

CONDOMINIUM DECLARATION  
FOR  
CATOCTIN OFFICE CONDOMINIUM

THIS CONDOMINIUM DECLARATION is made this 20<sup>th</sup> day of JULY,  
2004, by MANOTT LLC, a Maryland limited liability company ("Developer").

WITNESSETH:

WHEREAS, Developer is the owner and developer of the real property having an address of 73, 75 and 77 Thomas Johnson Drive, Frederick, Maryland as more particularly described on SCHEDULE A attached hereto and made a part hereof, containing approximately 8.8 acres (the "Real Property"); and

WHEREAS, Developer intends to construct upon the Real Property a total of three one-story buildings containing, in the aggregate, a total of approximately 74,352 square feet (collectively, the "Buildings"). The Buildings will be comprised of "Building One", to contain approximately eleven (11) units totaling approximately 28,816 square feet; "Building Two", to contain approximately fourteen (14) units totaling approximately 39,268 square feet; and, "Building Three", to contain approximately two (2) units totaling approximately 6,268 square feet. The Buildings, together with all other improvements on the Real Property, including, but not limited to, parking facilities and landscaping and drainage facilities, all as more particularly shown on the Condominium Plats (as hereinafter defined), are hereinafter collectively referred to as, the "Improvements"; and

WHEREAS, Developer desires to submit the whole of said Real Property, together with the Improvements erected and to be erected thereon, and all rights, alleys, ways, privileges, appurtenances and advantages thereunto belonging or in anyway appertaining, to a condominium

regime, pursuant to the provisions of Section 11-101, et seq. of the Real Property Article of the Annotated Code of Maryland (hereinafter called the "Maryland Condominium Act").

NOW, THEREFORE, Developer, for itself, its successors and assigns, does hereby expressly establish and declare the following:

1. Creation of Condominium Regime. Developer hereby submits the Real Property and the Improvements, as shown on the Condominium Plats recorded simultaneously herewith, to a condominium regime, as provided for by the Maryland Condominium Act, and hereby establishes a condominium regime as therein provided to be known as "CATOCTIN OFFICE CONDOMINIUM", which, upon completion, will be comprised of three buildings containing a total of approximately twenty-seven (27) condominium units (each hereinafter referred to as a "unit") together with the general common elements appurtenant thereto. Each unit, together with the undivided interest in the common elements as are appurtenant thereto, may be conveyed, leased, encumbered, inherited, or devised by will, in whole or in part, as though each unit was entirely independent of all other units, and of the Building in which said unit is located. As of the date of this Declaration, the units of the condominium created hereby shall include only those units shown on the Condominium Plats recorded simultaneously herewith, but will in the future include units to be located in the Future Expansion Area, as shown in part on the Condominium Plats, and as set forth on SCHEDULE B attached hereto. Notwithstanding the foregoing, solely with respect to the voting rights set forth herein, the Future Expansion Area, as it from time to time exists, shall be deemed a unit of which the Developer is the sole owner. That is, as of the date of this Declaration, as set forth on SCHEDULE B hereto, the owner of Unit 3 shall have 3.3 votes, the owner of Unit 4 shall have 3.3. votes, and Declarant shall have all votes attributable to the Future Expansion Area, or 93.4 votes.



2. Name of Condominium. The condominium regime established hereby shall be known as "CATOCTIN OFFICE CONDOMINIUM" (hereinafter called the "Condominium").

3. Reserved.

4. Reserved.

5. Description of Units.

(a) Units will be sold to one or more owners, each owner obtaining a particular and exclusive property right thereto, and also an undivided percentage interest in the common elements of the Condominium, as shown on SCHEDULE B attached hereto and made a part hereof. As the additional buildings and units are constructed by Developer, SCHEDULE B will be amended to reflect the additional units, and any changes to the percentage interests as a result thereof.

(b) The dimensions, area and locations of each unit are shown graphically and as noted on the that certain set of plats recorded simultaneously herewith among the Land Records of Frederick County, Maryland, and entitled "CATOCTIN OFFICE CONDOMINIUM", which plats are hereby incorporated herein by reference and made a part hereof (hereinafter called the "Condominium Plats"); provided, however, that the existing physical boundaries of any unit or common element constructed or reconstructed in substantial conformity to the Condominium Plats shall be conclusively presumed to be its boundaries, regardless of the shifting, settlement or lateral movement of the Building and regardless of minor variations between the physical boundaries, as described herein or shown on the Condominium Plats, and the existing physical boundaries of any such unit or common elements.

(c) Except as otherwise hereinafter provided, each unit shall include the area described on the Condominium Plats under "Description of Condominium Units".

(d) In interpreting deeds, declarations and plans, the existing physical boundaries of a unit constructed or reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds (or other description) expressed in a deed, plat or this Declaration, regardless of settling or lateral movement of the Building and regardless of minor variances between boundaries shown on the plat or in the deed and those of the Building.

6. Description of Common Elements.

(a) The "common elements" include all of the Condominium, except the units, including, but not limited to, the land and all landscaped areas, driveways, walkways, porches or covered alcoves, awnings, parking areas, streets and exterior lighting on the buildings or in the parking lots. The common elements are divided into "limited common elements" and "general common elements", each as more particularly described below. The common elements additionally include all of the security and life/safety equipment for the building generally.

(b) Limited common elements, if any, are as shown on the Condominium Plats. Fixtures designated to serve a single unit, but located outside the unit's boundaries, if any, are limited common elements, as shown on the Condominium Plats. All limited common elements are allocated and appurtenant exclusively to the unit or units they adjoin or to which they are attached, or to which they are assigned as shown on the Condominium Plats. These limited common elements are reserved for the exclusive use of the unit or units to which they are appurtenant to the exclusion of other units, and there shall pass with a unit, as appurtenant thereto, the exclusive right to use the limited common elements so appurtenant, provided, however, these limited common elements shall be subject to the easements provided for in Section 12 hereof and such other easements as may be established by law. Any expense of ordinary maintenance, replacement or repair relating to such limited common elements shall be



the responsibility of the owner of the unit to which the element is appurtenant or the unit owners sharing such elements; except that cleaning the exterior of all window glass shall be an operating expense of the Condominium Council (as hereinafter defined) and paid as a common expense, and any expense of ordinary maintenance, replacement or repair of a limited common element that is appurtenant to units of more than one owner and are not enclosed within the unit of that owner, shall be an operating expense of the Condominium Council and paid as a common expense, but any expense of ordinary maintenance, replacement or repair of a limited common element that is appurtenant to units of a single owner and are enclosed within the unit of that owner, shall be the responsibility of that unit owner; and except that all structural maintenance, repair or replacement of all limited common elements shall be treated and paid for as part of the common expense of the Condominium Council unless the same shall be caused by negligence or deliberate act of an individual unit owner or other persons occupying a unit with the unit owner's actual or implied consent or permission, in which case expenses of maintenance, repair or replacement relating to such limited common elements referred to in this Section 6(b) shall be borne by and assessed against the individual unit owner, less the amount of any insurance benefits received by the Condominium Council on account thereof.

(c) The general common elements of the Condominium shall consist of all the common elements not described above as a part of the limited common elements. Any expense of maintenance, repair or replacement relating to the general common elements and for operation of the Condominium, including cleaning of all exterior surfaces (including cleaning all exterior window glass) and structural maintenance, repair or replacement of the general common elements, shall be treated and paid for as a part of the common expense of the Condominium Council unless the same shall be caused by the negligence or deliberate act of the individual unit owner or persons occupying a unit with the unit owner's actual or implied consent or permission,

in which case expense of maintenance, repair or replacement relating to such general common elements referred to in this Article shall be borne by and assessed against the individual unit owner, less the amount of any insurance benefits received by the Condominium Council on account thereof.

7. Number and Percentage Interest of Each Unit. Each unit shall have and be known by a building number and a number designation corresponding to the unit number as shown with respect to it on the Condominium Plats and on any amendments to the Condominium Plats that may hereafter be recorded among the Land Records of Frederick County. The percentage interest appurtenant to each unit is based upon a fraction, the numerator of which is the total useable area of the unit (in square feet), as shown on SCHEDULE B, and the denominator which is the total useable area (in square feet) of all units included within the Condominium as shown on SCHEDULE B, as the same may be amended from time to time. The percentage interest currently appurtenant with respect to each unit included within the Condominium is set forth in the schedule which is attached hereto and made a part hereof as SCHEDULE B. The percentage interest appurtenant to a unit represents the unit owner's percentage interest in the common expenses and common profits of the Condominium, and its undivided share in the common elements of the Condominium. The percentage interest shall have a permanent character and, except as specifically provided in the Maryland Condominium Act and in paragraph 13 hereof, may not be changed without the written consent of all the unit owners and their mortgagees. Any change shall be evidenced by an amendment to this Declaration recorded among the Land Records of Frederick County, Maryland. The percentage interests may not be separated from the units to which they appertain except as otherwise provided herein and in the Maryland Condominium Act. Any instrument, matter, circumstance, action, occurrence or proceeding in any manner affecting a unit shall also affect, in like manner, the percentage interest appurtenant



to the unit. Except as provided in the Maryland Condominium Act, the common elements shall remain undivided, and no unit owner or any other person may bring a suit for partition of the common elements.

8. Number of Votes Appurtenant to Each Unit. The number of votes appurtenant to each unit, for purposes of the administration of the Condominium, shall be an amount equal to the percentage interest appurtenant to each unit determined as set forth in paragraph 7 hereof. The number of votes currently appurtenant with respect to each unit within the Condominium is set forth on SCHEDULE B attached hereto. The number of votes shall total one hundred (100) at all times. All references herein to the vote of the unit owners, or to a specified percentage of the unit owners, shall be deemed to refer to or be based upon the number of votes appurtenant to the units, and not to the number of unit owners.

9. Rights and Obligations as to Common Elements. The owner of a unit shall have a fee simple estate therein and shall have the same estate or interest, undivided, in the common elements of this Condominium, which interest in the common elements shall be equivalent to the percentage interest factor for its unit set forth in SCHEDULE B. The cost of maintenance, repair and replacement of all common elements shall be borne collectively by each of the unit owners through an annual assessment as provided by the By-Laws attached hereto as SCHEDULE C and made a part hereof. Each unit owner shall be assessed for such costs, and entitled to any profits, in proportion to its percentage interest factor, as set forth on SCHEDULE B; and, no owner shall be exempt from contributing towards such costs and expenses either by waiver of the use or enjoyment of the common elements, or any of them, or by the abandonment of his unit; provided, however, that Developer shall not be obligated to contribute to the Reserve for Replacements required by Article IX, Section 3 of the By-Laws with respect to any unit titled in

the Developer's name during the one (1) year period following the date of the recording of this Declaration among the Land Records of Frederick County, Maryland.

10. Administration. The administration of the Condominium shall be by the association of unit owners provided for in the By-Laws, which association shall constitute the "Council of Unit Owners" provided for in the Maryland Condominium Act (hereinafter referred to as the "Condominium Council"). The Condominium shall be governed in accordance with the provisions of the aforesaid By-Laws and this Declaration; and, all terms, conditions, restrictions and provisions set forth in the attached By-Laws shall be deemed a part of this Declaration all as fully and to the same extent as if set forth herein. The acceptance of a deed or conveyance, or the entering into of a lease, or the entering into occupancy of any unit, shall constitute an agreement that the provisions of this Declaration, and the attached By-Laws, as they may be amended from time to time, are accepted and ratified by such owner, tenant, or occupant; and, all such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance, or lease thereof.

11. Destruction or Damage – Insurance.

(a) Immediately after the damage or destruction by fire or other casualty to all or any part of the Condominium covered by insurance written in the name of the Condominium Council, the Board of Directors (as defined in the By-Laws) or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. All such insurance proceeds shall be paid to the Condominium Council, as the "Insurance Trustee", and utilized by the Insurance Trustee in accordance with the further provisions of this Section 11. Repair or reconstruction, as used in this paragraph, means



repairing or restoring the property to substantially the same condition in which it existed prior to the fire or other casualty with each unit and the common elements having the same vertical and horizontal boundaries as before.

(b) Any portion of the Condominium damaged or destroyed shall be repaired or replaced promptly by the Condominium Council; provided, however, that after the expiration of ten (10) years from the date hereof, the affirmative vote of at least sixty-six percent (66%) of the unit owners, including every owner of a unit which will not be rebuilt, may vote not to rebuild within sixty (60) days of the date of the casualty.

(c) In the event that it should be determined in the manner prescribed above that any damage or destruction shall not be repaired or reconstructed, then and in that event the insurance proceeds shall be paid to the Condominium Council, as the Insurance Trustee, which shall distribute the same as follows: (i) the insurance proceeds attributable to damage to the common elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium; (ii) the insurance proceeds attributable to any damaged units which are to be rebuilt or repaired shall be allocated to the repair or rebuilding of said units (less a pro rata portion of any deductible); (iii) the insurance proceeds attributable to the units which are not to be rebuilt shall be distributed jointly to the owners of those units and their mortgagees, if any, less a pro rata portion of any deductible; and (iv) the remainder of proceeds shall be distributed to all of the unit owners in proportion to their respective percentage interests in the common elements. If the unit owners vote not to rebuild any unit, that unit's appurtenant percentage interest in the common elements, common expenses and common profits of the Condominium and votes for purposes of the administration of the Condominium shall automatically be reallocated among the remaining units of the Condominium effective upon such vote; and, the Condominium Council shall promptly cause an amendment to this Declaration reflecting such

reallocation to the prepared, executed and recorded among the Land Records of Frederick County, Maryland.

(d) If the damage or destruction for which the insurance proceeds are paid to the Insurance Trustee is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Condominium Council shall (i) allocate the total cost of repair and reconstruction between the cost to repair common elements and the cost to repair units; (ii) determine the percentage by which the total cost of all repairs and reconstruction exceeds the total insurance proceeds (the "Deficit Percentage"); (iii) levy a special assessment against all owners of the damaged units in an amount equal to the Deficit Percentage of the costs to repair such units; and (iv) levy a special assessment against all unit owners in an amount equal to the Deficit Percentage of the cost to repair the damaged common elements.

(e) If the cost of such repairs is less than the amount of such insurance proceeds, then the excess allocable to the common elements shall be retained by the Condominium Council or its duly authorized agent and placed in the reserve maintenance fund or such other fund as may be established for the purpose of providing for the maintenance, repair and replacement of the common elements, and the excess allocable to units, if any, shall be paid jointly to the owners and mortgagees, if any, of such units.

(f) If the damage is confined to a single unit, such insurance proceeds shall be paid jointly to the Condominium Council, the owner and his mortgagee, if any, and used to defray the cost of such repairs. If the cost of such repairs is less than the amount of such insurance proceeds, the excess shall be paid jointly to the owner and his mortgagee, if any, who may use such proceeds as they alone may determine. If the cost of such repairs exceeds the amount of such insurance, such excess shall be provided by means of a special assessment levied by the Condominium Council against the owner of the damaged unit.



12. Easements and Encroachments.

(a) The Condominium Council and their management agent, if any, and their agents or employees, shall have an irrevocable right and easement to enter units to make repairs to that unit, other units or common elements when repairs reasonably appear to be necessary for public safety or to prevent damage to property other than that unit, and to restore any part of the Condominium. Such entry to a unit shall only be made after twenty-four (24) hours' notice given to the owner or occupant of the unit except in the event of an emergency in which event entry may be made without prior notice.

(b) In addition to any easement established by law, each unit shall have, appurtenant thereto, an easement in the common elements for the purposes of providing maintenance, support, repair or service for such unit and to and for the ducts, pipes, conduits, vents, plumbing, wiring and other utility services to the unit. This easement, whether included in said boundaries or otherwise, is a common element.

(c) If any part of the common elements encroaches upon any unit, or if any unit or any part thereof encroaches upon a common element, whether such encroachment is attributable to unintentional error in design or construction or to settlement or shifting of the Condominium, or any other reason whatsoever beyond the control of the Developer, the Condominium Council and/or any unit owner, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall and does hereby exist. Further, such easement shall remain in full force and effect so long as the encroachment shall continue and shall be relocated, if necessary, to permit the maintenance of such encroachment where necessary.

(d) Each unit shall have and enjoy, appurtenant to it, an easement from the division line between that unit and any adjoining unit or interior common element for a distance of 2.5 inches in, on, over and across the adjoining unit, or interior common element, for the entire

length of the division line, as shown on the Condominium Plats. The easement is for the sole purpose of erecting, maintaining, repairing, restoring, supporting and servicing, as reasonably necessary, a dividing wall, which may be a joint or party dividing wall, between the adjoining units or a unit and the adjoining common element. The easement is irrevocable, and gives the owner of the dominant unit, or the Condominium Council, their respective agents, servants, employees and contractors, the right to enter the easement area and attach studding and otherwise use the easement area in such manner as is reasonably necessary to erect, maintain, repair, restore, support and service the dividing wall and the improvements to be attached to it or to which it is to be attached. No window or opening shall be permitted in the wall in the easement area to look directly into an adjoining unit or provide access to the adjoining unit, unless the adjoining unit owners shall agree otherwise, nor shall any window or opening be permitted in the wall in the easement area to look directly into a unit or the adjoining common element unless the Condominium unit owner and the Condominium Council agree otherwise.

(e) The grant or other disposition of a unit shall include and grant, and be subject to, any easement arising under the provisions of this paragraph without specific or particular reference to the easement.

13. Subdivision of Units and Changes to Condominium. The Developer or any unit owner may, as applicable, without the consent of the Condominium Council: (i) create units from any area designated as Future Expansion Area as evidenced by an amendment to this Declaration; (ii) grant by deed part of the unit to the owner of a contiguous unit and incorporate it as a part of such a contiguous unit, if a portion of the percentage interest and voting rights of the grantor is granted to the grantee and the grant is evidenced by an amendment to the Declaration specifically describing the part granted and the new percentage interests and voting rights of the grantor and grantee; and (iii) subdivide a unit into two or more units if the original



percentage interests and votes appurtenant to the original unit are allocated to the resulting units and this subdivision is evidenced by an amendment to the Declaration describing the resulting units and the percentage interests and votes allocated to each unit and by an amendment to the Condominium Plats graphically depicting the subdivision, designating the unit numbers and setting forth the floor area of each of the resulting units. Any such amendments to this Declaration by one or more unit owners must be executed by the unit owners of the units involved and the holders of mortgages thereon, if any. The unit owner shall provide the Condominium Council with a copy of the recorded deed regarding any such amendment. Any such amendment by the Developer may be executed solely by the Developer. Additionally, and notwithstanding any language in this Declaration to the contrary, the Developer reserves the right, without the consent of the Condominium Council or any other unit owners, to increase or decrease the square footage of each of the Buildings from that which is now contemplated, and/or to reduce the total number of Buildings from three to two, in either or which event the percentage interest and number of votes appurtenant to each unit, as set forth on SCHEDULE B, shall be revised accordingly. The foregoing changes shall be evidenced by an amendment to this Declaration, which amendment need be executed only by the Developer and its mortgagee.

14. Grantor's Liability. In the voluntary conveyance of a unit, the grantee of the unit shall be jointly and severally liable with the grantor for all unpaid assessments by the Condominium Council against the latter for his share of the common expenses up to the time of the grant or conveyance without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantee shall be entitled to a statement from the Condominium Council, or its agent, as the case may be, setting forth the amount of the unpaid assessments against the grantor due the Condominium Council, and such grantee shall not

be liable for, nor shall the unit conveyed be subject to a lien for, any unpaid assessments made by the Condominium Council against the grantor in excess of the amount therein set forth.

15. Reservation of Easement by Developer. Developer, for itself and its successors and assigns, hereby reserves unto itself temporary easements on, over and under the land described in SCHEDULE A attached hereto for vehicle and pedestrian access between the remaining property of Developer and any public road or other property which borders upon the Condominium, and for the installation, operation, inspection, maintenance, repair and replacement of electric, telephone, natural gas, cable television, water, sanitary sewer and storm drainage line, pipes, mains, drains and related facilities, incidental to the development of the remaining property of the Developer, whether or not the same is ultimately added to the Condominium. Each such easement and right of way shall run with and bind the common elements and each unit contained in the Condominium and all owners and occupants of such units, and their respective heirs, personal representatives, successors and assigns, until the expiration of ten (10) years from the date hereof.

16. Amendment to Declaration. Except as may otherwise be provided by the Maryland Condominium Act, this Declaration may be amended in the following matter:

(a) For so long as Developer shall own all of the units, it shall have the sole right to amend this Declaration and the Bylaws attached hereto and the Condominium Plats, which amendment need only be signed and acknowledged by Developer and recorded among the Land Records of Frederick County, Maryland.

(b) Except as provided in subparagraph (a) of this paragraph 16, and except as provided in paragraph 13 above pertaining to the subdivision of units or changes by Developer to the Condominium, this Declaration may only be amended with the written consent of sixty-six percent (66%) of the unit owners listed on the current roster of unit owners. Any such



amendment shall be effective on recordation among the Land Record of Frederick County, Maryland.

17. Construction and Enforcement. The provisions hereof shall be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of a condominium regime. Enforcement of these covenants and restrictions and of the By-laws attached hereto shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain or enjoin violation or to recover damages, or both, and against any unit to enforce any lien created hereby; and the failure or forbearance of the Condominium Council or the owner of any unit to enforce any covenant or restriction herein contained 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 of or any attempted violation or breach of any of the within covenants or restrictions cannot be adequately remedied by action at law or exclusively by recovery of damages.

18. Severability. The invalidity of any provision of this Declaration shall not be deemed to impair or affect in any manner the validity enforceability or affect the remainder of this Declaration; and, in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included herein.

19. Compliance. This Declaration is set forth in compliance with the requirements of the Maryland Condominium Act. In the event of any conflict between said statute and this Declaration, the provisions of the Maryland Condominium Act shall control.

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

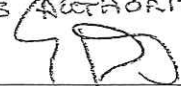
21. Gender, Etc. Wherever used herein, unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, pronouns of any gender shall include the other genders, and either the singular or plural shall include the other.



IN WITNESS WHEREOF, Developer has caused the within presents to be duly executed on its behalf and its seal hereunto affixed as of the day and year first above written:

WITNESS:




MANOTT LLC, a Maryland limited liability  
company  
BY EDWARD D. SCOTT  
IT'S AUTHORIZED PERSON  
By:  (SEAL)  
Name: EDWARD D. SCOTT  
Authorized Person

STATE OF Maryland, COUNTY OF Washington, to wit:

I HEREBY CERTIFY, that on this 20<sup>th</sup> day of July, 2004, before the subscriber, a Notary public in and for the County and State aforesaid, personally appeared Edward D. Scott, an Authorized Person of MANOTT LLC, a Maryland limited liability company, known to me (or satisfactorily proven) to be the person described in the foregoing instrument, and acknowledged that s/he executed the same in the capacity therein stated and for the purposes therein contained.

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

  
Notary Public

My Commission Expires: 7-20-05

## SCHEDULE A

### Description of Real Property

Lot No. 5B, as shown on a plat of subdivision entitled "Frederick Research Park, Section One, Plat 3, Lots 5B, 6 & 7", recorded among the Land Records of Frederick County, Maryland in Plat Book 24, Page 3. The property consists of 8.80787 acres.



# SCHEDULE B

## CATOCTIN OFFICE CONDOMINIUM

BUILDING ONE			
	Area	Percentage Interest	Number of Votes
Unit 3	2,415.5	3.3%	3.3
Unit 4	2,415.5	3.3%	3.3
Future Expansion Area	23,985 (est.)	32.2%	32.2
<b>Total</b>	<b>28,816</b>	<b>38.8%</b>	<b>38.8</b>
BUILDING TWO			
	Area	Percentage Interest	Number of Votes
Future Expansion Area	39,268 (est.)	52.8%	52.8
<b>Total</b>	<b>39,268</b>	<b>52.8%</b>	<b>52.8</b>
BUILDING THREE			
	Area	Percentage Interest	Number of Votes
Future Expansion Area	6,268 (est.)	8.4%	8.4
<b>Total</b>	<b>6,268 (est.)</b>	<b>8.4%</b>	<b>8.4</b>
<b>TOTAL</b>	<b>74,352</b>	<b>100%</b>	<b>100</b>

SCHEDULE C

BY-LAWS



## SCHEDULE C

### BY-LAWS

### OF

### CATOCTIN OFFICE CONDOMINIUM

### ARTICLE I

#### Creation of the Condominium

**Section 1.**     **Creation, Name and Address.** The property located in the City of Frederick, Frederick County, State of Maryland, as more particularly described in SCHEDULE A to the Declaration (as hereinafter defined), and the improvements thereon, is subject to a condominium regime to be governed by the Declaration, these By-Laws, the Condominium Plats recorded among the Land Records of Frederick County, Maryland, and the applicable laws of the State of Maryland. The name of the condominium regime (the "Condominium") is:

#### CATOCTIN OFFICE CONDOMINIUM

Upon the recording of the Declaration, of which these By-Laws are a part, the Condominium shall be established and thereafter operated by the Council (as hereinafter defined), pursuant to the provisions of Section 11-109 of the Real Property Article of the Annotated Code of Maryland. The mailing address of the Council, unless and until changed shall be c/o Manekin, LLC, 7061 Columbia Gateway Drive, Columbia, Maryland 21046.

### ARTICLE II

#### Definitions

**Section 1.**     **Condominium Declaration.** "Declaration" as used herein means that certain Condominium Declaration recorded by Manott LLC among the Land Records of Frederick County, Maryland immediately prior hereto pursuant to the Maryland Condominium Act, to which these By-Laws are attached as Exhibit "B" and made a substantive part thereof;

and "Declaration" means, in addition, any subsequent amendments to the Declaration recorded among the Land Records of Frederick County, Maryland.

**Section 2.**     **Council of Unit Owners.** "Council" as used herein means the Council of Unit Owners of Catoctin Office Condominium, Inc., a Maryland non-stock not-for-profit corporation, comprised of the owners of units in the Condominium. A copy of the Articles of Incorporation of the Council (the "Articles") is attached hereto as Exhibit "A" and made a part hereof and is hereby adopted as the charter of the Council.

**Section 3.**     **Other Definitions.** Unless it is plainly evident from the context that a different meaning is intended, all other terms used herein shall have the same meaning as they are defined to have in the Declaration or in Section 11-101, *et seq.* of the Real Property Article of the Annotated Code of Maryland (hereinafter called the "Maryland Condominium Act"). Wherever used herein, unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, pronouns of any gender shall include the other genders, and either the singular or plural shall include the other.

### ARTICLE III

#### Ownership

**Section 1.**     **Owners.** Every person, group of persons, corporation, trust or other legal entity or any combination thereof, which owns a unit (as defined in the Declaration) within the Condominium (an "owner") shall automatically be a member of the Council (a "member") upon its acquisition of title to the unit, and the voting rights of such member shall be as specified in Article IV hereof; provided, however, that any person, group of persons, corporation, trust, or other legal entity, or any combination thereof, which holds such interest solely as security for the performance of an obligation shall not be considered an owner for purposes hereof. The membership of any such unit owner shall terminate automatically upon the said unit owner being



divested of title to such unit, regardless of the means by which such ownership may be divested, but the obligations incurred by such owner while a member shall continue and the rights of the Council to enforce such obligations shall also continue, as herein provided. No lessee of a unit shall be considered an owner for purposes of voting unless the lease provides otherwise.

**Section 2.**     **By-Laws Applicability.** The terms, conditions, provisions and restrictions of these By-Laws are applicable to the Condominium and to the use, occupancy, benefit and enjoyment thereof and shall inure to the benefit of the owners and be binding upon said owners, their tenants, guests and other invitees, the agents, servants, and employees of such owners, and any other person, firm or corporation using any facility of the Condominium in any manner. In construing these By-Laws, and the government of the Condominium pursuant thereto, unless expressly covered by the Articles, the provisions of the Maryland Condominium Act, pertaining to the Council, shall govern.

#### ARTICLE IV

##### Meetings of the Council of Unit Owners

**Section 1.**     **Place of Meetings.** Meetings of the Council shall be held at the principal office of the Condominium or at such other suitable place convenient to the ownership as may be designated by the Board of Directors (as hereinafter defined).

**Section 2.**     **Annual Meetings.** The first annual meeting of the Council shall be held within sixty (60) days from (i) the date on which units representing at least fifty percent (50%) of the total votes appurtenant to all units in the Condominium have been conveyed by the Developer, or (ii) on the first anniversary of the date of recording of the Declaration, whichever shall first occur, upon notice issued by the Management Agent (as hereinafter defined) in accordance with the provisions of Section 4 of this Article V below. At such meeting there shall be elected by ballot of the owners a Board of Directors in accordance with the requirements of



Section 4 of Article V below. Thereafter, the annual meetings of the Council shall be held during each fiscal year of the Council on such date as shall be designated by the Board of Directors. If the date of the annual meeting falls on a legal holiday, such annual meeting shall be held on the next succeeding business day which is not a legal holiday. At such meetings there shall be elected by ballot of the owners a Board of Directors in accordance with the requirements of Section 4 of Article V below. The owners may also transact such other business of the Council as may properly come before them.

**Section 3. Special Meetings.** It shall be the duty of the President to call a special meeting of the Council as directed by resolution of the Board of Directors or upon a petition signed by owners representing at least twenty-five percent (25%) of the total floor area of the units in the Condominium having been presented to the Secretary. The notice of any special meeting shall state the time and place and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

**Section 4. Notice of Meetings.** It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each owner of record, at his address as it appears on the ownership book of the Condominium, or if no such address appears, at his last known place of address, at least ten (10) but not more than ninety (90) days prior to such meeting. Service may also be accomplished by the delivery of any such notice to the owner at his unit in the Condominium or last known address. Notice by either such method shall be considered as notice served. Attendance either in person or by proxy by an owner at any meeting of the Council shall be a waiver of notice by him of the time, place and purpose thereof.

**Section 5. Quorum.** The presence, either in person or by proxy, of owners representing at least fifty-one percent (51%) of the total floor area of the units in the

Condominium, shall be requisite for and shall constitute a quorum for the transaction of business at all meetings of the Council. In case a quorum shall not be present at any meeting, the meeting may be adjourned to some future time and place by a majority vote of all votes represented at such meeting. A notice of the time and place of the adjourned meeting shall be given in the same manner as a notice for special meetings. At such adjourned meeting, the quorum requirement shall be reduced to the presence, either in person or by proxy, of owners representing at least twenty-five percent (25%) of the total floor area of the units in the Condominium; and, if a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified. If a quorum for a meeting is present at the time counted, business may continue to be transacted until adjournment of such meeting, notwithstanding the subsequent withdrawal of owners leaving less than a quorum.

**Section 6.**     **Voting.** At every meeting of the owners, each owner shall be entitled to that number of votes which shall be appurtenant to his unit, as provided in paragraph 8 of the Declaration. The vote of the owners representing fifty-one percent (51%) of the total floor area of the units in the Condominium, in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of statute or of the Declaration or of these By-Laws, a different vote is required, in which case such express provision shall govern and control. No owner shall be eligible to vote or to be elected to the Board of Directors if a Statement of Lien has been recorded against his unit pursuant to Section 5 of Article IX hereof and if the lien has not been paid or released at the appointed time of the meeting. The Secretary shall count the votes at all meetings of the Council.

**Section 7.**     **Proxies.** An owner may appoint any other owner or the Developer or Management Agent as his proxy. Any proxy must be in writing and must be filed with the Secretary before the appointed time of each meeting. Unless sooner terminated, a proxy shall be



effective only for a maximum period of ninety (90) days following its issuance, unless granted to a mortgagee or lessee, in which event it shall continue until (i) revoked by a written notice of revocation filed with the Secretary, (ii) the death of the owner, or (iii) the underlying mortgage or lease instrument is released.

**Section 8.**     **List of Owners.**     Each unit owner shall furnish the Secretary with its name and current mailing address, or, in the case of a corporation or other legal entity, the name, title, and current mailing address of the corporation or other legal entity's duly authorized representative and alternate representative, if any; and, no unit owner may vote at meetings of the Council until this information is furnished. Prior to each meeting of the Council, the Secretary shall prepare a full, true and complete list, in alphabetical order, of all owners entitled to vote at such meeting, indicating the number of votes to be cast by each, and shall be responsible for the production of such list at the meeting.

**Section 9.**     **Order of Business.** At all meetings of the Council the order of business shall be, as far as applicable and practicable, as follows:

- (a)     Organization and roll call.
- (b)     Proof of notice of meeting or of waivers thereof. The certificate of the Secretary, or the affidavit of the other person who mailed the notice or caused the same to be mailed, shall be accepted as proof of service of notice by mail.
- (c)     At any annual meeting, or at a meeting called for that purpose, reading of unapproved minutes or preceding meetings and action thereon.
- (d)     Reports of the Board of Directors, officers, committees, and the Management Agent.



(e) At an annual meeting, the election of Directors and employment of a Management Agent or the review of the contract for same, and the review and approval of the annual budget and the annual assessments.

(f) Unfinished business.

(g) New business.

(h) Adjournment.

**Section 10. Lessee's Attendance.** At the discretion of an owner, the lessee of such owner's unit may attend annual or special meetings of the Council and may speak to agenda items, provided that such lessee may not make motions or vote.

## ARTICLE V

### Directors

**Section 1. Number and Qualification.** The affairs of the Council shall be governed by a board of directors (the "Board of Directors") composed of at least three (3) persons and not more than five (5) persons, but shall always be an odd number, and such persons need not be owners of a unit.

**Section 2. Initial Directors.** The initial Directors shall be selected by the Developer. The names of the Directors who shall act as such from the date upon which the Declaration is recorded among the Land Records of Frederick County, Maryland, until the first annual meeting of the unit owners, or until such time as their successors are duly chosen and qualified, are as follows:

Richard M. Alter  
Edward D. Scott  
Alton Fryer

**Section 3. Powers and Duties.** The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Condominium and may do all such

acts and things as are not by law or by these By-Laws directed to be exercised and done by the owners. The powers and duties of the Board of Directors shall include but not be limited to the following:

(a) To provide for the care, upkeep and surveillance of the Condominium and its Common Elements, and services for the Condominium in a manner consistent with law and the provisions of these By-Laws and the Declaration.

(b) To establish and provide for the collection of assessments from the owners and for the assessment and/or enforcement of liens therefor in a manner consistent with law and the provisions of these By-Laws and the Declaration.

(c) Designation, hiring and/or dismissal of the personnel necessary for the maintenance and operation in good working order of the Condominium and Common Elements and to provide services for the Condominium in a manner consistent with law and the provisions of these By-Laws and the Declaration.

(d) To promulgate and enforce such rules and regulations and such restrictions on, or requirements, as may be deemed proper respecting the use, occupancy and maintenance of the Condominium, and the use of the Common Elements, as are designated to prevent unreasonable interference with the use and occupancy of the Condominium and of the Common Elements by the owners, all of which shall be consistent with law and the provisions of these By-Laws and the Declaration.

**Section 4. Election and Term of Office.** The term of the Directors named herein shall expire when their successors have been elected at the first annual meeting of the Council and are duly qualified. At the first annual meeting of the Council the term of office of one Director shall be fixed for three (3) years, the term of office of a second Director shall be fixed at two (2) years, and the term of office of the other Director or Directors shall be fixed at one (1)



year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three (3) years. Nominations for Directors may be made by a nominating committee appointed by the Board of Directors and from the floor at the annual meeting with the consent of the nominee(s). The Directors shall hold office until their successors have been elected and hold their first meeting.

**Section 5. Vacancies.** Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Council shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected by the owners at the next annual meeting to serve out the unexpired portion of the term.

**Section 6. Removal of Director.** At a regular or special meeting duly called, any Director may be removed with or without cause by the affirmative vote of the majority of the entire regular ownership of record and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

**Section 7. Compensation.** No compensation shall be paid to Directors for their services as Directors; however, the Directors may be reimbursed for reasonable expenses they may incur directly in pursuit of the Condominium's business, so long as such reimbursement is authorized by the Board of Directors.

**Section 8. Organizational Meeting.** The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, provided a majority of the whole Board of Directors shall be present.



Section 9.     Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time, by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone, telecopy, or e-mail, at least ten (10) days prior to the day named for such meeting.

Section 10.    Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days notice to each Director, given personally or by mail, telephone, telecopy, or e-mail, which notice shall state the time, place, and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three Directors.

Section 11.    Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall be a waiver of notice by him of the time, place and purpose thereof. If all the Directors are present at a meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 12.    Quorum. At all meetings of the Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there is less than a quorum present, the majority of those present may adjourn the meeting until a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

**Section 13.**    **Action Without Meeting.** Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

**Section 14.**    **Fidelity Bonds.** The Board of Directors may require that all officers and employees of the Council (including the Management Agent) handling or responsible for Council or trust funds furnish an adequate fidelity bond of at least One Hundred Thousand Dollars (\$100,000). The premiums on all such bonds shall be paid by the Council. The amount of each such bond shall be determined by the Board of Directors.

## ARTICLE VI

### Officers

**Section 1.**    **Designation.** The principal officers of the Council shall be a President, a Vice-President, a Secretary and a Treasurer, all of which shall be elected by the Board of Directors. The officers need not be owners. The Directors may appoint an assistant secretary and an assistant treasurer and such other officers as in their judgment may be necessary. The offices of Vice President, Secretary and Treasurer may be filled by the same person.

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

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



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

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

Section 6.     Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the owners; he shall have charge of the membership transfer books and of such other books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

Section 7.     Treasurer. The Treasurer shall have responsibility for Council funds and securities, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Council. He shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit, of the Council in such depositories as may from time to time be designated by the Board of Directors. - If a Managing Agent is engaged by the Board of Directors, then the Treasurer may delegate to the Managing Agent the responsibility for maintaining the fiscal books of account, provided monthly statements are submitted to him by such Managing Agent.



**Section 8.**     **Compensation.** No compensation shall be paid to the officers for their services as officers; however, the officers may be reimbursed for reasonable expenses they may incur directly in pursuit of the Council's business, so long as such reimbursement is authorized by the Board of Directors.

## ARTICLE VII

### **Liability and Indemnification of Officers and Directors**

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

**Section 2.**     **Common Interested Directors.** The Directors shall exercise their powers and duties in good faith and with a view to the interests of the Council. No contract or

other transaction between the Council and one or more of its Directors, or between the Council and any corporation, firm or association, including the Developer, in which one or more of the Directors are directors or officers, or are pecuniarily or otherwise interested, is either void or voidable because such Director or Directors are present at the meeting of the Board of Directors, or any committee thereof, which authorized or approves the contract or transaction, or because his or her or their votes are counted for such purpose, if:

(a) (i) The fact of the common directorate or interest is disclosed or known to the Board of Directors, or a majority thereof, or noted in the minutes, and the Board of Directors authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or

(ii) The fact of the common directorate or interest is disclosed or known to the owners, or a majority thereof, and they approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; and

(b) The contract or transaction is commercially reasonable to the Council at the time it is authorized, ratified, approved or executed.

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

## ARTICLE VIII

### Management

**Section 1. Management and Common Expenses.** The Board of Directors of the Council shall manage, operate, and maintain the condominium regime and, for the benefit of the



units and the owners thereof, shall enforce the provisions hereof, and may pay out of the common expense fund, herein elsewhere provided for, the following, which itemization shall not act as a limitation on the Board of Directors:

(a) The cost of providing water, sewer, electrical (including exterior lighting), gas and other necessary utility services for the Common Elements and, to the extent that the same are not separately metered or billed to each unit, for the units (with it further agreed that to the extent utilities are individually metered, such bills or expenses shall be the responsibility of the unit owner receiving the benefit of the individually metered service, and that commonly metered utilities may be assessed against unit owners on the basis of usage rather than percentage interest, as determined by the Board of Directors in its sole discretion);

(b) The cost of maintaining, cleaning, supplying, painting, repairing, replacing, operating and landscaping the Common Elements (including snow removal), including such furnishings and equipment for the Common Elements as the Board of Directors shall determine are necessary;

(c) The cost of providing trash collection and pick-up for paper recycling for all occupants of the Condominium;

(d) The cost of fire and extended casualty and liability insurance on the Condominium, Directors' and Officers' liability insurance for the Council, and the cost of such other insurance as the Council may elect to purchase;

(e) The cost of pest management services for the entire buildings, interior and exterior;

(f) The cost of the services of a person or firm to manage the Condominium, as provided in Article V, Section 3, together with the services of such other personnel as the Board of Directors of the Council shall consider necessary for the operation of the Condominium,



including, but not limited to, the cost of all responsibilities of the Condominium Council under the Declaration;

(g) The cost of reserves for replacements and other expenses of a non-recurring nature;

(h) The cost of providing such legal and accounting services as may be considered necessary to the operation of the Condominium;

(i) The cost of maintenance of the storm water management facility servicing the Condominium;

(j) The cost of exterior window washing for all windows in the Buildings;

(k) The cost of maintaining, monitoring and operating all sprinklers, security systems and other fire/life safety equipment and facilities servicing the entire Buildings;

(l) The cost of maintaining, repairing and replacing all mechanical and electrical equipment servicing the entire Buildings if any;

(m) The cost of any and all other materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like which the Condominium is required to secure or pay for by law, or otherwise, or which in the discretion of the Board of Directors shall be necessary or proper for the operation of the Common Elements;

(n) All assessments against the Condominium, the Buildings or the Real Property under a Declaration of Covenants, if any, or similar instrument binding upon the 85 Thomas Johnson Drive Development;

(o) Any amount necessary to discharge any lien or encumbrance levied against the Condominium, or any portion thereof, which may, in the opinion of the Board of Directors, constitute a lien against any of the Common Elements rather than the interest of the owner of any individual unit itself; and

(p) Such other expenses as shall be necessary or desirable in the judgment of the Board of Directors for the administration and operation of the Condominium, or which may be declared to be common expenses by the Act, the Declaration, these Bylaws or by resolution of the Council of Unit Owners.

**Section 2. Management Agent.** The Board of Directors shall employ for the Condominium an agent (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 authorize, including, but not necessarily limited to, the duties set out in subsections (a) through (d) of Section 3 of Article V. The Council and the Board of Directors shall not be liable for any omission or improper exercise by the Management Agent of any such duty, power or function so delegated.

**Section 3. Duty to Maintain.** The owner of any unit, shall, at his own expense, clean and maintain his unit and any and all equipment, appliances, or fixtures therein situate and its other appurtenances, in good order, condition and repair, and in a clean and sanitary condition at all times.

**Section 4. Right of Entry.** Each owner shall and does hereby grant a right of entry to any person authorized by the Board of Directors in case of any emergency originating in, or threatening, his unit, whether the owner is present at the time or not.

**Section 5. Limitation of Liability.** The Council shall not be liable for any failure of water supply, electrical service or other services to be obtained by the Council or paid for out of the common expense funds, or for injury or damage to person or property caused by the elements or by the owner of any unit, or any other person, or resulting from water, snow, or ice which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment. The Council shall not be liable to the owner of any unit for loss or



damage, by theft or otherwise, of articles which may be left upon any of the Common Elements. No diminution or abatement of common expense assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements or from any action taken by the Council to comply with any law, ordinance, or with the order or directive of any municipal or other governmental authority.

## ARTICLE IX

### Condominium Assessments

**Section 1. Annual Condominium Assessments.** Each owner shall pay to the Council a monthly sum equal to one-twelfth (1/12) of the owner's proportionate share of the sum required by the Council to meet its estimated annual expenses, pursuant to the percentage interest factors set forth in Section 7 of the Declaration, including but in no way limited to the items of common expense specified in Section 1 of Article VIII of these Bylaws and the cost of funding all reserves established by the Council, including, when appropriate, a general operating reserve and/or reserve for replacements.

The Board of Directors shall determine the amount of the monthly assessment annually, but may do so at more frequent intervals should circumstances so require. The monthly assessment shall be based upon an annual operating budget (the "Budget") which shall be prepared by the Board of Directors. The Budget shall, among other things (a) be based upon estimated expenses for the operation of the Council or, if available, actual expenses for the previous Budget adjusted for inflation and any surplus, and (b) include an allowance for a contingency fund equal to at least ten percent (10%) of the estimated or actual expenses of the Council. Each Budget proposed by the Board of Directors shall be reviewed for adequacy by an independent certified public accountant prior to its approval, and a copy of such accountant's



report shall be supplied by the Board of Directors to the Treasurer of the City of Frederick. The Board of Directors shall set the assessment for each owner in an amount sufficient to satisfy the approved Budget requirements.

An initial estimated assessment shall be fixed by the Board of Directors upon the establishment of the Condominium. Thereafter, by November 15th of each year, the Board of Directors shall determine an estimated assessment for the following year and provide all owners and written notice thereof by no later than December 1st. At that time, the Board of Directors shall further cause to be prepared a roster of the ownership and assessments applicable thereto which shall be kept in the office of the Council and shall be open to inspection by any owner upon reasonable notice to the Board of Directors.

The failure of the Board of Directors, before the expiration of any assessment period, to fix the assessments hereunder for the next period, shall not be deemed a waiver or modification in any respect of the obligation to pay the assessment, or any installment thereof, for that or any subsequent assessment period, but the assessment fixed for the preceding period shall continue until a new assessment is fixed. No owner may exempt himself from liability for assessments by a waiver of the use or enjoyment of any of the Common Elements, or by abandonment of any unit belonging to him.

Notwithstanding the foregoing, the Developer's intention to complete the Improvements in two phases is acknowledged; the first phase of which will comprise Building One and possibly Building Three (the "First Phase"), and the second of which will comprise Building Two (and Building Three if not completed as a part of the First Phase) (the "Second Phase"). Until substantial completion of the Second Phase, the expenses of the Condominium shall be shared among all of the unit owners of the First Phase only, based on each unit owner's proportionate share of the gross square footage of such Phase, as shown on Schedule B to the Declaration. By

way of example, if the First Phase is comprised of Building One only, then the owner of a unit, with a total useable area of 2,927 square feet, shall be responsible for 10.2% of the Condominium's expenses until Phase Two is substantially completed. Phase Two shall be deemed substantially complete upon the occupancy of Building Two by its first unit owner, Lessee or other occupant. In no event, however, shall the owners of the Condominium be liable for the initial cost of constructing the Improvements as such costs will be borne by Developer. Developer further reserves the right to change the contemplated order of construction, and to increase or decrease the square footage of each of the Buildings, in which event the Declaration will be revised accordingly.

**Section 2. Special Assessments.** In addition to the regular assessments authorized by this Article IX, the Board of Directors may levy in any assessment year a special assessment or assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement located upon the project, including the necessary fixtures and personal property related thereto, the cost of any unexpected or unforeseen expense, or for such other purpose as the Board of Directors may consider appropriate, provided that: (i) any such assessment shall have the assent of the owners representing two-thirds (2/3) of the total floor area of the units in the Condominium, (ii) a special assessment must be authorized at a special meeting of the Council, and (ii) the notice of the meeting shall set forth the purpose of the meeting and the purpose of the special assessment to be considered thereat.

**Section 3. Reserve for Replacements.** The Board of Directors shall establish and maintain a reserve fund for replacements by the allocation and payment to such reserve fund from the annual Condominium assessments of an amount to be designated from time to time by the Board of Directors and which shall not be less than five percent (5%) of the monthly



assessments levied annually pursuant to the provisions of this Article IX. Such fund shall be conclusively deemed to be a common expense. Such fund shall be deposited in a separate account with a lending institution the accounts of which are insured by an agency of the United States of America, or may, in the discretion of the Board of Directors, be invested in the obligations of, or fully guaranteed as to principal by, the United States of America. The reserve for replacements may be expended only for the purpose of effecting the repair or replacement of the Common Elements and equipment of the project and for operating contingencies of a non-recurring nature. The amounts required to be allocated to the reserve for replacements may be reduced, by appropriate resolution of the Board of Directors, upon the accumulation in such reserve for replacements of a sum equal to or greater than ten percent (10%) of the full replacement value of the Condominium building and other appurtenant improvements as such full replacement value is annually determined by the Board of Directors for casualty insurance purposes. The proportionate interest of any owner in any reserve for replacements shall be considered an appurtenance of his 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 4.**     **Working Capital Fund.** To meet the initial operating expenses of the Council, at the time of the conveyance by Developer of a unit in the Condominium, the purchaser thereof shall make a one-time payment to the Council of a sum equal to two-twelfths (2/12) of the annual assessment attributable to such unit of the common expenses of the Council for the then current year. The working capital fund shall at all times have a balance of at least two-twelfths (2/12) of the anticipated common expenses of the Council of the then current year, and in the event it ever reduces below said minimum, a special assessments shall be assessed



against all unit owners in the amount required to permit the balance to be equal to, or no less than, the required minimum.

**Section 5. Non-Payment of Assessment.** Any assessment levied pursuant to these By-Laws, or any installment thereof, which is not paid on the date when due shall be delinquent and shall, together with interest thereon and the cost of collection thereof, as hereinafter provided, thereupon become a lien upon the unit or units belonging to the owner against whom such assessment is levied, and shall bind such unit or units in the hands of the then owner, his heirs, devisees, personal representatives and assigns (or its successors and assigns, as the case may be), upon the recording of a Statement of Lien, all in accordance with the provisions of Title 14, Subtitle 2 of the Real Property Article of the Annotated Code of Maryland. The personal obligation of the owner to pay such assessment shall, however, remain his personal obligation for the statutory period; and a suit to recover a money judgment for non-payment of any assessment levied pursuant to these By-Laws, or any installment thereof, may be maintained without foreclosing or waiving the lien herein, and by the aforesaid statute created to secure the same.

Any assessment levied pursuant to these By-Laws, or any installment thereof, which is not paid within ten (10) days after it is due, shall bear a late charge equal to five percent (5%) of the arrearage, as well as interest at an annual rate equal to the "prime rate" specified under "Money Rates" in the Wall Street Journal on the date such assessment became due plus three percent (3%), but in no event higher than twelve percent (12%) per annum, accruing from the date when due until the date paid; and the Board of Directors of the Council may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the unit or units then belonging to said owner, in either of which events interest, costs and reasonable attorneys' fees shall be added to the amount of each assessment.

**Section 6. Assessment Certificates.** The Board of Directors of the Council shall, upon demand, at any time furnish to any owner liable for any assessment levied pursuant to these By-Laws (or any other party legitimately interested in the same), a certificate in writing signed by an officer of the Council, setting forth the status of said assessment, i.e., whether the same is paid or unpaid. Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid. A charge not to exceed Fifty Dollars (\$50.00) may be levied in advance by the Board of Directors for each certificate so delivered.

**Section 7. Acceleration of Installments.** Upon a default in the payment of any one or more installments of any assessment levied pursuant to these By-Laws, or any other installment thereof, the entire balance of said assessment may be accelerated at the option of the Board of Directors, and be declared due and payable in full, provided appropriate notice is given to the affected owner pursuant to the Maryland Condominium Act.

**Section 8. Priority of Lien.** The lien provided for in this Article and by Title 14, Subtitle 2 of the Real Property Article of the Annotated Code of Maryland, shall have preference over any other assessments, liens, judgments or charges of whatever nature, except the following:

- (a) General and special assessments for real estate taxes on the unit; and
- (b) The liens of any deeds of trust, mortgage instruments or encumbrances duly recorded on the unit prior to the recording of the Statement of Condominium Lien thereon or duly recorded on said unit after receipt of a written statement from the Board of Directors reflecting that payments on said lien were current as of the date of recordation of said deed of trust, mortgage instrument, or encumbrance.

**Section 9. Subordination and Mortgagee Protection.** Notwithstanding any other provisions hereof of the contrary, the lien of any assessment levied pursuant to these By-Laws



upon any unit in the Condominium shall be subordinate to, and shall in no way affect the rights of the holder of any indebtedness secured by any recorded first mortgage, meaning a mortgage with priority over other mortgages, made in good faith and for value received; provided, however, that such subordination shall apply only to assessments which have become due and payable prior to a sale or transfer of such unit pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the purchaser at such sale of the unit from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment, which said lien, if any claimed, shall have the same effect, and be enforced in the same manner, as provided herein.

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

The Board of Directors may, in their sole and absolute discretion, extend the provisions of this Section to the holders of a mortgage, or the indebtedness secured thereby, not otherwise entitled thereto.

**Section 10.** **Definition.** As used herein the term "mortgage" shall include a deed of trust and the term "Holder" or "Mortgagee" shall include the party secured by any deed of trust, and/or any beneficiary thereof.

## ARTICLE X

### Restrictions

**Section 1.** **Use.** All units shall be used for any use permitted as of right by the City of Frederick Zoning Code in the zoning district wherein the Condominium is located. Any other use, including uses permitted by the applicable Zoning Code as a special permit or special



exception use, shall require the prior written approval of the Board of Directors. In addition, use of all units shall be subject to the terms, conditions, and restrictions set forth in the Declaration, or any Declaration of Covenants to which the Real Property is subject. Nothing in these Bylaws shall be construed to prohibit the Developer from using units which the Developer owns or leases from others for (i) the sale of units and promotional purposes in connection therewith, and/or (ii) a management office.

**Section 2. Prohibited Uses and Nuisances.**

(a) Each unit owner shall keep its unit in a good state of preservation and cleanliness. No owner shall sweep or throw from the premises any dirt or other substance onto the exterior of its unit. Refuse shall be placed in containers in such manner and at such times and places as the Board of Directors or its agent may direct.

(b) The sidewalks of the Condominium must not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the units.

(c) Unit owners shall not cause or permit any disturbing noises or objectionable odors to be produced upon or to emanate from their units. Entrance doors shall be kept closed at all times except when in actual use for ingress and egress.

(d) Unit owners will not do or suffer to be done, or keep or suffer to be kept, anything in, upon or about their units which will contravene the Council's policies insuring against loss or damage by fire or other hazards or which will prevent the Council from procuring such policies at the minimum rate from time to time applicable to the premises for professional business office use; and, in such event, such a unit owner shall be chargeable with the amount of the increased premium, which shall be considered a part of the annual condominium assessments against the subject unit for purposes of these By-Laws and the Declaration.

(e) Water closets and other water apparatus in units shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or other articles be thrown into same. Any damage resulting from misuse of any water closets or other apparatus in a unit shall be repaired and paid for by the owner of such unit.

(f) Except for such signs as may be posted by the Developer for promotional purposes, no signs of any character shall be erected, posted or displayed by any unit owner upon any unit or upon any part of the Common Elements, except that each unit owner shall be permitted to maintain an identification sign on the entrance to the unit. All signage shall be required to conform to the signage criteria developed from time to time by the Board of Directors and shall be subject to the prior approval of the Board of Directors, in order to assure uniformity of such signs throughout the Condominium. The signage criteria is attached hereto as Exhibit B.

(g) All blinds, shades, screens, draperies or drapery backing which are visible through the exterior windows shall be hung or used in accordance with the criteria established from time to time by the Board of Directors.

(h) No animals of any kind shall be kept or harbored in a condominium building or permitted within the condominium regime at any time.

(i) No changes shall be made to the Common Elements except by the Board of Directors. No structural alterations or changes to any unit shall be commenced or conducted except in strict accordance with the provisions of these By-Laws, and the Rules and Regulations that may be promulgated from time to time by the Board of Directors with respect to any such construction. Any structural changes, or construction involving or in any way impacting the Condominium's Common or structural elements, roof, or mechanical, electrical or plumbing elements (collectively, the "Structural Changes"), shall require the prior written approval of the Board of Directors. Such work shall be performed only by licensed and insured contractors



approved by the Board of Directors. The Council may charge, and the unit owner shall pay, a reasonable supervisory fee to any unit owner performing Structural Changes. Notwithstanding the foregoing, the initial build-out of any Unit shall be subject to the Developer's review and approval of the plans and specifications therefor, and shall be performed by a general contractor approved by Developer, and no further review or approval by the Board of Directors will be required.

(j) The Board of Directors is hereby authorized to make such further rules and regulations as they may deem appropriate for the management and maintenance of the condominium regime, which shall become effective after compliance with the requirements of the Maryland Condominium Act.

**Section 3.** **Parking.** All parking areas and parking spaces are part of the Common Elements of the Condominium and are hereby unassigned and designated for general use, to be used on a "first come, first served" basis. Notwithstanding the previous sentence, and subject to applicable law, the Board of Directors may designate some of these parking spaces, although they are Common Elements, as "reserved" for the exclusive use of designated unit owners, occupants or visitors. No vehicle belonging to any unit owner, or to any guest or employee of any unit owner, shall be parked in a manner which unreasonably interferes with or impedes ready vehicular access to any adjoining parking space. In no event shall the total parking spaces utilized by a unit owner, and its employees and invitees, exceed 4.5 per one thousand per useable square feet comprising the applicable unit.

Each unit owner shall comply in all respects with such supplementary Rules which are not inconsistent with the provisions of the Declaration or these Bylaws which the Board of Directors may from time to time adopt and promulgate with respect to parking and traffic control

within the Condominium, and the Board of Directors is hereby, and elsewhere in these Bylaws, authorized to adopt such Rules.

**Section 4.**     **Enforcement.** All of the aforesaid restrictions shall be held and construed to run with and bind the land submitted to the Condominium by the Declaration, and each unit located thereon, and all owners and occupants of such units, their respective successors, heirs, assigns, and personal and legal representatives forever. Said restrictions shall inure to the benefit of and be enforceable by the Developer, the Council, the Board of Directors, or any owner against any one violating or attempting to violate any of the said restrictions. Enforcement may be by appropriate legal proceedings, either an action at law for damages, or a suit in equity to enjoin a breach or violation, or enforce performance, of any restriction.

## ARTICLE XI

### Litigation and Arbitration

**Section 1.**     **Litigation and Arbitration**

(a) No judicial proceeding shall be commenced or prosecuted by the Council unless approved by a vote of sixty-six and one third percent (66 1/3%) of the total votes appurtenant to all units in the condominium. This Section shall not apply, however, to (i) actions brought by the Council to enforce the provisions of the Declaration and these By-Laws (including, without limitation, the establishment and foreclosure of liens), (ii) the imposition and collection of assessments as provided in the Declaration or these By-Laws, (iii) enforcement of the Rules as provided in these By-Laws, or (iv) counterclaims, cross-claims and third party claims brought by the Council in proceedings instituted against it.

(b) Except as provided by the Maryland Condominium Act, any dispute between the Council, the Board of Directors and its members as such, and/or the manager of the



Condominium on the one part, and a unit owner or unit owners on the other part, shall be submitted to arbitration in accordance with paragraph (d) below of this Article XI.

(c) Any dispute, disagreement or controversy whatsoever between the Council; the Board of Directors or any of its members as such; any officer, agent or employee of the Council as such; or any unit owners, past or present, as such, on the one hand, and Developer on the other hand, shall be submitted to arbitration in accordance with paragraph (d) below of this Article XI.

(d) Any controversy to be submitted to arbitration pursuant to the provisions of this Article XI shall be submitted to arbitration pursuant to the Maryland Uniform Arbitration Act and in accordance with the rules of the American Arbitration Council then obtaining for commercial arbitration. The award of the arbitrators shall be final and binding as between the parties. A party to the arbitration may petition a court to confirm the award, and any judgment entered in conformity with the award may be enforced as any other judgment pursuant to the Maryland Uniform Arbitration Act.

(e) The provisions of this Article XI with respect to the Developer may not be amended unless such amendment is made with the consent of the Developer and is approved by the percentage of votes, and pursuant to the same procedures necessary to institute proceedings as provided in paragraph (a) of this Article XI above. The other provisions of this Article XI may not be amended unless the amendment is approved by the percentage of votes, and pursuant to the same procedures necessary to institute proceedings as provided in paragraph (a) of this Article XI above.

## ARTICLE XII

### Insurance

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

(a) Casualty or physical damage insurance in an amount equal to one hundred percent (100%) of the then current replacement cost (less a reasonable deductible) of the insured property, covering all of the units in the Condominium, as well as all of the Common Elements that are normally included in a policy of this type. Coverage of each unit shall include all additions, alterations, fixtures, improvements and installations which are part of the building and within the unfinished interior surfaces of the perimeter walls, floors and ceilings of the unit (the area "within" the unfinished interior surfaces refers to the side of the wall facing the structural components of the building, and not the side facing the unit); except as may otherwise be determined by the Board of Directors and its insurance advisors, all improvements thereon shall be deemed the personal property of the unit owner and subject to its personal property insurance coverage. Coverage need not include land, foundations, excavations or other items that are usually excluded from casualty insurance coverage. The insurance shall include an "agreed amount" endorsement and a "condominium replacement cost" endorsement without deduction or allowance for depreciation, as determined annually by the Board of Directors with the assistance of the insurance company providing such coverage, and shall afford protection against at least the following:

(i) loss or damage by fire or other hazards covered by the standard extended coverage endorsement, together with coverage for common expenses with respect to units during any period of repair or reconstruction;

(ii) such other risks as shall customarily be covered with respect to projects similar in construction, location and use, including but not limited to, vandalism, malicious mischief, windstorm, water damage, machinery explosion or damage, and such other insurance as the Board of Directors may determine;



(b) A policy of public liability and property damage insurance covering all of the Common Elements, public ways and other areas that are under the Council's supervision, pursuant to which the limits of liability shall be \$1,000,000.00 in respect to any one occurrence, and in respect to the aggregate, at least \$3,000,000.00 in respect to the general aggregate limit of liability, in such form as may be considered appropriate by the Board of Directors, including but not limited to, water damage, legal liability, hired automobile, non-owned automobile and any and all other liability incident to the ownership and/or use of the Common Elements of the Condominium, or any portion thereof and providing for a severability of interest endorsement, or equivalent coverage;

(c) Workmen's compensation insurance to the extent necessary to comply with any applicable law;

(d) Directors' and Officers' liability insurance with limits of at least One Million Dollars covering the officers and directors of the Council; and

(e) Such other policies of insurance, including insurance for other risks of a similar or dissimilar nature, as are, or shall hereafter be, considered appropriate by the Board of Directors.

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

(a) All policies shall be written with a company or companies, licensed to do business in the State of Maryland.

(b) Exclusive authority to negotiate losses under said policies shall be vested in the Board of Directors, or its authorized representative.

(c) In no event shall the insurance coverage obtained and maintained pursuant to the requirements of this Article XII be brought into contribution with insurance purchased by the owners of the units, or their mortgages, as herein permitted, and any "no other insurance" or

similar clause in any policy obtained by the Council pursuant to the requirements of this Article XII shall exclude such policies from consideration.

(d) All policies shall provide that such policies may not be cancelled, or substantially modified, without at least thirty (30) days' prior written notice to any and all insureds named thereon, including any and all mortgagees of the units.

(e) All policies of casualty insurance shall provide that, notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the prior written approval of the Board of Directors (or of any Insurance Trustee).

(f) All policies shall contain a waiver of subrogation by the insurer as to any and all claims against the Council, the Board of Directors, the owner of any unit and/or their respective agents, employees or invitees, and of any defenses based upon co-insurance or invalidity arising from the acts of the insured.

(g) Notwithstanding the foregoing, until substantial completion of the Second Phase, the Developer, at its sole cost and expense, will be responsible for carrying builder's risk insurance on the Buildings comprising the Second Phase.

**Section 3. Individual Policies - Recommendation of Developer.** The owner of any unit, including the holder of any mortgage thereto, shall obtain additional insurance for improvements and betterments to the unit made or acquired at the expense of the owner, at his own expense. Such insurance may be written by the same carrier as that purchased by the Board of Directors pursuant to this Article XII, or shall provide that it shall be without contribution as against the same. Such insurance shall contain the same waiver of subrogation provision as that set forth in Section 2 (f) of this Article XII. The Developer recommends that each owner of a unit, in addition to the insurance hereinabove provided to be obtained by the Board of Directors,



a policy of insurance to insure against loss or damage to personal property used in, or incidental to, the occupancy of the unit, vandalism, or malicious mischief, or theft, and to insure against personal liability.

## ARTICLE XIII

### Fiscal Management

**Section 1.**     **Fiscal Year.** The fiscal year of the Council shall begin on the first day of January every year, except that the first fiscal year of the Council shall begin at the date of the recording of the Declaration, By-Laws and Condominium Plats. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should practice subsequently dictate.

**Section 2.**     **Books and Accounts.** Books and accounts of the Council shall be kept under the direction of the Treasurer in accordance with good accounting practices. The same shall include books with detailed accounts, in chronological order, of receipts and of the expenditures affecting the Condominium and its administration, and shall specify the maintenance and repair expenses of the general and limited Common Elements and services and any other expenses incurred. That portion of the Annual Condominium Assessment designated as "Reserve for Replacements" pursuant to Section 3, Article IX hereof, and that amount of any assessment required for payment on any capital expenditures of the Council shall be credited upon the books of the Council to the "Paid-in-Surplus" account as a capital contribution by the owners.

**Section 3.**     **Auditing.** At the close of each fiscal year, an annual statement shall be prepared for the Council by an independent Certified Public Accountant which shall be prepared and revised in accordance with generally accepted accounting standards. Thereupon, a copy of such statement shall be furnished to each unit owner. An audit of the books and records of the

Council may be ordered at any time by the affirmative vote of owners representing sixty-six percent (66%) of the total floor area of the units in the Condominium at any annual or special meeting.

**Section 4. Inspection of Books.** The books and accounts of the Council, and vouchers accrediting the entries made thereupon, shall be available for examination by all unit owners and/or their duly authorized agents or attorneys, during normal business hours and for purposes reasonably related to their interests as owners.

## ARTICLE XIV

### Amendments

**Section 1. Amendments.** These By-Laws may be amended by the affirmative vote of unit owners representing sixty-six percent (66%) of the total floor area of the units in the Condominium at any meeting of the Council duly called for such purpose in accordance with the provisions of Section 11-104 of the Maryland Condominium Act, effective only upon the recordation among the Land Records of Frederick County, Maryland, of an amendment to these By-Laws setting forth such amendments to these By-Laws together with the certification required by Section 11-104 of the Maryland Condominium Act, as amended, and only after thirty (30) days prior written notice to the institutional holders of all first mortgages on the units in the Condominium. Amendments may be proposed by the Board of Directors or by petition signed by members representing at least thirty percent (30%) of the total floor area of the units in the Condominium. A description of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment is to be voted upon.



## ARTICLE XV

### Mortgagees

Section 1. Notice to Board. Each unit owner who mortgages his unit, or the mortgagee, shall notify the Board of Directors of the Council of the name and address of the mortgagee; and, the Board of Directors shall maintain such information in a book entitled "Mortgagees of Units".

Section 2. Statement of Assessments. The Board of Directors, whenever so requested in writing by a mortgagee or by a prospective mortgagee of a unit, shall promptly report any then unpaid annual or special assessments or installments thereof, from, or any other default by, the owner of the mortgaged unit.

Section 3. Notice of Default. The Board of Directors, when giving notice to a unit owner of a default in paying annual or special assessments, or any installment thereof, or other default, shall send a copy of such notice to each holder of a mortgage covering such unit, named in the aforesaid book entitled "Mortgagees of Units."

Section 4. Examination of Books. Upon at least ten days' (10) prior written notice, but no more often than once per year, each mortgagee of a unit shall be permitted to examine the books of account of the Council during normal business hours and on business days at the Council's office; provided, however, that unless required by law, in no event shall the examination include the records of any period other than the current and immediately preceding fiscal year.

## ARTICLE XVI

### Compliance - Interpretation - Miscellaneous

Section 1. Compliances. These By-Laws are set forth in compliance with the requirements of the Maryland Condominium Act.

Section 2.     Conflict. These By-Laws are subordinate and subject to all provisions of the Declaration and to the provisions of the Maryland Condominium Act, as the same may be amended from time to time. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as in the Declaration or the aforesaid statute. In the event of any conflict between these By-Laws and the of the Maryland Condominium Act, the provisions of the of the Maryland Condominium Act shall control.

Section 3.     Resident Agent. The Resident Agent of the Council for the purpose of accepting service of process shall be as set forth in the Articles. The Board of Directors may at its discretion, substitute another resident agent for the purpose of accepting service of process as set forth above; provided that proper notification of such change be promptly filed with the Maryland State Department.

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

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

Section 6.     Captions. The captions contained in these By-Laws are for convenience only, and are not a part of these By-Laws and are not intended in anyway to limit or enlarge the terms and provisions of these By-Laws.

Section 7.     Rules and Regulations. In order to assure the peaceful and orderly use and enjoyment of the Condominium, the Council may from time to time adopt, modify and revoke, in whole or in part, reasonable rules and regulations, governing the conduct of persons on or in the Condominium, as it may deem necessary, and such Rules shall be binding upon all



members of the Council and occupants and visitors to the Building. The procedures provided by the Maryland Condominium Act shall apply to the Rules and Regulations for the Condominium. The Board of Directors may impose a fine, suspend voting privileges or any other rights of a unit owner or other occupant for violation of the Rules and Regulations upon compliance with the procedures required by Maryland law.

Exhibit A

Articles of Incorporation



# Exhibit A

## ARTICLES OF INCORPORATION OF COUNCIL OF UNIT OWNERS OF CATOCTIN OFFICE CONDOMINIUM, INC.

In compliance with the requirements of Title 5, Subtitle 2 of the Corporations and Associations Article of the Annotated Code of Maryland, the undersigned, Cynthia L. Spell, a resident of Maryland, whose address is 36 S. Charles Street, Baltimore, Maryland 21201, who is at least eighteen (18) years of age, has this day formed a non-stock corporation, not for profit, and does hereby certify:

Article I. The name of the corporation is: COUNCIL OF UNIT OWNERS OF CATOCTIN OFFICE CONDOMINIUM, INC. (the "Council").

Article II. The purpose for which the Council is formed is to provide for the administration of the condominium regime (the "Condominium") situate or to be situate in Frederick County, State of Maryland, and known as "CATOCTIN OFFICE CONDOMINIUM".

Article III. The Council shall not operate for pecuniary gain or profit, shall not issue capital stock, and no part of the net earnings of the Council shall inure to the benefit of any member or individual (except that reasonable compensation may be paid for services rendered), and in providing for the administration of the Condominium, it shall have all of the powers set forth in the Declaration and the By-Laws establishing the Condominium including, but not limited to, the power to:

- (i) establish rules and regulations governing the use of the Condominium;
- (ii) fix, levy, collect and enforce payment by any lawful means of all charges or assessments against its members as provided in the Declaration and in the By-Laws;

(iii) acquire, operate, lease, manage and otherwise trade and deal with such property, whether real or personal, including units in the Condominium which may be necessary or convenient for the operation and management of the Condominium, and to accomplish the purposes set forth in said Declaration and By-Laws;

(iv) maintain, repair, replace, operate and manage the Condominium;

(v) contract for the management of the Condominium and delegate such powers and duties of the Council to such manager as may be provided for in the Declaration and By-Laws;

(vi) enforce the provisions of the Declaration, these Articles of Incorporation, the By-Laws of the Council which may be adopted and amended from time to time, and the rules and regulations governing the use of said Condominium; and

(vii) exercise any or all of the enumerated powers set forth in Section 11-109(d) of the Real Property Article of the Annotated Code of Maryland, as the same may be amended from time to time.

Article IV. The post office address of the principal office of the Council in this State is c/o Manekin, LLC, 7061 Columbia Gateway Drive, Columbia, Maryland 21046. The name and address of the Resident Agent of the Council in this State are: Lonnie M. Ritzer, Shapiro Sher Guinot & Sandler, 36 S. Charles Street, Baltimore, Maryland 21201. The Resident Agent is a resident of the State of Maryland.

Article V. The qualifications for membership in the Council and the rights and privileges of the members shall be as provided in the By-Laws.

Article VI. The affairs and activities of the Council, except as provided by statute, by these Articles of Incorporation, and by the By-Laws, shall be conducted and managed by a Board

of Directors. Said Board of Directors shall consist of three (3) directors, which number may be increased pursuant to the By-Laws of the Corporation, but shall never be less than three (3); the name of the directors who shall act until the first annual meeting or until their successors are duly elected and qualify are:

Richard M. Alter

Edward D. Scott

Alton Fryer

Article VII. The Council shall exist perpetually.

IN WITNESS WHEREOF, I have signed these Articles of Incorporation and have acknowledged the same to be my act this 7<sup>th</sup> day of July, 2004.

WITNESS:

Joan B. Douthard

Cynthia L. Spell (SEAL)  
Cynthia L. Spell

I hereby consent to serve as resident agent for the above-named entity.

Lonnie M. Ritzer  
Lonnie M. Ritzer



# 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) \_\_\_\_\_

ID # D10098911 ACK # 1000361990062428  
LIBER: 000679 FOLIO: 0061 PAGES: 0004  
COUNCIL OF UNIT OWNERS OF CATOCTIN OFFI  
CE CONDOMINIUM, INC.

07/13/2004 AT 03:46 P WD H 0000918069

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

## FEES REMITTED

Base Fee: 100  
Org. & Cap. Fee: 20  
Expedite Fee: 50

Penalty: \_\_\_\_\_  
State Recordation Tax: \_\_\_\_\_  
State Transfer Tax: \_\_\_\_\_

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

Certificates \_\_\_\_\_

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

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

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

TOTAL FEES: 170

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) \_\_\_\_\_

Code 055

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

Mail to Address: \_\_\_\_\_

Credit Card ☒ Check \_\_\_\_\_ Cash \_\_\_\_\_

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

Approved By: MS013

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

COMMENT(S):

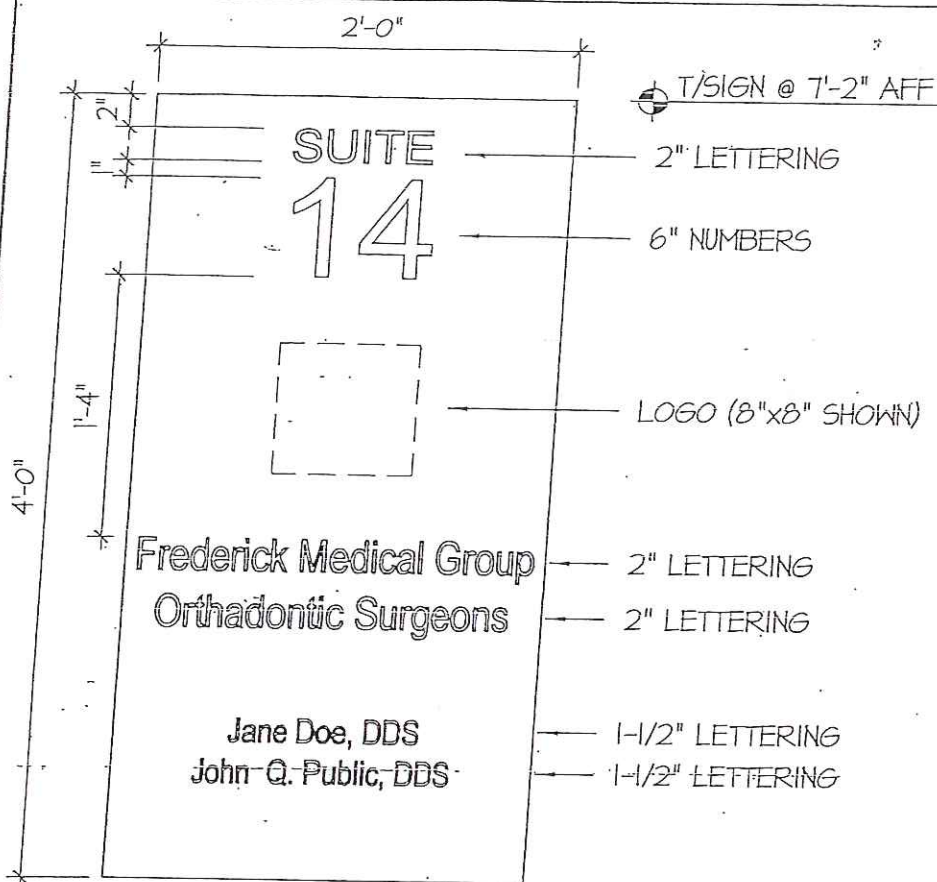
CUST ID: 000142411  
WORK ORDER: 0000918069  
DATE: 07-13-2004 03:46 PM  
AMT. PAID: \$170.00

Printing: 11/13/04 11:00 AM

Exhibit B

Sign Criteria

# Exhibit I

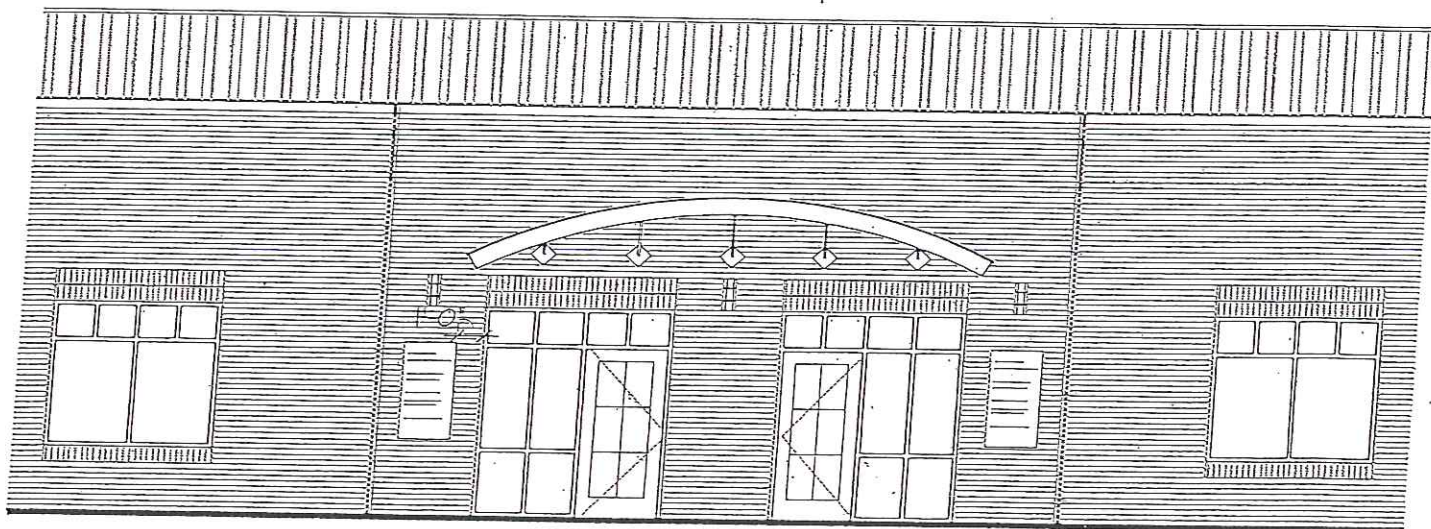


## NOTES:

1. SIGN TO BE FABRICATED FROM A SINGLE PIECE OF BLUE PLEXIGLASS.
2. LETTERING TO BE WHITE VINYL DYE-CUT. FONT SHOWN IS ARIAL W, WIDTH FACTOR OF 1.0 ON SUITE & NUMBER; .75 ON ALL OTHERS.
3. MOUNTING(S) SHOULD BE MECHANICAL AND HIDDEN.
4. MOUNT SIGN ON BRICK FACE SO THAT THERE IS 12" CLEAR BETWEEN IT AND THE ADJACENT OPENING (SEE ELEVATION BELOW).

## ENTRY SIGN DETAIL

SCALE: 1" = 1'-0"



## TYP. ENTRY ELEVATION

SCALE: 1/8" = 1'-0"

**ANTA CAMPBELL**  
**ARCHITECTS, INC.**

Architects Space Planners

15 Hillside Court, Suite C  
Columbia, Maryland 21045

290.9006 VOICE  
290.9007 FAX



PROJECT NAME

**LOT 5B - THOMAS JOHNSON DRIVE**

REGARDING:

**ENTRY SIGNAGE CRITERIA**

— SEE ABOVE.

**ARCHITECT'S**  
**SUPPLEMENTAL INSTRUCTIONS**

DATE 19 MAR 04

ASL No:

**1**

JOB NO. 01.226

Sheet

1 of 1