtenant thereto is ".002352."

3. The "Percentage Interests in Common Elements, Common Profits, Common Expenses and Votes - Phase I" of Unit No. "850-0P1" on the third page of Exhibit "D" to the Declaration (Liber 5814, Folio 674) is modified to read "0.005250."

4. Unit No. "850-0P2," previously omitted from the Declaration, is inserted following Unit No. "850-0P1" on the third page of Exhibit "D" of the Declaration (Liber 5814, Folio 673) and the "Percentage Interests in the Common Elements, Common Profits, Common Expenses and Common Votes" appurtenant thereto is "0.003393."

5. The "Percentage Interests for Phases I and II" of Unit No. "850-0P1" on the eighth page of Exhibit "G" of the Declaration (Liber 5814, Folio 690) is modified to read "0.002352."

6. Unit No. "850-0P2," previously omitted from the Declaration, is inserted preceding Unit No. "850-101" on the ninth page of Exhibit "G" of the Declaration (Liber 5814, Folio 691) and the "Percentage Interests for Phases I and II" appurtenant thereto is "0.001520."

7. The Condominium Plat appearing on the fifth page of Exhibit "C" of the Declaration (Liber 5814, Folio 662) is amended by the Condominium Plat annexed hereto as Attachment "A" to the Corrective Declaration.

Except as set forth herein, the provisions of the Declaration shall remain in full force and effect, unmodified by this Corrective Declaration.

ATTEST:

DIAMOND FARMS ASSOCIATES, INC.,
a Delaware corporation

Patrick Blew
Patrick Blew, Secretary-Treasurer

By: Stephen E. Blythe
Stephen E. Blythe, President

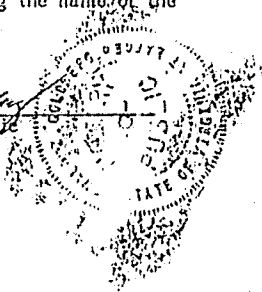
[CORPORATE SEAL]

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5962, p. 0680, MSA_CÉ63_5920. Date available 08/04/2005. Printed 05/31

LIDER 5962 FOLIO 680

STATE OF VIRGINIA *
CITY * to wit:
COUNTY OF SUFFOLK *

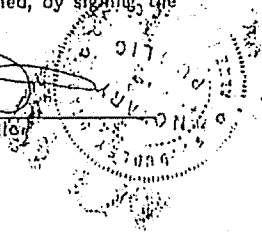
On this 29th day of October, 1982, before me, the undersigned officer, personally appeared Stephen E. Blythe, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within Instrument and acknowledged himself to be President of Diamond Farms Associates, Inc., a Delaware corporation, and that said Stephen E. Blythe, as such President, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as President.

Deputy Sheriff
Notary Public


My Commission Expires: 7-22-83
[NOTARIAL SEAL]

STATE OF MARYLAND *
COUNTY OF HOLBROOK * to wit:

On this 3RD day of NOVEMBER, 1982, before me, the undersigned officer, personally appeared Patrick Blew, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged himself to be Secretary-Treasurer of Diamond Farms Associates, Inc., a Delaware corporation, and that said Patrick Blew, as such Secretary-Treasurer, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Secretary-Treasurer.

Patrick Blew
Notary Public


My Commission Expires: 7-1-86
[NOTARIAL SEAL]

LIDER 5962 FOLIO 682

PARCEL IDENTIFIER RIDER

Address of Declarants:

Diamond Farms Associates, Inc.
824 Quince Orchard Boulevard
Suite 101
Gaithersburg, Maryland 20878

Address of Properties:

1. Entire parcel is known as: Diamond Farms Condominiums
Office address:
824 Quince Orchard Boulevard
Suite 101
Gaithersburg, Maryland 20878
2. Unit 830 OPl is known as: 830 Quince Orchard Boulevard
Unit Pl
Gaithersburg, Maryland 20878
3. Unit 850 OPl is known as: 850 Quince Orchard Boulevard
Unit Pl
Gaithersburg, Maryland 20878

Title Insurer:

Not applicable

Parcel Identifiers (tax account numbers):

1. Parcel identifier numbers of original Declaration which this document corrects:
9-244-1907325
9-206-2101572
9-206-2101561
9-206-1726471
2. Parcel identifier of Unit 830 OPl whose percentage interest is corrected by this Declaration: 9-249-2165675
3. Parcel identifier number of Unit 850 OPl whose percentage interest is corrected by this Declaration: 9-249-2166260

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5724, p. 0772, MSA_CE63_5682. Date available 07/01/2005. Printed 05/31/05

ORDER 5724 FOLIO 772

EXHIBIT A

SECTION I

All that tract of land and premises situate in Election District Number 9, Montgomery County, in the State of Maryland, being part of Lot 1, Block "A", Plat One, Diamond Farm, as recorded in Plat Book 84 at Plat 8748 among the land records for Montgomery County, Maryland, and being further described as follows:

Beginning for the same at the intersection of the easterly line of said Lot 1, Block "A", and the southerly line of Quince Orchard Boulevard, as shown on said plat, said point also being the northeasternmost corner of said Lot 1, and the easterly terminus of curve number 7 as shown on said plat; and running then with curve number 31, as shown on said plat, being a curve to the right with a radius of 2400 feet a distance of 1046.45 feet, chord, South 13° 33' 12" West, 1038.18 feet, to a point of reverse curvature; thence with a portion of curve number 30, as shown on said plat, being a curve to the left with a radius of 2400 feet a distance of 288.05 feet, chord, South 22° 36' 22" West, 287.87 feet; thence leaving said curve number 30 and crossing said Lot 1, North 77° 58' 13" West, 663.73 feet, to intersect curve number 16 as shown on said plat at a point on the southeasterly line of Quince Orchard Boulevard; thence with said line of Quince Orchard Boulevard and a portion of said curve number 16, being a curve to the left with a radius of 470.00 feet a distance of 150.09 feet, chord, North 32° 31' 43" East, 149.45 feet, to a point of tangency; thence leaving said curve and said line of Quince Orchard Boulevard with the three following lines coursing in the interior of said Lot 1, South 77° 58' 13" East, 294.19 feet; thence North 12° 01' 47" East, 225.00 feet; thence, North 77° 58' 13" West, 285.00 feet, to intersect the southeasterly line of Quince Orchard Boulevard; thence with said line, North 12° 01' 47" East, 517.50 feet, to the point of curvature of curve number 13, as shown on said plat; thence with said curve, being a curve to the right with a radius of 350.00 feet a distance of 456.54 feet; chord, North 49° 23' 54" East, 424.86 feet, to a point of compound curvature; thence with curve number 10, as shown on said plat, being a curve to right with a radius of 4330.00 feet a distance of 358.13 feet, chord, North 89° 08' 10" East, 358.03 feet, to a point of reverse curvature; thence with curve number 7, as shown on said plat being a curve to the left with a radius of 470.00 feet a distance of 78.66 feet, chord, North 86° 42' 40" East, 78.57 feet, to the point of beginning, containing 17.93 acres, subject to restrictions and conveyances of record.

SECTION II

Part of lot numbered One (1) in Block lettered "A" in the subdivision known as "PLAT ONE, DIAMOND FARM", as per plat thereof recorded in Plat Book 84 at Plat Number 8748, one of the Land Records of Montgomery County, Maryland, and being more particularly described as follows: BEGINNING on the easterly line of Quince Orchard Boulevard, 70 feet wide, at the north point of curvature of curve number 19 as shown on "Plat One, Diamond Farm", as recorded in Plat Book 84 at Plat 8748 among the aforesaid land records, and running with said line of Quince Orchard Boulevard North 47 degrees 39 minutes 45 seconds East 254.43 feet; thence on the arc of a curve to the left with a radius of 470.00 feet a distance of 49.10 feet, chord North 44 degrees 40 minutes 13 seconds East 49.08 feet; thence leaving said line of Quince Orchard Boulevard and crossing Lot 1, Block "A", as shown on the aforesaid plat South 77 degrees 58 minutes

LAW OFFICES
LERCHE, EARLY & ROSEMAN
CHARTERED
1212 FORD BUILDING
7101 WISCONSIN AVENUE
BETHESDA, MARYLAND 20814
13011 998-1300

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13 seconds East 663.73 feet to intersect curve number 30, as shown on aforesaid plat; thence with said curve on the arc of a curve to the left with a radius of 2400.00 feet a distance of 308.00 feet, chord South 15 degrees 29 minutes 28 seconds West 307.79 feet; thence again crossing said Lot 1 North 77 degrees 58 minutes 13 seconds West 120.00 feet; thence South 12 degrees 01 minutes 47 seconds West 53.00 feet; thence North 77 degrees 58 minutes 13 seconds West 180.00 feet; thence on the arc of a curve to the right with a radius of 130.00 feet a distance of 60.00 feet, chord North 64 degrees 44 minutes 54 seconds West 59.47 feet, thence South 38 degrees 28 minutes 26 seconds West 40.00 feet; thence South 12 degrees 01 minutes 47 seconds West 118.00 feet; thence North 77 degrees 58 minutes 13 seconds West 82.00 feet; thence North 12 degrees 01 minutes 47 seconds East 95.00 feet; thence North 77 degrees 58 minutes 13 seconds West 82.00 feet; thence South 12 degrees 01 minutes 47 seconds West 520.00 feet; thence North 77 degrees 58 minutes 13 seconds West 80.00 feet; thence South 12 degrees 01 minutes 47 seconds West 98.00 feet; thence North 77 degrees 58 minutes 13 seconds West 125.26 feet to intersect curve number 22, as shown on aforesaid plat; thence with said curve on the arc of a curve to the right with a radius of 3000.00 feet a distance of 122.89 feet, chord North 24 degrees 56 minutes 25 seconds West 122.88 feet to a point of compound curvature; thence on the arc of a curve to the right with a radius of 580.00 feet a distance of 723.07 feet, chord North 11 degrees 56 minutes 52 seconds East 677.15 feet to the beginning, containing 11.6623 acres.

Being the same property described in Deed of Trust from Danac Real Estate Investment Corporation to T. Wm. Blumenauer, Jr. and Clarence E. Kefauver, Jr., as Trustees, dated May 27, 1970 and recorded May 27, 1970 in Liber 3964 at folio 445.

SECTION III

All that land situate in the City of Gaithersburg, Montgomery County, Maryland being part of lot 1 in Block "A" DIAMOND FARM (PLAT ONE) as recorded in Plat Book 84 at Plat 8748 among the land records of said Montgomery County, more particularly described as follows:

Beginning for the same at a point on the easterly side of Quince Orchard Boulevard at the northerly end of curve number 16 as shown in Plat Book 84 at Plat 8748 and running thence with the easterly side of Quince Orchard Boulevard N. 12° 01' 47" E. 132.50 feet; thence through lot 1 the following three courses and distances;

1. S. 77° 58' 13" E. 285.00 feet;
2. S. 12° 01' 47" W. 225.00 feet;
3. N. 77° 58' 13" W. 294.19 feet to a point on the aforementioned curve number 16; thence with the easterly side of Quince Orchard Boulevard on the arc of a curve to the left with a radius of 470.00 feet a distance of 93.11 feet to the beginning, containing 1.48 acres subject to restrictions of record.

By-Laws

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) HMS 5814, p. 0622, MSA_CE63_5772. Date available 07/01/2005. Printed 05/9

LIBER 5814 FOLIO 622

BYLAWS
OF
COUNCIL OF UNIT OWNERS
OF
DIAMOND FARMS CONDOMINIUM

CLERK'S NOTATION
Document submitted for record
in a condition not permitting
satisfactory photographic repro-
duction.

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BYLAWS
OF
COUNCIL OF UNIT OWNERS
OF
DIAMOND FARMS CONDOMINIUM

ARTICLE I
PLAN OF CONDOMINIUM OWNERSHIP

Section 1. The Condominium. The Property described on Exhibit "A" to the Declaration has been established as a Condominium pursuant to the Act. These Bylaws are attached to and made part of the Declaration as Exhibit "B" and are intended by the Declarant to set forth, inter alia, a plan by which the affairs of the Condominium shall be administered and governed by the Unit Owners' Association pursuant to the Act.

Section 2. Definitions. In these Bylaws, all words shall have the same meanings as designated in the Declaration unless otherwise apparent from the context, provided that the Council of Unit Owners shall be sometimes designated in these Bylaws as the "Association".

Section 3. Applicability of Bylaws. The provisions of these Bylaws are applicable to the Association and to the Condominium. All present and future Unit owners, lessees and occupants of Units, and any other persons who may use the Property or the facilities of the Condominium in any manner, are subject to these Bylaws, the Declaration and the rules and regulations (hereinafter called the "Rules and Regulations") from time to time promulgated by the board of directors (hereinafter called the "Board of Directors" and each member thereof a "member" or a "Director") of the Association. The acceptance of a deed of conveyance to a Unit shall constitute an agreement that these Bylaws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified and will be complied with.

ARTICLE II
COUNCIL OF UNIT OWNERS

Section 1. Purpose and Status of Association. The purpose of the Association shall be to operate and maintain the Property for the benefit of the Unit owners and to exercise the powers conferred upon it by the Act and these Bylaws. The Association shall be an unincorporated entity.

Section 2. Name and Mailing Address. The Association hereby organized and formed for the purposes set forth above shall be known as "Council of Unit Owners of Diamond Farms Condominium". Unless changed from time to time by the Board of Directors, the office and mailing address of the Association and the Board of Directors shall be located at 780 Quince Orchard Boulevard, Gaithersburg, Maryland 20878.

Section 3. Powers of the Association. The Association shall have all of those powers enumerated in Section 11-109(d) of the Act, as the same may be amended from time to time. All powers residing in the Association, except for such as in the Act are expressly reserved to the Association, shall be delegated to and exercised by the Board of Directors of the Association and/or the managing agent employed by the Board of Directors on behalf of the Association.

Section 4. Members. The Association shall have as its members every person, group of persons, corporation, trust or other legal entity, or any combination thereof, who or which owns a Unit (herein called "Unit owner"); provided, however, that any person, group of persons, corporation, trust or other legal entity, or any combination thereof, who or which holds such interest solely as security for the performance of an obligation shall not be a member solely on account of such interest.

Section 5. Annual Meetings. Within ninety (90) days after the expiration of one (1) year from the date of recordation of the Declaration, or after deeds to Units representing fifty percent (50%) of the Percentage Interests in the common elements have been delivered by the Declarant and title closed thereon, whichever first occurs, or upon such earlier date as the Declarant may establish, the Declarant shall notify the Unit owners and the first annual meeting of the Association shall be held within thirty (30) days. Notice of such meeting shall be given in accordance with the provisions of Section 8 of this Article II. Subsequent annual meetings of the Association should be held on the same date of each year as the first annual meeting, unless such date shall occur on a Saturday or Sunday or holiday, in which event the meeting shall be held on the next succeeding Monday which is not a holiday.

Section 6. Special Meetings. It shall be the duty of the President of the Association to call a special meeting (a) if so directed by resolution of the Board of Directors, or (b) upon a petition signed and presented to the Secretary of the Association by Unit owners having not less than twenty-five percent (25%) of the percentage interests in the common elements of the Condominium; provided, however, that except on resolution of the Board of Directors, no special meetings shall be called prior to the first annual meeting of the Association as hereinabove provided for. No business shall be transacted at a special meeting except such as shall have been stated in the notice thereof.

Section 7. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Unit owners as may be designated in the notice of meeting by the Board of Directors.

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Section 8. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Association at least fifteen (15) but not more than forty (40) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit owner of record, at his address shown on the roster (hereinafter called the "Roster") required to be kept pursuant to Section 11-109(c) of the Act. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or to these Bylaws, the notice of meeting shall be mailed at least thirty (30) days prior to such meeting. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice as of the date of such mailing. In addition to the mailing of notice of each annual and special meeting, notice may be personally delivered to each Unit owner at his address as shown on the Roster. Service of notice shall be proven by affidavit of the person serving such notice. Attendance by a Unit owner at a meeting in person or by proxy shall constitute waiver of notice of the time, place and purposes of such meeting.

Section 9. Adjournment of Meeting. If any meeting of the Association cannot be held because a quorum of members has not attended, a majority of the Unit owners in percentage interest in the common elements of the Condominium who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called. No further notice thereof shall be required.

Section 10. Order of Business. The order of business at all meetings of the Association shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of Board of Directors.
- (f) Reports of committees.
- (g) Appointment of inspector of election (when so required).
- (h) Nomination of Directors from the floor (when so required).
- (i) Election of members of the Board of Directors (when so required).
- (j) Unfinished business.
- (k) New business.

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

Section 11. Voting. Each Unit owner, or the person designated by such Unit owner to act as proxy on his behalf (and who need not be a Unit owner), shall be entitled to cast the vote appurtenant to his Unit (his Percentage Interest in the Association) at all meetings of the Association. The designation of any such proxy shall be made in writing to the Secretary, shall be revocable at any time by written notice to the Secretary by the Unit owner so designating the proxy, and shall automatically expire one hundred eighty (180) days following its issuance unless granted to a mortgagee or lessee. In the case of a Unit which is owned by more than one person or entity, any or all of such owners may be present at any meeting of the Association and (those constituting a group acting unanimously) may vote or take any other action as a Unit owner, either in person or by proxy. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity. Where title to a Unit is in more than one person or entity, such multiple owners shall be entitled to cast, in the aggregate and as a solid block, the vote allocated to the Unit. If such multiple owners shall be unable to agree upon their vote upon any subject at any meeting, they shall lose their right to vote on such subject, but if all of them shall not be present at a meeting, either in person or by proxy, the collective vote of the one or more present shall be the vote of all of the owners of the Unit. Whenever the vote of the Unit owners at a meeting is required or permitted by any provisions of the Act, the Declaration or by these Bylaws to be taken, the meeting and vote of Unit owners may be dispensed with if all of the Unit owners who would have been entitled to vote thereat upon the action, if such meeting were held, consent in writing to such action being taken.

A Unit owner shall not be entitled to vote at any meeting of the Association if the Association has recorded a statement of condominium lien with respect to his Unit in accordance with Section 11-110 of the Act, and the amount necessary to release such lien has not been paid as of the date of the meeting.

No Unit owner shall be entitled to vote at a meeting of the Association unless and until he shall have furnished the Association with his name and current mailing address for listing on the Roster in accordance with Section 11-109(c) of the Act.

Section 12. Majority of Unit Owners. As used in these Bylaws, the term "majority of Unit owners" shall mean those Unit owners having more than fifty percent (50%) of the total authorized votes of all Unit owners present, in person or by proxy, and voting at any meeting of the Association.

Section 13. Quorum. Except as otherwise provided in these Bylaws or in the Act, the presence in person or by proxy of Unit owners having more than twenty-five percent (25%) of the total authorized votes of all Unit owners constitutes a quorum at all meetings of the Association.

Section 14. Majority Vote. The vote of a majority of the total authorized votes of Unit owners present at a meeting which has been duly called shall be binding upon all Unit owners for all purposes except where in the Declaration, under the Act or pursuant to these Bylaws a higher percentage vote is required.

Section 15. Liquidation Rights. In the event of any voluntary or involuntary dissolution of the Association, each Unit owner shall be entitled to receive out of the assets of the Association available for distribution to the members thereof an amount equal to his Percentage Interest in the common profits and common expenses of the Association.

ARTICLE III
BOARD OF DIRECTORS

Section 1. Number and Qualification. The affairs of the Association shall be governed by a Board of Directors acting on behalf of the Association. Until the first annual meeting of the Association as provided for in Article II, Section 5, of these Bylaws, and thereafter until their successors shall have been elected by the Unit owners, the Board of Directors shall consist of three (3) members to be designated by the Declarant. Thereafter, the Board of Directors shall be composed of five (5) members, all of whom shall be elected by the Unit owners.

Section 2. Powers and Duties. The Board of Directors shall have and shall exercise the powers and duties of the Association as set forth in Article II, Section 3 hereof, and may do all such acts and things except as by law or by the Declaration or by these Bylaws may not be delegated to the Board of Directors by the Unit owners. Without limiting the generality of the foregoing, the Board of Directors' powers shall include the following:

- (a) Operation, care, upkeep and maintenance of the common elements.
- (b) Determination of the common expenses required for the affairs of the Association.
- (c) Collection of the common charges and expenses from the Unit owners.
- (d) Employment and dismissal of the personnel necessary for the maintenance and operation of the common elements.
- (e) Opening of bank accounts on behalf of the Association and designating the signatories required therefor.
- (f) Purchasing of Units at foreclosure or other judicial sale in the name of the Board of Directors, or its designee, corporate or otherwise, on behalf of the Association.

(g) Obtaining of insurance for the Property.

(h) Making of repairs, additions, replacements and improvements to or alterations of the common elements in accordance with the other provisions of these Bylaws after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

(i) Enacting uniform Rules and Regulations from time to time for the use of the Property, as well as the conduct and the enjoyment of the Unit owners; provided, however, that no such Rules or Regulations so adopted shall be in conflict with the Act or the Declaration or these Bylaws; and provided further that no such Rules or Regulations shall be so construed so as to impair in any manner the lien of any mortgage or deed of trust with respect to any Unit and/or the common elements if such Rules or Regulations are promulgated after the recordation of said mortgage or deed of trust. Without limiting the generality of the Board of Directors' right to promulgate Rules and Regulations as aforesaid, and unless the Board of Directors elects to make the provisions of Section 11-111 of the Act applicable to the adoption of such Rules and Regulations, until the first annual meeting of the Association as provided for in Article II, Section 5, of these Bylaws, the Board of Directors may (without hearing or vote of or by the Unit owners), at any meeting duly called by the Board of Directors, promulgate such Rules and Regulations as the Board of Directors may deem necessary in accordance with these Bylaws. The procedures set forth in these Bylaws for the promulgation of Rules and Regulations are in lieu of those set forth in Section 11-111 of the Act. Such Rules and Regulations, when adopted, shall have the same force and effect as if they were incorporated in these Bylaws by direct reference and may be enforced in the same manner as all other provisions of the Bylaws, except that only a majority vote of the Board of directors shall be needed to amend, modify, delete or replace any such Rules and Regulations, such action not requiring the consent of Unit owners as is the case with amendments to these Bylaws.

(j) Enforcing obligations of Unit owners, allocating common profits and common expenses, if any, and doing anything and everything else necessary and proper for the sound management of the Property. In this connection, the Board of Directors shall have the power to levy fines against Unit owners for violations of the Rules and Regulations. No fine may be levied for more than Five Dollars (\$5.00) for any one (1) violation; but for each day that a violation continues, after notice, it shall be considered a separate violation. Collection of fines may be enforced against the Unit owner or Unit owners involved as if the fines are a common charge owed by the particular Unit owner or Unit owners. Where a Unit owner persists in violating the Rules and Regulations, the Board of Directors may require him to post a bond, satisfactory to it, to secure future compliance with the Rules and Regulations.

(k) Controlling the use of all common elements, including, but not limited to, designating parking spaces thereon for use by Unit owners and/or their guests.

(l) Establishing reasonable reserve funds for emergencies and unforeseen contingencies and for the repair and replacement of common elements.

(m) Notify eligible mortgage holders of any default hereunder by the Unit owner subject to such mortgage or deed of trust, in the event such default continues for a period exceeding sixty (60) days.

(n) Borrow money on behalf of the Condominium when required in connection with any one instance relating to the operation, care, upkeep and maintenance of the common elements, provided, however, that the consent of at least two-thirds in number and in Percentage Interest of all Unit owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws, shall be required to borrow any sums aggregating more than Ten Thousand Dollars. If any sum borrowed by the Board of Directors on behalf of the Condominium pursuant to the authority contained in this paragraph (n) is not repaid by the Unit Owners Association, a Unit owner who pays to the creditor a percentage of the total amount due equal to his Percentage Interest in the Condominium shall be entitled to obtain from the creditor a release of any judgment or other lien which such creditor shall have filed or shall have the right to file against such Unit owner's Condominium Unit.

(o) Acquire, hold and dispose of Condominium Units and mortgage the same if such expenditures and hypothecations are included in the budget adopted by the Unit Owners Association.

(p) Furnish the statement required by Section 11-135(B) of the Act, within twenty days after the receipt of a written request therefor from any Unit owner and receipt of the fee, therefore, if any.

(q) Take any action necessary to abate or remove, anywhere within the common elements (including the limited common elements) any violation of any federal, state or local law, ordinance or regulation.

(r) Do such other things and acts not inconsistent with the Act, the Declaration or these Bylaws as the Board of Directors may be authorized to do by a resolution of the Unit Owners Association.

Section 3. Managing Agent. The Board of Directors shall employ for the Association a professional managing agent at a compensation established by the Board of Directors. The Managing Agent shall perform such duties and services as the Board of Directors shall authorize, including, but not limited to, the duties listed in Section 2 of this Article, except that the Board of Directors may not delegate those powers and duties set forth in paragraphs (e), (f), (i), (n) and (o) of Article III, Section 2. The Board of Directors shall not undertake "self-management" or otherwise fail to employ a professional managing agent without the prior written approval of owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated

and the approval of eligible mortgage holders representing fifty-one percent (51%) of the votes in the Association. All management agreements entered into on behalf of the Association shall (a) be for a term not in excess of one (1) year, (b) provide that either party may terminate the agreement, without cause, upon ninety (90) days' written notice (and without a termination fee), (c) provide that the Board of Directors may, for cause, terminate such agreement upon thirty (30) days' written notice (without a termination fee) and (d) provide for renewal upon agreement by the parties for successive one (1)-year periods.

Section 4. Election and Term of Office. The Directors of the Association who shall be designated by the Declarant in accordance with Article III, Section 1, above, shall hold office at the pleasure of the Declarant, and otherwise until the first annual meeting of the Association as provided for in Article II, Section 5, of these Bylaws.

At the first annual meeting of the Association, five (5) members of the Board of Directors shall be elected by the Unit owners from among the Unit owners. Commencing with the first annual meeting of the Association, the term of office of the two (2) Directors receiving the greatest number of votes shall be fixed for two (2) years. The terms of office of the remaining Directors shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of two (2) years. Each Director shall hold office until the next meeting of the Board of Directors following the election of his successor. However, a member of the Board of Directors shall be deemed to have resigned whenever such member, his spouse, or firm, corporation or other entity he is associated with, sells the Unit which qualified such individual to become a member of the Board of Directors.

Members of the Board of Directors shall be elected by secret ballot.

Section 5. Removal of Members of the Board of Directors. At any regular or special meeting of the Association after the first annual meeting of the Association, any one or more of the members of the Board of Directors elected by the Unit owners may be removed, with or without cause, by a majority of the Unit owners. Any member of the Board of Directors whose removal has been proposed by the Unit owners shall be given an opportunity to be heard at the meeting. The term of office of any Director who becomes more than forty-five (45) days delinquent in the payment of common charges against the Unit of which he is the owner shall automatically terminate on the forty-sixth (46th) day, and his successor shall thereupon be appointed by the Board of Directors from among the Unit owners to fill out the unexpired portion of his term. A majority of the Board of Directors may remove any Director who has missed three (3) consecutive meetings. A Unit owner may remove a Board member of the Board of Directors designated by him, at any time, with or without cause, by written notification to the Board of Directors specifying the date of such removal and the name of the individual designated to succeed the member so removed.

Section 6. Vacancies. Vacancies on the Board of Directors shall be filled by vote of a majority of the remaining Directors at a special meeting of the Board of Directors

held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Directors for the remainder of the term of the predecessor member, and until a successor shall be elected at the next annual meeting of the Association.

Section 7. Organization Meeting. The first regular meeting of the Board of Directors following an annual meeting of the Unit owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by a majority of the members of the Board of Directors, and no notice shall be necessary to the newly elected members of the Board of Directors in order legally to constitute such meeting, provided that a majority of the whole Board of Directors shall be present thereat.

Section 8. 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 members of the Board of 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 member of the Board of Directors, personally (in writing), by mail or by telegraph, at least five (5) days prior to the day named for such meeting.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President of the Association on three (3) business days' notice to each member of the Board of Directors, given by mail, personally (in writing) or by 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 of the Association in like manner and on like notice on the written request of at least two (2) members of the Board of Directors.

Section 10. Waiver of Notice. Any member of the Board of Directors may at any time waive notice of any meeting of the Board of Directors, in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting of the Board shall constitute a waiver of notice by him of the time, place and purpose thereof. If all the members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 12. Fidelity Bonds. The Board of Directors shall obtain and maintain adequate fidelity coverage against dishonest acts on the part of directors, managers, trustees, employees or volunteers responsible for handling funds belonging to or administered by the Council of Unit Owners. Where the Association has delegated some or all of the responsibility for the handling of funds to a management agent, such coverage is required for the management agent's officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association. The fidelity bond or insurance must name the Council of Unit Owners as the named insured and shall be written in an amount sufficient to provide protection which is in no event less than one and one-half times the insured's estimated annual operating expenses and reserves or a sum equal to three (3) months' aggregate assessments on all units plus reserve funds, whichever is greater, and shall contain waivers of any defense based upon the exclusion of volunteers or other persons who serve without compensation from any definition of "employee" or similar expression. In connection with such coverage, an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers. Premiums on the fidelity coverage shall be paid by the Council of Unit Owners as a common expense. The fidelity bond or insurance may not be canceled or substantially modified without at least ten (10) days' prior written notice to any Insurance Trustee and each Mortgagee.

Section 13. Compensation. No member of the Board of Directors shall receive any compensation for acting as such, but a Director may be reimbursed for actual out-of-pocket expenses incurred by him in the proper performance of his duties.

Section 14. Liability of the Board of Directors, Officers, Unit Owners and Unit Owners Association; Indemnification.

(a) The members of the Board of Directors, Covenants Committee and Officers of the Association shall not be liable to the Unit owners or the Association for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith.

(b) The Association shall indemnify every Director and officer against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any 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 Association) to which he may be made a party by reason of being or having been a Director of the Association, whether or not such person is a Director at the time such expenses are incurred. The Board of Directors shall obtain adequate directors and officers insurance. The Directors of the Association shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except in their capacity as Unit owners) and the Association shall indemnify and forever hold each such 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 not be exclusive of any other rights to which any Director of the Association or former Director of the Association may be entitled.

The Association shall indemnify and hold harmless each of the members of the Covenants Committee from and against all liability to others arising out of the due exercise of their responsibilities unless their action shall have been in bad faith or contrary to the Act, the Declaration or these Bylaws.

Section 15. Action Without Meeting. Any action required or permitted to be taken by the Board of Directors 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 16. Common or Interested Directors. The Directors shall exercise their powers and duties in good faith and with a view to the interests of the Association and consistent with the purposes set forth in the Declaration. No contract or other transaction between the Association and one or more of its Directors, or between the Association and any corporation, firm, entity or association in which one or more of the Directors are directors or officers or are peculiarly or otherwise interested, shall be 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 such action complies with the provisions of Section 2-419 of the Corporations and Associations Article of the Annotated Code of Maryland (1981 Cum. Supp.) or its successor statute.

Section 17. Board as Attorney-in-Fact. The Board of Directors is hereby irrevocably appointed as attorney-in-fact for the owners of all of the Units, and for each of them, to manage, control and deal with the interests of such owners in the common elements of the Condominium so as to permit the Board of Directors to fulfill all of its powers, functions and duties under the provisions of the Act, the Declaration and these Bylaws, and to exercise all of its rights thereunder and to deal with the Property upon its destruction and/or the proceeds of any insurance indemnity as hereinafter provided and to grant easements in accordance with Article XI hereof. 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 Unit shall constitute an appointment of the Board of Directors as attorney-in-fact as aforesaid.

ARTICLE IV
OFFICERS

Section 1. Designation. The principal officers of the Association shall be the President (who shall also act as chairman of the Board of Directors of the Association), the Vice President, the Secretary, and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary or desirable. The President and Vice President, but no other officers, must be members of

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the Board of Directors. The offices of President and Treasurer may not be held by the same person.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors and shall hold office at the pleasure of the Board of Directors.

Section 3. Removal of Officers. Upon the 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 may be 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 and operating officer of the Association. He shall preside at all meetings of the Association. He shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized and existing under the laws of the State of Maryland.

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 of Directors shall appoint some other member of the Board of Directors to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or by the President, including, without limitation, the counting of votes at meetings of the Association.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Association (including copies of all resolutions adopted thereat), and of the Board of Directors; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of secretary of a stock corporation organized and existing under the laws of the State of Maryland.

Section 7. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board of Directors, and he shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized and existing under the laws of the State of Maryland.

The Treasurer shall give a bond, the premium therefor to be considered a common expense, in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration, in case of his death, resignation, retirement or removal from office, of all

books, papers, vouchers, money and other property of whatever kind in his possession or under his control.

Section 8. Compensation of Officers. No officer shall receive any compensation from the Association for acting as such.

ARTICLE V
OPERATION OF THE PROPERTY

Section 1. Determination of Common Expenses and Fixing of Common Charges.

(a) Unless otherwise expressly provided herein, common expenses of the Association, in general, shall include maintenance, operation, repair, or replacement of the common elements. They include, but are not limited to:

- (i) Management fees;
- (ii) Insurance premiums;
- (iii) Charges for landscaping, snow removal and maintenance of the walks, driveways, parking areas and retaining walls;
- (iv) Audit, attorneys' fees, and like administrative costs;
- (v) Reserves for replacements or other expenses of a non-recurring nature;
- (vi) Service contracts and employees' salaries;
- (vii) Payment of utility bills and like expenses (except to the extent that such bills or expenses are individually metered for any Unit, in which event such bills or expenses shall be the responsibility of the Unit owner receiving the benefit of such individually metered service); and
- (viii) Such other expenses as shall be necessary or desirable in the judgment of the Board of Directors for the administration and operation of the Property, or which may be declared to be common expenses by the Act, the Declaration, these Bylaws or by resolution of the Unit owners.

(b) The proportionate interest of any Unit owner in any reserve fund shall be considered an appurtenance to his Unit and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Unit to which it is appurtenant, and shall be deemed to be transferred with such Unit.

Section 2. Preparation and Approval of Budget. Each year at least sixty (60) days before the end of the current fiscal year the Board of Directors shall make reasonable efforts to adopt a budget for the Condominium containing an estimate of the total amount which it considers necessary to pay the cost of maintenance, management, operation, repair and replacement of the common elements as to which it is the responsibility of the Association to maintain, manage, operate, repair, and/or replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be common expenses by the Act, the Declaration, these Bylaws or a resolution of the Association. The Board of Directors shall send to each Unit owner a copy of the budget, in a reasonably itemized form which sets forth the amount of the common expenses payable by each Unit-owner, on or before thirty (30) days preceding the beginning of the fiscal year to which the budget applies or as soon thereafter as is possible. The said budget shall constitute the basis for determining each Unit owner's contribution for the common expenses of the Condominium. The failure or delay of the Board of Directors to prepare or adopt the annual budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit owner's obligation to pay his allocable share of the common expenses, as herein provided, whenever the same shall be determined, and in the absence of any annual budget, each Unit owner shall continue to pay his allocable share of the common expenses at the then existing rate established for the previous fiscal period until the new rate is established.

Section 3. Reserves. As part of the annual budget the Board of Directors shall build up and maintain an adequate reserve for working capital and contingencies, and an adequate reserve for the repair or replacement of the common elements required to be repaired or replaced by the Association. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. Except where an emergency requires an expenditure to prevent or minimize loss from further damage to, or deterioration of, the common elements, reserves accumulated for one purpose may not be expended for any other purpose unless approved by the Board of Directors. If the reserves are inadequate for any reason, including non-payment of any Unit owner's assessment, the Board of Directors may at any time levy a further assessment, which shall be assessed against the Unit owners according to their proportionate share, and which may be payable in a lump sum or in installments as the Board of Directors may determine. The Board of Directors shall serve notice of any such further assessment on all Unit owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall, unless otherwise specified in the notice, become effective with the next regular payment which is due more than ten (10) days after the delivery or mailing of such notice of further assessment.

Section 4. Initial Assessment. When the first Board of Directors takes office, it shall determine the budget for the period commencing upon the conveyance of legal title to the first Unit by the Declarant and ending on the last day of the fiscal year established by the Board of Directors in which such conveyance occurs. The Board of Directors shall establish an initial working capital fund equal to two (2) months' regular assessments through a contribution to working capital of each Unit owner upon purchase of his Unit from the Declarant.

Section 5. Payment of Common Charges; Lien. Each Unit owner shall be obligated to pay, in advance, the common expenses and charges assessed by the Board of Directors against his Unit.

The amount levied and assessed against each Unit for common expenses shall constitute a lien against said Unit from the date of assessment until the date of full payment, provided that a "Statement of Lien" is recorded against the Unit as provided in Section 11-110 of the Act. At the option of the Board of Directors, said amount may be payable in annual, quarterly, monthly or other convenient installments, and to the Board of Directors or to such person or entity who or which the Board of Directors shall designate.

The lien hereinabove set forth shall be inferior only to deeds of trust, mortgages or other encumbrances recorded prior to the date of assessment of said lien, or recorded promptly after receipt of a written statement from the Board of Directors that payments due on said Unit were current as of the date of such written statement. All taxes, assessments, and charges which may become liens prior to the first mortgage shall relate only to the individual Unit and not to the Condominium as a whole.

Upon the voluntary sale or conveyance of a Unit there shall be paid or provided from the sale proceeds an amount sufficient to satisfy any unpaid portion of the assessments due and payable as of the date of sale or conveyance. Upon an involuntary sale through foreclosure of a deed of trust, mortgage or encumbrance not a first trust, first mortgage or first encumbrance (any such first trust, first mortgage or first encumbrance having the priority rights set forth in the immediately succeeding paragraph), having a preference as set forth in the preceding paragraph, or in the event of any proceeding or other conveyance in lieu of foreclosure, a purchaser thereunder shall not be liable for any installments of such lien as become due prior to the recording of such deed of trust, mortgage or encumbrance.

Notwithstanding any other provisions hereof to the contrary, the lien of any assessments levied pursuant to these Bylaws upon any Unit shall be subordinate to and shall in no way affect the rights of the holder of any indebtedness secured by any recorded first mortgage or deed of trust upon such interest made in good faith and for value received, provided, however, that such subordination shall apply only to assessments which have become due and payable prior to a sale or transfer of such Unit pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the purchaser at such sale of the Unit from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessments, which lien, if any, claimed shall have the same effect and may be enforced in the same manner as provided herein.

No amendment to this Section shall affect the rights of the holder of any such mortgage (or the indebtedness secured thereby) recorded prior to recordation of such amendment unless the holder thereof (or of the indebtedness secured thereby) shall join in the execution of such amendment.

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Section 6. Collection of Assessments. The Board of Directors shall take prompt action to collect any common charges due from any Unit owner which remain unpaid for more than thirty (30) days from the due date for payment thereof. Upon default in the payment of any one or more installments of any assessment levied pursuant to the Declaration and/or these Bylaws, the entire balance of said assessments may be accelerated at the option of the Board of Directors and be declared due and payable, in full, together with interest thereon at the maximum rate permitted by law at the time the assessment became due.

Section 7. Default in Payment of Common Charges. The lien for unpaid assessments for common expenses may be enforced and foreclosed in such manner as may from time to time be provided in the Act. Any assessment, until paid, may at the election of the Board of Directors bear interest at the maximum rate permitted by law at the time the assessment became due. In addition, the Board of Directors may impose late charges and/or the costs of collection (including reasonable attorneys' fees), if any, with respect to any assessment which has not been fully paid when due. Such late charges and other costs shall not exceed the permissible amounts provided for in the Act, and shall otherwise comply therewith. All such interests, late charges and other costs shall constitute a lien upon the Unit until fully paid as provided in Article V, Section 5, above.

In any action brought by the Board of Directors to foreclose a lien against a Unit because of unpaid common charges, the Unit owner shall be required to pay a reasonable rental for the use of his Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same, such rent to accrue from the date that an action to recover possession of the Unit is commenced.

No suit or other proceeding may be brought by the Association to foreclose the lien for any assessments levied pursuant to the Declaration or these Bylaws except after ten (10) days' written notice to the holder of the first mortgage which is a lien on the Unit that is the subject matter of the proceeding.

Section 8. Statement of Common Charges. Any owner, first mortgagee or any purchaser in connection with any sale or conveyance of a Unit, shall be entitled to a statement furnished by the Board of Directors setting forth in detail the amount of any unpaid assessments owed by the Unit owner, and such party shall be entitled to rely on such statement and shall have no liability for, nor shall the Unit be encumbered with, an amount of unpaid assessments greater than that shown on such statement. The Board of Directors shall be entitled to charge a reasonable fee for the preparation of such statement.

Section 9. Insurance. The Board of Directors shall be required to comply with the insurance requirements of the Act and, to the extent not in violation of the Act, shall also comply with the provisions of this Article V.

The Board of Directors shall be required to obtain and maintain a multi-peril type policy covering the entire condominium project providing as a minimum fire and extended coverage and all other coverage in the kinds and amounts commonly required by private institutional mortgage investors for projects similar in construction, location and use on a replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based upon replacement cost). If there is a steam boiler in operation in connection with the Project, there must be in force boiler explosion insurance evidenced by the standard form of boiler and machinery insurance policy and providing as a minimum One Hundred Thousand Dollars (\$100,000.00) per accident per location. If the condominium project is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards, a "blanket" policy of flood insurance on the condominium project must be maintained in the amount of the aggregate of the outstanding principal balances of the mortgage loans on the Condominium Units comprising the condominium project or the maximum limit of coverage available under the National Flood Insurance Act of 1968, as amended, whichever is less. The insured under each required policy shall be the Association for use and benefit of the individual Unit owners.

Subject to the provisions of Section 11-114 of the Act, each such policy must contain the standard mortgage clause, which must be endorsed to provide that any proceeds shall be paid to the Association for the use and benefit of mortgagees as their interest may appear.

The Board of Directors shall obtain and maintain a comprehensive policy of public liability insurance covering all of the common elements, commercial spaces (if owned by the Association) and public ways in the condominium project. Such insurance policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Unit owner because of negligent acts of the Association or other Unit owners. The scope of coverage must include all other coverage in the kinds and amounts required by private institutional mortgage investors for projects similar in construction, location and use. Liability coverage shall be at least One Million Dollars (\$1,000,000.00) per occurrence, for personal injury and/or property damage.

Each hazard insurance policy must be written by a hazard insurance carrier which has a current rating by Best's Insurance Reports of B/VI or better. Hazard insurance policies are also acceptable from an insurance carrier which has a financial rating by Best's Insurance Reports of Class V, provided it has a general policyholder's rating of at least A. Each insurer must be specifically licensed or authorized by law to transact business within the State of Maryland. The policy contract shall provide that no assessment may be made against the mortgagee, and that any assessment made against others may not become a lien on the mortgaged Unit superior to the first mortgage.

All policies of hazard insurance must contain or have attached the standard mortgage clause commonly accepted by private institutional mortgage investors in the State of Maryland. The mortgagee clause must provide that the insurance carrier shall

notify the first mortgagee (or trustee) named at least ten (10) days in advance of the effective date of any reduction in or cancellation of the policy. The mortgagee clause of each insurance policy must be properly endorsed, and there must have been given necessary notices of transfer, and any other action required to be taken must have been taken, in order to fully protect, under the terms of the policy, and applicable law, the interest of the first mortgagee.

All property insurance policies must provide the following special endorsements: (1) recognition of any Insurance Trust Agreement; (2) a waiver of the right of subrogation against Unit owners individually; (3) the insurance is not prejudiced by any act or neglect of individual Unit owners which is not in the control of such owners collectively; and (4) the policy is primary in the event the Unit owner has other insurance covering the same loss. If available, an Agreed Amount and Inflation Guard Endorsement is required, and if the common elements in the Association are subject to a construction code provision which would become operative and require changes to undamaged portions of the building(s) thereby imposing significant costs in the event of partial destruction of the project by an insured peril, then a Construction Code Endorsement is required.

Notwithstanding any provision of the Declaration or these Bylaws relating to property or liability insurance, there may be named as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom such Association may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance.

Except to the extent inconsistent with the law, each Unit owner is deemed to appoint the Association, or any Insurance Trustee or substitute Insurance Trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: (1) the collection and appropriate disposition of the proceeds thereof; (2) the negotiation of losses and execution of releases of liability; (3) the execution of all documents and the performance of all other acts necessary to accomplish such purpose. The Association or Insurance Trustee shall receive, hold or otherwise properly dispose of any proceeds of insurance in trust for Unit owners and their first mortgage holders, as their interests may appear.

Section 10. Repair or Reconstruction After Fire or Other Casualty. Except as hereinafter provided, in the event of damage to or destruction of the Property as a result of fire or other casualty, the Board of Directors shall arrange for the prompt repair and restoration thereof (including any damaged Units, and any kitchen or bathroom fixtures installed therein on the date of recordation of the Declaration, but not including any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or equipment installed by Unit owners in the Units), and the Board of Directors or the Insurance Trustee, as the case may be, shall disburse the proceeds of

all insurance policies to the contractors engaged in such repair and restoration, as provided below.

The Insurance Trustee may rely upon a certificate of the Board of Directors which certifies whether or not the damaged Property is to be reconstructed or repaired. The Board of Directors, upon request of the Insurance Trustee, shall deliver such certificate as soon as practicable.

If the damage is only to those parts of a Unit for which the responsibility of maintenance and repair is borne by the Unit owner, then the Unit owner shall be responsible for the reconstruction and repair after casualty and shall be entitled to apply the applicable insurance proceeds thereto. In all other instances, the responsibility of reconstruction and repair after casualty shall be that of the Association.

Immediately after a casualty causing damage to the Property for which the Association has the responsibility of maintenance, repair, and/or replacement the Board of Directors shall obtain reliable and detailed estimates of the cost to place the damaged portions of the Property in as good a condition as existed before the casualty. Such costs may include professional fees and premiums for such bonds as the Board of Directors desire.

In the event of reconstruction or repair (as estimated by the Board of Directors) which shall exceed Twenty-Five Thousand Dollars (\$25,000.00), all proceeds of insurance shall be paid over to a trust company or bank having trust powers and authorized to engage in the trust business in the State of Maryland (hereinafter the "Insurance Trustee"), selected by the Board of Directors and shall be paid out from time to time as the reconstruction or repair progresses in accordance with the provisions of an Insurance Trust Agreement and which contains, 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 Association, and hereinafter called the "Architect";

(b) any restoration or repair of the project shall be performed substantially in accordance with the Declaration and the original plans and specifications, unless other action is approved by at least fifty-one percent (51%) of the eligible mortgage holders (based upon one vote for such first mortgage owned), and sixty-seven percent (67%) of the Unit owners (other than the Developer).

(c) each request for an advance of the proceeds of insurance shall be made to the Insurance Trustee and shall be accompanied by a certificate from the Architect and Board of Directors to the effect that (i) all work then completed has been performed in accordance with the plans and specifications; and (ii) the amount requested to be advanced is required to reimburse the Board of Directors for payments previously made by the Board of Directors or is due to the contractor responsible for the restoration or repair, or to subcontractors, materialmen, laborers, engineers, archi-

teets or to other persons responsible for services or materials in connection with such restoration or repair, or for fees or the like 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 unreasonably exceed the value of the work done and materials delivered to the date of such request;

(d) each request for an advance of the proceeds of insurance shall be accompanied by satisfactory waivers of liens covering that portion of the repair or reconstruction for which payment or 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 Property, or any part thereof, any mechanics' or other lien, or notice of intention to file the same, which has not been dismissed, bonded, 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 Association as a 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 or the Insurance Trustee may reasonably 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 Board of Directors, shall be considered as one fund and shall be divided among the owners of all the Units in the same proportion as that previously established for ownership of appurtenant undivided interests in the common elements, after first paying out of the share of the owner of any Unit (to the extent such payment is required by any lienor and to the extent the same is sufficient for such purpose), all liens upon said Unit.

Section 11. Abatement and Enjoinment of Violations by Unit Owners. The violation of any of the Rules or Regulations adopted by the Board of Directors, or the breach of these Bylaws or of any provision of the Declaration, shall give the Board of Directors the right, in addition to any other rights set forth in these Bylaws: (a) to enter the Unit in which or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceeding, either at law or in equity, the continuance of any such breach.

Section 12. Maintenance and Repair.

(a) By the Association. The Association shall be responsible for the

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maintenance, repair and replacement of the following, the cost of which shall be charged to all Unit owners as a common expense:

(i) Except as otherwise provided in paragraph (b) of this Section 12, all of the common elements, whether located inside or outside of the Units; and

(ii) All exterior walls and exterior surfaces (including the painting of the exterior surface of the front door of each Unit) of the buildings constituting the Condominium; the roofs of the buildings constituting the Condominium; Unit party walls and all other portions of the Units which contribute to the support of the buildings constituting the Condominium, such as the outside walls of such buildings, and all fixtures on the exterior thereof; the boundary walls of Units; floor slabs; load-bearing columns; but excluding, however, the interior walls, interior ceilings and interior floor coverings of the Units, and excluding the surfaces of all walls, floors and ceilings of the Units; and

(iii) The sanitary and storm sewer systems and appurtenances; all water, electric, gas, heating, air conditioning, plumbing and telephone lines, facilities and systems that are deemed common elements, including all conduits, ducts, plumbing, wiring and other facilities for the furnishing of all utility services into two (2) or more Units, but excluding therefrom all air-handling units, heating units, air-conditioning units, and all plumbing and electrical appliances, fixtures, systems and parts thereof which are enjoyed by only a single Unit and are located solely within the boundary of an individual Unit or in a limited common element designated in the Declaration as being appurtenant to an individual Unit; all catch basins and television master antenna systems located outside the specific boundaries of any Unit; and all roof drainage pipes, gutters and leaders; and

(iv) Except as otherwise provided in paragraph (b)(ii) of this Section 12, all balconies or patios; and

(v) All incidental damage caused to any Unit by such work as may be done or caused to be done by the Association in accordance with the provisions of these Bylaws.

(b) By the Unit owner.

(i) Except for the portions of his Unit required to be maintained, repaired and replaced by the Association, each Unit owner shall be responsible for the maintenance, repair and replacement, at his own expense, of the following: any interior walls, ceilings and floors, kitchen and bathroom fixtures and equipment, air handling units, heating units, air conditioning units, lighting fixtures, plumbing and electrical appliances and systems, fixtures and parts thereof which are wholly contained within his Unit and/or in a limited common element designated in the Declaration as being appurtenant to his Unit and serve his Unit and no other.

(ii) Each Unit owner shall be responsible for performing, at his expense, the normal maintenance for any balcony or patio which is designated in the Declaration as being a limited common element appurtenant to his Unit, including keeping it in a clean and sanitary condition and free and clear of snow, ice and any accumulation of water, and shall also make, at his own expense, all repairs thereto caused or permitted by his negligence, misuse or neglect.

(iii) Each Unit owner shall, at his expense, perform all maintenance and make all repairs and replacements to the windows, the front door (but not the painting of the exterior surface of the front door) and any sliding glass door(s) appurtenant to or part of his Unit.

(iv) Each Unit owner shall be responsible for, and promptly after demand shall reimburse the Association for the cost of maintaining, repairing or replacing any damage to the common elements or any portion of his Unit required to be maintained, repaired or replaced by the Association which is caused by the negligence, misuse or neglect of such Unit owner. Such reimbursement shall be collected by the Association from the Unit owner obligated therefor in the same manner as set forth in Article V of these Bylaws for the collection of common expenses.

(v) Each Unit owner shall perform his responsibilities under this Section 12 in such a manner as shall not unreasonably disturb or interfere with the other Unit owners. Each Unit owner shall promptly report to the Association or the managing agent any defect or need for repairs for which the Association is responsible.

(c) Manner of Repair and Replacement. All repairs and replacements shall be substantially similar to the original construction and installation and shall be of first-class quality.

Section 13. Restrictions on Use of Units. In order to provide for the congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

(a) No part of the Property shall be used for other than housing and the related common purposes for which the Property was designed. Each Unit shall be used for residential purposes and for no other purpose, except that a Unit may be used as a professional office or day-care center upon the written consent of the Board of Directors provided that such use is consistent with all valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction in respect of the Property, and, provided further, that as a condition for such consent each such Unit owner agrees to pay and pays any increase in the rate of insurance for the Property which results from such use. An Owner may use a portion of his Unit for an office or studio provided that the activities therein shall not interfere with the quiet enjoyment or comfort of any other Owner, and provided further that in no event shall any part of the Property be used as a school or music studio.

(b) Nothing shall be done or kept in any Unit or in the common elements which will increase the rate of insurance for the Property applicable for residential use without the prior written consent of the Board of Directors. No Owner shall permit anything to be done or kept in his Unit or in the common elements which will result in the cancellation of insurance on the Property, or the contents thereof, or which would be in violation of any law. No waste will be committed in the common elements.

(c) No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations, or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with, by and at the sole expense of the Unit owner or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the Property.

(d) Nothing shall be done in any Unit or in, on, or to the common elements which will impair the structural integrity of the Property or which would structurally change any building or improvements thereon except as is otherwise provided in these Bylaws, provided, further, that interior partitions contributing to the support of any Unit shall not be altered or removed.

(e) Except for uses permitted by the Board of Directors for professional offices or a day-care center and other uses permitted by the Declaration, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational, or otherwise, designed for profit, altruism, exploration, or otherwise, shall be conducted, maintained, or permitted on any part of the Property. No Unit owner may post any advertisement, poster or sign of any kind on the exterior of his Unit or in the windows of his Unit, except (i) as permitted by the Board of Directors; (ii) a temporary sign advertising the sale or rental of a Unit; (iii) in the event that the Board of Directors gives its consent to the use of a Unit as professional offices or day-care center, a suitable sign may be displayed upon the written consent of the Board of Directors; or (iv) when required by law. The right is reserved by the Declarant or its agents to use any unsold Unit or Units for display purposes and to display "For Sale" or "For Rent" signs for unsold Units.

(f) No antennas that are visible from the exterior of any Unit may be erected or maintained except upon the written consent of the Board of Directors.

(g) No portion of a Unit (other than the entire Unit) may be rented, and no transient tenants may be accommodated therein, nor shall any Unit be utilized for hotel purposes, nor shall the term of any such lease be for a term of less than six (6) months. Any lease agreement shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and Bylaws and that any failure of the lessee to comply with the terms of such documents shall be a default under the lease. All leases must be in writing. The limitations of this Section shall not apply to any institutional first mortgagee of any Unit who comes into possession of the Unit by

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reason of any remedies provided by law or in the mortgagee, or as a reason of foreclosure sale or other judicial sale, or as a result of any proceeding, arrangement, assignment, or deed in lieu of foreclosure.

(h) The limited common elements and all yards must be kept in an orderly condition so as not to detract from the neat appearance of the community. In this regard, no motorcycles, bicycles, etc., may be parked on the patios, balconies, front entranceways or the yards. The Board of Directors, in its sole discretion, may determine whether or not limited common elements are orderly. If an Owner shall fail to keep his limited common elements orderly, the Board of Directors may have any objectionable items removed from the limited common elements so as to restore its orderly appearance, without liability therefor, and charge the Unit owner for any costs incurred in the process.

(i) No motorized vehicle may be used or maintained on the yards or sidewalks of any Unit and no unlicensed vehicles are allowed on the Property.

(j) Trash shall be stored in accordance with county health regulations within the Unit or in the common area, if any, set aside by the Board of Directors for such storage. Trash shall not be set out for collection prior to the night before such date of collection and the empty containers shall be returned to the proper place of storage immediately after collection.

(k) 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 Unit or upon any common elements, except that this shall not prohibit the keeping of one (1) small, orderly domestic house pet (e.g., dog, cat, bird), provided it is registered with the Association and that it is not kept or maintained for commercial purposes or for breeding. Pets shall not be permitted upon the common elements except in areas designated by the Board of Directors. All pets shall be accompanied by an adult and are to be carried or leashed. Any member who keeps or maintains any pet upon any portion of the Property shall be deemed to have indemnified and agreed to hold the Association, and each of its members free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Property. The Board of Directors shall have the right to order any person whose pet is a nuisance to remove such pet from the Property.

(l) No junk vehicle or other vehicle on which current registration plates are not displayed, shall be kept upon any of the common elements, nor shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out on any of the common elements or within any other portion of the Property.

(m) No trucks, trailers, campers, camp trucks, house trailers, boat trailers, boats, or the like shall be kept upon any of the common elements or within any Parking Unit; provided, however, that the Board of Directors reserves the right to permit such vehicles on the common elements in accordance with rules and regulations as may, from time to time, be promulgated by the Board of Directors.

(n) No structure of a temporary character, trailer, tent, shack, barn or other outbuilding shall be maintained upon any common elements at any time. Outdoor clothes dryers or clotheslines shall not be maintained upon any common elements at any time. No clothing, laundry or the like shall be hung from any part of any Unit or upon any of the common elements or from or upon any balcony or patio.

(o) Nothing shall be stored or placed upon any balcony or patio or upon any other portion of the common elements of the Property, except with the consent of the Board of Directors.

(p) Notwithstanding any provision contained in this Article V, Section 13, to the contrary, the use and other restrictions set forth in this Section 13 shall not apply to the use of the common elements and/or Units owned by the Declarant for display, marketing, promotion, sales, leasing or construction purposes or the use of Units as "Models".

Section 14. Additions, Alterations or Improvements by the Board of Directors. Whenever in the judgment of the Board of the Directors the common elements shall require additions, alterations, or improvements costing in excess of Twenty-Five Thousand Dollars (\$25,000.00), and the making of such additions, alterations or improvements shall have been approved by the Unit owner representing more than fifty percent (50%) of the Percentage Interests in the Condominium, at a meeting duly held in accordance with these Bylaws, the Board of Directors shall proceed with such additions, alterations or improvements and may assess all Unit owners for the cost thereof as a common expense. Any additions, alterations or improvements costing Twenty-Five Thousand Dollars (\$25,000.00) or less may be made by the Board of Directors without approval of the Unit owners, and the cost thereof shall constitute a common expense.

Section 15. Covenants Committee.

(a) Purpose. The Board of Directors shall establish a Covenants Committee, consisting of five members appointed by the Board of Directors, each to serve for a term of two years, in order to assure that the Condominium shall always be maintained in a manner:

- (1) providing for visual harmony and soundness of repair;
- (2) avoiding activities deleterious to the aesthetic or property values of the Condominium;
- (3) protecting and furthering the comfort of the Unit owners, their guests and tenants, through administering matters arising from

violations, affecting any physical condition or appearance of any Unit(s) or Common Element(s) of the Condominium Act, the Condominium Instruments, the Rules and Regulations, or resolutions of the Board of Directors; and

- (4) promoting the general welfare and safety of the Condominium community in a manner consistent with the Condominium Instruments and the policies of the Board of Directors.

The members of the Covenants Committee appointed by the Board of Directors during the period of Declarant control shall be replaced by new members appointed by the elected Board when the period of Declarant control expires.

(b) Powers. The Covenants Committee shall regulate the external design, appearance, use and maintenance of the common elements and the use of and architectural changes to Units in accordance with standards and guidelines adopted by the Board of Directors. The Covenants Committee shall have the power to issue a cease and desist request to a Unit owner, his guests, invitees, or lessees whose actions are inconsistent with the provisions of the Condominium Act, the Condominium Instruments, the Rules and Regulations or resolutions of the Board of Directors (upon petition of any Unit owner or upon its motion). The Covenants Committee shall from time to time, as required, provide interpretation of the Condominium Instruments (including adjudication regarding compliance with Article V, Section 8 of these Bylaws), Rules and Regulations and resolutions pursuant to the intents, provisions and qualifications thereof when requested to do so by a Unit owner or the Board of Directors. Any action, ruling or decision of the Covenants Committee may be appealed to the Board of Directors by any party deemed by the Board of Directors to have standing as an aggrieved party and a vote of a quorum of the Board of Directors may modify or reverse any such action, ruling or decision.

(c) Authority. The Covenants Committee shall have such additional duties, powers and authority as the Board of Directors may from time to time provide by resolution. The Board of Directors may relieve the Covenants Committee of any of its duties, powers and authority, other than duties, powers and authority expressly conferred by these Bylaws, either generally or on a case by case basis by vote of a quorum thereof. The Covenants Committee shall carry out its duties and exercise its powers and authority in such manner as may be provided for in the Rules and Regulations or by resolution of the Board of Directors, or, to the extent not so provided, in such manner as the Covenants Committee shall itself decide.

Section 16. Declarant's Exemption. Notwithstanding any provision of Section 15 of this Article V to the contrary, the provisions of said Section 15 shall not apply to a Unit owned by the Declarant or its designee until a deed to such Unit has been delivered by the Declarant to a purchaser thereof. Further, the aforesaid provisions shall not apply to the Declarant's actions with respect to the common areas of the Condominium until the completion of the Declarant's construction thereof.

Section 17. Right of Access. A Unit owner hereby grants a right of access to his Unit to the managing agent and/or other person authorized by the Board of Directors or the managing agent for the purpose of making inspections or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other common elements in his Unit or elsewhere on the Property, or to correct any condition which violates the provisions of any mortgage covering another Unit, provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Unit owner. In case of an emergency such right of entry shall be immediate, whether the Unit owner is present at the time or not.

ARTICLE VI
MORTGAGES

Section 1. Notice to Board of Directors. A Unit owner who mortgages his Unit shall in writing notify the Board of Directors of the name and address of his mortgagee, and shall file a conformed copy of the note and mortgage with the Board of Directors. The Board of Directors shall maintain such information in a book entitled "Mortgages of Units".

Section 2. Notice of Unpaid Common Charges or Other Default. The Board of Directors shall report to each eligible mortgage holder who has requested such notice any unpaid common expenses due from, or any other default by, the owner of a mortgaged Unit, which default has not been cured within sixty (60) days.

Section 3. Examination of Books. Each Unit owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Association at reasonable times on business days.

Any holder, insurer or guarantor of a first mortgage shall be entitled, upon written request, to an audited financial statement for the immediately preceding year, free of charge to the party so requesting.

Section 4. Notice of Loss to or Taking of Common Elements. The Board of Directors shall give written notice to eligible mortgage holders who have requested such notice of any condemnation or casualty loss which affects a material portion of the project or any Unit on which there is a first mortgage held, insured or guaranteed by such eligible mortgage holder of any Unit or the common elements or related facilities of the Condominium.

Section 5. Definition. As used in these Bylaws, the term "Mortgagee" shall mean any mortgagee or trustee under a deed of trust which is a lien upon a Unit, or the party secured or beneficiary of any recorded deed of trust, and shall not be limited to institutional mortgagees; and the term "mortgage" shall include a deed of trust. As used generally in these Bylaws, the term "institutional holder" or "institutional mortgagee" shall include banks, trust companies, insurance companies, mutual savings banks,

mortgage insurance companies, mortgage companies, credit unions, savings and loan associations, pension funds, FNMA, FHLBC, and any corporation, including a corporation of, or affiliated with, the United States Government, or any agency thereof. "First mortgage" shall mean a mortgage with priority over all other mortgages. As used in these Bylaws, the term "eligible mortgage holder" shall mean a holder of a first mortgage on a Unit who has requested notice from the Council of Unit Owners of amendments to the condominium documents or other significant matters which would affect the interests of the mortgagee.

Section 6. Rights of Mortgagees. Any institutional mortgagee of any Unit in the Condominium who desires notice of the annual and special meetings of the Association shall notify the Secretary to that effect by certified 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 should be addressed. The Secretary of the Association 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, as aforesaid, to each such institutional mortgagee, in the same manner and subject to the same requirements and limitations as are provided for with respect to notice of such meetings to the Unit owners. Any such institutional mortgagee shall be entitled to designate a representative to attend any such annual or special meeting. Such representative shall have no voting rights at any such meeting. Such representative shall be entitled to a copy of the minutes of all meetings of the Association upon request made in writing to the Secretary.

ARTICLE VII SALES AND MORTGAGES OF UNITS

Section 1. Sales. A Unit owner may sell his Unit or any interest therein without the consent of the Association.

Section 2. No Severance of Ownership. Except as may be provided in the Act, no Unit owner shall execute any lease, mortgage or other instrument conveying or mortgaging title to his Unit without including therein the appurtenant common elements, it being the intention hereof to prevent any severance of such combined ownership. Any such lease, mortgage or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the appurtenant common elements of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the appurtenant common elements of all Units.

ARTICLE VIII
CONDEMNATION

In the event of a taking in condemnation (or by purchase in lieu thereof) of a Unit or any part thereof or of part or all of the common elements, the award made for such taking or purchase shall be distributed in accordance with Section 11-112 of the Act.

ARTICLE IX
RECORDS AND AUDITS

The Board of Directors or the managing agent shall keep books and records in accordance with good accounting practices on a consistent basis. On the request of owners of at least five percent (5%) of the Units, an audit by an independent Certified Public Accountant shall be made not more than once in any consecutive twelve (12)-month period. The cost of such audit shall be a common expense. Every record kept by the Council of Unit Owners shall be available for examination and copying by any Unit owner, his mortgagee, and their respective duly authorized agents or attorneys, during normal business hours and after reasonable notice.

ARTICLE X
PARKING SPACES AND STORAGE AREAS

Parking spaces within the common elements of the Condominium are hereby unassigned and designated for general use, to be used unless otherwise designated by the Board of Directors on a "first come, first served" basis. The Board of Directors reserves the right to impose reasonable use fees for assigned parking spaces. 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 adjoining parking space.

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 Property, and the Board of Directors is hereby, and elsewhere in these Bylaws, authorized to adopt such Rules and Regulations. The location of any parking space, if any, assigned to any Unit owner may be changed by the Board of Directors, at any time and from time to time, upon reasonable notice thereof in writing.

The storage areas are common elements and may be assigned to Units by appropriate resolution of the Board of Directors (unless such areas have been assigned as Limited Common Elements). The Board of Directors, the Association, any Unit owner and the Developer shall not be considered a bailee, however, of any personal property stored in the common elements (including any personal property stored in the

common elements (including property located in storage areas and vehicles parked on the Condominium), whether or not exclusive possession of the particular area is given to a Unit owner for storage purposes, and shall not be responsible for the security of such personal property or for any loss or damage thereto, whether or not due to negligence.

ARTICLE XI
EASEMENTS FOR UTILITIES AND RELATED PURPOSES

The Association is authorized and empowered to grant (and shall from time to time grant) such licenses, easements and/or rights-of-way for sewer lines, water lines, electrical cables, telephone cables, gas lines, storm drains, underground conduits and/or such other purposes related to the provision of public utilities to the Property as may be considered necessary or appropriate by the Board of Directors for the orderly maintenance, preservation, and enjoyment of the common elements or for the preservation of the health, safety, convenience and/or welfare of the owners of the Units or the Declarant and/or as required by the Declaration.

ARTICLE XII
MISCELLANEOUS

Section 1. Notices. All notices hereunder to the Board of Directors shall be sent by first-class mail or personally delivered to the managing agent, or to such person as the Board of Directors may hereafter designate from time to time. All notices to any Unit owner shall be sent by mail or personally delivered to the address as may have been designated by him from time to time, in writing, for inclusion on the Roster. All notices to mortgagees of Units shall be sent by first-class mail or personally delivered to their respective addresses as designated by them from time to time, in writing, to the Board of Directors. All notices shall be in writing and shall be deemed to have been given when mailed or personally delivered, except notices of change of address which shall be deemed to have been given when received.

Section 2. Invalidity. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws, or the intent of any provision thereof.

Section 4. Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires, and vice versa.

Section 5. Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure

to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 6. Amendments to Bylaws. Except as elsewhere herein or in the Declaration provided otherwise, these Bylaws may be modified or amended in accordance with Section 11-104(c) of the Act.

Section 7. Conflicts. In case any part of these Bylaws conflict with the Act and/or the Declaration, the provisions of the Act and/or Declaration as the case may be, shall control.

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Amendment to the Bylaws

STATE OF MARYLAND

COUNTY OF MONTGOMERY

AMENDMENT TO THE BYLAWS
OF
THE COUNCIL OF UNIT OWNERS OF
DIAMOND FARMS CONDOMINIUM

WHEREAS, on December 23, 1981, Diamond Farms Associates, Inc., a Delaware corporation, executed a Declaration recorded among the Land Records of Montgomery County, Maryland, in Liber 5814 at Folio 603 and Bylaws recorded in Liber 5814 at Folio 622 applicable to Diamond Farms Condominium, as subsequently corrected by the Corrective Declaration recorded in Liber 5962 at Folio 678, and as supplemented by the Supplementary Declaration recorded in Liber 6144 at Folio 119, the Supplementary Declaration recorded in Liber 6324 at Folio 503, the Supplementary Declaration recorded in Liber 6525 at Folio 292, and as subsequently amended by Amendments to the Declaration all recorded among the Land Records of Montgomery County, Maryland;

and MISC. 615.0
CHECK 615.0

WHEREAS, under Section 11-109 of the Maryland Condominium Act, Annotated Code of Maryland, Real Property Article, Title 11 (1974, 1981 Repl. Vol. (1985 Cum. Supp.)) (hereinafter referred to as the "Act"), the affairs of the Condominium are governed by the Council of Unit Owners, which is comprised of all unit owners at Diamond Farms Condominium (see Attachment "A" for list of parcel identifiers); and

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CASH
04497 C850R02 T1

Verified By: AK

CLERK'S OFFICE
MONTGOMERY COUNTY, MD
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WHEREAS, under Article XII, Section 6, of the Bylaws (and in accordance with Section 11-104(e) of the Act), the Bylaws may be amended by the affirmative vote of unit owners representing at least sixty-six and two-thirds percent (66 2/3%) of the votes in the Council of Unit Owners; and

WHEREAS, owners of units representing at least sixty-six and two-thirds percent (66 2/3%) of the votes in the Council of Unit Owners have voted affirmatively, as evidenced by the certificate attached hereto, for this Amendment to the Bylaws of Diamond Farms Condominium; and

WHEREAS, these amendments do not add or amend any material provisions of the current Bylaws so as to necessitate the approval of them by lending or underwriting institutions or persons; and

NOW, THEREFORE, pursuant to Section 11-104 of the Act and in accordance with the Bylaws of Diamond Farms Condominium, the Bylaws of Diamond Farms Condominium are hereby amended as follows:

1. ARTICLE II, SECTION 5, is hereby amended by deleting the last sentence of the section and substituting therefore a new last sentence to the section so that it reads as follows:

Section 5. Annual Meetings. Within ninety (90) days after the expiration of one (1) year from the date of recordation of the Declaration, or after deeds to units representing fifty percent (50%) of the Percentage Interests in the common elements have been delivered by the Declarant and title closed thereon, whichever first occurs, or

upon such earlier date as the Declarant may establish, the Declarant shall notify the Unit owners and the first annual meeting of the Association shall be held within thirty (30) days. Notice of such meeting shall be given in accordance with the provisions of Section 8 of this Article II. Subsequent annual meetings of the Association should be held in the month of April annually, on a day to be designated by the Board of Directors.

2. ARTICLE III, SECTION 1, is hereby amended to change the number of directors from five (5) to seven (7) so that the section reads as follows:

Section 1. Number and Qualification. The affairs of the Association shall be governed by a Board of Directors acting on behalf of the Association. Until the first annual meeting of the Association as provided for in Article II, Section 5; of these Bylaws, and thereafter until their successors shall have been elected by the unit owners, the Board of Directors shall consist of three (3) members to be designated by the Declarant. Thereafter, the Board of Directors shall be composed of seven (7) members, all of whom shall be elected by the unit owners.

3. ARTICLE III, SECTION 4, is hereby amended by changing the number of directors from five (5) to seven (7), by changing the term of office from two (2) years to three (3) years for the directors receiving the greatest number of votes and by deleting the last sentence of the section and substituting a new last sentence so that the section reads as follows:

Section 4. Election and Term of Office. The Directors of the Association who shall be designated by the Declarant in accordance with Article III, Section 1, above, shall hold office at the pleasure of the Declarant, and otherwise until the first annual meeting of the Association as provided for in Article II, Section 5, of these Bylaws.

At the first annual meeting of the Association seven (7) members of the Board of Directors shall be elected by the unit owners from among the unit owners. Commencing with the first annual meeting of the Association, the term of office of the three (3) Directors receiving the greatest number of votes shall be fixed at two (2) years. The terms of office of the remaining Directors shall be fixed at one (1) year. At the expiration of the initial term of office of each respective director, his successor shall be elected to serve a term of two (2) years. Each Director shall hold office until the next meeting of the Board of Directors following the election of his successor. However, a member of the Board of Directors shall be deemed to have resigned whenever such member, his spouse, or firm, corporation or other entity he is associated with, sells the unit which qualified such individual to become a member of the Board of Directors.

Members of the Board of Directors will be elected by written ballot.

4. ARTICLE III, SECTION 5, is hereby amended by deleting the final sentence of that section so that the section reads as follows:

Section 5. Removal of Members of the Board of Directors. At any regular or special meeting of the Association after the first annual meeting of the Association, any one or more of the members of the Board of Directors elected by the unit owners may be removed, with or without cause, by a majority of the unit owners. Any member of the Board of Directors whose removal has been proposed by the unit owners shall be given the opportunity to be heard at the meeting. The term of office of any Director who becomes more than forty-five (45) days delinquent in the payment of common charges against the unit of which he is the owner shall automatically terminate on the forty-sixth (46th) day, and his successor shall thereupon be appointed by the Board of Directors from among the unit owners to fill

out the unexpired portion of his term. A majority of the Board of Directors may remove any director who has missed three (3) consecutive meetings.

5. ARTICLE V, SECTION 6, is hereby amended by deleting "thirty (30) days" and substituting "fifteen (15) days" therefore so that the section reads as follows:

Section 6. Collection of Assessments. The Board of Directors shall take prompt action to collect any common charges due from any unit owner which remain unpaid for more than fifteen (15) days from the due date for payment thereof. Upon default in the payment of any one or more installments of any assessment levied pursuant to the Declaration and/or these Bylaws, 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, together with interest thereon at the maximum rate permitted by law at the time the assessment became due.

6. ARTICLE V, SECTION 10, PARAGRAPH 4, is hereby amended by deleting the paragraph in its entirety and substituting therefore the following:

Immediately after a casualty causing damage to the Property for which the Association has the responsibility of maintenance, repair, and/or replacement, the Board of Directors shall contact the insurance company and have an adjuster record the damages. Within fifteen (15) days, where possible, after the adjuster records the damage, the Board of Directors shall obtain a minimum of two (2) reliable and detailed estimates of the cost to replace the damaged portions of the Property in as good a condition as existed before the casualty.

Whenever possible, a unit owner will be given forty-eight (48) hours notice of the time and date when the insurance adjuster shall be present to assess damages to any unit. After

all work has been completed, the unit owner will be notified and required to sign a "Sign-Off Sheet" within three (3) business days of notification. If no response is received from the unit owner in this period, it will be deemed that the work has been completed satisfactorily.

7. ARTICLE V, SECTION 13, is hereby amended by striking subsections (a), (e), (g) and (j) and substituting the following subsections (a), (e), (g) and (j) therefore so that these subsections read as follows:

(a) No part of the Property shall be used for other than housing and the related common purposes for which the Property was designed. Each unit shall be used for residential purposes and for no other purpose, except for such temporary or professional uses as may be granted upon the application to and written consent of the Board of Directors and provided that such use is consistent with all valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction in respect of the Property, and, provided further, that as a condition for such consent each such unit owner agrees to pay and pays any increase in the rate of insurance for the Property which results from such use. No unit owner shall interfere with the quiet enjoyment or comfort of any other owner, nor shall any part of the Property be used as a school or music studio.

(e) Except for uses permitted by the Board of Directors, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational, or otherwise, designed for profit, altruism, exploration, or otherwise, shall be conducted, maintained, or permitted on any part of the Property. No unit owner may post any advertisement, poster or sign of any kind on the exterior of his unit or in the windows of his unit or within the common elements, except, (i) as permitted by the Board of Directors; or (ii) when required by law; or

(iii) a temporary sign advertising the sale or rent of a unit, subject to such rules and regulations as adopted by the Board of Directors. The right is reserved by the Declarant or its agents to use any unsold unit or units for display purposes and to display "For Sale" or "For Rent" signs for unsold units. This provision shall be effective on the date these Bylaws are recorded and any signs which may exist prior to the date of recordation shall not be subject to the provisions of this section.

(g) No portion of a unit (other than the entire unit) may be rented, and no transient tenants may be accommodated therein, nor shall any unit be utilized for hotel purposes, nor shall the term of any such lease be for a term of less than six (6) months. Any lease agreement shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and Bylaws and that any failure of the lessee to comply with the terms of such documents shall be a default under the lease. All leases must be in writing and on file in the Condominium office within five (5) working days from the date of the lease. Incorporated in the lease or attached thereto, must be the statement that the lessee agrees to abide by all of the rules and regulations and the Bylaws of the Diamond Farms Condominium. All unit owners must use the standard lease form as required by the Board of Directors. No subleasing is permitted. The limitations of this section shall not apply to any institutional first mortgagee of any unit who comes into possession of the unit by reason of any remedies provided by law or in the mortgage, or as a reason for foreclosure sale or other judicial sale, or as a result of any proceeding, arrangement, assignment, or deed in lieu of foreclosure.

(j) Trash shall be stored in accordance with county health regulations within the common dumpsters in sealed plastic bags, or compactor bags.

8. ARTICLE V, SECTION 14, is hereby amended by deleting reference to "Twenty-Five Thousand Dollars (\$25,000.00)" and substituting therefore "five percent (5%)" so that the section reads as follows:

Section 14. Additions, Alterations or Improvements by the Board of Directors.
Whenever in the judgment of the Board of Directors the common elements shall require additions, alterations, or improvements costing in excess of five percent (5%) of the operating budget and the making of such additions, alterations or improvements shall have been approved by the unit owners representing more than fifty percent (50%) of the percentage interests in the Condominium, at a meeting duly held in accordance with these Bylaws, the Board of Directors shall proceed with such additions, alterations or improvements and may assess all unit owners for the cost thereof as a common expense. Any additions, alterations or improvements costing five percent (5%) or less may be made by the Board of Directors without approval of the unit owners, and the cost thereof shall constitute a common expense.

9. ARTICLE V, SECTION 15(b), is hereby amended by correcting reference to Article V, Section 13, so that the section reads as follows:

(b) Powers. The Covenants Committee shall regulate the external design, appearance, use and maintenance of the common elements and the use of and architectural changes to units in accordance with standards and guidelines adopted by the Board of Directors. The Covenants Committee shall have the power to issue a cease and desist request to a unit owner, his guests, invitees, or lessees whose actions are inconsistent with the provisions of the Condominium Act, the Condominium Instruments, the rules and regulations or resolutions of the Board of Directors (upon petition of any unit owner or upon its

motion). The Covenants Committee shall from time to time, as required, provide interpretation of the Condominium Instruments (including adjudication regarding compliance with Article V, Section 13, of these Bylaws), rules and regulations and resolutions pursuant to the intents, provisions and qualifications thereof when requested to do so by a unit owner or the Board of Directors. Any action, ruling or decision of the Covenants Committee may be appealed to the Board of Directors by any party deemed by the Board of Directors to have standing as an aggrieved party and a vote of a quorum of the Board of Directors may modify or reverse any such action, ruling or decision.

10. ARTICLE VII, SECTION 1, is hereby amended by adding a new clause to the section so that it reads as follows:

Section 1. Sales. A unit owner may sell his unit or any interest therein without the consent of the Association, but must conform to all Maryland Condominium Act requirements.

IN WITNESS WHEREOF, the undersigned officers of the Diamond Farms Condominium hereby consent to and approve the above Amendments to the Bylaws of the Diamond Farms Condominium and hereby certify that the Amendments were duly adopted by the Council and its members pursuant to the terms of the Bylaws and the Maryland Condominium Act.

This 23 day of October, 1985.

DIAMOND FARMS CONDOMINIUM

By: Donald K. Taylor, President

Attest: Jane A. Hanna, Secretary

CERTIFICATE OF SECRETARY OF THE COUNCIL
OF UNIT OWNERS OF DIAMOND FARMS CONDOMINIUM

In accordance with Section 11-104 of the Maryland Condominium Act (Annotated Code of Maryland, Real Property, Title 11) and in accordance with Article IV, Section 6, of the Bylaws of the Council of Unit Owners of Diamond Farms Condominium, the Secretary, as the person authorized to count votes of the owners, hereby certifies that the Amendments to which this Certificate is attached were approved by unit owners having at least sixty-six and two-thirds percent (66 2/3%) of the votes of the Council. This Certificate is recorded for the purpose of conforming to Section 11-104 of the aforementioned Act and hereby accompanies the amendments to the Bylaws for the Council of Unit Owners of Diamond Farms Condominium.

Sue A. Braun

Secretary of the Council of
Unit Owners of Diamond
Farms Condominium

Attest:

Donald R. Talbot
President

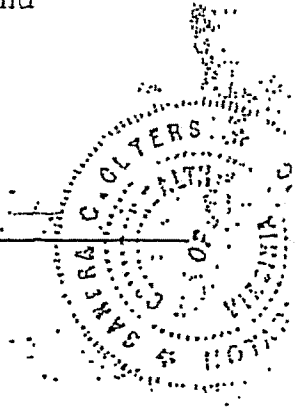
TO WIT:

On this _____ day of _____, 19____, before me
_____ the undersigned, personally
appeared the Secretary of the Council of Unit Owners of Diamond
Farms Condominium, _____, known to me (or
satisfactorily proven) to be the person whose name is subscribed
to the within instrument and acknowledged that she executed the
same for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public

My Commission Expires: _____



**POTOMAC OAKS CONDOMINIUM
RULES AND REGULATIONS
EFFECTIVE JANUARY 24, 2017**

Welcome

On behalf of the Council of Unit Owners and the Management Staff, welcome to Potomac Oaks, a condominium community, and the Potomac Oaks Condominium Association. We are providing these Rules and Regulations for your convenience and enjoyable living. Should you have any questions or concerns please do not hesitate to contact Management directly, or leave a message for the Board of Directors at (301) 987-9797 or by email at potomacoakscondos@gmail.com.

Potomac Oaks has a swimming pool for your summertime recreation. Our Clubhouse hosts the Council of Unit Owners and Association Committee meetings, and it is available for private rental. We are close to schools, shopping malls, public transportation, Diamond Farms Park and Seneca Creek State Park. We have quick and easy access to Interstate Route 270.

HOW A CONDOMINIUM DIFFERS FROM A RENTAL COMMUNITY

In a rental community, a corporation owns and operates the community, makes the rules, takes care of buildings and grounds, and is represented by a Manager. In a condominium community, the owners jointly own and operate the community through a Council of Unit Owners. Consequently, owners are responsible for the care and maintenance of the grounds, building exteriors, and other common elements, even if they do not physically perform the work themselves. The Council, as represented by an elected Board of Directors, hires and supervises a Management and Engineering staff that acts on behalf of, and at the direction of the Council. The Management Staff handles the day-to-day administration of the community and the Engineering Staff handles the routine maintenance of the property's mechanical systems and other infrastructure areas. Landscaping, building common area cleaning, ongoing improvement programs and heavy construction are performed by contractors. Questions regarding contractors should be directed to the Manager and/or the Board of Directors. Community owners and residents are responsible for reporting maintenance issues and unsafe situations to the Manager.

The Potomac Oaks Condominium Office is located at 780 Quince Orchard Boulevard, Gaithersburg, Maryland 20878, adjacent to the Clubhouse.

Management Office Hours*

Monday and Wednesday 7:30 A.M. - 4:00 P.M.

Tuesday and Thursday 7:30 A.M. - 6:00 P.M.

Friday 7: 30 A.M. - Noon

*Office hours may be changed at the discretion of the Board

WHY RULES AND REGULATIONS?

All successful communities have rules to maintain the beauty, integrity, value, and living standards of the neighborhood. Our Rules and Regulations are established and approved by the Council of Unit Owners and the Board of Directors and reflect the expectations and responsibilities of each member of our community. They are revised and updated occasionally to meet the community's evolving needs.

Owners are encouraged to participate in the revision of these rules by:

1. Attending Board of Directors monthly meetings.
2. Participating in the Council's annual meeting and elections.
3. Joining the Covenants Committee.
4. Providing written suggestions to the Management Staff, Board of Directors or the Covenants Committee.

These Rules and Regulations are those referred to in the Bylaws of the Potomac Oaks Condominium Association and are legal obligations between each person who owns or resides in the Potomac Oaks community. These Rules and Regulations are enforced. Violations are subject to warnings, monetary assessments and fees, and other penalties as noted in the Bylaws and this document. Infractions that are also violations of government laws and ordinances may be referred to the City of Gaithersburg, Montgomery County and the State of Maryland authorities for enforcement.

Owners and residents are responsible for being aware of, and complying with these Rules and Regulations. Owners and residents are responsible for ensuring their short and long-term visitors/guests comply with the Rules and Regulations.

GLOSSARY

ANNUAL MEETING - Yearly business meeting of the Council of Unit Owners held for election of the Board of Directors, financial status reporting, voting on Bylaws changes and to discuss community issues.

ASSOCIATION - The Council of Unit Owners, the Board of Directors of the Council of Unit Owners, Management and Agents when acting on behalf of the Council of Unit Owners.

BOARD OF DIRECTORS - The Board of Directors of the Council of Unit Owners is a representative body of Owners elected by the Council of Unit Owners with primary duties prescribed in the Association's Bylaws.

COMMON ELEMENTS - All parts of the Potomac Oaks Condominium community other than privately owned units. Some common elements are the pool, clubhouse, driveways, parking lots (excluding reserved parking spots), building hallways and entrances, and all lawns and grounds.

CONDOMINIUM DOCUMENTS - CONDO DOCS - Includes the Declaration, Bylaws, and the Rules and Regulations.

COUNCIL OF UNIT OWNERS - The collective body of Owners known as the "Association." Membership is automatic only for Owners who are current and in good financial standing.

CURRENT - Owners who are in good financial standing and do not have outstanding payments, fees, monetary assessments, or penalties.

GUEST - Non-resident visitor(s) who comes onto the property at the direct request of an Owner or resident and does not stay longer than 3 months.

LIMITED COMMON ELEMENTS - Particular common elements that are set aside for use by fewer than all Owners such as storage rooms, mechanical rooms, balconies, patios, and terraces.

MAINTENANCE AREAS - Areas that house mechanical systems or maintenance tools and materials. Maintenance areas include the boiler rooms, and maintenance shed. Owners, residents, and guests do not have access to maintenance areas.

MANAGEMENT - The team of management professionals employed by the Association to manage the day-to-day operations of the property. This on-site staff works in the Potomac Oaks Condominium Office and the Maintenance Areas.

OFFICE - The Potomac Oaks Condominium Office is where Owners and residents can register, report issues and obtain keys to storage and laundry rooms during office hours.

OWNER - Person(s) who holds a mortgage on, or owns outright, a condominium unit in Potomac Oaks.

PROPERTY - All buildings, grounds, parking areas, recreational facilities, and other real property and facilities that make up the Potomac Oaks community.

RECREATION AREAS - All Association facilities and areas designated for recreational use by Owners and residents such as the pool, surrounding pool area, and clubhouse.

RESIDENT - Person (Owner or renter and their family members, or visitors) who reside in a condominium unit.

UNIT - A single condominium residence, and as applicable, limited common elements assigned to the unit such as a storage area, a patio, a terrace and/or a balcony.

VISITOR - Employee, agent, guest, invitee, licensee or other person on the property at the specific request or invitation of an Owner or resident.

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I. GENERAL RULES

- A. The Association acting through its Board of Directors, has adopted the following Rules and Regulations to be effective January 24, 2016, pursuant to Article XII of the Potomac Oaks Bylaws and Section 11-111 of the Maryland Condominium Act. These Rules shall supersede and replace all previously adopted rules for the Condominium.
- B. The Association Rules and Regulations are supplementary to, and not in lieu of, the Condo Docs. To the extent of any inconsistency, the following will prevail in order noted: The laws and statutes of the State of Maryland, the Declaration, the Bylaws, and these Rules and Regulations.
- C. Owners, residents, and visitors shall, at all times, abide by all laws, ordinances, zoning, and other governmental regulations, and the provisions of the Condo Docs.
- D. An Owner is primarily, and ultimately, responsible for his/her own conduct, the conduct of all residents and visitors to their unit, the general common elements and limited common elements. Owners are responsible for informing tenants, residents, and visitors of these Rules and Regulations.
- E. Nothing in these Rules and Regulations is intended to restrict the right of Management or Owners/residents to notify the Police or other County/State/Federal authorities of disturbances of the peace, illegal activities, health or fire-safety issues, concerns for the safety of children or pets, concerns about persons who may pose a risk to themselves or to others, and other appropriate concerns.
- F. Owners shall provide a copy of a current access key to their unit to Management. If a deadbolt lock is installed, the Owner must provide the access key to Management. Rules regarding access keys are:
 1. The access keys in the custody of Management shall be coded in such a way as to prevent identification by unauthorized persons. They shall be secured by the Association and Management in a locked box.
 2. Access keys may be used to admit an Owner or resident who is inadvertently locked out of his unit. Persons locked out may contact Management who will provide access only during regular Condominium Office business hours. If an access key is needed after business hours a locksmith must be contacted at the Owner's or resident's expense.
 3. The Association and its Board, Management or Agents, only in the exercise and discharge of their respective powers and responsibilities, shall have the right to enter a unit. Reasons for such entry may include:
 - a. The fact or threat of fire, flood, emergency or other condition that may adversely affect the common areas or other units, or the fact or threat of illness or danger to the Owner(s) or resident(s).

- b. Inspection of a unit shall be upon due cause shown for the presence of vermin, insects, or other pests, or the presence of other health hazards, and for the purpose of taking such measures as may be necessary to control or exterminate such vermin, insects, or pests or remove such hazards. Entry may be at a reasonable hour of the day after written notification, except in case of an emergency, in which case entry may be immediate and without notice.
- c. If an access key has not been furnished as required, and if access to a unit is warranted as described in section 3 above, the following shall apply:
 - i. The Association and its Board, Agents, or Management shall have the right to remove and destroy the unit door and/or unit door lock(s), by any means necessary.
 - ii. The Owner shall be responsible for the repair or replacement of such door and/or lock(s) and all associated costs.
 - iii. The Association, and its Board, Agents or Management shall not be responsible for the damage to and/or removal of the unit door and /or door lock(s) or for any property within the unit which may be lost, stolen, or destroyed as a result of the damage to and/or removal of the unit door and/or lock(s).
- G. Soliciting for any matter unrelated to Association governance on the property by Owners, residents, visitors, Association employees and nonresidents is prohibited. Owners, residents, Association employees or visitors who are contacted by solicitors on the property shall immediately report the incident to the Management Office.
- H. Monthly Condominium fees are due and payable to the Association on or before the first day of every month. Payments include late fees levied in the previous month. Condominium fee payment may be made as an electronic direct debit, personal check, money order, bank cashier check or certified check. Coupons must be included with non-electronic payments. Electronic direct debit is the preferred method of payment, and forms to sign up for the service are available in the Management Office. Payments shall not be made at the Management Office, with the exception of those from Owners who are delinquent and have been granted special payment arrangements as authorized in writing by the Board of Directors.
 - 1. A late fee shall be levied against delinquent unit Owners if payment of the monthly condominium fee, or other assessments, including prior late fees, is not received by the 15th of the month.
 - 2. Checks returned for insufficient funds (NSF) will be subject to a \$25.00 handling fee.

3. For repeated delinquencies, or checks returned for insufficient funds, Management is authorized to request payment by cashier's check, money order, or certified check.
 4. The Association's Collections Attorney shall send by U.S. Mail or hand delivery, a Late Fee Notice to Owners delinquent more than 45 days. This notice may, to the extent practicable, suggest the type and amount of collection costs and charges that might be incurred by the Owner(s).
 5. The Association's Attorney will inform the delinquent Owner of the Association's intent to file a lien and set forth the delinquent fees, late fees, collection costs and attorney fees, as well as other charges, to be pursued if the delinquent amount is not paid within 15 days. This notice shall state that if the account is not paid in full within 15 days from the date of the notice, the account will be accelerated and the fiscal year's assessments for that unit shall be declared immediately due and payable. The Attorney shall initiate court action by the 60th day of the delinquency. Payments received will be applied to the oldest outstanding debt first. Foreclosures, sheriff's sales or other legal actions will occur on a case-by-case basis as authorized in writing by the Board of Directors.
 6. In addition to all other rights that the Board of Directors has for non-payment of regular fees or special assessments that are more than forty five (45) days past due, the Board of Directors and/or Management shall have the right until the delinquency has been paid, to suspend an Owner's parking privileges, and the right to use the facilities, such as recreational facilities, or services, provided directly through the Association.
- I. Owners/residents shall not direct, supervise, or in any manner attempt to assert control over, or request favors of Association employees. Employees and agents of the Association are not authorized to accept packages, keys, money or articles from or for the benefit of an Owner/resident/visitor unless authorized in writing by the Owner/resident/visitor.

II. UNIT RULES

A. UNIT INTERIOR

1. Units shall be occupied for private residential purposes only. The total number of persons, over the age of 24 months, residing in a unit, at any time, shall be no more than two times the number of bedrooms in the unit. The number of bedrooms in a unit is determined by the Condo Docs. The term bedroom does not include dens. One (1) bedroom = Two (2) residents, Two (2) bedrooms = Four (4) residents and Three (3) bedrooms = Six (6) residents.

2. Units shall not be used substantially for commercial or business purposes (e.g. daycare). Home-based business use is allowed if approved and licensed by the City of Gaithersburg. A copy of the City of Gaithersburg issued Home Based Business License shall be provided to Management.
3. Units shall not be used for illegal purposes, and illegal acts shall not be committed or permitted in or upon a unit.
4. Noxious or offensive activity shall not be conducted in a unit that would interfere with the rights, comfort, or convenience of another unit or units. Nothing shall be done in a unit that may be or become an annoyance or nuisance to others.
5. Waterbeds are prohibited in all units.
6. Doors opening into units from common hallways, and building entry doors must be kept closed at all times, except when in use.
7. Nothing shall be done or kept in a unit that may result in the cancellation of insurance on the building or contents thereof, or would be in violation of any public law, ordinance or regulation. Gasoline, propane, or other highly flammable or explosive material, other than common household products in limited quantities, shall not be kept inside a unit.
8. Nothing shall be done in a unit that impairs the structural integrity of the building or structurally changes the building.
9. All structural repairs and replacements shall be of first class quality and as similar to the character of the construction or installation that existed prior to the occasion that necessitated the repairs or replacements. Repairs and replacements shall be done with contemporary building materials and equipment after all necessary permits and approvals have been obtained.
10. All radio, television, sound system, or other electrical equipment of any kind or nature installed or used in a unit shall fully comply with all rules, regulations, the City of Gaithersburg, Montgomery County and State of Maryland ordinances and applicable code. The Owner alone shall be liable for damage or injury caused by radio, television, sound system or other electrical equipment in a unit.
11. Window treatments must be maintained in good condition and show an exterior (the side facing outward) color that is white to ensure a uniform attractive external appearance of the buildings. Sheets, plastic, cardboard, plywood and other such materials shall not be used with the exception of limited temporary use following a casualty to the unit.

12. At minimum, ninety (90%) percent of the floor area in each unit, with the exception of kitchens and bathrooms, shall be covered with carpeting and a 9/16 inch minimum commercial padding to adequately limit sound transmission to other units.
13. Washers and dryers are prohibited in units.
14. Window air conditioners and/or window fans are prohibited in units.
15. Decals or signs on the inside of windows, with the exception of fire and security decals, are prohibited.
16. Owners and residents are responsible for:
 - a. Proper use, repair and upkeep of all electrical, mechanical, plumbing systems, and smoke detectors within units.
 - b. Proper maintenance, upkeep and repair of all unit interior elements such as tile work, grouting, caulking, shut-off valves, etc. Shut-off valve repairs shall be performed during the water shut-offs regularly scheduled by the Association. Owners who request water shut-off after the regular scheduled date shall pay a fee of \$100 unless other arrangements have been made with Management.
 - c. Maintenance and upkeep of all equipment (air handler for heating and air conditioning) in the unit's mechanical room, including oiling motors, cleaning or replacing filters, keeping condensate drains open and walls and floors of mechanical closets clean and in good condition.
 - d. Proper use and maintenance of all personal possessions (appliances, equipment, aquariums, etc.)
 - e. Repair of damage to Owners unit, other units or common and limited common areas as a result of accidents or abuse, misuse or neglect of the above mentioned systems.
 - f. Promptly reporting to Management defects that may potentially damage other units and/or common areas.

B. UNIT EXTERIOR

1. Planting of trees and shrubbery on the terrace levels is encouraged but requires written authorization by Management. A written request must be provided prior to planting. The written request must include your contact information, the name of the plant, where you plan to plant it and its estimated size at full growth. The mature height of trees and shrubbery shall not exceed the allowable height of privacy fences.
2. Bird feeders anywhere on the property are prohibited.

3. Storm windows shall not be installed. Storm windows installed prior to the establishment of this rule may not be replaced with newer storm windows.
4. Window and window screen repair, painting and replacement are the Owner's responsibility. Broken windows are to be replaced, and repairs are to be made immediately after detection.
5. Signs, with the exception of an appropriate mailbox nameplate, are prohibited. Name plaques in the lobby or other common areas are prohibited, with the exception of the dental office. Realtors who wish to post signs announcing the availability of a unit may display a "For Sale" sign in a unit window from Saturday morning through Sunday evening only. Property signs, directional arrows, etc. shall not be posted.

III. LIMITED COMMON AREA RULES

A. BALCONIES, PATIOS AND TERRACES

1. Balconies, Patios and Terraces are limited common areas. With approval of the Board, the terrace areas are outside of T-1 and T-2 and may be enclosed with approved fencing. With approval of the Board, the area below the railing level of balconies may be protected with a ¼ inch Plexiglas that is installed on the inside of the balcony railing, no higher than the height of the railing and 2" off the floor. Non-corrosive screws are required.
2. Satellite dish installation is limited to a wooden fence, railing, or on the balcony/patio and shall not extend beyond the unit's property. Satellite dishes must be less than one (1) meter and/or 39" in diameter and placed either on a freestanding base or clamped (no holes drilled in concrete or brick walls) to the railing with no portion of the dish extending beyond the vertical plane of the railing. Patio level dishes may be placed on either a freestanding base or mounted on a fence post. Satellite dishes, television or radio antennae, or any other antennae connection shall not be permanently installed or placed on the common grounds or elements such as the roof or exterior brick walls.
3. Balconies and patios shall not be enclosed or covered. There shall be no awnings, canopies, blinds, shades, screens or similar fixtures attached to, hung in, or used on balconies or patios.
4. Nothing shall be affixed to the exterior building facing, floor or ceiling of a balcony or patio area with the exception of motion sensor security lights for the terrace level units.
5. Balconies, patios, mechanical rooms and terraces shall not be used as storage areas. Boxes, storage bins, large containers, or sheds are prohibited. Storage bins or benches designed for outdoor use that are no taller than 2 feet and not longer than 4 feet are allowed. These bins or benches shall not obstruct the mechanical room door.

Storage of tools, car repair equipment, contracting equipment, cleaning equipment, or supplies that do not fit in approved storage bins/benches are prohibited. Exercise equipment, recreational vehicles or equipment including mopeds, scooters, skis, etc. and large toys are prohibited.

6. Grills, with the exception of propane grills that are prohibited, may be stored on patios and balconies.
7. Cooking: Montgomery County fire ordinances state that the use of charcoal or other fuel, or electric cooking equipment outside of any multi-family dwelling shall be prohibited unless such cooking equipment is at least 20 feet away from every part of the building, including terrace level fencing. Charcoal cookers, electric grills, braziers, hibachis, grills or any gasoline, propane or other flammable liquid or liquefied petroleum gas fired stoves, or similar devices shall not be ignited or used on balconies, patios or inside units under order of the Montgomery County Fire Marshall. Violations can result in a Civil Citation for \$500.00 by the Fire Department.
8. Open fires (barbeques), fire pits, camp rings, trash cans, and/or other devices for setting fire are prohibited.
9. Gasoline, propane, or other highly flammable or explosive material shall not be stored on patios, balconies or in storage areas.
10. The Montgomery County fire code prohibits the storage of motorcycles and other motorized vehicles on balconies, patios and terraces.
11. Items such as signs, posters, decorations (with the exception of temporary appropriate seasonal decorations), laundry, clothes, carpet, towels, blankets, comforters, rags, etc. shall not be hung from the balcony railing.
12. Floor coverings on patio or balcony floors are prohibited to prevent water accumulation and concrete damage.
13. Wind chimes are allowed provided they are not of a type or size that disturb other residents.
14. Customary lawn or outdoor furniture in good condition and well-tended potted plants are allowed. All items should be placed and secured to protect against being blown or pushed off.
15. It is prohibited to throw or sweep any items such as cigarette butts, water and dirt off of balconies and patios. It is prohibited to allow water or liquid to run off balconies from hosing off the balcony, over-watering of plants, etc.

16. Plants are encouraged to decorate balconies, patios or terraces. Planters are not permitted on top of fences. Table and/or hanging plants are limited to the inside of the balcony railing and/or patio fences.

B. VEHICLES AND PARKING

1. Automobile repairs are prohibited except for minor emergency repairs, such as changing a flat tire or charging a battery.
2. Leaving a running vehicle unattended on the property is prohibited.
3. Disabled and/or abandoned vehicles will be tagged with warning notices and, if not registered or repaired shall be towed at the Owner's expense.
4. Honking a horn to summon an individual from a residence, building or any other area is prohibited.
5. Vehicles are prohibited from parking in fire lanes and are subject to towing at the Owner's expense.
6. Vehicles are prohibited from being driven or parked on common grassy areas and are subject to towing at the Owner's expense.
7. Vehicles are prohibited from parking spaces marked SNOW during snowy and other wintery weather and are subject to towing at the Owner's expense.
8. There is one reserved parking space per unit. Only unit residents who have registered their vehicles can park in the reserved space.
9. Owners and residents shall register their vehicle(s) with Management and obtain a permanent parking permit decal(s) from Management. The decal shall be placed on the passenger side rear window in the upper corner. One (1) bedroom units are allowed a maximum of two (2) permits. Two (2) and three (3) bedroom units are allowed a maximum of three (3) permits. One additional resident permits will be available for an annual fee of \$100 each.
10. Each unit is provided two (2) Visitor Parking Permit hangtags that are not to be used for resident parking. Visitors whose vehicles are parked on the property overnight shall obtain a Visitor Parking Permit hangtag from the resident and display it inside the front windshield or hang it from the rear view mirror. A resident who has more than two (2) overnight visitor vehicles must contact Management to obtain additional permits or the vehicles will be towed. Residents who have visitors whose vehicles will be on the property for more than 48 hours shall register the visitor's vehicle with Management and obtain a long-term parking permit from Management. Long-term permits cannot exceed 3 months.

11. Visitors must park in unnumbered spaces. Parking in a reserved space may result in ticketing, booting and/or towing of the vehicle at the vehicle Owner's risk and expense.
12. The visitor Handicap parking area is directly in front of the Clubhouse. Parking spaces posted as Handicap shall be used only by disabled persons who have obtained and display a state-issued handicap permit (temporary or permanent), or a vehicle that bears handicap license plates (tags).
13. Commercial vehicles that are registered with the management office are permitted to be parked on the property in designated areas on a first-come first-served basis. There is a \$100 annual commercial vehicle registration fee. Decals shall be placed in the upper right corner of the passenger window. Unregistered commercial vehicles parked on the property shall be towed at the Owner's expense.

Buses, trucks (greater than one ton), trailers, boats, recreational vehicles, unregistered commercial vehicles, dump trucks, snow plows, tractors, or monster trucks with oversized tires shall not be parked on the property. All will be towed at the vehicle Owner's expense.
14. All vehicles parked on the property shall display current license plates (tags) and decals, as required by State and Montgomery County law. Vehicles must be in safe and good operating condition.
15. All residents and visitors shall observe and abide by the parking and traffic regulations posted by the Association or government authorities. Violations shall be reported to Management by providing parking decal number, license plate number, make, model and color of the violator's vehicle.
16. Blocking access to and from any parking space is prohibited. Vehicles shall not block building exits, sidewalks, driveways, zebra-zones, or encroach upon lawns, landscaping or fire lanes.
17. Vehicles must be legally parked. "Legal" parking is defined as parked between the lines so that no part of the vehicle protrudes into the space beyond the line, on the line, into traffic lanes or over the sidewalks.
18. Covered vehicles shall be parked only in assigned spaces. Vehicle covers must be contoured or tailored to reasonably fit the vehicle, and must be maintained in good condition. Vehicles shall be in good operating condition, properly registered, licensed and display parking permit decals.
19. Owners shall be responsible for damages such as oil spills, hitting guard rails, fences or light posts, etc. caused by themselves, their residents or their visitors. Damages and need for cleanup or repairs shall be promptly reported to Management.

20. Owners who become delinquent shall not be permitted to park on the property. Vehicles belonging to delinquent Owners shall be towed at the Owners' expense.

21. Any vehicles parked, stopped or standing in violation of these rules are subject to towing.

C. STORAGE

Personal property placed in the storage areas or on other common or limited common areas shall be at the sole risk of the property Owner. The Association will not be liable for the loss, destruction, theft or damage to personal property.

1. Articles that could create fire hazards, be in violation of public laws and ordinances, or incur insurance rate increases for the Association shall not be stored in individual units or in the storage areas.
2. Entrance to the 700 Side storage areas shall be controlled by Management. Only Owners or renters, with government issued identification, can access these storage areas. Owners or renters shall sign for a key, and pay a key deposit of \$20.00 for a storage room key.

IV. COMMON AREA RULES

A. CONDUCT AND ATTIRE

1. Obnoxious or offensive activity that interferes with the rights, comforts, or conveniences of other Owners or residents shall not be conducted in the common areas, and nothing shall be done in the common areas that is, or may become a nuisance to others.
2. Except for the Clubhouse, drinking alcoholic beverages in the indoor common areas is prohibited. Alcoholic beverages are allowed in the Clubhouse, Except for the swimming pool area, smoking is allowed in common areas at least 20 feet from all buildings. When smoking in common areas, butts must not be deposited on the property. Use of illegal substances on the property is prohibited. Owners, residents and visitors are responsible for safeguarding our community and are expected to call the Gaithersburg Police regarding suspected illegal activity.
3. Playing or loitering in the indoor common areas, driving lanes, parking areas, breezeways, and stairwells is prohibited. Owners, residents and visitors are expected to call the Gaithersburg Police regarding suspicious activity.
4. All persons shall be fully clothed (including shirts and shoes) and properly attired when appearing in the common areas with the exception of the swimming pool and pool areas.

5. Other riding equipment, including, but not limited to, tricycles, bicycles, skateboards, skates, roller-blades, scooters (manual or motorized), and/or similar wheeled/toy items with the exception of handicap transportation devices, shall not be operated, driven or ridden in units or indoor common areas, such as hallways, building foyers, and laundry rooms. Such indoor common areas may be used only to carry or transport such equipment to or from the building and the units.
6. Upon exiting a building, all "other riding equipment" may be operated or ridden only in transit to or from the property where such equipment may be legally operated. Parking lots and driveway entrances are for the operation of DMV recognized and licensed vehicles only. Under no circumstances shall "other riding equipment" interfere with pedestrian or motor vehicle traffic.
7. Children may play on the grassy areas. Playing in the streets or parking lots is prohibited. The Association shall not be liable for injuries or damages that may occur while playing on the property.
8. Nothing shall be done in a common or limited common area that impairs the structural integrity of the building or structurally changes the building. Nothing may be removed from or changed in the common areas without the prior written consent of the Board of Directors.
9. Attic access is restricted to the engineering staff and utility contractors.
10. Residents shall not allow doors (unit and laundry) to slam.

B. DECORATIONS AND ADVERTISEMENTS

1. Interior common areas (hallways, foyers and laundry rooms) shall not be decorated or furnished. Appropriate seasonal unit door decorations that conform to the local fire code are permitted. The unit number shall remain visible at all times.
2. Obstructions, with the exception of doormats, shall not be placed outside a unit doorway in the common hallway. Except as permitted by law, signs shall not be displayed in unit windows, balconies, patios, and terraces or on unit or building entrance doors, with the exception of emergency notifications placed by Management or standard pet and/or fire department information.
3. Posting of advertisements or posters of any kind in or on the property shall not be allowed without written approval of the Board of Directors.

C. LAUNDRY ROOM

1. For your safety and protection, the laundry room door and windows shall be shut and locked at all times.
2. The hours for using the laundry room are daily from 8:00 a.m. to 10:00 p.m.

3. Each building has a laundry room. Only, residents residing in each building's units are permitted to use the laundry room.
4. Laundry room replacement keys are issued for a fee of \$5.00 after proof of residency has been established, and government issued ID shown. To maintain cleanliness, trash receptacles are provided for empty detergent bottles, lint, dryer sheets, etc. All clothing must be removed from the machines upon completion of the wash/dry cycle and from the laundry room in a timely manner. All abandoned articles will be thrown away.
5. The washing machines are not to be used to dye clothing or other material. The dryers are not to be used to dry unwashed clothing, or non-clothing items.
6. Do not wash or dry any materials with rubberized backing, oversized items, i.e. comforters or curtains. Specialty items must be taken to the dry cleaners or a laundromat.
7. The user shall remove lint from the dryer after each load and put it in the laundry room trash receptacle.
8. Maintenance of the washing machines and dryers is the responsibility of the contractor. The contractor's name and contact information are posted in each laundry room. Do not attempt to repair the machines.
9. Damaged Coinmach cards can be replaced by contacting Coinmach.

D. RECREATIONAL FACILITIES

The Association maintains a swimming pool and Clubhouse for the use and enjoyment of Owners, residents, Association employees and their visitors. To ensure safety and convenience, minimize the Association's liability, and maintain minimum maintenance costs, the Association has established general and specific rules for use of these facilities. Violations may result in the suspension of rights to use the facilities, monetary assessments, penalties, and/or criminal prosecution.

All persons using the recreational facilities do so at their own risk and sole responsibility. The Association does not assume responsibility for any occurrence, accident, or injury in connection with such use. Owners, residents and visitors are responsible for complying with recommended health and use restrictions on facilities and equipment.

1. SWIMMING POOL

The swimming pool opens Memorial Day weekend and closes Labor Day weekend. The hours are posted at the entrance to the pool, on the bulletin board outside the Management Office and on the Potomac Oaks website. Use of the pool after hours, except as part of a scheduled community activity, or when a lifeguard is not on duty, is prohibited. Pool furniture and other items are provided by the Association for your use and enjoyment. Fees will be incurred for misuse, abuse, or removal of such property.

a. Admittance to the Pool:

1. Only Owners, residents, Association employees and visitors may use the pool facilities. Management shall issue picture identification passes for swimming pool admittance.
2. There is no entry fee for Owners, residents and Association employees with current pool passes. Each unit and Association employee is provided two guest passes. Additional guests are permitted entry to the pool if, in the opinion of the lifeguard on duty, there is sufficient room in the pool at the time of the request. Additional guests will be charged a fee of \$5.00 per guest aged 13 years and over and \$3.00 per guest aged 6-12 years. Guests under five (5) years of age are free.
3. Owner, resident, Association employee and visitor pool passes shall be presented to the lifeguard on duty when entering the pool recreational area. No one will be admitted without a pass. Pool passes shall be revoked for misuse or for reasons of misconduct, as determined by Management and/or the Board of Directors.
4. Unit Owners shall maintain pool passes, and/or provide them to their renters or visitors. The lost pool pass replacement fee is \$10.00 each.

b. Conduct in the Pool Areas:

Everyone using the pool facilities must comply with the Rules and Regulations. Owners are responsible for their actions and the actions of their renters and guests using the swimming pools or pool areas. Association employees are responsible for their actions and their guests' actions using the swimming pools or pool areas. Serious or repeated serious offenses may result in suspension of pool privileges.

1. The Lifeguard is authorized and required by the Association to enforce the Rules and Regulations and Montgomery County swimming pool ordinances.
2. The lifeguard is the final authority for all activities in the pool areas.
3. A person who does not obey the lifeguard, risks being expelled from the pool area. If a person refuses to leave the pool area, the Gaithersburg City or Montgomery County police shall be summoned for removal and applicable civil charges will be filed against the violator. The Association may also take additional measures against the person such as rule violation fees, restricting pool usage, etc.
4. Lifeguards shall report problem cases to Management. Verbal reports may be provided, but shall be followed by a written report within twenty- four (24) hours of the incident. Reports shall contain a description of the incident with the date and time of its occurrence, names, unit numbers, and telephone numbers of involved parties and/or witnesses. Other parties and witnesses of the incident are also expected to submit reports.

5. Lifeguards are authorized to refuse admittance to, or expel Owners, residents, Association employees or visitors from the pool who have apparent medical conditions such as infection, cold, open sore, bandaged wound, illness, etc. that pose health and/or safety hazards.
6. Diving is prohibited.
7. Glassware in the pool area is prohibited.
8. Food is permitted only in designated pool areas.
9. Pets are prohibited in the pool areas. Service animals are permitted.
10. Robes, shirts, shoes, and other suitable garments must be worn to and from the pool area. Dressing areas are provided in the bathhouse for change of clothing.
11. Appropriate swimsuits must be worn in the pool. Street clothes and undergarments are not considered appropriate swim attire. Thongs are prohibited.
12. Smoking is not permitted in the pool areas.
13. Portable audio or video devices shall be used with headphones.
14. When inclement weather continues to restrict pool use in excess of thirty (30) minutes the lifeguard shall close the pool.
15. During all hours of pool operation, at least one lengthwise lane shall be designated and roped off for lap swimming only.

2. CLUBHOUSE

The Clubhouse is adjacent to the pool and the Management Office. It is used for most community meetings and special activities. The community room (includes kitchen and bathrooms) is available for rental by Owners, residents, and Association employees for private parties. The Clubhouse community room is available for rental use Monday through Thursday from 10:00 a.m. to midnight, and Friday and Saturday from 10:00 a.m. to 1:00 a.m. The Owner, resident or Association employee who rents the Clubhouse community room is fully responsible and liable, regardless of who pays for and/or attends the function, for visitors' behavior and damages to the building, room, furniture, and equipment.

- a. A non-refundable user fee and a security deposit are required in advance to be paid at the time a reservation is made. The rental user fee shall be forfeited if the reservation is canceled less than ten (10) days prior to the reservation date. The security deposit will be returned within five (5)

business days after the function, provided no damages or other additional costs were incurred. Damage cost(s) are deducted from the security deposit. Costs in excess of the deposit are levied against the Owner's account in accordance with Article V of the Bylaws. Violations of the community room rules shall result in the loss of the security deposit.

- b. A security guard attends all functions at the cost of the Owner/resident who is responsible for the function. Guard fee information is available from Management.
- c. Only adult Owners, residents and Association employees may reserve the Clubhouse community room. The Association reserves the right to refuse use of the community room for an event. The requestor will be provided with additional information governing the use of the community room and other optional rental items. A Clubhouse Agreement form must be completed and signed prior to using the community room.
- d. The Clubhouse community room is for the use and convenience of the Owners, residents and Association employees and their invited visitors. Owners, residents and Association employees reserving the community room shall agree that he or she personally will use, and be present in, the room during the authorized and reserved hours.
- e. All activities shall be confined to the Clubhouse community room. Entering the pool area or wandering the property is prohibited.
- f. The Clubhouse community room shall not be used for illegal purposes. The Owners, residents and Association employees using the room shall not make, or permit to be made, any disturbing noises/music, or any act to be done, either in the community room or common areas, that will interfere with the rights, comforts, or convenience of any other Owner, resident, Association employee or visitor.
- g. The use of alcoholic beverages in the Clubhouse community room shall be in accordance with the State and Montgomery County alcohol beverage control laws. Sale of liquor shall not be permitted. Excessive consumption of alcohol will lead to the termination of the function by the guard.
- h. Pets are not permitted in the Clubhouse community room. Service dogs are permitted.
- i. The community room shall be inspected after each reserved function to assure that the function has ended, all visitors have departed, and the community room and adjacent common areas are in order.

- j. The Owner, resident or Association employee who reserves the community room is responsible for removing all personal property and trash after the function has ended and for leaving the premises in a clean and neat condition. All furniture must be placed back in the same position as when the reserved period began. Furniture or appliances shall not be removed from the room.
- k. The Association is not responsible for the loss of personal affects, dishes, equipment, or food. Anything left after the use of the Clubhouse community room will be considered abandoned and disposed of accordingly.

E. VANDALISM /OBSTRUCTION

- 1. Defacing or deliberate damage to buildings, recreational facilities, or common areas is prohibited. Vandalism is prosecuted to the full extent of the law. Damages shall be promptly repaired at the expense of the responsible unit Owner, and may require the Association to secure a lien against the Owner's property. Surveillance cameras may be in use throughout the property.
- 2. Nothing shall be done on, or kept in, the common areas that would result in the cancellation of insurance on the buildings or contents thereof or would be in violation of any public law, ordinance or regulation.
- 3. Baby carriages, bicycles, playpens, wagons, toys, benches, chairs, or other articles of personal property shall not be unattended or obstruct common areas.
- 4. Nothing shall be stored in the common areas. Entrances, halls, stairways and other similar common areas of the buildings must not be obstructed or used for any purpose other than entering or leaving buildings.

V. DISTURBANCES

- A. Owners and residents shall exercise extreme care not to disturb other residents with excessive noise or voices, or the unreasonable use of radios, televisions, musical instruments, telephones, amplifiers, or other similar devices.
- B. Noisy repair or installation work shall only be done between the hours of 7:00 a.m. and 9:00 p.m. week days and 9:00 a.m. and 9:00 p.m. on weekends.
- C. The City of Gaithersburg noise ordinance requires that voice, indoor activity, music, and television volume be reduced between 9:00 p.m. and 7:00 a.m. every day.

VI. PETS

A. STATE AND LOCAL LAWS

1. Residents are required to comply with State of Maryland, Montgomery County and City of Gaithersburg ordinances regarding the registration and licensing of cats and dogs.
2. These ordinances prohibit keeping vicious, wild, or exotic animals as pets. They also require that pets be leashed at all times when outside the unit, prohibit animals from running loose on common property, and prohibit animals from trespassing or damaging another's property or creating a nuisance.
3. Ordinances and these Rules and Regulations authorize the City of Gaithersburg or the Montgomery County Animal Control to enter the property to investigate complaints, and enforce ordinances. Owners, residents or visitors shall report violations to the Animal Control Office by calling 301-258-6343.

B. REGISTRATION

Only one (1) small domestic house pet shall be permitted within any Unit. Each pet shall be registered with Management within one week of taking up residence. Registration shall include a current picture of the pet, as well as proof of required licenses and rabies shots as required by the State, Montgomery County, and the City of Gaithersburg ordinances. This procedure is for the protection of both Owners and pets. Pet Owners shall pay a \$15.00 fee to the Association every two years.

C. PET TYPES AND BREEDS

1. Animals, other than one (1) common household small pet shall not be kept and maintained in a unit. Exotic pets are prohibited. Other prohibited animals are:
 - a. All poisonous species.
 - b. Animals weighing more than 60 pounds at maturity.
 - c. Monkeys or other anthropoids.
 - d. Wild animals, farm animals or fowl (to include but not limited to chicken, turkey, pheasants, quail, guineas, geese, and/or similar feathered animals).
 - e. Pot-bellied pigs.
 - f. Dogs or cats other than domestic breeds.
 - g. Aggressive animal: Any animal that has previously caused injury to a person, or has been deemed "potentially dangerous" or "dangerous" by any city or county municipality.
2. Animals shall not be kept, bred, or maintained for commercial purposes in units.
3. The following breeds are required to be muzzled and on a leash at all times while on the property. Failure to abide this rule will result in the immediate removal of the pet. Restricted dogs include: Pit Bulls, Pit Bull Terrier, American Pit Bull Terrier,

American Bull Dog, Staffordshire Terriers, and other Bull Terriers, Presa Canario (Canary Island Dog), Bandog American Mastiff (cross between American Pit Bull and Neapolitan, Can Corso), Dogo Argentino or any mixed breeds or crosses of all of the above mentioned breeds.

4. Pets causing injury to an Owner, resident, visitor or another pet, or whose Owner violates Montgomery County or City of Gaithersburg pet ordinances, shall be reported to the local animal control authorities and the attacker pet shall be permanently removed from the property within three (3) calendar days at the pet Owner's expense.
5. Pet Owners are responsible for damage and/or injury expenses. The Association is not liable for incidents involving Owner's, resident's or visitor's pets.

D. CONDUCT

1. Pets shall be controlled by their Owners to preclude interference with the enjoyment by others of their units and the common areas.
2. Pets that create a disturbance or detract from neighboring residents' enjoyment of his/her own unit, or the common areas, will be considered improperly behaved. Management shall require the immediate removal of an improperly behaved pet from the premises.
3. Pets shall be maintained in a clean and odor free manner, ensuring no annoyance for neighbors.
4. Pets shall be restricted to the inside of the units. For their own safety, pets are not permitted on unit balconies, patios and terraces without supervision.
5. Pets are not permitted in entrance foyers or hallways, except when accompanied by their Owner/care giver for transit between the individual unit and outdoor grounds. Pets shall be transported in a carrying case, or on a leash. Pets are not permitted in the storage areas, the Clubhouse and the pool areas.
6. All pets shall be leashed while in common areas. Pets in common areas must be on a maximum 6-foot leash.
7. Excrements must be properly removed and disposed of by the pet Owner/caregiver. Doggy bags are provided in the pet areas (see map) for this purpose. Collection of solid pet waste in all areas of the property, including "Pet Areas" is mandatory. The fine by the City of Gaithersburg for not cleaning up after your pet is \$100.00.
8. Visitors shall comply with these Pet Rules, including conduct and size, except that such pets need not be registered with Management unless they are here for more than 48 consecutive hours or more than two (2) visits; in which case they shall be registered on the third day or third visit respectively.
9. Repeated violations of the Rules and Regulations will result in the immediate and permanent removal of the pet.

VII. PROBLEMS AND CONCERNS

- A. Management shall be contacted directly about any problems or concerns about the property, and for any service requests.
- B. Complaints of problems or concerns regarding the Management Staff, Engineering Staff, or contractors (financial management, answering service, landscapers, etc.), shall be made to the Manager who shall report all problems and concerns to the Board of Directors. Complaints of problems or concerns regarding the Manager shall be made directly to the Board of Directors.
- C. Complaints of problems or concerns about actions of Owners, residents or visitors should be made to the Management Staff. Telephone or visit the Management Office, and explain the issue. You will frequently find that Management is aware of the issue, and action is already being taken. Follow up the phone call with a written complaint using the complaint form found outside the Management Office or by email. If damage to your property is involved, request inspection by Management, contact the responsible party and your insurance company, if applicable. If the problem persists, contact the Management Staff and follow-up with another written complaint.

If you are not convinced that reasonable steps are being taken, write a letter (delivered by ground mail or email) to the Board of Directors, explaining the facts of your complaint, the recommendations you made, and Management's response. The Board will take appropriate action and keep you informed of the situation.

VIII. ENFORCEMENT OF VIOLATIONS AND DUE PROCESS

The Association enforces its rules. We trust that every Owner, resident and visitor who becomes part of our community and enters our property in good faith, accepts his or her responsibility to know and follow the rules. When this is not the case, the Association shall issue appropriate warnings, levy fines, alert local authorities and take other steps necessary to protect Owners, residents, visitors and property. Management is authorized by the Council to enforce these Rules and Regulations. Enforcement includes the following:

- A. Issuing a Violation Notice - When a violation is reported, the staff sends a Violation Notice to the unit resident. If the occupant of the unit is a renter or a visitor, a copy of the notice is also sent to the unit Owner.
- B. Issuing a Cease & Desist Notice - If the violation persists for 10 days, the Management Staff sends a Cease and Desist Notice to the unit Owner and, if the occupant is a renter or visitor, a copy to the renter or visitor. This notice gives a maximum of 10 days to cure the violation.
- C. Notifying City or County Authorities - If a violation involves a law or local ordinance, Management may notify the appropriate authority (police, fire marshal, animal control, etc.).

- D. Issuing a Notice of Hearing - If the Cease and Desist Notice is disregarded, at the expiration of the 10-day cure period, Management shall issue a Notice of Hearing to the Owner that states the applicable fines and penalties for the violation, and notifies the Owner of his or her right to have a hearing.
- E. Hearing - The Covenants Committee reviews the violation, hears both parties, and makes a decision as to whether the allegation of a violation is valid, and what fines or penalties are appropriate.

IX. ASSESSMENTS AND FEES FOR RULES VIOLATIONS

- A. An Owner shall be assessed all costs incurred by the Association to repair or replace any property damage caused by the negligence, misuse or neglect of the Owner or his/her resident, visitor or their pets. An Owner shall also be responsible for costs and legal fees incurred by the Association in taking corrective, protective, or preventive action as a result of his/her conduct, that of his/her renter, visitor, or their pets, in violation of these Rules and Regulations.
- B. An Owner shall be monetarily assessed for violations of these Rules and Regulations, as provided by the Maryland Condominium Act and in accordance with the nature of the offense and prior record of the violator. Violators are entitled to request a review hearing before the Covenants Committee, but in so doing, agree that they shall abide by the Covenants Committee determination.
- C. Assessments are the personal obligation of the Owner(s), and are billed directly to the Owner(s). The assessments are considered outstanding liens against the unit's account. Failure to pay these fines promptly results in an owner being in arrears and not in good standing.

Except as otherwise provided herein, all fines shall be assessed at the maximum rate permitted in the Bylaws.

X. SELLING, RENTING AND REFINANCING

A. SELLING

The following are requirements of state and local laws and the Bylaws of the condominium:

1. At the time an Owner lists their unit for sale, the Owner shall provide the real estate agent representing the Owner with the rules for selling that are available from the Management, and the Association's online website.
2. The Owner shall obtain a Resale Package. Management provides instructions on how to obtain this Resale Package.

3. As required by the Maryland Condominium Act, the Owner shall inform Management within ten (10) days of a change in ownership.
4. Upon a change in ownership, the Owner shall return the Parking Permit decal(s) and Visitor Parking permit hangtags to Management. Returning these permits frees you of any liability for illegal use of your invalid parking permits.

B. RENTING

1. The Owner shall be licensed by the City of Gaithersburg
2. The Owner shall use the official Potomac Oaks Standard Rental Agreement available from Management or on the Association's website. The Standard Rental Agreement assures that you meet local laws and community rules, and provides the Council of Unit Owners with a standardized form for record keeping purposes.
3. The Owner shall provide a signed copy of the mandatory Potomac Oaks Standard Rental Agreement to the Manager within five (5) working days of the date of the lease.
4. The Owner shall return the Owner's or the previous renter's Parking Permit Decal(s) and Visitor Parking Permit hangtags to Management. Returning these permits frees you of any liability for illegal use of your invalid parking permits.
5. For units rented on the 700 side, Owners shall make their renters aware of the unit's assigned storage area. The user of the storage space shall provide the office a deposit to gain access to the storage area.
6. The Owner shall pay the required Move-In Fee within ten (10) days after the renter takes up residency.
7. The Owner shall maintain and provide a current copy of these Rules and Regulations to the renter.
8. The Owner shall maintain and provide mailbox and laundry room keys to the renter.
9. The Owner shall provide Management with a completed and signed by the renter, Potomac Oaks Condominium Check List and a current unit door key.
10. All leases must comply with the terms of Article V, Section 13(g) of the Bylaws.

NOTE: Rental agreements shall not be accepted if a previous rental agreement was issued less than six (6) months prior to the date a new agreement is signed. Parking Permit decal(s) shall not be issued to renters until all of the above requirements have been met.

C. REFINANCING

When refinancing your unit, and in compliance with the Bylaws, you shall provide the Condominium Office with a copy of the refinancing settlement sheet within ten (10) days of the settlement date. The Bylaws require that this information be on file with Management.

HELPFUL INFORMATION

A. LOST KEY REPLACEMENTS

1. Unit access Door - During regular Condominium Office Hours your unit access key is available. After hours you must call a locksmith.
2. Mailbox - The lock on your mailbox must be replaced. The engineering staff will replace the lock for a fee. Contact the Condominium Office for information.
3. Laundry Room.- The Condominium Office will replace the key for a fee. Contact the Condominium Office.

B. ENERGY CONSERVATION TIPS

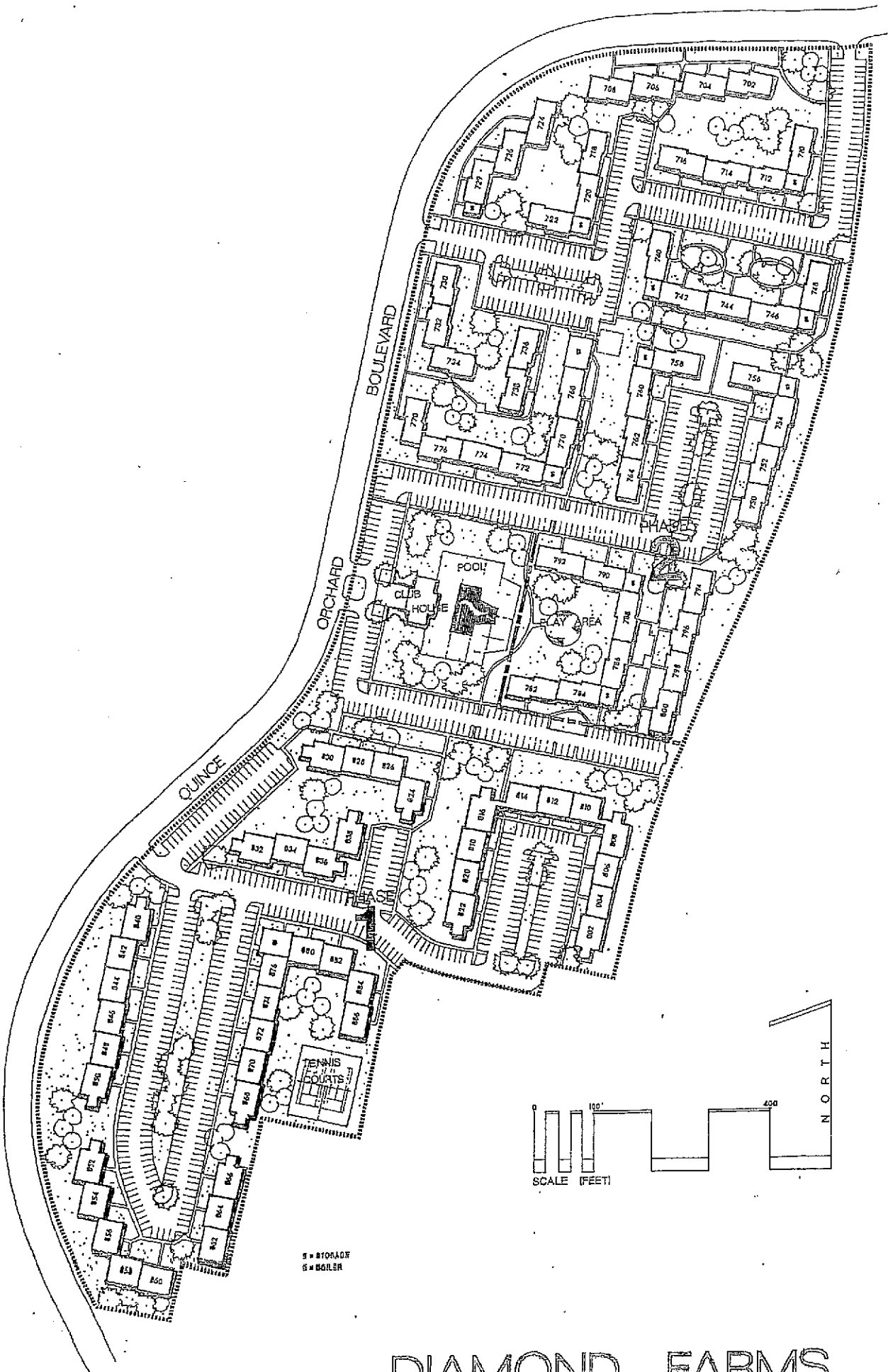
The Association pays the entire bill each month for utilities for everyone. It is easy to forget the amount paid is directly related to the amount of energy and resources used, and your monthly condominium fees. Significant reductions in costs can be made by:

1. Turning off lights, electrical appliances, and water when not in use.
2. Shutting all exterior doors, storm windows and inside windows when using heating or air conditioning.
3. Not overheating or overcooling the unit by maintaining Pepco's recommended temperature settings: During the winter months, turn down your thermostat from 72°F to 68°F for 8 hours a day. During the summer the recommended thermostat setting is between 75°F and 78°F.
4. Conserving water by installing water saving faucets, showerheads, and toilets.
5. Using energy saving light bulbs.
6. Changing the heating and air conditioning system's filter at least four times a year.
7. Cleaning air vents on a regular basis.
8. Installing ceiling fans.
9. Not putting grease, pasta, rice, vegetable peels, onionskins, celery, corn husks, artichokes, bones and fruit pits in your garbage disposal. These items can cause plumbing back-ups.
10. Always run cold water when running your garbage disposal.

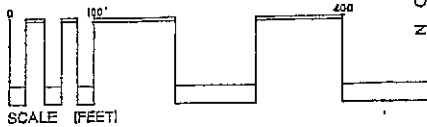
IMPORTANT TELEPHONE NUMBERS

Police, Fire, Rescue.....	911
Fire Department – Non-emergency.....	240-683-6520
Montgomery County Police – Non-emergency.....	301-279-8000
Gaithersburg Police – Non-emergency.....	301-258-6400
Gaithersburg City Hall – General Information.....	301-258-6300
Montgomery County Government Information.....	311
Poison Control.....	800-492-2414
Animal Control – Gaithersburg.....	301-258-6343
Animal Control Emergency.....	240-773-5900
Board of Education.....	301-279-3617
Ride-On Bus.....	301-217-7433
Brown Station Elementary School.....	301-840-7172
Washington Gas.....	703-750-1000
Washington Gas – Gas Leak.....	703-750-1400
*PEPCO.....	202-833-7500
Miss Utility.....	800-257-7777
Potomac Oaks Condominium Office.....	301-987-9797
Main Street Property Management.....	240-632-0001
Comcast.....	301-309-5519
Starpower (RCN).....	301-531-2862
Verizon.....	800-837-4966
Coinmach.....	877-264-6622
*PEPCO Bldgs. 702-800 Account # 276500040	Bldgs. 802-886 Account # 2767610054

RULES APPROVAL



S = STORAGE
B = BOILER



DIAMOND FARMS

Potomac Oaks

R E S O L U T I O N

At the September 28, 1993 Council of Unit Owners of Diamond Farms Condominium T/A Potomac Oaks Board of Directors meeting,

Gary Edenfield made the following motion:

Collection Policy

1. Current property list and delinquency list will be sent monthly to attorney.
2. The first day of the second month a current and correct delinquency list will be sent to attorney.
3. Between the 5th and the 10th of the month, attorneys will send notice of Intent to Lien Property and file suit in court for judgment. If no response within 10 days, suit will be filed; 30 days, lien will be filed.
4. Once the account has been turned over to attorney for collection, there will be no further contact with residents by CMI or the Condo Office, they will immediately be referred to the attorney.
5. If no response after ten days, attorney will file suit in court, on approximately the 20th of the month.
6. Once suit is filed, a copy of suit will be sent to the Condominium Office where notification will be made to the mortgage company of the impending suit. (Necessary format of mortgage company notification letter will be the responsibility of the attorney.)
7. After 30 days, attorneys will file and record lien against resident's property.
8. Attorney will conduct case through court system.
9. Attorney's office will provide a monthly written report to the Board of Directors, CMI and Condominium Office of the status of each account.
10. Any payment plan will be reviewed with CMI and/or Condominium Office for final approval.

Motion was seconded by: Drew Pallo

Motion passed: Unanimously

Richard Felix

Richard Felix, President, Board of Directors
Council Of Unit Owners of Diamond Farms Condominium T/A Potomac Oaks

Potomac Oaks

R E S O L U T I O N

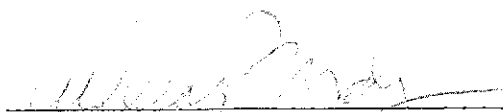
At the January 28, 1992 Council
of Unit Owners of Diamond Farms Condominium, T/A Potomac Oaks,
Board of Directors Meeting, Richard Felix made
the following motion:

Pursuant to Article V, Sections 6 and 7 of the Bylaws of the
Council of Unit Owners of Diamond Farms Condominium T/A Potomac
Oaks (attached), the Board of Directors unanimously agrees that
the legal office handling collections for the Association upon
default of payment levied shall accelerate the entire balance
of said assessment along with any interest thereon at the
maximum rate permitted by law at the time the assessment came
due.

Motion was seconded by: Clive Wright

Motion was passed: Unanimously

Signed:



William Murphy, President
Board of Directors
Council of Unit Owners of Diamond Farms Condominium
T/A Potomac Oaks

Potomac Oaks

780 Quince Orchard Boulevard
Gaithersburg, Maryland 20878
(301) 840-9295
Fax (301) 840-0240

R E S O L U T I O N

At the July 28, 1992 Council of Unit Owners of
Diamond Farms Condominium T/A Potomac Oaks Board of Directors meeting,
Drew Pallo made the following motion:

That late charges will be applied at 10% of the total
condominium fee, effective date 10/1/92.

Motion was seconded by: Susan Donahue

Motion was Passed: Unanimously

OFFICERS AND DIRECTORS

PRESIDENT
Richard Felix

VICE PRESIDENT
Clive Wright

TREASURER
Jerry Neterer

SECRETARY
Gary Eckenfield

DIRECTOR
Susan Donahue

DIRECTOR
Pamellia Orosz

DIRECTOR
Drew Pallo

Signed:

Richard Felix

Richard Felix, President
Board of Directors
Council of Unit Owners of Diamond Farms Condominium T/A
Potomac Oaks

Potomac Oaks

780 Quince Orchard Boulevard
Gaithersburg, Maryland 20878
(301) 840-9295
Fax (301) 840-0240

November 24, 1993

Dear Owner/Resident:

The Board of Directors of Potomac Oaks after surveying the ownership, having an open hearing with the residents and much review and discussion with other properties, legal council and management has decided to go forward with the implementation of the Assigned Parking Program. This program puts into place one assigned parking space per unit within the community.

YOUR ASSIGNED PARKING SPACE IS _____.

Enclosed you will find a map of the community indicating the Auxiliary parking areas. Permits will still be issued and all parking regulations pertaining to vehicle size, commercial vehicles, motorcycles, etc. will still be in effect. Each unit will be issued one teal parking permit. This permit will be installed on your rear bumper, drivers' side. This vehicle may park in the Assigned Parking Space, open parking spaces or Auxiliary parking spaces. Additional vehicles (three maximum) will be issued a yellow parking permit.

VEHICLES WITH YELLOW PARKING PERMITS MAY PARK IN ASSIGNED PARKING SPACE OR AUXILIARY PARKING SPACE ONLY.

You will notice parking areas that are marked "SNOW". These areas are open parking spaces for guests, etc. unless it snows. If there is a threat of snow falling, these spaces may not be used.

ANYONE PARKING IN THE SNOW SPACES WHEN THE ABOVE CONDITIONS ARE PRESENT IS SUBJECT TO TOW WITHOUT NOTICE.

The assigning of parking permits will begin in December in conjunction with your 1994 Resident Fact Sheets. All Residents must complete and return to the Condominium Office the 1994 Resident Fact Sheet in order to receive the new 1994 parking permits.

OFFICERS AND DIRECTORS

PRESIDENT
Richard Felix

VICE PRESIDENT
Clive Wright

TREASURER
Susan Donahue

SECRETARY
Gary Ederfield

DIRECTOR
Jerry Neterer

DIRECTOR
Drew Pallo

DIRECTOR
Pamellia Wilson

Residents who have not returned the Resident Fact Sheet to the Condominium Office and have not received proper 1994 parking permits may be subject to tow.

Any resident parking in an Assigned Parking Space that is not his/hers will be subject to tow by the resident to whom the space was assigned.

Also enclosed are the tow company agreement forms. You may choose one of these or any other tow company that is licensed in Montgomery County.

Remember you are subject to ticketing and towing if you are in violation of any of the Potomac Oaks vehicle Rules and Regulations.

Your cooperation is necessary for the successful implementation of the Assigned Parking Program.

Very truly yours,



Richard Felix, President
Board of Directors

Potomac Oaks

780 Quince Orchard Boulevard
Gaithersburg, Maryland 20878
(301) 840-9295
Fax (301) 840-0240

R E S O L U T I O N

At the November 22, 1994 Council of Unit Owners of
Diamond Farms Condominium T/A Potomac Oaks Board of Directors meeting,
Gary Edenfield made the following motion:

Regarding terrace level units where the backyard area has not been enclosed by a fence. This area is a limited common element and maintenance may not be impeded by plantings. The following policy is established:

It is the unit owners responsibility to maintain plantings and flower beds.

Regular, scheduled landscape maintenance (mowing) may not be impeded by plantings, flower beds, stone, flagstone or brick patios or walkways.

Management/Landscape Contractor will not be responsible for plantings which overhang balconies.

Motion was seconded by: Drew Pallo

Motion was Passed: Unanimously

OFFICERS AND DIRECTORS

PRESIDENT
Richard Felix

VICE PRESIDENT
Clive Wright

TREASURER
Jerry Nelerer

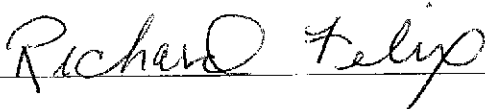
SECRETARY
Gary Edenfield

DIRECTOR
Susan Donahue

DIRECTOR
Pamella Orosz

DIRECTOR
Drew Pallo

Signed:



Richard Felix, President
Board of Directors
Council of Unit Owners of Diamond Farms Condominium T/A
Potomac Oaks

Potomac Oaks

780 Quince Orchard Boulevard
Gaithersburg, Maryland 20878
(301) 840-9295
Fax (301) 840-0240

R E S O L U T I O N

At the May 31, 1994 Council of Unit Owners of
Diamond Farms Condominium T/A Potomac Oaks Board of Directors meeting,
Drew Pallo made the following motion:

All replacement units for HVAC equipment for mechanical rooms will
be the Magicaire unit which can be installed by any licensed
contractor.

Motion was seconded by: Pamellia Wilson

Motion was Passed: Unanimously

OFFICERS AND DIRECTORS

PRESIDENT
Richard Felix

VICE PRESIDENT
Clive Wright

TREASLRER
Jerry Neterer

SECRETARY
Gary Eckenfeld

DIRECTOR
Susan Donahue

DIRECTOR
Pamellia Orosz

DIRECTOR
Drew Pallo

Signed:



Richard Felix, President
Board of Directors
Council of Unit Owners of Diamond Farms Condominium T/A
Potomac Oaks

Potomac Oaks

R E S O L U T I O N

At the May 31, 1994 Council of Unit Owners of Diamond Farms Condominiums, T/A Potomac Oaks, Board of Directors meeting, Drew Pallo made the following motion:

Owners may paint their balcony railings if they follow the recommended procedure and use the designated paint color and type.

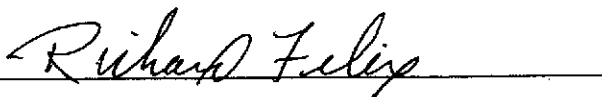
1. Clean railing with solution of TSP (trisodium phosphate) or other heavy duty cleaner.
2. Scrape, wire brush and/or sand to remove all loose paint.
3. Prime all bare areas with universal metal primer. Let dry thoroughly.
4. Paint entire railing with Duron Exterior Acrylic Semi Gloss

700 Side uses 5405N Sealskin

800 Side uses 5435N Charcoal

Motion was seconded by Pamellia Wilson and passed unanimously.

Signed:



Richard Felix, President
Board of Directors
Council of Unit Owners of Diamond Farms Condominium
T/A Potomac Oaks

Potomac Oaks

R E S O L U T I O N

At the May 31, 1994 Council of Unit Owners
of Diamond Farms Condominiums, T/A Potomac Oaks, Board of
Directors meeting, Susan Donahue made the fol-
lowing motion:

Board of Director meetings will not use Robert's Rules
of Order.

Motion was seconded by: Clive Wright

Motion passed: Unanimously

Signed:

Richard Felix

Richard Felix, President
Board of Directors
Council of Unit Owners of Diamond Farms Condominium
T/A Potomac Oaks

Potomac Oaks

R E S O L U T I O N

At the December 1, 1992 Board of Directors meeting the Board made the following resolution: That the cost of any necessary electrical work needed to locate and mark electrical lines for an individual resident who is installing or having installed a fence and/or deck shall be the responsibility of the resident.

Sue Donahue made the motion.

Clive Wright seconded the motion.

The motion passed (vote) Unanimous.

Signed:

Richard Felix

Richard Felix, President
Board of Directors

Potomac Oaks

RESOLUTION

At the January 24, 1995 Council of Unit Owners of Diamond Farms
Condominium, T/A Potomac Oaks, Board of Directors meeting, Drew
Pallo made the following motion:

Resolution on Storage Room Key Sign-outs

1. Each Tuesday First Letters will be sent out to anyone who has signed out a key the previous week. Requested date of return will be no later than Thursday. Copy attached.
2. On the following Friday, Second Letters will be sent out to anyone who did not respond to First Letter. Requested date of return is no later than the following Monday. Copy attached.
3. On the following Tuesday anyone who did not respond to First or Second Letter will be sent an invoice to cover the cost (labor and materials) of changing the lock. This amount may be increased as necessary to cover the cost of replacement.

If invoiced amount is not received within the specified time (fifteen days) amount due will be recorded by Management Company against unit owner and his/her account will reflect that amount delinquent until paid. Copy attached.

Motion was seconded by: Annabel Liebelt

Motion passed: Unanimously

Signed:

Richard Felix

Richard Felix, President
Board of Directors
Council of Unit Owners of Diamond Farms Condominium
T/A Potomac Oaks

Potomac Oaks

780 Quince Orchard Boulevard
Gaithersburg, Maryland 20878
(301) 840-9295
Fax (301) 840-0240

R E S O L U T I O N

At the January 24, 1995 Council of Unit Owners of
Diamond Farms Condominium T/A Potomac Oaks Board of Directors meeting,
Drew Pallo made the following motion:

Residents signing out Storage Room keys must leave one of the following
as a security deposit:

1. Current, national credit card with expiration date; American Express, Visa, Master Card, or Discover.
2. Current Driver's license.
3. \$10.

Motion was seconded by: Annabel Liebelt

Motion was Passed: Unanimously

OFFICERS AND DIRECTORS

PRESIDENT
Richard Felix

VICE PRESIDENT
Clive Wright

TREASURER
Jerry Netzer

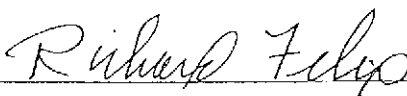
SECRETARY
Gary Edenfeldt

DIRECTOR
Susan Donahue

DIRECTOR
Pamella Orosz

DIRECTOR
Drew Pallo

Signed:



Richard Felix, President
Board of Directors

Potomac Oaks

780 Quince Orchard Boulevard
Gaithersburg, Maryland 20878
(301) 840-9295
Fax (301) 840-0240

R E S O L U T I O N

At the May 26, 1992 Council of Unit Owners of
Diamond Farms Condominium T/A Potomac Oaks Board of Directors meeting,
Pamellia Orosz made the following motion:

That the Board agree to build additional storage bins in the
700 Side Storage Rooms to be dedicated to those ground floor
units on the 800 Side that were not allocated storage facilities.

Motion was seconded by: Susan Donahue

Motion was Passed: Unanimously

OFFICERS AND DIRECTORS

PRESIDENT
Richard Felix

VICE PRESIDENT
Clive Wright

TREASURER
Jerry Neterer

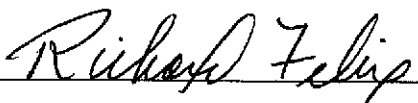
SECRETARY
Gary Edenfeld

DIRECTOR
Susan Donahue

DIRECTOR
Pamellia Orosz

DIRECTOR
Drew Pallo

Signed:



Richard Felix, President
Board of Directors
Council of Unit Owners of Diamond Farms Condominium T/A
Potomac Oaks

Diamond Farms

Condominium

R E S O L U T I O N

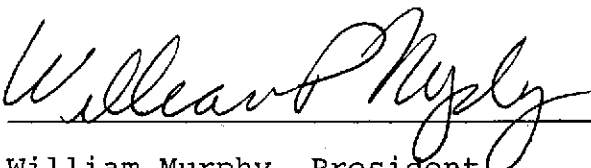
At the September 26, 1989 Council
of Unit Owners of Diamond Farms Condominium Board of Directors
Meeting, Richard Felix made the following
motion:

" That the Board will file the Association's income tax as either
a homeowner's association or a corporation per recommendation by
Howard Goldklang, the CPA at the time of the audit."

Motion was seconded by: Drew Pallo

Motion was passed: Unanimously

Signed:



William Murphy, President
Board of Directors, Council of Unit Owners of Diamond Farms Condominium

Potomac Oaks

R E S O L U T I O N

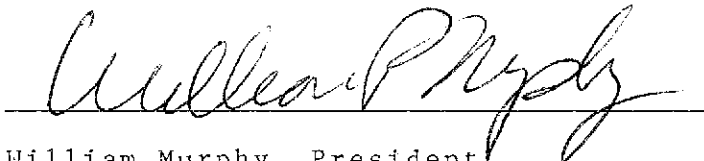
At the _____ May 29, 1990 _____ Council
of Unit Owners of Diamond Farms Condominium, T/A Potomac Oaks,
Board of Directors Meeting, _____ Florence Roy _____ made
the following motion:

Arthur Goldklang has the permission and approval of
the Board of Directors to file tax returns for the Association
under whichever filing status he feels will be most beneficial
to the Association.

Motion was seconded by: _____ Richard Felix _____

Motion was passed: _____ Unanimously _____

Signed:



William Murphy, President
Board of Directors
Council of Unit Owners of Diamond Farms Condominium
T/A Potomac Oaks

Potomac Oaks

R E S O L U T I O N

At the May 29, 1990 Council
of Unit Owners of Diamond Farms Condominium, T/A Potomac Oaks,
Board of Directors Meeting, Clive Wright made
the following motion:

The Board of Directors has reiterated the Developer's
policy that no washers and/or dryers may be installed
in any form in individual units.

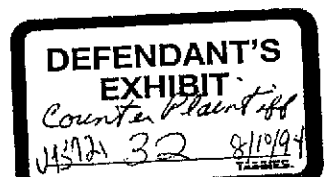
Motion was seconded by: Richard Felix

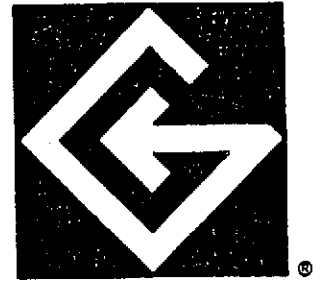
Motion was passed: Unanimously

Signed:



William Murphy, President
Board of Directors
Council of Unit Owners of Diamond Farms Condominium
T/A Potomac Oaks





October 5, 1989

Writer's Direct Dial Number

Tracy A. Bacigalupo, Esquire
Weinberg & Green
The Equitable Center
100 S. Charles St., 15th Flr.
Baltimore, MD 21201

RE: CERTIFICATE OF AGENCY

Dear Tracy:

Enclosed herewith is an original executed and notarized Certificate of Agency for the Diamond Farms Condominium as per your request.

If you have any questions or comments, please call me.

Sincerely,

WILLIAM P. MURPHY
Vice President *dmf*
Development Division

Encl.

cc w/encl.: Ms. Jeanne Smarte
Potomac Oaks Condominium
780 Quince Orchard Boulevard
Gaithersburg, MD 20878

CERTIFICATE OF AGENCY

STATE OF MARYLAND, COUNTY OF MONTGOMERY, SS:

I, William P. Murphy, President of the Council of Unit Owners of Diamond Farms Condominium (the "Council"), hereby certify that the Council, an unincorporated condominium association, is located at 780 Quince Orchard Boulevard, Gaithersburg, Maryland 20878, and conducts business in the name, or under the style, title or designation of:

POTOMAC OAKS

COUNCIL OF UNIT OWNERS OF
DIAMOND FARMS CONDOMINIUM

By: William P. Murphy
William P. Murphy, President

Sworn to and subscribed before me this 5th day of
October, 1989.

Jerry C. Fletcher
Notary Public

My Commission Expires:

7/1/90

Return to:

Tracy A. Bacigalupo, Esquire
Weinberg and Green
100 South Charles Street
Baltimore, Maryland 21201

Bank file
Ch Ch S + h

POTOMAC OAKS

CONDOMINIUM



October 2, 1989

OFFICERS AND DIRECTORS

PRESIDENT
RICHARD FELIX

VICE PRESIDENT
FLORENCE ROY

TREASURER
ROGER BUCHANAN

SECRETARY
CLIVE WRIGHT

DIRECTOR
GARY EDENFIELD

DIRECTOR
WILLIAM MURPHY

DIRECTOR
DREW FALLO

Chevy Chase Savings & Loan
Diamond Square
Gaithersburg, Maryland
20878

Re: Account # 184300487

To Whom It May Concern:

Please be advised that on September 11, 1989
Diamond Farms Condominium began trading as
Potomac Oaks Condominium. Therefore, we would
like to add that name to our next order of checks.
All other information is to remain the same.

Thank you for your prompt attention to this matter.

Sincerely yours,

Jeanne E. Smarte
Property Manager

cc: Bank file
Corr file

DIAMOND FARMS

RESOLUTION

At the January 24, 1989 Board of Directors
meeting, Flourence Roy made the following motion:

Three replacement window models are readily available for purchase by individual homeowners. They are:

1. The 1189 Season-All model #195 commercial-rated, double hung, (tilt sash) white aluminium thermalized replacement windows with 7/8" insulated glass, 1/2" fiberglass screens, and internal grid systems between the insulated glass to match the existing grid design systems, or
2. The Storm Weather Products, Inc., "HEATSHIELD" model #DH-C45 commercially rated, aluminium, thermally improved, tilt-sash, replacement windows with 7/8" insulated glass, etc., or
3. The Traco, Model #TR-5000 double-hung, white aluminium thermalized, tilt-sash, replacement window with internal grid systems, 3/4" insulated glass, screen included.

Motion was seconded by: Drew Paolo

Motion was passed: Unanimously

Signed:

Richard C. Felix
Richard C. Felix, President
Board of Directors
Diamond Farms Condominium

Potomac Oaks

Resolution

At the August 27, 2013 Council of Unit Owners of Diamond Farms Condominium T/A Potomac Oaks Board of Directors meeting, Traci DiMartini made the following motion:

To combine the Covenants and Building and Grounds Committees as one.

Motion was seconded by: Charles Russell

Motion was passed by: Six members

Signed:

Walter Klinger
Walter Klinger, President
Board of Directors
Council of Unit Owners of Diamond Farms Condominium
T/A Potomac Oaks

Officer and Directions

PRESIDENT
Walter Klinger
VICE PRESIDENT
Drew Pallo
TREASURE
Ellen Erdelsky
SECRETARY
Traci DiMartini
DIRECTOR
Charles Russell
DIRECTOR
Carole Revelle
DIRECTOR
Cindy Frost



c/o Abaris Realty, Inc.
 7811 Montrose Rd., Suite 110
 Potomac MD 20854

ASSETS

CURRENT ASSETS		
10002	CASH OPERATING-NCB	24,356.37
10040	CASH ACCOUNT - MGMT CHANGE	23,742.05
10590	PETTY CASH	1,000.00
10610	CERTIFICATE OF DEPOSIT	55,525.58

	TOTAL CASH	104,624.00

12040	CONDOMINIUM FEES REC.	141,589.54
12100	SPECIAL ASSESS. REC.	10,408.61
12110	RESERVE RECEIVABLE	35,473.59
12150	ACCOUNTS REC.-NSF CHECKS	100.00
12240	RENTS RECEIVABLE	11,400.00
12360	UTILITY FEES RECEIVABLE	44,109.31
12780	ACCOUNTS RECEIVABLE	112,312.50
12781	ACCOUNTS RECEIVABLE	10,920.00
12790	DUE TO RESERVES	662,000.00
12800	ACCT REC-INSURANCE CLAIM	86,300.00
12820	ACCT REC-LAUNDRY	9,340.86
12880	ALLOW FOR DOUBTFUL ACCT	-147,117.57
12960	REC.FROM MGMT. AGENT	288.00
12980	INTEREST RECEIVABLE	34.41
13020	PREPAID EXPENSES	8,997.10
13100	PREPAID INSURANCE	38,516.99
13910	DEFERRED TAX ASSETS	14,754.00
13911	DEFERRED TAXES-CABLE	4,642.00
14020	INVENTORY-FUEL	18,800.08

	OTHER CURRENT ASSETS	1,062,869.42

	TOTAL CURRENT ASSETS	1,167,493.42

15500	EQUIPMENT	132,115.73
17020	ACCUMULATED DEPRECIATION	-107,349.19

	TOTAL FIXED ASSETS	24,766.54

NET FIXED ASSETS 24,766.54

TOTAL ASSETS 1,192,259.96

LIABILITIES

20020	ACCOUNTS PAYABLE-TRADE	310,095.45
20150	DUE TO MGMT (BANK FEES)	125.00
20320	EMPLOYER FICA PAYABLE	468.00
20520	EMPLOYEE'S FICA PAYABLE	2,059.50
20540	FEDERAL WITH. PAYABLE	1,233.00
20580	MD. WITH. PAYABLE	970.00



c/o Abaris Realty, Inc.
7811 Montrose Rd., Suite 110
Potomac MD 20854

20600	SIMPLE IRA WITHHELD	1,281.03
20700	ACCRUED WAGES	8,125.14
20701	OTHER PAYROLL ACCRUAL	6,640.00
20790	DEFERRED LAUNDRY REVENUE	63,916.67
21040	PREPAID CONDO FEES	94,676.13
21050	PREPAID RESERVES	4,398.00
21100	PREPAID SPECIAL ASSESS.	2,508.00
21280	PREPAID PARKING FEES	266.00
21360	PREPAID UTILITY FEES	22,330.36
21410	DEFERRED CABLE INCOME	1,123.13
21420	DEFERRED FEE-VERIZON	10,050.00
21560	PREPAID MISC. FEES	41.00
21800	PREPAID OTHER	8,845.66
22000	LOANS & EXCHANGES	948.60
29920	DUE TO/FROM OPERATIONS	662,000.00

	TOTAL LIABILITIES	1,202,100.67
	EQUITY	
31600	CONTRIB CAPITAL-BLG STRU	50.00
33020	OPER/CONTINGENCY RESERVE	6,250.00
33110	REPLACEMENT RESERVE	1,161,879.42
33610	RESERVE-BLDG EXTERIOR	-5,131.00
33952	SPECIAL ASSESSMENT FUND	21,560.00
33972	RESERVES-UTILITIES	-39,504.10
34020	MEMBERS EQUITY-UNAPPR.	-890,420.85
39000	NET EARNINGS SUMMARY	-306,818.34
	NET INCOME	42,294.16

	TOTAL EQUITY	-9,840.71
	TOTAL LIABILITIES & EQUITY	1,192,259.96
		=====



P674 Potomac Oaks Condominium
STATEMENT OF INCOME & EXPENSES
10/31/2018

c/o Abaris Realty, Inc.
7811 Montrose Rd., Suite 110
Potomac MD 20854

Fiscal Mo (MO=1)	Fiscal Yr Ends 2018	CURRENT ACTUAL	CURRENT BUDGET	CURRENT VARIANCE	Y-T-D ACTUAL	Y-T-D BUDGET	Y-T-D VARIANCE	ANNUAL BUDGET	BUDGET REMAINING
REVENUE:									
MEMBERS ASSESSMENTS:									
41040	CONDOMINIUM FEES	\$ 151,870.00	\$ 151,876	\$ 6.00	\$ 151,870.00	\$ 151,876	\$ 6.00	\$ 1,822,510	\$ 1,670,640.00
41100	SPECIAL ASSESSMENT F	21,728.00	21,560	-168.00	21,728.00	21,560	-168.00	258,720	236,992.00
41110	RESERVE FUND ASSESSM	71,964.00	60,717	-11,247.00	71,964.00	60,717	-11,247.00	728,604	656,640.00
41360	UTILITY FEES	123,308.00	123,333	25.00	123,308.00	123,333	25.00	1,480,000	1,356,692.00
41400	LATE/INTEREST FEES	204.40	1,500	1,295.60	204.40	1,500	1,295.60	18,000	17,795.60
41410	CABLE INCOME	0.00	335	335.00	0.00	335	335.00	4,020	4,020.00
41440	LEGAL FEES	-5,837.20	917	6,754.20	-5,837.20	917	6,754.20	11,000	16,837.20
41480	MOVING FEES	450.00	1,250	800.00	450.00	1,250	800.00	15,000	14,550.00
41560	MISCELLANEOUS FEES	510.00	0	-510.00	510.00	0	-510.00	0	-510.00
	TOTAL MEMBER ASSESSM	\$ 364,197.20	\$ 361,488	\$ -2,709.20	\$ 364,197.20	\$ 361,488	\$ -2,709.20	\$ 4,337,854	\$ 3,973,656.80
OTHER REVENUE:									
43020	INTEREST REVENUE	\$ 0.00	\$ 83	\$ 83.00	\$ 0.00	\$ 83	\$ 83.00	\$ 1,000	\$ 1,000.00
43040	LAUNDRY COMMISSION R	3,339.25	3,800	460.75	3,339.25	3,800	460.75	45,600	42,260.75
43140	FINES	0.00	83	83.00	0.00	83	83.00	1,000	1,000.00
43510	BAD DEBT RECOVERY	583.95	0	-583.95	583.95	0	-583.95	0	-583.95
43854	COMMUNITY ROOM	500.00	250	-250.00	500.00	250	-250.00	3,000	2,500.00
43900	MISCELLANEOUS REVENU	70.00	292	222.00	70.00	292	222.00	3,500	3,430.00
	TOTAL OTHER REVENUE	\$ 4,493.20	\$ 4,508	\$ 14.80	\$ 4,493.20	\$ 4,508	\$ 14.80	\$ 54,100	\$ 49,606.80
	TOTAL REVENUE	\$ 368,690.40	\$ 365,996	\$ -2,694.40	\$ 368,690.40	\$ 365,996	\$ -2,694.40	\$ 4,391,954	\$ 4,023,263.60
EXPENSES:									
ADMINISTRATIVE EXPENSES:									
50020	MANAGEMENT FEE	\$ 3,233.34	\$ 3,750	\$ -516.66	\$ 3,233.34	\$ 3,750	\$ -516.66	\$ 45,000	\$ 41,766.66
50040	LEGAL	451.25	6,250	-5,798.75	451.25	6,250	-5,798.75	75,000	74,548.75
50060	AUDIT/TAX RETURNS	0.00	0	0.00	0.00	0	0.00	8,000	8,000.00
50070	CONSULTANT FEE	1,250.00	1,250	0.00	1,250.00	1,250	0.00	15,000	13,750.00
50100	OFFICE SUPPLIES	570.53	1,333	-762.47	570.53	1,333	-762.47	16,000	15,429.47
50130	POSTAGE	664.20	417	247.20	664.20	417	247.20	5,000	4,335.80
50140	PRINTING	405.77	583	-177.23	405.77	583	-177.23	7,000	6,594.23
50160	TELEPHONE	1,821.42	2,083	-261.58	1,821.42	2,083	-261.58	25,000	23,178.58
50240	EDP-BILLING	0.00	125	-125.00	0.00	125	-125.00	1,500	1,500.00
50280	DUES,SUBSCRIPTIONS	0.00	167	-167.00	0.00	167	-167.00	2,000	2,000.00
50380	BANK CHARGES	0.00	104	-104.00	0.00	104	-104.00	1,250	1,250.00
50960	BAD DEBT	0.00	2,500	-2,500.00	0.00	2,500	-2,500.00	30,000	30,000.00
50980	MISCELLANEOUS	1,446.77	125	1,321.77	1,446.77	125	1,321.77	1,500	53.23
	TOTAL ADMINISTRATIVE	\$ 9,843.28	\$ 18,687	\$ -8,843.72	\$ 9,843.28	\$ 18,687	\$ -8,843.72	\$ 232,250	\$ 222,406.72
UTILITIES:									
51020	ELECTRICITY	\$ 47,116.51	\$ 40,417	\$ 6,699.51	\$ 47,116.51	\$ 40,417	\$ 6,699.51	\$ 485,000	\$ 437,883.49
51040	GAS	23,632.19	30,417	-6,784.81	23,632.19	30,417	-6,784.81	365,000	341,367.81
51060	FUEL OIL	0.00	2,500	-2,500.00	0.00	2,500	-2,500.00	30,000	30,000.00
51080	WATER/SEWER	17,789.37	50,000	-32,210.63	17,789.37	50,000	-32,210.63	600,000	582,210.63
	TOTAL UTILITIES	\$ 88,538.07	\$ 123,334	\$ -34,795.93	\$ 88,538.07	\$ 123,334	\$ -34,795.93	\$ 1,480,000	\$ 1,391,461.93
CONTRACTED SERVICES:									
52020	TRASH	\$ 0.00	\$ 6,667	\$ -6,667.00	\$ 0.00	\$ 6,667	\$ -6,667.00	\$ 80,000	\$ 80,000.00
52040	GROUND/LANDSCAPING	0.00	5,417	-5,417.00	0.00	5,417	-5,417.00	65,000	65,000.00
52060	EXTERMINATING	2,600.00	1,833	767.00	2,600.00	1,833	767.00	22,000	19,400.00
52160	WATER TREATMENT	0.00	500	-500.00	0.00	500	-500.00	6,000	6,000.00
52180	POOL	4,500.00	0	4,500.00	4,500.00	0	4,500.00	27,000	22,500.00
52300	CLEANING	0.00	10,000	-10,000.00	0.00	10,000	-10,000.00	120,000	120,000.00
52320	SNOW REMOVAL	12,143.40	0	12,143.40	12,143.40	0	12,143.40	40,000	27,856.60
	TOTAL CONTRACTED SER	\$ 19,243.40	\$ 24,417	\$ -5,173.60	\$ 19,243.40	\$ 24,417	\$ -5,173.60	\$ 360,000	\$ 340,756.60
MAINTENANCE REPAIRS:									
53020	ELECTRICAL	\$ 3,349.50	\$ 1,250	\$ 2,099.50	\$ 3,349.50	\$ 1,250	\$ 2,099.50	\$ 15,000	\$ 11,650.50
53060	PLUMBING	20,982.33	14,583	6,399.33	20,982.33	14,583	6,399.33	175,000	154,017.67
53100	AIR CONDITIONING	-75.07	3,000	-3,075.07	-75.07	3,000	-3,075.07	36,000	36,075.07



P674 Potomac Oaks Condominium
STATEMENT OF INCOME & EXPENSES
10/31/2018

c/o Abaris Realty, Inc.
7811 Montrose Rd., Suite 110
Potomac MD 20854

Fiscal Mo (MO=1)	Fiscal Yr Ends 2018	CURRENT ACTUAL	CURRENT BUDGET	CURRENT VARIANCE	Y-T-D ACTUAL	Y-T-D BUDGET	Y-T-D VARIANCE	ANNUAL BUDGET	BUDGET REMAINING
53140	BOILER	6,651.57	4,250	2,401.57	6,651.57	4,250	2,401.57	51,000	44,348.43
53210	ROOF REPAIRS	0.00	425	-425.00	0.00	425	-425.00	5,100	5,100.00
53280	TREE CARE	0.00	2,917	-2,917.00	0.00	2,917	-2,917.00	35,000	35,000.00
53441	BUILDING MAINTENANCE	10,783.07	17,525	-6,741.93	10,783.07	17,525	-6,741.93	210,300	199,516.93
53460	PAINTING	0.00	4,167	-4,167.00	0.00	4,167	-4,167.00	50,000	50,000.00
53560	CONCRETE	0.00	175	-175.00	0.00	175	-175.00	2,100	2,100.00
53632	VEHICLE FUEL/MAINT	439.99	917	-477.01	439.99	917	-477.01	11,000	10,560.01
53870	POOL EQUIPMENT,SUPPL	0.00	0	0.00	0.00	0	0.00	5,000	5,000.00
53880	POOL REPAIRS	895.00	0	895.00	895.00	0	895.00	15,000	14,105.00
	TOTAL MAINTENANCE	\$ 43,026.39	\$ 49,209	\$ -6,182.61	\$ 43,026.39	\$ 49,209	\$ -6,182.61	\$ 610,500	\$ 567,473.61
	PERSONNEL SERVICES:								
54020	SALARIES,WAGES	\$ 26,572.84	\$ 27,250	\$ -677.16	\$ 26,572.84	\$ 27,250	\$ -677.16	\$ 327,000	\$ 300,427.16
54440	PAYROLL TAXES	2,032.82	2,092	-59.18	2,032.82	2,092	-59.18	25,100	23,067.18
54500	HEALTH INSURANCE	1,686.00	5,083	-3,397.00	1,686.00	5,083	-3,397.00	61,000	59,314.00
54520	RETIREMENT	169.58	458	-288.42	169.58	458	-288.42	5,500	5,330.42
54540	UNEMPLOYMENT INSURAN	0.00	57	-57.00	0.00	57	-57.00	680	680.00
	TOTAL PERSONNEL SERV	\$ 30,461.24	\$ 34,940	\$ -4,478.76	\$ 30,461.24	\$ 34,940	\$ -4,478.76	\$ 419,280	\$ 388,818.76
	INSURANCE, TAXES, LICENSES, OPER. CONTIN								
58020	DEPRECIATION	\$ 0.00	\$ 508	\$ -508.00	\$ 0.00	\$ 508	\$ -508.00	\$ 6,100	\$ 6,100.00
59100	INSURANCE-MASTER POL	40,006.76	21,875	18,131.76	40,006.76	21,875	18,131.76	262,500	222,493.24
59190	INSURANCE LOSS/CLAIM	13,000.10	2,083	10,917.10	13,000.10	2,083	10,917.10	25,000	11,999.90
59200	INSUR:WORKMEN'S COMP	0.00	750	-750.00	0.00	750	-750.00	9,000	9,000.00
	TOTAL INSURANCE,TAX,	\$ 53,006.86	\$ 25,216	\$ 27,790.86	\$ 53,006.86	\$ 25,216	\$ 27,790.86	\$ 302,600	\$ 249,593.14
	TOTAL OPERATING EXPE	\$ 244,119.24	\$ 275,803	\$ -31,683.76	\$ 244,119.24	\$ 275,803	\$ -31,683.76	\$ 3,404,630	\$ 3,160,510.76
	REPLACEMENT RESERVES								
63020	OPER/CONTINGENCY RES	\$ 6,250.00	\$ 6,250	\$ 0.00	\$ 6,250.00	\$ 6,250	\$ 0.00	\$ 75,000	\$ 68,750.00
63110	REPLACEMENT RESERVE	54,467.00	54,467	0.00	54,467.00	54,467	0.00	653,604	599,137.00
63952	SPECIAL ASSESSMENT F	21,560.00	21,560	0.00	21,560.00	21,560	0.00	258,720	237,160.00
	TOTAL REPLACEMENT RE	\$ 82,277.00	\$ 82,277	\$ 0.00	\$ 82,277.00	\$ 82,277	\$ 0.00	\$ 987,324	\$ 905,047.00
	TOTAL EXPENSES	\$ 326,396.24	\$ 358,080	\$ -31,683.76	\$ 326,396.24	\$ 358,080	\$ -31,683.76	\$ 4,391,954	\$ 4,065,557.76
	NET INCOME/LOSS	\$ 42,294.16	\$ 7,916	\$ -34,378.16	\$ 42,294.16	\$ 7,916	\$ -34,378.16	\$ 0	\$ -42,294.16

Potomac Oaks

DATE: September 1, 2018
TO: Potomac Oaks Unit Owners
FROM: The Board of Directors
SUBJECT: Adopted Budget for Fiscal Year 2019

In July you received the proposed Fiscal Year 2019 Budget for the Potomac Oaks Condominium Association and a notice of an Open Forum to review the budget on August 21, 2018. The Open Forum was held. Various participants made comments and suggestions concerning the budget and operating activities. The Board discussed the comments during its August 28, 2018 meeting. No comments were found to be sufficiently persuasive to have a significant impact on the budget, so it was adopted as proposed. There is no increase in the overall amount for the regular condo fee. There is an additional amount for a special assessment to cover the need for replacement of the 700 and 800 boiler equipment.

A fee schedule for your records is included on the back of this memo.

You will receive a statement within the next two weeks showing your unit's new monthly fee divided into four categories: 1) general assessment, 2) utilities, 3) reserves and 4) special assessment. When paying by check, the statement must accompany your payment to insure accurate and timely processing. **Do not** mail any other material or correspondence with your payment. Correspondence regarding community or unit issues should be directed to the Condominium Office at the address below.

Condo fees are due on the first day of the month. Payments received after the fifteen of the month will be assessed a late fee. The Board of Directors are all unit owners who are well aware that on occasion any of us may find ourselves in financial difficulties that delays our ability to pay condo fees in a timely manner. If you find yourself in this situation, please immediately contact our General Manager or a member of the Board, in writing, to find a solution.

If you sell your home in Fiscal Year 2019, do not give your statements to the new owner. New statements will be issued to the new owner.

POTOMIAC OAKS CONDOMINIUM SCHEDULE OF MONTHLY FEE

% Int.	Units	Category	Adopted FY 2018	Proposed FY 2019	Change	% Int.	Units	Category	Adopted FY 2018	Proposed FY 2019	Change
0.1465%	42	Operating Expenses	221.00	222.00		0.1916%	101	Operating Expenses	290.00	291.00	
		Utilities Expenses	200.00	181.00				Utilities Expenses	262.00	236.00	
		Reserve Replacements	90.00	108.00				Reserve Replacements	116.00	141.00	
		Sub-total	511.00	511.00	0			Sub-total	668.00	668.00	0
		Special Assessment	0.00	32.00	32			Special Assessment	0.00	42.00	42
		Total	511.00	543.00				Total	668.00	710.00	
0.1467%	36	Operating Expenses	222.00	223.00		0.1943%	49	Operating Expenses	294.00	295.00	
		Utilities Expenses	200.00	181.00				Utilities Expenses	266.00	240.00	
		Reserve Replacements	91.00	109.00				Reserve Replacements	118.00	143.00	
		Sub-total	513.00	513.00	0			Sub-total	678.00	678.00	0
		Special Assessment	0.00	32.00	32			Special Assessment	0.00	42.00	42
		Total	513.00	545.00				Total	678.00	720.00	
0.1520%	41	Operating Expenses	230.00	231.00		0.2352%	41	Operating Expenses	356.00	357.00	
		Utilities Expenses	208.00	187.00				Utilities Expenses	321.00	290.00	
		Reserve Replacements	92.00	112.00				Reserve Replacements	144.00	174.00	
		Sub-total	530.00	530.00	0			Sub-total	821.00	821.00	0
		Special Assessment	0.00	33.00	33			Special Assessment	0.00	51.00	51
		Total	530.00	563.00				Total	821.00	872.00	
0.1741%	28	Operating Expenses	263.00	264.00		0.2445%	48	Operating Expenses	370.00	371.00	
		Utilities Expenses	238.00	215.00				Utilities Expenses	334.00	302.00	
		Reserve Replacements	107.00	129.00				Reserve Replacements	150.00	181.00	
		Sub-total	608.00	608.00	0			Sub-total	854.00	854.00	0
		Special Assessment	0.00	38.00	38			Special Assessment	0.00	53.00	53
		Total	608.00	646.00				Total	854.00	907.00	
0.1762%	132	Operating Expenses	266.00	268.00		0.3871%	1	Operating Expenses	585.00	588.00	
		Utilities Expenses	241.00	217.00				Utilities Expenses	529.00	477.00	
		Reserve Replacements	108.00	130.00				Reserve Replacements	237.00	286.00	
		Sub-total	615.00	615.00	0			Sub-total	1,351.00	1,351.00	0
		Special Assessment	0.00	38.00	38			Special Assessment	0.00	84.00	84
		Total	615.00	653.00				Total	1,351.00	1,435.00	
0.1781%	20	Operating Expenses	269.00	270.00							
		Utilities Expenses	243.00	220.00							
		Reserve Replacements	110.00	132.00							
		Sub-total	622.00	622.00	0						
		Special Assessment	0.00	39.00	39						
		Total	622.00	661.00							

Units 299

Units 240

POTOMAC OAKS CONDOMINIUM

2019

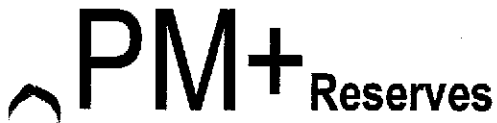
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Hidden columns for potential use with FY 2018 actuals thru March

Acct No	Title	Audit FY 2013	Audit FY 2014	Audit FY 2015	Audit FY 2016	Audit FY 2017	Budget FY 2017	Bud-Act Diff	Budget FY 2018	Budget FY 2019	Comments/Notes/Etc.
40000	Assessments	2,381,532	2,464,704	2,460,528	2,641,289	2,561,991	2,573,114		2,551,114	2,777,652	
	Special Assessment	149,616	0	46,668	0	245,244	245,000		0		
40202	Utilities	1,448,076	1,364,904	1,428,492	1,525,908	1,618,800	1,618,000		1,640,000	1,840,000	
	Condo Fee+Special	3,979,224	3,829,608	3,935,688	4,167,197	4,426,035	4,436,114	10,079	4,191,114	4,417,652	5.4%
46200	Community Room	2,050	4,875	3,020	2,700	2,250	3,000		3,000	3,000	
46250	Laundry	41,300	41,400	41,400	41,400	39,718	41,400		45,600	45,600	
46300	Rental Income	0	0	0	50	10,275	0		0	0	
46450	Interest	1,333	2,778	1,507	1,370	804	1,000		1,000	1,000	
46550	Late Charges	32,087	19,842	13,401	22,895	25,728	15,000	(10,728)	18,000	18,000	
46650	Reimbursed Legal Fees	48,797	65,134	39,852	28,385	44,978	15,000	(29,978)	15,000	15,000	
46700	Misc Income(all other)	12,315	7,128	1,150	9,456	3,935	3,000	(935)	3,000	3,500	
46750	Move-in Fees	3,510	3,810	2,850	6,440	4,850	3,000	(1,850)	3,500	4,000	
46760	Fines	55	105	1,100	100	0	0		2,000	2,000	
46850	Verizon/Comcast incnt	5,592	9,410	9,410	9,410	9,410	9,766		9,766	4,020	See attached schedule.
46978	Recovery of Bad Debt	0	0	3,249	6,265	0	0		0	0	
47500	Deferred Tax Benefit	0	4,400	0	2,872	0	0		0	0	
	Other Income	147,038	158,881	116,939	131,344	141,947	91,166	(50,781)	100,866	96,120	
	Total Revenues	4,126,262	3,988,489	4,052,627	4,298,540	4,567,982	4,527,280	(40,702)	4,291,980	4,513,772	
50150	Audit Expense	7,450	7,550	7,550	7,550	7,550	8,000		8,000	8,000	
50200	Bad Debt Expense	104,633	76,715	7,805	28,814	5,797	30,000	24,203	30,000	30,000	
50250	Bank Charges	4,092	5,003	4,956	2,403	0	2,500		1,250	1,250	
50160	Depreciation	8,334	12,710	13,728	11,410	11,668	12,000		17,600	6,100	See attached schedule.
50450	Unit Fees	1,168	6,744	9,815	9,421	7,812	0		0	0	
50500	Dues/Subscriptions/Edu	2,246	494	2,709	4,580	995	2,000		2,000	2,000	
50700	Legal Expense	92,415	87,860	61,413	71,170	66,806	70,000		75,000	75,000	
50900	Misc & Old Accts	6,203	7,755	11,861	13,629	6,307	1,000		1,000	1,500	
51100	Office Supplies	13,892	19,374	17,438	31,343	22,479	15,000	(5,307)	16,000	16,000	
51150	Coupon Printing	1,365	1,347	1,149	1,171	0	2,000		1,500	1,500	
51255	Postage & Meter	3,502	4,120	3,837	1,881	4,279	5,000		5,000	5,000	
51265	Inside Printing	7,667	7,302	8,587	8,105	6,348	7,000		7,000	7,000	
52300	Telephone	19,803	21,926	21,420	26,525	25,093	21,000	(5,093)	24,000	25,000	
	Administrative	272,769	258,901	172,267	218,003	166,134	175,500	9,366	188,350	178,350	
	Budget	381,250	353,700	250,200	185,500						
52050	Electricity	467,910	470,161	496,619	477,745	500,485	515,000		530,000	485,000	
52100	Fuel Oil	0	21,393	22,417	71,588	3,869	30,000		30,000	30,000	
52150	Gas	465,689	460,820	443,321	319,990	331,681	480,000		490,000	365,000	
52400	Water & Sewer	382,180	460,849	534,558	461,026	708,491	593,000		590,000	760,000	
	Utilities	1,315,780	1,413,224	1,496,916	1,330,349	1,544,527	1,618,000	73,473	1,640,000	1,840,000	
	Budget	1,448,000	1,365,000	1,429,000	1,526,000						

Acct No	Title	Audit FY 2013	Audit FY 2014	Audit FY 2015	Audit FY 2016	Audit FY 2017	Budget FY 2017	Bud-Act Diff	Budget FY 2018	Budget FY 2019	Comments/Notes/Etc.
53150	Cleaning Contract	108,593	108,222	109,176	109,537	120,516	120,000		120,000	120,000	
53300	Consultant Fees	0	4,500	13,209	780	2,270	15,000		15,000	15,000	
53450	Exterminating	13,781	21,629	19,795	16,007	22,368	20,000		20,000	20,000	
53700	Lawn Maint Contract	57,970	59,709	60,903	62,121	62,334	63,000		63,000	65,000	
53750	Management Fees	26,880	28,620	29,400	29,400	29,460	30,000		35,000	35,000	
53950	Snow Removal	14,426	30,000	41,386	40,000	32,239	40,000	7,761	40,000	40,000	
54100	Trash Removal	62,106	64,414	76,849	83,711	80,669	70,000	(10,669)	70,000	80,000	
54200	Water Treatment	11,243	2,787	9,526	6,769	4,298	6,000		6,000	6,000	
55050	Pool Contract	22,340	23,000	24,150	25,560	26,035	25,000		27,000	27,000	
55200	Pool Maint & Repairs	18,453	11,714	12,498	19,092	13,234	11,000	(2,234)	11,000	15,000	
55250	Pool Supplies	4,341	3,312	7,153	1,059	9,483	3,000		3,000	5,000	
	Contracted Serv	338,133	357,907	404,045	394,034	402,906	403,000	94	410,000	430,000	
	Budget	345,400	358,900	371,300	377,000						
58020	Air Conditioning	37,900	30,234	39,382	48,474	26,969	35,000		35,700	36,000	
58080	Boiler Maintenance	60,395	52,051	99,927	102,172	35,542	50,000		51,000	51,000	
58100	Building Maintenance	263,487	232,893	269,373	221,117	186,097	185,000		210,300	210,300	
58220	Concrete/Asphalt Maint.	5,418	0	4,167	465	0	2,000		2,100	2,100	
58320	Electrical Maint.	17,503	15,122	12,696	12,773	25,537	10,000		10,200	15,000	
58480	Landscaping/Trees	43,724	13,423	59,527	45,328	51,074	20,000		20,400	35,000	
58560	Painting	0	52,800	39,260	19,630	0	0		70,000	70,000	
58520	Plumbing Main.	156,253	205,094	217,741	266,674	170,950	170,000		173,400	175,000	
58580	Roof Maintenance	3,249	3,719	5,643	3,085	9,424	5,000		5,100	5,100	
58880	Vehicle Fuel/Main	5,959	4,640	11,482	6,303	12,139	6,000		6,400	7,000	
	Maintenance	583,688	609,975	759,196	726,021	517,732	483,000	(34,732)	584,600	606,500	
	Budget	399,000	476,000	573,000	573,000						
60000	Payroll	316,063	329,835	333,117	369,844	313,198	318,200	5,002	327,000	327,000	
60800	Payroll Taxes	24,179	24,955	24,934	27,421	23,625	24,500		25,100	25,100	
60820	Fed Unemployment	247	210	210	210	168	500		500	500	
60840	State Unemployment	967	128	128	304	102	180		180	180	
60845	Accrued Vac change	0	0	0	0	0	0		0	0	
60850	Health & Life	35,947	49,042	59,161	69,443	74,142	75,500	1,358	77,250	74,142	
60860	Worker Comp. Ins.	7,445	7,267	8,904	8,935	7,784	8,500		9,000	9,000	
60900	Retirement	5,011	5,429	5,011	4,909	5,152	5,400		5,500	5,500	
60920	Uniforms	0	0	0	0	0	0		0	0	
	Labor	389,179	416,866	431,465	494,347	424,170	432,780	8,610	444,530	441,422	
	Budget	397,386	408,137	400,272	447,780						
61000	Insurance Bldg Lia.	145,170	166,850	172,410	170,543	228,516	200,000	(28,516)	262,500	262,500	
61050	Other Taxes/Income	0	2,406	1,223	0	0	0		0	0	
61100	Deferred Tax Expense	1,821	6,794	2,072	2,072	9,160	0		0	0	
61500	Ins Claim Exp net	0	0	0	660,584	0	25,000	25,000	25,000	25,000	
	Taxes/Insurance	146,991	176,051	175,706	833,199	237,676	225,000	(12,676)	287,500	287,500	
	Budget	160,000	167,500	184,000	195,000						
	Prior Year Deficit Func	0	0	0	0	0	0	0	0	0	
	Budget	50,000	50,000	25,000	15,000						
	Total Ops Expenses	3,047,339	3,232,923	3,439,594	3,995,953	3,293,144	3,337,280	44,136	3,554,980	3,583,772	

2019

Acct No	Title	Audit FY 2013	Audit FY 2014	Audit FY 2015	Audit FY 2016	Audit FY 2017	Budget FY 2017	Bud-Act Diff	Budget FY2018	Budget FY 2019	Comments/Notes/Etc.
Total Ops Budget		3,181,036	3,179,237	3,232,772	3,319,280						



Veteran Owned Business

SPECIALIZING IN RESERVE STUDIES SINCE 1990
A PROFESSIONAL CORPORATION



APRA

Association of Professional Reserve Analysts

March 25, 2015

Potomac Oaks Condominium
C/o Ms. Debbie Flanders
General Manager
780 Quince Orchard Boulevard
Gaithersburg, MD 20878

Dear Ms. Flanders:

At the meeting on March 24, 2015 the board approved the draft reserve study dated March 13, 2015. Accordingly, please consider the attached study the "Final Report."

I again thank the Board of Directors for selecting **PM+** to do this study and hope you will continue to call upon us for your future reserve study needs.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mario B. Ginnetti'.

Mario B. "Ben" Ginnetti, PRA, RS, P.E.
President

Enclosure:
Study - PDF File

Veteran Owned Business

SPECIALIZING IN RESERVE STUDIES SINCE 1990
A PROFESSIONAL CORPORATION

APRA

Association of Professional Reserve Analysts

POTOMAC OAKS CONDOMINIUM, Gaithersburg, MD

Level II Update Reserve Study, March 25, 2015



Prepared for:

Board of Directors



Engineer

Mario B. "Ben" Ginnetti, PRA, RS, P.E.

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EXECUTIVE SUMMARY

KEY TO UNDERSTANDING STUDY RESULTS – purpose of a reserve study is to establish a financial plan for keeping the property's common and limited common elements in good repair. The plan is developed by identifying the component, assessing its condition and estimating both the time when work will be needed and cost of work. In a **PM+** study these entries can be found beginning on page A1, columns (1), (4) and (5). Those entries combined with reserve savings, current reserve contribution, interest and inflation rates and how much of a contingency should be preserved to fund unforeseen events are the factors that determine the reserve contribution.

RELEVANT DATA

<i>1st Study Year</i> FY15	\$0 <i>AOH Start of Fiscal Year</i> ♦
<i>FY Begins</i> 01-Oct-14	\$725,000 <i>Your Contribution in FY15</i> ♦
<i>Inspection Date(s)</i> 2/2/2015	2.28% <i>Inflation</i> ♦♦
<i># Units</i> 539	3.33% <i>Interest</i> ♦♦

- ♦ **AOH** (cash/investments start of fiscal year) and **Current Year Contribution** were provided to **PM+** and were best estimates available when provided, they are not audited amounts.
- ♦♦ **INTEREST AND INFLATION** factors¹ best project the future needs of the property. Inflation is based on the last ten year average for the Consumer Price Index (CPI); interest on savings is based on the ten year average of the Constant Maturity Yield for the 10-Year U.S. Treasury note.

NOTE – If changes to amounts/factors are desired **PM+** will provide a revised study, if requested.

THE FOLLOWING TABLE SUMMARIZES study findings – see detail information in "Funding Plans - 30 Year Projection" chart, columns (13) - (21)):

	<u>CONTRIBUTION SUMMARY</u>		
	<u>Association²</u>	<u>Cash Flow</u>	<u>Component</u>
	<u>Plan</u>	<u>Plan</u>	<u>Plan</u>
<i>Reserve Contribution FY15</i>	\$725,000	\$995,990	\$925,480
<i>Avg Owner Contribution FY15</i>	1,345	1,848	1,717
<i>Avg Owner Contribution/Month</i>	112.09	153.99	143.09
<i>30-Year Income</i>	31,682,400	28,517,180	28,517,180
<i>Income From Interest</i>	945,280	1,291,900	1,040,380
<i>Income From Assessments</i>	30,737,120	27,225,280	27,476,800
<i>30-Year Min Balance</i>	(2,370,960)	104,010	167,130
<i>30-Year Max Balance</i>	5,735,580	2,720,730	2,570,360
<i>50-Year Min Balance</i>	6,585,660	149,370	2,563,150
<i>50-Year Max Balance</i>	21,294,460	4,035,880	7,157,980

ANALYSIS:

- As indicated in the above table the associations projected FY15 will need to be increased to meet the immediate reserve needs of the property. However, our analysis and projection indicates after near term work is completed and reserves are properly funded the contribution can be reduced to \$647,500 in FY2025 - see "Funding Plans - 30 Year Projection" chart, columns (17). The recommended owner contribution assumes interest earned on savings will be applied to the reserves and not used to offset operating account expenses or used for other purposes. If interest is not applied to the reserves then the annual contribution will need to be increased by the interest amount.

1. Although factors used may not prove to be precise they should be reasonable predictors of cost increases and contributions needed to support the reserve requirement over the life of the study.
2. If the study is being done for other than the current fiscal year, inflation is applied to prior year contribution.

- Cash flow method is the preferred method for funding reserves. It provides consistency in the annual contribution from one year to the next year. Future contribution increases are mostly attributable to inflation.
- Component method contributions can be expected to fluctuate considerably from year to year, making it less practical as a funding plan.
- Funding plan dollar amounts shown in columns (15), (18) and (21) of the Funding Plans – 30 Year Projection chart are the approximate year end balances, both minimum and maximum, that can be expected if the plans are funded as shown. Properly funded plans will meet the following objectives: 1) funds are always available for needed work, 2) there is always a minimum amount of savings available to provide for unforeseen contingencies, and 3) when studies are updated, there is not a substantial increase needed to meet the reserve requirement. To avoid substantial increases **PM+** studies take into consideration the first thirty years of the study and an additional twenty years, making the "look at" period a total of fifty years. The 50-year projection is to assure the recommended contribution is based on a sound long range analysis of the property's reserve needs.

RECOMMENDATION:

- Fund the reserves using the Cash Flow method.

STUDY INFORMATION

THIS STUDY is a **Level II Update**, as requested, with on-site visit and is the second (Last **PM+** study – September 16, 2010) engagement for the property by **PM+**. **PM+** has neither collaborated with nor provided consulting advice to others on issues pertaining to the property. Interested parties should refer to earlier studies for previous assumptions and comments.

STUDY WAS DONE in its entirety by Mario B. "Ben" Ginnetti, a registered professional engineer (**P.E.**) licensed to practice engineering in the states of Virginia, Maryland and the District of Columbia. Mr. Ginnetti is also a CAI Certified Reserve Specialist (**RS**) and a Professional Reserve Analyst (**PRA**).

RESERVE STUDY criteria is defined by the Community Association Institute (CAI) and the Association of Professional Reserve Analysts (APRA). In complying with the criteria this study compares the "Associations" current funding plan to the two recommended methods for preparing reserve studies, "Cash Flow (AKA Pooling)" and "Component." This is a reserve study only - no other use is intended.

STUDY WAS COMPILED in accordance with generally accepted standards and represents our professional opinion on the items, timing and dollar amounts that should be budgeted for repair and replacement. In compiling this study information was obtained from field measurements, visual observations and management (information provided by management is considered to be reliable). Also taken into consideration are construction features, current conditions and component age. Testing was not performed, nor was demolition done or panels removed to determine conditions that are not obvious. Based on our observations and the information gained during the visit this study contains, to the best of our ability, all material issues required to determine the funding needed to meet the property's reserve requirement.

FOR PROPERTIES LOCATED IN THE STATE OF VIRGINIA, Virginia Statutes, 2003 Condominium and Property Owner's Association Act require the association to conduct reserve studies at least every five years, review the results of the study at least annually and make adjustments as necessary unless the condominium instruments/declaration imposes more stringent requirements. Your attention is called to Sections 55-79.83:1 or 55-514.1 of the Statutes for the complete text.

AGE, UNITS AND STYLE

Construction period – 1968-69; converted to condominium in 1985.

539-units, garden configuration.

Major amenities – clubhouse, swimming pool and tennis courts.

CASH FLOW AND COMPONENT METHOD STUDIES

This study was calculated using both the Cash flow and Component methods. A synopsis of each method is as follows:

CASH FLOW METHOD - This method develops the funding plan by having the annual contributions offset the variable annual expenses. All expenses are averaged over the life of the study to calculate the annual contribution needed to support the reserve requirement. Yearly contribution increases are attributed to inflation.

COMPONENT METHOD - This method develops the funding plan by dividing the remaining useful life into the balance needed to fund the item for only the next cycle of work. Yearly contributions can vary significantly from year to year depending on where the components are in their life cycle. Contribution needed to pay expenses will equal the cash flow method over the life of the study.

FUNDING GOAL

This study complies with the "Threshold Funding Plan" established by the Community Association Institute (CAI) for reserve studies. Funding goal objective is to keep the reserve balance above a specified dollar or Percent Funded amount.

IN DEVELOPING the reserves we consider items that have a predictable life cycle as well as those that will most

likely need annual maintenance and repairs to keep them in serviceable condition. They are as follows:

PREDICTABLE LIFE CYCLE (Non # sign items).

These components have a predictable life cycle (an average useful life). At the end of its useful life total replacement will be needed.

Annual Allowances (Items preceded by the # sign).

We reserve an average annual amount for these items. These items are typically "life of the property" or long lasting components that do not have a predictable life cycle. We assume the association will keep these components in satisfactory condition with timely spot repairs.

FOLLOWING CONSIDERATIONS should be taken into account to properly manage the reserves: 1) properly funded reserves avoids "special assessments", 2) each owner should pay their fair share for the time they use the component, 3) when reserve funds are available the Association is more inclined not to defer work deferral results in additional deterioration and "catch-up" costs to restore the item to a good condition, 4) government mortgage guarantees agencies, i.e. FHA, require a current reserve study to be available before backing a loan, and 5) some state laws require them. In addition to these considerations, a new factor has recently become apparent. Years ago owners were poorly informed on the importance of the reserves and paid very little attention to whether or not a property had an adequate plan for funding the reserves. With the inclusion of reserve tables in resale packages and other publicity, many potential buyers are now verifying the reserve status before they buy.

ALTHOUGH we use generally accepted techniques and the best information available, it is possible actual costs and useful lives can vary significantly from our estimates. We recognize that possibility and attempt with our methodology to arrive at the overall funding recommendation that will avoid, or minimize the amount of funding if a special assessment is needed to do reserve work.

FOR THE RESERVES to be an effective budget management tool it will need periodic updates. Because reserves on hand, current costs, quality of maintenance, acts of God, vandalism, and useful life can vary from year to year, a periodic review will assure it remains an effective management tool. We recommend studies be updated **every 3-years**.

UNLESS OTHERWISE NOTED this study does not take into consideration any work the association may need to correct hazardous or defective conditions, such as issues with asbestos, radon, lead, mold, FRT, etc., nor will it fund major projects to repair/replace facades, building tension cables, utilities and other essential systems. Projects of this nature require the services of engineers or other consultants to determine scope, timing and projects costs. If requested, once costs and project timing are known, we will provide a revised study at no additional cost.

FOR ANY RESERVE PROJECTS in progress on the date(s) of our visit our observation of the work should not be considered a project audit or quality control inspection. We leave that to others to determine.

WHERE WE DESCRIBE PREVENTIVE MAINTENANCE recommendations in this study they are intended to be general in nature and the most common tasks needed to extend item useful life. They are not all inclusive; we do not imply that is all that is necessary for good maintenance. Manufactures brochures, service specialty companies and other qualified sources should be consulted to establish the full array of actions needed for proper preventive maintenance.

FUNDING FROM RESERVE VERSUS OPERATING ACCOUNT - There could be components in this study the association is funding from the operating account. When there are we recommend they be funded from the reserves. When components are worked on it usually extends their useful life - a proper reserve expense. Reserve funds are intended to keep property components in good repair and to replace those that need replacing; operating funds are intended for maintenance and reoccurring operating expenses.

READING AND UNDERSTANDING TABLES & CHARTS

RELEVANT DATA

Study fiscal year, inspection date(s), units, associations' financial data, and interest/inflation rates.

CONTRIBUTION SUMMARY

Financial summary of study results.

TABLE OF REPAIR & REPLACEMENT RESERVES

The Repair and Replacement Table shows the common or limited common element, average and remaining useful life and estimated cost for work. This information, for the most part, is self-explanatory; however, when we believe more information is needed, we provide comments or use photographs.

Column

- (1) The various property components and major items of equipment we believe the community should include in the reserves. Where a 15%, 30%, etc., is shown means that total replacement of that item is not anticipated. These items generally have an indefinite life span and only need partial repairs. Items preceded by the pound (#) sign are budgeted for a year at a time. Typically, these items need annual repairs. These items should be adjusted at each update based on historical trends and the amount of work anticipated the following year. If we have omitted or added any items that are not common or limited common area responsibility, please inform us so we can provide a revised table. It also applies if the association accomplishes the work from their annual operating expense and a reserve set-aside is not needed.
- (2) Approximate quantity and unit of measure. The following abbreviations are used; however, they may not all appear in this study:

AC – Acres	HP – Horsepower
AOH - Amount-On-Hand	RC - Replacement Cost
AnAvg - Annual Average	SF - Square Feet
BLD - Building	SY - Square Yards
EA - Each	TN - Tons
CY - Cubic Yards	UN - Units
LF - Linear Feet	> - Greater Than
LS - Lump Sum	< - Less Than

- (3) The components average useful life (Avg). Leading publications on useful life data, our own experiences and historical trends are used to determine the average useful life.
- (4) Our best estimate of the remaining useful life (RUL). Some items in the table may not fail precisely as shown. We use the remaining useful life in conjunction with the estimated cost to calculate the annual contribution needed to fund the component. Actual remaining useful life can be significantly different.
- (5) Estimated costs are in current dollars; actual cost can be significantly different. Estimates are based on similar work in the greater Washington area, association experience, industry publications, such as R.S. Means and HomeTech, contractors and other reliable sources. It assumes the association will competitively seek bids and obtain a fair price in today's market. Some work, such as, balconies, roofing, garages, façade, boiler and chiller replacements, etc. may need the services of an engineer or architect to determine scope and oversee repairs. Those estimates take precedence over those shown in the table. Conditions that are not obvious from observations, such as excessive deterioration in materials and systems could also affect costs.
- (6) Distribution of the funds the association had (is projected to have) at the start of their fiscal year or the amount we were requested to use. The program distributes a prorated amount to each item.
- (7) The amount needed to fund the balance of the requirement.

(8) The contribution needed to fund the 1st year applying the cash flow method. This value is the product of the reserve components and the Funding Plans - 30 Year Projection chart. The annual contribution is calculated so that the reserve balance never falls below the "X" axis and there is always a minimum balance for unforeseen contingencies.

(9) The contribution needed to fund the 1st year applying the component method.

Fiscal Years 1 - 10 Expense Projection – Projected cash out-lays over the first ten years of the study.

Fiscal Years 11 - 30 Expense Projection – Projected cash out-lays over the next twenty years of the study.

Average Contribution Per Owner - The average contribution needed per owner to fund the 1st year reserve contribution. This amount is not indicative of each owner's individual contribution.

FUNDING PLANS - 30 YEAR PROJECTION

Column

(10) - Fiscal Year.

(11) - Projected annual expenses.

(12) - Cumulative expenses over 30-years.

(13), (16) and (19) - Interest earned per funding plan based on previous year end balance.

(14), (17) and (20) - Contribution per funding plan, inflation applied.

(15), (18) and (21) - Projected year-end balance per funding plan.

Graphs

Graphs depict the projected contributions and year end balances for each plan. The contribution objective should be to have a consistent contribution, year after year, that can be maintained with inflation adjustments. Avoid fluctuating contributions as they can impose financial hardships on owners. The plot objective for the reserve balance is to have the year end balances always above the "X" axis. If it falls below, it indicates a special assessment or loan will be needed to support the reserves.

Summary

- 30-Year Income - projected from interest and owners.
- 30-Year Average Annual Contribution - average association contribution over 30-years.
- 30-Year Average Contribution/Owner - average contribution to be paid by each owner.
- 30 & 50-Year Minimum/Maximum Balances - includes contingency for unforeseen events.

PROPERTY COMPARISON (NOT SHOWN IN SOME STUDIES)

The "Property Comparison" chart compares the property's current funding to the 100 properties we have recently studied. The comparison shows the maximums, minimums, property averages and medians compared to your property. Three comparisons are made:

- % Funded - Ratio of the current to the ideal Reserve Balance for each component in the Reserve Table. The ratio is a product of the "used-up" life, useful life and component cost.
- Reserve Depletion Factor - Number of years amount-on-hand will fund (It's the same as the "go broke" date if no more money is added to the reserves).
- Cost Per Owner – Average contribution per owner needed to meet the reserve requirement. Dollar amounts will vary from property to property based on construction features, common/limited common elements, past contributions to the reserves and other factors that may not result in a true comparison.

APPENDIX A

FISCAL YEARS 11 - 30 EXPENSE PROJECTION

ITEM	USEFUL LIFE ESTIMATED AVG REM (YRS)	COST IN CURRENT \$	FISCAL YEARS 11 - 30 EXPENSE PROJECTION																			
			2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
CONDOMINIUM BUILDING(S)																						
WINDOWS (COMMON AREAS ONLY)	40	21	\$71,760																			
BLDG ENTRANCE DOORS (700 BLD'G)	25	20	169,200																			
BLDG ENTRANCE DOORS (800 BLD'G)	25	24	148,050																			
PLUMBING																						
PLUMBING REPAIRS/PIPE RE-LINING	50	5	540,000																			
PLUMBING REPAIRS/PIPE RE-LINING	50	6	540,000																			
PLUMBING REPAIRS/PIPE RE-LINING	50	7	537,000																			
FIRE PROTECTION SYSTEMS																						
UPGRADE FIRE ALARM SYS.	30	6	28,500																			
UPGRADE FIRE ALARM SYS.	30	7	28,500																			
UPGRADE FIRE ALARM SYS.	30	8	28,500																			
BALCONIES																						
BALCONY REPAIRS/RAILING REPLACEMENT	20	1	179,640																			
BALCONY REPAIRS/RAILING REPLACEMENT	20	2	264,960																			
BALCONY REPAIRS/RAILING REPLACEMENT	20	3	264,960																			
BALCONY REPAIRS/RAILING REPLACEMENT	20	4	264,960																			
BALCONY REPAIRS/RAILING REPLACEMENT	20	5	264,960																			
MAIL BOXES																						
WALL MOUNTED	25	13	64,680																			
TOTAL CONDOMINIUM BUILDING(S)			3,395,670																			
PAVEMENTS																						
ASPHALT																						
RRPS/SEAL COAT/TRAFFIC MARKINGS	4	2	30,470																			
PAVEMENT OVERLAY	13	8	266,630																			
BASE/CONCRETE RRPS @ 15%	13	8	88,560																			
RRPS/SEAL COAT/TRAFFIC MARKINGS	4	2	30,470																			
PAVEMENT OVERLAY	13	8	266,630																			
BASE/CONCRETE RRPS @ 15%	13	8	88,560																			
TOTAL PAVEMENTS			771,320																			
TENNIS/MULTI-PURPOSE COURT(S)																						
TO BE CONVERTED TO RECREATION AREA			50,000																			
TENNIS/MULTI-PURPOSE COURT(S)			50,000																			
COMMUNITY CENTER																						
ROOFING-SHINGLES	20	17	26,300																			
ROOFING-METAL	45	5	6,300																			
WINDOWS	45	26	13,850																			
FRONT/REAR DOORS	35	6	5,100																			
REHAB-MTG RMBARK/KITCHEN	15	13	15,000																			
WOOD FLOOR	10	3	7,250																			
RENOVATE BATHROOMS	15	11	11,100																			
A/C & HEATING	15	3	1,400																			
WATER HEATER	15	3	1,400																			
CARPET-OFFICE	7	2	3,520																			
CERAMIC TILE	30	6	7,080																			
CANOPIES	10	10	20,100																			
TOTAL COMMUNITY CENTER			151,800																			
SWIMMING POOL																						
BATHHOUSE																						
RENOVATE SHOWER ROOMS	25	6	50,000																			
POOL(S)																						
WHITECOAT ADULT POOL	7	1	21,110																			
WHITECOAT WADING POOL	7	1	4,500																			
FILTER PUMPS/WATER LINES	15	8	14,000																			
COPING/TILES/WALL & FLOORS	14	14	34,730																			
REPLACE CONCRETE DECK	35	8	261,850																			

FISCAL YEARS 11 - 30 EXPENSE PROJECTION

ITEM	2025	2026	2027	2028	2028	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	
(1) USEFUL LIFE ESTIMATED																					
(2) AVG REM COST IN																					
(3) CURRENT \$																					
(4) (3) (4)																					
(5) (3) (5)																					

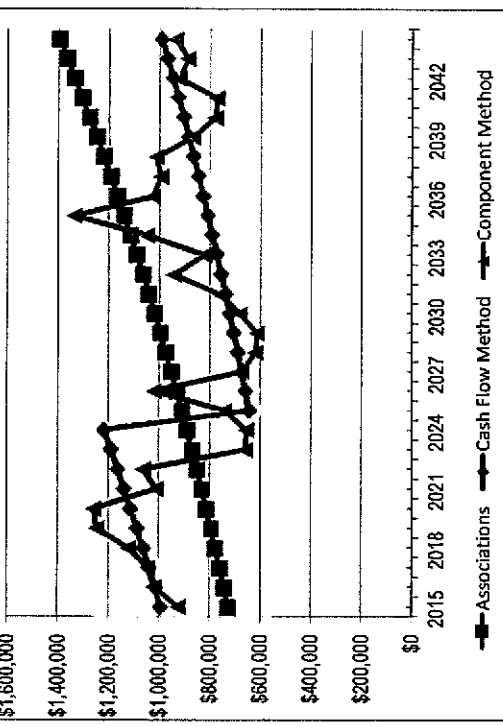
TOTAL RESERVES	2025	2026	2027	2028	2028	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
	\$401,160	\$1,462,230	\$870,640	\$541,940	\$415,040	\$456,800	\$448,630	\$1,017,070	\$415,780	\$746,800	\$1,947,760	\$1,100,080	\$1,004,410	\$1,186,370	\$831,170	\$709,440	\$487,960	\$880,550	\$708,300	\$718,470

FUNDING PLANS 30 YEAR PROJECTION

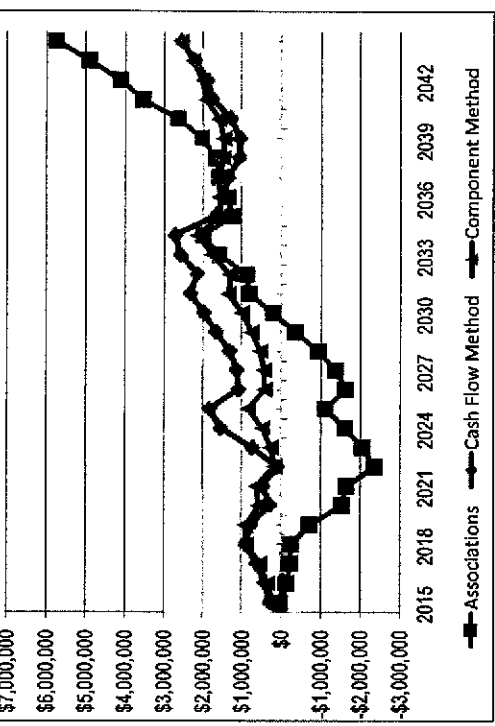
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FY (10)	Expenses			Associations			Funding Plans			Component Method		
	Annual (11)	Cumulative (12)	Interest (13)	Contrib'n (14)	Balance (15)	Interest (16)	Contrib'n (17)	Balance (18)	Interest (19)	Contrib'n (20)	Balance (21)	
AOH					\$0						\$0	
2015	705,450	705,450	0	725,000	19,550	0	995,990	290,540	0	925,480	220,030	
2016	901,250	1,606,700	650	741,530	(139,520)	9,670	1,018,730	417,660	7,330	1,017,980	344,090	
2017	845,650	2,452,350	0	758,440	(226,930)	13,910	1,041,930	627,650	11,460	1,043,290	552,990	
2018	804,660	3,257,010	0	775,730	(255,660)	20,900	1,065,690	909,580	18,410	1,120,940	887,680	
2019	1,254,610	4,511,620	0	793,420	(177,050)	30,290	1,089,990	775,250	29,560	1,245,660	908,290	
2020	1,619,110	6,130,730	0	811,510	(1,524,660)	25,920	1,114,840	296,800	30,250	1,268,200	577,630	
2021	964,640	7,095,370	0	830,010	(1,659,280)	9,880	1,140,260	482,300	19,240	1,010,610	642,840	
2022	1,660,610	8,756,180	0	848,930	(2,370,960)	16,060	1,166,260	104,010	21,410	1,063,490	167,130	
2023	554,750	9,210,930	0	868,290	(2,057,420)	3,460	1,192,850	745,570	5,570	660,910	278,860	
2024	453,390	9,664,320	0	888,090	(1,622,720)	24,830	1,220,050	1,537,060	9,290	656,390	491,150	
2025	401,160	10,065,480	0	908,340	(1,115,540)	51,180	1,247,500	1,834,580	16,360	742,290	848,640	
2026	1,462,230	11,527,710	0	929,050	(1,648,720)	61,090	662,260	1,095,700	28,260	1,020,410	435,080	
2027	678,640	12,206,350	0	950,230	(1,377,130)	36,490	677,360	1,130,910	14,490	675,860	446,790	
2028	541,940	12,748,290	0	971,900	(947,170)	37,660	692,800	1,319,430	14,880	619,810	539,540	
2029	415,040	13,163,330	0	994,060	(368,150)	43,940	708,600	1,656,930	17,970	613,760	756,230	
2030	456,900	13,620,230	0	1,016,720	788,320	55,180	724,760	1,979,970	25,180	681,620	1,006,130	
2031	449,630	14,069,860	6,380	1,039,900	198,320	65,930	741,280	2,337,550	33,500	759,840	1,349,840	
2032	1,017,070	15,086,930	26,250	1,063,610	861,110	77,840	758,180	2,156,500	44,950	943,920	1,321,640	
2033	415,780	15,502,710	28,670	1,087,860	1,561,860	71,810	775,470	2,588,000	44,010	822,820	1,772,690	
2034	746,600	16,249,310	52,010	1,112,660	1,979,930	86,180	793,150	2,720,730	59,030	1,049,590	2,134,710	
2035	1,947,780	18,197,090	65,930	1,138,030	1,236,110	90,600	811,230	1,674,780	71,090	1,336,570	1,593,590	
2036	1,000,060	19,297,150	41,160	1,163,980	1,341,190	55,770	829,730	1,460,220	53,070	1,028,110	1,574,710	
2037	1,004,410	20,301,560	44,660	1,190,520	1,571,960	48,630	848,650	1,353,090	62,440	985,650	1,618,390	
2038	1,199,370	21,500,930	52,950	1,217,660	1,642,600	45,060	868,000	1,066,780	53,890	1,012,650	1,485,560	
2039	931,170	22,432,100	54,700	1,245,420	2,011,550	35,520	887,790	1,058,920	49,470	869,170	1,473,030	
2040	709,440	23,141,540	66,980	1,273,820	2,642,910	35,260	908,030	1,292,770	49,050	779,860	1,592,500	
2041	497,960	23,639,500	88,010	1,302,860	3,535,820	43,950	928,730	1,766,590	53,030	772,560	1,920,130	
2042	880,550	24,520,050	117,740	1,332,570	4,105,580	58,630	949,910	1,694,780	63,940	923,610	2,027,130	
2043	708,300	25,228,350	136,720	1,362,950	4,896,950	63,100	971,570	2,221,150	67,500	888,590	2,274,920	
2044	718,470	25,946,820	163,070	1,394,030	5,735,580	73,960	993,720	2,570,360	75,750	938,160	2,570,360	

Contribution



Reserve Balance



SUMMARY

30-Year Income =	\$945,280	30-Year Income =	\$1,291,900	\$27,225,280	\$1,040,380
30-Yr Avg Annual Contrib'n =	1,024,570	30-Yr Avg Annual Contrib'n =	907,510	915,890	\$27,476,800
30-Yr Avg Contrib'n/Owner =	1,901	30-Yr Avg Contrib'n/Owner =	1,684	1,699	\$167,130
30-Year Minimum Balance =		30-Year Minimum Balance =	\$104,010	2,570,360	2,570,360
30-Year Maximum Balance =		30-Year Maximum Balance =	2,720,730	2,563,150	7,157,980
50-Year Minimum Balance =		50-Year Minimum Balance =	149,370		
50-Year Maximum Balance =		50-Year Maximum Balance =	4,035,880		

Notes:

* An annual average cost. Some expenditures may be needed in earlier years, some in later years, depending on when the actual work is done. Data is a projection based on this point in time. The projection will change as useful life, current costs and amount-on-hand vary. Data should be considered a more accurate projection for years 1 - 5 than the out-years. Minimum balance does not include the first year.

COMMENTS

Each component has been reviewed for cost and remaining useful life and where appropriate changes have been made to reflect current conditions. Additional information is provided on the following components and/or recommendations are offered for consideration. Interested parties should refer to earlier studies for related information.

CONDOMINIUM BUILDING(S)

BLD'G ENTRANCE DOORS (800 BLD'G'S)
PLUMBING REPAIRS/PIPE RE-LINING

All doors replaced since the last study was done.

After years of use domestic water pipes leak - we reserve for common area pipe repairs. Because cost can be significantly different than the average cost we budget, we recommend the association hire a firm that can evaluate pipe condition to more precisely predict cost and when repairs/replacement may be needed. There are two ways to make domestic piping repairs; 1) pipe replacement, 2) relining with epoxy. Relining is in the range of 50% cheaper than replacement and has the advantage of being less inconvenient to owners because walls do not need to be removed and water outages are minimal.

PAVEMENTS

ASPHALT

Some spot repairs made since the last reserve study was done. There are two considerations that apply to asphalt pavements: 1) Implement a preventive maintenance program - preventive maintenance consist of sealing open cracks (equal to or greater than 1/8"), repair wearing surface/base/sub-base areas that have failed (distinguished by "alligator" or "chicken wire" cracking), applying a seal coat to the entire surface and repaint all traffic markings. An additional benefit of sealcoating and traffic markings is the pavement will look uniform and that enhances property appearance. Funding for this work is identified as "Preventive Maintenance" and "Immediate Repairs for Life Extension." Although we allow for preventive maintenance to be done every four years, if cracks open or asphalt failures occur sooner they should be repaired as needed. Contingency built into the funding plan should be more than adequate to fund additional needed work, 2) Be prepared to repave all asphalt around the time period shown in the table. When repaving there are two possible courses of action, a) mill only near gutter pans to preserve proper drainage and place back 1-1/2" (or more) of compacted asphalt throughout, and b) total milling of all asphalt and repave to thickness removed. Notes: a) Asphalt is an oil based product - price varies with the cost of a barrel of oil, and b) When pavements are shared with adjacent properties quantity shown is one-half the shared amount.

BASE/CONCRETE RPRS @ 15%

Although we allow for 100% of the asphalt to be repaved our experience supports a smaller percentage of the base/sub-base will

TENNIS/MULTI-PURPOSE COURT(S)

No reserve allocation. Plans being considered to converting location to other type of recreational activity.

COMMUNITY CENTER

Kitchen, bar and meeting room were recently upgraded. Reserve provides for the next time this work may be needed.

SWIMMING POOL

POOL(S)

Both the adult and wading pools are scheduled to be whitecoated in 2015; pool covers were recently replaced.

MAINTENANCE FACILITIES

8' METAL FENCE
HEAT EXCHANGER
VEHICLES

New entry. Solid metal fence constructed at maintenance building.

Tube bundles replaced in heat exchangers.

Both a front end loader and tractor have been purchased since the last study was done.

OTHER PROPERTY FEATURES

ENTRANCE FEATURE
TREES/LANDSCAPING

Provides for masonry repairs/repainting, cleaning and name restoration.

Tree and landscaping replacement can become costly. Reserve budgets a reasonable amount for this work. Does not include normal landscaping upkeep which is funded from the operating account nor large scale landscape improvement projects.

ANNUAL ALLOWANCES

This category provides for non-cyclical items that typically experience some kind of failure each year or every few years. Reserve provides a reasonable amount each year to keep components in good repair. Funding from other sources may be needed if major repairs are needed.

REPLACE ROOFING (5 BLD'G/YR)
GUTTERS/DOWNSPOUTS(5 BLD'G/YR)
FACADE/CAULK/WATERPROOFING

Provides for five building roofs to be replaced every year.

As needed spot repairs.

Spot repairs to lintels, bricks, siding, shutters, sealing windows, doors, walls, expansion joints and other openings to keep buildings weather tight.

COMMON AREA DOORS

Provides for replacing the utility room doors and other association owned doors that are not identified elsewhere, on an as needed basis.

CURBS/GUTTERS/SIDEWALKS/STEPS

Curbs, gutters, sidewalks and steps will deteriorate, heave, settle, be damaged by vehicles or sustain other types of damage. Defective areas should be corrected as needed.

FURNISHINGS/OFFICE EQUIPMENT
POOL DECK/COPING & TILE
POOL FURNITURE

Upkeep of furniture, area rugs, drapes, curtains, computers, desks, calculators, telephones, file cabinets, etc.

Spot repairs as needed to keep components in good condition to meet safety and health department requirements.

Some pool chairs, tables and other furnishings will need servicing or replacement each year to keep them in good repair. Also allows for the upkeep of lifeguard stands and diving boards, if installed.

MECHANICAL/PLUMBING/ELECTRICAL AND
UNDERGROUND HOT & CHILLED LOOP
PIPING

A annual expenditure to keep in good repair common area mechanical, plumbing and electric systems to include association owned transformers, underground distribution system from boiler plants and other components that are not reserved for elsewhere. Air handlers, fan coil units, heat exchangers, coils, unit heaters, motors, pumps, gauges, valves, controls, fire, security, plumbing pipes, electric faults and other kinds of system deterioration will need repair as problems occur. Funding from other sources may be needed if major failures occur.

COMMENTS

SITE LIGHTING

Fixture, pole and distribution electric wiring failures should be expected. We reserve for 5% of pole lights to be repaired each year. Building mounted lights are provided for in the Mechanical/Plumbing/Electrical Allowances entry.

STAIRWAYS

Provides for repairs to stairs and steps. These items are "life of the property" components that can be kept in good repair with proper maintenance and timely repairs.

HAND RAILING

If corrosion is controlled with paint every four years the metal will last the life of the property. Keep post pockets sealed to prevent standing water. Standing water will corrode the metal and damage masonry and concrete. Timely spot repairs will extend the useful life of these components indefinitely.

WOOD FENCING

Repairs to wood fencing to include the first eight feet of patio fencing, both sides. All other patio fencing is owner responsibility.

SITE ITEMS

Repairs to entrance features, signs, sign posts, flag poles, drainage, minor landscaping, masonry columns and walls, picnic tables/benches and other miscellaneous items not identified elsewhere.

EXCLUSIONS

PRESSURE WASHING/PAINING/STAINING
CATASTROPHIES

Not included in the reserves. Maintenance work, properly funded from the operating account. Are not predictable events - no reserve allowance. If one occurs funding from other sources may be needed if the contingency built into the reserves is insufficient to cover expenses.

ADA ACCESSIBLE SWIMMING POOL

We make no allowance for making pools ADA accessible unless we are requested to include modification cost in the reserve study.

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Potomac Oaks

POTOMAC OAKS CONDOMINIUM
MANUAL
OF
ARCHITECTURAL AND DESIGN REVIEW STANDARDS
AND
GUIDELINES

REVISED AND APPROVED BY
BOARD OF DIRECTORS
APRIL, 1996

POTOMAC OAKS CONDOMINIUM
 MANUAL OF ARCHITECTURAL AND DESIGN
 REVIEW OF STANDARDS AND GUIDELINES
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AUTHORITY - Article V of the Bylaws states that all modifications. The Board of Directors has delegated this authority to the Building & Grounds Committee, consisting of members appointed by the Board. Authority for the Board and the Building & Grounds Committee to establish guidelines, and adopt rules and regulations, and to enforce guidelines and rules regarding Architectural controls is provided by Article V, Section 15 of the Bylaws as recorded in the Land Records of Montgomery County, Maryland.

The Building & Grounds Committee is empowered to respond to unit owner requests for exterior changes if they meet the enclosed guideline.

II. **OBJECTIVES** - This document contains the standards and guidelines that the Board of Directors and the Building & Grounds Committee for construction, alteration, repair, and maintenance of the Common, and Limited Common Elements, as well as the alterations and improvements of the individual units, in order to establish and preserve a harmonious and aesthetic design, soundness of repair, as well as safety of design, for the community and to protect property value of the overall Condominium.

III. **GENERAL PRINCIPLES** -

(A) **The Manual** - This manual is designed to supplement and clarify the Maryland Condominium Act with provisions for visual harmony, architectural uniformity, and structural integrity. This document is intended to act as both a guide for the members of the Building & Grounds Committee, Board of Directors, and the homeowners. It is hoped that this booklet will increase the homeowner's awareness of the importance of architectural harmony within Potomac Oaks. These guidelines address improvements for which homeowners most commonly submit applications to the Building & Grounds Committee, and as such, are not intended to be all inclusive. The Board and the Building & Grounds Committee may adopt additional guidelines as needed to maintain the harmony of the Condominium.

(B) **Controlling Factors** - The Building & Grounds Committee and the Board of Directors shall apply the standards and guidelines of the manual in a manner to insure that the Condominium shall always be maintained in a way that provides for visual harmony, architectural uniformity, and structural integrity. The Building and Grounds Committee shall apply these guidelines to prohibit any activity, improvement, construction, repair, alteration, or addition that adversely affects property values, security, liability for damage or injury, appearance, ambiance, or aesthetics.

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(C) Right of Unit Owners (Homeowners) - The Building and Grounds Committee and the Board will allow Homeowners to add to, modify, alter, or improve their units, provided that such additions, modifications, alterations, or improvements are submitted for approval and are consistent with the manual, and the Condominium documents, rules, and regulations and do not result in increased operating, maintenance, or insurance expense to the Council of Unit Owners.

All modifications or construction that does not pass state, town, county, or Condominium regulations shall be removed by the owner at his/her expense. Failure of the unit owner to remove the modification or construction after notice of the violation, will result in removal by the Association at the Unit Owner's expense.

(D) Limited Common Elements - No permanent or structural alteration may be made to any Limited Common Element without review by the Building & Grounds Committee and concurrence in the decision of the Building & Grounds Committee by the Board of Directors. The enclosure of a Limited Common Element Area patio with a wooden type fence as described in the Design Guidelines is to be considered permanent.

IV. REVIEW PROCEDURE

(A) Applications - An application shall be submitted by the Homeowner for any proposed modification. This application shall be on the attached Application Form which is available from the Management Office. This application shall be filled out as completely as possible and shall contain as a minimum:

- Name, address, and telephone number(s) of requestor as well as the date of the application.
- A brief description of the proposed work.
- A plan drawing showing the arrangement of the proposed work indicating the materials to be used.
- Proof that the unit owner has applied for a building permit.
- Agreement form(s) or checklist signed by unit owner accepting responsibility for the work and ACKNOWLEDGING an understanding of the agreement and a willingness to abide by these GUIDELINES.

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(B) Response - The Building & Grounds Committee and the Board shall furnish the Unit Owner(s) with a written response either of approval or denial of the application within thirty (30) days from the date of receipt of the application and all accompanying documentation, provided that all the documents are submitted on completed application form(s).

(C) Approval - In the event that the application is approved, prior to the commencement of work, the Unit Owner shall furnish a refundable deposit no less than twenty percent (20%) of the estimated cost of modification and/or a certificate of insurance from the contractor doing the work assigned to Potomac Oaks. Pursuant to the provisions of the manual, the applicant and the Building and Grounds Committee shall sign an Agreement (attached as Appendix A).

(D) Denial - The application may be denied for the following reasons:

- 1) Nonconformance with the Declaration, Bylaws, rules and regulations, resolutions, or guidelines set forth in this manual.
- 2) If there are architectural, design, legal, or other problems with the proposed application, the Building & Grounds Committee, in its discretion, may deny the application or may request the Unit Owner to provide further information, detail, or modification(s) to the application.

Therefore, the Unit Owner(s) may resubmit the application or request a meeting with the Building & Grounds Committee.

(E) Appeal - As provided in Article V, Section 15(B) of the Bylaws, a decision of the Building and Grounds committee shall be appealable to the Board of Directors.

DESIGN GUIDELINES

GENERAL - Since the common elements (and limited common elements) such as fencing, decks, and even the dumpsters, are part of the public and private environment, the following set of factors must be considered when planning a modification to the common elements at the condominium:

- Uses
- Impact on neighbors

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- Unit location and pre-approved area allotted
- Topography
- Architecture
- Planting(s)

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I. FENCES

Principles - Fencing must never compete with or dominate the unit and its surroundings. All fencing on the property must have a style consistent with the Fence Architectural Style outline below. Fencing must respect open-space frontage (to the rear of the unit). Plantings should be considered as an integral part of the Fencing plan.

Fence Architectural Style - The following Specifications must be adhered to:

Style: All fences must be BOARD ON BOARD construction and be consistent with the existing style of fence currently on the property. The fences are to be six (6) feet high along each side and four (4) feet high across the rear of the property and shall be constructed in sections not to exceed eight (8) feet in length. A typical side fence detail and rear fence detail are shown in Figures 1-1 and 1-2 respectively.

Fences may be constructed ONLY at the locations and to the DIMENSIONS allotted to the particular unit style, as recorded and shown in plats as part of the POS. No additional Common Area may be appropriated. A typical plan view detail for both the 700 series and 800 series unit styles is shown in Figure 1-3. A special plan view detail for units 740-748, 750-756, 802-808, and 862-866 is shown in Figure 1-4.

Fences may not restrict access by the Association staff or designated contractors to water spigots, mechanical equipment rooms, etc.

Materials: All lumber to be .40 CCA pressure treated wood. Posts to be 4" X 4" X 10' Southern Pine typical and trimmed as necessary. The posts are to be set a minimum of 36" in the earth, and shall receive a DRY PACKING mixture consisting of one part cement, one part sand, and two parts gravel. The cement, sand, and gravel mixture shall be installed and hand tamped every four inches. All posts shall receive an aluminum cap to shed water. A typical post detail is shown in Figure 1-5. The horizontal runners shall be 2" X 4" X 8' (eight (8) feet long as necessary) Southern Pine. The vertical face boards shall be 1" X 6" X 6' (four (4) feet long across the rear) Western Red Cedar or Spruce, and will alternate on either side of the runner, so as to give the same appearance on both sides of the fence. A 1" X 6" horizontal cap board shall be installed across the top of each section, and shall be of the same material as the face boards.

A latching type of gate shall be provided in the rear four (4) feet section (preferably in the center) of the fence. Exception to the location of the gate will be reviewed on a

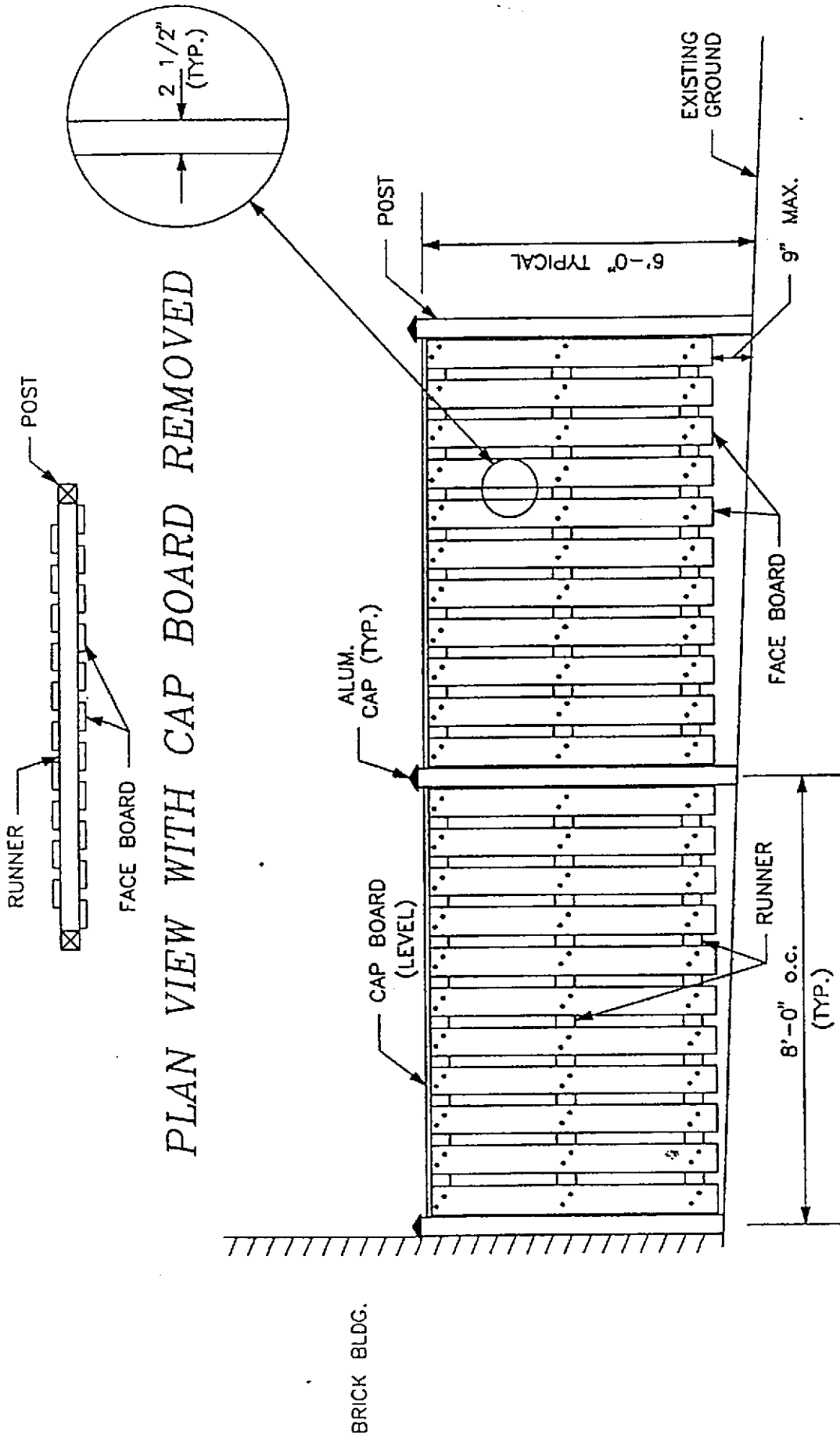
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case-by-case basis. A typical gate detail showing both the front and rear views is shown in Figure 1-6. Gates shall be constructed of the same lumber type as used for face and cap boards. All gates shall be equipped with continental style hinges and thumb latches as manufactured by Ameristar Fence Products of Tulsa, Oklahoma or an approved equivalent.

All nails to be galvanized to protect against rusting.

The owner is responsible for obtaining all necessary permits and for contacting Miss Utility, to stake out all underground utilities, for the necessary locations.

Unit Owner Responsibility: Upon installation of a fence, the Unit Owner assumes all responsibility, liability, and maintenance for the fence and the enclosed Limited Common Element Area. It is understood by the unit owner that if it ever becomes necessary to dismantle or remove a portion of the fence to install, remove, repair, or replace any type of underground utility, it is the unit owner's sole responsibility to repair or replace the fence. The Potomac Oaks Condominium Association cannot be held responsible for any damage to a fence as a result of any form of necessary underground utility maintenance. A unit owner MUST agree to these conditions if any approval is to be given.

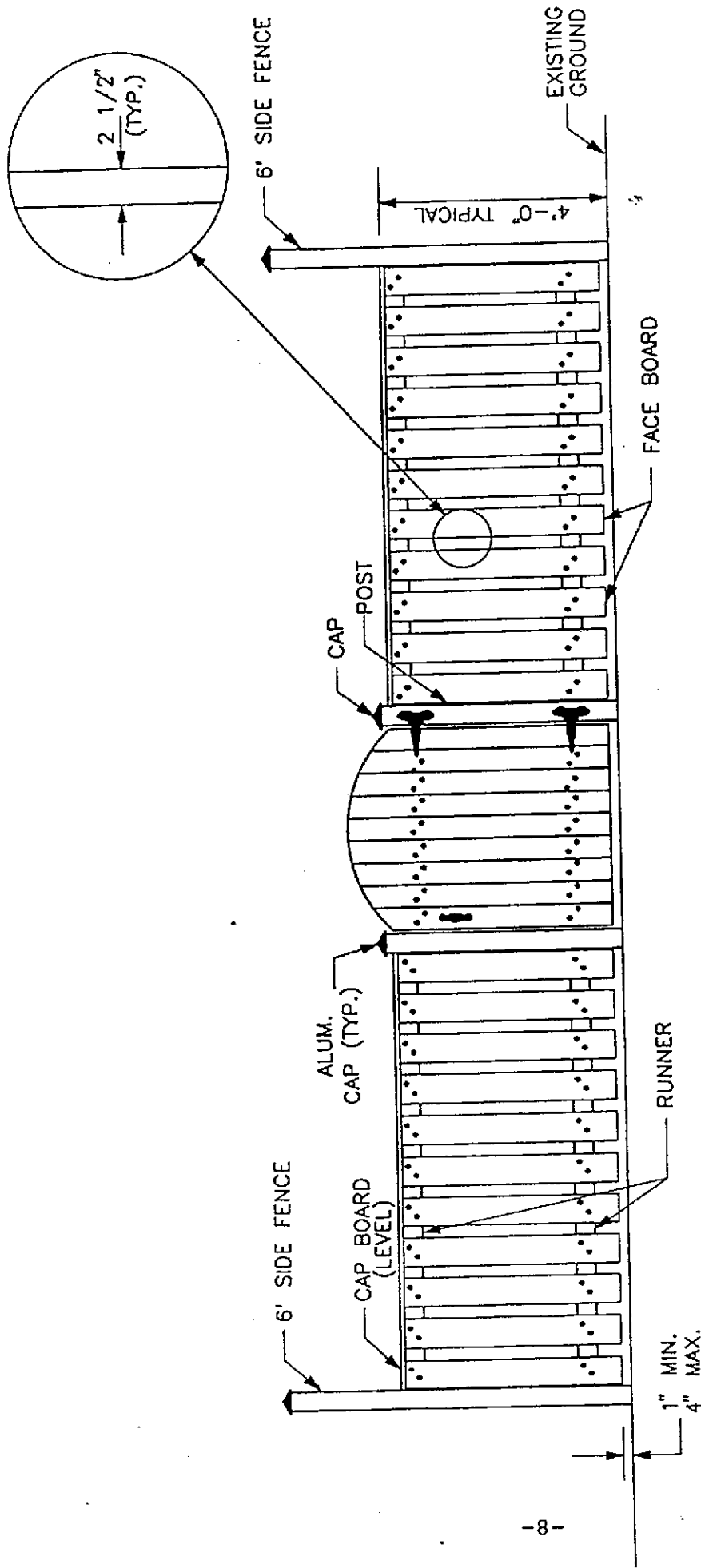


SIDE FENCE DETAIL

SCALE: 3/8" = 1'-0"

- POSTS: 4" x 4" x 10' P.T. Southern Pine
- RUNNERS: 2" x 4" x 8' P.T. Southern Pine
- FACE BOARDS: 1" x 6" x 6' Western Red Cedar or Spruce
- CAP BOARDS: 1" x 6" x 8' Match Facer
- POST TOP: Aluminum Cap (Typical)
- POST EMBEDMENT: 36" Depth (Minimum)

Figure: 1-1

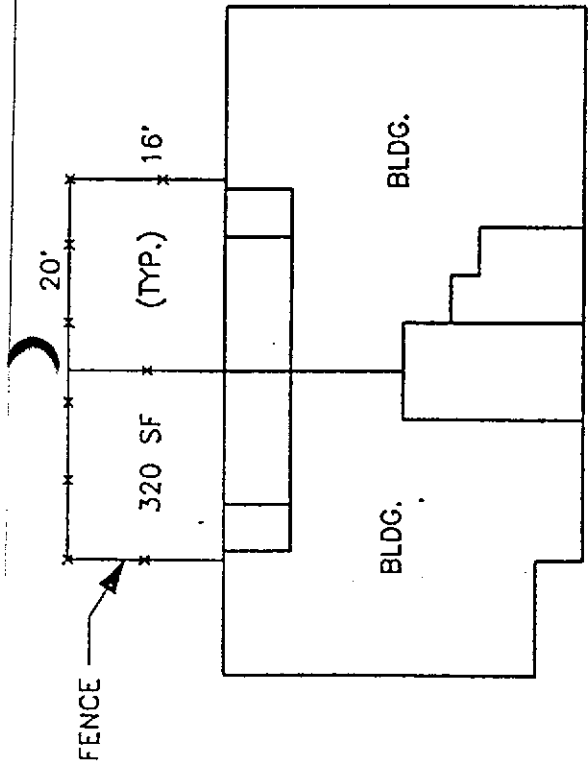


REAR FENCE DETAIL

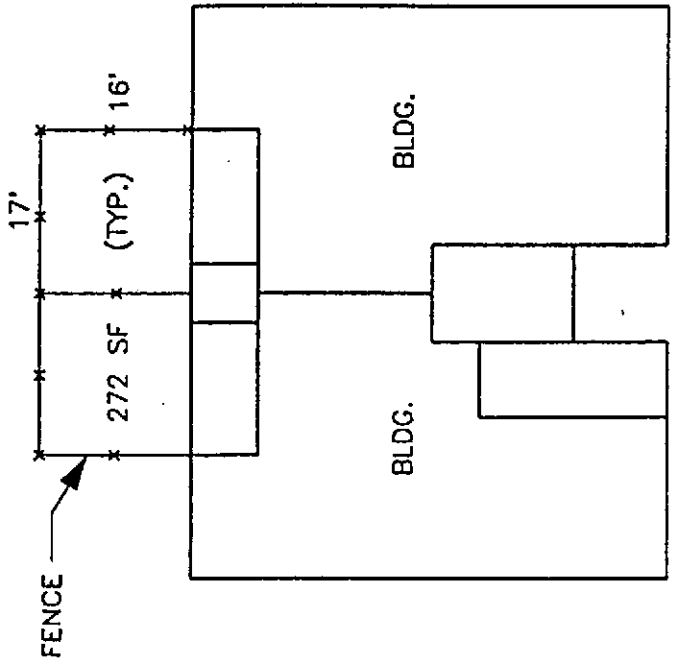
SCALE: 3/8" = 1'-0"

- POSTS: 4" x 4" x 8' P.T. Southern Pine
- RUNNERS: 2" x 4" x 8' P.T. Southern Pine
- FACE BOARDS: 1" x 6" x 4' Western Red Cedar or Spruce
- CAP BOARDS: 1" x 6" x 8' (Match Facers)
- POST TOP: Aluminum Cap (Typical)
- POST EMBEDMENT: 36" Depth (Minimum)

Figure: 1-2

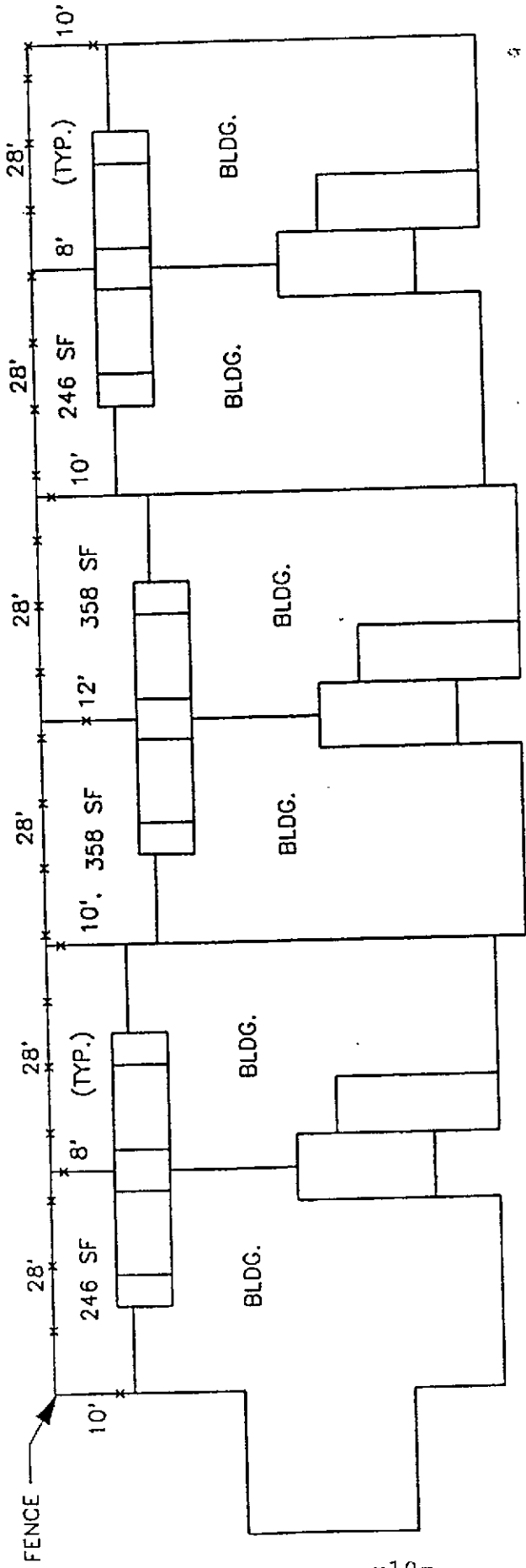


700 SERIES FENCE CONFIGURATION



800 SERIES FENCE CONFIGURATION

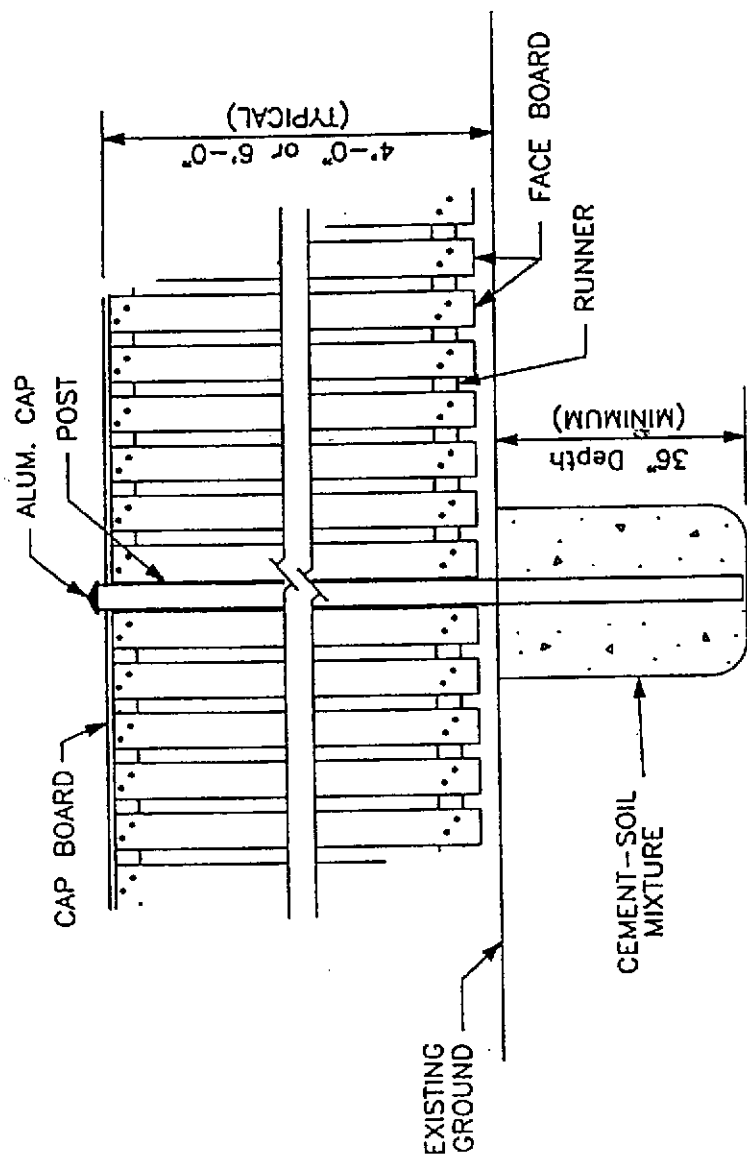
SCALE: 1" = 20'



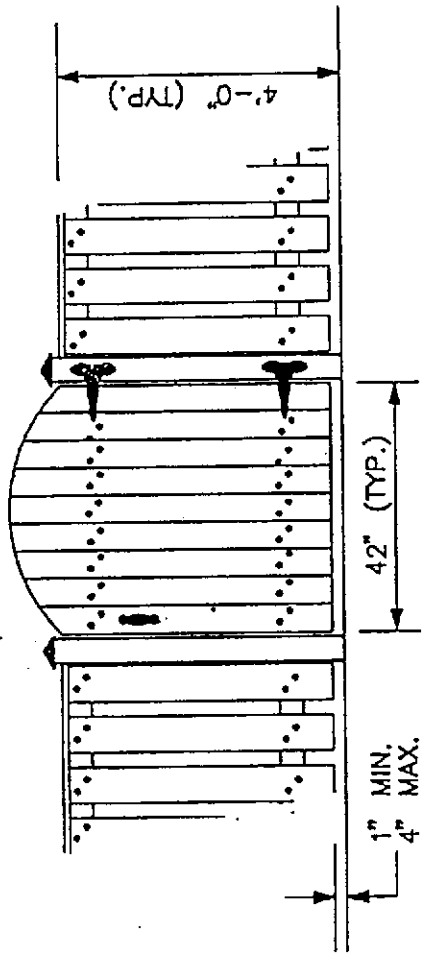
SPECIAL FENCE CONFIGURATION

SCALE: 1" = 20'

Figure: 1-4

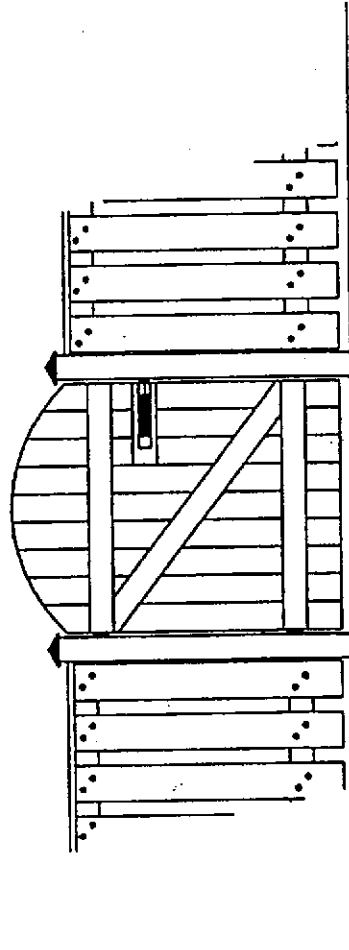


POST DETAIL
 SCALE: 3/8" = 1'-0"



FRONT VIEW

NOTE: GATE TO BE CENTERED
ALONG REAR FENCE LINE

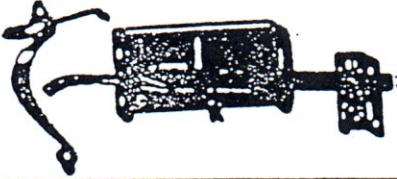


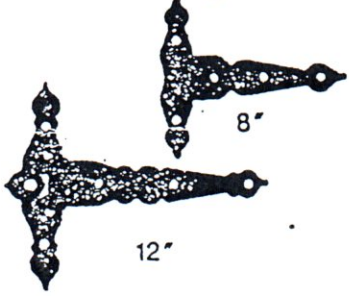


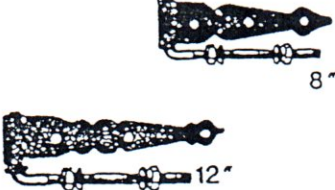


REAR VIEW

NOTE: GATE HARDWARE TO BE CONTINENTAL STYLE
AS MANUFACTURED BY AMERISTAR OF TULSA
OKLAHOMA OR AN APPROVED EQUIVALENT

GATE DETAIL
SCALE: 3/8" = 1'-0"



Item	Number	Dealer Price	Size	Finish	Package	Box Quantity	Box Weight
	220	5.85	5" Lever	Black	P/B w/screws	20 Ea.	29
	221	6.54	5" Lever	Black	Cd. w/screws	10 Ea.	17
	222	6.78	6" Lever	Black	P/B w/screws	20 Ea.	30
	223	7.38	6" Lever	Black	Cd. w/screws	10 Ea.	18
Decorative, reversible, self latching. For single gates opening inward.							
	116	5.95	8"	Black	Bulk w/o scr.	20 Pr.	54
	116-S	7.56	8"	Black	P/B w/screws	20 Pr.	60
	118	8.04	8"	Black	Cd. w/screws	10 Pr.	31
Popular for walk gates and double drive gates up to 10' openings where slimmer look of narrower strap is desired. *Deduct .41 for package with zinc screws.							
	126	5.82	8"	Black	Bulk w/o scr.	20 Pr.	40
	126-S	6.71	8"	Black	P/B w/screws	20 Pr.	46
	128	7.28	8"	Black	Cd. w/screws	10 Pr.	26
For small gates and doors where mounting space prohibits the length of the full strap or the height of the tee hinge. 11 3/4" overall length. *Deduct .34 for package with zinc screws.							
	101	4.92	8"	Black	Bulk w/o scr.	20 Pr.	41
	101-S	6.33	8"	Black	P/B w/screws	20 Pr.	49
	103	7.02	8"	Black	Cd. w/screws	10 Pr.	27
	104	17.01	12"	Black	Bulk w/o scr.	5 Pr.	27
	104-S	19.03	12"	Black	P/B w/screws	5 Pr.	31
	105	19.72	12"	Black	Cd. w/screws	5 Pr.	32
	106	25.30	12"	Black	Cd. w/bolts	5 Pr.	35
Available in two sizes: 8" (7 3/4" x 9" x 11 ga.) and 12" (10" x 14 7/8" x 3/16"). *Deduct .34 (8") and .41 (12") for package with zinc screws.							
	107	9.15	8"	Black	Job Cd.	10 Pr.	23
	108	10.15	8"	Black	Cd. w/screws	10 Pr.	28
Same as #101 Tee Hinge with adjustable interior spring, for applications where self-closing gates are required. *Deduct .34 for package with zinc screws.							
	140	5.22	4"x8"	Black	Bulk w/o scr.	20 Pr.	40
	140-S	6.06	4"x8"	Black	P/B w/screws	20 Pr.	44
	141	6.54	4"x8"	Black	Cd. w/screws	10 Pr.	24
1/2" x 4" x 2" screw hook with 8" strap. *Deduct .20 for package with zinc screws.							
	144	8.10	7"x8"	Black	Bulk w/o scr.	20 Pr.	52
	144-S	8.79	7"x8"	Black	P/B w/screws	20 Pr.	56
	145	8.91	7"x8"	Black	Cd. w/screws	10 Pr.	29
	146	16.89	7"x12"	Black	Bulk w/o scr.	10 Pr.	50
	146-S	17.55	7"x12"	Black	P/B w/screws	10 Pr.	54
	147	18.21	7"x12"	Black	Cd. w/screws	10 Pr.	55
Available in two sizes: 1/2" φ x 2" x 7" w/8" strap & 5/8" φ x 2" x 8" w/12" strap. *Deduct .20 for package with zinc screws.							

POTOMAC OAKS CONDOMINIUM
MANUAL OF ARCHITECTURAL AND DESIGN
REVIEW STANDARDS AND GUIDELINES

II. DECKS

Guidelines:

- Design drawings of deck are required.
- All decks must be enclosed by an approved fence.
- Decks must be constructed of pressure treated (rot and insect resistant) wood. (Refer to fencing material list).
- The Unit Owner is responsible for the proper drainage of water and must consider drainage a part of the design of the deck. Support joists or beams must not impede the drainage of water away from the building.
- Plantings, trees, and shrubs located on or within the deck and fence area must not exceed the height of fence sides and are to be maintained by the Unit Owner (except for existing trees, which are the responsibility of the Association).

The unit owner assumes all responsibility, liability, and maintenance for the Deck and the enclosed Limited Common Element Area. A unit owner MUST agree to these conditions if any approval is to be given.

III. LIGHTING - (Deck, Garden, Patio)

Guidelines:

- The prepared "Lighting Package" is the only lighting permitted for use in the fenced-in areas, decks, patios, and gardens.
- Approved lighting may consist of:
 - 1 outdoor light fixture (max 40W)
 - 1 outdoor receptacle (weather resistant)
 - 1 inside mounted light switch
 - 1 set low voltage garden lights (6 maximum mushroom style).
- Outdoor light fixture to be installed over storage/mechanical room door only.
- All installation to be done by licensed electricians.
- Only lighting fixture provided, at cost, by the Association will be allowed.
- Any unit owner may request a lighting application using the standard request forms available from the condominium office.

IV. STORM AND SCREEN WINDOWS - No longer approved for use.

POTOMAC OAKS CONDOMINIUM
MANUAL OF ARCHITECTURAL AND DESIGN
REVIEW STANDARDS AND GUIDELINES

V. REPLACEMENT WINDOWS - Two replacement window models are readily available for purchase by individual homeowners. They are:

1. The 1189 Season-All model #195 commercial-rated, double-hung, (tilt sash) white aluminum thermalized replacement windows with 7/8" insulated glass, 1/2" fiberglass screens, and internal grid systems between the insulated glass to match the existing grid design systems, or:
2. The Traco Model #TR-5000 double-hung, white aluminum thermalized, tilt-sash, replacement window internal grid systems, 3/4" insulated glass, screen included.

Application must be completed and submitted for approval. Homeowner must use a licensed contractor for window installation.

VI. SLIDING GLASS DOOR - TRACO 8100 SERIES

1. 1" insulated glass frames with 3/16" tempered glass.
2. Keyed entry locks and a Charley/Bar
3. Completely thermally broken frame and panel systems for the prevention of heat transfer in the summer time and cold air transfer in the winter affording year-round comfort.
4. Bronze anodized finished frame for the custom look.
5. Includes heavy duty sliding screen door.
6. The manufacturer offers a 10-year non-pro-rated warranty with this door.

* OPTION ITEM

7. For those owners who are concerned about security, a deadbolt lock is available at a small additional cost.

POTOMAC OAKS CONDOMINIUM
MANUAL OF ARCHITECTURAL AND DESIGN
REVIEW STANDARDS AND GUIDELINES

DESIGN GUIDELINES CONTINUED

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POTOMAC OAKS CONDOMINIUM
MANUAL OF ARCHITECTURAL AND DESIGN
REVIEW STANDARDS AND GUIDELINES

VII. LOCATING AND MARKING ELECTRICAL LINES PRIOR TO FENCE/DECK
INSTALLATION

Any Resident prior to the installation of a deck and/or fence is financially responsible for cost of having necessary electrical work done to locate and mark electrical lines that may be affected by forthcoming installation/s.

POTOMAC OAKS CONDOMINIUM
MANUAL OF ARCHITECTURAL AND
DESIGN REVIEW STANDARDS AND GUIDELINES

VIII. PAINING OF BALCONY RAILINGS

Owners may paint the balcony railings provided they follow the recommended procedure and use the designated paint color and type:

1. Clean railing with solution of TSP (trisodium phosphate) or other heavy duty cleaner.
2. Scrape, wire brush and/or sand to remove all loose paint.
3. Prime all bare areas with universal metal primer.
4. Paint entire railing with approved paint colors. This information is available at the Condominium Office.

POTOMAC OAKS CONDOMINIUM
MANUAL OF ARCHITECTURAL AND
DESIGN REVIEW STANDARDS AND GUIDELINES

IX. HVAC EQUIPMENT REPLACEMENT

Any Owner who wishes to replace his HVAC equipment must use the Magicaire unit which can be installed by any licensed contractor.

POTOMAC OAKS CONDOMINIUM
MANUAL OF ARCHITECTURAL AND
DESIGN REVIEW STANDARDS AND GUIDELINES

X. UNENCLOSED REAR YARD

Regarding terrace level units where the backyard area has not been enclosed by a fence: This area is a limited common element and maintenance may not be impeded by plantings. The following policy is established:

It is the unit owner's responsibility to maintain plantings and flower beds.

Regular, scheduled landscape maintenance (mowing) may not be impeded by plantings, flower beds, stone, flagstone or brick patios or walkways.

Management/Landscape Contractor will not be responsible for plantings which overhang balconies.

POTOMAC OAKS CONDOMINIUMS
MANUAL OF ARCHITECTURAL AND
DESIGN REVIEW STANDARDS AND GUIDELINES

XI. HANGING PLANTS, POTS, WINDOW BOXES, ETC.

Any hanging plants, pots, window boxes, etc. which are affixed to a balcony railing or hung from a balcony ceiling may not be affixed to or hang over the outside of the railing. This is to prevent any personal injury or damage to property should any of the above fall.

POTOMAC OAKS CONDOMINIUM
MANUAL OF ARCHITECTURAL AND DESIGN
REVIEW STANDARDS AND GUIDELINES

XII. EXTERIOR WINDOW PAINTING

Per the Bylaws of Diamond Farms Condominium T/A Potomac Oaks, Section 12
Maintenance and Repair, (b), (iv)

Each Unit owner shall, at his expense, perform all maintenance and make all repair and replacements to the windows, the front door (but not the painting of the exterior surface of the front door) and any sliding glass door(s) appurtenant to or part of his Unit.

Contact Condominium Office for correct paint color.

POTOMAC OAKS CONDOMINIUM
MANUAL OF ARCHITECTURAL AND DESIGN
REVIEW STANDARDS AND GUIDELINES

XIII. UNIT DOOR REPLACEMENT

All unit door replacements must meet the following qualifications:

1. Must be of metal construction.
2. Must be flat, plain front.
3. Must have minimum of ONE HOUR FIRE RATING.
4. Must be equipped with self-closers and self-latching hinges.
5. Must have combination viewer/door knocker/name plate installed on door front to conform with other unit doors.
6. Contact Condominium Office for correct paint color.

POTOMAC OAKS CONDOMINIUM
MANUAL OF ARCHITECTURAL AND DESIGN
REVIEW STANDARDS AND GUIDELINES

XIV. BALCONY RAILING SCREENING

For safety purposes balcony railings may be screened in accordance with the following:

1. Only 1/4" clear plexiglass may be used.
2. Installation must be on the inside of the railing.
3. Plexiglass may not extend beyond the height of the railing.
4. Plexiglass may not extend to within 2" of the balcony floor.
5. Plexiglass must be installed with non-corrosive screws.

POTOMAC OAKS CONDOMINIUM
MANUAL OF ARCHITECTURAL AND DESIGN
REVIEW STANDARDS AND GUIDELINES

DESIGN GUIDELINES CONTINUED

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APPENDIX A

AGREEMENT FOR ADDITION, ALTERATION OR IMPROVEMENT TO
INDIVIDUAL UNIT(S) & LIMITED COMMON ELEMENTS

* To be prepared in duplicate - Please type or print legibly

Name _____

Address _____

Home telephone _____

Work telephone _____

This agreement between Unit _____, Owner(s) _____, in accordance with all applicable provisions of the Bylaws and with all applicable provisions of the Manual of Architectural and Design standards and Guidelines, and the Board of Directors and Building & Grounds Committee for the following addition, alteration, or improvement to Unit _____, Building _____:

Attached are the application/checklists in accordance with which the above described work will be performed. These specification and drawings, as they may be revised by the Board of Directors or the Building & Grounds Committee as part of their action on this Application, are incorporated as part of this Application.

After the Application has been approved by the Building & Grounds Committee but prior to commencing work, the names and addresses of all contractors, subcontractors and vendors who will perform the work, and copies of all necessary and appropriate Montgomery County and Washington Suburban Sanitary Commission permits, and Addendum I (Deposit) shall be submitted, attached to, and made part of this application.

THE APPLICATION IS APPROVED SUBJECT TO COMPLIANCE BY THE APPLICANT WITH THE FOLLOWING CONDITIONS, WITH WHICH THE APPLICANT AGREES TO COMPLY.

1. The Applicant is the owner of record of the subject unit.
2. All work shall be performed strictly in accordance with the description, specifications, and drawings which are part of this Application, or which are modified as part of the approval of the Application.
3. The work shall not compromise the structural integrity of the Potomac Oaks Condominium.
4. The work shall be completed within _____ days from the approval date appearing at the bottom of this form. This approval is valid only for the stated time period, and if the proposed work has not been completed by that time period, a new Application or extension must be submitted.

**AGREEMENT FOR ADDITION, ALTERATION OR IMPROVEMENT TO
INDIVIDUAL UNIT(S) & LIMITED COMMON ELEMENTS**

The Applicant shall give the Condominium Manager or the Management Agent shall be given at least five (5) business days written notice at the beginning of the work and at least three (3) days written notice whenever any gas or water is to be turned off in connection with any work.

The Applicant shall obtain and comply with all applicable permits required by law for the proposed work and shall comply with all applicable laws, regulations, local codes and ordinances. Any violation of such laws or permits shall be promptly corrected at the expense of the Applicant or, if the Applicant should fail to do so, by the Board of Directors or the Building & Grounds Committee with the expense charged to the Applicant as a lien against the unit or as otherwise provided by the Article III, Section 2(J) of the Bylaws.

5. Any work performed not in accordance with the description, specifications and drawings that are part of the Application shall be promptly removed or corrected to comply if so directed by the Board of Directors or the Building & Grounds Committee, at the expense of the Applicant or, if the Applicant should fail or refuse to do so, the Board of Directors or the Building & Grounds Committee will have the expense charged to the Applicant as a lien against the Unit as otherwise provided by Article III, Section 2(J) of the Bylaws.

6. The Management, Building & Grounds Committee and/or the Board of Directors will inspect the work in progress on the following schedule:

1. Rough In

2. 50% Completed

3. Final inspection after the work is completed. Resident will notify the office for inspection as work progresses. The proposed work shall be performed in such a manner as to not be a nuisance to residents of other units in the Condominium. Work may be performed ONLY between the hours of 8:00 am - 6:00 pm Monday thru Friday and 9:00 am - 7:00 pm on weekends.

7. The Applicant shall provide the Building & Grounds Committee, or other designee written notice of completion of the work and provide an opportunity during work and upon completion for the Building & Grounds Committee (or designee) to inspect work for compliance with the terms of this Application. The Applicant shall be responsible, at his own expense, to remove all debris, and repair any and all damage which may occur in any way to the Common Elements, Limited Common Elements, or any other unit and if the Applicant should fail or refuse to do so, such removal or repair may be undertaken by the Board of Directors and the expense charged to the Applicant as a lien against the Unit provided by the Article V, Section II and Article III, Section 2(J) of the Bylaws to assure compliance with the above, the Applicant shall furnish a de posit in accordance with the Agreement Form I.

8. The Applicant shall carry such insurance in connection with this proposed work as may be required by the Board of Directors and/or the Building & Grounds Committee which requirements are attached to agreement form and incorporated as a part thereof.

**AGREEMENT FOR ADDITION, ALTERATION OR IMPROVEMENT TO
INDIVIDUAL UNIT(S) & LIMITED COMMON ELEMENTS**

9. If it is determined that the proposed work may increase the fire, casualty or other insurance carried by the Council of Unit Owners will, the application will be denied.

10. The Applicant does hereby further agree on behalf of himself/herself, his/her successor and assigns, to indemnify and keep indemnified the Council of Unit Owners, the Board of Directors and the Building & Grounds Committee of the Condominium and hold them harmless from and against any and all claims, actions, suits (at law or equity), judgements, damages, expenses, costs, arbitrations, liens, mechanics liens or other claims of any kind or description from whatever cause or source, with or without judgement, arising from or in any manner connected with this Application or from the use and enjoyment of the new or changed structure:

(b) to maintain, repair, or replace the new or changed structure to the same full extent as required with respect to the Building & Grounds Committee, which further conditions and architectural review and incorporated as part of this Application.

11. When the Applicant sells the Unit, the terms of this application and agreement and all responsibilities, obligations, and architectural review of the Applicant herein contained by acceptance of the deed.

Nothing in the Application relieves or lessens the Unit Owner's responsibilities established or provided in the Condominium documents, as amended from time to time. In the event of any inconsistency or conflict between this Application and the Condominium documents, the more stringent provisions with respect to the Unit Owner shall prevail.

Nothing in the Application shall relieve the Applicant or any subsequent purchaser of the unit from any responsibilities or obligations under the condominium documents.

This writing, together with APPLICATION CHECKLIST attached hereto, contains the entire agreement of the parties and no variance or modification shall be valid and enforceable except by another agreement, in writing, approved in the same manner as this Agreement. No oral representation shall bind the Board of Directors or the Council of Unit Owners.

AGREEMENT FOR ADDITION, ALTERATION OR IMPROVEMENT TO
INDIVIDUAL UNIT(S) & LIMITED COMMON ELEMENTS

Executed in duplicate and agreed to this _____ day of _____, 19____ by the undersigned in consideration of the mutual promises and architectural review herein contained. The provisions in this Application and Agreement shall be binding upon the heirs, successors and assigns of the parties hereto.

BY:

Applicant/Unit Owner

Witness

Applicant/Unit Owner

Witness

Date Submitted

For the Board of Directors

TO : _____
FROM : _____
SUBJECT : _____ Application
DATE : _____

_____ We are pleased to inform you that your application has been approved as submitted.

_____ We are pleased to inform you that your application has been approved as submitted
With the following provisions:

_____ Certificate of Insurance (Contractor) must be on file in the
Condominium Management Office before work can begin.

_____ Permit(s) from the City of Gaithersburg and/or Montgomery County
must be on file in the Condominium Management Office prior to start
of job.

_____ Your application has been denied for the following reasons:

_____ Inspection by the Condominium on work progress will be as follows:

1. Rough In
2. 50% Completion
3. Final Completion

Please contact the Condominium Office at 301-840-9295, to set up an appointment.

You, as owner, will be responsible for any damage to the common elements caused by you, your family, friends and/or your contractor

cc: Resident file
B & G file

Building & Grounds

Title



Debbie Flanders <potomacoakscondos@gmail.com>

Window Update 10/1/18

Tucker, Jeremy M. <jmtucker@lercheary.com>
To: Debbie Flanders <potomacoakscondos@gmail.com>

Fri, Sep 28, 2018 at 12:21 PM

Article V, Section 12(b)(iii) of the Bylaws Council of Unit Owners of Diamond Farms Condominium states that "Each Unit owner shall, at his expense, perform all maintenance and make all repairs and replacements to the windows, the front door (but not the painting of the exterior surface of the front door) and any sliding glass door(s) appurtenant to or part of his Unit." Section (c) of the same Article follows that "All repairs and replacements shall be substantially similar to the original construction and installation and shall be of first-class quality." Further, Article V, Section 15(b) of the Bylaws provides in relevant part "The Covenants Committee shall regulate the external design, appearance... of the common elements and the use and architectural changes to the units in accordance with the standards and guidelines adopted by the Board of Directors."

In turn, Section III(C) of the Architectural and Design Review Standards and Guidelines states that Homeowners are allowed "to add to, modify, alter, or improve their units, provided that such additions, modifications, alterations, or improvements are submitted for approval and are consistent with the manual, and the Condominium documents, rules, and regulations and do not result in increased operating, maintenance, or insurance expense to the Council of Unit Owners."

Specifically, Section V of the design guidelines states that two replacement window models are readily available for purchase by individual homeowners. Specifically they are:

1. The 1189 Season-All model #195 commercial-rated, double-hung, (tilt sash) white aluminum thermalized replacement windows with 7/8" insulated glass, 1/2" fiberglass screens, and internal grid systems between the insulated glass to match the existing grid design systems, or:
2. The Traco Model: #TR-5000 double-hung, white aluminum thermalized, tilt-sash, replacement window internal grid systems, 3/4" insulated glass, screen included.

Potomac Oaks

URGENT NOTICE

Posted 9/14/2018

**ALL WINDOW REPLACEMENTS
MUST BE APPROVED BY THE
COVENANTS/ARCHITECTURAL
COMMITTEE.**

**CALL MANAGEMENT WITH
QUESTIONS**

Contact Information and Certificate Request

Millenium Insurance Agency, Inc.

10432 Balls Ford Road, Suite 300

Manassas, VA 20109

571-594-5904 Direct

800-517-4893 Fax

Please send all service and certificate request by fax or email below. You may email our service department or contact the principal agent directly with any Rush Certificate Request or Revisions.

Customer Service Department

service@mia-insurance.com

571-594-5904 Direct

800-517-4893 Fax

Marsha DePalo, Principal Agent

marsha@mia-insurance.com

571-5904-5904 Direct

571-422-0321 Cell



Principals

Howard A. Goldklang, CPA, MBA
Donald E. Harris, CPA
Anne M. Sheehan, CPA
S. Gail Moore, CPA
Jeremy W. Powell, CPA
Renee L. Watson, CPA

1801 Robert Fulton Drive, Suite 200
Reston, VA 20191

Managers

Allison A. Day, CPA
Matthew T. Stiefvater, CPA
Sheila M. Lewis, CPA

INFORMATION INCLUDED WITH THE AUDIT

COVER LETTER - The audit report is issued in draft for the Association to review. The cover letter explains what information must be returned to our office before the audit report (and other letters) can be finalized.

INDEPENDENT AUDITOR'S REPORT - This is our report on the Association's financial statements. Once finalized, the Association may distribute this document, along with the audited financial statements, notes to financial statements and any supplementary information in its entirety to members, potential members, etc.

MANAGEMENT LETTER - The management letter is not a required communication under auditing standards, but is a by-product of the audit. We generally issue a management letter to communicate our comments and recommendations. Use of this letter is restricted to the board of directors and management.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE UNDER AU-C §260 - Under the Clarified Statements of Auditing Standards AU-C §260 we are required to communicate audit matters that, in our professional judgment, may be significant and relevant to those charged with governance of the Association. Use of this letter is restricted to the board of directors and management.

COMMUNICATION OF SIGNIFICANT DEFICIENCIES AND/OR MATERIAL WEAKNESSES UNDER AU-C §265 - Under the Clarified Statements of Auditing Standards AU-C §265, we are required to communicate in writing any significant deficiencies and/or material weaknesses in the Association's internal controls. Use of this letter is restricted to the board of directors and management. If we did not note any significant deficiencies or material weaknesses, no letter will be issued.

REPRESENTATION LETTER - The representation letter is a letter from the Association to us confirming that to the best of your knowledge and belief all information was provided or disclosed to us. This letter needs to be signed by the President or Treasurer of the Association and the management agent representative. The letter needs to be returned to our office before the audit can be finalized.

ADJUSTED TRIAL BALANCE AND ADJUSTING JOURNAL ENTRIES - These are the proposed audit adjustments for the period under audit.



Principals
Howard A. Goldklang, CPA, MBA
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Independent Auditor's Report

To the Board of Directors of
Council of Unit Owners of Diamond Farms Condominium T/A Potomac Oaks

Report on the Financial Statements

We have audited the accompanying financial statements of Council of Unit Owners of Diamond Farms Condominium T/A Potomac Oaks, which comprise the balance sheets as of September 30, 2017 and 2016, and the related statements of income, members' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Council of Unit Owners of Diamond Farms Condominium T/A Potomac Oaks as of September 30, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter Regarding Going Concern

The accompanying financial statements have been prepared assuming the Association will continue as a going concern. As discussed in Note 10 to the financial statements, the Association had a deficit in unappropriated members' equity of \$892,631 and a total members' equity deficit of \$376,669. Additionally, the Association does not have sufficient cash and cash equivalents to cover its liabilities as of September 30, 2017. These conditions raise substantial doubt about its ability to continue as a going concern. Management's plans regarding these matters are also described in Note 10. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion on the financial statements is not modified with respect to this matter.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that information on future major repairs and replacements on page 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Reston, Virginia

COUNCIL OF UNIT OWNERS OF
DIAMOND FARMS CONDOMINIUM T/A POTOMAC OAKS
BALANCE SHEETS
SEPTEMBER 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 41,111	\$ 425,284
Interest-Bearing Deposits	55,086	54,462
Assessments Receivable - Net	91,732	75,298
Special Assessments Receivable - Net	23,263	410
Accounts Receivable - Other	9,341	11,465
Accrued Interest	34	34
Prepaid Expenses	38,280	20,868
Fuel Oil Inventory	18,800	22,670
Deferred Tax Asset	19,396	28,556
Property and Equipment - Net	<u>27,684</u>	<u>39,352</u>
Total Assets	<u>\$ 324,727</u>	<u>\$ 678,399</u>
<u>LIABILITIES AND MEMBERS' EQUITY</u>		
Accounts Payable	\$ 599,851	\$ 979,025
Deferred Insurance Proceeds	-	31,058
Prepaid Assessments	85,667	85,172
Deferred Marketing Support Proceeds	15,878	25,288
Total Liabilities	<u>\$ 701,396</u>	<u>\$ 1,120,543</u>
Replacement Reserves	\$ 157,300	\$ 266,665
Operating Reserve	358,662	268,662
Unappropriated Members' Equity (Deficit)	<u>(892,631)</u>	<u>(977,471)</u>
Total Members' Equity (Deficit)	<u>\$ (376,669)</u>	<u>\$ (442,144)</u>
Total Liabilities and Members' Equity	<u>\$ 324,727</u>	<u>\$ 678,399</u>

See Accompanying Notes to Financial Statements

COUNCIL OF UNIT OWNERS OF
DIAMOND FARMS CONDOMINIUM T/A POTOMAC OAKS
STATEMENTS OF INCOME
FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>INCOME:</u>		
Assessments	\$ 4,180,791	\$ 4,187,977
Special Assessment	245,244	-
Interest	804	1,370
Late and Legal Fees	70,706	51,280
Laundry	39,718	41,400
Marketing Support Proceeds	9,410	9,410
Deferred Tax Benefit	-	2,872
Bad Debt Recovery	-	6,265
Other	21,310	18,746
Total Income	<u>\$ 4,567,983</u>	<u>\$ 4,319,320</u>
<u>EXPENSES:</u>		
Management	\$ 29,460	\$ 29,400
Audit and Tax Preparation	7,550	7,550
Legal	66,806	71,170
Insurance	236,300	179,478
Payroll and Related Costs	416,387	485,411
Electricity	500,485	477,745
Gas and Fuel Oil	335,550	391,578
Telephone	26,093	26,525
Postage and Printing	10,627	11,157
Administrative	39,862	82,936
Water and Sewer	708,491	461,026
Grounds and Tree Maintenance	113,408	107,449
Trash Removal	80,669	83,711
Plumbing	170,950	266,674
Swimming Pool	48,752	45,711
Boiler Maintenance	35,542	102,172
Painting	-	19,630
Repairs and Maintenance	287,348	963,227
Cleaning	120,000	109,537
Snow Removal	32,239	40,000
Depreciation	11,668	11,410
Bad Debt	5,796	28,814
Deferred Taxes	9,160	2,072
Note Interest	-	12,350
Total Expenses	<u>\$ 3,293,143</u>	<u>\$ 4,016,733</u>

See Accompanying Notes to Financial Statements

COUNCIL OF UNIT OWNERS OF
DIAMOND FARMS CONDOMINIUM T/A POTOMAC OAKS
STATEMENTS OF INCOME
FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016
(CONTINUED)

	<u>2017</u>	<u>2016</u>
Net Income before Contribution to Reserves	\$ 1,274,840	\$ 302,587
Contribution to Reserves	<u>(1,190,000)</u>	<u>(965,000)</u>
Net Income (Loss)	<u>\$ 84,840</u>	<u>\$ (662,413)</u>

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COUNCIL OF UNIT OWNERS OF
DIAMOND FARMS CONDOMINIUM T/A POTOMAC OAKS
STATEMENTS OF MEMBERS' EQUITY
FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

	<u>Replacement Reserves</u>	<u>Operating Reserve</u>	<u>Unappropriated Members' Equity (Deficit)</u>	<u>Total Members' Equity (Deficit)</u>
Balance as of September 30, 2015	\$ 97,839	\$ 279,926	\$ (315,058)	\$ 62,707
Addition:				
Contribution to Reserves	890,000	75,000		965,000
Deductions:				
Clubhouse	(991)			(991)
Building Repairs	(287,452)			(287,452)
Lighting System	(32,992)			(32,992)
Recreation Facilities	(10,651)			(10,651)
Utility Lines	(389,088)			(389,088)
Snow Removal		(81,689)		(81,689)
Telephone		(4,575)		(4,575)
Net Loss			(662,413)	(662,413)
Balance as of September 30, 2016	\$ 266,665	\$ 268,662	\$ (977,471)	\$ (442,144)
Additions:				
Contribution to Reserves	1,100,000	90,000		1,190,000
Net Income			84,840	84,840
Deductions:				
Building Repairs	(825,471)			(825,471)
Parking Lot	(6,700)			(6,700)
Recreational	(23,909)			(23,909)
Utility Lines	(353,285)			(353,285)
Balance as of September 30, 2017	<u>\$ 157,300</u>	<u>\$ 358,662</u>	<u>\$ (892,631)</u>	<u>\$ (376,669)</u>

See Accompanying Notes to Financial Statements

COUNCIL OF UNIT OWNERS OF
DIAMOND FARMS CONDOMINIUM T/A POTOMAC OAKS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Net Income (Loss)	\$ 84,840	\$ (662,413)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:		
Bad Debt Expense	5,796	22,549
Depreciation	11,668	11,410
Deferred Taxes	9,160	(800)
Decrease (Increase) in:		
Assessments Receivable	(19,874)	(28,975)
Accounts Receivable - Other	2,124	(4,565)
Accrued Interest	-	(34)
Prepaid Expenses	(17,412)	4,807
Fuel Oil Inventory	3,870	37,295
Increase (Decrease) in:		
Accounts Payable	(350,153)	706,253
Deferred Insurance Proceeds	(31,058)	31,058
Prepaid Assessments	495	380
Deferred Market Supporting Proceeds	(9,410)	(9,410)
Net Cash Flows from Operating Activities	<u>\$ (309,954)</u>	<u>\$ 107,555</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Received from Assessments (Reserves)	\$ 945,000	\$ 965,000
Received from Special Assessments (Reserves)	219,791	-
Disbursed for Reserve Expenditures	(1,238,386)	(815,201)
Disbursed for Purchase of Equipment	-	(14,308)
Disbursed for Interest-Bearing Deposits	(624)	(619)
Net Cash Flows from Investing Activities	<u>\$ (74,219)</u>	<u>\$ 134,872</u>
Net Changes in Cash and Cash Equivalents	\$ (384,173)	\$ 242,427
Cash and Cash Equivalents at Beginning of Year	<u>425,284</u>	<u>182,857</u>
Cash and Cash Equivalents at End of Year	<u>\$ 41,111</u>	<u>\$ 425,284</u>
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</u>		
Cash Paid for Income Taxes	<u>\$ -</u>	<u>\$ 3,614</u>

See Accompanying Notes to Financial Statements

COUNCIL OF UNIT OWNERS OF
DIAMOND FARMS CONDOMINIUM T/A POTOMAC OAKS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 AND 2016

NOTE 1 - NATURE OF OPERATIONS:

The Condominium is an association organized under the laws of the State of Maryland for the purposes of maintaining and preserving the common property of the Condominium. The Association is located in Gaithersburg, Maryland and consists of 539 units. The Association's Board of Directors administers the condominium operations.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

A) Method of Accounting - The financial statements are presented on the accrual method of accounting in which revenues are recognized when earned and expenses when incurred, not necessarily when received or paid.

B) Member Assessments - Association members are subject to assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Assessments receivable at the balance sheet date represent fees due from unit owners. The Association's policy is to assess late and interest charges and to retain legal counsel and place liens on the properties of owners whose assessments are delinquent. Any excess assessments at year-end are retained by the Association for use in future years. The Association utilizes the allowance method of accounting for bad debt.

C) Common Property - Real property and common areas acquired from the declarant and related improvements to such property are not recorded in the Association's financial statements because those properties are owned by the individual unit owners in common and not by the Association. Common property includes, but is not limited to, the exterior structures, mechanical equipment and recreational facilities.

D) Depreciation - The Association owns fixed assets, which were carried at cost. Depreciation was computed on a straight-line basis over the estimated useful lives of the assets.

E) Fuel Oil Inventory - The Association maintains a fuel oil inventory for heating purposes. The Association uses the First-In First-Out method to value its fuel oil inventory.

F) Estimates - The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions. Such estimates affect the reported amounts of assets and liabilities. They also affect the disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

COUNCIL OF UNIT OWNERS OF
DIAMOND FARMS CONDOMINIUM T/A POTOMAC OAKS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 AND 2016
(CONTINUED)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

G) Cash Equivalents - For purposes of the statement of cash flows, the Association considers all highly liquid investments and interest-bearing deposits with an original maturity of three months or less to be cash equivalents.

H) Reclassification - Certain amounts have been reclassified in the accompanying 2016 financial statements to conform to the 2017 presentation.

NOTE 3 - REPLACEMENT RESERVES:

The Association's governing documents require that funds be accumulated for future major repairs and replacements. Accumulated funds are generally not available for expenditures for normal operations.

During 2015, the Association has a reserve study conducted by PM+. The table included in the supplementary information of Future Major Repairs and Replacements is based on this study.

The study recommends a contribution to reserves of \$1,041,930 and interest of \$13,910 for fiscal year 2017. For fiscal year 2017, the Association budgeted to contribute \$855,000 to reserves. Additionally, the Association budgeted to contribution \$245,000 in special assessment income to replacement reserves.

Funds are being accumulated in replacement reserves based on estimates of future needs for repair and replacement of common property components. Actual expenditures may vary from the estimated future expenditures and the variations may be material; therefore, amounts accumulated in the replacement reserves may or may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Board of Directors, on behalf of the Association, may increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

As of September 30, 2017 and 2016, the Association had designated \$157,300 and \$266,665, respectively, for replacement reserves. These designated reserves were not fully funded due to the deficit in unappropriated members' equity.

COUNCIL OF UNIT OWNERS OF
DIAMOND FARMS CONDOMINIUM T/A POTOMAC OAKS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 AND 2016
(CONTINUED)

NOTE 4 - INCOME TAXES:

For income tax purposes, the Association may elect annually to file either as an exempt condominium or as an association taxable as a corporation. As an exempt condominium, the Association's net assessment income would be exempt from income tax, but its interest income would be taxed. Electing to file as a corporation, the Association is taxed on its net income from all sources (to the extent not capitalized or deferred) at normal corporate rates after corporate exemption, subject to the limitation that operating expenses are deductible only to the extent of income from members. For fiscal years 2017 and 2016, the income taxes were calculated using the corporate method which resulted in no income tax liability.

The Association's policy is to recognize any tax penalties and interest as an expense when incurred. The Association's federal and state tax returns for the past three years remain subject to examination by the Internal Revenue Service and the State of Maryland.

NOTE 5 - CASH AND INTEREST-BEARING DEPOSITS:

As of September 30, 2017, the Association maintained funds in the following manner:

Institution	Cash and Cash Equivalents	Interest- Bearing Deposits
Petty Cash	\$ 1,000	\$ -
Mutual of Omaha	40,111	55,086
Totals	\$ 41,111	\$ 55,086

Balances at banks are insured by the FDIC for up to \$250,000 per financial institution. Amounts in excess of the insured limits were \$0 and \$367,874 as of September 30, 2017 and 2016, respectively.

NOTE 6 - ASSESSMENTS RECEIVABLE - NET/SPECIAL ASSESSMENTS RECEIVABLE - NET:

The Association utilizes the allowance method of accounting for bad debt. Individual receivables are written off as a loss when a determination is made that they are uncollectible. Under the allowance method, collection efforts may continue, and recoveries of amounts previously written off are recognized as income in the year of collection.

COUNCIL OF UNIT OWNERS OF
DIAMOND FARMS CONDOMINIUM T/A POTOMAC OAKS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 AND 2016
(CONTINUED)

NOTE 6 - ASSESSMENTS RECEIVABLE - NET/SPECIAL ASSESSMENTS RECEIVABLE - NET: (CONTINUED)

	2017	2016
Assessments Receivable	\$ 318,958	\$ 350,304
Less: Allowance for Doubtful Assessments	<u>(227,226)</u>	<u>(275,006)</u>
Assessments Receivable - Net	<u>\$ 91,732</u>	<u>\$ 75,298</u>
	2017	2016
Special Assessments Receivable	\$ 27,716	\$ 2,729
Less: Allowance for Doubtful Special Assessments	<u>(4,453)</u>	<u>(2,319)</u>
Special Assessments Receivable - Net	<u>\$ 23,263</u>	<u>\$ 410</u>

NOTE 7 - PROPERTY AND EQUIPMENT - NET:

Fixed assets are carried at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of five and ten years. The depreciation expense for fiscal years 2017 and 2016 was \$11,668 and \$11,410, respectively.

	2017	2016
Truck	\$ 40,000	\$ 40,000
Snow Loader	24,600	24,600
Small Tools	12,319	12,319
Computer	6,033	6,033
Snow Tractor	21,147	21,147
Skid Blower	13,709	13,709
Snow Blowers	7,420	7,420
Pipes	6,888	6,888
Less: Accumulated Depreciation	<u>(104,432)</u>	<u>(92,764)</u>
Fixed Assets - Net	<u>\$ 27,684</u>	<u>\$ 39,352</u>

NOTE 8 - OPERATING RESERVE:

During fiscal year 2009, the Association transferred \$283,240 from replacement reserves to establish an operating reserve. The purpose of the operating reserve is to provide additional funds for unforeseen operating expenses. The Association elected to contribute \$90,000 and \$75,000, respectively, in fiscal year 2017 and 2016. As of September 30, 2017 and 2016, the Association designated \$358,662 and \$268,662, respectively, for the operating reserve. This fund was not fully funded due to the deficit in unappropriated members' equity.

COUNCIL OF UNIT OWNERS OF
DIAMOND FARMS CONDOMINIUM T/A POTOMAC OAKS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 AND 2016
(CONTINUED)

NOTE 9 - DEFERRED MARKETING SUPPORT PROCEEDS:

The Association signed a 10-year service agreement with Verizon for the term October 2010 to September 2020. As part of the agreement, the Association received \$40,200 as a marketing support fee. The marketing fee is being amortized over the life of the agreement and has been recorded as deferred marketing support proceeds. During fiscal years 2017 and 2016, \$4,020 per year was recognized as income to the Association. As of September 30, 2017 and 2016, \$12,060 and \$16,080, respectively, remained in deferred marketing support proceeds.

In addition, the Association signed a 5-year service agreement with Comcast for the term May 2013 to April 2018. As part of the agreement, the Association received \$26,950 as a marketing support fee. The marketing fee is being amortized over the life of the agreement and has been recorded as deferred marketing support proceeds. During fiscal years 2017 and 2016, \$5,390 per year was recognized as income to the Association. As of September 30, 2017 and 2016, \$3,818 and \$9,208, respectively, remained in deferred marketing support proceeds.

NOTE 10 - GOING CONCERN:

As of September 30, 2017 the Association had a cumulative operating deficit of \$892,631 and a total members' equity deficit of \$376,669. Additionally, the Association had cash and interest-bearing deposits of \$96,197 and total liabilities of \$701,396 as of September 30, 2017. Also, the Association had an assessments receivable balance of \$318,958 (before deducting the allowance for doubtful assessments of \$227,226). The Association and management are aware of the Association's financial situation and are in the process of developing a plan to improve the Association's financial position. To help fund the deficit, during fiscal year 2017, the Association increased its annual assessments and passed a special assessment. Management plans include delaying major expenditures until funds are available. These conditions raise substantial doubt about the Association's ability to continue as a going concern within one year after the date the financial statements are available to be issued. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 11 - CHANGE IN MANAGEMENT:

Subsequent to year-end, the Association's management agent merged. Effective October 1, 2017, Zalco Realty became the new management company.

COUNCIL OF UNIT OWNERS OF
DIAMOND FARMS CONDOMINIUM T/A POTOMAC OAKS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 AND 2016
(CONTINUED)

NOTE 12 - SUBSEQUENT EVENTS:

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through [date to be inserted upon finalization], the date the financial statements were available to be issued.

Subsequent to fiscal year-end, the Association incurred replacement reserve expenditures of approximately \$104,376.

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COUNCIL OF UNIT OWNERS OF
DIAMOND FARMS CONDOMINIUM T/A POTOMAC OAKS
SUPPLEMENTARY INFORMATION ON FUTURE
MAJOR REPAIRS AND REPLACEMENTS
SEPTEMBER 30, 2017
(UNAUDITED)

The Association had an updated replacement reserve study conducted by PM+ Reserves during 2015 to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the study. The estimated replacement costs presented below do not take into account the effects of inflation between the date of the study and the date the components will require repair or replacement; however, the Association's replacement reserve study does take inflation into consideration when evaluating future expenditures and recommended contributions to reserves.

The following has been extracted from the Association's 2016 replacement reserve study and presents significant information about the components of common property.

<u>Component</u>	<u>2015 Estimated Remaining Useful Life (Years)</u>	<u>2015 Estimated Replacement Cost</u>
Condominium Building	1-24	\$ 3,395,670
Pavement/Asphalt	2-8	771,320
Tennis/Multi-Purpose Courts	5	50,000
Community Center	1-26	151,800
Swimming Pool	1-16	418,290
Maintenance Building	2-18	2,166,940
Other Property Features	1-24	38,590
Annual Allowances	1	487,100

Goldklang Group[®]

CPAs, P.C.

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Matthew T. Stiefvater, CPA
Sheila M. Lewis, CPA

February 22, 2018

Board of Directors

Council of Unit Owners of Diamond Farms Condominium T/A Potomac Oaks

Dear Board Members:

Enclosed, please find the draft audit for Council of Unit Owners of Diamond Farms Condominium T/A Potomac Oaks for the years ended September 31, 2017 and 2016.

- Please sign and date the enclosed representation letter. The letter should be signed by either the President or Treasurer of the Association and the management agent representative. **This letter needs to be returned to our office before the audit can be finalized.**
- Please send the Association's most recent financial statements (which should include the balance sheet and income statement) to our office with the signed representation letter. We are requesting this information to comply with auditing standards.
- **Please return the signed representation letter and most recent financial statements to our office within 60 days from the date of this letter.** This information can be mailed, faxed or emailed to our office. Our email address is RLs@GGroupCPAs.com.

If we do not receive the above information within 60 days from the date of this letter, we may need to perform additional audit procedures to satisfy ourselves that no material events have occurred from the date that we completed our audit fieldwork through the date that we receive the signed representation letter. These additional procedures would include examining the bank statements, minutes, financial statements, general ledger and would also include inquiries of management and the board of directors. **We will bill the Association for these additional audit procedures at our hourly rates.**

Please do not hesitate to contact us if there are any questions regarding the draft audit.

Sincerely,

Goldklang Group CPAs, P.C.

GOLDKLANG GROUP CPAs, P.C.

Approved per Board of Directors 2/22/18

Our audit will include obtaining an understanding of the Association and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Association or to acts by management or employees acting on behalf of the Association. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Association are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Allowance for Doubtful Assessments

The Association's estimate of the allowance for doubtful assessments was established by reviewing the receivables for collectability. We evaluated key factors and assumptions used to develop the allowance for doubtful assessments in determining that it is reasonable in relation to the financial statements taken as a whole.

Accumulated Depreciation and Depreciation Expense

The Association's estimates of accumulated depreciation and depreciation expense were established using the straight line method of depreciation whereby the cost of an asset is amortized over its useful life. We evaluated key factors and assumptions used to develop the accumulated depreciation and depreciation expense in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the disclosures of subsequent events and the going concern.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The adjusting journal entries have been provided to the Association and will be posted to the Association's accounts, if appropriate. The journal entries are material, either individually or in the aggregate, to the financial statements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Association's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Association's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Emphasis of Matter Regarding Going Concern

The accompanying financial statements have been prepared assuming the Association will continue as a going concern. As discussed in Note 10 to the financial statements, the Association had a deficit in unappropriated members' equity of \$892,631 and a total members' equity deficit of \$376,669. Additionally, the Association does not have sufficient cash and cash equivalents to cover its liabilities as of September 30, 2017. These conditions raise substantial doubt about its ability to continue as a going concern. Management's plans regarding these matters are also described in Note 10. The

financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion on the financial statements is not modified with respect to this matter.

Required Supplementary Information

With respect to the supplementary information required by the Financial Accounting Standards Board, we applied certain limited procedures to the information, including inquiring of management about their methods of preparing the information; comparing the information for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements; and obtaining certain representations from management, including about whether the required supplementary information is measured and presented in accordance with prescribed guidelines.

Very truly yours,

GOLDKLANG GROUP CPAs, P.C.

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