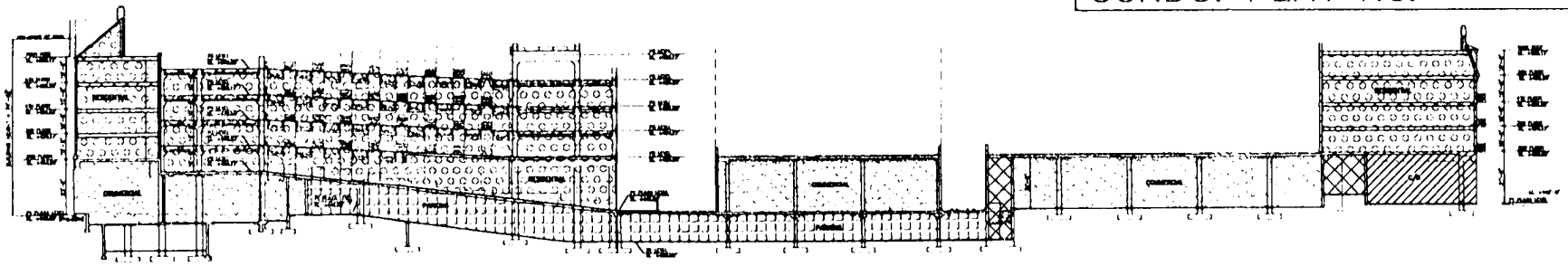
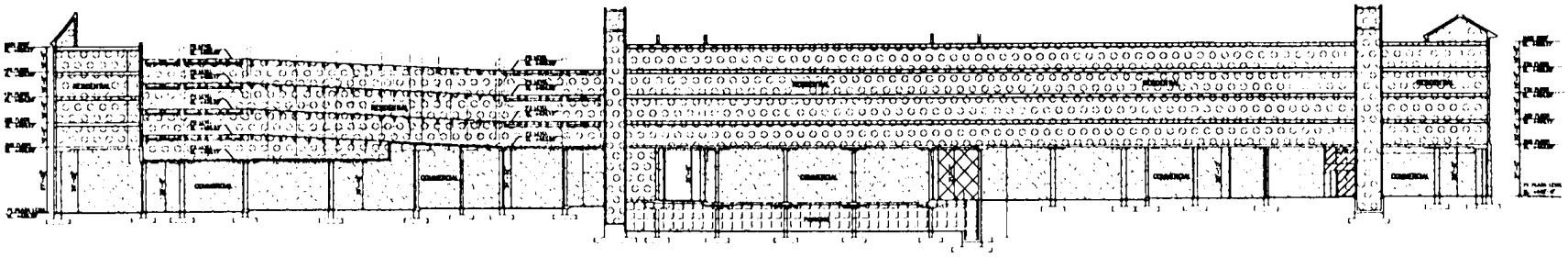
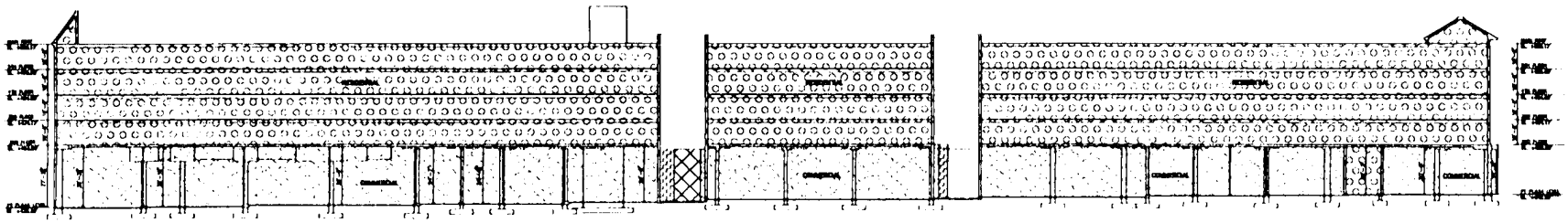
CONDO. PLAT No.



SECTION 3 LOOKING WEST



SECTION 2 LOOKING WEST



SECTION 1 LOOKING WEST

165

LEGEND

- Commercial Unit
- Residential Unit
- Parking Unit
- Limited Common Element *
- General Common Element
- Reserved General Common Element

LEGEND NOTES

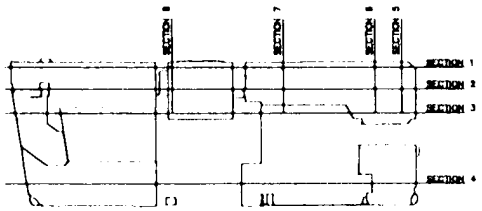
- * P/R - Parking and Residential Element
- * C/R - Commercial and Residential Element
- * P/C - Parking and Commercial Element

DATE: .....

Condominium Plat No.: .....

GENERAL NOTES

1. Horizontal and Vertical Datum based on Maryland State Plane NAD83/91 datum.
2. The Common Elements
   a. The Common Elements shall consist of all the Condominium Property and Improvements thereon which are not part of any Condominium Unit.
   b. The Common Elements shall be comprised of the Limited Common Elements and the General Common Elements as set forth in the Declaration.
3. The Limited Common Elements as set forth in the Declaration designated (L.C.E.) herein, are shown hereon.
4. The General Common Elements, designated (G.C.E.) herein, are comprised of all the areas and facilities which are not a part of a "Unit" or Limited Common Element as shown herein or as set forth in the Declaration.
5. The phasing of this property is for condominium platting purposes only. This condominium plat does not purport to subdivide the property into separate subdivision lots.
6. The dimensions of the condominium units shown hereon coincide with the proposed building envelope dimensions. As-built dimensions of each condominium unit will be shown on the amended condominium plat to be recorded following building construction.



SECTION KEY MAP

CONDOMINIUM PLAT
SECTIONS
SHEET 10 OF 11

ROCKVILLE TOWN SQUARE BLOCK 1-2 CONDOMINIUM

ELECTION DISTRICT No. 4
CITY of ROCKVILLE, MARYLAND
SCALE: NTS FEBRUARY, 2005

MHG
Macris, Hendricks & Glascock, P.A.
Engineers • Planners
Landscape Architects • Surveyors
8220 Wightman Road Suite 120
Montgomery Village, Maryland
20886-1279
Phone 301.670.0840
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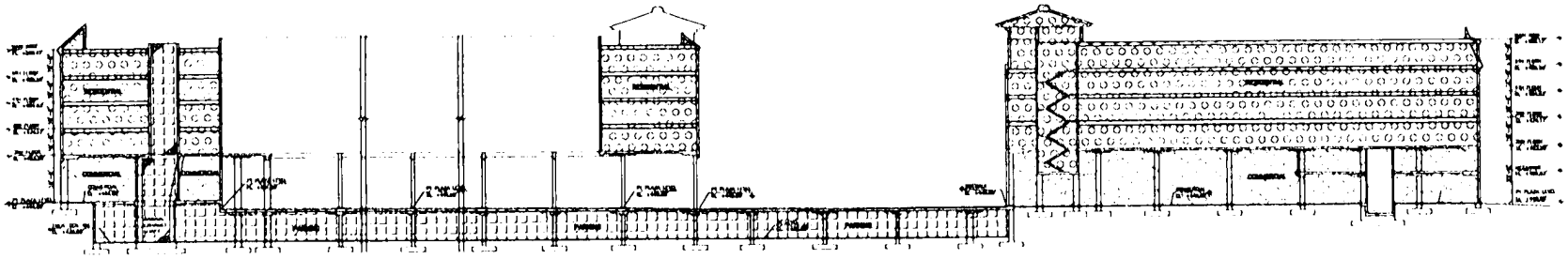
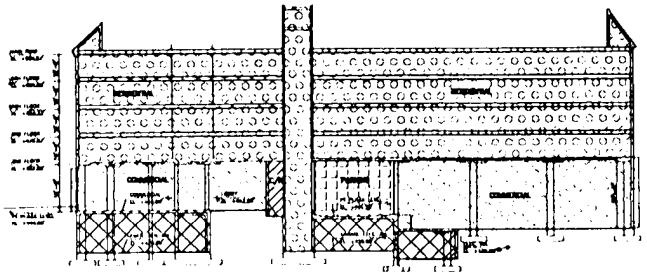
www.mhgpa.com

97.397.1-28

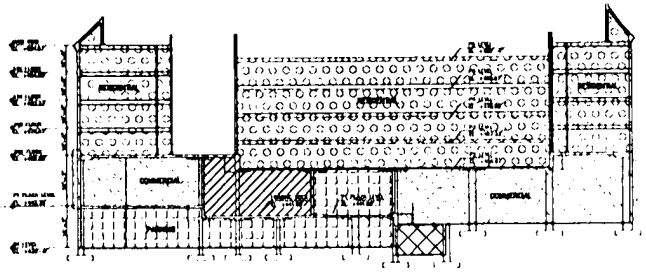
CONDO. PLAT No.



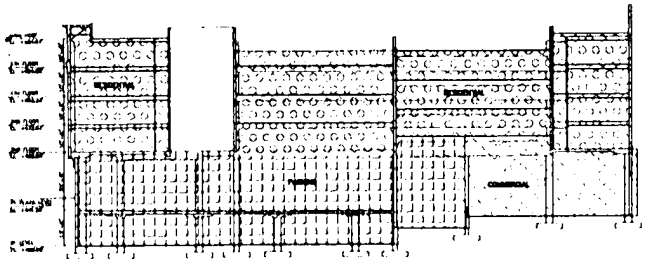
SECTION 4 LOOKING WEST



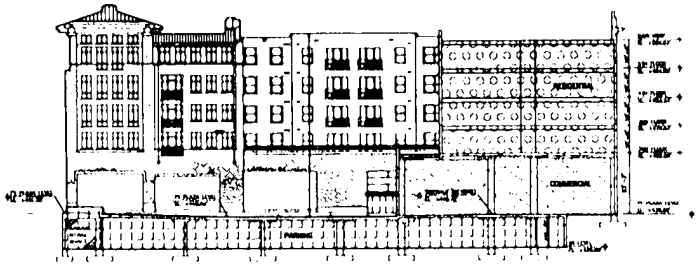
SECTION 5 LOOKING NORTH



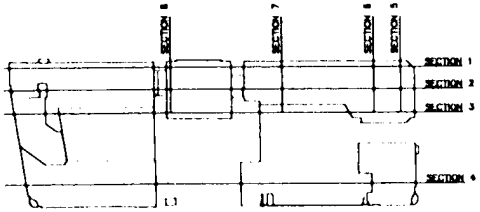
SECTION 6 LOOKING NORTH



SECTION 7 LOOKING NORTH



SECTION 8 LOOKING NORTH



SECTION KEY MAP

GENERAL NOTES

1. Horizontal and Vertical Datum based on Maryland State Plane NAD83/91 datum.
2. The Common Elements
   a. The Common Elements shall consist of all the Condominium Property and Improvements thereon which are not part of any Condominium Unit
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3. The Limited Common Elements as set forth in the Declaration designated (L.C.E.) herein, are shown hereon.
4. The General Common Elements, designated (G.C.E.) herein, are comprised of all the areas and facilities which are not a part of a "Unit" or Limited Common Element as shown herein or as set forth in the Declaration
5. The phasing of this property is for condominium platting purposes only. This condominium plat does not purport to subdivide the property into separate subdivision lots.
6. The dimensions of the condominium units shown hereon coincide with the proposed building envelope dimensions. As built dimensions of each condominium unit will be shown on the amended condominium plat to be recorded following building construction

LEGEND

- Commercial Unit
- Residential Unit
- Parking Unit
- Limited Common Element *
- General Common Element
- Reserved General Common Element

LEGEND NOTES

* P/R = Parking and Residential Element
* C/R = Commercial and Residential Element
* P/C = Parking and Commercial Element

CONDOMINIUM PLAT
SECTIONS
SHEET 11 OF 11

ROCKVILLE TOWN SQUARE BLOCK 1–2 CONDOMINIUM

ELECTION DISTRICT No. 4
CITY of ROCKVILLE, MARYLAND
SCALE: NTS FEBRUARY, 2005

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97.397.1-28

DATE:
Condominium Plat No.

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EXHIBIT D

Schedule of Percentage Interests and Vote

Percentage Interests of All Unit Owners in General Common Elements and General Common Expenses and of the Vote in the Council of Unit Owners:

Unit Designation	Estimated Square Feet	Percentage Interest	Vote
Commercial Unit	71,907	33.3%	1
Residential Unit	267,654	33.3%	1
Parking Unit	207,149	33.4%	1
Total	546,710	100%	3

Pursuant to Section 11.7 of this Declaration, upon completion of the initial construction of the improvements within the Property, the Percentage Interests will be promptly reallocated as necessary based upon the "as-built" square footage of the Units measured by the Board of Directors in accordance with the then current standards adopted by the Building Owners and Managers Association International or its successor.

DJF

EXHIBIT E

Schedule of Alternative Percentage Allocations, Special Maintenance Items And Special Maintenance Expenses

(Attached)

EXHIBIT E

Schedule of Alternative Percentage Allocations and Special Maintenance Expenses

Block 1/2

ITEM	DESCRIPTION	PRORATION		
		Parking	Commercial	Residential
INSURANCE				
Liability insurance	General liability for common areas	Per Insured Value	Per Insured Value	Per Insured Value
Property insurance	Building coverage	Per Insured Value	Per Insured Value	Per Insured Value
SPECIAL MAINTENANCE ITEMS				
Building loading docks and service corridors including lights and heaters.	Includes maintenance, utilities and cleaning		75%	25%
Service corridor common doors and doors damaged by common area use	Includes maintenace, utilities and cleaning		75%	25%
Building accent lighting, façade lights and general illumination not in Common Areas or Amenity Areas	Light bulb replacement and fixture repairs		75%	25%
Miscellaneous electrical repairs	Outlets		50%	50%
Exterminating	Rodent control		50%	50%
Janitorial service	Power washing, additional cleaning loading docks, sidewalks & service corridors		50%	50%
Roof and gutter	General roof leak repairs	General Proration	General Proration	General Proration
Sewer line cleaning	Quarterly jetting of common lines		90%	10%
Garage Storm Water Sumps, Pumps and oil seperators	Maintenance and repiar	Parking Proration	0%	Parking Proration
Fire sprinkler	Quarterly and annual system testing and maintenance, alarm panel repairs		50	50
Telephone/alarm monitoring	Fire alarm monitoring service, phone line costs	34%	33%	33%
Via Graphics	Decorative Via Graphics and Amenities		100%	
Directional Signage	Signs not in Common Areas or Maintained by CMD	Per Use	Per Use	Per Use
LIMITED COMMON ELEMENTS				
Parking & Residential		50%		50%
Commercial & Residential			50%	50%
Parking & Commercial		50%	50%	
RESERVED COMMON AREAS				
When in use by Commercial Unit	General maintenance and cleaning		100%	
When not in use by Commercial Unit	Treated as a Common Area	33.33%	33.33%	33.33%
		GENERAL PRORATION		
	Parking GFA	119,713	Prorata Share	20.65%
	Retail GFA	71,907	Prorata Share	12.41%
	Residential GFA	388,017	Prorata Share	66.94%
		579,637		
		PARKING PRORATION		
	Public Parking Spaces	225	Prorata Share	40.98%
	Residential Parking Spaces	324	Prorata Share	59.02%
		549		

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RULES AND REGULATIONS FOR ROCKVILLE TOWN SQUARE BLOCKS 1 AND 2 CONDOMINIUM

THESE RULES AND REGULATIONS FOR ROCKVILLE TOWN SQUARE BLOCKS 1 AND 2 CONDOMINIUM (the "**Rules**") are hereby adopted in accordance with the provisions of Section 4.1 of the Declaration for Rockville Town Square Blocks 1 and 2 Condominium (the "**Declaration**") dated _____, 2005 by RTS Residential Block 1/2, LLC, a Delaware limited liability company. All capitalized terms used in these Rules and not otherwise defined herein shall have the same meaning ascribed to them in the Declaration. These Rules govern various aspects of the use and the operation of the Property and are intended to be covenants running with the land pursuant to Applicable Law, and not personal covenants, and are intended to run with title to, and be burdens upon, each of the Units and to be binding upon each Unit Owner and its successors, assigns, tenants, subtenants, licensees and invitees using or occupying any portion of the Property.

PARKING

1.1 Hours of Operation of the Parking Unit. The Parking Unit Owner shall keep the Parking Unit open twenty-four (24) hours a day, seven (7) days a week, three hundred and sixty-five (365) days per year for parking use by the Parking Beneficiaries.

1.2 Maintenance Standards. The Parking Unit Owner shall cause the Parking Unit to be maintained in a good and workmanlike manner in accordance with all Applicable Law and with the maintenance, cleaning, repair and inspection specifications attached hereto as Exhibit A. The Parking Unit Owner shall not perform any cleaning, maintenance or repair activities within or about the Parking Unit that would generate noise or vibrations that would interfere with the safety, comfort or convenience of any occupant of any Other Unit between the hours of 11:00 p.m. and 6:00 a.m. Any significant cleaning (i.e., cleaning that is not routine cleaning described on Exhibit A attached hereto and would generate unreasonable noise or vibration) shall only be performed between the hours of 11:00 p.m. and 6:00 a.m. and shall be conducted in a manner that does not materially impede the flow of traffic. Routine cleaning of the Parking Unit in accordance with the cleaning specifications described on Exhibit A shall be performed between the hours of 6:00 a.m. and 11:00 p.m. and shall be conducted in a manner that does not materially impede the flow of traffic.

1.3 Loitering/Public Nuisance. The Parking Unit Owner shall undertake commercially reasonable efforts to discourage loitering in or about the Parking Unit and shall use commercially reasonable efforts to prevent any public nuisance from occurring in or about the Parking Unit.

LOADING AND DELIVERY

2.1 Hours for Delivery. The Unit Owners shall permit deliveries, loading, and unloading of merchandise, supplies, furniture, equipment, and other property only during the hours of 7:00 a.m. to 10:00 p.m.; provided that the foregoing limitations shall not apply to the

tenant occupying the portion of the Property covered by a Lease Agreement between the Commercial Unit Owner and a grocery store tenant (the "Grocery Store Tenant") so long as (a) such Lease Agreement is in effect and (b) the Grocery Store Tenant uses the loading area that is dedicated to its exclusive use.

2.2 Use of Loading Docks.

2.2.1 No Unit Owner shall permit the loading or unloading of merchandise, supplies, furniture, equipment, or other property outside of the loading areas except for routine deliveries from commercial delivery service providers (such as for example Federal Express or UPS). Each Unit Owner shall use commercially reasonable efforts to prevent the parking or standing outside of any loading area by delivery vehicles or equipment engaged in loading or unloading. Except for any loading areas that constitute Limited or Reserved Common Elements, the loading areas shall be used by the Unit Owners and the occupants of the respective Units on a first-come, first served basis. Except in any loading area that constitutes Limited Common Elements appurtenant to the Residential Unit, the Residential Unit Owner agrees (a) to stagger the scheduling of move-ins and move-outs by residents so that no more than one move is scheduled to be in process in any one of such loading areas at any specified time, and (b) that notwithstanding unanticipated overlap in move-ins and move-outs of residents, at least one service bay of each such loading area shall be available for use at any given time by occupants of the Commercial Unit. If the Residential Unit Owner notifies the Commercial Unit Owner reasonably in advance of the hours during which the Residential Unit Owner anticipates a resident move-in or move-out and its desire to use a particular loading area in connection therewith, then at least one service bay of such loading area shall be available for use for such resident move-in or move-out.

2.2.2 With respect to the loading dock located on Block 1 of the Project, the loading dock doors shall remain closed at all times except during deliveries. In addition, all deliveries shall be supervised by the Unit Owner, or its representative or agent, receiving such delivery. Violators of the foregoing requirements shall be subject to a fine that may be imposed by the City of Rockville (in the exercise of its police powers). Any fine so imposed will be imposed by the City of Rockville against the Council of Unit Owners , which in turn shall have the right to impose the fine against the actual violating Unit Owner; provided, however, that the City of Rockville, acting as the Parking Unit Owner, shall not be subject to the fine. In addition, the trash pick-up for the trash area located at the loading dock for Block 1 shall be managed by the Condominium Managing Agent in a timely and First Class manner.

2.3 Interference with Travel Lanes and Garage. Each of the Unit Owners shall use its commercially reasonable efforts to prohibit the parking or standing of delivery vehicles that interfere with the use of any access or travel lanes or the parking facilities within the Parking Unit or impede the flow of traffic.

USE OF OUTDOOR AREAS

3.1 Description of Outdoor Area. The "Outdoor Area" is that portion of the General Common Elements depicted on Exhibit B attached hereto, and includes outdoor restaurant

seating, common walkways, and other pedestrian areas. Except as expressly set forth in Sections 3.2 [Outdoor Dining and Common Seating Areas], 3.3 [Outdoor Activities] and 3.4 [Kiosks], no portion of the Outdoor Area shall be used for any purpose other than pedestrian access, ingress and egress.

3.2. Outdoor Dining and Common Seating Areas.

3.2.1. The Commercial Unit Owner may permit any restaurant operator that occupies space within the Commercial Unit to use sidewalk space adjoining or within any such restaurant or café or the sidewalk areas along the curb opposite the storefront of any such restaurant or café for outdoor dining (an "Outdoor Dining Area"), subject to the terms of these Rules and Applicable Law. The Commercial Unit Owner shall have priority over any other Unit Owner to use such sidewalk areas for the Commercial Unit Owner's Outdoor Dining Area. Outdoor dining shall be permitted to be conducted in the Outdoor Dining Areas only during the hours of 7:00 a.m. until 12:00 a.m. of the next day on Sundays through Wednesdays and during the hours of 7:00 a.m. until 2:00 a.m. of the next day on Thursdays, Fridays, Saturdays, holidays and evenings prior to holidays recognized by applicable governmental authorities and commonly recognized holidays. The Outdoor Dining Area to be used by any restaurant operator shall be designated as a Reserved General Common Element for the Commercial Unit under Section 2.5(c) of the Declaration and the responsibility for the maintenance, cleaning and repair, and cost of same, when the Outdoor Dining Area is designated as a Reserved General Common Element for the Commercial Unit, shall be that of the Commercial Unit Owner. During such times that any Outdoor Dining Area is not used by a restaurant operator for a significant period of time (such as, for example during the winter months) the routine maintenance and operation (and repair and replacement to the extent damage to any such Outdoor Dining Area is not caused by the negligence or willful act or omission of the Commercial Unit Owner, its tenants, subtenants, licensees, employees, invitees, contractors or agents) of such area shall be the responsibility of the Commercial Management District for the Project or the Board of Directors, as applicable, and the cost of same if performed by the Board of Directors shall be a General Common Expense. The Commercial Unit Owner shall provide in any lease, sublease, license agreement or other occupancy agreement with a restaurant operator that occupies space within the Commercial Unit that includes Outdoor Dining Areas that such tenant or occupant shall clean its Outdoor Dining Area and maintain it in a First Class condition; provided, however, notwithstanding such lease provision, the Commercial Unit Owner shall continue to be responsible for cleaning the Outdoor Dining Areas and maintaining them in a First Class condition.

3.2.2. The Commercial Unit Owner may place a reasonable number of chairs, tables and benches (the "Common Area Seating") within the Outdoor Area in locations other than the Outdoor Dining Areas (the "Public Outdoor Area") for use by guests, invitees and/or other permittees (including residents and their guests) provided that the Common Area Seating does not unreasonably impede or interfere with pedestrian access, ingress and egress through and across the Public Outdoor Area. The Common Area Seating may be used by such guests, invitees and/or other permittees for consumption of food and beverages either purchased on the Property or purchased elsewhere and brought onto the Property, but no restaurant operator occupying space within the Commercial Unit or any other person shall serve food or beverages within, or to guests, customers, invitees and/or other permittees on the Property using, the

Common Area Seating. The Board of Directors or the Commercial Management District, as applicable, shall cause the Common Area Seating to be cleaned and otherwise maintained in a First Class condition and the cost of such cleaning and maintenance if performed by the Board of Directors shall be a General Common Expense, or a Special Maintenance Expense as set forth on Exhibit E of the Declaration, or as otherwise determined by the Board of Directors.

3.3 Outdoor Activities. The Commercial Unit Owner may use on a periodic basis the Public Outdoor Area for other special activities and events so long as such activities and events (i) are conducted in a safe and orderly manner and in compliance with all Applicable Law and all other provisions of the Declaration, the Bylaws and these Rules, (ii) are in keeping with, and will promote or enhance, the First Class quality and perception of the Property, and (iii) will not create such amounts or volume of noise, congestion, odors, or light so as to materially disrupt or materially interfere with the use and enjoyment by residents of their respective residential units located within the Residential Unit or by tenants of the Commercial Unit of their respective leased premises located within the Commercial Unit. Examples of activities or events that may be conducted in the Public Outdoor Areas (for illustrative purposes only and provided that such activities or events comply with the foregoing provisions of this Section 3.3) are art shows, farmer's market, antique festivals, and certain types of live performances. No activities or events shall be conducted in the Public Outdoor Areas at any time before 9:00 a.m. or after 11:00 p.m. The Commercial Unit Owner shall notify the Residential Unit Owner and Parking Unit Owner in writing at least ten (10) days prior to any such activity or event, which notice shall describe in reasonable detail the type of activity or event that will be conducted and shall specify the dates on and hours during which such activity or event will be conducted. The Residential Unit Owner shall have the right to use the Public Outdoor Areas for special activities and events so long as such activities and events comply with the requirements set forth above and are coordinated with the property manager of the Commercial Unit so as not to materially interfere or conflict with any scheduled activity or event on the Public Outdoor Areas by the Commercial Unit Owner. Unless the Unit Owners agree otherwise, each Unit Owner shall be responsible for the cost of any activity or event it chooses to conduct or sponsor in the Public Outdoor Area and all associated costs for cleaning and repairs.

3.4 Kiosks. Subject to Applicable Law, the Commercial Unit Owner shall have the right to permit the use of portions of the Public Outdoor Areas for the erection or installation of up to ten (10) kiosks or carts (2 permanent kiosks and 8 moveable kiosks or carts) within the entire Project for the sale of goods and services, provided that (i) such kiosks or carts do not unreasonably impede pedestrian access, ingress, and egress through and across the Public Outdoor Area and otherwise comply with these Rules and the restrictions set forth in Article 8 of the Declaration, (ii) the appearance of such kiosks or carts are compatible and in keeping with a First Class project, and (iii) no kiosk or cart shall be used for the offering for rent or sale, or for the distribution or dissemination of information regarding the rental of apartment units or sale of residential condominium units other than those located within the Project. No kiosk or cart shall be operated or open for business in the Public Outdoor Areas at any time before 6:00 a.m. or after 11:00 p.m. The moveable kiosks shall be spaced not less than seventy-five feet (75') apart from each other. The Residential Unit Owner shall have the right to use one of the ten (10) permitted kiosks or carts, in a location within the Public Outdoor Areas reasonably acceptable to the other Unit Owners, for the distribution or dissemination of information regarding the rental

or sale of residential units within the Property, subject to clauses (i) and (ii) above and provided that such kiosk or cart shall not be operated or open for business in the Public Outdoor Areas at any time before 6:00 a.m. or after 11:00 p.m.

HOURS OF OPERATION, CONSTRUCTION ACTIVITIES, MAINTENANCE, APPEARANCE AND REFUSE

4.1 General Standard. The Commercial Unit Owner and the Residential Unit Owner shall keep their respective Units and the respective Reserved General Common Elements and Limited Common Elements to which such Unit Owners have been assigned the upkeep responsibilities, in a First Class condition. The Parking Unit Owner shall maintain the Parking Unit in the condition specified in Section 1.2 of these Rules [Maintenance Standards]. No use shall be permitted of any Unit that constitutes a public or private nuisance or that generates excessive litter, dust or dirt that can be seen outside of a Unit or is an unsanitary use that directly causes, attracts or facilitates the infestation of rodents, vermin or other pests and that use remains unabated.

4.2 Trash Removal. Each Unit Owner shall and shall cause the occupants of its respective Unit to place trash, garbage and refuse in proper containers in the designated trash areas and/or trash rooms that serve the Property, and each Unit Owner shall cause its occupants to keep and maintain such trash areas and/or trash rooms in good, clean First Class condition. If a Unit Owner is in breach of its obligations under this Section 4.2, then any non-defaulting Unit Owner may cure such breach in accordance with Section 7.2(c)(i) of the Bylaws. The Commercial Unit Owner shall cause each occupant of the Commercial Unit that is a restaurant or food service operator to install garbage disposal equipment or wet garbage storage facilities to serve such occupant's premises that are adequate to minimize any obnoxious odors resulting from wet trash or garbage.

4.3 Signage. The signage used at the Property by the Unit Owners/and or their occupants shall at all times conform in all respects to the signage criteria set forth in Exhibit C attached hereto (the "Signage Criteria"). The Signage Criteria shall not be modified or amended without the prior written approval of the Council of Unit Owners, which approval shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the preceding provisions of this Section 4.3, each Unit Owner agrees that (i) except as provided in the Signage Criteria, no signs shall be placed on the outside of or on any roofs of any portion of the Property, (ii) all signs must be professionally designed, (iii) no signs shall be permitted that flash, blink, or otherwise light in an alternate fashion, and (iv) directional signage and other signage within the Parking Unit required by Applicable Law shall not be subject to the prior written approval of the Council of Unit Owners. All signage shall be subject to Applicable Law. Except for the signage in the Parking Unit, all signs shall be maintained in First Class condition, operating order, and repair at all times. Signage within the Parking Unit shall be maintained in accordance with the generally prevailing standards governing the maintenance of signage in other governmentally owned parking facilities in the County.

4.4 Outside Storage. The Commercial Unit Owner shall not permit outside storage of any merchandise, supplies, or other property (except for the limited right of (a) the Grocery Store

Tenant to store certain merchandise for sale outside of its premises so long as its lease is in effect, and (b) other tenants of the Commercial Unit Owner to conduct temporary sidewalk sales so long as such sales do not unreasonably impede pedestrian access through, over, and across the sidewalks). To the extent permitted by Applicable Law, the Residential Unit Owner shall prohibit the residents of the Residential Unit from hanging towels, articles of clothing, or other items on rails of, and shall prohibit residents of the Residential Unit from storing personal property on, the balconies of the residential units within the Residential Unit; provided, however, that the placement of patio furniture or bicycles or a Telecommunications Device allowed to be installed by residents of the Residential Unit in accordance with Applicable Law (as more particularly described in Section 4.5 below [Telecommunications Devices] on the balconies of the residential units within the Residential Unit shall not constitute a violation of the foregoing prohibition.

4.5 Telecommunications Devices. Each Unit Owner agrees that it shall not permit the use of any portion of its respective Unit for the installation or location of antennas, satellite dishes, and other similar telecommunications devices or equipment (a "**Telecommunications Device**") for use by third parties not providing service to the Unit without the prior reasonable consent of the other Unit Owners; provided, however, that a Telecommunications Device installed by any residents of the Residential Unit outside their residential units shall be allowed only so long as and to the extent such right to do so is mandated by Applicable Law. Any Telecommunications Device installed or located on any Unit and providing service to the Unit or to a tenant within a Unit (except for any Telecommunications Device that any resident of the Residential Unit is allowed by Applicable Law to install or locate on or outside its residential unit) shall be installed on the Unit at such a location, and screened from view in such a manner, so as to be as aesthetically pleasing as feasibly possible and consistent with the location and screening of similar items located in First Class projects. The Unit Owners agree to consult and reasonably cooperate with each other on a case by case basis when the need or right to install a Telecommunications Device arises so as to collectively determine the best possible location and screening for such Telecommunications Device.

4.6 Construction Activities. Due to the importance of holiday sales to the Commercial Unit, except in cases of emergency, no exterior work or any construction activities shall be performed during retail operating hours from the period of November 1 through January 15 if such exterior work or construction activities would have any potential disruptive effect on the Commercial Unit, as reasonably determined by the Commercial Unit Owner, unless the prior written consent of the Commercial Unit Owner is obtained.

NOISE, ODORS AND LIGHTING

5.1 Noise. Each Unit Owner agrees (i) to keep all mechanical equipment and other improvements located on or within its Unit, or installed by such Unit Owner for its sole use elsewhere on the Property, free of vibration and noise that may be transmitted beyond such mechanical equipment or improvements; (ii) to prohibit the use by occupants of its respective Unit of any apparatus for sound reproduction or transmission (including, but not limited to, loudspeakers, compact disc players, public address systems, sound amplifiers, radios, television sets, or any musical instruments) in any manner so as to be heard outside of such Unit Owner's

Unit, (iii) not to allow or permit any other types of noise or vibration to emanate from the Improvements located on such Unit Owner's Unit in any manner so as to be heard or felt beyond the Improvements located on such Unit Owner's Unit or to emanate from outside the Improvements located on any portion of such Unit Owner's Unit in any manner as to constitute a nuisance or to interfere with the safety, comfort, or convenience of any occupant of the Improvements on any other Unit Owner's Unit, and (iv) not schedule fire alarm testing during the periods from 11:00 a.m. to 2:00 p.m. and/or from 6:00 p.m. to 8:00 a.m. on any given day. The Residential Unit Owner has been provided with a copy of the Commercial Unit Owner's standard form of technical criteria for commercial tenants' improvements for roofing, mechanical, electrical, plumbing and restaurant equipment which is or will be "Exhibit B-2" of the commercial tenants' leases with the Commercial Unit Owner as well as the technical specifications for existing tenants (i.e., the Grocery Store Tenant, CVS and Chevy Chase Bank). The Residential Unit Owner has acknowledged its approval and acceptance of the technical criteria set forth in "Exhibit B-2" or other technical specifications for the existing leases (collectively, the "Pre-Approved Technical Specifications"). Provided that such mechanical and other apparatus are installed, maintained and operated in accordance with the Pre-Approved Technical Specifications, then such mechanical and other apparatus shall be deemed to be properly installed, maintained and operated by the Commercial Unit Owner, its tenants and/or subtenants and not in violation of this Section 5.1. All equipment installed by a Unit Owner on the roof of any improvements located on the Property must be installed, operated and maintained in accordance with the Pre-Approved Technical Specifications. If a tenant leasing space within the Commercial Unit shall have technical criteria governing the installation, maintenance or operation of such mechanical or other apparatus that materially deviates from the Pre-Approved Technical Specifications, then the Residential Unit Owner shall have the right to approve such deviation for the purpose of reconciling such criteria with the Pre-Approved Technical Specifications, such approval not to be unreasonably withheld. Notwithstanding the foregoing provisions of this Section 5.1, subject to the County noise ordinance, the Commercial Unit Owner may permit any restaurant operator that has an Outdoor Dining Area to play recorded music through loudspeakers within the confines of the Outdoor Dining Area provided that no such music may be played before 9:00 a.m. or after 12:00 a.m. on the next day on Sundays through Wednesdays and before 9:00 am or after 12:00 a.m. of the next day on Fridays, Saturdays, holidays and the evenings prior to holidays recognized by applicable governmental authorities and commonly recognized holidays.

5.2 Odors. No Unit Owner shall cause or permit obnoxious food odors or other objectionable odors to emanate or be dispelled from its respective Unit. The Commercial Unit Owner shall not permit the use of any portion of the Commercial Unit for restaurant use except for areas that are sufficiently equipped with ventilation. Provided that such ventilation equipment and other apparatus are installed, maintained and operated in accordance with the Pre-Approved Technical Specifications (defined above in Section 5.1), then such ventilation and other apparatus shall be deemed to be properly installed, maintained and operated by the Commercial Unit Owner, its tenants and/or subtenants and not in violation of this Section 5.2. If a tenant of the Commercial Unit shall have technical criteria that materially deviates from the Pre-Approved Technical Specifications, then the Residential Unit Owner shall have the right to approve such deviation for the purpose of reconciling such criteria with the Pre-Approved Technical Specifications, such approval not to be unreasonably withheld. The Commercial Unit

Owner shall not permit the use of any portion of the Commercial Unit as a pet store, nail salon, or beauty parlor unless such portion of the Commercial Unit provided for such use is equipped with sufficient ventilation to prevent obnoxious or objectionable odors from unreasonably emanating into the occupied portions of the Residential Unit, and any such odors emanating from such space shall not be deemed "obnoxious" or "objectionable" if the ventilation is designed, engineered, installed, maintained and operated in accordance with similar First Class mixed use projects.

5.3 Lighting. Each Unit Owner agrees to abide by the lighting plans submitted to the City of Rockville and the lighting criteria that has been or shall be jointly prepared by the Unit Owners. The lighting plan and the lighting criteria shall not be modified or amended, and there shall be no changes in lighting for the Outdoor Area without the consent of the Council of Unit Owners.

5.4 Prompt Enforcement. If any Unit Owner believes that another Unit Owner or any of its occupants, tenants, licensees, guests, invitees or other permittees is in violation of the provisions of Sections 5.1 [Noise], 5.2 [Odors] and 5.3 [Lighting] herein, such Unit Owner, through its property manager or other authorized representative, may notify the property manager or other authorized representative of another Unit Owner (which notification may be made orally (subject to a follow-up notice in writing), either by telephone or in person), and such notified Unit Owner shall immediately take commercially reasonable measures to alleviate any violation, including (without limitation) notifying the offending occupant, tenant, licensee, guest, invitee or other permittee on or in its Unit of the alleged violation and requesting the offending occupant, tenant, licensee, guest, invitee or other permittee to take appropriate action to alleviate such violation. Notwithstanding the foregoing provisions of this Section 5.4, no Unit Owner shall be deemed to be in default under the Declaration, the Bylaws or these Rules because of any alleged violation of the provisions of Sections 5.1 [Noise], 5.2 [Odors], or 5.3 [Lighting] above or this Section 5.4 unless and until written notice of such default shall have been given in accordance with Section 7.2 of the Bylaws.

ENFORCEMENT, MODIFICATION AND AMENDMENT

6.1 Enforcement. These Rules form a part of the Condominium Documents, and consequently, the enforcement of these Rules, including the remedies available for any violation or breach of, or default under, these Rules shall be governed by the provisions of Article 7 of the Bylaws [Compliance and Default], Section 11.3 [Excusable Delay] and Section 11.14 [Arbitration of Disputes] of the Declaration.

6.2 Writing Required to Amend. These Rules may not be terminated, canceled, changed, waived, modified, or amended in whole or in part without the written consent or approval of each of the Unit Owners affected by such termination, cancellation, change, waiver, modification or amendment.

6.3 Failure to Respond. If any Unit Owner fails either to consent to a written request for any change, waiver, modification, or amendment to these Rules or to respond to such request with specific objections within thirty (30) days after receipt of such request from any Unit

Owner, then such failure shall be deemed to constitute a consent and approval of the proposed change, waiver, modification, or amendment to these Rules. The request shall contain the following statement in bold face type:

A UNIT OWNER OF THE ROCKVILLE TOWN SQUARE BLOCKS 1 AND 2 CONDOMINIUM HEREBY NOTIFIES YOU THAT IT IS REQUESTING A CHANGE, WAIVER, MODIFICATION OR AMENDMENT TO THE RULES AND THAT YOUR FAILURE TO RESPOND WITHIN TEN (10) DAYS AFTER RECEIPT OF THIS NOTICE SHALL MEAN THAT YOU SHALL BE DEEMED TO HAVE CONSENTED AND APPROVED OF THE PROPOSED CHANGE, WAIVER, MODIFICATION OR AMENDMENT TO THE RULES.

6.4 No Recording. The Unit Owners agree that these Rules shall not be recorded in the Land Records.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has caused these Rules to be adopted as of the ___th day of _____, 2005.

RTS RESIDENTIAL BLOCK 1/2, LLC,
A Delaware Limited Liability Company

By: RTS-RD Rockville Investments I, LLC,
A Delaware Limited Liability Company,
Sole Member and Manager

By: RTS-RD Rockville Management I, LLC,
A Delaware Limited Liability Company,
Manager

By: RTS-RD Rockville, LLC,
A Delaware Limited Liability Company,
Sole Member and Manager

By: RD Rockville, LLC,
A Maryland Limited Liability Company,
Sole Member and Manager

By: RD Maryland Avenue Limited Partnership,
A Maryland Limited Partnership,
Sole Member and Manager

By: RD Commerce Street, LLC,
A Maryland Limited Liability Company, General Partner

By: S.J. Ross Associates, Inc., A Maryland Corporation,
Its Manager

By: _____
Scott J. Ross,
President

Exhibit A

Parking Unit Maintenance,
Cleaning and Inspection Specifications

The Parking Unit Owner will provide the same level of the then current "maintenance and cleaning functions" provided in other governmentally owned public parking facilities in Montgomery County. The Parking Unit Owner will use reasonable efforts to schedule and perform the reasonably foreseeable maintenance and cleaning services in a manner that minimizes adverse impacts on the parking spaces intended to satisfy public demands for parking.

Routine Cleaning and Maintenance

The anticipated routine cleaning and maintenance services for the Parking Unit are as follows:

Garage Sweeping

Description:	Mechanical and manual sweep all areas of garage except interior of stairwells/elevators, and storage areas.
Frequency:	Every two (2) weeks.

Litter Pickup

Description:	Pick up all litter in all areas of the Parking Unit.
Frequency:	Weekly.

Cleaning of Stairtowers, and Elevator Lobbies

A.	Description:	Inspect, paper chase, spot sweet, remove all trash, debris and other unnatural substances.
	Frequency:	Weekly.
B.	Description:	Sweep stairtowers, and elevator lobbies, clean all stairtower window ledges, wipe down all hand railings and stair stringers and, weather permitting, wet mopping and disinfect.
	Frequency:	Every two (2) weeks.

Washdown/Scrubbing

Description: Washdown decks, raised platforms and guardrails.

Before and after washdown, all drains shall be checked to see that they are functioning properly.

Frequency: Semi-annually (i.e., two (2) times per year).

Other Items As Needed

Description: Snow removal and ice control.
Relamping and cleaning of garage light fixtures.

Annual Inspection

The Parking Unit Owner shall inspect the Parking Unit annually to determine any deficiencies within the structure, driveways, and walkways, prepare a written report indicating the findings, recommendations, and priorities of repairs or need for more detailed investigations. The Parking Unit Owner shall perform the following annual inspection program:

I. Determine the type, extent, cause and effects of problems related to the parking facility.

A. Review existing construction drawings, specifications, construction reports and testing comments.

B. Conduct a thorough field examination of the structural system and note the physical condition.

1. Concrete Slabs

a) Visual Inspection

(1) Floor
(2) Ceiling
(3) Floor Coatings

b) Delamination Inspection

(1) Floor
(2) Ceiling

c) Protective Sealer

2. Beams, columns, precast concrete, and connectors

a) Visual Inspection

(1) Columns
(2) Beams
(3) Precast Concrete

(4) Connections

3. Joint-Sealant Systems

a) Visual Inspection

(1) Expansion joints
(2) Construction joints
(3) Control joints
(4) Cracks previously routed and sealed

4. Stair Towers and Mechanical Rooms

a) Visual Inspection

(1) Stairs and landings
(2) Walls
(3) Glass
(4) Doors and hardware

5. Mechanical/Electrical Systems

a) Drainage system (includes oil/grit separator and pumps)
b) Watering system
c) Ventilation equipment
d) Fire protection
e) General lighting
f) Exit and emergency lighting
g) Washdown system

6. Paint

7. Exterior Items

a) Driveways
b) Walkways

C. Photographs may be taken to provide visual reference.

II. Prepare a written report indicating the findings, alternatives, repairs, recommendations, costs, prioritized repairs and cost benefit analysis.

A. Make a structural analysis for the stability and safety of the parking structure and its elements in relation to the repair and renovation problems. Also recommend any testing that may be needed.

B. Perform value engineering/life cycle analysis for various construction materials, equipment and repair techniques used for repair and renovation of parking structures to determine the best performance service length and cost effectiveness.

C. Recommend any testing and repairs, with related costs, that are immediately necessary for the continuing safety of the facility patrons.

D. Evaluate and present restoration program alternatives and costs.

Exhibit B

Outdoor Area
(attached)

Exhibit C

Signage Criteria
(attached)

ATTACHMENT 3

DECLARATION

FOR

ROCKVILLE TOWN SQUARE BLOCK 4 CONDOMINIUM

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Declaration for

Rockville Town Square Block 4 Condominium

THIS DECLARATION FOR ROCKVILLE TOWN SQUARE BLOCK 4 CONDOMINIUM (the "**Declaration**") is made this ____ day of _____, 2005 by THE MAYOR AND COUNCIL OF ROCKVILLE, MARYLAND, a municipal corporation of the State of Maryland (**"Declarant"**), as follows:

RECITALS

A. Declarant is the owner of the fee simple interest in certain land, and all easements, rights and appurtenances belonging thereto located in Montgomery County, Maryland, and more particularly described in Exhibit "A" to this Declaration. The land described on Exhibit "A" and all easements, rights and appurtenances belonging thereto, together with all improvements now or hereafter erected thereon are hereinafter collectively referred to as the **"Property."**

B. Declarant desires to subject the Property to a condominium regime pursuant to Title 11 of the Real Property Article of the Annotated Code of Maryland in effect as of the date hereof, as amended.

C. Prior to the recordation of this Declaration among the Land Records, there has been filed for record among the Land Records certain condominium plats entitled "Rockville Town Square Block 4 Condominium" (hereinafter referred to as the **"Condominium Plats"**), which Condominium Plats (consisting of _____ (___) sheets) are recorded among the Land Records at Plat Nos. _____ and _____. A reduced copy of the Condominium Plats is attached as Exhibit "C" to this Declaration.

NOW, THEREFORE, Declarant hereby subjects the Property to the provisions of the Maryland Condominium Act and this Declaration.

ARTICLE 1
DEFINITIONS

Unless the context shall plainly require otherwise, the following terms when used in this Declaration and any of the exhibits attached to this Declaration shall have the following meanings.

Section 1.1. ***"Alternative Percentage Allocation"*** is defined in Section 3.8 of this Declaration.

Section 1.2. ***"Annual Assessment"*** means the share of the anticipated General Common Expenses and Special Maintenance Expenses allocable to a Unit for each fiscal year of the Council of Unit Owners, as reflected in the budget for that year.

Section 1.3. ***"Applicable Law"*** means all laws, rules, statutes, codes, acts, ordinances, judgments, decrees, injunctions, permits, licenses, authorizations, directives, requirements or

regulations of all federal, state, county, city and other governments, departments, commissions, boards, courts, authorities, officials, and offices applicable to the Property, the Condominium, the Units, the Council of Unit Owners, the Condominium Documents, and any Unit Owner.

Section 1.4. ***"Base Building"*** is defined in Section 9.1(a)(i) of this Declaration.

Section 1.5. ***"Benefited Owner"*** is defined in Section 3.5 of this Declaration.

Section 1.6. ***"Board of Directors" or "Board"*** means the administrative body elected in accordance with the Bylaws to act for the Council of Unit Owners in governing the Condominium.

Section 1.7. ***"Building" or "Buildings"*** means the Buildings shown on the Condominium Plats, including the improvements constructed or to be constructed within each Unit now or hereafter.

Section 1.8. ***"Burdened Owner"*** is defined in Section 3.6 of this Declaration.

Section 1.9. ***"Bylaws"*** means the Bylaws attached to this Declaration as Exhibit "B", as such Bylaws may be amended from time to time in accordance with the terms of the Bylaws.

Section 1.10. ***"Commercial Unit"*** means the Unit designated as such on the Condominium Plats.

Section 1.11. ***"Common Elements"*** means all of the Property other than the Units, and includes the General Common Elements and the Limited Common Elements.

Section 1.12. ***"Common Profits"*** means any profits realized by the Council of Unit Owners.

Section 1.13. ***"Condominium"*** means the condominium regime created by the recordation of this Declaration, the Bylaws, and the Condominium Plats, as each of the same may be amended from time to time.

Section 1.14. ***"Condominium Documents"*** means collectively, this Declaration, the Bylaws, the Condominium Plats, and the Rules (whether or not such Rules are recorded in the Land Records), as each of the same may be amended from time to time.

Section 1.15. ***"Condominium Managing Agent"*** means a professional managing agent employed by the Council of Unit Owners to perform such duties and services as the Board of Directors shall authorize in conformance with the Maryland Condominium Act, this Declaration, and the Bylaws.

Section 1.16. ***"Condominium Plats"*** means the plats referred to in Recital C of this Declaration, as such plats may be amended from time to time in accordance with the terms of the Condominium Documents.

Section 1.17. ***"Council of Unit Owners"*** means the legal entity comprised of all Unit Owners that governs the Condominium pursuant to the Condominium Documents and the Maryland Condominium Act.

Section 1.18. ***"County"*** means Montgomery County, Maryland.

Section 1.19. ***"Declaration"*** means this document and all exhibits attached hereto, as the same may be amended from time to time in accordance with the terms hereof.

Section 1.20. ***"Director"*** means any person appointed to the Board of Directors in accordance with the Bylaws.

Section 1.21. ***"First Class"*** means a quality, condition, nature or operation that is consistent with the initial construction and comparable to the quality, condition, nature or operation found in other mixed-use developments in the Washington, D.C. metropolitan area of comparable age, quality and construction to the Property, considering normal wear and tear over the life of the improvements, and includes inspection, testing, care, maintenance, operation, repair, alteration, additions, improvements, remodeling, restoration, renovation and replacement of the exterior of a Unit in accordance with the standards and requirements set forth in this Declaration and the Rules. Subject to the Rules and the provisions of Article 8 of this Declaration, "First Class" is not intended to apply to the quality of tenants, tenant mix, tenant selection or leasing program for the Commercial Unit or Residential Unit, nor is "First Class" intended to apply to the Parking Unit nor does it apply to the aesthetic or cosmetic components of the interior of a Unit.

Section 1.22. ***"General Common Elements"*** is defined in Section 2.5(b) of this Declaration.

Section 1.23. ***"General Common Expenses"*** means any expenses associated with (i) the maintenance, operation, inspection, administration, repair, or replacement of the General Common Elements, except to the extent specifically provided otherwise in this Declaration or the Bylaws, (ii) any insurance premiums payable with respect to insurance required to be carried by the Council of Unit Owners pursuant to Section 9.1(a) of this Declaration, and (iii) any amounts described as General Common Expenses in Section 10.3(d) of this Declaration. The General Common Expenses shall also include all reasonable expenses designated as such in the budget adopted annually by the Board of Directors in accordance with Section 5.1 of the Bylaws. Special Maintenance Expenses, as described in Section 3.8 of this Declaration, are not General Common Expenses. The Board of Directors shall allocate among the Unit Owners any expenses paid by or on behalf of the Council of Unit Owners that are neither General Common Expenses nor Special Maintenance Expenses.

Section 1.24. ***"Improvements and Betterments"*** is defined in Section 9.1(a)(i) of this Declaration.

Section 1.25. ***"Indemnitee"*** is defined in Article 7 of this Declaration.

Section 1.26. ***"Indemnitor"*** is defined in Article 7 of this Declaration.

Section 1.27. ***"Insurance Trustee"*** means the Mortgagee of the Residential Unit, or if there is no Mortgagee of the Residential Unit or if the Mortgagee of the Residential Unit declines to act as the Insurance Trustee, then a bank, insurance company, union, pension trust, profit or retirement fund, Real Estate Investment Trust, or similar institutional lender with substantial construction experience selected with the consent of all members of the Board of Directors, to be the loss payee of the proceeds of the insurance described in Sections 9.1(a)(i), (iv) and (v) of this Declaration.

Section 1.28. ***"Land Records"*** means the Land Records of Montgomery County, Maryland.

Section 1.29. ***"License Agreement"*** is defined in Section 2.1 of this Declaration.

Section 1.30. ***"Limited Common Elements"*** is defined in Section 2.5(d) of this Declaration.

Section 1.31. ***"Maryland Condominium Act"*** means and refers to Title 11 of the Real Property Article of the Annotated Code of Maryland in effect as of the date hereof, as the same has been or may be amended from time to time.

Section 1.32. ***"Mortgage"*** means any deed of trust, mortgage, and other security instrument recorded among the Land Records constituting a lien against all or any portion of a Unit.

Section 1.33. ***"Mortgagee"*** means the holder of or beneficiary under a Mortgage.

Section 1.34. ***"Notice to Proceed"*** is defined in Section 11.14(a) of this Declaration.

Section 1.35. ***"Officer"*** means any person holding office in the Council of Unit Owners pursuant to Article 4 of the Bylaws.

Section 1.36. ***"Parking Beneficiaries"*** is defined in Section 8.2(a) of this Declaration.

Section 1.37. ***"Parking Unit"*** means the Unit designated as such on the Condominium Plats.

Section 1.38. ***"Percentage Interest"*** means the undivided percentage ownership interest appurtenant to each Unit with respect to the General Common Elements and the Common Profits, and also represents the Unit Owner's percentage liability for General Common Expenses (other than Special Maintenance Expenses), as set forth in Exhibit "D" to this Declaration.

Section 1.39. ***"Performing Party"*** is defined in Section 11.13 of this Declaration.

Section 1.40. ***"President"*** means the President of the Council of Unit Owners elected in accordance with Article 4 of the Bylaws.

Section 1.41. ***"Project"*** means the Rockville Town Square project in Rockville, Maryland.

Section 1.42. ***"Property"*** is defined in Recital A of this Declaration.

Section 1.43. ***"Reserved General Common Elements"*** is defined in Section 2.5(c).

Section 1.44. ***"Restricted Areas"*** is defined in Section 3.2(b) of this Declaration.

Section 1.45. ***"Residential Parking Facility"*** means that portion of the Residential Unit which is identified on the Condominium Plats as parking levels B1 and 2B of the parking improvements located within the Property.

Section 1.46. ***"Residential Unit"*** means the Unit designated as such on the Condominium Plats.

Section 1.47. ***"Rules"*** means such reasonable rules and regulations adopted and amended from time to time by the Board of Directors, in accordance with Section 4.1 of this Declaration and Section 3.1(f) of the Bylaws, to govern the use and operation of the Condominium and that are consistent with the Maryland Condominium Act, this Declaration, and the Bylaws.

Section 1.48. ***"Second Notice"*** is defined in Section 11.14(b) of this Declaration.

Section 1.49. ***"Secretary"*** means the Secretary of the Council of Unit Owners elected in accordance with Article 4 of the Bylaws.

Section 1.50. ***"Security System"*** is defined in Article 6 of this Declaration.

Section 1.51. ***"Special Assessment"*** means the share of any General Common Expenses allocable to a Unit that is in addition to the Annual Assessment, including, but not limited to, those imposed pursuant to Section 7.3 of the Bylaws.

Section 1.52. ***"Special Maintenance Expenses"*** is defined in Section 3.8 of this Declaration.

Section 1.53. ***"Special Maintenance Items"*** is defined in Section 3.8 of this Declaration.

Section 1.54. ***"Sub-Condominium"*** is defined in Section 11.15(a) of this Declaration.

Section 1.55. ***"Sub-Unit"*** is defined in Section 11.15(b) of this Declaration.

Section 1.56. ***"Taxes"*** is defined in Section 11.4 of this Declaration.

Section 1.57. ***"Treasurer"*** means the Treasurer of the Council of Unit Owners elected in accordance with Article 4 of the Bylaws.

Section 1.58. ***"Unit"*** means the three dimensional contiguous or non-contiguous areas, as described in this Declaration and as shown on the Condominium Plats, and includes all improvements contained or to be contained within such areas unless designated in this Declaration or on the Condominium Plats as a General Common Element or Limited Common

Element. The term "Unit" shall mean the Commercial Unit, Residential Unit and Parking Unit, as the context may require.

Section 1.59. "Unit Owner" or "Owner" means any natural person, group of persons, corporation, partnership, limited liability company, association, trust, or other legal entity, or any combination of such entities, legally capable of holding title to real property, that owns fee simple title to a Unit; *provided, however*, that any person, group of persons, corporation, partnership, limited liability company, association, trust, or other legal entity, or any combination of such entities, that holds such an interest solely as security for the performance of an obligation shall not be a Unit Owner solely by reason of that interest.

Section 1.60. "Vice President" means the Vice President of the Council of Unit Owners elected in accordance with Article 4 of the Bylaws.

ARTICLE 2
CREATION OF THE CONDOMINIUM REGIME

Section 2.1. Name of Condominium. This condominium shall be known as "**Rockville Town Square Block 4 Condominium.**" The name of the condominium may be used by all Unit Owners in connection with the use, operation and marketing of all or any portion of their respective Units subject to and in conformity with the terms of a certain license agreement that has been entered into among the Declarant, Federal Realty Investment Trust and the Mayor and Council of Rockville, Maryland, entitled "Trademarks License Agreement" and dated of even date hereof (the "**License Agreement**"). None of the Unit Owners shall use the same or similar name for another project except in conformity with the terms of the License Agreement.

Section 2.2. Submission of Property to the Maryland Condominium Act.

(a) The Property is hereby subjected to, and shall hereafter be held, conveyed, divided, subdivided, leased, rented, occupied, improved, and encumbered in accordance with the Maryland Condominium Act and the covenants, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges, and liens set forth in this Declaration and the Bylaws, all of which are declared and agreed to be in aid of a plan for the division of the Property into a condominium pursuant to the Maryland Condominium Act. By the recordation of this Declaration among the Land Records and except as may be otherwise provided in this Declaration or the Bylaws (i) the Council of Unit Owners hereby assumes all responsibilities and duties imposed upon it by the Condominium Documents including all responsibility, and duty for the care, operation, repair, maintenance and, where required, replacement of the General Common Elements in accordance with the Condominium Documents and (ii) each Unit Owner hereby assumes all responsibilities and duties imposed upon it by the Condominium Documents including all responsibility and duty for the care, operation, repair, maintenance and, where required, replacement of its (a) respective Unit and (b) any Limited Common Element appurtenant thereto based upon its Alternative Percentage Allocation in accordance with the Condominium Documents, subject, however, to the rights and obligations the Council of Unit Owners may have pursuant to the Condominium Documents.

(b) All present and future Unit Owners shall, and shall use commercially reasonable efforts to cause their respective tenants, subtenants, licensees, employees, contractors and agents, to comply with the provisions of the Condominium Documents. The acceptance of a deed of conveyance or other acquisition of title to a Unit, the entering into of a lease, or the entering into occupancy of any Unit shall constitute an agreement that the provisions of the Condominium Documents are accepted and ratified by such Unit Owner, tenant, or occupant, and all of such provisions shall be deemed and taken to be enforceable equitable servitudes and covenants running with the land and shall automatically bind any person or entity having at any time any right, title, interest or estate in such Unit, including, without limitation, all Unit Owners and Mortgagees, as though such provisions were recited and stipulated at length in each deed, lease or other instrument

Section 2.3. Units; Dimensions of Units. The dimensions of the Units are as shown on the Condominium Plats, as amended from time to time. The perimeter and vertical boundaries of each Unit shall include the exterior walls, windows, doors and other improvements and such vertical boundaries shall consist of the vertical planes extended to intersect with each other and with the upper and lower horizontal boundaries of the Unit, as indicated on the Condominium Plats to the extent possible. The upper and lower horizontal boundaries of each Unit shall be horizontal planes extended to intersect the vertical boundaries of the Unit, as indicated on the Condominium Plats. The elevations of such horizontal planes shall be as described on the Condominium Plats. It is anticipated that buildings and other improvements will be constructed on the Property after the recordation of this Declaration and the initial Condominium Plats. Each Unit Owner shall cooperate in the preparation and recordation of an amendment or amendments to the Condominium Plats and any other instruments as may be reasonably necessary to reflect changes in Unit boundaries and the Common Elements based on the as-built location of buildings and other improvements within the Property.

Section 2.4. Units; Percentage Interests; Votes. Attached to and made part of this Declaration as Exhibit "D" is a list of the Units, the Percentage Interest of each Unit in the Common Elements, General Common Expenses and Common Profits, and the vote appurtenant to each Unit.

Section 2.5. Common Elements.

(a) **Ownership of General Common Elements**. Each Unit Owner shall be the owner of an undivided interest as a tenant-in-common in the General Common Elements, in accordance with the Percentage Interest of each Unit Owner.

(b) **General Common Elements**. The "General Common Elements" consist of the following specific areas and structures:

(i) The Property except for the Units and any Limited Common Elements;

(ii) All areas, improvements, and facilities designated as General Common Elements on the Condominium Plats; and

(iii) Unless otherwise provided for in this Declaration, on the Condominium Plats or otherwise designated or defined as part of the Units or Limited Common Elements, the General Common Elements include, but are not limited to, (a) footings, foundations, columns, girders, beams and similar supports for the improvements benefiting all Units erected or to be erected within the Property, (b) the service areas for trash, transformers and deliveries, (c) all of the pipes, cables, flues, wiring, ducts, conduits, public utility lines and other apparatus relating to any water and air distribution, power, gas, light, telephone, telecommunication, sewer, plumbing, air conditioning, heating and utility systems serving all of the Units, (d) exterior walls and facings of the Buildings and any partitions separating Units, (e) stairwells and stairs, (f) elevators and elevator shafts, (h) mechanical and maintenance rooms, (g) entrance doors and windows, (h) central loading and delivery areas, and (i) all apparatus and installations existing or hereinafter constructed on the Property for the common use, maintenance or safety of the Property.

(c) **Reserved General Common Elements**. The Board of Directors shall have the power in its discretion from time to time to grant revocable licenses in designated General Common Elements to any Unit Owner(s) at no charge or to establish a reasonable charge and terms for the use and maintenance thereof by such Unit Owner(s) (which charge shall be deemed an assessment payable in accordance with the Section 5.1(c) of the Bylaws or Special Maintenance Expense payable in accordance with Section 5.1(d) of the Bylaws, as determined by the Board of Directors). Such use and maintenance shall be in accordance with Applicable Law and the Condominium Documents. The General Common Elements or portions thereof so designated shall be referred to as a "**Reserved General Common Elements.**" By way of example, Reserved General Common Elements may include, but are not limited to, pop-out storefronts, Outdoor Dining Areas described in Section 3.2.1 of the Rules, and kiosks described in Section 3.4 of the Rules. Without limiting the generality of the foregoing, the Commercial Unit Owner shall have the right, from time to time, to designate portions of the General Common Elements adjacent to the Commercial Unit or within a reasonable proximity of the Commercial Unit as Reserved General Common Elements to be utilized by the Commercial Unit Owner, its tenants, subtenants, licensees, contractors, agents, employees, invitees and customers, to the extent such designation is reasonably connected to the use and operation of all or a portion of the Commercial Unit; subject, however, to Applicable Law and the prior consent of the Board of Directors that shall be granted unless such use has or shall have an adverse and material impact on another Unit Owner. The Commercial Unit Owner shall have priority over the other Unit Owners to use such Reserved General Common Elements for outdoor dining and seating. Such areas designated by the Board of Directors shall not be construed as a sale or other disposition of the General Common Elements. The Unit Owner who is granted a license to use a Reserved General Common Element shall be responsible for the care, operation, cleaning, maintenance and repair of such Reserved General Common Element during the term of such license or arising out of the result of such use during the term of such license, unless otherwise agreed by the Board of Directors.

(d) **Limited Common Elements**. The "**Limited Common Elements**" consist of those portions of the Common Elements that are (a) designated as Limited Common Elements on the Condominium Plats or (b) a part of the Common Elements that serve less than all of the Units and are determined from time to time by the Board of Directors to be Limited Common Elements. Any such Limited Common Elements shall be reserved for the exclusive

use of the Unit Owner(s) of the Unit(s) to which they are declared to be appurtenant by appropriate designation in the Condominium Documents or by the Board of Directors, subject to any easements and other rights as may be reserved or granted by the Condominium Documents or as otherwise established from time to time by the Board of Directors. Each Unit to which a Limited Common Element has been assigned shall be the owner of an undivided interest as a tenant-in-common in such Limited Common Element in accordance with such Unit Owner's Alternative Percentage Allocation attributable thereto.

(e) Any decisions concerning the use, operation, maintenance or repair of a Limited Common Element appurtenant to one or more Units shall be solely decided by the Unit Owner(s) to which such Limited Common Element has been assigned based upon such Unit Owner(s) Alternative Percentage Allocation.

(f) **Delegation of Use**. Each Unit Owner may delegate its right to use and enjoy the General Common Elements and any Limited Common Elements appurtenant to such Unit to such Unit Owner's employees, guests, agents, customers, licensees, invitees, and tenants, and to such other persons as may be permitted by the Board of Directors. Each person having the right to the use and enjoyment of the Common Elements, including, without limitation, such Unit Owner's employees, guests, agents, customers, licenses, invitees and tenants shall comply with the Condominium Documents and such Unit Owner shall use reasonable efforts to cause such third parties to comply with the Condominium Documents with respect to same.

Section 2.6. Unit Subdivision. Subject to Section 11.15 below, any Unit Owner may subdivide its Unit into two (2) or more units in accordance with Section 11-107(d) of the Maryland Condominium Act. It shall be a condition of the subdivision of a Unit that the original Percentage Interest, Alternative Percentage Allocation and the vote appurtenant to such Unit shall be allocated between or among the resulting subdivided units and that such subdivision does not have a material and adverse impact on the Condominium or other Unit Owners.

Section 2.7. No Severance of Ownership. No Unit Owner shall execute any lease, Mortgage, bring an action in partition, or otherwise transfer, convey (with or without consideration), or encumber its Unit without including therein the appurtenant Common Elements. The intention of this Section is to prevent any severance of the combined ownership interests in a Unit and its appurtenant Common Elements and shall not otherwise preclude the transfer, conveyance, lease or mortgage of all or a part of a Unit. Any lease, Mortgage or other instrument purporting to affect one or more of such interests, without including all such interests, shall be conclusively deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the appurtenant Common Elements of any Unit may be sold, conveyed, transferred, or otherwise disposed of, except as part of a sale, conveyance (with or without consideration), transfer, or other disposition of the Unit to which such interests are appurtenant, or as part of a sale, conveyance (with or without consideration), transfer, or other disposition of such part of the appurtenant Common Elements of all Units. Any conveyance, encumbrance, sale (including, but not limited to, a judicial sale), or other transfer of an appurtenant Common Element in violation of the preceding sentence shall be void.

Section 2.8. Party Walls and Party Floors.

(a) The party walls and party floors on portions of the dividing lines between two or more Units or between a Unit and a portion of the Common Elements shall be governed by this Section 2.8 and, to the extent not inconsistent with the provisions of this Section, by Applicable Law or other applicable agreements regarding party walls and party floors and liability for property damage, personal injury, or death due to negligence, willful or intentional acts or omissions.

(b) Except as otherwise provided in the Condominium Documents, the cost of reasonable repair, maintenance and replacement of a party wall or party floor shall be shared on an equal basis by the Unit Owners that make use of the wall or floor.

ARTICLE 3
EASEMENTS; COOPERATION IN DEVELOPMENT; ALTERNATIVE PERCENTAGE ALLOCATION

Section 3.1. General Common Elements, Utility and Structural Easements. Each Unit Owner shall have the benefit of an easement in common with all other Unit Owners to use the General Common Elements, subject to the right of the Board of Directors to designate portions of the General Common Elements as Reserved General Common Elements pursuant to Section 2.5(c) above. Each Unit shall be burdened by an easement in favor of all other Unit Owners and Units for the use of the General Common Elements serving such other Units as now or hereafter located in the burdened Unit. Every portion of the Property that contributes to the structural support of other Units or the Common Elements shall be burdened with an easement of structural support for the benefit of such other Units and Common Elements. Each Unit Owner shall also have the benefit of an easement to use, for their intended purposes, all pipes, wires, ducts, flues, cables, conduits, utility lines, and other similar materials and infrastructure that, upon the completion of the construction of the improvements on the Property or any replacements thereof, are located within another Unit or a Common Element and serving the Unit of the benefited Unit Owner.

Section 3.2. Other Easements.

(a) **Maintenance and Repair by Council of Unit Owners and by the Unit Owners**. The Council of Unit Owners shall have an easement in, over, under, through or across the Property for the inspection, operation, maintenance, repair, improvement, or replacement of the Common Elements, and each Unit Owner shall have an easement in, over, under, through or across the Property for the inspection, operation, maintenance, repair, improvement or replacement of the Limited Common Elements, if any, benefiting such Owner's Unit. Subject to Section 3.5 below, the Council of Unit Owners shall have an irrevocable right (but not the obligation) and an easement to enter the Units to make repairs to the Units when the repairs appear reasonably necessary to prevent damage to the Common Elements, prevent injury or death to a person or to reconstruct the Units in the event of a casualty or if otherwise required to do so by the Condominium Documents. All repairs shall be performed in accordance with Applicable Law and in a good and workmanlike manner consistent with prevailing industry standards for First Class properties.

(b) **Access**. Each Unit Owner shall have the unrestricted right of ingress and egress through the General Common Elements to its Unit. Each Unit Owner shall have an easement across those portions of the General Common Elements designed for vehicular and pedestrian ingress and egress for access to and from their respective Units and to and from public roads adjacent to the Property. No walls, fences, barriers or other obstructions that unreasonably interfere with or limit the free flow of vehicular and pedestrian traffic to and from the Units, or that otherwise unreasonably interferes with the activities of the Unit Owners, shall be erected or allowed to remain within such General Common Elements, without the prior written consent of the Unit Owner of the affected Unit, which consent may be granted or withheld in its sole and absolute discretion. Each Unit Owner shall have a right of access through other Units to the extent reasonably necessary to gain access to the General Common Elements or to any other portions of the Condominium that serve or benefit such Unit. The Parking Beneficiaries shall have an unrestricted easement through those portions of the Parking Unit designated for vehicular and pedestrian ingress, egress, access and vehicular parking within the Parking Unit. The owners of parking units located or to be located within the Residential Parking Facility (and their respective tenants, invitees, licensees and guests) shall have a non-exclusive unrestricted easement over and across the parking ramp which provides pedestrian and vehicular access from the Parking Unit to the Residential Parking Facility for ingress and egress to the Residential Parking Facility. By acceptance of a deed of conveyance, articles of transfer, or other applicable means of conveying record title to the Unit, each Unit Owner thereby grants a reasonable right of access to the Unit to the Board of Directors, the Condominium Managing Agent, other Unit Owners and any other persons authorized by the Board or the Condominium Managing Agent, to allow for the exercise of their respective rights, powers and responsibilities under the Condominium Documents including, without limitation, (a) making inspections, (b) correcting any condition originating in the Unit or in a Common Element to which access is obtained through the Unit or threatening the Common Elements, (c) performing installations, alterations or repairs to the Common Elements, or otherwise as reasonably deemed necessary. Any exercise of the rights of access pursuant to this Section shall be made after a prior request for entry is made and any such entry shall be made at a time reasonably convenient to the Unit Owner and, if requested by the Unit Owner, in the company of a representative of such Unit Owner. In all events, any such entry shall be exercised in a commercially reasonable manner so as to minimize inconvenience or disruption to the activities being conducted in the Unit. Except for areas within any Unit that are designated as **"Restricted Areas"** by written notice from the Unit Owner to the Condominium Managing Agent, in case of an emergency, such right of entry shall be immediate, whether or not a representative of the Unit Owner is present or a prior request was made. Restricted Areas in any Unit may not be accessed at any time unless a representative of the respective Unit Owner is present or the Unit Owner has otherwise consented to such access. Examples of Restricted Areas may include jewelry stores, bank vaults, cash handling areas, pharmacy inventory storage and display areas and similar areas containing property to which access must reasonably be limited for purposes of loss prevention, inventory control, confidentiality or compliance with Applicable Law. Any Unit Owner that designates any Restricted Areas shall provide the Condominium Management Agent and the other Unit Owners with the name(s) and phone number(s), and email address(es) of one or more agents or representatives who can readily be contacted if access to a Restricted Area is required. Units or portions thereof may not be designated as a Restricted Area unless there is a commercially reasonable and legitimate basis for doing so.

(c) **Construction, Development and Maintenance**. During the initial construction of the improvements on the Property, the Property shall be subject to an easement, for the benefit of each Unit Owner, the Council of Unit Owners and their respective agents for the purpose of access, the storage of building supplies and materials and equipment and for any and all purposes reasonably related to the initial development and construction of the Units and the Common Elements. Subsequent to substantial completion of the building shell for the Commercial Unit and Residential Unit, the Property shall be subject to an easement for the benefit of each Unit Owner, the Council of Unit Owners and their agents for purposes reasonably related to the completion, repair, replacement and maintenance of the Units and the Common Elements. To the extent it is feasible to do so, building supplies, materials and equipment shall be stored on the Common Elements rather than within a Unit of a Unit Owner not involved in the construction, reconstruction, improvement, repair or maintenance. In the exercise of any rights under this Section 3.2(c), there shall be no unreasonable and material interference with the use of any Unit or with the Common Elements for the purposes for which each is reasonably intended. Any person or entity exercising any rights under this Section 3.2(c) shall be obligated to promptly repair, at his/its own expense, any damage caused by the exercise of such rights and to restore promptly, to the extent practicable, any damaged real or personal property to the condition of such property prior to the exercise of such rights.

(d) **Utility Access**. To the extent access to utility, water and drainage systems serving any portion of the Property cannot be reasonably obtained through the General Common Elements, reasonable easements are hereby established through the Units and the Limited Common Elements to provide such use access. The Unit Owner seeking access to the utility systems pursuant to this subsection shall be responsible for restoring the areas through which access was obtained to the condition existing immediately prior to such access and shall be responsible for all costs associated with such access and restoration. The use of these utility easements shall not unreasonably interfere with or burden the use of the Unit in question.

(e) **Emergency Ingress and Egress**. To the extent emergency means of ingress and egress are not otherwise available through the General Common Elements, the Limited Common Elements and Units shall be subject to an easement for the benefit of the Unit Owners for emergency ingress and egress to and from their respective Units.

(f) **Unit Owners' Right to Grant Easements**. Except to the extent not prohibited or restricted by the Condominium Documents or the Maryland Condominium Act, the Unit Owners may grant easements through the General Common Elements and accept easements benefiting any portion of the Condominium, including easements for signage. Such grants shall require the approval of the Board of Directors, such approval not to be unreasonably withheld, conditioned or delayed.

(g) **Easement for Equipment**. The rooftop above the top floor of the Residential Unit shall be subject to an easement for the benefit of all Unit Owners for the installation, operation, maintenance, repair and replacement of a cooling tower, cooling tower supply and return piping and other HVAC equipment, kitchen exhaust shafts and fans, dishwasher exhaust shafts and fans and power, antennas, satellite dishes, and other similar telecommunications devices or equipment. All such equipment or apparatus shall be installed and maintained at the exclusive cost of its respective Unit Owner and without undue disruption

to the Residential Unit or the Residential Unit Owner. Notwithstanding the foregoing, to the extent such equipment or apparatus is installed, operated and maintained in accordance with the applicable design criteria specified in the Rules, manufacturer specifications and the Rules, such equipment or apparatus shall be deemed to have been installed, operated and maintained in a manner that does not create any undue disruption to the Residential Unit or the Residential Unit Owner. All such equipment or apparatus to the extent not required to be insured by the Council of Unit Owners shall be insured at the exclusive cost of its respective Unit Owner. The Owner of the Residential Unit shall have a reasonable right to approve the plans and specifications for any equipment or apparatus and structural reinforcements installed by the Owner of the Commercial Unit on the roof above the top floor of the Residential Unit, such approval not to be unreasonably withheld, conditioned or delayed. If a cooling tower is required to be installed by another Unit Owner on the rooftop above the top floor of the Residential Unit, such installation shall include any necessary structural reinforcement and shall comply with the requirements of this Section 3.2(g). Any Unit Owner utilizing the roof for any of the foregoing purposes shall be responsible for any damage done to the roof and shall insure that the roof is returned to the same sound condition as existing prior to the installation of any such apparatus, ordinary wear and tear excepted. Any Unit Owner utilizing the roof for any of the foregoing purposes shall provide notice to the Residential Unit Owner in accordance with Section 3.5 below. No equipment or apparatus shall be permitted if its installation, use or operation may result in a voiding of the roof warranty as determined by the entity providing the roof warranty. Any work performed on the roof shall be performed or supervised by the entity providing the warranty for the roof. After the expiration of the warranty for the roof, any work performed on the roof shall be performed or supervised by a qualified licensed commercial roofing contractor with substantial experience with similar roofing systems as selected by the Board of Directors or the Condominium Managing Agent.

(h) **Easements to the Commercial Management District for the Project**. The Commercial Management District for the Project shall have an easement in, over, under, through and across the Common Elements for the purpose of inspection, operation, maintenance, repair, improvement and replacement of public amenities for the Project, such as, by way of example, streetscapes, landscaping, public benches and public bicycle racks. Nothing contained in the foregoing shall impose any obligation on the part of the Commercial Management District to perform any inspection, operation, maintenance, repair, improvement or replacement of public amenities for the Project and any such duties of the Commercial Management District shall be governed by a separate agreement between the Commercial Management District and the Council of Unit Owners.

Section 3.3. Encroachments. If any portion of the improvements within the Property (including any improvements comprising the Units or Common Elements now or hereafter constructed) encroaches upon any other portion of the Property as a result of settlement, shifting, architectural or engineering deviations (within typical construction industry standards for mixed-use projects or as authorized or agreed by all affected Unit Owners) or movement of the encroaching improvement, an easement for such encroachment shall exist so long as the encroaching improvement shall remain in existence, provided such encroachment is not intentional and does not materially adversely affect the burdened Unit (or as authorized or agreed by all affected Unit Owners). If any building or other improvements within the Property or within a Unit shall be partially or totally destroyed as a result of fire or other casualty or as a

result of condemnation and then rebuilt to essentially the same configuration as originally constructed prior to such casualty or condemnation, an easement shall exist for unintentional encroachments by such buildings or other improvements upon any portion of the Property that do not materially adversely affect the burdened Unit for so long as such rebuilt buildings or other improvements shall remain in existence. The easement rights granted under this Section shall include an easement for the maintenance, repair, and replacement of the encroaching improvement.

Section 3.4. Characteristics of Easements. Subject to the provisions of the Condominium Documents, all easements and rights of ingress, egress and access created by this Declaration are appurtenant to and run with the Property, are perpetual, free of charge and non-exclusive, may be used by the agents, employees, tenants, licensees, contractors, customers and invitees of the Benefited Owner and shall continue in full force and effect until the termination of this Declaration, unless otherwise terminated with the written consent of the Benefited Owner. The word "in" with respect to an easement granted "in" a particular Unit or Common Element means, as the context may require, "in", "to", "over", "through", "on", "across", and "under", or any one of the foregoing.

Section 3.5. Exercise of Easements. To the extent that this Article 3 establishes easements for the benefit of the Council of Unit Owners or one or more Unit Owners, the Council of Unit Owners and each such Unit Owner (the **"Benefited Owner"**) shall have all rights and privileges reasonably necessary to the exercise of such easements consistent with the rights and privileges of the other Unit Owners and the Council of Unit Owners; provided, however, that the Benefited Owner shall take reasonable steps to minimize any damage to the Property, or injury or damage to other Unit Owners, as a result of its exercise of such rights and privileges and in no event shall the exercise of such easement violate the terms of the Condominium Documents or unreasonably or materially interfere with or disrupt the use or enjoyment of any Unit or with the use or enjoyment of the Common Elements for the purposes for which each is reasonably intended. Each Unit Owner exercising any easement rights and making any repairs pursuant to Section 3.2(a) of this Declaration shall be obligated to promptly repair, at its own expense, any damage it caused by the exercise of such rights and to restore promptly, in accordance with Applicable Law and in a good and workmanlike manner consistent with prevailing industry standards for First Class properties, any damaged real or personal property to the condition of such property prior to the exercise of such rights. The Benefited Owner's use or exercise of the easements established by this Article 3 shall not unreasonably interfere with or disrupt the use and enjoyment of the Units or Common Elements by the other Unit Owners. Except in cases involving an emergency, a Benefited Owner shall make a reasonable effort to (i) give fifteen (15) days prior notice to the Unit Owner of any Unit burdened by an easement to be entered for the purpose of making repairs or replacements to materials or equipment located within an easement appurtenant to the Unit of the Unit Owner making the repair or replacement, and (ii) perform such maintenance and replacements at such times and in such a manner that will not cause undue disruption or interference with the activities of any Unit Owner.

Section 3.6. Burdened Owner's Right to Relocate a Benefited Owner's Easement. The Owner of a Unit burdened by an easement (the **"Burdened Owner"**) shall have the right, at the Burdened Owner's expense, to relocate the easement and any facilities located therein with

the prior approval of the Benefited Owner, which approval shall not be unreasonably withheld, conditioned or delayed. It shall not be deemed unreasonable to withhold approval if in the sole discretion (acting in good faith, and not arbitrarily or capriciously) of the Benefited Owner such relocation materially and adversely affects the cost, efficiency or use of the easement or facilities located therein. The Burdened Owner shall take commercially reasonable steps to minimize any interference with the use of the easement by the Benefited Owner during the course of its relocation. In no event shall the Burdened Owner's exercise of its right of relocation unreasonably or materially interfere with the use of the Benefited Owner's Unit or the rights of the Benefited Owner to the use and enjoyment of the easement or the facilities located therein.

Section 3.7. Development Cooperation. Subject to the terms and conditions of the Condominium Documents, each Unit Owner shall use commercially reasonably efforts to cooperate with each other Unit Owner in any construction, reconstruction, or improvement of a Unit that is in accordance with this Declaration, the Bylaws and Applicable Law. Without limiting the generality of the foregoing, to the extent any Unit Owner reasonably requires site plans, permits, consents, approvals, utility easements, or other rights or information from other Unit Owners to fulfill any requirements imposed by any state or local governmental or quasi-governmental agencies, or utility companies or otherwise in connection with the permitted use or development of such Unit Owner's Unit, such other Unit Owners shall provide such consents, approvals, rights, or information, provided that (a) all costs reasonably related to the same shall be borne by the requesting Unit Owner, and (b) such consents, approvals, rights, or information shall not materially and adversely affect the use, operation or enjoyment of the Unit of the cooperating Unit Owner.

Section 3.8. Alternative Percentage Allocations and Special Maintenance Expenses. General Common Expenses shall be shared among the Unit Owners based on their respective Percentage Interests as set forth on Exhibit "D" attached hereto. All expenses incurred by or on behalf of the Council of Unit Owners, except for Special Maintenance Expenses (herein defined), shall be deemed General Common Expenses. However, the costs associated with the operation, maintenance, insurance, repair and replacement of certain portions of the Property (the "**Special Maintenance Items**"), including, but not limited to, those described on Exhibit "E" attached to and made a part hereof are based solely on an allocation different than their respective Percentage Interests. Such different allocation is hereinafter referred to as the **"Alternative Percentage Allocation."** All costs associated with operation, insurance, maintenance, repair and replacement of the Special Maintenance Items and Limited Common Elements, including but not limited to those listed on Exhibit "E" shall be shared among the Unit Owners based solely on the Alternative Percentage Allocation *provided, however*, that to the extent there is no Alternative Percentage Allocation designated to any Special Maintenance Item, then such allocation shall be based upon the Percentage Interest of the Unit Owner(s) to which such Special Maintenance Item is appurtenant. All expenses associated with the operation, insurance, maintenance, repair and replacement of the Special Maintenance Items referenced in Exhibit "E" are collectively hereinafter referred to as the "**Special Maintenance Expenses**." The Special Maintenance Expenses shall be shared among the Unit Owners based on the Alternative Percentage Allocation as set forth on Exhibit "E" to this Declaration, or as otherwise determined by the Board of Directors. Notwithstanding anything contained in the Condominium Documents to the contrary, any decisions concerning the use, operation, insurance maintenance

and repair of Special Maintenance Items shall be solely decided by the Unit Owner(s) responsible for the Special Maintenance Expenses of such Special Maintenance Items.

ARTICLE 4
RULES; MANAGEMENT

Section 4.1. Rules. Reasonable Rules not in conflict with this Declaration, the Bylaws and the Maryland Condominium Act concerning the use and enjoyment of the Property may be promulgated and amended from time to time by the Board of Directors in accordance with the Bylaws. Copies of the Rules and any amendments thereto shall be furnished to all Unit Owners promptly after adoption or amendment of such Rules. Rules that affect two (2) or fewer Unit Owners shall only require the consent of the affected Unit Owners. The Rules shall have the same binding effect on all Unit Owners as this Declaration or the Bylaws subject to Section 11.3(c) of this Declaration.

Section 4.2. Condominium Managing Agent. As more particularly set forth in Section 3.12 of the Bylaws, the Board of Directors may employ one or more professional, experienced Condominium Managing Agents to oversee the operation of all or a portion of the Condominium in accordance with the Condominium Documents. The Condominium Managing Agent(s) shall be entitled to receive a reasonable fee (which shall constitute a General Common Expense), as determined by the Board of Directors.

ARTICLE 5
UNIT AUTONOMY AND COUNCIL OF UNIT OWNERS AUTHORITY

Section 5.1. Autonomy of Units. It is the intent of Declarant that the Condominium Documents establish a viable mixed-use condominium whereby the Commercial Unit, Residential Unit and Parking Unit can harmoniously co-exist with minimal disturbance or interference from one another. Except as otherwise set forth in the Condominium Documents, it is intended that each Unit be able to operate without unreasonable interference from another Unit or Unit Owner, and that each Unit Owner shall have exclusive control over its respective Unit, except to the extent that such control would materially interfere with the reasonable use, operation or enjoyment of any portion of the Property by another Unit Owner. Subject to and in accordance with the Condominium Documents, the Residential Unit Owner and the Commercial Unit Owner shall use commercially reasonable efforts to operate, manage and maintain its respective Unit in a First-Class manner and the Parking Unit Owner shall operate, manage and maintain the Parking Unit in a good and workmanlike manner, in accordance with all Applicable Law and comparable with other governmentally owned parking garages in the County; provided, however, that in all circumstances, the Parking Unit Owner shall be expressly obligated to comply with the Rules that are applicable to the Parking Unit. Except as specifically set forth in Article 8 of this Declaration and the Rules, nothing contained in the Condominium Documents shall confer or be deemed to confer any right of review and/or approval on any Unit Owner or third party with respect to the nature or quality of the tenants, tenant mix, tenant selection or leasing program for the Commercial Unit or the Residential Unit or leasing program for parking spaces within the Parking Unit; such decisions being reserved in the sole and exclusive discretion of the respective Unit Owner.

Section 5.2. Standard of Authority for the Council of Unit Owners. Unless expressly provided otherwise in the Condominium Documents, the Council of Unit Owners and the Board of Directors shall exercise their rights and obligations under the Condominium Documents using commercially reasonable business judgment, taking into account, among other things, the provisions of Section 5.1 above, the uses of the Units, sound fiscal management of the Condominium, and the fiduciary duty of the Board to the Unit Owners. Without limiting the generality of the standards set forth in this Section, such standards shall apply to those matters in which the Board exercises its discretion under the Condominium Documents.

ARTICLE 6
SECURITY

The Council of Unit Owners and the Board of Directors shall have the right, but not the obligation, to maintain or support certain activities within the Property designed to enhance safety within the Condominium. Notwithstanding any references in the Condominium Documents, the Project or elsewhere to a security system, security personnel, fire access control systems or other systems of a similar nature (collectively, the **"Security Systems"**), neither the Council of Unit Owners, Declarant, the Unit Owners, their respective successors and assigns, nor any of their respective officers, members, employees, directors, agents or affiliates shall in any way be considered insurers or guarantors of security within the Condominium, nor shall any of them be responsible or held liable for any loss, damage, injury or death by reason of failure to provide adequate security or the ineffectiveness of the Security Systems. No representation or warranty is made that any Security System cannot be compromised or circumvented, nor that any such Security Systems or security measures undertaken or provided will in all cases prevent loss, damage, injury or death or provide the detection or protection for which the Security System is designed or intended. Each Unit Owner acknowledges and understands that the Council of Unit Owners, Declarant and the Unit Owners are not insurers or guarantors and that each Unit Owner assumes all risks for loss, injury or death to persons, or for loss or damage to its Unit and to the contents of its Unit resulting from the failure or ineffectiveness of a Security System.

ARTICLE 7
INDEMNITIES

Each Unit Owner (an **"Indemnitor"**) shall defend (with counsel reasonably acceptable to the Indemnitee), indemnify and hold harmless, at its expense, the Council of Unit Owners and any other Unit Owner (individually and collectively the **"Indemnitee"**) against and from all claims, demands, liabilities, penalties, damages, actions, suits, losses, expenses and judgments, including court costs and reasonable attorneys' fees, distribution and costs (including those incurred through appeals), which may be imposed upon or incurred by or asserted against any such Indemnitee, to the extent arising out of (i) the development, construction, use, operation or maintenance by the Indemnitor or any tenant, subtenant, licensee, employee, contractor and agent of such Indemnitor of any portion of the Condominium, including those instances where the Indemnitee has used commercially reasonable efforts to cooperate with a Unit Owner in accordance with Section 3.7, above, and including, but not limited to, the execution of or joinder in any of the documents or other items specified in Section 3.7, above, or (ii) the Indemnitor's use or exercise of the easements established by Article 3, except to the extent any damage, injury or death shall have been caused by the negligence or willful act or omission, of such Indemnitee

or its tenants, subtenants, licensees, employees, contractors and agents. This indemnification shall not be applicable to the extent that the claim, demand, liability, penalty, damage, action, suit, expense, loss or judgment arises out of injury, death, or damage occurring in, upon or about the Common Elements and is actually recovered by any liability insurance maintained by the Council of Unit Owners (or if the Council of Unit Owner's is named as an additional insured on such insurance policy) pursuant to the Bylaws.

ARTICLE 8
USE RESTRICTIONS

Section 8.1. Restrictions on Use of Units and Common Elements.

(a) **General Use of Units and Common Elements**. Use of the Units and Common Elements shall be subject to the following:

(i) Nothing shall be done or kept within the Units or Common Elements by any Unit Owner that will increase the rate of insurance payable by the Board of Directors, unless the Unit Owner causing such increase pays the total increase in premiums attributable to such use or action. No Unit Owner shall knowingly (based upon its actual knowledge) permit anything to be done or kept within the Units or Common Elements that will result in the cancellation of insurance for all or any portion of the Property or that would be in violation of Applicable Law. No physical waste will be committed on the Common Elements.

(ii) No use shall be made of any portion of the Residential Unit, Commercial Unit or the Common Elements that is not comparable and in keeping with a First Class standard; provided, however, that no use shall be made to any portion of the Parking Unit that is not comparable with the use of other governmentally owned parking garages in the County, however, that in all circumstances, the Parking Unit Owner shall be expressly obligated to comply with the Rules that are applicable to the Parking Unit. No use shall be made of any portion of the Units or Common Elements that materially and adversely impedes the conduct of the business of any Unit Owner or its tenants, subtenants, licensees, employees, contractors and agents or the occupancy, use or enjoyment of any Unit for the purposes for which such Unit is intended as set forth in the Condominium Documents. Applicable Law relating to any portion of the Units or the Common Elements shall be complied with by and at the sole expense of the Unit Owner or the Board of Directors, whichever shall have the responsibility for such portion of the Units or the Common Elements.

(iii) Except for Reserved General Common Elements or as otherwise provided elsewhere in the Condominium Documents, no Unit Owner shall unreasonably obstruct any of the General Common Elements and no Unit Owner shall place or cause or permit anything to be placed on or in any of the General Common Elements without the approval of the Board of Directors, which approval shall not be unreasonably withheld, conditioned or delayed; provided, however, that, except as provided in Section 3.2(c) of this Declaration, in no event shall any obstructions within the General Common Elements be permitted that would materially interfere with access to or visibility of any Unit. No Unit Owner shall unreasonably obstruct a Limited Common Element that is reserved for the exclusive use of another Unit Owner. Except as otherwise provided elsewhere in the Condominium Documents, nothing shall be altered,

constructed in, or removed from the General Common Elements except with the prior consent of the members of the Board of Directors, which approval shall not be unreasonably withheld, conditioned, or delayed. Nothing shall be altered or constructed in or removed from a Limited Common Element, except with the prior written consent of the Unit Owner(s) of the Unit(s) having the exclusive use thereof.

(iv) Except as provided in instruments recorded among the Land Records to which the Property is subject (including, but not limited to, the Condominium Documents), the Common Elements shall be used only for the furnishing of the services and facilities for which the same are reasonably suited and which are incident to the use and occupancy of the Units.

Section 8.2. Restrictions on Use of the Units.

(a) **General Restrictions**. The Units shall be operated in accordance with the Condominium Documents and Applicable Law. Unless the Board of Directors otherwise agree, the Parking Unit and Residential Parking Facility shall always be utilized for parking and related purposes for the Parking Beneficiaries, and subject to Section 8.2(d), below, the Commercial Unit shall always be used commercial, retail and related purposes and the Residential Unit, other than the Residential Parking Facility, shall always be used for residential and related purposes. Without limiting the foregoing, unless otherwise agreed by the Board of Directors, the Parking Unit Owner shall use commercially reasonable efforts to restrict the use of the Parking Unit by persons other than the Residential Unit Owner, owners of dwelling units within the Residential Unit, the Commercial Unit Owner and their respective agents, employees, tenants, subtenants, licensees, customers and invitees (together, the "**Parking Beneficiaries**") to the extent reasonably necessary to provide and maintain adequate parking for the use and benefit of the Parking Beneficiaries. The Parking Unit Owner shall make available for the Parking Beneficiaries six hundred and thirty (630) parking spaces within the Parking Unit at all times.

(b) **Specific Restrictions**. In addition to the restrictions contained in the Rules, no Unit shall be utilized for any of the following uses unless otherwise expressly permitted in the Condominium Documents or by the Board of Directors:

(i) Any use that produces or is accompanied by any unusual fire, explosive or other damaging or dangerous hazard (including the storage, display or sale of explosives or fireworks, other than de minimus amounts of fireworks for sale to consumers to the extent permitted by Applicable Law).

(ii) Any shooting gallery or gun range (other than an electronic or arcade type shooting gallery or gun range).

(iii) Any operation primarily used as a storage warehouse and any assembling, manufacturing, refining, smelting, industrial, agricultural, drilling or mining operation (except that incidental storage use ancillary to residential use by the Residential Unit Owner shall be permitted).

(iv) Any automobile body shop or repair operation, including automobile servicing or repair work (e.g., oil change, tire change, body or paint shop, tune-up, brake or muffler service).

(v) Gasoline or automobile service stations.

(vi) Any residential use by the Commercial Unit Owner or the Parking Unit Owner, including but not limited to, single family dwellings, townhouses, condominiums, other multi-family units of other forms of living quarters, sleeping apartments or lodging rooms. This Section 8.2(b)(vi), however, does not apply to the Residential Unit.

(vii) Any veterinarian, veterinary hospital or animal raising facilities (except that this prohibition shall not prohibit pet shops).

(viii) Any mortuary or funeral home.

(ix) Any facility or establishment primarily selling or exhibiting sexually explicit, or pornographic materials or a "head shop" (or any other type of establishment for the sale of illegal drugs and/or drug-related paraphernalia or equipment) or featuring strip tease acts or nude dancing.

(x) Any nightclubs, discotheque, dance hall, or bar whose sales of food do not constitute at least ten percent (10%) of its gross sales.

(xi) Any on-site commercial laundry, dry cleaning plant or Laundromat (however, any retail dry cleaning drop off and pick up store is permitted).

(xii) Any temporary or permanent storage of any "hazardous material" as that term may now or hereafter be defined by Applicable Law; provided, however, that this prohibition shall not apply to (a) supplies for cleaning and maintenance in commercially reasonable amounts required for use in the ordinary course of business, provided such items are incidental to the use of a Unit and are stored and used in compliance with Applicable Law, (b) standard office supplies in commercially reasonable amounts required for use in the ordinary course of business, provided such items are incidental to the use of the premises and are stored and used in compliance with Applicable Law, or (c) retail tenants' inventory generally held for resale in typical First Class retail projects and not prohibited elsewhere in the Condominium Documents, provided such inventory is stored and sold in compliance with Applicable Law.

(xiii) Any sales or leasing of new or used vehicles, including automobiles, trucks recreation vehicles or mobile homes (including used car lots), or any sales or leasing of new or used vehicles, including automobiles, trucks, recreation vehicles, or mobile homes, within any portion of a Unit that is outside any leasable space within the Buildings of such Unit.

(xiv) Any carnival, flea market, pawn shop, or car wash.

(xv) Any gambling facility or operation, including, but not limited to, off-track or sports betting parlor, table games such as blackjack or poker, or similar activities or a

bingo hall; provided, however, that this prohibition shall not apply to slot machines, video poker, video blackjack or similar devices, Keno or the sale of governmental sponsored lottery tickets that are incidental to the business operation being conducted by the occupant of the Commercial Unit.

(xvi) Any "amusement parlor" consisting primarily of pin ball, video or similar arcade games in excess of 1,500 square feet.

(c) **Residential Restriction.** Except for the Residential Parking Facility, the Residential Unit shall only be used for residential and related purposes in a First Class manner and, except as may be expressly required by Applicable Law, no part of the Residential Unit shall be used for the purpose of an apartment hotel, hotel, time share development, assisted living residence, nursing home, homeless shelter, subsidized housing or similar moderate to low income housing, *provided, however*, that the Residential Unit may be used for corporate rentals (i.e., leases to parties who are leasing units for corporate housing purposes) to tenants, *provided, further*, that such corporate rentals shall not exceed twenty percent (20%) of all of the dwelling units within the Residential Unit. The foregoing restriction regarding subsidized or moderate to low income housing shall not apply to any "moderately priced dwelling unit" as defined in Chapter 25A of the Montgomery County Code, as amended (commonly referred to as a "MPDU"), required by the County. The Residential Parking Facility shall only be used for residential parking purposes in a First Class manner.

(d) **Commercial Restriction.** The Commercial Unit shall only be used for commercial, retail and related purposes in a First Class manner.

ARTICLE 9
INSURANCE

Section 9.1. Insurance to be Carried by the Council of Unit Owners.

(a) Unless the Board of Directors otherwise agrees, it shall use commercially reasonable efforts to obtain on behalf of the Council of Unit Owners (or cause a Unit Owner to obtain on behalf of the Council of Unit Owners, subject to the prior approval of the other Unit Owners) the following insurance (or such greater or additional insurance as is deemed commercially reasonable by the Board of Directors) on or in connection with the Condominium:

(i) Insurance against risk of physical loss or damage to the Base Building (hereafter defined) and, to the extent insurable, the Common Elements located elsewhere on the Property, as provided under "all-risk of physical loss" extended form or equivalent policy of insurance in amounts of not less than the full replacement cost of the Base Building (exclusive of excavation and foundation costs) or such other amount as is deemed adequate by the Board of Directors to prevent the Condominium, the Board of Directors and all Unit Owners from being a co-insurer in the event of casualty loss, without deduction for depreciation; and including coverage for common boiler and machinery, and coverage for the perils of hail, windstorm, earthquake (in reasonable amounts if the Condominium is located in an earthquake zone), flood coverage (in reasonable amounts if the Condominium is located in a special flood hazard area) and, to the extent required by a Mortgagee, terrorism insurance

(however, if the Mortgagee of only one Unit requires terrorism insurance, then such insurance shall be at the sole cost and expense of the Unit Owner of that Unit). In addition, such insurance policy shall include business interruption coverage and coverage for loss of rents, as applicable (and any Sub-Condominium shall carry equivalent type of coverage for loss of assessments). Such policies shall contain replacement cost and agreed amount endorsements and shall contain commercially reasonable deductibles. If any portion of the Base Building constitutes a legal non-conforming structure under Applicable Law, such policies shall also include Applicable Law coverage endorsement. As used herein the term "**Improvements and Betterments**" means those portions of the interior of a Unit whose removal will not materially adversely affect the structure, safety or exterior appearance of the Base Building or the functionality of any other Unit located within the Building. Examples of Improvements and Betterments include non-load bearing interior walls and partitions, floor coverings, wall coverings, furniture and fabrics, plumbing fixtures exclusively serving a single Unit, kitchen fixtures, drop ceilings and utility systems serving only a single Unit. Improvements and Betterments do not include, among other things, the exterior walls, windows, doors and roofs of the Building, concrete floor or ceiling slabs, beams, columns and structural framings, life safety (including sprinklers) systems, elevators and elevator shafts, stair wells and common utility systems. The Building, saving and excepting the Improvements and Betterments located therein, is hereinafter called the "**Base Building**." To the extent a Unit Owner desires additional insurance coverage beyond that required to be obtained by the Board of Directors, such Unit Owner may (i) obtain the same at its own expense or (ii) have the Board of Directors obtain the same, provided that such Unit Owner reimburses the Council of Unit Owners for all costs and expenses related to such additional insurance.

(ii) Commercial General Liability Insurance and, to the extent applicable, Business Automobile Liability Insurance (including Non-Owned and Hired Automobile Liability) against claims for personal and bodily injury, death or property damage occurring on, in or as a result of the use of the Property, in an amount not less than $25,000,000 per occurrence/annual aggregate and all other coverage extensions that are usual and customary for properties of this size and type; *provided, however*, that the Board of Directors shall have the right from time to time to require such higher limits as may be reasonable and customary for First Class properties.

(iii) Worker's compensation insurance covering all persons employed by the Board of Directors or the Council of Unit Owners in connection with any work done on or about any of the Property, subject to such limits as may be required by Applicable Law.

(iv) Comprehensive Boiler, Machinery and Pressure Vessel Insurance covering any of the equipment on or in the Building used by the Council of Unit Owners or jointly used by both Unit Owners in an amount not less than $5,000,000 per occurrence for damage to property; *provided, however*, that the Board of Directors shall have the right from time to time to require such higher limits as may be reasonable and customary for properties of this size and type. If the insurance described in Paragraph (i) above and the insurance described in this Paragraph (iv) are not written by the same insurer, then both policies shall contain a joint loss agreement provision.

(v) During any period in which significant construction, alterations, repairs or reconstruction are being undertaken by the Board of Directors, builder's risk insurance covering the total completed value including any "soft costs" with respect to the improvements being constructed, altered, repaired or reconstructed (on a completed value, non-reporting basis), replacement cost of work performed and equipment, supplies and materials furnished in connection with such construction or repair of improvements or equipment, together with such "soft cost" endorsements and such other endorsements as the Board of Directors or a Mortgagee(s) of the Unit(s) may reasonably determine (however, if the Mortgagee of only one Unit requires such additional coverage or endorsement(s), then such endorsements shall be at the sole cost and expense of the Unit Owner of that Unit) and commercial general liability, workers' compensation and automobile liability insurance with respect to the services provided by the contractor.

(vi) Such other insurance, including, but not limited to, directors and officers and fidelity insurance (covering all Condominium employees and employees of the Condominium Managing Agent, including principals and employees of the Condominium Managing Agent), as the Board of Directors shall determine from time to time desirable, as required by Applicable Law, or as customarily carried by owners or operators of First Class properties. Notwithstanding the certain types of insurance and amounts of coverage required to be obtained pursuant to this Section 9.1(a), in obtaining insurance the Board of Directors may consider such factors as availability of types of insurance and the market for insurance premiums in deciding which type of insurance and the amounts of coverage to obtain, provided the same is consistent, as to types of coverage and amounts, with the requirements generally of institutional lenders or prudent owners or operators of First Class properties.

(vii) Because the Parking Unit Owner shall have the right to self insure in accordance with Section 9.3(d) of this Declaration (which self insurance program has a lower limit amount than that required under Section 9.3(a)(ii), below) and may also assert the defense of sovereign immunity against any claim or claims made against it, in addition to the foregoing commercial general liability insurance coverage, the Council of Unit Owners shall obtain, on behalf of the Residential Unit Owner and the Commercial Unit Owner, commercial general liability insurance coverage against claims for personal liability and bodily injury, death or property damage occurring in or as a result of the use of the Parking Unit, in an amount of not less than $2,000,000.00 per occurrence/annual aggregate. Such policy shall be written by companies which have a Best's rating of A-/VII or above by Best's Rating Guide (or equivalent rating agency authorized to do business in the State of Maryland, if Best's no longer publishes insurance ratings) and shall name the Residential Unit Owner and Commercial Unit Owner and their respective Mortgagees as the insureds under the policy. The premiums for such coverage shall be a Special Maintenance Expense to be shared equally by the Residential Unit Owner and Commercial Unit Owner.

(b) The insurance required by Section 9.1(a) shall be written by companies which have a Best's rating of A-/VII or above by Best's Rating Guide (or equivalent rating agency authorized to do business in the State of Maryland if Best no longer publishes insurance ratings). The insurance policies (i) shall be for such terms as the Board of Directors may reasonably approve and (ii) shall be in amounts sufficient at all times to satisfy any coinsurance requirements thereof. The insurance referred to in Section 9.1(a)(i), (iv) and (v) shall name the

Unit Owners and the Council of Unit Owners as additional insureds and the Mortgagees of the Units as Mortgagees as their respective interests may appear and shall name the Insurance Trustee as loss payee. The insurance referred to in Section 9.1(a)(ii) shall name the members of the Board of Directors (if available for the Directors at commercially reasonably rates) and the Council of Unit Owners as insureds and the individual Unit Owners and the Mortgagee of each Unit as additional insureds and shall be primary and non-contributory to any other coverage carried by such entities. If said insurance or any part thereof shall expire, be withdrawn, become void or become reasonably unsatisfactory to a Unit Owner or the Mortgagee of a Unit, the Board of Directors shall immediately obtain new or additional insurance reasonably satisfactory to such Unit Owner or Mortgagee; provided, however, that if such insurance policy or any part thereof should become reasonably unsatisfactory to a Unit Owner or a Mortgagee of Unit Owner, then the dissatisfied Unit Owner or the Unit Owner of the dissatisfied Mortgagee shall be solely responsible for the additional costs incurred by the Council of Unit Owners for replacing such insurance policy. To the extent reasonably available, all insurance policies maintained pursuant to this Article 9 shall include a provision stating that an act or omission by a Unit Owner, unless acting within the scope of authority and on behalf of the Council of Unit Owners, does not void the insurance policy and is not a condition to recovery under the policy.

(c) Each insurance policy of the type referred to in Section 9.1(a)(i), (ii), (iv) and (v) shall contain standard non-contributory mortgagee clauses in favor of and reasonably acceptable to each Mortgagee. Each policy of the type required by any provision of this Section 9.1(a), except clause (iii) thereof, shall provide that it may not be cancelled or substantially reduced except after thirty (30) days' prior notice to the Board of Directors, the Council of Unit Owners, each Unit Owner and each Mortgagee. Each such policy of the type referred to in Section 9.1(a)(i), (iv) and (v) shall also provide that with respect to Mortgagee(s) any loss otherwise payable thereunder shall be payable notwithstanding any act or omission of the Board of Directors, the Council of Unit Owners or a Unit Owner. Neither the Board of Directors, the Council of Unit Owners, nor any Unit Owner shall occupy or use any portion of the Condominium for purposes more hazardous than those permitted by the provisions of such policy, provided that no such policy shall unreasonably restrict the purposes for which the Units are intended to be used. The documentation with respect to each Mortgage shall contain provisions (and the Mortgagee shall acknowledge therein) to the effect that the Mortgagee acknowledges that the proceeds of the insurance policies required to be carried under Section 9.1(a)(i), (iv), and (v) and the additional assessments to be funded under Section 10.3(d) below, shall be available for repair and restoration of the Condominium. However, any Mortgagee shall be entitled to impose reasonable procedures on the disbursement of insurance proceeds for the repair and/or restoration of the Base Building (but in no event shall the Mortgagee be entitled to withhold such insurance proceeds), including a demonstration by the Board of Directors that the amount of such proceeds (together with such other funds as the Council of Unit Owners may agree to make available under Section 10.3(d), below) is sufficient for such purpose.

(d) The Board of Directors shall pay as they become due all premiums for the insurance required by Section 9.1(a), shall renew or replace each policy and deliver to each Unit Owner and the Mortgagee of each Unit, promptly upon request, evidence of the payment of insurance premiums and shall promptly, upon request, deliver to each Unit Owner and the Mortgagee of each Unit, promptly upon request, copies of all original certificates of insurance.

(e) The Board of Directors shall have the replacement cost and insurable value of the Condominium determined from time to time as may be reasonably determined by the Board of Directors or as may be required by the insurance carrier.

(f) If, subject to Section 9.1(a) hereof, the insurance in Section 9.1(a)(i), (ii), (iv) and (v) is procured by a Unit Owner on behalf of the Council of Unit Owners, then such coverage may be carried under a blanket policy so long as such coverage fulfills the requirements contained herein, provided that such coverage is specifically allocated to the Condominium and cannot be exhausted by claims related to other property owned by such Unit Owner.

(g) The premiums payable with respect to the insurance described in Section 9.1(a) shall be a General Common Expense, except to the extent such insurance is for Special Maintenance Items, in which case premiums for Special Maintenance Items shall be a Special Maintenance Expense.

Section 9.2. Adjustment of Insurance Coverage. Notwithstanding anything in the Condominium Documents to the contrary, each Unit Owner may, at its election and not more than once every three (3) years, reevaluate the adequacy of the insurance coverages obtained pursuant to Section 9.1 above. If such coverages have become inadequate in comparison to the coverages that are generally maintained for properties similar to the Condominium, then such Unit Owner may require that the Board of Directors provide such additional insurance coverage as is reasonably necessary.

Section 9.3. Insurance to be Carried by the Unit Owners.

(a) Each Unit Owner shall carry the following insurance and shall deliver certificates of insurance in form and substance reasonably satisfactory to the Board of Directors evidencing such coverage to the Board of Directors upon request:

(i) All-risk of physical loss insurance coverage insuring the Improvements and Betterments located within such Owner's Unit for the full replacement cost thereof.

(ii) Commercial General Liability Insurance and, to the extent applicable, Business Automobile Liability Insurance (including Non-Owned and Hired Automobile Liability) against claims for personal and bodily injury, death or property damage occurring on, in or as a result of the use of the Property, in an amount not less than $25,000,000 per occurrence/annual aggregate and all other coverage extensions that are usual and customary for properties of this size and type.

(iii) Worker's compensation insurance covering all persons employed by such Unit Owner in connection with any work done on or about any of the Property, subject to such limits as may be required by Applicable Law.

(iv) Comprehensive Boiler, Machinery and Pressure Vessel Insurance covering any of the equipment on or in the Building owned by such Unit Owner in an amount not less than $5,000,000 per occurrence for damage to property.

(v) During any period in which significant construction, alterations, repairs or reconstruction are being undertaken by a Unit Owner, builder's risk insurance covering the total completed value including any "soft costs" with respect to the improvements being constructed, altered, repaired or reconstructed (on a completed value, non-reporting basis) by such Unit Owner, replacement cost of work performed and equipment, supplies and materials furnished in connection with such construction or repair of improvements or equipment, together with such "soft cost" endorsements and such other endorsements as the Board of Directors may reasonably determine and commercial general liability, workers' compensation and automobile liability insurance with respect to the services provided by the contractor.

(b) The insurance required under Section 9.3(a) of this Declaration shall be written by companies which have a Best's rating of A-/VII or above by Best's Rating Guide (or equivalent rating agency authorized to do business in the State of Maryland, if Best's no longer publishes insurance ratings).

(c) The liability of carriers issuing insurance obtained by the Board of Directors shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

(d) Notwithstanding anything in the foregoing to the contrary, during such time that the City of Rockville, Maryland is the fee simple owner of the Parking Unit, the City of Rockville may maintain the insurance required under this Section 9.3 pursuant to the City of Rockville's self-insurance program administered by the Division of Risk Management for Montgomery County, Maryland, in accordance with the provisions of the Local Government Tort Claim Act, and for all of the City's employees.

(i) If the City elects to self insure pursuant to the foregoing, then the City shall provide the Council of Unit Owners with complete details of the City's self insurance program, including, but not limited to, annual copies of (a) the then current Participating Agency Agreement by and between the City and the County; (b) the underlying documents associated with the City's self insurance program; (c) any commercial policies carried by the City or the County on behalf of the City (including, primary or reinsurance policies); and (d) the annual actuarial report for such self-insurance program. In addition, the Council of Unit Owners shall have the right to annually audit, by an independent insurance consultant, the funds maintained in such self-insurance program in order to ensure that such funds are adequate to pay out any such claims or potential claims.

(ii) If (a) the funds in the self insurance program are determined to be inadequate for such purpose, or (b) the actuarial report is not reasonably satisfactory to the Council of Unit Owners (including, but not limited to, the confidence interval set forth in such report), or (c) the Participating Agency Agreement changes and such changes are not reasonably satisfactory to the Council of Unit Owners, or (d) the commercial general liability insurance coverage set forth in Section 9.1(a)(vii), above, is no longer available or is determined to be inadequate for the purpose for which it is intended, then in any or all such instances the Council of Unit Owners, pursuant to the majority consent of the members of the Council of Unit Owners to do so, may purchase the insurance coverage otherwise required to be maintained by the City