

The Legal Structure of Leisure World

Revised January 2007

There is an old saying in Washington that "if you are not confused, you don't understand the problem." A similar comment might be made about Leisure World. The legal basis and organizational structure of our community are extraordinarily complicated, and no one should assume that they fully understand our situation without careful study. Leisure World is unique in Maryland, certainly different in legal structure from Montgomery Village, with which it is sometimes confused. We therefore suggest that laymen, lawyers, legislators, and government officials tread carefully.

In this document, we aim to open all the main doors to our community structure, but we cannot provide a full, precise description of Leisure World's legal relationships through a summary. For some questions, answers can be found only by researching the original documents. The following discussion is presented in five sections:

- **Background** describes in broad terms the origins, zoning, geography, and general character of Leisure World of Maryland.
- **Leisure World Trust** describes the Trust arrangements under which the property of our community as a whole is held by a Trustee for the benefit of the Cooperative, Condominium, and Homeowners Association (HOA) housing associations, termed "Mutuals" by the developer, that have been and will be established within Leisure World of Maryland. (The individual housing units and the other properties covered by the Cooperative, Condominium, and HOA declarations are not covered by the Trust documents.)
- **Mutuals** describes the legal status of the Leisure World Cooperative, Condominium, and HOA housing associations. It explains how their legal position relates to the Leisure World Trust and to the two legal entities, described below, which were created to serve the needs of the Mutuals and of the Cooperative members and the Condominium and HOA unit owners (and the tenants) of Leisure World.
- **Leisure World Community Corporation** describes the legal entity created by the Mutuals in 1980 to serve as the center for management and representation of the

community, particularly for the formulation of community policy. A Board of Directors heads the Leisure World Community Corporation. Ever since Suburban Bank resigned the position of Trustee in 1984, the Leisure World Community Corporation has been the Trustee.

- **Leisure World of Maryland Corporation** describes our management company, wholly owned by the Leisure World Community Corporation, which determines its general policies. This management company is responsible for maintaining and managing the property of the Trust and for performing maintenance and management functions for the Mutuals under standard contracts. It has a staff of approximately 300, who work under the direction of a General Manager.

Background

Leisure World of Maryland — generally referred to merely as **Leisure World** — is a geographic area in the northern part of Silver Spring designed as an age-restricted residential community.

The original developer of Leisure World was the Rossmoor organization of California, commonly known as The Rossmoor Construction Corporation (RCC), and its affiliates. It started development work in 1965. By the mid-1980s, when the community had grown to some 2,600 units, RCC formed a partnership (as limited partner) with International Developers, Inc. (as the general partner) to develop the remainder of the residential property. That program started with the construction of four condominium buildings, now known as The Greens and The Greens II.

For most of its north-south length, the west side of Leisure World borders on Georgia Avenue, in the region between Bel Pre Road and Norbeck Road. A 10-acre strip along Georgia Avenue, Leisure World Plaza, owned by the developer of Leisure World, is a separate property and has been developed for commercial rather than residential use. Several parts of Rossmoor's original parcel of land, areas not subject to age restriction, have been sold off to other investors, who have since developed them entirely apart from the Leisure World community. In 2001, an additional 17.6-acre property, owned by the Washington Suburban Sanitary Commission, was purchased by the developer and added to Leisure World by action of the Trustee.

The residential area of Leisure World was and remains uniquely zoned as **P-R-C** — that is, a Planned Retirement Community. The zoning ordinance provides for a variety of recreational and social amenities in the community. It also establishes an age restriction — that is, residence, but not ownership, of homes is limited to persons at least 50 years of age. The community also complies with the Housing for Older Persons Act of 1995, which stipulates that 80% of the residential units must be occupied by one person 55 years of age or older.

The dwellings in the community, aside from the original group of 898 Cooperative units, do not benefit from any governmental guarantees, preferential interest rates, or subsidies. Moreover, the community does not contain any life-care facilities. It contains a medical center, where doctors, dentists, and other professionals conduct private practice, and where nurses are available for normal duties during regular office hours and for emergencies around the clock every day of the year.

Note, finally, two pieces of property that exist within the boundaries of Leisure World but are not owned by the developer, any Cooperative, Condominium, or HOA Association, or by the Leisure World Trust.

- Inter-Faith Chapel, Inc., is an independent institution, organized and financed by a group of our residents, which was built on land bought from RCC and is owned by the Chapel Corporation.
- Our Lady of Grace Catholic Church was built within the age-restricted area on land conveyed to the Washington Catholic Archdiocese from RCC.

Leisure World Trust

The land within Leisure World that was set aside for community use, and the facilities that were built on it later, were placed in a Trust by an agreement dated March 9, 1966, between Suburban Trust Company, later to be known as Suburban Bank, the Trustee, and Maryland Mutual No. 1 Inc., the first Leisure World Cooperative, as Trustor (or beneficiary). A second Trust Agreement was adopted in 1979, when the Trustee, on behalf of the Trustors, bought the golf course and certain other properties owned by the developer.

The Federal Housing Administration (FHA) and Riggs Bank, the mortgagee of the

cooperatives, approved the original Trust Agreement. The agreement included, among other things, a Regulatory Agreement between Suburban Trust Company and the Federal Housing Commissioner. The Regulatory Agreement, in effect, puts the Trustee under the supervision of the Commissioner and gives him the right to suspend the Trustee (that is, to declare a default under the agreement) and to take over the Trustee's powers and duties.

The Trust was created at the request of the initial mortgagee. The purpose of establishing the Trust, rather than some other form of community organization, was clear. The Trust arrangement enabled FHA, which guaranteed the mortgage (and later, several mortgages) on the Cooperative housing, and the mortgagee, Riggs Bank, to acquire an extra degree of control over valuable property and thus obtain greater stability for their financial commitments. That is made explicit in Recital F of the Trust Agreement of 1966.

When Mutuals 2, 3, and 4 (also Cooperatives) were created, they too became parties to the Trust agreement, and additional mortgagees entered the picture. The four Cooperatives were combined into a single legal entity — Montgomery Mutual, Inc. — through formal Articles of Consolidation, on December 17, 1970. As the new mortgagees provided financing, they also obtained the rights and security originally obtained by Riggs Bank — for example, as provided in section VII, paragraph J, of the Trust Agreement of 1966. The Trustee may not encumber, lease, sell, assign, transfer, or dispose of any Improvements conveyed in fee to Trustee without approval of all the mortgagees. The last of these mortgages is scheduled to be paid up by 2009, at which time these limitations will be extinguished.

As Condominiums were created within Leisure World, they were, in due course, though sometimes after substantial delay, tied into the Trust arrangements as Trustors, through signature of a standard Instrument of Adoption. Among other things, that document provides in section 7 that the management agent for each adopting Trustor shall be the same as the management agent employed by the other Trustors. The document precludes action by the Trustee, the Board of Directors, which would limit or abrogate the bylaws of the Trustor. It also precludes the exercise by the Trustee of any rights specifically granted to a Trustor under the Trustor's bylaws. We should repeat that, according to the Trust document, the Trustors (beneficiaries) are the Mutuals — the Cooperatives, Condominium, and HOA associations — and not the individual Cooperative members and Condominium and HOA unit owners. Accordingly, there is a legal separation between residents and the Trust. That is not generally

true in such homeowners' associations as Montgomery Village, where the individual unit owner has a membership in, and a direct legal connection to, the community association, sometimes called the umbrella organization. In Leisure World, the owner of a Cooperative membership or a Condominium or HOA unit is not a beneficiary of the Trust but rather an owner of a share of an organization (Mutual) that is the beneficiary (Trustor). The Trustee has the power to decide virtually all questions that arise under the Trust arrangements. Certain matters, however, are left to a vote of the Trustors — for example, increasing the annual budget beyond the percentage increase in the Consumer Price Index (CPI).

Mutuals

“Mutual” is the designation given by RCC to each of the separate housing associations built here. The first four Mutuals, as noted earlier, were Cooperatives; they were later legally consolidated into a single Cooperative corporation (Montgomery Mutual, Inc.), comprising 898 units. Thereafter, RCC established many Condominiums, which were incorporated separately. Please refer to Appendix "C" for details. Upon payment of required capital contributions, each Mutual is eligible to become a Trustor under the Trust Agreements, as indicated earlier. When control of a new Mutual is turned over to unit owners by the developer, it may become a member of the Leisure World Community Corporation and the Board of Directors, as all completed Mutuals have done. The transfer of power to the unit owners is governed by section 11-109(c)(15) of the Maryland Condominium Act. Each Mutual maintains full legal powers over its own property and may make its own decisions on the size of its budget, its reserves and investments, maintenance policies, house rules, and the like. Each Mutual may choose to transfer or delegate its powers to management staff or anyone else. By signing the Instrument of Adoption, a Mutual naturally becomes subject to the provisions of the Trust Agreements, but those apply to community facilities and not to the internal workings of the Mutual.

As a Trustor, the Mutual is, of course, obliged to pay a fraction of the expenses of the community (Trust) facilities, as determined each year by the Board of Directors, in accordance with the Trust Agreements. Those expenses are included in the budgets of the individual Mutuals, and the budgets determine the assessments payable by individual owners. The mandatory charges of the Trust thus are obligations of the Trustors (Mutuals), not the individual residents. Trust charges directly applicable to those persons are voluntary, in the sense that they are payable only for special community facilities or services provided by the

central management at the option of the recipient. They include, for example, so-called user fees for the golf course, swimming pool, meeting rooms, and private dining rooms; charges for nursing visits; and charges for certain appliance repairs and maintenance of individual housing units not payable out of a Mutual's treasury.

On the other hand, the Trust Agreements give certain legal powers to the Mutuals. A number of important decisions may be made under the Trust Agreements only with the consent of all or a specified majority of the Mutuals (Trustors), each acting through its respective board of directors. For example, the Trust budget may not be increased from year to year beyond a certain amount without the approval of all the Trustors, and the Trustee may not submit a plan of operation that includes any substantial change in community services from those specified in Schedule A of the Trust Agreement of 1966, unless the change is approved by at least two-thirds of the Trustors, each acting through its board.

Leisure World Community Corporation

Until 1980, the Leisure World community had no legally constituted organization that it could call its own. The Trustee retained full legal authority to run the community facilities and fix the budget for the community as a whole for presentation to FHA. The Trustee had created a management company, the Leisure World of Maryland Corporation, headed by a management agent that it appointed and controlled and to which it delegated certain of its operating responsibilities and a limited amount of authority. The residents had formed a Community Advisory Council, comprising representatives elected by the Mutuals. As its name implied, the Council advised the Trustee and consulted with the management agent. It cannot be said that the residents of the community, the boards of directors of Mutuals, or even the members of the Council had a clear idea of what authority they had, if any. The Trust generally seemed to operate with a loose rein, but it left no doubt about its legal powers when important financial questions arose.

In 1980, after some unfortunate experiences with the head of the management company (who eventually resigned), the Community Advisory Council decided to form a legal entity directly responsible to the community. The Mutuals, acting together, obtained a Maryland charter for the Leisure World Community Corporation, a not-for-profit, non-stock Membership Corporation, whose members comprised all the Mutuals. The corporation's board of directors was called the

Community Council, primarily for reasons of tradition. The word **Advisory** was notably absent. In 2006, the name “Community Council” was changed to “Board of Directors.”

The charter and the bylaws of the Leisure World Community Corporation provide that each member is assigned a number of votes equal to the number of housing units it contains and is ordinarily represented on the Board of Directors by a Director and one or more Alternate Directors. However, a large Mutual is allowed more than one Director, each of whom casts a fraction of the total voting power of the member. Directors have no definite term of office; they are chosen by, and serve at the pleasure of, their respective Mutuals. Each January, however, the Directors elect officers for the Board and the corporation who, with other Directors selected by the Board, form an Executive Committee.

The Executive Committee prepares the work of the Board, but it has not been delegated any significant powers to act in behalf of the Board. The Board is also assisted by 16 standing advisory committees: the Architecture and Landscaping, Audit, Budget and Finance, Community Planning, Education and Recreation, Emergency Preparedness, Energy, Golf and Greens, Health, Insurance, Legislation and Taxation, Physical Properties, Restaurant, Security and Transportation, Strategic Planning, and Tennis Advisory Committees. In addition, the Board appoints special committees to investigate and advise it on specific problems. The work of the standing and special committees is invaluable in the operation of the community organization, but none of the committees is authorized to spend money, to commit the Board, or to take any other affirmative action without an explicit authorization from the Board. As is customary, the lawyers who drafted the Articles of Incorporation gave the Leisure World Community Corporation extensive powers, many of which it probably will never choose to exercise. In practice, as indicated in the corporate bylaws, the Leisure World Community Corporation, through the Board, performs the following functions:

1. It decides on the annual budget for community facilities and related matters (scope and quality of services to be provided by the community, fees and charges, labor rates, personnel policy changes, and the like), the budget being subject to FHA approval.
2. It promulgates rules for the use of community facilities (for example, rules for the use of the clubhouse, swimming pool, and Trust thoroughfares).
3. It serves as the advocate for the community, representing the community and protecting

its interests before outside bodies, governmental and private (for example, testifying in Rockville and Annapolis on legislation that might affect the community).

4. It generally maintains surveillance over, and establishes policies for, the operation of the Leisure World of Maryland Corporation, a subsidiary corporation discussed in the last section of this paper.
5. It carries out the duties as Trustee of the Leisure World Trusts. As indicated in section 2 of this paper, the Trusteeship in Leisure World was established at the inception of the community in 1966, under the aegis of FHA. Suburban Bank served as Trustee from 1966 through 1983, when it resigned. The Mutuals, through their respective boards of directors, then unanimously decided that the Leisure World Community Corporation should assume the Trusteeship, subject to FHA approval. But, at the same time, they agreed that the question should be given further study and should be voted on again after October 15, 1984. The Council (as it was then referred to) confirmed on October 30 that the corporation should continue as Trustee, and decided on certain changes in its bylaws to reflect its status.

The principal change made in the bylaws at that time dealt with voting. Since January 1, 1985, decisions by the Board have required a so-called double majority — a majority of the votes cast in the Board, along with approval by a majority of the Mutuals. A descriptive statement of the duties of the Community Corporation as Trustee, approved by the then Community Council on October 30, 1984, as an operating guide, is provided in Exhibit III of the Trusteeship Committee report of July 16, 1984. A copy is attached here as Appendix A.

It is important to understand what the Leisure World Community Corporation cannot do, whether or not it is acting as Trustee. It cannot determine the policies or activities of the individual Mutuals or commit them in any way, except as they have agreed or may agree by adherence to the Trust Agreements or by some other means.

The Foundation of Leisure World

We may note in passing how the Foundation of Leisure World, Inc. fits into the community. Although it is not involved in the management or regulation of the Leisure World Trust or the Mutuals, it is legally related to the Community Corporation and was established at the initiative

of the Leisure World Community Corporation and the Board of Directors.

The Foundation was established in 1981 as a not-for-profit, non-stock membership corporation, with the Community Corporation as its sole member. In the same year, the Foundation was recognized by the Internal Revenue Service as a publicly supported organization with a tax-exempt status under section 501 (c) (3) of the Internal Revenue Code. Its purpose, as stated in its Articles of Incorporation, is to solicit and disburse funds to support and further develop Community educational, health, cultural, and recreational programs. The Board of Directors' participation in the Foundation's activity is principally the appointment of members to the Foundation's board of directors and general support for its fund raising activities. The Board does provide the Foundation with long-range strategic planning objectives (6 to 15 years) for future planned improvements in the community's amenities and programs.

Leisure World of Maryland Corporation

In 1977, Suburban Bank, Trustee, arranged for the creation by Maryland charter of the Leisure World of Maryland Corporation (LWMC), with the authority to issue 1,000 shares of stock, all of one class, without par value. The Trustee's purpose in creating the corporation was to formalize the management structure of the community by establishing a legal entity that could give normal job security to the staff. Before that time, the management function was in the hands of a manager who established his own company with nothing behind it of permanence if he disappeared from the scene. The connection of his staff with Leisure World existed only through him. The creation of LWMC ended that weakness.

Although no apparent intention to operate at a profit then existed, or now exists, in the mind of any interested party, for some reason LWMC was not registered as a not-for-profit entity. Instead, it was established as an ordinary commercial enterprise. LWMC became management agent for the Trust and for the Mutuels under renewable management and operating agreements defining, among other things, the duties of LWMC. The manager became president of LWMC. His control over LWMC was reinforced by the transfer to him by Suburban Bank of the LWMC stock. However, the bank retained the stock in its own vault, and its arrangement with the president of LWMC provided that the bank would recover legal title to

the stock if the president's relationship with LWMC ended.

When the Leisure World Community Corporation was created in 1980, it signed a contract with the Trustee, under which it acquired control of the LWMC stock, but with the same right of recovery by the bank that applied when the former president of LWMC was in office. However, when Suburban Bank resigned as Trustee at the end of 1983 and the Leisure World Community Corporation became Trustee, the bank turned all the shares in LWMC over to the Community Corporation. LWMC is accordingly a wholly owned subsidiary of the Community Corporation. The Board of Directors of LWMC is the Board of Directors of Leisure World Community Corporation. All Board actions as the Board of the Community Corporation are also actions of the Board of LWMC, in accordance with a general resolution adopted by the Board.

The Board now appoints the operating officials of LWMC, the president of which is now known as General Manager and serves under a contract of employment. LWMC continues to make and renew management and operating agreements with the Trustee and the Mutuels defining its duties and authority.

A summary statement of the authority and operating responsibilities delegated to LWMC by the Community Corporation as Trustee, as approved by the Community Council on October 30, 1984, is contained in Exhibit IV of the Trusteeship Committee report of July 16, 1984. The statement delineates the functions to be performed by LWMC in accordance with standards, limitations, and policies determined by the Board of Directors, as stated in the Trust Agreements. A copy is attached as Appendix B.

Appendix A — Duties of Leisure World Community Corporation as Trustee

The Trustee — the Leisure World Community Corporation — is responsible for determining the objectives of the Leisure World Community as a whole. It develops plans for new or modified facilities and for the growth and direction of the community in the light of the developer's building program, the needs and preferences of the Leisure World population, and the limits of the Trust Agreements. The Trustee, acting through the Board of Directors, has the duty, in particular:

1. To direct the development of and to approve the annual budget of the Trust, as well as any amendments or increased expenditure that would exceed the total approved budget;
2. To ensure that an organization is maintained to develop competent plans and sound policies designed to achieve the objectives the Board has established.
3. To hire, evaluate the performance of, and terminate the General Manager and the Deputy General Manager;
4. To define or approve policies for financial management, personnel management, security, education and recreation, and community health care activities;
5. To maintain the financial stability of the Trust and, if necessary, borrow money and pledge assets of the Trust as collateral for loans, as provided in the Trust Agreements (note that certain assets of the Trust cannot be pledged under the Trust Agreement of 1966);
6. To establish rules for use of Trust facilities; and
7. To ensure efficient management of Trust facilities, and, to that end, to engage or establish a management entity (at present, the Leisure World of Maryland Corporation) to which it may delegate necessary authority to carry out specific duties of the Trustee, such delegation being subject to modification or withdrawal of the Trustee.

Appendix B — Delegation of Authority by the Trustee

The Leisure World Community Corporation, in the interest of economical, efficient, and equitable operation of Trust facilities and the proper discharge of its contractual obligations, and under its authority as Trustee and as a corporate body, should delegate authority and corresponding responsibilities to a management organization — in particular, to the Leisure World of Maryland Corporation — to perform the following functions, in accordance with standards, limitations, and policies determined by the Board of Directors stated in the Trust Agreements:

1. To develop and operate an organization to accomplish, within the limits of available funds, the objectives established by the Board;
2. To develop and carry out programs for the maintenance of all Trust properties and for the support of all activities approved by the Board;
3. To develop an annual budget and carry out, within the terms of the budget, as approved, the programs it is designed to cover;
4. To transfer funds between categories within the approved budget but without impairing programs approved by the Board, such transfers to be promptly reported to the Board;
5. To negotiate and conclude contracts for the protection, maintenance, repair, purchase, lease, or construction of Trust properties and for the insurance of such properties and the operations, officers, and staff of the Community Corporation and its affiliated entities;
6. To collect, disburse, and invest the funds of the Trust and the Leisure World of Maryland Corporation;
7. To maintain the books and accounts of the Trust in accordance with accepted accounting standards;
8. To draw, in emergencies, on reserve funds within any limitations established by the Board of Directors, and report such action promptly to the Board of Directors;
9. To maintain an efficient, equitable, and competitive personnel system and, to that end, establish personnel procedures, wage and salary structures, employee benefit plans, and performance evaluation standards.

10. To establish and maintain performance standards for the operations of the Leisure World of Maryland Corporation; and
11. To maintain records and prepare reports and returns required of the Community Corporation and its affiliated entities by governmental bodies.

The Leisure World of Maryland Corporation is encouraged to consult with and assist the Board of Directors and its committees and to recommend improvements in the organization, policies, standards, relationships, and methods of the Leisure World Community Corporation and its affiliated entities.

APPENDIX C — MUTUAL DETAILS

<u>NUMBER AND NAME</u>	<u>TYPE</u>	<u>UNITS</u>	<u>DATE</u>
1-4 Montgomery Mutual	Garden apartments, Duplex, Quads, Townhouses	898	1966-68
5	Garden townhouses, Duplex	42	1970
6A	Townhouse, Piggy-back	7	1976
6C Villa Cortese	Mid-rise	170	1994
7	Garden, Townhouse, Duplex	36	1970
8	Duplex, Quads, Townhouse	28	1970
9	Duplex	100	1971
10	Duplex	158	1971
11	Quad and Duplex	109	1973
12	Quad and Duplex	125	1973
13	Triplex and Duplex	104	1974
14	Garden apartments, Duplex and Triplex	193	1976
15	Garden apartments, Duplex and Triplex	156	1977
16	Triplex, Single, Duplex	95	1977
17A Fairways South	High-rise	300	1989
17B Fairways North	High-rise	300	1991
18	Triplex and Single/Duplex	77	1977
19A	Garden apartments	180	1978
19B	Garden apartments	210	1979
20A Greens 1 and 2	High-rise	500	1984
20B Greens 3 and 4	High-rise	460	1986
21 Turnberry Courts	High/mid-rise	332	1997
22 Pines	Mid-rise	94	1981
23 Vantage Point West	High-rise	200	2001
24 Vantage Point East	High-rise	190	2002
25 Regency	Single family/townhomes	85	2002
26 Overlook	High-rise	260	2004
27 Creekside	Mid-rise	190	2006
TOTAL		5,599	As of 1-1-07

APPENDIX D - SUMMARY OF TRUST AGREEMENTS AND AMENDMENTS

<u>Document</u>	<u>Dated</u>	<u>Comments</u>
<u>Trust #1</u>	March 9, 1966	Establishes Trust and calls for various amenities, including three clubhouses, a greenhouse, golf course, medical clinic, riding stables, equestrian trails, parks, a lake, an auditorium, guard houses, info center and bus stops.
Amendment #1, Trust I	June 13, 1966	Authorizes expenditures for amenities and gives the right to borrow to pay for them. Suggests the number of units needed before each amenity is created.
Amendment #2, Trust I	Sept. 26, 1966	Provides for the addition of more Cooperative Mutuals.
Amendment #3, Trust I	Feb. 21, 1969	Expands wording to provide for Condominiums, as well as Cooperative ownership.
Amendment #4, Trust I	June 25, 1985	Deletes paragraph C, Section II from Trust #1, which provided for (1) the sum to be paid to Trustee by Trustor and (2) established limits on use of such funds.
Amendment #5, Trust I	Jan. 31, 1989	Adds tennis courts to the list of amenities.
Amendment #6, Trust 1	Mar. 1, 1994	Cancels Medical Clinic "Insurance" Program from the list of amenities.
Amendment #7, Trust I	Apr. 27, 2001	Modifies CPI Budget limitations.
Amendment #8, Trust 1	Sep. 8, 2003	Provides that Trust One will terminate 99 years after the date on which the Eighth Amendment is recorded.
Amendment #9, Trust 1	Dec. 9, 2003	Provides that Trust One may be Amended or terminated by written agreement of 75% of the Mutuals, acting through their boards of directors representing 75% of residential units.
Amendment #10, Trust 1	Aug. 31, 2004	Provides for a transfer fee on all Resales of 2% or \$500 (from Buyer) for Improvement to Facilities and to establish Reserve Funds and a Capital and Operating Fund.
Amendment #11, Trust 1	Aug. 31, 2004	Expands wording relating to preparation and submission to FHA of an operating budget to include establishing and maintaining Reserve Funds and a Capital and Operating Fund.

<u>Trust #2</u>	April 27, 1979	Re-states requirements for payments into Trust #2 and presents a schedule for amenities.
Amendment #1, Trust 2	Aug. 10, 1984	Establishes and maintains Reserve Funds for Property Maintenance.
Amendment #2, Trust 2	June 25, 1985	Deletes Paragraph C from Trust 2 (See Amendment #4, Trust 1 above)
Amendment #3, Trust 2	Jan. 31, 1989	Adds Tennis Courts to list of Amenities.
Amendment #4, Trust 2	Nov. 27, 1990	Provides for a transfer fee on all Resales of 1% or \$500 (from Buyer) for Improvement to Facilities and additional funds for Trustee's administrative expenses relating to the transfer.
Amendment #5, Trust 2	Apr. 27, 2001	Modifies CPI Budget Limitation.
Amendment #6, Trust 2	Oct. 28, 2002	Provides for a transfer fee on all Resales of 2% or \$500 (from Buyer) for Improvement to Facilities.
Amendment #7, Trust 2	Dec. 9, 2003	Provides that Trust Two may be Amended or terminated by written agreement of 75% of the Mutuels, acting through their boards of directors representing 75% of residential units.
Amendment #8, Trust 2	Aug. 31, 2004	Provides for a transfer fee on all Resales of 2% or \$500 (from Buyer) for Improvement to Facilities and to establish Reserve Funds and a Capital and Operating Fund.
Amendment #9, Trust 2	Aug. 31, 2004	Expands wording relating to preparation and submission to FHA of an operating budget to include establishing and maintaining Reserve Funds and a Capital and Operating Fund.

Note: Numerous other changes were made through "resolution," as opposed to "amendments." The former can be and are made by the Board, acting on their own authority, while the latter require approval by 75% of the Mutuels, acting through their respective Boards.