

# HOMEOWNERS ASSOCIATION RESALE CERTIFICATE

## Highlands Corporate Center One Master Association Inc.

**Current Owner: Dennis Eckels**

**Property Address: 954 Ridgebrook Road Unit: 300  
Sparks, MD 21152**

**Date Prepared: 01-24-2019**

THIS CERTIFICATE EXPIRES THIRTY (30) DAYS FROM DATE OF ISSUANCE

### HOMEOWNERS ASSOCIATION ACT DISCLOSURE STATEMENTS

The Seller and/or the Seller's Vendor (hereinafter known as "Seller") represents and provides the Buyer the following information in accordance with Maryland Homeowners Association Act, Section 11B-106:

| #   | Question  | Response  |
|-----|---|---|
| (1) | The lot is located within a development (as defined in the Maryland Homeowners Association Act).  | <b>Highlands<br/>Corporate One<br/>Master<br/>Association, Inc.</b> |
| (2) | (A) The selling unit is subject to a common expense assessment as follows:<br><b>\$3,024.76 assessment due on 1st day of each month.</b><br><b>\$1,200.42 master assessment due on 1st day of each month.</b><br>As of the date of this Certificate, the following unpaid common expenses or special assessments adopted by the Association that is due and payable from the selling unit owner are:<br><b>\$0.00</b><br>Common expense assessments will continue to accrue in the stated amount, subject to the adoption of any budget changes, and will be due and payable by the selling unit owner until the selling unit has been conveyed.<br>Assessments which become due and payable after the date of this Certificate and prior to the conveyance of the selling unit, and which remain unpaid by the selling unit owner, may constitute a lien against the selling unit. If unpaid, this accrual must be added to the unpaid amount, if any, stated above, as of the date of conveyance of the selling unit.<br>(B) Other than common expenses and special assessments, the following fees are payable by the unit owners to the Council of Unit Owners:<br><b>None</b><br>(C) Capital expenditures approved by the Council of Unit Owners planned at the time of conveyance which are not reflected in the current operating budget are:<br><b>None</b> |   |
| (3) | Unsatisfied judgments as of the date of this certificate are listed here. As of the date of this Certificate, the Association is a party to the following pending lawsuits, excluding assessment collection suits:<br><b>None</b>   |   |



# HOMEOWNERS ASSOCIATION RESALE CERTIFICATE

Highlands Corporate Center One Master Association Inc.

## Comments

In addition to this certificate, title companies need to visit [homewisedocs.com](http://homewisedocs.com) to obtain current association dues and the amount of the transfer fee. (\$125)

Maintenance and architectural violations can occur over time with normal wear and tear. The violation status as of the date of the resale certificate does not indemnify future owners from addressing such items to achieve compliance with the governing documents.

## Exhibit B

### § 11B-106. Annotated Code of Maryland

(a) A contract for the resale of a lot within a development, or for the initial sale of a lot within a development containing 12 or fewer lots, to a member of the public who intends to occupy or rent the lot for residential purposes, is not enforceable by the vendor unless:

(1) The purchaser is given, on or before entering into the contract for the sale of such lot, or within 20 calendar days of entering into the contract, the disclosures set forth in subsection (b) of this section;

(2) The purchaser is given any changes in mandatory fees and payments exceeding 10 percent of the amount previously stated to exist and any other substantial and material amendment to the disclosures after they become known to the vendor; and

(3) The contract of sale contains a notice in conspicuous type, which shall include bold and underscored type, in a form substantially the same as the following:

"This sale is subject to the requirements of the Maryland Homeowners Association Act (the "Act"). The Act requires that the seller disclose to you at or before the time the contract is entered into, or within 20 calendar days of entering into the contract, certain information concerning the development in which the lot you are purchasing is located. The content of the information to be disclosed is set forth in § 11B-106(b) of the Act (the "MHAA information") as follows:

If you have not received all of the MHAA information 5 calendar days or more before entering into the contract, you have 5 calendar days to cancel this contract after receiving all of the MHAA information. You must cancel the contract in writing, but you do not have to state a reason. The seller must also provide you with notice of any changes in mandatory fees exceeding 10% of the amount previously stated to exist and copies of any other substantial and material amendment to the information provided to you. You have 3 calendar days to cancel this contract after receiving notice of any changes in mandatory fees, or copies of any other substantial and material amendment to the MHAA information which adversely affects you. If you do cancel the contract you will be entitled to a refund of any deposit you made on account of the contract. However, unless you return the MHAA information to the seller when you cancel the contract, the seller may keep out of your deposit the cost of reproducing the MHAA information, or \$100, whichever amount is less.

By purchasing a lot within this development, you will automatically be subject to various rights, responsibilities, and obligations, including the obligation to pay certain assessments to the homeowners association within the development. The lot you are purchasing may have restrictions on:

- (1) Architectural changes, design, color, landscaping, or appearance;
- (2) Occupancy density;
- (3) Kind, number, or use of vehicles;
- (4) Renting, leasing, mortgaging, or conveying property;
- (5) Commercial activity; or
- (6) Other matters.

You should review the MHAA information carefully to ascertain your rights, responsibilities, and obligations within the development."

(b) The vendor shall provide the purchaser the following information in writing:

- (1) A statement as to whether the lot is located within a development;

- (2) (i) The current monthly fees or assessments imposed by the homeowners association upon the lot;
- (ii) The total amount of fees, assessments, and other charges imposed by the homeowners association upon the lot during the prior fiscal year of the homeowners association; and
- (iii) A statement of whether any of the fees, assessments, or other charges against the lot are delinquent;

(3) The name, address, and telephone number of the management agent of the homeowners association, or other officer or agent authorized by the homeowners association to provide to members of the public, information regarding the homeowners association and the development, or a statement that no agent or officer is presently so authorized by the homeowners association;

(4) A statement as to whether the owner has actual knowledge of:

- (i) The existence of any unsatisfied judgments or pending lawsuits against the homeowners association; and
- (ii) Any pending claims, covenant violations actions, or notices of default against the lot; and

(5) A copy of:

(i) The articles of incorporation, the declaration, and all recorded covenants and restrictions of the primary development, and of other related developments to the extent reasonably available, to which the purchaser shall become obligated on becoming an owner of the lot, including a statement that these obligations are enforceable against an owner's tenants, if applicable; and

(ii) The bylaws and rules of the primary development, and of other related developments to the extent reasonably available, to which the purchaser shall become obligated on becoming an owner of the lot, including a statement that these obligations are enforceable against an owner and the owner's tenants, if applicable.

(c) (1) Within 30 calendar days of any resale transfer of a lot within a development, the transferor shall notify the homeowners association for the primary development of the transfer.

(2) The notification shall include, to the extent reasonably available, the name and address of the transferee, the name and forwarding address of the transferor, the date of transfer, the name and address of any mortgagee, and the proportionate amount of any outstanding homeowners association fee or assessment assumed by each of the parties to the transaction.

(d) The requirements of subsection (b) of this section shall be deemed to have been fulfilled if the information required to be disclosed is provided to the purchaser in writing in a clear and concise manner. The disclosures may be summarized or produced in any collection of documents, including plats, the declaration, or the organizational documents of the homeowners association, provided those documents effectively convey the required information to the purchaser.

(e) In satisfying the requirements of subsection (b) of this section, the vendor shall be entitled to rely upon the disclosures contained in the depository after June 30, 1989.

(f) The provisions of subsections (a), (b), (d), and (e) of this section, do not apply to the sale of a lot in an action to foreclose a mortgage or deed of trust.

**Architectural Guidelines**  
**Highlands Corporate Center One Master Association Inc.**

This document is currently either not available or not applicable for this association.

\*\*\*\*REMAINDER OF PAGE LEFT INTENTIONALLY BLANK.\*\*\*\*

**Articles of Incorporation  
Highlands Corporate Center One Master Association Inc.**

**HIGHLANDS CORPORATE CENTER ONE MASTER ASSOCIATION, INC.**

**ARTICLES OF INCORPORATION**

THESE ARTICLES OF INCORPORATION, made this 25<sup>th</sup> day of July, 2006, by PAUL J. SCHWAB, III, whose post office address is 5th Floor, 101 East Chesapeake Avenue, Baltimore, Maryland 21286.

WITNESSETH, THAT WHEREAS, by an instrument entitled "Declaration of Covenants, Conditions, Restrictions and Liens for the Highland Corporate Center One" recorded or to be recorded among the Land Records of Baltimore County, Maryland (hereinafter referred to as "the Declaration") HIGHLANDS OFFICE PARK ONE, LLC has subjected to the operation and effect of the Declaration all of that land, situate and lying in Baltimore County, which is described in Exhibit A thereto, together with the improvements thereon and the appurtenances thereto, thereby creating a community with respect to the same known as "HIGHLANDS CORPORATE CENTER ONE" (hereinafter referred to as "the Community"), all as is more particularly set forth in the Declaration; and

WHEREAS, under the provisions of the Declaration, certain affairs of the Community are to be governed by a non-stock corporation organized and existing under the laws of Maryland; and

WHEREAS, the undersigned, by these Articles of Incorporation, intends to incorporate such entity.

NOW, THEREFORE, THE UNDERSIGNED, being at least eighteen (18) years of age, does under and by virtue of the general laws of the State of Maryland hereby form a non-stock corporation upon the terms and subject to the conditions hereinafter set forth:

Article 1. Name. The name of the corporation (hereinafter referred to as "the Association") is and shall be:

**HIGHLANDS CORPORATE CENTER ONE MASTER ASSOCIATION, INC.**

Article 2. Purposes and Powers.

2.1 The Association shall have the following purposes and powers:

2.1.1 to promote the recreation, health, safety and welfare of the Community and of the Owners of Units and Tenants of Units within the Community;

2.1.2 to provide for the acquisition, construction, management and

maintenance and care in a good repair and a safe condition of the Association's property (including, by way of example rather than of limitation, the property referred to as "Community Property" in the provisions of the Declaration);

2.1.3 to exercise all powers and privileges and to perform all the duties and obligations of the Association as set forth in the Declaration as the same may be amended from time to time as therein provided, the Declaration being incorporated herein by reference as if set forth at length;

2.1.4 to borrow money and, with the assent of two-thirds (2/3rds) of the votes of each class of members of the Association, mortgage, pledge, convey by deed of trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

2.1.5 to dedicate, sell or transfer all or any part of the Community Property to Baltimore County, Maryland, any public agency, authority or utility having authority to manage it as open space, subject, however, to the requirements of the Declaration and to such conditions as may be agreed to by the members;

2.1.6 to participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional property and open space, provided that, except as otherwise provided in the Declaration, any such merger, consolidation or annexation shall have the assent of two-thirds (2/3rds) of the votes of each class of the members;

2.1.7 to do and perform any and all acts and things which a non-stock corporation organized and existing under the general laws of the State of Maryland is empowered to do, without limitation or restriction of any kind (including, by way of example rather than of limitation), any and all acts and things which such a corporation is empowered to do by the provisions of Title 2, Section 2-103, and Title 5, Section 5-202 of the Corporations and Associations Article of the Annotated Code of Maryland (as from time to time amended).

2.2 Anything contained in the foregoing provisions of this Article to the contrary notwithstanding, nothing in such provisions shall be deemed to empower the Association to take any action, or to permit the Association not to take any action, if and to the extent that its taking of or failure to take such action is not permitted by the provisions of the Declaration or the By-Laws.

### Article 3. Principal Office and Resident Agent.

3.1 The address of the Association's principal office in Maryland is Suite 230, 5850 Waterloo Road, Columbia, Maryland 21045.

3.2 The name and post office address of the Association's resident agent in Maryland is JONATHAN A. AZRAEL, III, 5th Floor, 101 East Chesapeake Avenue, Baltimore, Maryland 21286. Such resident agent is a citizen of the State of Maryland who actually resides therein.

**Article 4. Lack of Authority to Issue Stock.**

4.1 The Association is not authorized or empowered to issue capital stock of any type or class.

4.2 Nothing in the foregoing provisions of this Article shall be deemed in any manner to alter or impair any right or power which the Association may have from time to time to issue such bonds, notes and other evidence of secured or unsecured debt, in such amounts, for such consideration, upon such terms and subject to such conditions as the Association may determine.

**Article 5. Membership.**

5.1 The Association's membership shall consist of and be limited to all of the Owners, as that term is defined by the provisions of the Declaration.

5.2 The Association's membership shall be divided into such classes of membership as are prescribed by the provisions of the Declaration, each of which classes shall exist during such times, and the respective members of which shall have such rights, as are set forth therein.

5.3 Every person or entity that is the record fee simple Owner of any Condominium Unit is entitled to membership in the Association. Membership is appurtenant to and inseparable from the fee simple ownership of the Condominium Unit.

**Article 6. Directors.**

6.1 The minimum number of directors which the Association shall have shall be three (3) and the maximum number shall be seven (7), which number may be increased or decreased by an amendment of the Association's Bylaws, but shall never be less than three (3) or more than seven (7). The Association shall initially have three (3) directors.

6.2 The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors are:

Names

Address

Richard Azrael

5850 Waterloo Road, Suite 230  
Columbia, Maryland 21045

Alan Grabush

5850 Waterloo Road, Suite 230  
Columbia, Maryland 21045

James M. Abrams

5850 Waterloo Road, Suite 230  
Columbia, Maryland 21045

These Directors (herein called "Charter Directors") shall serve until the first annual meeting of the members at which their successors are elected. In the event of death, removal from office or resignation of a Charter Director during his term of office, the remaining Charter Directors shall elect a successor Charter Director to fill the unexpired term of such Charter Director.

6.3 The Association's Board of Directors shall exercise all of the Association's powers except for those, if any, conferred upon or reserved to the Association's members by law, or by the provisions of these Articles of Incorporation, the Association's By-Laws or the Declaration, as from time to time amended.

**Article 7. Perpetual Existence.** The Association's existence shall be perpetual.

**Article 8. Voting Rights and Classes of Members.**

8.1 The voting rights of each member and each class of membership of the Association are as set forth in the provisions of the Declaration, as from time to time amended (which provisions are incorporated herein).

8.2 Except in those circumstances, if any, in which the giving of a proxy by a member of the Association is expressly permitted by the provisions of the By-Laws, no member of the Association may vote by proxy.

**Article 9. Not for Profit Operation.**

9.1 The Corporation shall not be conducted or operated for profit, and no part of the net earnings of the Corporation shall inure to the benefit of or be distributed to any director, officer, contributor, or private individual, nor shall any of such net earnings or of the property or assets of the Corporation be used other than for the purposes set forth herein. The members shall not be personally liable for the debts, liabilities or obligations of the Corporation.

**Article 10. Indemnification.**

10.1 The Corporation shall indemnify every person who is or was an officer or director of this Corporation and who was or is threatened to be made a named defendant or respondent in any threatened, pending or completed action, suit or proceeding by reason of service in that capacity, whether civil, criminal, administrative or investigative, if that person (i)

acted in good faith; and (ii) reasonably believed (a) in the case of the Corporation; and (b) in all other cases that the conduct was at least not opposed to the best interests of this Corporation; and (iii) in the case of any criminal proceeding, had no reasonable cause to believe that the conduct was unlawful.

10.2 The indemnification provided for in this Article shall apply against judgments, penalties, fines, settlements and reasonable expenses actually incurred in connection with any such threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative; provided, however, that if any such action, suit or proceeding was won by or in the right of this Corporation, indemnification shall be made only against reasonable expenses and shall not be made in respect of any proceeding in which the person otherwise entitled to indemnity pursuant to the provisions of this Article shall have been adjudged to be liable to this Corporation. The termination of any such action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, creates a rebuttable presumption that the person otherwise entitled to indemnity did not meet the requisite standard of conduct set forth in this Article.

10.3 A person who is or was an officer or director of this Corporation is not indemnified under the provision of this Article in respect to any threatened, pending or completed action, suit or proceeding charging improper personal benefit to that person, whether or not involving action in that person's official capacity, in which the person was adjudged to be liable on the basis that person's benefit was improperly received.

10.4 The provisions of this Article are intended to provide every person who is or was an officer or director of this Corporation and who was or is threatened with a pending or completed action suit or proceeding by reason of service in that capacity, with indemnification to the extent permitted by Section 2-418(b) of Title 2, Corporations and Associations Article, Annotated Code of Maryland (1999 Repl. Vol.) as from time to time amended or superseded except as may be limited by these Articles, the Declaration or the Bylaws.

10.5 Indemnification under this Article may not be made by this Corporation unless authorized in the specific case after a determination has been made that indemnification is permissible because the person who is or was an officer or director of this Corporation has met the standard of conduct set forth in this Article. Such determination shall be made in the manner provided in Section 2-41 8(e), Title 2, Corporations and Associations Article, Annotated Code of Maryland (1999 Repl. Vol.) as from time to time amended or superseded.

10.6 Reasonable expenses incurred by any person who is or was an officer or director of the Corporation and who is a party to any threatened, completed or pending action, suit or proceeding by reason of service in that capacity, may be paid or reimbursed by the Corporation in advance of the final disposition of that proceeding, after a determination that the facts, as then known to those making the determination, would not preclude indemnification under this Article, upon receipt by the Corporation of:

- (i) a written affirmation by that person of that person's good faith that the standard of conduct necessary for indemnification by the Corporation as authorized in this Article has been met; and
- (ii) a written undertaking by or on behalf of that person to repay the amount if it shall ultimately be determined that the standard of conduct necessary for indemnification by the Corporation as authorized in this Article has not been met. The undertaking required by this subparagraph (ii) shall be an unlimited general obligation of the person making it, but need not be secured and may be accepted without reference to financial ability to make the repayment.

10.7 The officers and directors of this Corporation shall not be liable to this Corporation for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The officers and directors of this Corporation shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Corporation.

10.8 The provisions of this Article do not limit the power of this Corporation to pay or reimburse expenses incurred by any person who is an officer or director of this Corporation in connection with an appearance as a witness in any proceeding by reason of service in that capacity, or otherwise involving this Corporation, when that person has not been made a named defendant or respondent in the proceeding. Any right to indemnification provided for in this Article shall be in addition to, and not exclusive of, any other rights to which any person who is or was an officer or director of this Corporation may be entitled by law, or otherwise.

10.9 This Corporation may purchase and maintain insurance in commercially reasonable amounts and rates, on behalf of any person who is or was an officer or director of this Corporation against any liability asserted against and incurred by such person in any such capacity or arising out of such person's position, whether or not this Corporation would have the power to indemnify against such liability pursuant to provisions of this Article, or otherwise.

10.10. Any indemnification of, or advance of expenses to, any person in accordance with the provisions of this Article, if arising out of a proceeding by or in the right of the Corporation shall be reported promptly in writing to the members of the Corporation.

#### Article 11. Good Faith by Directors.

11.1 The directors shall exercise their powers and duties in good faith and with a view to the interests of this Corporation.

**Article 12. Dissolution of the Association.**

12.1 The Association may be voluntarily dissolved only in accordance with the provisions of Section 5-208 of the Corporations and Associations Article of the Annotated Code of Maryland (as amended), except that such dissolution must have been approved by the Association's membership by the affirmative vote of two-thirds (2/3rds) of all of the votes of each class of membership entitled to be cast thereon.

12.2 Upon any dissolution of the Association other than incident to its merger or consolidation with another entity, except as is otherwise required by applicable law, the Association's assets shall be granted to an appropriate public agency to be used by such agency for purposes which are the same as or similar to those for which the Association has been organized; provided that if such agency does not accept such grant, such assets shall be granted to any non-profit corporation, association, trust or other entity, to be used by such entity for such purposes.

IN WITNESS WHEREOF, the undersigned hereby executes and enseals these Articles of Incorporation and acknowledges them to be his act, the day and year first above written.

WITNESS:

Karen L. Phillips



PAUL J. SCHWAB, III

**CONSENT OF RESIDENT AGENT**

I the undersigned, named as the Resident Agent in the foregoing Articles of Incorporation, agree to serve as Resident Agent of the Corporation.

  
JONATHAN A. AZRAEL

**Budget**  
**Highlands Corporate Center One Master Association Inc.**

11/27/2018  
12:50 PM

265 Highlands Corp Center One LLC  
APPROVED BUDGET  
01/01/2019

410-997-7767  
7484 Candlewood Road, Suite H  
Hanover MD 21076

| OPERATING                    | PRIOR YR BUD<br>2018 | APPROVED<br>2019 |
|------------------------------|----------------------|------------------|
| Assessment Income            | 106,129              | 106,129          |
| TOTAL INCOME                 | 106,129              | 106,129          |
| EXPENSES                     |                      |                  |
| ADMINISTRATIVE               |                      |                  |
| Management Fee Mgmt Fee      | 12,207               | 12,263           |
| Tax/Audit Prep Fees          | 1,250                | 1,250            |
| Taxes/Misc Fees Income Tax   | 100                  | 100              |
| Taxes/Misc Fees State Income | 400                  | 200              |
| Taxes/Misc Fees Cty Stormwat | 4,600                | 200              |
| Insurance Premium General    | 2,039                | 2,047            |
| Office Exp- Misc Admin/Expen | 144                  | 140              |
| TOTAL ADMIN EXP              | 20,740               | 16,200           |
| OPERATING                    |                      |                  |
| Snow Removal Exp.            | 45,000               | 45,000           |
| Site Maint- Light Maint      | 500                  | 1,249            |
| Site Maint- Landscaping      | 2,000                | 2,000            |
| Site Maint- Parking Lot Main | 2,000                | 2,000            |
| Contract- Lawn Maint         | 22,680               | 22,680           |
| Contract- Maintenance Servic | 3,000                | 3,000            |
| Reserve Study Exp            | 2,000                | 2,000            |
| TOTAL OPERATING              | 77,180               | 77,929           |
| RESERVE TRSFS                |                      |                  |
| Reserve Transfer General Rep | 8,609                | 12,000           |
| TOTAL RESERVE TRSF           | 8,609                | 12,000           |
| TOTAL EXPENSE                | 106,529              | 106,129          |
| NET INCOME                   | (400)                | 0                |

**Bylaws**  
**Highlands Corporate Center One Master Association Inc.**

BYLAWS OF  
HIGHLANDS CORPORATE CENTER ONE MASTER ASSOCIATION, INC.

ARTICLE I  
APPLICABILITY OF BYLAWS

These Bylaws are for HIGHLANDS CORPORATE CENTER ONE MASTER ASSOCIATION, INC., a Maryland nonstock corporation, hereinafter referred to as the "Association".

ARTICLE 2  
DEFINITIONS

Unless otherwise defined in these Bylaws, words or phrases defined in the Declaration of Covenants, Conditions, Restrictions and Liens for the Association shall have the same meanings in these Bylaws.

ARTICLE 3  
MEETING OF MEMBERS

*Section 3.1. Membership.* The Association shall have two classes of membership, Class A and Class B, as more fully set forth in the Declaration.

*Section 3.2. Annual Meetings.* The first annual meeting of the Members shall be held within twelve (12) months from the date of filing of the Articles of Incorporation of the Association and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter or on such other reasonably similar date as may be selected by the Board of Directors. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

*Section 3.3. Special Meetings.* Special meetings of the Members may be called at any time by the President, by a majority of the Board of Directors, or upon written request of the Members who are entitled to vote at least fifty percent (50%) of all of the votes of the Class A and Class B membership.

*Section 3.4. Notice of Meetings.*

(a) The Association shall provide each Member entitled to vote with written notice of each meeting of the Members at least ten (10) days but not more than ninety (90) days before such meeting.

(b) Notice shall be given pursuant to this Section 3.4 when it is (i) personally delivered to a Member, (ii) left at a Member's Unit, (iii) mailed to a Member at the Member's address as it last appears on the records of the Association; or (iv) transmitted to the Member by electronic mail to any electronic mail address of the Member. Such notice shall specify the time, date, and place of the meeting, and, in the case of a special meeting, the purpose of the meeting.

*Section 3.5. Quorum.* The presence at the meeting of Members entitled to cast, or of proxies entitled to cast at least twenty-five percent (25%) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, these Bylaws, or by applicable law. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at meeting, until a quorum shall be present or be represented.

*Section 3.6. Voting.* At every meeting of the Members, each Class A Member shall have the right to cast one (1) vote for each Class A membership held by such Member on each question. Each of the Class B Members shall have the right to cast one (1) vote for each Class B membership held by such Member on each question. The vote of the Members representing fifty-one percent (51%) of the total of the votes of all of the memberships at the meeting, in person or by proxy, calculated as aforesaid, shall be necessary to decide any question brought before such meeting, unless the question is one upon which, by the express provision of law or of the Articles of Incorporation, the Declaration or of these Bylaws, a different vote is required, in which case such express provision shall govern and control. The vote of any membership which is held by more than one person may be exercised by any of the co-holders present at any meeting unless any objection or protest by any other holder of such membership is noted at such meeting. If all of the co-holders of any membership who are present at any meeting of the Members are unable to agree on the manner in which the votes for such membership shall be cast on any particular question, then such vote shall not be counted for purposes of deciding that question. If any membership is owned by a corporation, then the vote for any such membership shall be cast by a person designated in a certificate signed by the president or any vice president of such corporation and attested by the secretary or an assistant secretary of such corporation and filed with the Secretary of the Association, prior to or during the meeting. The vote of any membership which is held by a trust, partnership, limited liability company or other legal entity may be exercised by any trustee, partner, or manager or authorized member thereof, as the case may be, and, unless any objection or protest by any other such trustee, partner or member is noted at such meeting, the Chairman of such meeting shall have no duty to inquire as to the authority of the person casting such vote or votes. No Member shall be eligible to vote, either in person or by proxy, or to be elected to the Board of Directors, who is shown on the books or management accounts of the Association to be more than sixty (60) days delinquent in any payment due the Association.

*Section 3.7 Absentee Ballots.* Any unsigned absentee ballot, to be valid, shall be received in a signed, sealed envelope bearing the identification of the Unit on the outside, and shall be opened only at a meeting at which all candidates or their delegates have a reasonable opportunity to be present.

*Section 3.8. Proxies.* At all meetings of Members, each Member may vote in person or by proxy. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of such Member's Unit. No proxy shall be valid after eleven (11) months from its date, unless otherwise provided in the proxy. All proxies shall be in writing in such form as is approved by the Board of Directors, which approval may not be unreasonably withheld, and shall be filed with the Secretary before the appointed time of each meeting. Any written proxy which conforms to the applicable laws of the State of Maryland shall be deemed to be satisfactory and approved as to form by the Board of Directors. Notwithstanding anything herein to the contrary, only a directed proxy may be utilized to vote for members of the Board of Directors. A nondirected proxy may be counted toward a quorum and may vote on any matters of business other than the election of Directors.

*Section 3.9. Intentionally Omitted.*

*Section 3.10. Open Meetings.*

- (a) All meetings of the Association (including meetings of the Members, the Board of Directors, and committees appointed by the Board of Directors) shall be open to all Members of the Association or their agents, except that such meetings may be held in closed session for the following purposes, subject to applicable law, as amended from time to time:
- (i) Discussion of matters pertaining to employees and personnel;
  - (ii) Protection of the privacy or reputation of individuals in matters not related to Association business;
  - (iii) Consultation with legal counsel;
  - (iv) Consultation with staff personnel, consultants, attorneys or other persons in connection with pending or potential litigation;
  - (v) Investigative proceedings concerning possible or actual criminal misconduct;
  - (vi) Consideration of the terms or conditions of a business transaction in the negotiation stage if the disclosure could adversely affect the economic interests of the Association;
  - (vii) Compliance with a specific constitutional, statutory or judicially imposed requirement protecting particular proceedings or matters from public disclosure; or
  - (viii) On an individually recorded affirmative vote of two-thirds (2/3) of the members of the Board of Directors (or committee, if applicable) present, for some other exceptional reason so compelling as to override the general public policy in favor of open meetings.

(b) If a meeting is held in closed session for the purposes set forth above:

(i) No action may be taken and no matter may be discussed other than those permitted above; and

(ii) A statement of the time, place and purpose of any closed meeting, the record of the vote of each member of the Board of Directors (or committee, if applicable), by which any meeting was closed, and the authority under this Section for closing the meeting shall be included in the minutes of the next meeting of the Board of Directors (or committee, if applicable).

#### ARTICLE 4

#### BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE

*Section 4.1. Number.* The affairs of the Association shall be managed by a Board of Directors consisting of natural persons appointed by the Declarant or elected by the Members in accordance with this Article 4.

(a) There shall be a minimum of three (3) Directors and the total number of Directors on the Board shall at no time exceed seven (7). Prior to the expiration of the Declarant's Rights and Obligations Period as provided in the Declaration, the number of Directors shall be determined from time to time by the Declarant; thereafter, the number of Directors shall be five (5) unless otherwise determined by a majority vote of the Members at any annual or special meeting of Members; provided, however, that (i) the limitations on the number of Directors set forth in this Section 4.1 shall continue to apply; and (ii) no change in the number of Directors shall operate to curtail or extend the term of any incumbent Director.

(b) The Board shall initially consist of three (3) Directors appointed by the Declarant. The Declarant shall have the right to appoint all Directors until the expiration of the Declarant's Rights and Obligations Period.

(c) After the expiration of the Declarant's Rights and Obligations Period, the Board shall consist of one Director appointed by the 950-952 Building Condominium Board in odd numbered years and by the 954 Building Condominium Board in even numbered years and an equal number of the remaining Directors shall at all times be elected by the Class A Members and by the Class B Members.

(d) Except as expressly set forth in this Section, nothing herein shall otherwise be construed as limiting the Declarant's right to vote on any matter as a Class A Member or Class B Member of the Association after expiration of the Declarant's Rights and Obligations Period and the Declarant shall continue to retain all other rights reserved to the Declarant in the Governing Documents notwithstanding the expiration of the Rights and Obligations Period.

*Section 4.2. Term of Office.* Except for (i) members of the Board of Directors appointed by the Declarant, who shall serve until removed and/or replaced by the Declarant, or until replaced by a Director elected by the non-Declarant Owners as provided herein and (ii)

members of the Board of Directors appointed by the 950-952 or 954 Building Condominium Boards who shall serve until the next general membership meeting following their appointment, the term of office of each member of the Board of Directors shall be for two (2) years, provided, however, that the terms of half of the Directors elected to the Board by each class of membership at the first election by non-Declarant Owners shall be for one (1) year in order to stagger the terms of Directors. Upon expiration of such initial one (1) year term, the term for such seats on the Board shall thereafter be two (2) years. The purpose of the foregoing is to require that each year the terms of one half of the Directors elected by each class of membership shall expire and be subject to election. Any change in the number of Directors or term of office of Directors shall not act to extend or curtail the term of office of any incumbent Director. Directors shall hold office until their successors have been elected and hold their first regular meeting.

*Section 4.3. Removal.* Except with respect to Directors appointed by the Declarant, any Director may be removed from the Board, with or without cause, by a majority vote of the Owners who were entitled to elect that Director. The Class A Members or the Class B Members may vote to remove a Director originally elected by such respective class of Owners. In the event of the death, resignation or removal of a Director, an interim Director shall be selected by the remaining members of the Board, which interim Director shall serve until the next meeting of the Association, at which time a successor shall be elected by the Owners entitled to vote for such Director to serve for the remaining term of the Director being replaced. Members of the Board of Directors appointed by the Declarant shall serve at the pleasure of and may be removed and/or replaced, with or without cause, by the Declarant and unless the Declarant designates a replacement of a Board member appointed by the Declarant within ten (10) days of such member's death, resignation or removal, an interim Director shall be selected by the remaining members of the Board, which interim Director shall serve until the next meeting of the Association, at which time a successor shall be appointed by the Declarant.

*Section 4.4. Compensation.* No Director shall receive compensation for any service rendered to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of such Director's duties.

## ARTICLE 5 NOMINATION OF ELECTION OF DIRECTORS

*Section 5.1. Nomination.* Nomination for election to the Board of Directors, commencing with the first annual meeting of Members at which non-Declarant Owners are entitled to elect members of the Board of Directors, may be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee, if any, shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association, with equal representation by Class A and Class B Members. The Nominating Committee, if any, may be appointed by the Board of Directors prior to each annual meeting of the Members and such appointment may be announced at each annual meeting. The Nominating Committee, if any, may make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-Members, subject to the requirement that all Directors shall be Members of the Association or

members, officers or partners of a Member of the Association after the expiration of the Declarant's Rights and Obligations Period.

*Section 5.2. Election.* Election to the Board of Directors shall be by secret written ballot. Notwithstanding any other provision of these Bylaws, the presence at a meeting of Members entitled to cast, or of proxies entitled to cast, (i) at least twelve and one-half percent (12.5%) of the votes of the Class A Members and (ii) at least twelve and one-half percent (12.5%) of the Class B Members shall constitute a quorum for the purpose of electing members to the Board of Directors. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise pursuant to Sections 3.6 and 4.1(c) of these Bylaws. Only directed proxies shall be valid for the purpose of casting of votes for election of members to the Board of Directors. All election materials prepared with funds of the Association shall list candidates in alphabetical order and shall not suggest a preference among candidates. The persons receiving the largest number of votes for each respective seat shall be elected to the Board. Votes shall not be counted until after the time allotted by the Association for voting has ended. Cumulative voting is not permitted.

*Section 5.3. Directors Appointed by the Declarant.* All members of the Board of Directors appointed by the Declarant may be so appointed and removed directly by the Declarant without the requirement of an election. No Director appointed by the Declarant shall be required to be a Member. The Declarant shall notify the Association in writing of Directors appointed, removed and/or replaced by the Declarant. The names of the three (3) initial Directors of the Association appointed by the Declarant are set forth in the Articles of Incorporation.

## ARTICLE 6 MEETINGS OF DIRECTORS

*Section 6.1. Regular and Special Meetings.* All meetings of the Board of Directors or any committee created by the Board of Directors shall be held only (i) upon regularly scheduled and established dates or periods and at such time and place as shall have been made known by written notice given to the Members in accordance with the provisions or Section 3.4(b) of these Bylaws not less than five (5) days prior to the meeting, or (ii) after written notice of a Board meeting is given to all Members by any of the means listed in Section 3.4(b) of these Bylaws not less than five (5) days prior to the date of the meeting. All such meetings shall be open to all Members and Members' agents and shall be held at places and times within the Greater Baltimore metropolitan area as determined by the Board of Directors. Meetings of the Board of Directors may be held in closed session only in accordance with Section 3.10 of these Bylaws.

*Section 6.2. Quorum.* A majority of the number of Directors shall constitute a quorum for the transaction of business. If any meeting of the Board of Directors cannot be held because a quorum is not present, a majority of the Directors present at such meeting may adjourn the meeting to a time not less than three (3) nor more than thirty (30) days from the date of the original meeting. At the adjourned meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

*Section 6.3. Action by the Board of Directors.* Unless a greater number is expressly required under the Governing Documents or applicable law, every act or decision done or made by a majority of the total number Directors present at the meeting shall be effective.

*Section 6.4. Rights of Mortgagees.* Any institutional Mortgagee of any Unit who desires notice of the regular and special meetings of the Board of Directors shall notify the Secretary of the Association to that effect by Registered Mail - Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional Mortgagee and the name of the person to whom notice of the regular and special meetings of the Board of Directors should be addressed. The Secretary of the 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 regular or special meeting of the Board of Directors to each such institutional Mortgagee, in the same manner, and subject to the same requirements and limitations, as are otherwise provided in this Article for notice to the Members. Any such institutional Mortgagee shall be entitled to designate a representative to attend any regular or special meeting of the Board of Directors and such representatives may participate in the discussion at any such meeting and may, upon his request made to the Chairman in advance of the meeting, address the members of the Board of Directors present at any such meeting. Such representative shall have no voting rights at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of Board of Directors upon request made in writing to the Secretary of the Association.

#### ARTICLE 7

#### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

*Section 7.1. Powers.* Subject to the Declaration of Covenants, Conditions, Restrictions and Liens for the Association, the Board of Directors shall have power to:

(a) Adopt and publish Community Codes and other rules and regulations of the Association including, without limitation, those relating to the use of the Community Property and any facilities situated thereon, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Suspend an Owner's voting rights and an Owner's right to use the Community Property and/or any facilities situated thereon for (i) any period during which any Assessment against such Owner's Unit remains unpaid, and (ii) for any period as may be determined by the Board for each infraction of the Governing Documents, provided that such Owner is given reasonable notice of the violation and an opportunity for a hearing and subject to the limitations upon such right of suspension as may be set forth in the Declaration;

(c) Declare the office of a member of the Board of Directors to be vacant in the event such Director shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(d) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties;

- (e) Impose fines for violations of the Governing Documents;
- (f) Contract for services that benefit the Community;
- (g) Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration.

*Section 7.2. Duties.* It shall be the duty of the Board of Directors to:

- (a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members;
- (b) Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;
- (c) As more fully provided in the Declaration, to:
  - (i) Prepare proposed annual budgets and fix the amount of Assessments against each Unit;
  - (ii) Send written notice of Assessments with the proposed budget to every Owner prior to the commencement date of the new Assessments; and
- (d) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any Assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an Assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) Procure and maintain adequate liability and hazard insurance on Community Property and other insurance as it may deem appropriate. The Association may periodically employ an insurance consultant if the Board of Directors deems it necessary to do so in order to analyze the insurance requirements of the Association;
- (f) Cause all officers or employees of the Association having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) Cause the Community Property to be maintained and maintain any other property which is the responsibility of the Association pursuant to the Declaration; and
- (h) Otherwise perform or cause to be performed the functions and obligations of the Board and the Association as provided for in the Governing Documents, including collection of Assessments.

*Section 7.3. Management Agent.* The Board of Directors may employ for the Association the Declarant or another person as a management agent or manager (the "Management Agent") at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize in writing, provided the rate of compensation payable thereunder is commercially reasonable. Any management agreement entered into by the Association shall provide, among other things, that such agreement may be terminated for cause by either party upon thirty (30) days prior written notice thereof to the other party. The term of any such management agreement shall not exceed one (1) year; provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive one (1)-year periods.

## ARTICLE 8 OFFICERS AND THEIR DUTIES

*Section 8.1. Enumeration of Officers.* The officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer. The Directors may appoint an Assistant Secretary and an Assistant Treasurer and such other officers as the Board may, from time to time by resolution create, all of which officers are to be elected by the Board of Directors. The offices of Secretary and Treasurer may be filled by the same person. The President and the Vice President shall at all times be members of the Board of Directors; the other officers may, but need not, be members of the Board of Directors.

*Section 8.2. Election of Officers.* The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members; provided that the initial Board of Directors shall elect the first group of officers at its first organizational meeting.

*Section 8.3. Term.* Each officer of the Association shall be elected annually by the Board and each officer shall hold office for one (1) year or until his or her successor is duly elected and qualified, unless he or she shall sooner resign, or shall be removed, or otherwise become disqualified to serve.

*Section 8.4. Special Appointments.* The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

*Section 8.5. Resignation and Removal.* Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

*Section 8.6. Vacancies.* A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

**Section 8.7. Multiple Offices.** The offices of Secretary and Treasurer may be held by the same person and the offices of Vice President and Assistant Secretary may be held by the same person, but in no event shall the same officer execute, acknowledge or verify any instrument in more than one capacity, if such instrument is required by law or the Governing Documents to be executed, acknowledged or verified by two (2) or more officers. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 8 of this Article and except as otherwise provided in this Section 8.

**Section 8.8. Duties.** The duties of the officers are as follows (any of which may be assigned, in whole or in part, by the Board of Directors to the Management Agent):

(a) **President:** The President shall be the chief executive officer of the Association and shall preside at all meetings of the Board of Directors. The President shall see that orders and resolutions of the Board of Directors are carried out and may sign and execute, on behalf of the Board of Directors, all authorized instruments and shall co-sign all checks and promissory notes. The President shall perform such other duties as are from time to time assigned to the President by the Board of Directors.

(b) **Vice President:** The Vice President, at the request of the President, or in the absence of the President or during the President's inability or refusal to act, shall perform the duties and exercise the functions of the President, and when so acting shall have the powers of the President. The Vice President shall have such other powers and perform such other duties as are from time to time assigned to the Vice President by the Board of Directors or the President.

(c) **Secretary:** The Secretary shall keep the minutes of the meetings and proceedings of the Board of Directors and of any subcommittees thereto. The Secretary (i) shall see that all notices by the Association are duly given in accordance with the provisions of these Bylaws or as required by law; (ii) shall be custodian of the records of the Association; (iii) may witness any document on behalf of the Association, the execution of which is duly authorized; and (iv) shall perform all such other duties as are from time to time assigned to the Secretary by the Board of Directors or the President.

(d) **Treasurer:** The Treasurer (i) shall receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors; (ii) shall sign all checks and promissory notes authorized by the Board of Directors; (iii) shall keep proper books of account of the Board of Directors and the Association; (iv) shall cause to be prepared an annual statement of income and expenditures for the Association to be presented to the Board of Directors; (v) prepare or caused to be prepared for the Board's consideration the Association's proposed budget for the following year; and (vi) shall perform such other duties as are from time to time assigned to the Treasurer by the Board of Directors or the President.

**Section 8.9. Compensation.** No officer shall receive compensation for any service rendered to the Association. However, any officer may be reimbursed for actual expenses

incurred in the performance of such officer's duties.

## ARTICLE 9 ASSOCIATION TRANSACTIONS

*Section 9.1. Association Transactions with Directors or Their Affiliates.* A contract or other transaction between this Association and any of its Directors, or between this Association and any association, firm or other entity in which any of its Directors is a Director or has a material financial interest is not void or voidable solely because of the common directorship or interest, or because the Director is present at the meeting of the Board of Directors, which authorizes, approves, or ratifies the contract or the transaction, or because the vote of the Director was counted for the authorization, approval or ratification on the contract or transaction, if any of the following conditions exist:

(a) The fact of the common directorship or interest is disclosed or known to the Board of Directors and the Board of Directors authorizes, approves or ratifies the contract or transaction by the affirmative vote of a majority of disinterested directors, even if the disinterested Directors constitute less than a quorum; or

(b) The fact of the common directorship or interest is disclosed or known to the Members of the Association entitled to vote, and the contract or transaction authorized, approved or ratified by a majority of the votes cast by the Members entitled to vote other than the votes appurtenant to memberships owned by the interested Director or association, firm or other entity; or

(c) The contract or transaction is fair and reasonable to the Association at the time it was authorized, approved or ratified; or

(d) If a contract or transaction is not authorized, approved or ratified in the manner provided for in subparagraphs (a), (b) or (c) of this Section, the actions of the person asserting the validity of the contract or transaction were fair and reasonable to this Association at the time it was authorized, approved or ratified.

Common or interested Directors or the votes which they are entitled to cast or which are entitled to be cast by an interested association, firm or other entity, may be counted in determining the presence of a quorum at a meeting of the Board of Directors or at a meeting of the Unit Owners, as the circumstances may require, at which the contract or transaction is authorized, approved or ratified.

## ARTICLE 10 COMMITTEES

The Board of Directors may appoint a Covenants Committee, a Design Review Committee, and Local Area Committees as provided in the Declaration, and a Nominating

Committee as provided in these Bylaws. In addition, the Board of Directors may appoint other committees as it deems appropriate in carrying out its purposes. All committees appointed by the Board of Directors shall hold meetings in accordance with Section 3.10 and Section 6.1 of these Bylaws.

## ARTICLE 11 BOOKS AND RECORDS/FISCAL MANAGEMENT

*Section 11.1. Fiscal Year.* The fiscal year of the Association shall begin on the first day of January every year and shall end on the 31<sup>st</sup> day of December, except for the first fiscal year of the Association which shall begin on the date of recordation of the Declaration. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors in its discretion.

*Section 11.2 Principal Office - Change of Same.* The initial principal office of the Association shall be located at Suite 230, 5850 Waterloo Road, Columbia, Maryland 21045, but meetings of Members and Directors may be held at such places in the Greater Baltimore Metropolitan area as may be designated by the Board of Directors. The Board of Directors, by appropriate resolution, shall have the authority to change the location of the principal office of the Association from time to time, provided any changed location shall be located within the Greater Baltimore Metropolitan area.

*Section 11.3. Books and Accounts.* Books and accounts of the Association shall be kept under the direction of the Treasurer in accordance with generally accepted accounting principles, consistently applied. The same shall include books with detailed accounts of the expenditures and other transactions of the Association and its administration and shall specify the maintenance and repair expenses of the Community Property and facilities, services required or provided with respect to the same and any other expenses incurred by the Association.

*Section 11.4. Auditing.* At the close of each fiscal year, the books and records of the Association shall be reviewed. If elected by the Board of Directors, or in writing by Members holding at least five percent (5%) of the votes in the Association prior to the end of the fiscal year in question to be reviewed, the books and records of the Association shall be audited by an independent Public Accountant (provided that an audit shall not be made more than once in any 12 month period) whose report shall be prepared and certified in accordance with generally accepted accounting standards, consistently applied. Based upon such report, if any, the Association shall furnish the Members and any Mortgagee requesting the same with an annual financial statement, including the income and disbursements of the Association, within one hundred twenty (120) days following the end of each fiscal year. The cost of such audit shall be a Common Expense. In addition, upon written request from an entity which has an interest or prospective interest in the Association, the Board shall upon the payment of a reasonable fee furnish a copy of the Association's financial statement, if available, for the immediately preceding fiscal year.

*Section 11.5. Inspection of Books.* The books and accounts of the Association, vouchers accrediting the entries made thereupon and all other records maintained by the

Association shall be available for examination by the Members and their duly authorized agents or attorneys, and to the institutional holder of any First Mortgage on any Unit and its duly authorized agents or attorneys, during normal business hours and for purposes reasonably related to their respective interests and after reasonable notice. The Governing Documents of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

**ARTICLE 12**  
**ASSESSMENTS**

Each Member is obligated to pay to the Association the Assessments levied by the Association pursuant to the Governing Documents.

**ARTICLE 13**  
**CORPORATE SEAL**

The Association may have a seal in circular form having within its circumference the words: HIGHLANDS CORPORATE CENTER ONE MASTER ASSOCIATION, INC., a Maryland corporation.

**ARTICLE 14**  
**AMENDMENTS**

These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of (i) the Class A Members and (ii) the Class B Members and with the consent of the Declarant during the Declarant's Rights and Obligations Period.

**ARTICLE 15**  
**INTERPRETATION/MISCELLANEOUS**

*Section 15.1. Conflict.* These Bylaws are subordinate and subject to all provisions of the Declaration and to the provisions of the Articles of Incorporation of the Association. In the event of any conflict between these Bylaws and the Declaration, the provisions of the Declaration shall control and in the event of any conflict between these Bylaws and the Articles of Incorporation of the Association, the provisions of the Articles of Incorporation shall control.

*Section 15.2. Notices.* Unless another type of notice is specifically provided for in these Bylaws, any and all notices called for in these Bylaws shall be given in writing.

*Section 15.3. Severability.* In the event any provision or provisions of these Bylaws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions of these Bylaws which can be given effect.

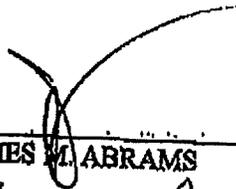
*Section 15.4. Waiver.* No restriction, condition, obligation or provision of these Bylaws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

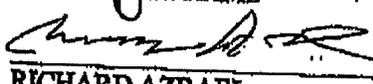
*Section 15.5. Captions and Gender.* The captions contained in these Bylaws are for convenience only and are not a part of these Bylaws and are not intended in any way to limit or enlarge the terms and provisions of these Bylaws. Whenever in these Bylaws the context so requires, the singular number shall include the plural and the converse, and the use of any gender shall be deemed to include all genders.

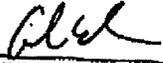
IN WITNESS WHEREOF, we, being all of the Directors of HIGHLANDS CORPORATE CENTER ONE MASTER ASSOCIATION, INC., have hereunto set our hands this 27<sup>th</sup> day of July, 2006.

WITNESS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

  
\_\_\_\_\_  
JAMES M. ABRAMS

  
\_\_\_\_\_  
RICHARD AZRAEL

  
\_\_\_\_\_  
ALAN GRABUSH

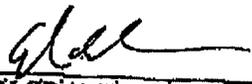
CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of HIGHLANDS CORPORATE CENTER ONE MASTER ASSOCIATION, INC., a Maryland nonstock corporation, and,

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors hereof, held on the 27th day of July, 2006.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 27th day of July, 2006.

  
\_\_\_\_\_  
ALAN GRABUSH, Secretary

Bylaws of  
The Highlands One Land Condominium

ARTICLE 1

PLAN OF CONDOMINIUM OWNERSHIP

*Section 1.1. The Land Condominium.* The Land Condominium has been established by subjecting the Property described in Exhibit. "A" of the Declaration to a condominium regime pursuant to the Maryland Condominium Act. These Bylaws are attached to and made part of the Declaration as Exhibit "B" and are intended by the Declarant to set forth, among other things, a plan by which the affairs of the Land Condominium shall be administered and governed by the Council of Unit Owners pursuant to the Maryland Condominium Act.

*Section 1.2. Definitions.* In these Bylaws, all capitalized terms shall have the same meanings as designated in the Declaration unless otherwise expressly provided or apparent from the context.

*Section 1.3 Applicability of Bylaws.* Unit Owners and to the Land Condominium. All present and future Unit Owners, lessees, or occupants of Land Units and Land Unit Buildings, and any other persons who may use the Land Condominium or the facilities of the Land Condominium in any manner, are subject to the Declaration and these Bylaws. The acceptance of a deed of conveyance to any portion of a Land Unit or a Land Unit Building shall constitute an agreement that these Bylaws and the Declaration, as either may be amended from time to time, are accepted, ratified, and will be complied with.

ARTICLE 2

THE COUNCIL OF UNIT OWNERS IN GENERAL

*Section 2.1. Purpose and Status of the Council of Unit Owners.* The purpose of the Council of Unit Owners shall be to operate the Land Condominium for the benefit of the Unit Owners and to exercise the powers conferred upon it by the Declaration and these Bylaws. The Council of Unit Owners shall be an unincorporated entity. All powers and duties of the Council of Unit Owners set forth in the Declaration and these Bylaws shall be exercised solely by the Council of Unit Owners; there shall be no Board of Directors for the Council of Unit Owners.

*Section 2.2. Name and Mailing Address.* The Council of Unit Owners shall be known as "The Council of Unit Owners of the Highlands One Land Condominium". The office and mailing address of The Council of Unit Owners shall be c/o Abrams Development, 5850 Waterloo Road, Suite 230, Columbia, Maryland 21045, or as otherwise determined from time to time by the Council of Unit Owners.

**Section 2.3. Limited Powers of the Council of Unit Owners.** The Land Condominium has been established for the sole purpose of creating Land Units that can each be financed and conveyed and which Land Units in total will conform to the land use and zoning requirements for underlying property. The Council of Unit Owners shall have only those powers enumerated in Section 11-109(d) of the Maryland Condominium Act that are reasonably necessary to effect the foregoing limited purpose of the Land Condominium or to effect such other matters that are expressly provided for in the Declaration and these Bylaws. Without limiting the scope of matters that are outside of the limited powers of the Council of Unit Owners, the Council of Unit Owners shall have no authority or obligation to act on behalf of any Building Condominium Associations or any unit owners within a Building Condominium in any matter whatsoever, including, without limitation, with respect to any claims, litigation or proceedings related to the construction or warranties of any Building Condominium. The provisions of this Section 2.3 may not be amended without the express written consent of the Declarant.

**ARTICLE 3**

**MEMBERSHIP, MEETINGS, AND LIABILITY OF THE COUNCIL OF UNIT OWNERS**

**Section 3.1. Members.** The Council of Unit Owners shall have as its members all of the Unit Owners.

**Section 3.2. Meetings of the Council of Unit Owners: Meeting Officers.** Meetings of the Council of Unit Owners shall be held as required by the Maryland Condominium Act or as agreed upon by the Unit Owners. The Council of Unit Owners shall designate an Owner to act as the chairperson of each meeting and shall designate a records secretary to keep the minutes of the meeting and record any votes taken at the meeting. The records secretary may be, but shall not be required to be, a Unit Owner.

**Section 3.3 Notice of Meetings.** It shall be the duty of the secretary of the Council of Unit Owners or other person designated by the Council of Unit Owners to provide notice of each meeting of the Council of Unit Owners at least ten (10) days but not more than ninety (90) days prior to such meeting. The notice shall state the purpose of the meeting as well as the time and place at which the meeting is to be held. Meeting notices shall be mailed or personally delivered to the address of each Unit Owner of record as shown on the roster of Unit Owners maintained by the Council of Unit Owners. 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 or personally delivered at least thirty (30) days prior to such meeting. The mailing of a meeting notice in the manner provided in this Section shall be considered service of notice as of the date of such mailing. A meeting notice that is personally delivered shall be served as of the date of such delivery. Service of notice shall be proven by affidavit of the person serving such notice. Attendance by a Unit Owner at a meeting of the Council of Unit Owners in person or by proxy shall constitute waiver of notice of the time, place, and purposes of such meeting.

**Section 3.4. Voting.** Each Owner shall be entitled to cast the votes appurtenant to that Owner's Unit at all meetings of the Council of Unit Owners. Such voting interest is set forth on Exhibit "D" to the Declaration.

**Section 3.5. Majority of Owners.** As used in these Bylaws, the term "a Majority of Owners" shall mean those Owners having more than fifty percent (50%) of the total voting interests of all Land Units.

**Section 3.6. Quorum.** The presence in person or by proxy of Owners having at least fifty percent (50%) of the total authorized votes of all Owners constitutes a quorum at all meetings of the Council of Unit Owners

**Section 3.7. Majority Vote.** The vote of a Majority of Owners shall be binding upon all Unit Owners for all purposes except to the extent the Declaration, the Maryland Condominium Act, or these Bylaws otherwise expressly require a higher percentage vote.

**Section 3.8. Action Without Meeting.** Any action by the Council of Unit Owners required or permitted to be taken at any meeting may be taken without a meeting if all the Owners shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Council of Unit Owners.

**Section 3.9. Liability of the Council of Unit Owners; Defense of Claims.**

(a) Officers and Owners acting on behalf of the Council of Unit Owners shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or gross negligence.

(b) No Officer or Owner acting on behalf of the Council of Unit Owners shall be liable for injury or damage to persons or property from any cause whatsoever unless in each such instance such injury or damage has been caused by such member's or Officer's own willful misconduct or gross negligence.

(c) Officers and Owners acting on behalf of the Council of Unit Owners shall have no personal liability in contract to a Unit Owner or any other person or entity under any agreement, check, contract, deed, lease, Mortgage, instrument, or transaction entered into by them on behalf of the Council of Unit Owners in the performance of their official duties

(d) Officers and Owners acting on behalf of the Council of Unit Owners shall have no personal liability in tort to a Unit Owner or any other person or entity, director imputed, by virtue of acts performed by or for them, except for such Officer's or Owner own willful misconduct or gross negligence in the performance of their duties,

(e) Complaints brought against Owners acting on behalf of the Council of Unit Owners, Officers, or employees or agents thereof in their respective capacities as such, or the Land Condominium as a whole, shall be directed to the Council of Unit Owners, which shall promptly give written notice there of to the Owners and such complaints shall be defended by the Council of Unit Owners. Unit Owners and their respective Mortgagees shall have no right to participate in such defense other than through the Council of Unit Owners, unless a Unit Owner or Mortgagee is named as a defendant in such action. Complaints against one or more but less than all Owners shall

be defended by such Owners themselves and, if the complaint relates to the Land Condominium, such Owners shall promptly give written notice of the institution of any such suit to the Council of Unit Owners.

**Section 3.10. Common or Interested Members of the Council of Unit Owners.** Owners acting on behalf of the Council of Unit Owners shall exercise their powers and duties in good faith and with a view to the interests of the Council of Unit Owners and consistent with the purposes set forth in the Declaration and these Bylaws. No contract or other transaction between the Council of Unit Owners and one or more Owners, or between the Council of Unit Owners and any corporation, firm, entity, or association in which one or more of the members of the Council of Unit Owners are directors or officers or are financially or otherwise interested, shall be either void or voidable because such member or members are present at the meeting of the Council of Unit Owners which authorizes or approves the contract or transaction, or because 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 (1999), as amended, or its successor statute.

**ARTICLE 4**

**OFFICERS**

**Section 4.1. Appointment of Officers.** The Council of Unit Owners shall appoint such Officers of the Council of Unit Owners as may be required by the Maryland Condominium Act, in accordance with Section 3.2 of these Bylaws, or as otherwise may be deemed necessary by the Council of Unit Owners.

**Section 4.2. Compensation of Officers.** No Officer shall receive any compensation from the Council of Unit Owners for acting as such, provided, however, that Officers may be reimbursed for sums which they may reasonably expend on behalf of the Council of Unit Owners, provided that such expenses are approved by the Council of Unit Owners.

**ARTICLE 5**

**NO COMMON EXPENSES OR ASSESSMENTS**

There shall be no common expenses or assessments of the Land Condominium.

**ARTICLE 6**

**NO SEVERANCE OWNERSHIP**

Except as may be provided in the Maryland Condominium Act, no Owner shall execute any Mortgage, bring an action in partition, or otherwise convey or encumber its Land Unit without including therein the appurtenant Common Elements, it being the intention of this Article 8 to prevent any severance of such combined ownership. Any Mortgage or 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. No part of the appurtenant Common Elements of any Land Unit may be sold,

transferred, or otherwise disposed of, except as part of a sale, transfer, or other disposition of the Land 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 Land Units.

#### ARTICLE 7

#### CONDEMNATION PROCEEDS

In the event of a taking in condemnation, or by purchase in lieu thereof, of a Land or any part of a Land Unit and any Common Elements above or below such Land Unit or portion thereof, all proceeds for such taking or purchase in lieu shall be distributed to the Owner of the Land Unit that is the subject of such taking or purchase in lieu. All such proceeds relating to the taking purchase in lieu of any Land Unit that contains a Building Condominium shall be distributed in accordance with the governing documents for such Building Condominium.

#### ARTICLE 8

#### MISCELLANEOUS

*Section 8.1. Notices.* Except as otherwise provided herein, notices under these Bylaws shall be given in accordance with Section 8.7 of the Declaration.

*Section 8.2. 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 8.3. Captions.* The caption and section headings, in these Bylaws are included only for convenient reference, and in no way define, limit, or describe the scope or intent of these Bylaws and shall not be relied upon or used in construing the effect or meaning of any of the provisions of these Bylaws.

*Section 8.4. 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 of the number of violations or breaches thereof which may occur.

*Section 8.5. Amendments to Bylaws.* Except as otherwise provided herein or in the Declaration, these Bylaws may be modified or amended in accordance with Section 11-104(e) of the Maryland Condominium Act, and with the consent of at least seventy-five percent of the Owners,

*Section 8.6. Conflicts.* In case any part of these Bylaws conflicts with the Maryland Condominium Act or the Declaration, the provisions of the Maryland Condominium Act and Declaration, as the case may be, shall control.

**END OF BYLAWS**

---

**EXHIBIT C**  
**Land Condominium Plat**



**EXHIBIT D**  
**Schedule of Percentage Interests**

| <u>Land Unit Number</u> | <u>Percentage of Interests</u> |
|-------------------------|--------------------------------|
| 1 <i>950 950 SW</i>     | 12.84                          |
| 2 <i>ASW 954</i>        | 4.60                           |
| 3 <i>950 SW Madson</i>  | <u>82.56</u>                   |
|                         | 100.00                         |

0024217 360

State of Maryland Land Instrument Intake Sheet
Baltimore City County: Baltimore

Information provided is for the use of the Clerk's Office, State Department of Assessments and Taxation, and County Finance Office Only.
(Type or Print in Black Ink Only—All Copies Must Be Legible)

Space reserved for the County Clerk Recording Validation

100% CURE \$ 20.00
RECORDING FEE 75.00
TOTAL 95.00
Recpt # 7903
Blk # 2366
03:20 PM

1 Type(s) of Instruments
2 Conveyance Type Check Box
3 Tax Exemptions (If Applicable)

4 Consideration and Tax Calculations
Table with columns for Consideration Amount and Finance Office Use Only.

5 Fees
Table with columns for Amount of Fees, Doc 1, and Doc 2.

6 Description of Property
SDAT requires submission of all applicable information. A maximum of 40 characters will be indexed in accordance with the priority cited in Real Property Article Section 3-104(g)(3)(i).

7 Transferred From
Doc 1: Grantor(s) Name(s)
Doc 2: Grantor(s) Name(s)

8 Transferred To
Doc 1: Grantee(s) Name(s)
Doc 2: Grantee(s) Name(s)

9 Other Names Be Indexed
Doc 1: Additional Names to be Indexed (Optional)
Doc 2: Additional Names to be Indexed (Optional)

10 Contact/Mail Information
Name: Paul J. Schwab
Firm: Arcael, Gann, & Pappas
Address: 5th Floor, 101 E. Chesapeake Ave.
Phone: (410) 821-6800

**Declaration-CCRs**  
**Highlands Corporate Center One Master Association Inc.**

**DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND  
LIENS FOR THE HIGHLANDS CORPORATE CENTER ONE**

This Declaration made on the date hereinafter set forth by HIGHLANDS OFFICE PARK ONE, LLC, a Maryland limited liability company organized and existing under the laws of the State of Maryland, "Declarant".

The Declarant hereby affirms, adopts and subscribes to the purposes and provisions of this Declaration and declares that the covenants, conditions, easements and restrictions contained herein, as well as any subsequent covenants, conditions, easements, restrictions and Community Codes which are promulgated or adopted in accordance with, or which become a part of, the Governing Documents shall be binding upon and applicable to all real property subjected to this Declaration. The Declarant intends by the recordation of this Declaration to create a general plan and scheme of development for an office condominium development for the Community known as Highlands Corporate Center One located in Baltimore County, Maryland. This Declaration provides a framework for an orderly and reasonable development and operation of Highlands Corporate Center One. The Governing Documents for Highlands Corporate Center One provide various rights and privileges to the Declarant to permit the Declarant to achieve its development goals in a reasonable manner. This Declaration also confers powers and authority to Highlands Corporate Center One Master Association, Inc., a Maryland nonstock corporation comprised of all Owners within Highlands Corporate Center One, to permit the reasonable administration and operation of the Association and to permit the Association to maintain and preserve the Community Areas.

**PREAMBLE**

WHEREAS, the Declarant is the owner of the property described on Exhibit "A" attached to and made a part of this Declaration; and

WHEREAS, the Declarant desires to allow for the preservation and enhancement of property values within the Community and its efficient operation; and

WHEREAS, the Declarant desires to adopt and implement a common scheme of development for the Community; and

WHEREAS, the Declarant believes that for the Community to offer unique opportunities to its Owners, its Owners must necessarily make special efforts to contribute to the well being of the Community; and

WHEREAS, to accomplish these objectives the Declarant believes that it is in the best interests of the Community for the Declarant to maintain a significant and influential role in the implementation of the Community Plan and the Declarant has therefore retained numerous rights and will exercise significant control and influence over the Community until the development process has been completed.

NOW, THEREFORE, in consideration of the foregoing, the provisions of which are a

substantive part of this Declaration, and other good and valuable consideration, the Declarant hereby declares that all of the real property described on Exhibit "A" to this Declaration shall thereafter be held, conveyed, hypothecated, encumbered, sold, leased, rented, used, occupied and improved subject to the covenants, conditions, easements and restrictions set forth in the Governing Documents, as modified and amended from time to time, all of which shall run with the real property subjected to the Governing Documents and which shall be binding on all parties having any right, title or interest in all or any portion of the Community, their respective heirs, personal representatives, successors, transferees and assigns, as well as tenants, guests and invitees, and shall inure to the benefit of each Owner thereof.

## **ARTICLE 1** **DEFINITIONS**

**Section 1.1 Definitions.** As used in this Declaration, the Articles of Incorporation and the Bylaws, and in all amendments thereto, unless the context requires otherwise

- (a) **Intentionally Omitted.**
- (b) **Articles of Incorporation or Articles** refer to the Articles of Incorporation of Highlands Corporate Center One Master Association, Inc., as filed with the Maryland State Department of Assessments and Taxation.
- (c) **Assessments** refer to all General Assessments, Special Assessments, Local Area Assessments and all other fees and charges and all installments of any of the foregoing, as may be levied by the Association in accordance with the Governing Documents.
- (d) **Association** refers to Highlands Corporate Center One Master Association, Inc., a Maryland nonstock corporation, its successors and assigns, which is the entity responsible for carrying out the objectives of the Governing Documents.
- (e) **Board of Directors or Board** refers to the governing body of the Association as more fully described in the Bylaws and Articles of Incorporation of the Association.
- (f) **Building Condominium** refers either to the 950-952 Building Condominium or the 954 Building Condominium.
- (g) **Building Condominium Association** means the council of unit owners of any Building Condominium.
- (h) **Building Condominium Board** means the board of directors of a Building Condominium Association or its duly authorized representative.
- (i) **Bylaws** refer to the Bylaws of Highland Corporate Center One Master Association, Inc., as adopted by the Board of Directors, as amended from time to time.

(j) **Common Expenses** refer to the actual and estimated expenses of operating the Association, including any reasonable reserves, as determined by the Board of Directors in accordance with the Governing Documents.

(k) **Community** refers to all of the property described on Exhibit "A" to this Declaration. The term "Community" includes all Units and Community Property. The Community is sometimes also referred to as the "Property".

(l) **Community Areas** refer to the Community Property, together with any other areas shown on the Community Plan, regardless of whether such areas are owned by the Association or are located within the Property, for which, pursuant to the Community Plan, this Declaration, any Community Code, any agreement or otherwise, the Association is intended to assume maintenance or other responsibilities.

(m) **Community Codes** refer to the rules, regulations, standards and guidelines as may be promulgated from time to time in accordance with this Declaration and which, once promulgated, are as binding and enforceable as this Declaration.

(n) **Community Plan or Development Plan** refers to the Site and Development Plans prepared by the Declarant's engineers that are finally approved by the County. Given its dynamic nature, the Community Plan is subject to change from time to time due to changes required by the County or other governmental bodies and agencies with jurisdiction over the Property or in the reasonable discretion of the Declarant for any reason deemed necessary or desirable by the Declarant consistent with the needs or development of the Community.

(o) **Community Property** refers to all real property owned or maintained by the Association, including the improvements thereto, for the common use and enjoyment of the Owners. Community Property shall include Exclusive Community Property.

(p) **County** refers to Baltimore County, Maryland, and any County agency, regulatory authority or department.

(q) **Covenants Committee** refers to the entity established pursuant to Article 8 of this Declaration.

(r) **Declarant** refers to HIGHLANDS OFFICE PARK ONE, LLC, a Maryland limited liability company, and its successors, transferees and assigns, provided, however, that no successor, transferee or assign of the Declarant shall acquire any of the Declarant's Rights and Obligations unless all or some of the Declarant's Rights and Obligations are specifically set forth in writing and described in the instrument of succession, transfer or assignment and such instrument is recorded among the Land Records.

(s) **Declarant's Rights and Obligations** refers to any and all privileges, powers, easements, exemptions, rights and duties reserved to the Declarant in the Governing Documents, including in Appendix One of this Declaration.

(t) **Declarant's Rights and Obligations Period** has the meaning set forth in §A-10l of Appendix One of this Declaration.

(u) **Design Guidelines** refers to the architectural guidelines and procedures, if any, as adopted from time to time in accordance with this Declaration.

(v) **Design Review Committee** refers to the entity which may be established pursuant to Article 7 of this Declaration.

(w) **Intentionally Omitted.**

(x) **Eligible Mortgagee** shall have the meaning set forth in Section 13.1 of this Declaration.

(y) **Exclusive Community Property** refers to any portions of the Community Property designated as such in accordance with Section 2.5 of this Declaration.

(z) **First Mortgage** means a Mortgage (as hereinafter defined) with priority over all other Mortgages.

(aa) **General Assessments** refer to assessments levied at a uniform rate against all Units within the Community to fund Common Expenses.

(ab) **Governing Documents** refer to this Declaration, the Articles of Incorporation, the Bylaws and the Community Codes, as each of the same may be amended from time to time.

(ac) **Improvements** shall have the meaning set forth in Section 7.1 of this Declaration.

(ad) **Initial Contribution** shall have the meaning set forth in Section 5.10 of this Declaration.

(ae) **Land Records** refers to the land records of Baltimore County, Maryland.

(af) **Local Area** refers to any area which is designated as such pursuant to a Community Code and which is comprised of one or more, but less than all, Units. Each Building Condominium shall be considered a Local Area.

(ag) **Intentionally Omitted.**

(ah) **Local Area Committee** refers to any committee comprised of the Owners or representatives of Owners served by a Local Area and shall for each Building Condominium be that Building Condominium's Board.

(ai) **Local Area Expenses** refer to actual and estimated expenses, including reserves, related to services, benefits or the operation of a Local Area, as determined by the Board of Directors with the consent of the applicable Local Area Committee in accordance with Section 5.4 of this Declaration.

(aj) **Member** refers to every person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, that holds any class of membership in the Association pursuant to this Declaration.

(ak) **Mortgage** refers to a mortgage, deed of trust, a deed to secure debt or any other form of security instrument affecting title to a Unit that is recorded among the Land Records.

(al) **Mortgagee** refers to an institutional or governmental holder of a Mortgage.

(am) **Owner** refers to the record fee simple title holder of any Unit, whether one or more Persons. The term Owner excludes those having an interest in a Unit merely as security for the performance of an obligation.

(an) **Person** shall refer to a natural person, a corporation, a partnership, a limited liability company, a trustee, or any other legal entity.

(ao) **Property** refers to all of the property described on Exhibit "A" to this Declaration. The term "Property" includes all Units and Community Property. The Property is sometimes also referred to as the "Community".

(ap) **Regulatory Plans** refers to all project plans, preliminary plans, and/or site plans, as amended, for the Property reviewed and approved by the appropriate governmental authorities.

(aq) **Review Entity** has the meaning set forth in Section 7.4 of this Declaration.

(ar) **Special Assessments** refer to assessments levied in accordance with Section 5.5 of this Declaration.

(as) **Unit** refers to any condominium unit located on the Property within either the 950-952 Building Condominium or the 954 Building Condominium.

(at) **950-952 Building Condominium** refers to the 950-952 Ridgebrook Road Condominium established within the Community.

(au) **950-952 Building Condominium Association** means the council of unit owners of the 950-952 Building Condominium.

(av) **950-952 Building Condominium Board** means the board of directors of the 950-952 Building Condominium Association or its duly authorized representative.

(aw) **954 Building Condominium** refers to the 954 Ridgebrook Road Condominium that is established within the Community.

(ax) **954 Building Condominium Association** means the council of unit owners of the 954 Building Condominium.

(ay) **954 Building Condominium Board** means the board of directors of the 954 Building Condominium Association or its duly authorized representative.

## ARTICLE 2

### PROPERTY SUBJECT TO GOVERNING DOCUMENTS

*Section 2.1. Property Subject to the Governing Documents.* The real property which shall be held, conveyed, hypothecated, encumbered, sold, leased, rented, used, occupied and improved subject to the Governing Documents, including all of the provisions set forth in this Declaration, is described on Exhibit "A" to this Declaration. This Declaration, the Bylaws, the Articles of Incorporation and the Community Codes together establish a general plan of development for Highlands Corporate Center One and the Governing Documents may be modified or amended from time to time by amendments, modifications, easements, restrictions, rules, guidelines, or Community Codes applicable to all or portions of the Property adopted in compliance with the Governing Documents. Such amendments, modifications, easements, restrictions, rules, guidelines, or Community Codes may be more or less restrictive than the provisions of this Declaration.

*Section 2.2. Exclusive Community Property.* Exclusive Community Property refers to any portions of the Community Property designated as such by the Declarant or the Board of Directors in accordance with this Section 2.2 which are intended for the exclusive use or primary benefit of one or more, but less than all, of the Units.

(a) The Declarant may designate any portions of the Community Property as Exclusive Community Property pursuant to a duly adopted Community Code.

(b) The Board of Directors may designate any portions of the Community Property as Exclusive Community Property pursuant to a duly adopted Community Code.

## ARTICLE 3

### PROPERTY RIGHTS

*Section 3.1. Owner's Easements of Enjoyment.* Every Owner shall have a non-exclusive right and easement of use, access and enjoyment in and to the Community Property, including an easement for the use and enjoyment of the private streets, roadways, parking areas, trails and walkways within the Community Property. Each Owner's right to use and enjoy the Community Property shall extend to the Owner's lessees and invitees and the lessees' employees,

agents, servants, guests and invitees, subject to applicable Community Codes. Any Owner who leases a Unit shall be deemed to have assigned the Owner's right to utilize the Community Property to the lessee of the Unit. Such easement of use, access and enjoyment shall be appurtenant to and shall pass with the title to every Unit, subject to:

- (a) The rights and obligations set forth in the Governing Documents, as amended from time to time, and any other covenants and easements relating to the Community Property;
- (b) Any covenants, conditions, easements, restrictions or reserved rights contained in any deed conveying any storm water management facilities of the Community Property to the Association;
- (c) The right of the Association to charge reasonable admission, user or other fees for the use of the Community Property;
- (d) The right of the Association to suspend an Owner's right to use the Community Property and/or any facilities situated thereon for (i) any period during which any assessment against such Owner's Unit remains delinquent, and (ii) for any period as may be determined by the Board for each infraction of the Governing Documents, provided that the Owner is given reasonable notice of the violation and an opportunity for a hearing in accordance with the Governing Documents and such suspension shall not interfere with such Owner's right of access to his Unit and right to park upon the Community Property;
- (e) The right of the Association to dedicate or transfer all or any part of the Community Property (including any storm water management facilities) to any public agency, authority, or utility for such purposes as are consistent with the purposes of the Governing Documents and subject to such approval requirements as may be set forth in the Governing Documents;
- (f) The rights of the Declarant and the Association to establish Community Codes pertaining to the use of the Community Property and any facilities situated thereon including, without limitation, the right to designate portions of the Community Property as Exclusive Community Property;
- (g) The rights of the Association, the Declarant, utility companies and Owners with respect to the easements established by or created pursuant to the Governing Documents;
- (h) The right of the Association, in accordance with the Governing Documents, to borrow money for the purpose of improving the Community Property and any facilities situated thereon in a manner designed to promote the enjoyment and welfare of the Owners and in aid thereof to mortgage any of the Community Property and facilities situated therein;
- (i) The right of designated Owners to the exclusive use of any portions of the Community Property designated as Exclusive Community Property;
- (j) The rights of the Declarant to grant easements, to utilize reserved rights and

easements, and to otherwise utilize the Community Property as it deems appropriate in connection with the development of the Community;

(k) The rights of the Declarant (subject to Section 15.17) and the Association under this Declaration to grant easements, licenses or other rights of use of the Community Property and any facilities situated thereon to Owners and to persons or entities who are not Owners for such consideration and on such terms and conditions as the Declarant or the Association, as the case may be, may from time to time consider appropriate; and

(l) Such other rights of the Declarant and the Association as are consistent with the Governing Documents.

**Section 3.2. Limitations.** Any other provision of this Declaration to the contrary notwithstanding, the Association shall have no right to suspend the right of any Owner to use any private streets, roadways, or parking areas within the Community Property for both vehicular and pedestrian ingress and egress to and from such Owner's Unit and for parking; provided, however, that the Association shall have the right to designate the use of parking spaces within the Community Property for the exclusive use of certain Owners, residents or guests, subject to the provisions of Article 10 of this Declaration..

#### ARTICLE 4

#### THE ASSOCIATION AND ITS MEMBERS

**Section 4.1. Purpose and Role of the Association.** Except as otherwise provided in the Governing Documents, the Association shall be responsible for the management, operation and control of the Community Areas. The Association is empowered to enforce the Governing Documents. The Association shall exercise its responsibilities in accordance with the Governing Documents.

**Section 4.2. Membership in the Association.** Every Owner shall be a Member of the Association. No Owner, whether one or more persons or entities, shall have more than one (1) membership for each Unit owned. However, all Owners shall be subject to the Governing Documents. Membership in the Association shall be appurtenant to and may not be severed from ownership of any Unit. Membership rights and obligations are more fully described in the Bylaws.

**Section 4.3. Voting Rights.** The Association shall have two (2) classes of voting membership, Class A Membership and Class B Membership.

(a) **Class A.** Every person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof who is an Owner of any Unit in the 950-952 Building Condominium is a Class A Member; provided, however, that any such person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who holds such interest solely as security for the performance of an obligation shall not be a Class A Member solely on account of such interest. Ownership of a Unit shall entitle each Owner holding the interest required for Class A membership to cast one (1) vote; provided, however,

that if more than one (1) person or entity are the Owners of a Unit, the vote for such Unit shall be exercised as those persons or entities themselves determine and advise the secretary of the Association, but in no event shall more than one (1) vote be cast with respect to any Unit owned by a Class A Member. Any Owner that leases a Unit may, in the lease or other written instrument, assign the voting right appurtenant to such Unit to the Owner's lessee, provided that a copy of such instrument is furnished to the Association.

(b) Class B. Every person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof who is an Owner of any Unit in the 954 Building Condominium is a Class B Member; provided, however, that any such person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who holds such interest solely as security for the performance of an obligation shall not be a Class B Member solely on account of such interest. Ownership of a Unit shall entitle each Owner holding the interest required for Class B membership to cast one (1) vote; provided, however, that if more than one (1) person or entity are the Owners of a Unit, the vote for such Unit shall be exercised as those persons or entities themselves determine and advise the secretary of the Association, but in no event shall more than one (1) vote be cast with respect to any Unit owned by a Class B Member. Any Owner that leases a Unit may, in the lease or other written instrument, assign the voting right appurtenant to such Unit to the Owner's lessee, provided that a copy of such instrument is furnished to the Association.

## ARTICLE 5 COVENANT FOR ASSESSMENTS

*Section 5.1. Creation of Lien and Personal Obligation for Assessments.* Each Owner of a Unit by acceptance of a deed therefor, whether or not expressly stated in such deed, shall be deemed to covenant and agree to pay the Association all Assessments levied in accordance with the Governing Documents. Each Assessment made against a Unit, together with interest, costs, late fees and reasonable attorneys fees and other legal and collection costs, shall be a charge on the Unit and a continuing lien, provided the requirements of the Maryland Contract Lien Act, if applicable, have been fulfilled. Each Assessment, together with interest, costs, late fees and reasonable attorneys' fees and other legal and collection costs shall also be the personal obligation of the Owner of the Unit at the time the Assessment fell due. The personal obligation for delinquent Assessments shall not pass to a prior Owner's successors in title unless expressly assumed by such successors; however, any lien established prior to the transfer of any Unit shall continue until paid and satisfied in full. No Owner shall be exempt from liability for Assessments by abandonment of such Owner's Unit or by the abandonment of such Owner's right to the use and enjoyment of the Community Property, or by any other means. No Owner shall be entitled to any diminution, abatement or set-off of Assessments for any alleged failure of the Association to perform its duties or for any reduction in services or benefits by the Association.

*Section 5.2. Purpose of Assessments.* Assessments levied by the Association may be used to promote the recreation, health, safety and welfare of the Owners within the Community and for any lawful purpose relating to the proper conduct of Association activities, including, without limitation, the following:

(a) Improvement, maintenance, repair and replacement of the Community Areas including, without limitation, some or all of the rights-of-way, entry strips, signs and entrance features or improvements located within the Community, or which are appurtenant to and serve or benefit the Community;

(b) Improvement, maintenance, repair and replacement of any and all storm water management facilities (including, without limitation, drainage pipes, infiltration trenches, ponds, basins, swales, berms, out-flow control devices, drainage areas, filters, inlets, and underground facilities) and forest buffer areas whether such storm water management facilities or forest buffer areas are located within the Property or not, as long as such storm water management facilities or forest buffer areas are designed to benefit or serve any portion of the Property or are required or intended to be maintained by the Association pursuant to any easement, agreement or the direction of any governmental or quasi-governmental authority or agency. The Association shall not refuse to accept the conveyance of any such facilities from the Declarant;

(c) Payment of charges or expenses accruing with respect to off-site facilities that serve or benefit the Community, which the Association elects to maintain or which are otherwise required or intended to be maintained by the Association pursuant to any easement, agreement or the direction of any governmental authority or agency;

(d) Payment of all taxes, charges and assessments levied against the Community Property and any facilities situated thereon;

(e) Payment for services provided to the Association for the benefit of the Community Property, any facilities situated thereon, as well as for the Units and/or Owners, to the extent the Association agrees to provide such services;

(f) Payment of management fees, utility charges and operating expenses relating to the Community Areas and any facilities situated thereon;

(g) Payment of insurance premiums for liability and property insurance on the Community Areas and any facilities situated thereon, for directors and officers liability insurance, and for such other insurance as the Association may obtain with respect to its officers and directors, management agent, or the Community Property, any facilities situated thereon and/or the Units within the Community;

(h) Funding all reserves established by the Association, including, without limitation, general operating reserves and reserves for replacements and/or contingencies;

(i) Intentionally Omitted;

(j) Payment of indebtedness (incurred upon, and in accordance with, commercially reasonable terms from the Association to the Declarant or the Declarant's affiliates) pursuant to any note, bond, instrument, or contractual obligation entered into between the Declarant (or the Declarant's affiliates) and the Association from time to time in connection

with the (i) financing of costs related to the development or operation of the Community Areas or (ii) funding of operating deficits of the Association; and

(k) Payment of all other reasonable costs and expenses incurred by the Association in the proper conduct of its activities or as may be reasonably deemed by the Board of Directors to be in any reasonable way related to the well being of the Community and the Owners.

***Section 5.3. Adoption of Common Expense Budget.***

(a) Thirty (30) days before the beginning of each fiscal year, the Board of Directors shall prepare a budget setting forth the estimated Common Expenses during the coming year, including a reasonable amount to establish a reserve fund in accordance with this Article 5.

(b) The Association is hereby authorized to levy General Assessments against all Units subject to assessment in order to fund the Common Expenses. The General Assessment shall be set at a level which is reasonably expected to produce revenue for the Association equal to the total budgeted Common Expenses, including reserves.

(c) General Assessments shall be levied at a uniform rate for all Units, provided that nothing in this Declaration or the other Governing Documents shall be deemed to require that Common Expenses and General Assessments be limited to services and other items that generally or uniformly benefit all Units. Maintenance, services and other items provided by the Association that benefit less than all Units, including, without limitation, maintenance, services and other items provided to any Local Area may be included as part of the Common Expenses payable through General Assessments.

(d) The Board of Directors shall send a copy of the budget and a notice of the amount of the General Assessment for the following year to each Owner thirty (30) days prior to the beginning of the fiscal year for which it is to be effective. The budget and General Assessments shall become effective unless a special meeting of the Association is held and at such special meeting the budget and General Assessments are disapproved by Members representing at least a majority of the total votes in the Association. There shall be no obligation to call a special meeting of the Association for the purpose of considering the budget except on petition of the Members as provided in the Bylaws for special meetings.

(e) If the proposed budget and General Assessment are disapproved or if the Board of Directors fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year until the Board determines a new budget and it is properly adopted.

***Section 5.4 Intentionally Omitted.***

***Section 5.5. Special Assessments.***

(a) In addition to the General Assessments authorized by this Article, the

Association may levy in any assessment year a Special Assessment or Special Assessments, applicable in that year only, for the purpose of defraying any unbudgeted expenses or any expenses in excess of those contained in the budget, or for such other purposes as the Board of Directors may consider appropriate in its discretion; provided, however, that any such Special Assessment which exceeds twenty percent (20%) of the annual budget for the current year shall have the prior consent of Owners representing at least fifty-one percent (51%) of the total votes allocated to Units which will be subject to the Special Assessment, and the consent of the Declarant, during the Declarant's Rights and Obligations Period. A Special Assessment may be levied against all Owners and Units if it relates to Common Expenses. A Special Assessment that relates to Local Area Expenses may be levied against the Units within a Local Area and the Owners of such Units with the consent of the applicable Local Area Committee.

(b) The Association may also levy a Special Assessment against any Owner to reimburse the Association for costs incurred in bringing the Owner and/or such Owner's Unit into compliance with the Governing Documents or if the actions or activities of any Owner cause or result in increased expenses to the Association. Such Special Assessment may only be levied upon the affirmative vote of the Board of Directors, after notice and an opportunity for a hearing has been provided to the Owner. Special Assessments levied under this Section 5.5(b) shall not be subject to the one-year limitation set forth in Section 5.5(a), but may be imposed for such time period as the circumstances require.

**Section 5.6. Commencement and Applicability of Assessments.** Subject to Sections 5.7 and 5.8, Assessments shall commence as to each Unit upon the date that the Unit is conveyed from the Declarant to another Owner. General Assessments shall be adjusted based upon the number of months remaining in the fiscal year in which the Assessments commence.

**Section 5.7. Credit for Payments Made by Declarant on Behalf of Association.** During the Declarant's Rights and Obligations Period, the Declarant shall receive credit toward the payment of the Assessments for payments that it makes on behalf of the Association to contractors that are providing services or materials that are the Association's responsibility under the Governing Documents.

**Section 5.8. Intentionally Omitted.**

**Section 5.9. Community Property Exempt.** No portion of the Community Property or the facilities situated thereon shall be separately subject to assessment of any kind by the Association.

**Section 5.10. Initial Contribution.** An assessment in the amount of One Dollar (\$1.00) per each square foot of floor space within each Unit or such other higher amount based on the "Saleable Equivalent Square Foot" as shall be specified in the initial purchaser's contract with the Developer shall be paid by the initial purchaser of each Unit (excluding the Declarant provided that upon the sale of any Unit owned by Declarant, the initial purchaser from the Declarant shall be obligated to pay such assessment) upon settlement of the completed Unit (the "Initial Contribution"). The Initial Contribution is established to assist with the funding of the initial operation of the Association and shall be in addition to other Assessments and shall not be

considered an advance payment of Assessments.

**Section 5.11. Reserves.** The Association shall establish and maintain a reasonable reserve fund for the repair and replacement of the Community Areas and any facilities situated thereon. Such reserve fund may also be established for the repair and replacement of any property, improvements or facilities otherwise required or intended to be maintained by the Association pursuant to any easement, agreement or the direction of any governmental authority or agency. The Board of Directors shall set the required reserve fund contribution in an amount sufficient to meet the projected reserve needs of the Association. The reserve fund contribution shall be included as part of the Association's annual budget, and shall be payable as part of the General Assessments. The Association may establish such other reserve funds as the Board of Directors may from time to time consider necessary or desirable, including, without limitation, a general operating reserve. The proportional interest of an Owner in any reserve fund established by the Association shall be considered an appurtenance of such Owner's Unit and shall not be separately withdrawn, assigned, transferred or otherwise separated from the Unit to which it appertains, and shall be deemed to be transferred with such Unit.

**Section 5.12. Assessment Due Dates.** Installments of Assessments may be levied and collected on a monthly, quarterly, semi-annual or annual basis, as may be determined from time to time by the Board of Directors.

## ARTICLE 6

### REMEDIES OF ASSOCIATION FOR NON-PAYMENT OF ASSESSMENTS

**Section 6.1. Non-Payment of Assessments.** Any Assessment levied by the Association pursuant to the Governing Documents which is not paid within fifteen (15) days after the due date established for such Assessment by the Board of Directors, may, upon resolution of the Board, bear interest from the due date until paid at the rate of interest of eighteen percent (18%) per annum or such other rate of interest established by the Board, not to exceed twenty-four percent (24%) per annum. The Board of Directors may also impose a late fee of Two Hundred Fifty Dollars (\$250.00) or three percent (3%) of the total amount of any delinquent assessment or installment, whichever is greater, to the extent not restricted by law, against any Owner (and such Owner's Unit) for failure to pay any Assessment within fifteen (15) days after the due date for such Assessment. The Association may bring an action at law against the Owner personally obligated to pay the delinquent Assessment, and/or establish and foreclose the lien against such Owner's Unit in the manner now or hereafter provided under the Maryland Contract Lien Act, or as may otherwise be provided under applicable law.

**Section 6.2. Assessment Certificate.** The Association shall, upon demand of any Owner, issue such Owner a written certificate signed by an officer of the Association setting forth whether the Assessments applicable to such Owner's Unit have been paid, and, if not paid, the amount of the delinquent Assessments. A properly executed certificate of the Association regarding the status of Assessments on a Unit shall be binding on the Association as of the date of issuance. If not prohibited by applicable law, the Association may charge a reasonable fee for the issuance of each such certificate, which shall not exceed the greater of Two Hundred Fifty Dollars (\$250.00) or three percent (3%) of the annual Assessments payable by the Unit Owner

requesting the certificate.

**Section 6.3. Acceleration of Installments.** Upon default in the payment of any Assessment continuing in effect for more than seven (7) days following notice by the Association to the Unit Owner of the default, the entire balance of all unpaid Assessments for the remainder of the fiscal year may, at the Board's discretion, be accelerated and declared due and payable in full, in the same manner as the delinquent portion of such Assessments.

**Section 6.4. Priority of Lien.** The lien for Assessments under the Governing Documents shall be subordinate to the lien of any First Mortgage recorded against a Unit. The sale or transfer of any Unit shall not affect the Assessment lien; provided, however, that the sale or transfer of any Unit pursuant to a Mortgage foreclosure or any proceeding in lieu thereof or any deed in lieu of foreclosure shall extinguish the lien of such Assessments as to installments which became due prior to such foreclosure sale or proceeding in lieu of foreclosure or the date of the execution of a deed in lieu of foreclosure. No sale or transfer of a Unit shall exempt such Unit or the Owner thereof from liability for any Assessments thereafter coming due or from the lien thereof. No amendment to this Section shall affect the rights of the holder of any First Mortgage on a Unit (or the indebtedness secured thereby) recorded prior to recordation of such amendment unless the holder thereof shall join in the execution of such amendment.

**Section 6.5. Application of Past Due Assessments.** Except as may be otherwise required by applicable law, amounts collected for past due Assessments and related costs shall be applied in the following order:

- (a) To payment of attorney's fees and other legal and collection costs;
- (b) To payment of late fees;
- (c) To payment of any interest accrued on the delinquent Assessments;
- (d) To payment of delinquent Assessments.

## **ARTICLE 7**

### **DESIGN REVIEW AND ARCHITECTURAL CONTROL**

**Section 7.1. Architectural Approval.** Complete plans and specifications for all "Improvements" (defined below) shall be approved in writing in accordance with this Article 7 prior to the commencement of any construction or development activities for such Improvements within the Property. "Improvements" shall mean, collectively, the following items and activities within the Property:

- (a) staking, clearing, landscaping, excavation, grading or other site work;
- (b) buildings, structures and other improvements of any kind;
- (c) additions, changes or alterations of any nature to the exterior of the Units

or a Condominium Building, including, without limitation, changes in color, changes or additions to driveway or walkway surfaces, and landscaping modifications; and

(d) signs and other items visible from the outside of a Condominium Building, including, without limitation drapes, shades and other window treatments.

**Section 7.2. Initial Construction.** No construction of the initial Improvements within the Property may be commenced, erected or maintained until complete plans and specifications for such Improvements have been approved, in writing, by the Declarant. To the extent that the Declarant has entered into any written agreement with any person regarding architectural review, approval or control for the construction of initial Improvements, the provisions of such agreement shall control and supercede any conflicting provisions of the Governing Documents, including this Article 7. The Declarant may, in its sole discretion, disapprove any plans and specifications, in whole or in part, and approval of any plan or specification does not constitute a waiver of the right to disapprove the same or similar plans and specifications subsequently submitted. Except as may be expressly set forth in this Declaration, the approval of the Declarant pursuant to this Section 7.2 shall be the only approval required with respect to the construction of initial Improvements.

**Section 7.3. Changes and Modifications to Units.** Except for initial Improvements which shall be approved by the Declarant in accordance with Section 7.2 above, no Owner or any other person or entity shall commence, erect or maintain any Improvements within the Property until complete plans and specifications for such Improvements have been approved, in writing, by the appropriate Review Entity in accordance with Sections 7.4 through 7.19 below.

**Section 7.4. Review Entity.** As used in this Declaration, the term "Review Entity" means one or more of the following entities having jurisdiction at any particular time with respect to the matters described in this Article 7:

(a) The Declarant with respect to all architectural review and approval authority under this Article 7 for the Property, except to the extent any such rights and powers are assigned or terminated in accordance with Section 7.5. All rights and powers of the Declarant under this Article 7 may be exercised on behalf of the Declarant by such members, officers, directors, employees, agents, representatives, or other designees of the Declarant as the Declarant may designate from time to time by written notice to the Owners; and

(b) The Design Review Committee but only upon the assignment of such rights and powers from the Declarant in accordance with Section 7.5. If a Design Review Committee is not appointed, the Board of Directors shall exercise all rights and powers that could be exercised by the Design Review Committee.

**Section 7.5. The Declarant as a Review Entity.** The Declarant shall be exclusively entitled to exercise all rights and powers of the Review Entity under this Declaration for the Property, except to the extent such rights and powers are expressly assigned in writing by the Declarant. The Declarant may assign all or part of its rights and powers under this Article 7 to the Design Review Committee. Notwithstanding the foregoing, upon the termination of the

Declarant's Rights and Obligations Period, all rights and powers reserved to the Declarant under this Article 7 not previously assigned to the Design Review Committee shall automatically terminate and shall be deemed assigned to, and thereafter exercised by, the Design Review Committee. Each Owner of a Unit shall be deemed to covenant and agree that (i) neither initial construction of Improvements nor any addition, change or alteration to existing Improvements visible from the exterior shall be commenced to or within the Owner's Unit until approval for such construction, addition, change or alteration is approved in accordance with this Article 7, and (ii) as the developer and initial owner of the Property, the Declarant has a significant and substantial interest in ensuring that all Improvements are consistent with the Community Plan and that the Improvements do not have an adverse impact upon the Declarant's ongoing ability to market, sell, and/or lease all or any portion of the Property. Accordingly, in its exercise of the rights and powers of the Review Entity under this Declaration, the Declarant shall have the right to approve or disapprove any plans and specifications for Improvements in the Declarant's sole discretion, and all Owners acknowledge that in reviewing and acting upon any such plans and specifications, the Declarant shall be acting in its own interest and shall owe no duty whatsoever to any other individual or entity, including, without limitation, the Association and the Owners.

**Section 7.6. Design Review Committee as a Review Entity.** The Design Review Committee shall exercise such rights and powers of the Review Entity as may from time to time be assigned to the Design Review Committee pursuant to Section 7.5 above. The Design Review Committee shall consist of at least three (3) but not more than five (5) members who shall serve at the pleasure of and may be removed and replaced at the discretion of the Declarant, during the Declarant's Rights and Obligations Period, and at the discretion of the Board of Directors thereafter. The members of the Design Review Committee need not be members of the Association and may, but need not, include architects, engineers and similar design professionals. Upon the earlier of the end of the Declarant's Rights and Obligations Period or an assignment by the Declarant to the Design Review Committee pursuant to Section 7.5, at least one member of the Design Review Committee shall be a Unit Owner or a member, officer or partner of a Unit Owner from the 950-952 Building Condominium and one member of the Committee shall be a Unit Owner or a member, officer or partner of a Unit Owner from the 954 Building Condominium. A good faith effort shall be made to employ an architect to serve on the Design Review Committee but an architect member of the Design Review Committee shall not be required. Compensation of the members of the Design Review Committee, if any, shall be established from time to time by the Board of Directors.

**Section 7.7. Revocation of Assigned Rights.** Until termination of the Declarant's Rights and Obligations Period, the Declarant may, in its sole discretion, revoke any prior assignment of all or part of the rights and powers under this Article 7 that the Declarant may have assigned to the Design Review Committee, by notice to the Owners. Upon such time that the Declarant may revoke any previously assigned rights and powers under this Article 7, the Declarant shall automatically have the authority to exercise such rights and powers.

**Section 7.8. Application Review.**

(a) No Improvement in the Community shall be commenced, erected or maintained upon the Property until a design review application ("Application") is submitted to

and approved by the Review Entity. The Application shall include detailed plans showing the site layout, exterior elevations, exterior materials and colors, landscaping, drainage, lighting, irrigation, and other relevant features of the Improvements, as required by the Review Entity and any Design Guidelines applicable to the Unit or the Building Condominium. The Review Entity may also require the submission of such additional information as it deems necessary to consider any Application. The Review Entity shall consider, but shall not be restricted to consideration of, visual and environmental impact, ecological compatibility, natural platforms and finish grade elevation, harmony of external design with surrounding structures and environment, compliance with the general intent of applicable Design Guidelines and architectural merit. In many instances, decisions will be based solely on aesthetic considerations and each applicant acknowledges that determinations as to such matters may be highly subjective and opinions may vary as to the desirability and/or attractiveness of particular Improvements.

(b) The Review Entity shall, within thirty (30) calendar days after receipt of a complete Application, advise the applicant in writing of the approval or disapproval of the Application. The Review Entity shall provide a reasonably detailed explanation of the objectionable segments or features of any disapproved Application and suggestions for addressing such objections. If the Review Entity fails to advise the applicant by written notice within thirty (30) calendar days of receipt of a complete Application of either the approval or disapproval of the Application, the applicant shall give the Review Entity written notice of the Review Entity's failure to respond. The applicant's notice shall include a statement that unless the Review Entity responds within fifteen (15) calendar days of receipt of such applicant's notice, approval of the Application shall be deemed granted. Upon such further failure of the Review Entity to grant an approval or disapproval, approval shall be deemed to have been given. Notwithstanding the foregoing, no approval, whether expressly granted or deemed granted pursuant to this Section 7.8 shall be materially inconsistent with the Design Guidelines, unless a variance has been granted in writing in accordance with Section 7.14 below. Notices from an applicant to the Review Entity under this Section 7.8 shall be deemed to have been given at the time the envelope containing such notice, properly addressed and postage prepaid, is delivered by the U.S. Postal Service by registered or certified mail, return receipt requested, or by any other delivery or courier service, such as Federal Express or UPS, which can provide tracking information regarding the delivery of such notice. Personal verified delivery of such written notice by any other means shall also be sufficient and shall be deemed to have been given at the time of delivery.

**Section 7.9. Notice to Declarant during Rights and Obligations Period.** If the Declarant has made an assignment of its rights under Section 7.5, the Design Review Committee shall until termination of the Declarant's Rights and Obligations Period give the Declarant written notice of each Application it approves within three (3) business days after such approval.

**Section 7.10. Application Fees and Reimbursements.** The Review Entity may (i) establish and charge reasonable fees, based upon costs actually incurred, for review of Applications hereunder; (ii) retain architects, engineers or other design professionals to assist in its review of Applications, provided that the nature and scope of the Improvements under review justify the use of such design professionals; and (iii) require reimbursement by the applicant of fees charged by any architect, engineers or other design professionals. An Applicant prior to

submitting an Application may request from the Review Entity any schedule of fees it has in effect at the time of the Application.

***Section 7.11. Design Guidelines and Procedures.***

(a) The Review Entity may, but shall not be required to, establish Design Guidelines to provide guidance to Owners, builders and contractors regarding matters deemed to be of relevance or importance to the Review Entity in considering Applications for architectural approval. Such Design Guidelines shall be a basis for decisions hereunder, but compliance with the existing Design Guidelines shall not guarantee approval of an Application. Design Guidelines may contain general provisions applicable to all Units, as well as specific provisions which vary from one Unit to another, depending upon the location, type of construction or use, and unique characteristics of the Units.

(b) Any Design Guidelines adopted pursuant to this Article 7 shall be subject to modification and amendment from time to time in the sole discretion of the Review Entity. Modifications and amendments to Design Guidelines shall not apply to or require modifications to or removal of Improvements previously approved once such Improvements have commenced. However, modifications and amendments to Design Guidelines may not prohibit a substantially exact replacement of a previously approved Improvement. Any subsequent removal or alteration of any previously approved Improvements shall be subject to the Design Guidelines in existence at the time of such subsequent removal or alteration. There shall be no limitation on the scope of modifications or amendments to any Design Guidelines. Notice of all modifications and amendments to Design Guidelines shall be given to the Members by electronic mail or pursuant to the Bylaws; provided, however, that the failure of any Owner to actually receive any Design Guideline or modification or amendment to any Design Guideline shall not affect the validity or enforceability against such Owner of any such Design Guideline or modification or amendment thereto if notice thereof was published in accordance with this sentence. The Review Entity shall make copies of Design Guidelines available to Owners, builders and contractors and may charge a reasonable fee to cover the costs of providing the Design Guidelines.

(c) The Review Entity may from time to time adopt and promulgate reasonable procedures and requirements for the submission of Applications to the Review Entity, including, without limitation, requirements regarding the number of copies, the content, scale and detail of the plans and specifications to be included with such Applications, and the identification of any required supporting materials; provided, however, that such application procedures shall not contravene any specific requirement established by this Declaration. Any application procedures adopted pursuant to this Article 7 shall be subject to modification and amendment from time to time in the reasonable discretion of the Review Entity. Such application procedures shall not be construed as a waiver of the provisions of this Article 7 or any other provision or requirement of this Declaration.

(d) Any Design Guidelines or application procedures promulgated by a Design Review Committee shall be subject to the Declarant's prior approval during the Declarant's Rights and Obligations Period.

**Section 7.12. Completion of Improvements.** Construction of Improvements in accordance with the approved Application shall be completed within twelve (12) months following approval of the Application, or within such greater or lesser periods as the Review Entity may reasonably specify in its approval. In the event construction is not completed within the period aforesaid, then approval of the plans and specifications shall be conclusively deemed withdrawn and the applicant must re-submit an Application and otherwise comply with the requirements of this Article 7. There shall be no material deviations from plans and specifications approved by the Review Entity without the prior consent in writing of the Review Entity.

**Section 7.13. Non-Precedential Nature of Approvals.** Each applicant acknowledges that the composition of the Review Entity will change from time to time and that decisions regarding aesthetic matters and interpretation and application of the Design Guidelines applicable to the applicant's Unit may vary from time to time. In addition, each applicant acknowledges that it may not always be possible to identify objectionable features of proposed Improvements until the Improvements are completed, in which case it may be unreasonable to require changes to Improvements previously approved; however, the Review Entity may refuse to approve similar Improvements in the future. Approval of Improvements for any particular applicant or Unit shall not be deemed a waiver of the right to withhold approval as to any similar Improvements subsequently submitted for approval.

**Section 7.14. Waivers and Variances.** The Review Entity in its sole discretion may, but shall not be required to, authorize waivers or variances from compliance with any Design Guidelines or for nonconforming Improvements when circumstances such as topography, natural obstructions, aesthetic or environmental considerations, architectural merit, or other reasonable considerations warrant such a waiver or variance. Such waivers and variances shall be granted only if and when the Review Entity determines that some or all of the foregoing circumstances warrant a waiver or variance. No applicant shall have any right to demand or obtain a waiver or variance. No waiver or variance may (i) be effective unless in writing, (ii) be contrary to this Declaration, or (iii) be inconsistent with the goals or objectives of the Community. In no event shall any waiver or variance prevent the Review Entity from denying a waiver or variance in other circumstances.

**Section 7.15. Limited Scope of Approval.** The standards and procedures established by this Article 7 are intended to provide a mechanism for maintaining and enhancing the overall aesthetics of the Community. Approval of an Application by a Review Entity shall in no way be construed as to pass judgment on the correctness of the location, structural design, suitability of water flow or drainage, location of utilities, or other qualities of the item being reviewed and shall not affect the maintenance and other responsibilities of the Association under this Declaration. No Review Entity, nor any of its members, officers, directors, employees, agents, or representatives, shall bear any responsibility for ensuring structural integrity, soundness or compliance with building codes and other governmental approvals or requirements. No representation is made by any Review Entity with respect to the quality, size, value or design of future Improvements. Approval by any Review Entity shall not be construed as a representation or warranty of any type regarding the design or construction of any Improvement and no Review Entity, or any of its members, officers, directors, employees, agents, or representatives, shall be

liable for (i) soil conditions, drainage or other site work problems, (ii) defects or errors in any plans or specifications submitted as part of an Application, (iii) any structural or other defects in Improvements constructed according to an approved Application, or (iv) any injury, damages, or loss arising out of the design, quality or manner of construction of any approved Improvements. Approvals by the Review Entity shall in no way be deemed to constitute a determination as to compliance with local zoning ordinances, governmental guidelines or restrictions, or be substituted in lieu of applicable governmental approvals and permits and no construction may commence until all such approvals and permits have been obtained.

***Section 7.16. Enforcement.***

(a) Any Improvements constructed in material violation of this Article 7 or other provisions of this Declaration or in a manner inconsistent with an approved Application shall be deemed to be nonconforming. Upon written request from the Review Entity, the defaulting Owner or Building Condominium Association shall, at its own cost and expense, promptly remove any nonconforming Improvement and restore the Unit or Building Condominium to the same condition that existed prior to the installation of the nonconforming Improvement or bring the nonconforming Improvement into compliance with the approved Application, as applicable. If an Owner or Building Condominium Association fails to remove any nonconforming Improvement and restore its Unit or the Building Condominium or bring the nonconforming Improvement into compliance with the approved Application, as applicable, the Review Entity shall have the right to enforce this Article 7 in accordance with Section 15.2 of this Declaration, assess fines in accordance with the Governing Documents, and remove the violation and restore the Unit or Building Condominium to substantially the same condition as previously existed. If the Review Entity undertakes the foregoing self-help remedy, such action shall not be deemed a trespass. Upon demand by the Review Entity, the Owner of the Unit or the Building Condominium Association shall promptly reimburse all costs incurred in connection with enforcement under this Section 7.16 and such costs shall be collectible in the same manner as Assessments and may become a lien upon such Unit or Building Condominium, provided the requirements of the Maryland Contract Lien Act have been satisfied. The Review Entity may preclude any contractor, subcontractor, agent, employee or other invitee of any Owner who fails to comply with the terms and provisions of this Article 7 and the applicable Design Guidelines from continuing any further activities on the Unit, the Building Condominium or any other portion of the Property. Neither the Review Entity, nor any of its members, officers, directors, employees, agents, or representatives shall be held liable to any Owner, Building Condominium Association or any other Person for exercising the rights granted by this Article 7.

(b) Upon assignment or termination of any or all of the rights of the Declarant under this Article 7, if the Design Review Committee fails to take enforcement action within thirty (30) calendar days after receipt of a written demand from the Declarant identifying the violator and/or specifying the nature of the violation, then the Declarant may undertake any appropriate enforcement action and the Association shall reimburse the Declarant for all costs reasonably incurred by the Declarant in taking such enforcement action with respect to such violation, but only to the extent the Declarant prevails in such action.

***Section 7.17. Certificate of Compliance.*** Upon satisfactory completion of the

0024217 3001

subject to the approval of the Board of Directors.

(f) To propose Community Codes for hearing alleged violations of the Governing Documents, for adoption by the Board of Directors, which shall incorporate reasonable concepts of due process and fundamental fairness. Such Community Codes, and amendments thereto, may also be proposed and approved by the Declarant or by the Board of Directors, either acting alone, without action by the Covenants Committee. No such Community Codes shall be construed as a waiver of any provision or requirement of the Governing Documents.

(g) Such additional powers as may be granted by the Board of Directors to enable the Covenants Committee to fulfill its duties under the Governing Documents.

**Section 8.2. Selection of Covenants Committee.** The Covenants Committee shall consist of at least three (3) but no more than seven (7) persons. For so long as the Declarant's Rights and Obligations are in effect, the Declarant may appoint all members of the Covenants Committee. Thereafter, the President of the Association shall determine the number of members of the Covenants Committee and appoint the member who shall chair the Committee with half of the remaining members being designated by the 950-952 Building Condominium Association and the other remaining half of members being designated by the 954 Building Condominium Association. Members of the Covenants Committee appointed by the Declarant shall serve at the pleasure of and may be removed, without cause, by the Declarant during the Declarant's Rights and Obligations Period. Members of the Covenants Committee appointed by the President, the 950-952 Building Condominium Association or the 954 Building Condominium Association shall serve at the pleasure of and may be removed, without cause, by the Person or Association that appointed them. Covenants Committee members need not be Owners. In the event of any failure to appoint a Covenants Committee, or in the event of the Covenants Committee's absence, resignation or inability or refusal to act, the Declarant so long as the Declarant's Rights and Obligations are in effect and thereafter the Board of Directors shall have the power and authority of the Covenants Committee and shall otherwise exercise and discharge the Covenants Committee's duties under the Governing Documents.

**Section 8.3. Appeal.** Subject to such procedures as may be established by the Board of Directors, any Owner may appeal an adverse Covenants Committee decision to the Board of Directors. The Board of Directors may uphold, modify or reverse the decision of the Covenants Committee.

**Section 8.4. Jurisdiction of Covenants Committee.** Any provision of the Governing Documents to the contrary notwithstanding, the Covenants Committee shall have no jurisdiction over the Declarant except that the Declarant shall be subject to the jurisdiction of the Covenants Committee with respect to any Units it owns that have been completed and occupied for commercial purposes other than as a sales model for more than twelve consecutive months.

**ARTICLE 9**  
**LOCAL AREA COMMITTEES**

**Section 9.1. Function.** Owners may serve on any Local Area Committees, established in accordance with this Article or pursuant to any Community Codes adopted in accordance with Article 10 of this Declaration.

**Section 9.2. Establishment.** The Declarant or the Board of Directors, by adoption of a Community Code, may designate the Local Areas to be served by one or more Local Area Committees. Designation of Local Area Committees shall be based on such factors as are deemed appropriate by the Declarant or Board of Directors, as the case may be, including, without limitation, the location and proximity of the Units to be represented, any special features or amenities within or serving the Local Area to be represented, any special services provided to or requested by the Owners within the Local Area to be represented, and the input of interested Owners.

**Section 9.3. Local Area Committee Operations.** Each Local Area Committee shall be responsible for establishing the procedures applicable to its activities, provided that the right of all Owners within the Local Area to meaningful participation in the Local Area Committee shall not be abridged. Local Area Committees shall provide all Owners within the Local Area and the Board of Directors with reasonable prior notice of all Local Area Committee meetings and all such meetings shall be open to all Owners. Each Local Area Committee shall designate one of its members as spokesperson for purposes of all meetings of the Board of Directors, Covenants Committee or Design Review Committee.

**Section 9.4. Local Area Committee Authority.** Local Area Committees shall be provided with a reasonable prior opportunity to comment, either in person or in writing, on proposed actions by the Board of Directors, Covenants Committee, or Design Review Committee which would impact their Local Area. Except as expressly set forth in this Declaration, Local Area Committees shall serve only in an advisory capacity and only with respect to matters within the purview of the Association's authority, including, but not limited to, the limitations placed on the Association pursuant to Section 15.11 of this Declaration. Local Area Committees may serve as an advisory committee to the Board of Directors with respect to issues and matters of particular concern to the Owners within the Local Area, including, but not limited to, the amount of the Assessments ("Local Budget") and the manner of the maintenance and repair of any Community Areas within the Local Area. Local Area Committees may serve as an advisory committee to the Covenants Committee with respect to the interpretation and enforcement of the Governing Documents within the Local Area. Local Area Committees may also serve as an advisory committee to the Design Review Committee with respect to the review and approval or disapproval of applications for Improvements within the Local Area. The recommendations of a Local Area Committee shall not be binding on the Board of Directors, the Covenants Committee or the Design Review Committee; provided, however, that the Board of Directors, the Covenants Committee and the Design Review Committee shall make a reasonable effort to implement such recommendations unless to do so is determined to not be in the best interests of the Community by the Board of Directors, the Covenants Committee or the Design Review Committee, in their reasonable discretion.

**Section 9.5. Building Condominiums as Local Areas.** Each Building Condominium shall be considered a Local Area and each Building Condominium Board shall act as the Local Area Committee for its respective Building Condominium and adopt Local Budgets.

**Section 9.6. Further Local Area Committee Provisions.** The Board of Directors or the Declarant may adopt Community Codes in accordance with Article 10 of this Declaration further defining the authority of Local Area Committees, as well as Community Codes establishing further rules and procedures to be followed by Local Area Committees in connection with the exercise of such authority.

## **ARTICLE 10** **COMMUNITY CODES**

### **Section 10.1. Objectives and Goals.**

(a) By the recordation of this Declaration and the implementation of the Development Plan, the Declarant intends to create a planned commercial condominium community with the goals of enhancing the value of the Units, protecting the aesthetics and environment within the Community, and promoting the reputation and operation of the Community. To serve these goals, the Declarant recognizes that changes in circumstances, conditions, needs, and desires within the Community will require the adoption, modification and amendment of the Community Codes from time to time.

(b) Every provision of the Governing Documents, including the Community Codes, shall apply to all Owners, tenants, guests and invitees of any Unit. All Owners who lease their Units shall include a notice provision in the lease informing the tenant that the Unit and Community Property are subject to the Governing Documents, including the Community Codes. However, the failure to include such a provision in the lease shall not relieve any Person of responsibility for complying with the Governing Documents.

**Section 10.2 Initial Community Code.** Each Unit shall have one (1) parking space reserved for the exclusive use of the Unit per One Thousand (1,000) square feet of floor space in the Unit. The number and location of the parking space(s) reserved for each Unit is as shown on the drawing attached to this Declaration as Community Code 1.

**Section 10.3. Promulgation of Community Codes.** Additional Community Codes shall be promulgated by the Declarant or the Board of Directors in accordance with this Section and shall be provided to purchasers of Units as may be required by applicable laws. Community Codes shall have the same force and effect and binding nature against the Property as the covenants, conditions, easements and restrictions contained within this Declaration. Consequently, the Property and the Owners are not only subject to the provisions of this Declaration, but shall also be subject to the Community Codes that are promulgated in accordance with this Article 10. By way of example and not limitation, Community Codes may include permitted and prohibited uses for Units, rules and regulations for parking within the Community (including the designation of reserved and visitor spaces) and procedures for implementing the right of the Association to process cases of alleged violations of the Governing

Documents and to levy fines for violations of the Governing Documents. Subject to the terms of this Article 10, including, but not limited to those in Section 10.5 hereof, Community Codes may be established, modified, repealed or amended as follows:

(a) Subject to the terms of this Article 10, the Declarant (during the Declarant's Rights and Obligations Period), or the Board of Directors, as applicable, may establish, modify, cancel, limit, create exceptions to, or expand Community Codes. The Declarant, or the Board of Directors, as applicable, shall provide the Members with at least thirty (30) days' prior notice of a proposed Community Code by electronic mail or as specified in the Bylaws. Members shall have a reasonable opportunity to express their views on proposed Community Codes at a Board meeting prior to action on the proposed Community Code.

(b) Any Community Codes adopted by the Declarant or the Board shall become effective thirty (30) days thereafter unless within such thirty (30) day period the proposed Community Code is disapproved at a meeting called for such purpose by a majority of all Members. At any such meeting, Members may vote by proxy, and proxies may be filed by facsimile or other electronic means so long as they meet the requirements of Maryland law. The Board shall have no obligation to call a meeting to consider disapproval except upon the petition of Members as required by the Bylaws for special meetings.

(c) Notice of all additions, modifications and amendments to the Community Codes shall be given to the Members by electronic mail or as specified in the Bylaws; provided, however, that the failure of any Owner to actually receive any additions, modifications or amendments to any Community Codes shall not affect the validity or enforceability against such Owner of any such additions, modifications or amendments to the Community Codes.

**Section 10.4. Owners' Acknowledgement and Notice to Purchasers.** All Owners of Units are given notice that use of their Units is subject to all Community Codes as they may be modified from time to time in accordance with this Article 10. Each Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of his or her Unit may be impacted by the Community Codes and that the Community Codes may change from time to time.

**Section 10.5. Community Code Limitations.** Except as may be specifically set forth in this Declaration, Community Codes and all amendments, terminations or other modifications of the Community Code shall be consistent with the following:

(a) Equal Treatment. Similarly situated Owners shall be generally treated in a substantially similar manner; provided, the Community Codes may vary from one portion of the Community to another depending upon type of Improvement, Local Areas or similar factors.

(b) Activities within Unit. The Association may restrict or prohibit only the following:

(i) Activities not normally associated with commercial use of property as a corporate center or office buildings;

Owners;

(ii) Activities that create monetary costs for the Association or other

Tenants of other Units;

(iii) Activities that create a danger to the health or safety of Owners or

(iv) Activities that generate excessive noise or traffic;

(v) Activities that create unsightly conditions visible outside the Unit; and

(vi) Activities that create an unreasonable source of annoyance.

(c) Allocation of Usage Right. The initial allocation of rights to use Community Property among the Owners shall not be unreasonably and materially changed to the detriment of any Owner over that Owner's written objection to the Association. Nothing shall prevent the Association from altering the availability or use of Community Property, from adopting Community Codes for use of Community Property, or from denying use privileges to those who abuse the Community Property, violate the Governing Documents, or fail to pay Assessments.

(d) Alienation. No Community Code shall prohibit outright the leasing or transfer of any Unit.

(e) Altering Existing Uses or Rights. Any Community Code which would (i) require Owners to dispose of personal property which is properly maintained in or on the Unit or (ii) require a material alteration of a use permitted with respect to a Unit prior to the effective date of such Community Code shall not apply to an Owner without his or her written consent unless the Community Code was in effect at the time the Owner acquired his or her interest in the Unit.

(f) Parking. Reserved or visitor parking space allocations shall be assigned based on the square footages of the Units and shall be equitable between the Building Condominiums. Spaces designated for Units in a Building Condominium shall be in lots or areas adjacent to the Building Condominium. The spaces reserved for the exclusive use of particular Units or their visitors shall be located in (i) areas closest to the Condominium Building or (ii) the same area of the parking lot, and the spaces within such areas shall to the extent practicable be designated so that spaces assigned for a Unit are those closest to the Unit.

(g) Reasonable Rights to Complete the Development Plan. No Community Code or action by the Association shall impede the Declarant's rights during the Declarant's Rights and Obligations Period to construct or sell Condominium Buildings or Units within the Property.

**ARTICLE 11**  
**EASEMENTS AND RESTRICTIONS**

*Section 11.1. Declaration of Easements and Rights.* In addition to the reserved rights

and easements set forth in Appendix One of this Declaration, the following easements and rights are hereby declared and reserved:

(a) The Declarant reserves the right during the Declarant's Rights and Obligations Period to grant easements, both temporary and permanent, to all public authorities (including, but not limited to, all State and County governmental authorities and agencies) and utility companies over any part of the Property.

(b) Each Building Condominium and Unit is hereby declared to have an easement, not exceeding three feet (3') in width, over adjoining Community Property (if any) for the purpose of accommodating any encroachment due to engineering errors, errors in construction, settlement or shifting of the Units or the Condominium Building, roof overhangs, gutters, architectural or other appendages, draining of rainwater from roofs, or any other similar cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settlement or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful and knowing conduct of said Owner or Owners.

(c) There is hereby reserved unto the Declarant and to such other parties as the Declarant may specifically, and in writing, assign such rights pursuant to an assignment recorded among the Land Records, for the benefit of the Community, blanket easements upon, across and under the Property for (i) vehicular and pedestrian ingress and egress, (ii) curb cuts, slope, or grading easements, (iii) for the placement of signs, including, without limitation, signs relating to the Community and signs used for sales and marketing purposes, (iv) the right to erect entry features, promotional and sales displays and other similar items within the Property provided they do not unreasonably and materially interfere with the use, operation and enjoyment of Units within the Property, and (v) for the installation, replacement, repair and maintenance of all utilities, including, but not limited to, water, sewer, drainage, storm water detention and/or siltation, 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 utility easement, it shall be expressly permissible to erect and maintain the necessary poles, pipes, lines and other equipment within 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 within the Property. There is further reserved unto the Declarant during the Declarant's Rights and Obligations Period 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 easements created by this subsection. Further, without limiting the generality of the foregoing, the Declarant reserves the right to unilaterally execute and record such additional easements and agreements as may be necessary to give effect to the foregoing easements and other rights, which additional easements and other agreements need not be consented to or joined in by any party having an interest in the Property; provided, however, that if requested by the Declarant, any party having an interest in the Property shall promptly join in and execute such confirmatory easements and other agreements. None of the easements

reserved under this Section 11.1(c) shall be exercised in a manner that would have a material and adverse effect upon the development activities of Declarant.

(d) Each Building Condominium shall be subject to a public pedestrian access easement over and upon any sidewalk, alley or pathway constructed within the Building Condominium, which sidewalk or pathway is reasonably deemed to be for the use of the Community.

(e) There is hereby further reserved for the benefit of the Community and the Owners a right for any Owner (or such Owner's guests, invitees, licensees or other parties entitled to enter a Unit within the Community) to use any recreational or other similar facilities that may, from time to time, be located within the Community; provided, however, as a condition precedent to the exercise of such rights, the election to allow the use of such facilities is specifically made by the Declarant pursuant to a written instrument recorded among the Land Records. If the rights contemplated by the provisions above are elected, then the parties benefiting from such rights shall be obligated to pay their pro-rata share of the cost of maintaining, operating and repairing such facilities, which share shall be computed by multiplying the total of such bona-fide costs times a fraction, the numerator of which shall be the number of completed Units owned by the party from whom such contribution is sought and the denominator of which shall be the total number of completed Units entitled to use such facilities. The computation contemplated by the immediately preceding sentence shall be made at each time a contribution for such costs is sought.

(f) During the Declarant's Rights and Obligations Period, a blanket easement is hereby reserved to the Declarant to enter and utilize the Property during the period of construction and sales within the Community, and to maintain such facilities and perform such operations as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the construction and sale of the Units, including, without limitation, business offices, sales and/or rental offices, storage areas, construction yards, signs, displays and model units.

(g) For a period of seven (7) years from the date of conveyance of the first Unit, the Declarant reserves the right to enter any portion of the Community for the purpose of carrying out any obligations it may have or assume with respect to the curing of any defects in workmanship or materials in the Community or the improvements thereon. There is further reserved unto the Declarant and its agents a non-exclusive easement over, across and through all of the Community Property for the purpose of access, the storage of building supplies, materials and equipment and, without any limitation, for any and all purposes reasonably related to the completion of the development, construction or repair of the Community.

(h) For a period of seven (7) years from the date of conveyance of the first Unit, the Declarant reserves a blanket easement and right on, over and under the Property to maintain and to correct drainage of surface or subsurface water in order to maintain reasonable standards of health, safety and appearance for the Community, provided, however, that the reservation of this right shall not impose upon the Declarant any obligation to exercise such right except any obligation specified in the Governing Documents. Such right expressly includes the

right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary, following which the Declarant shall restore the affected property to its original condition as near as practicable. The Declarant shall give reasonable notice of its intent to take such action to all affected Owners, unless in the opinion of the Declarant an emergency exists which precludes such notice.

(i) The rights and duties with respect to sanitary sewer and water, electricity, gas, cable, telecommunication, master television antenna systems, security and surveillance systems, telephone lines and similar utilities (individually and collectively, "Systems") shall be governed by the following:

(i) Whenever Systems are or have been installed within the Community, the Owner of any Unit, each Building Condominium Association and the Association shall have the right, and are hereby granted an easement to the extent necessary therefore, to enter upon or have a utility or repair company enter upon any portion of the Community in which the Systems lie, to repair, replace and generally maintain the Systems. Such easement shall include, without limitation, the right to enter upon any portion of the Community, including private streets, for the installation, replacement, repair and maintenance of any of the Systems.

(ii) The rights granted in subsection (i) above shall be applicable only to the extent necessary to entitle the Owner, the Building Condominium Association or the Association serviced by the Systems to the full and reasonable use and enjoyment of its property and provided further that anyone exercising said rights shall be responsible for reasonably restoring the surface of the easement area so used to its condition prior to such use.

(iii) In the event of a dispute between Owners or Building Condominium Associations with respect to the repair or rebuilding of any Systems, or with respect to the sharing of the cost thereof, upon written request of one of such Owners or Building Condominium Associations addressed to the Association, the matter may be submitted to the Board of Directors or Covenants Committee, who may, but shall not be required to, decide the dispute. Any decision of the Board or Covenants Committee made pursuant to this subsection shall be final and conclusive as to the parties.

(iv) No Owner or Building Condominium Association may alter or obstruct any drainage or flow of water to the detriment of any other Owner or Building Condominium Association.

(j) The Association shall have an easement to enter any portion of the Property for the performance of its duties hereunder; provided that such easement shall not entitle entry within the interior portion of any Unit and shall no way unreasonably interfere with the development activities of the Declarant.

(k) A mutual right and easement for the Systems is hereby established for the benefit of all Owners such that no Owner or Building Condominium Association shall take any action which would in any way interfere with the Systems being provided to other Owners within

any other Building Condominium in the Community. If a Building Condominium contains any utility pipes, ducts, conduits, wires or other Systems which are for the benefit, in whole or in part, of other Owners within the Community, then the Building Condominium Association shall promptly, at its expense, repair any damage to such Systems caused by the Building Condominium Association or any Owner within the Building in question.

(l) Each Unit shall be subject to a non-exclusive easement and right of passage for the benefit of any adjacent attached Unit (the "Benefited Unit") to the extent reasonably necessary to permit the Owner of the Benefited Unit (the "Benefited Owner") access to the exterior of any adjacent Unit for purposes of inspecting, maintaining, repairing, replacing and otherwise caring for the exterior of the Benefited Unit; provided, however, that the Benefited Owner shall take reasonable steps to minimize any damage to an adjacent Unit and that the Benefited Owner shall restore as nearly as possible to its original condition any adjacent Unit damaged or altered as a result of the exercise of this easement. The Benefited Owners exercise of its rights hereunder shall be at reasonable times and shall not unreasonably interfere with any Owner use and enjoyment of its Unit. The Benefited Owner shall indemnify any Owner of an adjacent Unit from any loss or damage that such Owner may sustain, including reasonable attorneys' fees, as a result of entry by the Benefited Owner on the adjacent Unit. The easements established under the governing documents for any Building Condominium with respect to adjacent Units shall control over inconsistent or incompatible provisions under this subsection.

(m) The Declarant shall have to the power, without the consent or joinder of any Owner, to grant such easements as it deems appropriate across any portion of the Property for the benefit of persons who are not Owners or residents of the Community for ingress and egress to and from areas within or adjacent to the Community.

**Section 11.2. Association Easements.** The Board of Directors of the Association shall have the right to grant easements, rights-of way, licenses and similar interests over any part of the Community Property for any lawful purpose which the Board, in its sole discretion, determines to be in the best interests of the Association, provided that during the Declarant's Rights and Obligations Period, the prior consent of the Declarant is obtained.

**Section 11.3. Forest Conservation Easements.** Certain portions of the Community Property are or may be required by the County to be forest conservation areas. Among other things, forest conservation requirements restrict the removal of trees and other vegetation from the Building Condominium and other property adjacent to the forest conservation areas. All Owners shall comply with the County's forest conservation requirements. The Association shall enforce the County's forest conservation requirements against any Owner and the Association may exercise all of its rights and remedies available under the Governing Documents for violations of the Association's covenants with respect to any Owner that violates the County's forest conservation requirements.

## ARTICLE 12

### MAINTENANCE OF BUILDING CONDOMINIUMS, UNITS AND COMMUNITY AREAS

**Section 12.1. Building Condominiums and Unit Maintenance.** Except as otherwise

specifically provided in the Governing Documents, each Building Condominium Association and the Owners constituting the members thereof shall keep its Building Condominium and the Units thereof, including the improvements therein or thereon, in good order and repair and free of debris all in a manner and with such frequency as is consistent with good property management. In the event any Building Condominium Association or the Owners constituting members thereof shall fail to maintain the Building Condominium(s) and the Units thereof, the Board of Directors or its agent shall have the right, but not the obligation, to enter upon said Building Condominium and the Units thereof to repair, maintain and restore said Building Condominium and any Units thereof. The Association shall also have the right to enter in or upon the Building Condominiums to correct drainage. Except in the case of an emergency, the Board of Directors shall provide the Building Condominium Association and, in the case of entry of any Unit, an Owner at least three (3) days' notice prior to entering the Building Condominium or Unit for the purposes set forth in this Section. The notice shall be deemed to be given when mailed by regular or certified mail, hand-delivered to the address of the Building Condominium Association or the Owner as it appears in the records of the Association, faxed or sent by electronic mail to the address of the Building Condominium Association or Owner as it appears in the records of the Association, or stated or left telephonically in a conversation or message to the Building Condominium Association's or Owner's telephone number as it appears in the records of the Association. All costs related to such correction, repair, maintenance or restoration shall be collectible by the Association in the same manner as Assessments and may become a lien, if in the case of costs applicable to a Building Condominium Association upon Units in the Building Condominium and if in the case of costs applicable to a particular Unit, upon the Unit in question, provided the requirements of the Maryland Contract Lien Act have been satisfied. Such lien may be enforced in the same manner as the lien for any other Assessment under the Governing Documents.

**Section 12.2. Association Maintenance.** Except to the extent that such responsibilities may be delegated to others pursuant to a lease, license or other agreement or are otherwise performed by others, the Association shall maintain, repair, replace and keep in good order (i) the Community Areas including, without limitation, repair and replacement of Community recreational facilities, snow and ice removal from roads, driveways and sidewalks, and landscaping, (ii) any and all storm water management facilities (including, without limitation, drainage pipes, infiltration trenches, ponds, basins, swales, berms, out-flow control devices, drainage areas, filters, inlets, and underground facilities) whether such storm water management facilities are located within the Property or not, as long as such storm water management facilities are designed to benefit or serve any portion of the Property or are required or intended to be maintained by the Association pursuant to any easement, agreement or the direction of any governmental or quasi-governmental authority or agency, (iii) rights-of-way, sidewalks, entry strips, signs and entrance features or improvements located within the Community, or which are appurtenant to and serve or benefit the Community, and (iv) and any other property, facilities or equipment appurtenant to and serving or benefiting the Community which the Association elects or is required to maintain, repair or replace pursuant to a Community Code or other agreement. Such maintenance, repair and replacement shall be funded as provided in the Governing Documents.

**Section 12.3. Intentionally Omitted.**

**Section 12.4. Storm Water Management Agreements with the County.** The Declarant has or will be entering in agreements with the County with respect to Stormwater Management Permit B 587304, which agreements may be recorded among the Land Record. Without limiting the generality of Section 12.2 above, the Association shall assume the rights and obligations of the Declarant under agreements in connection with the Permit; as such agreements may be amended from time to time.

**ARTICLE 13**  
**MORTGAGEE NOTICES, CONSENTS AND APPROVALS**

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Units.

**Section 13.1. Rights of Eligible Mortgagees.** Any institutional holder, insurer, or guarantor of a first Mortgage who provides a written request to the Association stating its name and address and the street address of the Unit to which its Mortgage relates shall be deemed an "Eligible Mortgagee". Rights granted to Eligible Mortgagees include the following:

(a) Eligible Mortgagees shall be entitled to timely written notice of the following:

(i) Any property loss, condemnation or eminent domain proceeding affecting (1) a material portion of the Community Property, or (2) any Unit on which there is a first Mortgage held, insured or guaranteed by such Eligible Mortgagee;

(ii) Any delinquency in the payment of assessments or charges owed by the Owner of a Unit subject to the Mortgage of such Eligible Mortgagee, where such delinquency has continued for a period of sixty (60) days, or any other violation of the Governing Documents relating to such Unit or the Owner or Tenant that is not cured within sixty (60) days;

(iii) Any termination, lapse, or material modification of any insurance policy required to be maintained by the Association;

(iv) Any other matter with respect to which Eligible Mortgagees are entitled to notice or to give their consent as provided in this Declaration.

**Section 13.2. No Priority.** No provision of this Declaration gives or shall be construed as giving any Owner or other party priority over any rights of the First Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Community Property.

**Section 13.3. Notice to Association.** Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owners Unit.

**Section 13.4. Failure of Mortgagee to Respond.** Any Mortgagee who receives a

written request from the Board of Directors to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

**ARTICLE 14**  
**AMENDMENT OF GOVERNING DOCUMENTS**

**Section 14.1. Declaration.** This Declaration may only be amended by an instrument signed by, or the affirmative vote of, the Owners of not less than sixty-six and two-thirds percent (66 and 2/3rds%) of the Class A Membership and the Class B Membership; provided, however, that any amendment to this Declaration shall require the prior written consent of the Declarant during the Declarant's Rights and Obligations Period and that any amendment to Section 15.20 shall require the prior written consent of any Owners then having the right to keep dogs in their Unit pursuant to Section 15.20. Any amendment must be recorded in the Land Records.

**Section 14.2. Changes and Modification by the Declarant.** The Declarant shall have the right, until ten (10) years after the recordation of this Declaration, or until the end of the Declarant's Rights and Obligations Period, whichever shall occur later, without the consent of the Members of the Association or any other Person, to modify, amend or change the Governing Documents at any time and from time to time as the Declarant may deem necessary or desirable (i) to correct clerical errors or omissions herein; or (ii) to bring any provision of the Governing Documents into compliance with any applicable governmental statute, rule, regulation, or judicial determination which is in conflict therewith.

**Section 14.3 Declarant's Power of Attorney.** Declarant reserves for itself, its successors, transferees and assigns the right to execute on behalf of all contract purchasers, Owners, Mortgagees, and other lienholders or parties claiming a legal or equitable interest in any Unit or Community Property, any modifications or amendments to the Governing Documents made in accordance with Section 14.2 of this Declaration, if and to the extent any such person shall fail to execute any of the same within fifteen (15) days after a copy of the proposed amendment or modification has been sent by certified mail—return receipt requested with a request that such person execute and return the same in accordance with the provisions of this Article XIV .

(a) By acceptance of a deed to any Unit or by the acceptance of any other legal or equitable interest in the Units or Community Property, each and every such contract purchaser, Owner, mortgagee or other lien holder or party having a legal or equitable interest in any Unit or Community Property does automatically and irrevocably name, constitute, appoint and confirm the Declarant, its successors, transferees and assigns, as attorney-in-fact for the purpose of executing such amendment or modification necessary to effect the foregoing, subject to the limitations set forth herein.

(b) No amendment or modification which adversely and materially affects the value of a Unit or the use and enjoyment of the Unit, or substantially increases the financial obligations of an Owner, or reserves any additional or special privileges for the Declarant not previously reserved, shall be made without the prior written consent of the affected Owner(s) and

mortgagee(s) encumbering the Units owned by the affected Owner(s). Any such amendment or modification which adversely affects the priority or validity of any Mortgage which encumbers any Unit or Community Property shall not be made without the prior written consent of all such Mortgagees.

(c) The power of attorney aforesaid is expressly declared and acknowledged to be coupled with an interest in the subject matter hereof and the same shall run with the title to any and all Units and Community Property and be binding upon the heirs, personal representatives, successors, transferees and assigns of any of the foregoing parties. Further, said power of attorney shall not be affected by the death or disability of any principal and is intended to deliver all right, title and interest of the principal in and to said power of attorney. Said power of attorney shall be vested in the Declarant, its successors, transferees and assigns until ten (10) years after the recordation of this Declaration, or until the end of the Declarant's Rights and Obligations Period, whichever shall occur later. Thereafter, said power of attorney shall automatically vest in the Association to be exercised by its Board of Directors.

*Section 14.4. Validity and Effective Date of Amendments to the Declaration.* Amendments to this Declaration shall become effective upon recordation in the Land Records, unless a later effective date is specified therein. In no event shall a change of conditions or circumstances operate to automatically amend any provisions of this Declaration.

## **ARTICLE 15**

### **GENERAL PROVISIONS**

#### *Section 15.1. Security and Safety; Limitation of Liability.*

(a) Neither the Association, the Declarant, nor any successor or assign of the Declarant or any Building Condominium Association shall in any way be considered insurers or guarantors of security within the Community, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or any ineffectiveness of security measures undertaken. No representation or warranty is made or implied that any fire protection system, burglar alarm system or other surveillance system or measures, including, without limitation, any mechanism or system for limiting access to the Community, cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system or security measures were designed or intended.

(b) Each Owner acknowledges, understands and covenants to inform its tenants, and all guests and invitees of its Unit that the Association, the Declarant, and any successor or assign of the Declarant, and the applicable Building Condominium Association are not insurers and that each person using or present within the Property assumes all risks of personal injury and loss or damage to property, by theft or otherwise, including loss or damage to Units or personal property, whether such personal property is maintained within a Unit or the Community Areas.

(c) The Association shall not be liable for any failure of any services to be

obtained by the Association or paid for by Assessments, or for injury or damage to person or property caused by the elements or resulting from water which may leak or flow from any portion of the Community Areas, or from any pipe, drain, conduit or the like absent the Association's gross negligence. No diminution or abatement of Assessments shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Community Areas, or from any action taken by the Association.

**Section 15.2. Enforcement.** Unless otherwise limited, the Declarant, the Association, any Owner and any Building Condominium Association shall have the right to enforce, by any proceeding at law and/or in equity, all restrictions, conditions, covenants, reservations, easements, liens, charges or other obligations or terms now or hereafter imposed by the provisions of the Governing Documents. Failure by the Declarant, the Association, any Owner or any Building Condominium Association to enforce any provision of the Governing Documents, shall in no event be deemed a waiver of the right to do so thereafter. There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or attempted violation or breach of any of the Governing Documents, cannot be adequately remedied by action at law or exclusively by recovery of damages. If the Association, or any Owner or any Building Condominium Association, successfully brings an action to abate a violation or otherwise enforce the provisions of the Governing Documents, the costs of such action, including legal fees, shall become a binding, personal obligation of the Owner and/or resident or the Building Condominium Association (as applicable) committing or responsible for such violation or failure to perform and such costs shall be collectible in the same manner as any other Assessment under the Governing Documents. In the event the Association shall fail to commence to perform any material obligation which it is required to perform hereunder within fifteen (15) days' of written notice of such failure, then the Building Condominium Association or Owner may perform such obligation, provided, however, that nothing herein shall give the Building Condominium Association or the Owner the right to make any set off against the Assessments.

**Section 15.3. Severability.** Invalidation of any one of the covenants, restrictions or other provisions of this Declaration by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

**Section 15.4. Successors of the Declarant.** Any and all rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant hereunder, or any part of them, may be assigned and transferred, in whole or in part, by the Declarant by an instrument in writing, recorded among the Land Records.

**Section 15.5. Arbitration.**

(a) Notwithstanding any provision of this Declaration or other Governing Documents to the contrary, if, after good faith efforts to negotiate a satisfactory solution have failed, any dispute that cannot be resolved between (i) the Declarant (including any of the Declarant's employees, agents, or contractors) and (ii) the Association and/or any Owner or Owners and/or Building Condominium Association will be submitted to arbitration in accordance with this Section 15.5, unless an alternative dispute resolution procedure is agreed to

by the parties to the dispute. As used in this Section 15.5, the term "dispute" includes any controversy or claim, including, without limitation, any claim based on contract, tort, or statute, arising out of or relating to (1) the rights or obligations of such parties under this Declaration or other Governing Documents, or (2) the design, construction, or warranty of the Community Property. Upon the request of a party to a dispute, the issue shall be submitted to arbitration. Either party shall have the right to notify the other party that it is invoking the arbitration provisions as herein provided. The party initiating the arbitration shall set forth in its written notice (the "Notice Invoking Arbitration") the desire to invoke the arbitration provisions herein, and shall specify the name and address of the arbitrator selected to represent the party initiating the arbitration and the matter to be arbitrated. Within ten (10) days after receipt of such notice, the other party to the dispute shall specify by written notice to the party invoking arbitration, the name and address of the arbitrator to represent it. Within seven (7) days after the designation of the second arbitrator, the two (2) arbitrators so designated shall name the third arbitrator by their joint agreement. If the party requested to name its arbitrator fails to do so within the time limited, or if the two (2) arbitrators fail to agree within seven (7) days after appointment of a second arbitrator, as to a third arbitrator, then the one or two designated arbitrators, as the case may be, shall then request the Chair of the Real Estate Section of the Maryland State Bar Association to designate an arbitrator or arbitrators so that there will be three (3) arbitrators. Such arbitration shall be conducted in accordance with all applicable arbitration laws of the State of Maryland, except that in the event of any conflict between said laws and the provisions of this Article, the provisions of this Article shall be controlling, unless otherwise required by law. A decision of the majority of the arbitrators shall be final, conclusive and binding upon both parties. The controlling decision shall be in writing, signed by the arbitrators making same, shall briefly state the grounds therefor and shall fix and allocate the cost of the proceedings between the parties.

(b) The arbitrator shall determine which is the prevailing party and shall include in the award payment by the non-prevailing party of the prevailing party's reasonable attorneys' fees and expenses. The provisions of this Section 15.5 and any judgment rendered by the arbitrator may be enforced by any court of competent jurisdiction, and the party seeking enforcement shall be entitled to an award of all costs, fees and expenses, including attorneys' fees, to be paid by the party against whom enforcement is ordered.

(c) If either party to an arbitration proceeding shall fail to comply with the decision of the arbitrators, the other party may seek enforcement by appropriate judicial proceedings, either an action at law for damages, or a suit in equity to enjoin a breach or violation, or enforce performance, of any rule, regulation or other obligation. The prevailing party in any such proceeding shall be entitled to an award for counsel fees and other litigation expenses at the discretion of, and to the extent determined by, the court.

**(d) EVERY OWNER, MORTGAGEE, AND ALL OTHER PARTIES WITH AN INTEREST IN ANY PORTION OF THE PROPERTY COVENANT AND AGREE TO HAVE ALL DISPUTES DECIDED BY NEUTRAL ARBITRATION IN ACCORDANCE WITH THIS SECTION 15.5 AND RELINQUISH ANY RIGHTS THAT MAY BE AVAILABLE TO HAVE SUCH MATTERS LITIGATED IN A COURT OR BY JURY TRIAL, INCLUDING JUDICIAL RIGHTS TO DISCOVERY AND APPEAL. THE REFUSAL BY A PARTY TO SUBMIT TO ARBITRATION IN ACCORDANCE WITH**

**THIS SECTION 15.5 MAY RESULT IN THE PARTY BEING COMPELLED TO ARBITRATE UNDER FEDERAL OR STATE LAW.**

**Section 15.6. Taxes and Assessments.** It is the intent of this Declaration that insofar as the interests of each Owner to use and enjoy the Community Property is an interest in real property appurtenant to each Unit, the value of the interest of each Owner in the Community Property shall be included in the assessment for each such Unit and as a result, any assessment directly against such Community Property should be of a nominal nature reflecting that the full value of the same should be included in the several assessments of the various Units.

**Section 15.7. Conservation Easements and Other Restrictions.** The Association shall be responsible for monitoring compliance with the requirements of any conservation easements and other restrictions imposed on the Community Property by either the County or the Highlands Covenants, and for periodically reminding the Owners of these restrictions.

**Section 15.8. No Dedication to Public Use.** Nothing herein shall be construed as a dedication to public use or as an acceptance for maintenance of any Community Property by any public or municipal agency, authority, or utility and no public or municipal agency, authority or utility shall have any responsibility or liability for the maintenance or operation of any of the Community Property.

**Section 15.9. Incorporation by Reference on Resale.** When any Owner sells or otherwise transfers any Unit, any deed purporting to effect such transfer shall contain a provision incorporating by reference the covenants, conditions, restrictions, servitudes, easements, charges and liens set forth in this Declaration; however, the failure to do so shall not (i) affect the validity of any such deed, or (ii) the enforceability of the covenants, restrictions, servitudes, easements, charges and liens set forth in this Declaration against the grantee under the deed or any subsequent Owner of such Unit.

**Section 15.10. Reserved Rights of the Declarant.** Until ten (10) years after the recordation of this Declaration or the expiration of the Declarant's Rights and Obligations Period, whichever shall occur later, no supplement or amendment to the Governing Documents may remove, revoke or modify any right, reservation or privilege of the Declarant without the prior written consent of the Declarant.

**Section 15.11. Non-Association Disputes; Limited Authority of the Association to Act for Building Condominiums.**

(a) The Association expressly has no right or obligation to intervene in any disputes between and among Owners or in any other matters that do not directly involve Community Property-related issues for which the Association has been conferred responsibility pursuant to the Governing Documents.

(b) The Association shall have no authority or obligation to act on behalf of one or more Building Condominium Associations or any unit owners within a Building Condominium with respect to any claims, litigation or proceedings related to the construction or

warranties of any Building Condominium. The provisions of this Section 15.11(b) may not be amended without the express written consent of the Declarant.

**Section 15.12. Limitation on Opposition to Development.** As long as the Declarant is the Owner of any portion of the Community, the Association may not use its financial resources to defray the costs of opposing any lawful development activities of the Declarant consistent with the Community Plan and the Governing Documents. Nothing in this Section shall be construed to limit the rights of Owners to act in their individual capacities.

**Section 15.13. Conveyance of Community Property by the Declarant.** The Declarant may convey unimproved or improved land to the Association to be held as Community Property. The consent of the Association shall not be required for such conveyance or construction of improvements on the Community Property except as set forth in the following sentence. Other than the initial construction of improvements by the Declarant and the installation of lights, entry features or fountains on the Community Property, the approval of the Members of the Association shall be required for any improvement costing more than Twenty-Five Thousand Dollars (\$25,000.00). The Declarant shall have the right to permit the Association and its Members to enjoy and utilize land which has not been conveyed but which is intended to become Community Property. The Association shall have the right to maintain such property and levy Assessments for maintenance costs, notwithstanding that such property has not yet been conveyed to the Association.

**Section 15.14. Combined Units Subject to Multiple Assessments and Votes.** If any Units are at any time combined into a single Unit (including during the initial construction of such Units), the Owner of such a combined Unit shall pay Assessments and shall have the number of votes in the Association based on the number of Units that existed prior to the Units being combined into a Unit. For purposes of this Section, the number of Units to be constructed within a building as approved by the Declarant and in accordance with the Development Plan shall be used in determining whether Units were subsequently combined.

**Section 15.15. Captions and Gender.** The captions contained in this Declaration are for convenience only and 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. Whenever in this Declaration the context so requires, the singular number shall include the plural and the converse, and the use of any gender shall be deemed to include all genders.

**Section 15.16. Other Agreements by Developer.** Nothing in this Declaration shall abrogate any express covenant, limitation, restriction, undertaking or other obligation of the Declarant contained in its purchase agreement with an Owner of a Unit.

**Section 15.17. Easements, Licenses, Permits.** During the Declarant's Rights and Obligations Period the Association and Declarant shall not grant any easement, license, or permit that has the permanent effect of materially and adversely affecting the market value of the Units.

**Section 15.18. Perpetuities.** If any of the covenants, conditions, easements,

restrictions, or other provisions of this Declaration shall be unlawfully void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the members of the 107 United States Congress.

**Section 15.19. Conflicts.** In the event of any conflict between this Declaration and the Articles of Incorporation or the Bylaws, the terms and provisions of this Declaration shall control.

**Section 15.20. Miscellaneous.** The Board of Directors of the Association has the power to authorize Owners and occupants of the Units to keep dogs. Except as set forth in the Board's authorizing resolution, any authorization to keep dogs in a Unit shall not be amended or terminated without the prior written consent of the Owner of the Unit.

**Section 15.21. Baltimore County Access Easement.** The duly authorized employees and representatives of Baltimore County, Maryland shall have the right to enter upon the Property for the purpose of performing necessary inspection, maintenance and repair to any completed storm water management facility. Such right of entry shall also include the right to perform maintenance of the facility, and assess the costs thereof to the owner or owners of the facility, which costs shall be a lien on such owners' property in the event the Declarant or the Association fails to maintain or repair.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and seals this 26<sup>th</sup> day of July, 2006.

WITNESS:

HIGHLANDS OFFICE PARK ONE, LLC

[Signature]

By: [Signature] (SEAL)  
James Michael Abrams, President

STATE OF MARYLAND, COUNTY OF ~~BALTIMORE~~, to wit: HOWARD

I HEREBY CERTIFY that, on this 26<sup>th</sup> day of July, 2006, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared James Michael Abrams, President of Highlands Office Park One, LLC, a Maryland limited liability company, personally known to me, who made oath that he is the President as aforesaid, and as such is authorized to make this acknowledgment, and he acknowledged that the foregoing Declaration is the act of Highlands Office Park One, LLC, a Maryland limited liability company, and that said Declaration was executed and is to be recorded for the purposes as therein provided.

AS WITNESS my hand and Notarial Seal

[Signature]  
Notary Public

My Commission Expires: 9/01/06

CONSENT AND AGREEMENT OF TRUSTEE AND BENEFICIARY

Jeffrey M. Aleshire, Sole Acting Trustee, and Susquehanna Bank, who are, respectively, the Sole Acting Trustee and the Beneficiary under that certain Indemnity Deed of Trust, Security Agreement, Fixture Filing, and Assignment of Leases and Rents (the "Deed of Trust") dated April 8, 2005, and recorded among the Land Records of Baltimore County, Maryland, in Liber SM No. 21725, folio 272, et seq. from Highlands Office Park One, LLC hereby join in the foregoing Declaration for the express purpose of subordinating all of their respective right, title, and interest under such Deed of Trust in and to the real property described in the Declaration to the operation and effect thereto.

Nothing in the foregoing provisions of this Consent and Agreement of Trustee and Beneficiary shall be deemed in any way to create between the person named in such Declaration as "the Declarant" and any of the undersigned any relationship of partnership or joint venture, or to impose upon any of the undersigned any liability, duty or obligation whatsoever.

IN WITNESS WHEREOF, the Sole Acting Trustee and Beneficiary have executed and sealed this Consent and Agreement of Trustee and Beneficiary or caused it to be executed and sealed on its behalf by its duly authorized representatives, this 26th day of July, 2006.

WITNESS:

[Signature]

[Signature] (SEAL)  
Jeffrey M. Aleshire, Sole Acting Trustee

ATTEST:

[Signature]

BENEFICIARY:

SUSQUEHANNA BANK

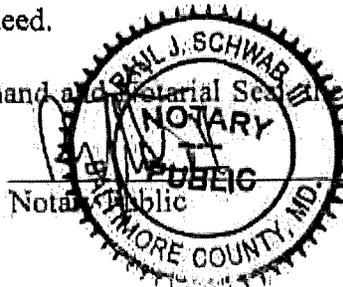
By: [Signature] (SEAL)  
Jeffrey M. Aleshire, Executive Vice President

STATE OF Md/Md : COUNTY OF Baltimore : TO WIT:

I HEREBY CERTIFY that on this 26th day of July, 2006, before me, a Notary Public for the state aforesaid, personally appeared Jeffrey M. Aleshire, Sole Acting Trustee, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he has executed it as the Sole Acting Trustee for the purposes therein set forth, and that it is his act and deed.

IN WITNESS WHEREOF, I have set my hand and Notarial Seal on this \_\_\_\_\_ day and year first above written.

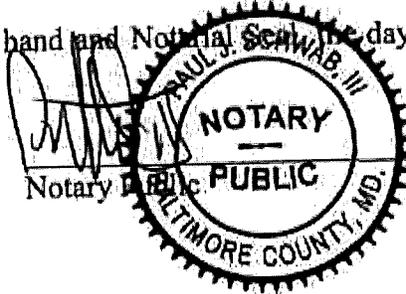
My commission expires on 10/1/06



STATE OF Maryland : COUNTY OF Baltimore : TO WIT:

I HEREBY CERTIFY, that on this 20th day of July, 2006, before me, the subscriber, a Notary Public of the state aforesaid, personally appeared Jeffrey M. Aleshire, who acknowledged himself to be an Executive Vice President of Susquehanna Bank, Beneficiary, and that he, being authorized to do so, executed this Consent and Agreement of Trustees and Beneficiary for the purposes contained therein by signing on behalf of the Corporation, in my presence.

IN WITNESS WHEREOF, I have set my hand and Notarial Seal on the day and year first above written.



My commission expires: 10/1/06

This is to certify that the within instrument has been prepared (i) by or under the supervision of the undersigned attorney or (ii) by a party to this instrument.

[Signature]  
Paul J. Schwab, III Attorney

Reviewed for Baltimore County requirements pursuant to Sections 32-4-271(c) and 33-4-111(b)(3) of the Baltimore County Code (2003).

[Signature]  
Not. C. Setty

**Declaration of Covenants, Conditions, Restrictions and Liens  
For the Highlands Corporate Center One**

**Exhibit A**

**DESCRIPTION OF PROPERTY**

**BEING Lot 1 as shown on the Plat entitled "The Highland Corporate Office Park, Resubdivision of Lots H, I, J, K-1, M-1 & EE" recorded among the Land Records of Baltimore County, Maryland at SM, Liber 75, Folio 27.**

**Declaration of Covenants, Conditions, Restrictions and Liens  
For the Highlands Corporate Center One**

**APPENDIX ONE**

***Declarant's Reserved Rights and Obligations***

To secure the Declarant's interests related to the development of the Property, including the pursuit and furtherance of the missions and goals of the Community established and modified from time to time by the Declarant, the Declarant shall have, in addition to the rights set forth elsewhere in the Governing Documents, the benefit of certain rights and be encumbered with certain obligations, as set forth herein.

**§A-101 Definition of Declarant's Rights and Obligations Period.**

The rights, obligations and powers of the Declarant shall continue for the time specified in the Governing Documents. Some rights, powers and obligations of Declarant exist during the Declarant's Rights and Obligations Period. For purposes of Article 7 (Design Review and Architectural Control) and Article 11 (Easements and Restrictions) of the Declaration, the **Declarant's Rights and Obligations Period** commences upon the recordation of the Declaration and ends on the first date on which one hundred percent (100%) of the Units (other than those that the Declarant has completed and occupied or leased for a period of more than twelve (12) consecutive months for commercial purposes other than as a sales model) have been conveyed to their first private Unit Owners. For all other purposes of this Appendix and the Declaration, the **Declarant's Rights and Obligations Period** commences upon the recordation of the Declaration and ends on the first date on which seventy-five percent (75%) of the Units (other than those that the Declarant has completed and occupied or leased for a period of more than twelve (12) consecutive months for commercial purposes other than as a sales model) have been conveyed to their first private Unit Owners. The Declarant, however, may elect to voluntarily terminate all or any portion of the Declarant's Rights and Obligations by expressing such election in writing to the Association.

**§A-102 Actions on Declarant's Easements.**

The Association shall take no action seeking to alter easements established from time to time in the Declaration or by the Declarant pursuant to the terms of the Declaration.

AFTER RECORDING, PLEASE RETURN TO:  
PAUL J. SCHWAB  
5th Floor, 101 East Chesapeake Avenue  
Baltimore, Maryland 21286



0024217 4081

State of Maryland Land Instrument Intake Sheet  
 Baltimore City  County: Baltimore

Information provided is for the use of the Clerk's Office, State Department of Assessments and Taxation, and County Finance Office Only.  
(Type or Print in Black Ink Only—All Copies Must Be Legible)

Court Clerk Recording Verification

FD FEE \$ 20.00  
RECORDING FEE 75.00  
TOTAL 95.00  
Recpt # 7303  
Blk # 2367  
83:21 PM  
JUL 27 2006

1 Type(s) of Instruments

2 Conveyance Type Check Box

3 Tax Exemptions (if Applicable)

Cite or Explain Authority

Check Box if addendum Intake Form is Attached

Deed  Mortgage  Other  Deed

Deed or Trust  Lease

Improved Sale  Unimproved Sale  Multiple Accounts  Not an Arms-Length Sale

Arms-Length (1) Arms-Length (2) Arms-Length (3)

Recordation  State Transfer  County Transfer

4 Consideration and Tax Calculations

| Consideration Amount         |               | Finance Office Use Only                    |    |
|------------------------------|---------------|--|----|
|                              |               | Transfer and Recordation Tax Consideration |    |
| Purchase Price/Consideration | \$ <u>N/A</u> | Transfer Tax Consideration                 | \$ |
| Any New Mortgage             | \$            | X ( ) % =                                  | \$ |
| Balance of Existing Mortgage | \$            | Leas Exemption Amount                      | \$ |
| Other:                       | \$            | Total Transfer Tax                         | \$ |
| Other:                       | \$            | Recordation Tax Consideration              | \$ |
| Full Cash Value:             | \$            | X ( ) per \$500 =                          | \$ |
|                              |               | TOTAL DUE                                  | \$ |

5 Fees

| Amount of Fees        | Doc. 1          | Doc. 2 |
|-----------------------|-----------------|--------|
| Recording Charge      | \$ <u>75.00</u> | \$     |
| Surcharge             | \$ <u>20.00</u> | \$     |
| State Recordation Tax | \$              | \$     |
| State Transfer Tax    | \$              | \$     |
| County Transfer Tax   | \$              | \$     |
| Other:                | \$              | \$     |
| Other:                | \$              | \$     |

6 Description of Property

SDAT requires submission of all applicable information. A maximum of 40 characters will be indexed in accordance with the priority cited in Real Property Article Section 3-104(g)(3)(i).

District Property Tax ID No. (1) Grantor Liber/Folio Map Parcel No. Var. LOG  (5)

Subdivision Name Lot (3a) Block (3b) Sect/AR (3c) Plat Ref. SqFt/Acreage (4)

The Highlands Corporate Office Park 1 75125

Location/Address of Property Being Conveyed (2)

Other Property Identifiers (if applicable) Water Meter Account No.

Residential  or Non-Residential  Fee Simple  or Ground Rent  Amount:

Partial Conveyance?  Yes  No Description/Amt. of SqFt/Acreage Transferred:

If Partial Conveyance, List Improvements Conveyed:

7 Transferred From

Doc. 1 - Grantor(s) Name(s) Highland Office Park One, LLC

Doc. 2 - Grantor(s) Name(s)

Doc. 1 - Owner(s) of Record, if Different from Grantor(s)

Doc. 2 - Owner(s) of Record, if Different from Grantor(s)

8 Transferred To

Doc. 1 - Grantee(s) Name(s) N/A

Doc. 2 - Grantee(s) Name(s)

New Owner's (Grantee) Mailing Address

9 Other Names to Be Indexed

Doc. 1 - Additional Names to be Indexed (Optional)

Doc. 2 - Additional Names to be Indexed (Optional)

10 Contact/Mail Information

Instrument Submitted By or Contact Person

Name: Paul J. Schward

Firm: Ad. Carl Gann, Franz, LLP

Address: 5th Floor 101 E. Chesapeake Ave. Towson, MD 21286 Phone: (410) 821-6800

Return to Contact Person

Hold for Pickup

Return Address Provided

# CORPORATE CHARTER APPROVAL SHEET

**\*\*EXPEDITED SERVICE\*\***

**\*\* KEEP WITH DOCUMENT \*\***

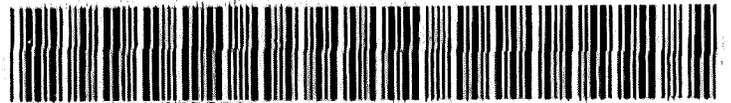
DOCUMENT CODE 02 BUSINESS CODE 04

Close \_\_\_\_\_ Stock \_\_\_\_\_ Nonstock ✓

P.A. \_\_\_\_\_ Religious \_\_\_\_\_

Merging (Transferor) \_\_\_\_\_

Surviving (Transferee) \_\_\_\_\_



1000361993449283

ID # D11422730 ACK # 1000361993449283  
LIBER: B00989 FOLIO: 1482 PAGES: 0008  
HIGHLANDS CORPORATE CENTER ONE MASTER A  
SSOCIATION, INC.

MAIL  
BACK

07/25/2006 AT 04:46 P WO # 0001268025

New Name \_\_\_\_\_

### FEES REMITTED

Base Fee: 100

Org. & Cap. Fee: 20

Expedite Fee: 50

Penalty: \_\_\_\_\_

State Recordation Tax: \_\_\_\_\_

State Transfer Tax: \_\_\_\_\_

Certified Copies \_\_\_\_\_

Copy Fee: \_\_\_\_\_

Certificates \_\_\_\_\_

Certificate of Status Fee: \_\_\_\_\_

Personal Property Filings: \_\_\_\_\_

Mail Processing Fee: 5

Other: \_\_\_\_\_

TOTAL FEES: 175

Change of Name \_\_\_\_\_

Change of Principal Office \_\_\_\_\_

Change of Resident Agent \_\_\_\_\_

Change of Resident Agent Address \_\_\_\_\_

Resignation of Resident Agent \_\_\_\_\_

Designation of Resident Agent \_\_\_\_\_

and Resident Agent's Address \_\_\_\_\_

Change of Business Code \_\_\_\_\_

Adoption of Assumed Name \_\_\_\_\_

Other Change(s) \_\_\_\_\_

Credit Card ✓ Check \_\_\_\_\_ Cash \_\_\_\_\_

Code 081

Documents on \_\_\_\_\_ Checks \_\_\_\_\_

Attention: \_\_\_\_\_

Approved By: WMI3

AZRAEL, GANN AND FRANZ  
5TH FLOOR  
101 E CHESAPEAKE AVE  
TOWSON

Keyed By: \_\_\_\_\_

MD 21286-5338

COMMENT(S): \_\_\_\_\_

CUST ID: 0001824987  
WORK ORDER: 0001268025

**Insurance Dec Page**  
**Highlands Corporate Center One Master Association Inc.**



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

9/14/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

|   |   |                                    |
|---|---|------------------------------------|
| <b>PRODUCER</b><br>Arthur J. Gallagher Risk Management Services, Inc.<br>4064 Colony Road, Ste. 450<br>Charlotte NC 28211-3784  | <b>CONTACT NAME:</b> Monica Haggist<br><b>PHONE (A/C, No, Ext):</b> 704-602-3828<br><b>E-MAIL ADDRESS:</b> CertRequests@AJG.com | <b>FAX (A/C, No):</b> 704-362-1997 |
|   | <b>INSURER(S) AFFORDING COVERAGE</b>  |                                    |
| <b>INSURED</b><br>HIGHCOR-01<br>Highlands Corporate Center One Master Association<br>C/O American Community Mgmt Inc<br>7484 Candlewood Rd., Ste. H<br>Hanover MD 21076 | <b>INSURER A:</b> Foremost Signature Insurance Company  | <b>NAIC #</b><br>41513             |
|   | <b>INSURER B:</b> Greenwich Insurance Company   | 22322                              |
|   | <b>INSURER C:</b>   |                                    |
|   | <b>INSURER D:</b>   |                                    |
|   | <b>INSURER E:</b>   |                                    |
|   | <b>INSURER F:</b>   |                                    |

**COVERAGES**

CERTIFICATE NUMBER: 549940756

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE   | ADDL INSD | SUBR WVD | POLICY NUMBER  | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS                                    |                    |
|----------|---|-----------|----------|----------------|-------------------------|-------------------------|---|--------------------|
| A        | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY<br><input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR<br><br>GEN'L AGGREGATE LIMIT APPLIES PER:<br><input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC<br>OTHER: | Y         | Y        | PAS04463081    | 9/15/2018               | 9/15/2019               | EACH OCCURRENCE                           | \$ 2,000,000       |
|          |   |           |          |                |                         |                         | DAMAGE TO RENTED PREMISES (Ea occurrence) | \$ 75,000          |
|          |   |           |          |                |                         |                         | MED EXP (Any one person)                  | \$ 5,000           |
|          |   |           |          |                |                         |                         | PERSONAL & ADV INJURY                     | \$ 2,000,000       |
|          |   |           |          |                |                         |                         | GENERAL AGGREGATE                         | \$ 4,000,000       |
|          |   |           |          |                |                         |                         | PRODUCTS - COMP/OP AGG                    | \$ 4,000,000       |
|          |   |           |          |                |                         |                         |   | \$                 |
| A        | AUTOMOBILE LIABILITY<br><br><input type="checkbox"/> ANY AUTO<br><input type="checkbox"/> OWNED AUTOS ONLY<br><input checked="" type="checkbox"/> HIRED AUTOS ONLY<br><input type="checkbox"/> SCHEDULED AUTOS<br><input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY  | N         | N        | PAS04463081    | 9/15/2018               | 9/15/2019               | COMBINED SINGLE LIMIT (Ea accident)       | \$ 2,000,000       |
|          |   |           |          |                |                         |                         | BODILY INJURY (Per person)                | \$                 |
|          |   |           |          |                |                         |                         | BODILY INJURY (Per accident)              | \$                 |
|          |   |           |          |                |                         |                         | PROPERTY DAMAGE (Per accident)            | \$                 |
|          |   |           |          |                |                         |                         |   | \$                 |
| B        | <input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR<br><input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE<br><input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 0   | N         | N        | PPP7451267L18A | 9/15/2018               | 9/15/2019               | EACH OCCURRENCE                           | \$ 5,000,000       |
|          |   |           |          |                |                         |                         | AGGREGATE                                 | \$ 5,000,000       |
|          |   |           |          |                |                         |                         | Prod Compl Work                           | \$ 5,000,000       |
|          |   |           |          |                |                         |                         | PER STATUTE                               | OT-HER             |
|          | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY<br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)<br>If yes, describe under DESCRIPTION OF OPERATIONS below  | Y/N       | N/A      |                |                         |                         | E.L. EACH ACCIDENT                        | \$                 |
|          |   |           |          |                |                         |                         | E.L. DISEASE - EA EMPLOYEE                | \$                 |
|          |   |           |          |                |                         |                         | E.L. DISEASE - POLICY LIMIT               | \$                 |
| A        | Property/RC Special   | N         | N        | PAS04463081    | 9/15/2018               | 9/15/2019               | Deductible: \$500                         | Limit: \$11,000    |
| A        | Fidelity / Crime  | N         | N        | PAS04463081    | 9/15/2018               | 9/15/2019               | Deductible: \$500                         | Limit: \$75,000    |
| A        | Directors & Officers Liab   | N         | N        | PAS04463081    | 9/15/2018               | 9/15/2019               | Retention: \$500                          | Limit: \$2,000,000 |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

This policy covers 100% RC common elements only with 2% inflation guard - Sign, NO individual unit owners coverage provided. Total # of 3 Office Buildings. Included: Separation Of Insureds. NO coverage for Unit Owners: Equipment Breakdown, Ordinance or Law, Wind & Hail, Flood and Earthquake. ACM, Inc. is listed as additional insured with respect to general liability as their interest may appear and crime coverage as employee per signed agreement. EVIDENCE OF INSURANCE: If you need to make a change fax request to 704.362.1997. INCLUDE: name of the homeowners association, mortgagee clause with loan number and unit owners names with address. Certificate holder is additional insured regarding liability coverages and fidelity coverage.

**CERTIFICATE HOLDER****CANCELLATION**

American Community Management, Inc.  
 7484 Candlewood Rd Ste H  
 Attn: Bob Guerin  
 Hanover MD 21076  
 USA

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

© 1988-2015 ACORD CORPORATION. All rights reserved.

**Litigation**  
**Highlands Corporate Center One Master Association Inc.**

This document is currently either not available or not applicable for this association.

\*\*\*REMAINDER OF PAGE LEFT INTENTIONALLY BLANK.\*\*\*

**Reserve Report**  
**Highlands Corporate Center One Master Association Inc.**

This document is currently either not available or not applicable for this association.

\*\*\*\*REMAINDER OF PAGE LEFT INTENTIONALLY BLANK.\*\*\*\*

**Resolutions and Policies**  
**Highlands Corporate Center One Master Association Inc.**

This document is currently either not available or not applicable for this association.

\*\*\*\*REMAINDER OF PAGE LEFT INTENTIONALLY BLANK.\*\*\*\*

**Rules and Regulations**  
**Highlands Corporate Center One Master Association Inc.**

This document is currently either not available or not applicable for this association.

\*\*\*\*REMAINDER OF PAGE LEFT INTENTIONALLY BLANK.\*\*\*\*

**Welcome Letter**  
**Highlands Corporate Center One Master Association Inc.**



Dear Prospective Homeowner,

American Community Management, Inc. would like to take this opportunity to introduce ourselves as the managing agent for your Community Association. We are a full service community management firm that was established to assist community associations in the maintenance and operation of their community. As the managing agent, we have the responsibility of assisting the board of directors with the execution of processes for their association.

We are committed to providing the highest level of service in the community management industry. As our company has grown, we have been diligent in hiring quality professionals and providing them with continuing education opportunities by making available to them courses in community and property management, insurance, legal, collections, maintenance, reserve studies and much more in an effort to ensure that our clients receive the highest level of service.

In order to assist us in the efficient management of your Association, it is important that we have an accurate record of ownership for each property. Please take a few moments to complete the attached questionnaire form and return it to American Community Management, Inc. at your earliest convenience.

To assure a smooth transition from the former owner to you, please make sure that:

- We receive a copy of your settlement sheet immediately following your settlement.
- Complete and return to our office the "Notice to Council of Unit Owners" which is pursuant to the Annotated Code of Maryland and included.

You will receive a welcome letter with additional information once we have received your settlement sheet.

Communication is an important key in building a successful relationship. We are very interested in your comments and have made communicating with us easy by giving you several options to reach us. You may contact American Community Management online at [www.acmhome.com](http://www.acmhome.com), or by U.S. Mail, telephone or fax.

Sincerely,

The Staff of American Community Management, Inc.

Enclosures