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Posted Date: 07/21/2014

This document is a consolidated version of Trust Agreement 2 showing changes from ALL AMENDMENTS through amendment 10 dated July 26, 2005.

Removed text is **Highlighted**

Sample:

(5) Payment to the Cooperatives or application for their benefit by TRUSTEE of any Trusteed Sums in excess of TRUSTEE'S costs in performance of TRUSTEE's duties, such payment or application to be apportioned by TRUSTEE among the Cooperatives in proportion to the respective Trusteed Sums paid in by each such Cooperative.

Added text is **Bolded**

Sample:

(5) Payment to the Mutuels or Cooperatives or application for their benefit by TRUSTEE of any Trusteed Sums in excess of Trustee's costs in Performance of TRUSTEE's duties, such payment or application to be apportioned by Trustee among the Mutuels and Cooperatives in proportion to payments made that year or to an authorized Reserve Account by a majority vote of the Board of Directors.

TRUST AGREEMENT #2

1979 MAY-3 PM 3:58

Effective April 27, 1979

This is a Trust Agreement declaring the terms of a trust and providing for the operation of the properties held in the trust. The parties to the agreement are Suburban Trust Company, a banking corporation organized under the laws of the State of Maryland, hereinafter referred to as Trustee, and cooperative and condominium housing corporations organized at Rossmoor Leisure World of Maryland, hereinafter referred to as Trustors.

RECITALS

A. Trustors have been formed for the purpose of constructing, owning and operating cooperative and condominium housing projects located on certain real property in Montgomery County, Maryland.

B. Trustee is a corporation organized and existing under the laws of Maryland.

C. Trustors are the makers of a trust agreement dated March 6, 1966, as amended, hereinafter referred to as Leisure World of Maryland Trust Number One, wherein Trustee is designated to hold certain recreational and community facilities, as trustee for the benefit of Trustors and others which may in the future be similarly situated. The acquisition and construction of the property of such trust and by mortgage loans, the lenders and their assigns hereinafter referred to as Mortgagees, which loans were and are insured by the Federal Housing Administration, hereinafter referred to as FHA.

D. Trustee entered into a contract on December 12, 1977, with The Management Corporation, Inc., hereinafter referred to as the Managing Agent, for management services to direct and supervise the provision of services necessary in connection with the acquisition, construction, operation and maintenance of the property held in trust by the Leisure World of Maryland Trust Number One, hereinafter referred to as the Management and Operating Agreement.

E. Trustee's operations under this Trust include (but are not limited to):

- (1) Receipt of funds, hereinafter called Trusteed Sums, from any source, including Trustors, additional Trustors, and lenders;
- (2) Acquisition or construction of various community facilities, streets and utilities (all, together with the land underlying them to the extent interests in such land are held by Trustee, are herein referred to as Improvements) located within Leisure World and designed to meet the needs of the Trustors and their members and for such other uses and purposes as are specified in this Trust Agreement, such Improvements being expressly impressed with the trust declared hereunder;
- (3) Continued legal ownership, maintenance and operation of all such Improvements during the continuation of this Trust, all such Improvements being nevertheless impressed with and held subject to an express trust for the benefit of the Trustors under the terms of this Trust Agreement;
- (4) Acquisition, maintenance and operation in trust hereunder for the benefit of the Trustors and for such other uses and purposes as are specified in the Trust

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- Agreement of other real and personal property, deemed by the Trustee to be in the best interests of the Trustors and their members; and
- (5) Payment to the Trustors or application for their benefit by Trustee of any Trusteed Sums in excess of Trustee's costs in performance of Trustee's duties, such payment or application to be apportioned by Trustee among the Trustors in proportion to the respective Trusteed Sums paid in by each.
 - (6) Providing recreational, medical, transportation, security and other services relating to the operation of the Improvements and other properties of the Trust, all for the benefit of the Trustors.

F. A schedule of the Improvements contemplated to be acquired or constructed by Trustee and an estimated total cost for each improvement, is attached as Schedule A. It is understood that this schedule is subject to change with the approval of Trustee and the Trustors depending upon changes in the Improvements themselves which become necessary or advisable, costs actually incurred, and the extent of the development of Leisure World. It is further understood, that no Improvements, other than those described in Schedule A, shall be acquired or constructed by Trustee without the approval of the Trustors.

G. The cooperative and condominium housing corporations organized and active at Leisure World are Montgomery Mutual, Inc., successor under Articles of Consolidation dated December 17, 1970, to all the rights, privileges, powers, franchises and entitlements of Maryland Mutual Number One, Inc., Maryland Mutual No. Two, Inc., Maryland Mutual No. Three, Inc., and Maryland Mutual No. Four, Inc.; Maryland Mutual No. 5, Inc.; Council of Unit Owners of Mutual 6A-Condominium of Rossmoor, Inc; Maryland Mutual No. 7 Inc.; Maryland Mutual No. 8, Inc.; Maryland Mutual No. 9, Inc.; Maryland Mutual No. 10, Inc.; Maryland Mutual No. 11, Inc.; Maryland Mutual No. 12, Inc.; Maryland Mutual No. 13, Inc.; Council of Unit Owners of Mutual 15-Condominium of Rossmoor Inc.; Council of Unity Owners of Mutual 16-Condominium of Rossmoor Inc.; Council of Unit Owners of Mutual 18- Condominium of Rossmoor, Inc.; and Council of Unit Owners of Mutual 19A- Condominium of Rossmoor, Inc.; which corporations shall be the original Trustors herein.

H. With respect to additional Trustors to be organized at Leisure World, it is planned that each shall transfer in trust to Trustee an amount to be determined by Trustee for the acquisition or construction of Improvements, and that Trustee shall apply such amounts toward payment for the Improvements; and it is further planned that the obligation of such additional Trustors to pay for the Improvements shall be fully discharged by payment to Trustee of such amount. Trustee shall not be obligated to pay therefore any more money than it receives from the Trustors.

PROVISIONS OF TRUST AGREEMENT

Section I

NAME OF TRUST

This Trust may be referred to as the LEISURE WORLD OF MARYLAND TRUST NUMBER TWO

Section II

THE TRUST ESTATE

A. The trust estate hereunder shall include all Trusteed Sums hereinafter received from any source, all parcels of land and Improvements received, acquired, constructed or leased in trust hereunder, all sums paid to Trustee by the Trustors or their members to cover Trustee's costs of maintenance and operation of the Improvements, and any other money or property held by or received by Trustee in trust hereunder.

B. Each additional Trustor shall transfer to Trustee an amount to be determined by Trustee for the construction or acquisition of Improvements, which amount or amounts shall be hereinafter called the Improvement Fund Contribution. Immediately upon the receipt of the Improvement Fund Contribution from any Cooperative or Condominium, the Trustee shall deposit the same in an Improvement Fund Account. Except as otherwise herein provided, the Trustee shall pay out of such Improvement Fund only the cost for Improvements acquired or constructed by the Trustee. The original Trustors which are currently organized and active housing corporations at Leisure World shall have no obligation to make any payment to such Improvement Fund, each having made such contribution to the Leisure World of Maryland Trust Number One.

C. (1) In the case of a resale of a unit in a condominium or shares of stock in a cooperative, the purchaser(s) thereof shall transfer to the Trustees as part of the Trustees sums, an amount equal to two percent (2%) of the gross sales price or \$500.00, whichever is greater. Each such amount shall be deposited in a Resales Improvement Fund Account. Funds in that Account are available for expanding, altering or improving existing Improvements or other properties of the Trust.

(2) In the case of such a resale, the purchaser(s) shall also transfer to the Trustee as part of the Trusteed sums such additional amount as is determined by the Trustee for its administrative expenses (a) in preparing for the resale, (b) in providing the orientation and other services involved in effecting the transfer of ownership, and (c) in establishing the new owner(s) as part of the Leisure World community and the condominium or cooperative of which the owner(s) is a member. That amount shall be deposited in the appropriate account or accounts maintained by the Trusts and shall be available for the same purposes as that account of accounts.

Section III

BENEFICIARIES

A. The original beneficiaries and Trustors of this Trust are those housing corporations currently organized and active at Leisure World, as set out in Recital F. Any other cooperative or condominium housing corporation at Leisure World may at any time become an additional trustor and beneficiary hereunder by:

- (1) Manifesting its election to do so through deposit with Trustee of a written instrument in form satisfactory to Trustee adopting and agreeing to the terms of the instrument establishing Leisure World of Maryland Trust No One. Each such cooperative or condominium will in writing also approve the Management and Operating Agreement and other agreements in effect at the time such cooperative or condominium becomes an additional trustor and beneficiary hereunder. Each such cooperative or condominium shall thereby become obligated to perform all duties, shall be subject to all conditions and restrictions and shall be entitled to performance by all other present and future parties hereto as if such cooperative or condominium had been as original party to this Trust Agreement;
- (2) Obtaining Trustee's acceptance of such cooperative or condominium as an additional beneficiary, which acceptance Trustee agrees to give; and
- (3) Depositing in escrow, or delivering to Trustee in trust hereunder, its Trusteed Sums as soon as the same become available to such cooperative or condominium.

B. No beneficiary may assign its beneficial interest hereunder except in conjunction with a conveyance under deed of trust or mortgage by such beneficiary.

Section IV

RIGHTS OF THIRD PARTIES

Trustee is hereby expressly granted and reserved the right to deal for the use and benefit of the Trustors and their members, with Rossmoor Corporation, Rossmoor Construction Corporation and all other third parties, and except to the extent any such third party shall be furnished a copy of this Trust Agreement, no such third party shall be required to examine the terms of this Trust Agreement or to inquire into Trustee's authority to act hereunder.

Section V

DUTIES, COMPENSATION AND REIMBURSEMENT OF THE TRUSTEE

A. Trustee shall proceed with the acquisition or construction of such Improvements as it deems reasonable as listed in Schedule A. Trustee shall not be obligated to acquire or construct any Improvements not listed in Schedule A, or to expend or obligate thereon any more money than it receives or can reasonable expect to receive from time to time in the Improvement Fund Account as provided under paragraph B of Section II hereof. Trustee shall provide in any contract

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for the acquisition or construction of Improvements that Trustee shall not be obligated to pay therefore any more money than it receives or can reasonable expect to receive from time to time in the Improvement Fund Account as provided under paragraph B of Section II hereof, unless approved by any Trustor which may be called upon to contribute to the payment of any such excess amount. Trustee shall not acquire or construct any Improvements other than those described in Exhibit A without the approval of every Trustor. During the development of Leisure World the order of acquisition or construction of the Improvements will be determined by Trustee subject to approval by the Trustors. Performance bonds shall be required in connection with all major items of construction. Trustee shall include in any contract for the acquisition or construction of Improvements a guaranty by the seller of contractor against latent defects for one year from date of completion of construction.

B. No original or additional Trustor shall be obligated to pay for Improvements more than its respective Improvement Fund Contribution to Leisure World of Maryland Trust Number One or to this Trust. Such obligation shall be discharged by payment to either the Trustee of Leisure World of Maryland Trust Number One or the Trustee of this Trust, as provided in paragraph B of Section II hereof.

C. In the event all or any part of the Improvements or other properties of the Trust shall be damaged by fire or other casualty, the money derived from any insurance thereon shall be held in trust or used for repair or otherwise for the benefit of the Trustors in such manner as may be determined in the discretion of Trustee.

D. Trustee shall acquire, construct, own, operate, manage and maintain in good condition, and repair the Improvements and other properties of the Trust, and provide, at cost, administrative, recreational, medical transportation, security and other services relating to the operation of the members of the Trustors and their successors in interest. The Trustee shall be entitled to reimbursement for all its reasonable expenses in connection with matters pertaining to the negotiation and preparation of this Agreement, the Management and Operating Agreement, the agreements with Rossmoor Construction Corporation and all other documents relating thereto, and for all its reasonable expenses directly attributable to the performance of its duties hereunder, including, without limiting the generality of the foregoing, (a) the salaries of Trustee's officers and employees (not including Trustee's Executive and Trust Committees), (b) other office and general overhead expenses reasonable attributable to the performance of the Trustee's duties hereunder, and (c) the reasonable compensation, expenses and disbursements of such agents, experts and counsel as the Trustee may employ in connection with the exercise and performance of the powers and duties hereunder. In addition, the Trustee shall be entitled to a fee for services equal to 10% per annum of the first \$25,000.00 expended each year for the expenses described in clauses (a) and (b) of the next preceding sentence. After one year from the date hereof, such fee may be increased or decreased, from time to time, by written agreement executed by Trustee and Trustors. Such fee and payment or reimbursement shall be payable prior to the payment of other liabilities and expenses of the Trust hereunder; provided, however, that such fee and payment or reimbursement shall not be payable out of the Improvement Fund until all other Trust monies have been exhausted, and provided further that no compensation, expenses or disbursements described in clause (c) of the third preceding sentence shall be payable out of the Improvement Fund. Nothing in this Trust Agreement shall require Trustee to expend for maintenance or repair, or on account of any services, or otherwise, any amounts in excess of those received by Trustee for such purposes from the Trustors and their members. Trustee shall maintain and have available for inspection by the Trustors, complete and accurate books, records, and accounts of all expenses attributable to the performance of its duties.

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D. Trustee shall acquire, construct, own, operate, manage and maintain in good condition, and repair the Improvements and other properties of the Trust, and provide, at cost, administrative, recreational, transportation, security and other services relating to the operation of the members of the Trustors and their successors in interest. The Trustee shall be entitled to reimbursement for all its reasonable expenses in connection with matters pertaining to the negotiation and preparation of this Agreement, the Management and Operating Agreement, the agreements with Rossmoor Construction Corporation and all other documents relating thereto, and for all its reasonable expenses directly attributable to the performance of its duties hereunder, including, without limiting the generality of the foregoing, (a) the salaries of Trustee's officers and employees (not including Trustee's Executive and Trust Committees), (b) other office and general overhead expenses reasonable attributable to the performance of the Trustee's duties hereunder, and (c) the reasonable compensation, expenses and disbursements of such agents, experts and counsel as the Trustee may employ in connection with the exercise and performance of the powers and duties hereunder. Nothing in this Trust Agreement shall require Trustee to expend for maintenance or repair, or on account of any services, or otherwise, any amounts in excess of those received by Trustee for such purposes from the Trustors and their members. Trustee shall maintain and have available for inspection by the Trustors, complete and accurate books, records, and accounts of all expenses attributable to the performance of its duties.

E. Trustee shall prepare and, not less than 90 days prior to the beginning of each fiscal year, submit to Trustors an operating budget, including a plan of operation, setting forth its estimate of the cost of operating, managing and maintaining the Improvements and other properties of the Trust, and providing and making available the aforesaid services for such year; and of establishing and maintaining reserve funds for property maintenance, equipment replacement and snow removal. The Trustee shall not submit a plan of operation which includes any substantial change in the medical, recreational, transportation, security or other community services from those services described in Schedule A unless such change is approved prior to submission of the plan of operation by at least two-thirds of the Trustors acting through their respective Board of Directors, Montgomery Mutual, Inc., representing four Trustors for such purpose. The Trustee shall include in the plan of operation any change in the medical, recreational, transportation, security or other community services which is requested by not less than two-thirds of the Trustors acting through their respective Boards of Directors, Montgomery Mutual Inc., representing four Trustors for such purpose. The estimate of cost set forth in the budget, excluding any costs to be recovered by direct charged to members of the Trustors, or by other payments from the Trustors, shall be charged on a membership pro rata basis to the Trustors, and each Trustor's share of such estimate shall be paid by the respective Trustor to Trustee in accordance with the operating budget. The Trust Operations portion of the budget for any fiscal year may not provide for a percentage increase, over the Trust Operations portion thereof for the preceding fiscal year, which is in excess of the percentage increase in

(i) the Consumer Price Index (CPI) effective for May 31 of the year in which the budget is proposed,

over

(ii) the CPI that was effective for the preceding May 31

unless the proposed increase in the Trust Operations portion is approved

(iii) by at least 66 2/3 per cent of the councilors on the Community Council, and

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- (iv) by the councilors on the Council representing at least 66 2/3 per cent of the residential units of Leisure World of Maryland;
but in no case may such percentage increase in that Trust Operations portion exceed such percentage increase in that CPI by more than three (3) percentage points. As used in the preceding sentence:
- (v) the Trust Operations portion of the budget is the portion thereof which is charged to the Trustors on a membership pro rata basis; and
- (vi) the Consumer Price Index (CPI) is the Metropolitan Washington (D.C.)- Baltimore area Consumer Price Index (all items) for all urban consumers published by the United States Department of Labor for that area

There shall be added to any increase, determined under the preceding two sentences, in the budget for any fiscal year, the amount (determined on a membership pro rata basis) of any increase, over the preceding fiscal year, in any property taxes and utility costs estimated to become due and payable during the fiscal year for which the budget is being proposed. Copies of the budget shall be furnished to each Trustor.

F. In its sole discretion Trustee, in accordance with its current and projected operating budget, may after the end of its fiscal year, either refund or credit to the Trustors their respective proportionate shares of such sums collected to pay the cost of the aforesaid services as are in excess of the amounts expended, obligated, or budgeted therefor.

F. In its sole discretion TRUSTEE, in accordance with its current and projected operating budget, shall after the end of its fiscal years, either refund or credit to the Trustors their respective proportional share of such sums collected that year to pay the cost of the aforesaid services that are in excess of the amounts expended, obligated, or budgeted for; or, place those excess funds in an authorized Reserve account by the majority vote of the Board of Directors.

G. The extent of the services to be provided in connection with all community facilities and the rules and regulations with respect to the use of said facilities, except as otherwise provided in this Trust Agreement, shall be determined and established by Trustee in its sole discretion. In the event that any Trustor shall fail to pay its share of the costs of operating, managing, maintaining and repairing said Improvements, properties and facilities, and of providing and causing to be made available said services, determined as set forth in paragraph E of this Section V, then Trustee may in addition to other available remedies, withhold the use and benefit of such Improvements, properties, facilities and services from such Trustor and its members.

H. Within 90 days following the end of each fiscal year, Trustee shall furnish the Trustors with a complete annual financial report, together with the opinion of a Certified Public Accountant or a Certified Public Accounting firm, based upon an examination of the Trust Estate's financial statements. The examination of the financial statements shall be made in accordance with generally accepted auditing standards, and accordingly include such tests of the accounting records and such other auditing procedures as are Trustee, including any budget and plan of operation either in effect or proposed, shall at all times be maintained in reasonable condition for examination and inspection at any reasonable time by the Trustors or their duly authorized agents.

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I. Without in any manner limiting the above, Trustee's duties shall include, but not be limited to, the performance of all acts of Trustee contemplated in, or necessary or desirable for the carrying out of, the plan of operations hereinabove outlines in Recital E hereof.

K. Trustee shall retain in a separate non-interest bearing bank account (which may be in Trustee's own banking department) all funds which are part of the Trust Estate. This provision may be amended, from time to time, by written agreement executed by Trustee and Trustors. The right to deposit funds as aforesaid is intended and understood to constitute partial consideration for the performance of Trustee's duties hereunder.

K. Trustee shall place Trust Funds in FDIC insured institutions or in investment programs collateralized by U.S. Treasury securities.

L. Trustee and those of its employees who handle or are responsible for monies of the Trust shall be bonded by a fidelity bond in all respects acceptable to the Trustors.

M. The Trustors and each cooperative or condominium corporation which becomes an additional Trustor and beneficiary hereunder, will protect, indemnify and save harmless the Trustee from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, attorney fees and expenses) imposed upon or incurred by or asserted against the Trustee by reason of (1) ownership of the Improvements, or any interest therein, (2) any accident, injury to or death of persons or loss of or damage to property occurring on or about the Improvements or the adjoining sidewalks, curbs, streets, or ways, (3) any use, non-use or condition of the Improvements or the adjoining sidewalks, curbs, streets or ways, (4) any failure on the part of the Trustors or any of them to perform or comply with any of the terms of this Agreement, (5) any failure on the part of the Managing Agent to perform or comply with any of the terms of any Management and Operating Agreement, or (6) performance of any labor or services of the furnishing of any material or other property in respect of the Improvements or any part thereof. In case any action, suit or proceeding is brought against the Trustee by reason of any such occurrence, the Trustors, upon Trustee's request, will at the Trustor's expense resist and defend such action, suit or proceeding or cause the same to be resisted and defended by counsel designated by the Trustors under this Section as shall have accrued at the time of any termination of this Agreement shall survive any such termination.

N. Acceptance of the trust hereunder and performance of the same by the Trustee shall be only upon the terms hereof, including those following, to all of which the Trustors and the additional trustors and beneficiaries hereunder by their acceptance hereunder agree.

O. The Trustee undertakes to exercise such duties and only such duties as are specifically set forth in this Agreement, and to exercise such of the rights and powers as are vested in it by this Agreement, and to use the same degree of care and skill in their exercise, as an ordinarily prudent man having the skills and facilities of the Trustee would exercise or use under the circumstances in the conduct of his own affairs.

P. No term of this Agreement shall be construed to relieve the Trustee from liability from its own negligent action, negligent failure to act, or willful misconduct. Notwithstanding the foregoing,

- (1) The Trustee shall not be liable except for the performance of such duties as are specifically set forth in this Agreement and no implied covenants or obligations

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shall be implied in this Agreement against the Trustee, but the duties and obligations of the Trustee shall be determined solely by the express terms of this Agreement;

- (2) In the absence of bad faith on the part of the Trustee, the Trustee may rely conclusively, as to the truth of the statements and the correctness of the opinions expressed therein, upon opinions of counsel or statements conforming to the requirements of this Agreement;
- (3) The Trustee shall not be liable for any error of judgment made in good faith by an officer of the Trustee unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; and
- (4) The taking of any action or omission of any action by the Trustee in accordance with any direction or request of the Trustor or of an additional trustor and beneficiary, with which the Trustee is required to comply by the terms hereof, if taken or omitted in good faith, shall not be deemed by reason of such taking or omission to be negligent action, negligent failure to act or willful misconduct.

Q. Except with respect to the duties specifically provided in this Agreement:

- (1) The Trustee shall not be under any obligation to take any action in respect of the subject matter of this Agreement unless requested in writing to do so by the majority in number of the Trustors, Montgomery Mutual, Inc., representing four Trustors for such purpose; and
- (2) The Trustee shall not be under any obligation to take any action under this Agreement which may tend to involve it in any expense or liability, the payment of which within a reasonable time is not, in its reasonable opinion, assured to it by the security afforded to it by the terms of this Agreement unless and until requested in writing so to do by one or more Trustors and furnished, from time to time as it may require, with reasonable security and indemnity; provided that no security or indemnity furnished shall be applicable to any liability,
 - (a) which is incurred by the Trustee as a result of any action taken by it not reasonable in accordance with such a request or requests delivered to it, or
 - (b) which is finally determined by a court of competent jurisdiction to be a liability imposed upon the Trustee as a result of its default or negligence in the performance of the duties imposed upon or undertaken by it by the terms of this Agreement. Notwithstanding the foregoing, Trustee shall have the right to borrow money for the construction of Improvements if such borrowing is effectively guaranteed by a third party or parties, and Trustee shall have the right in its discretion to pledge any or all of the trust assets as security for such borrowing. It is understood and agreed that at such time as any Improvement is conveyed to Trustee, the Trustee shall obtain an owner's policy of title insurance, in an amount equal to the total purchase price of the Improvement, which policy shall recite that the title is to be good of record and merchantable, subject, however, to (1) current taxes assessed but not due, (2) such restrictions, covenants, rights-of-way, and/or easements not adversely affecting the value or use of the property as are acceptable to the Trustee, and (3) the terms of this Agreement.

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The TRUSTEE reserves, notwithstanding the foregoing, and is expressly granted the right and power to borrow money for any purpose associated with the protection, preservation, expansion of new or existing improvements.

****** Note that the wording of the second paragraph above is identical to the current Trust #2 but is slightly different from Trust #1. It may not be possible to make this change to Trust #1 until FHA is out of the picture.*

R. Subject to the terms of paragraphs O and P of this Section, the Trustee shall not be liable for debts contracted or liability or damages incurred in the management or operation by the Managing Agent of any properties held in trust hereunder.

S. To the extent permitted by paragraphs O and P of this Section:

- (1) The Trustee may rely and shall be protected in acting upon any written notice, request, consent, statement, opinion of counsel, instrument, resolution, appraisal, report or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties; and
- (2) The Trustee may consult with counsel (which may be counsel to the Trustors) and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered hereunder by the Trustee in good faith and in accordance with the opinion of such counsel.

T. The recitals shall be taken as statements of the Trustors, and the Trustee assumes no responsibility for their correctness.

U. The Trustee may from time to time, enter into a Management and Operating Agreement with any person, to be known as the Managing Agent, to perform certain duties of the Trustee. The entering by Trustee into such a Management and Operating Agreement shall relive the Trustee of all obligations hereunder with respect to such duties and shall vest the Managing Agent with all the duties and obligations of the Trustee with respect to such duties. Upon termination of any such Management and Operating Agreement under the terms thereof, the Managing Agent shall be discharged from such duties, whereupon the Trustee shall resume the same.

Section VI

REVOCATION, ALTERATION, AMENDMENT AND TERMINATION

This trust is and shall be irrevocable by and shall not be subject to alteration, modification or amendment by Trustee, except as provided in paragraph E., Section V, and in paragraph C, Section VII hereof. The Trust may at any time or from time to time be amended or terminated by written instrument executed by seventy-five percent of the Cooperative or condominium corporations acting through their respective boards of directors who represent seventy-five percent of the residential units. This Trust shall in all events terminate, if it has not earlier been terminated, upon the termination for any reason of the Leisure World of Maryland Trust Number One. In addition, this Trust shall in all events terminate upon the refusal of any original Trustor, acting through its Board of Directors, to become an original Trustor within 90 days following creation of this Trust, or by the refusal of any Mortgagee of FHA to approve the form of this agreement within one year following creation of this Trust. Promptly following termination of this Trust the Trustee shall render an accounting to each of the Trustors and shall distribute, transfer and convey all of the property then remaining in the Trust Estate, after payment of or subject to any and all debts of or charges against the Trust Estate (including but not limited to obligations, if any, of the Trust Estate to the Trustee), to the Trustee of the Leisure World of Maryland Trust Number One.

Section VII

RIGHTS AND POWERS OF THE TRUSTEE

A. Trustee shall have, in addition to all powers, rights and privileges provided by law for trustees, and all powers necessary to carry out the duties herein imposed on Trustee, the further powers to grant, bargain, sell for cash or credit, convey, exchange, convert; give options; lease for terms, either within or beyond the end of the trust, for any purpose; assign, partition, divide, subdivide, improve, insure, loan, reloan, invest and reinvest the Trust Estate or any part thereof in such manner on such terms and conditions as Trustee deems advisable. In all such cases Trustee shall have sole discretion respecting such transactions.

B. Trustee reserves and is expressly granted the right and power in its sole discretion to acquire land, interests in land, improvements and personal property, to borrow money for any purpose connected with the protection, preservation, expansion of new or existing Improvements, and to sell, transfer, or dedicate the same either out right to the beneficiaries, or for public use, or to religious organizations for church use, or otherwise as Trustee reasonably deems for the general welfare of the Trustors and their members, with or without adequate consideration, or to itself but only for a fair and adequate consideration.

C. Trustee reserves and is expressly granted the right and power to amend this instrument unilaterally if any such amendment is expressly required or requested by any federal, state or local governmental agency, in order to avoid or cure any violation of law or of any applicable governmental regulation, or in order to make possible or more convenient the securing of any governmental authorization or permit necessary to the Trustee or any Trustor for any phase of the operations contemplated by the parties hereunder.

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D. Trustee may accept additional funds or property from any Trustor, beneficiary or other source, to be held subject to this Trust.

E. Trustee may delegate performance of any of its duties under this Trust Agreement to any person or organization, qualified in the Trustee's judgment to perform such duties in accordance with the terms of this Trust Agreement.

F. Trustee may litigate, compromise, release, settle, pay or otherwise contest or dispose of any claims or demands, including claims for taxes and interest and penalties thereon, against the Trust or Trustee, and Trustor with the consent of same, or any claims or demands of the Trust or Trustee against any person or organization.

G. Trustee may vote stock in person or by proxy and shall have and may exercise all of the rights, and may assume any or all of the obligations of a security owner in any reorganization or other adjustment or proceeding affecting any asset of the Trust.

H. Title to trust assets may be held in the name of a nominee selected by Trustee, where such is to the benefit of the Trust.

I. Trustee is expressly prohibited from exercising any power vested in it under this Trust for the primary benefit of Trustee, or for the benefit of any person other than the Trustors and their members. This provision shall not be construed to prohibit Trustee from depositing any portion of the Trust Estate in its own banking department, as herein elsewhere provided.

I. Trustee is expressly prohibited from exercising any power vested in it under this Trust for the primary benefit of Trustee, or for the benefit of any person other than the Trustors and their members.

J. Trustee may, with the consent of all Trustors, acting through their Boards of Directors, encumber, lease, sell, assign, transfer, or dispose of any Improvements conveyed in fee to Trustee pursuant to this Agreement.

Section VIII

REGULATION OF TRUSTEE

A. Trustee may resign. Such resignation shall become effective upon the appointment of a successor. Upon the occurrence of any vacancy in the trusteeship for any reason, the then Trustors, acting unanimously, shall appoint a successor trustee. If the beneficiaries do not appoint a successor within 30 days of the date of notice by Trustee to the beneficiaries of such resignation or within 30 days of the date of any other vacancy, then Trustee or any Trustor may petition a court of competent jurisdiction, at the expense of the Trust, to appoint a successor trustee.

B. Trustee may disclose the provisions of this Trust whenever it deems such disclosure is advisable.

C. Except as otherwise provided in this Trust Agreement, no bond or other security shall be required of Trustee or any successor trustee.

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D. All successor trustees upon succeeding as trustee, as herein provided, shall thereupon, without any further deed, act or conveyance, become vested with all the rights, titles, powers, obligations, and trusts, including all discretionary powers, with like effect as if originally named as Trustee herein.

E. Trustee shall not commingle any assets held in trust hereunder with any other assets owned or held by Trustee, subject to the right of Trustee to deposit funds in its own banking department as herein elsewhere provided.

Section IX

RULES OF INTERPRETATION

A. If any provision or provisions of this Trust are determined to be void or unenforceable, the remaining valid and enforceable provisions shall nevertheless be and remain operative.

B. The singular number shall include the plural and the plural, the singular, and the masculine, feminine and neuter genders shall each include the other unless the context clearly requires a different construction.

C. The Trust shall be interpreted under the laws of the State of Maryland.

D. Whenever the approval, acceptance or consent of any party is required herein, unless otherwise indicated, such approval or consent shall mean prior written approval, acceptance or consent and shall not be unreasonable withheld.

Section XI

RECORDATION

This Agreement may be recorded by Trustor or Trustee.

IN WITNESS WHEREOF, Montgomery Mutual, Inc., a Maryland corporation successor by consolidation to Maryland Mutual No. One, Inc., Maryland Mutual No. Two, Inc., Maryland Mutual No. Three, Inc., and Maryland Mutual No. Four, Inc., hath on this 13 day of April, 1979, caused this agreement to be signed by W. Pollard Jent, its President, attested by Kathryn M. Towne, its Secretary, and its corporate seal to be hereunto affixed, and does appoint W. Pollard Jent as its true and lawful attorney in fact to acknowledge and deliver this Agreement as its act and deed.

MONTGOMERY MUTUAL, INC.

W. Pollard Jent, President

Attest:

Kathryn M. Towne, Secretary

CORPORATE SEAL

LEISURE WORLD OF MARYLAND TRUST
SCHEDULE OF COMMUNITY FACILITIES

SCHEDULE A

Facility	Estimated Individual Cost	Estimated Total Cost
1. Medical Center (present)		\$150,000
2. Land for Medical Center (future) and Community Center		90,000
3. Gatehouse No. 2 (Norbeck Boulevard)		35,000
4. Maintenance area, recreational vehicle area and garden area, including Maintenance Building No. 2 Site preparation	\$215,000	
Renovation Building No. 2	173,000	
	52,000	440,000
5. Medical Center (future)		550,000
6. Maintenance Building No. 5 East		62,000
7. Architect's Fees		150,000
8. Maintenance Building No. 4		121,000
9. Maintenance Building No. 3		110,000
10. Arts and Crafts Building Pool	625,000	
	150,000	775,000
11. Auditorium		500,000
12. Maintenance Building No. 5 South Renovate Maintenance Building No. 1		
	43,000	
	22,000	65,000
13. Social Activities Building		175,000
14. Capital Improvements by Trust		49,000
15. Tennis Courts	60,000	60,000
		<hr/> \$3,332,000 <hr/>

POSTED DRAFT WITH CHANGES SHOWN

Posted Date: 07/21/2014

TRUST PROPERTIES

Parcel ID #S (Tax Acct. NO) 13-176 ETC.	Par-cel	Acres	Date Deeded	Liber	Folio	Location
18 9641 4	A	2.12	4/27/79	5213	311	Medical Center Site
14 6687 2	1	0.74		"	318	
14 5570 2	4	3.47	12/30/77	5072	572	Administration Bldg.
14 5553 3	5	Unit 31.A	4/27/79	5315	311	Medical Center
14 6664 4	5	Unit 31.B	4/27/79	"	"	" "
14 6665 5	5	Unit 31.C	4/27/79	"	"	" "
14 6666 6	5	Unit 31.D	4/27/79	"	"	" "
19 9365 7	6	7.88	3/15/66	3479	442	Clubhouse
18 9640 3	51	7.00	4/27/79	"	311	Community Center Site
18 0937 2	52	10.00	4/27/79	"	"	Warehouse-Gardens- RV
18 0938 3	53	95.67	4/27/79	"	318	Golf Course
18 0939 4	54	10.05	4/27/79	"	"	Golf Course
18 0958 7	1000	2.70	10/4/67	3674	130	Gatehouse-Rossmoor Blvd.
18 0959 8	1001	1.17	10/4/67	"	"	S.L.W. Blvd.-M7
18 0960 1	1002	0.64	11/9/66	3586	74	Gleneagles Dr.- M7
18 0961 2	1003	0.38	3/15/66	3479	442	Gleneagles Dr.- M1
18 0962 3	1004	0.57	3/15/66	"	"	Chiswick Ct.- M1
18 0963 4	1005	2.19	3/15/66	"	"	S.L.W. Blvd.- M1 & 9
18 0964 5	1006	1.20	10/1/66	3586	76	Gleneagles Dr.- M3, 5, 8
14 6674 6	1007	3.53	4/27/79	5315	318	S.L.W. Blvd., M12
14 6676 8	1009	0.46	4/27/79	"	"	N.L.W. Blvd.
18 0965 6	1011	0.62	4/27/66	3536	692	Chiswick Ct.- M3
18 0966 7	1012	0.74	10/3/67	3670	373	S.L.W. Blvd., M9, 10
18 0966 8	1014	2.49	10/3/67	"	"	S.L.W. Blvd., M4, 10
14 6680 4	1015	1.20	4/27/79	5315	318	S.L.W. Blvd., M5, 8, 11
15 3856 4	1020	0.69	"	"	"	Chippenham Way
15 5251 0	1022	0.26	"	"	"	N.L.W. Blvd., M13
15 3857 5	1023	2.01	"	"	"	N.L.W. Blvd., M13
15 5252 1	1024	0.79	"	"	"	Interlachen Drive
15 6737 3	1025	3.16	"	"	"	N.L.W. Blvd., Norbeck
14 6687 2	1027	1.24	4/27/79	"	"	Norbeck Gate House