

Bylaws of
The Colonnade Community Association, Inc.

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Bylaws
of
The Colonnade Community Association, Inc.

ARTICLE 1
Applicability of Bylaws

These Bylaws are for THE COLONNADE COMMUNITY ASSOCIATION, INC., a Maryland nonstock corporation (the "Community Association").

ARTICLE 2
Definitions

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

ARTICLE 3
Meetings of Owners

Section 3.1. Membership. All Owners of Units are members of the Community Association.

Section 3.2. Annual Meetings. The first annual meeting of Owners shall be held within twelve (12) months from the date of filing of the Articles of Incorporation of the Community Association and each subsequent regular annual meeting of the Owners shall be held on the same day of the same month of each year thereafter or on such other reasonably similar date as may be selected by the Board of Directors.

Section 3.3. Special Meetings. Special meetings of the Owners may be called at any time by the President or by the Board of Directors, or upon written request of the Owners who are entitled to vote at least twenty percent (20%) of the total votes in the Community Association.

Section 3.4. Notice of Meetings.

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

(b) Notice shall be given pursuant to this Section 3.4 when it is (i) personally delivered to an Owner, (ii) left at an Owner's residence, (iii) mailed to an Owner at the Owner's address as it last appears on the records of the Community Association, (iv) transmitted to the Owner by electronic mail to any electronic mail address of the Owner or by any other electronic

means, subject to any limitation imposed by law, or (v) delivered by any other means allowed under applicable law. Such notice may be waived upon the declaration of an emergency by the person calling the meeting. Such notice shall specify the time, date, and place of the meeting, and, in the case of a special meeting, the purpose of the meeting. All meetings of the Owners shall be held at places and times convenient to the greatest practicable number of Owners.

Section 3.5. Quorum. The presence at the meeting of Owners entitled to cast, or of proxies entitled to cast, at least ten percent (10%) of the total votes in the Community Association shall constitute a quorum for any action except as otherwise provided in the Governing Documents. If, however, such quorum shall not be present or represented at any meeting, the Owners entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or be represented.

Section 3.6. Voting. At any meeting of the Owners for which a vote is to be taken, each Owner shall have the right to cast one (1) vote for each Residential Unit and/or Commercial Unit owned by such Owner on each question, provided that no Owners of Residential Units and/or Commercial Units, other than the Declarant, shall have more than ten (10) votes regardless of the number of Residential Units and/or Commercial Units owned by such Owner. The vote of the Owners representing at least fifty-one percent (51%) of the total of all of the votes represented at the meeting, in person or by proxy, calculated as aforesaid, shall be necessary to decide any question brought before such meeting, unless the question is one upon which, by the express provision of law or the Governing Documents, a different vote is required, in which case such express provision shall govern and control. The vote for any Residential Unit and/or Commercial Unit that is held by multiple Owners may be exercised by any of the co-Owners present at any meeting unless any objection or protest by any other co-Owner is noted at such meeting. If all of the co-Owners of any Residential Unit and/or Commercial Unit who are present at any meeting of the Owners are unable to agree on the manner in which the vote for such Residential Unit and/or Commercial Unit shall be cast on any particular question, then such vote shall not be counted for purposes of deciding that question. In the event any Residential Unit and/or Commercial Unit is owned by a corporation, then the vote for such Residential Unit and/or Commercial Unit shall be cast by a person designated in a certificate signed by the president or any vice president of such corporation and attested by the secretary or an assistant secretary of such corporation and filed with the Secretary of the Community Association, prior to or during the meeting. The vote of any Residential Unit and/or Commercial Unit which is owned by a trust, partnership, limited liability company or other legal entity may be exercised by any trustee, partner, or manager or authorized member thereof, as the case may be, and, unless any objection or protest by any other such trustee, partner or member is noted at such meeting, the Chairman of such meeting shall have no duty to inquire as to the authority of the person casting such vote or votes. No Owner shall be eligible to vote, either in person or by proxy, or to serve to the Board of Directors, who is shown on the books or management accounts of the Community Association to be more than sixty (60) days delinquent in any payment due to the Community Association.

Section 3.7. Absentee Ballots. Any unsigned absentee ballot, to be valid, shall be received in a signed, sealed envelope bearing the identification of the Residential Unit and/or

Commercial Unit on the outside, and shall be opened only at a meeting at which all members of the Board of Directors have a reasonable opportunity to be present.

Section 3.8. Proxies. At all meetings of Owners for which a vote is to be taken, each Owner may vote in person or by proxy. Every proxy shall be revocable and shall automatically cease upon conveyance by the Owner of such Owner's Residential Unit and/or Commercial Unit. No proxy shall be valid after eleven (11) months from its date, unless otherwise provided in the proxy. All proxies shall be in writing in such form as is approved by the Board of Directors, which approval may not be unreasonably withheld, and shall be filed with the Secretary before the appointed time of each meeting. Any written proxy that conforms with the applicable laws of the State of Maryland shall be deemed to be satisfactory and approved as to form by the Board of Directors. A nondirected proxy may be counted toward a quorum and may vote on any matters of business, unless otherwise provided by applicable law.

Section 3.9. Rights of Mortgagees. Any institutional mortgagee of any Unit who desires notice of the annual and special meetings of Owners shall notify the Secretary of the Community Association to that effect by Registered Mail - Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the annual and special meetings of the Owners should be addressed. The Secretary of the Community Association shall maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each annual or special meeting of the Owners to each such institutional mortgagee in the same manner, and subject to the same requirements and limitations as are otherwise provided in this Article for notice to the Owners. Any such institutional mortgagee shall be entitled to designate a representative to attend any annual or special meeting of the Owners and such representative may participate in the discussion at any such meeting and may, upon request made to the Chairman in advance of the meeting, address the Owners present at any such meeting. Such representative shall have no voting rights at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the Owners upon request made in writing to the Secretary.

Section 3.10. Open Meetings.

(a) All meetings of the Community Association (including meetings of the Owners, the Board of Directors, and committees appointed by the Board of Directors) shall be open to all Owners or their agents, except that such meetings may be held in closed session for the following purposes, subject to applicable law, including the provisions of the Maryland Homeowners Association Act, as amended from time to time:

- (i) Discussion of matters pertaining to employees and personnel;
- (ii) Protection of the privacy or reputation of individuals in matters not related to Community Association business;
- (iii) Consultation with legal counsel;

(iv) Consultation with staff personnel, consultants, attorneys or other persons in connection with pending or potential litigation;

(v) Investigative proceedings concerning possible or actual criminal misconduct;

(vi) Consideration of the terms or conditions of a business transaction in the negotiation stage if the disclosure could adversely affect the economic interests of the Community Association;

(vii) Compliance with a specific constitutional, statutory or judicially imposed requirement protecting particular proceedings or matters from public disclosure; or

(viii) On an individually recorded affirmative vote of two-thirds (2/3) of the members of the Board of Directors (or committee, if applicable) present, for some other exceptional reason so compelling as to override the general public policy in favor of open meetings.

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

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

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

ARTICLE 4

Board of Directors; Appointment; Term of Office

Section 4.1. Number and Qualifications. Until the Board is otherwise appointed pursuant to Section 4.2 below, the affairs of the Community Association shall be managed by a Board of Directors consisting of either three (3) or five (5) Directors (the number to be determined from time to time by the Declarant) who shall be appointed by and serve at the pleasure of the Declarant. The names of the three (3) initial Directors of the Community Association appointed by the Declarant are set forth in the Articles of Incorporation. To qualify for appointment to the Board of Directors, a Director appointed by the Declarant shall be a representative or designee of the Declarant. Upon the earlier of (i) sixty (60) days after one hundred percent (100%) of the Residential Units and Commercial Units, specifically excluding the Unit conveyed to the Community Association, have been conveyed to non-Declarant Owners or are otherwise being occupied primarily for the purposes for which they have been designated in the applicable Condominium Governing Documents, (ii) sixty (60) days after termination of the Declarant Control Period, or (iii) the express written termination by the Declarant of its right to appoint the members of the Board of Directors (the "**Board Transition Date**"), the Board of Directors shall be appointed in accordance with Section 4.2 below.

Section 4.2. Representative Directors for Condominiums. Commencing with the Board Transition Date, the Board shall consist of five (5) Directors and each Condominium shall have one (1) representative member on the Board of Directors in accordance with this Section 4.2. Unless determined otherwise by a Condominium Board, the President of the Condominium shall serve as the representative Director for such Condominium. To qualify for appointment to the Board of Directors, a Director appointed by a Condominium Board shall be an Owner.

Section 4.3. Removal. Any Director may be removed, with or without cause, solely by the person or entity that appointed such Director. Directors may also be removed as provided in Section 6.1(c) below.

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

Section 4.5. Action Taken Without a Meeting. Subject to the provisions of Section 3.10 of these Bylaws, the Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors and by filing such approval with the minutes of the proceedings of the Board of Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE 5 Meetings of Directors

Section 5.1. Regular and Special Meetings. All meetings of the Board of Directors or any committee created by the Board of Directors shall be held only (i) upon regularly scheduled and established dates or periods and at such time and place as shall have been made known to all Owners in writing in a community newsletter, electronic bulletin board, community website, by regular or electronic mail, or by other means which the Board of Directors determines will be reasonably effective in providing such notice to all Owners, or (ii) after written notice of a Board meeting is given to all Owners by any of the means listed in Section 3.4(b) of these Bylaws not less than seventy-two (72) hours nor more than ninety (90) days prior to the date of the meeting. Such notice may be waived upon the declaration of an emergency by the person calling the meeting. All such meetings shall be open to all Owners, Owners' agents, and residents of the Property, and shall be held at places and times convenient to the greatest practicable number of Owners. Meetings of the Board of Directors may be held in closed session only in accordance with Section 3.10 of these Bylaws.

Section 5.2. Quorum. A majority of the total number of Directors shall constitute a quorum for the transaction of business. If any meeting of the Board of Directors cannot be held because a quorum is not present, a majority of the Directors present at such meeting may adjourn the meeting to a time not less than three (3) nor more than thirty (30) days from the date of the original meeting. At the adjourned meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. Unless a greater number is expressly required under the Governing Documents or applicable law,

every act or decision done or made by a majority of the total number of Directors shall be regarded as the act of the Board.

Section 5.3. Rights of Mortgagees. Any institutional mortgagee of any Unit who desires notice of the regular and special meetings of the Board of Directors shall notify the Secretary of the Community Association to that effect by Registered Mail - Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the regular and special meetings of the Board of Directors should be addressed. The Secretary of the Community Association shall maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each regular or special meeting of the Board of Directors to each such institutional mortgagee, in the same manner, and subject to the same requirements and limitations, as are otherwise provided in this Article for notice to the Owners. Any such institutional mortgagee shall be entitled to designate a representative to attend any regular or special meeting of the Board of Directors and such representatives may participate in the discussion at any such meeting and may, upon request made to the Chairman in advance of the meeting, address the members of the Board of Directors present at any such meeting. Such representative shall have no voting rights at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the Board of Directors upon request made in writing to the Secretary of the Community Association.

ARTICLE 6

Powers and Duties of the Board of Directors

Section 6.1. Powers. The Board of Directors shall have power to:

(a) Adopt and publish rules and regulations of the Community Association including, without limitation, those relating to the use of the Community Facilities and the personal conduct of the Owners and their guests thereon, and to establish penalties for violations of such rules and regulations;

(b) Suspend an Owner's voting rights and an Owner's right to use the Community Facilities and Community Parking Units (i) for any period during which any Assessment against such Owner's Unit remains unpaid, and (ii) for any infraction of the Governing Documents, provided that such Owner is given reasonable notice of the violation and an opportunity for a hearing;

(c) Declare the office of a member of the Board of Directors to be vacant in the event such Director shall be absent from three (3) consecutive regular meetings of the Board of Directors, in which case the person or entity entitled to appoint such Director in accordance with Article 4 of these Bylaws shall appoint a replacement Director;

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

(e) Contract for services that benefit the Property;

(f) Exercise for the Community Association all powers, duties and authority vested in or delegated to the Community Association and not reserved to the Owners by other provisions of the Governing Documents.

Section 6.2. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Owners at the annual meeting of the Owners, or at any special meeting when such statement is requested in writing by Owners holding at least twenty percent (20%) of the total votes in the Community Association;

(b) Supervise all officers, agents and employees of this Community Association, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration, to:

(i) Fix the amount of Assessments against each Unit;

(ii) Send written notice of each Assessment to every Owner subject thereto prior to the commencement date of the new Assessments; and

(iii) Foreclose the lien against any Unit for which Assessments are not paid when due or bring an action at law against the Owner personally obligated to pay the same;

(d) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any Assessment has been paid. A reasonable charge may be imposed by the Board for the issuance of these certificates. If a duly issued certificate states an Assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) Procure and maintain adequate liability and hazard insurance on property owned by the Community Association and other insurance as is it may deem appropriate. The Community Association may periodically employ an insurance consultant if the Board of Directors deems it necessary to do so in order to analyze the insurance requirements of the Community Association;

(f) Cause all officers or employees of the Community Association having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) Cause the Community Facilities to be maintained and maintain any other property which is the responsibility of the Community Association pursuant to the Declaration or the direction of any governmental agency or agreement or which is appurtenant to or serves and benefits any portion of the Property; and

(h) Otherwise perform or cause to be performed the functions and obligations of the Board and the Community Association as provided for in the Governing Documents, including, without limitation, collection of Assessments.

Section 6.3. Management Agent. The Board of Directors shall employ a management agent in accordance with Article 10 of the Declaration.

ARTICLE 7
Officers and Their Duties

Section 7.1. Enumeration of Officers. The officers of the Community Association shall be a President, a Vice President, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create, all of which officers are to be elected by the Board of Directors. The President and the Vice President shall at all times be members of the Board of Directors; the other officers may, but need not, be members of the Board of Directors.

Section 7.2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Owners or such other time as may be determined by the Board of Directors, provided that the initial Board of Directors shall elect the first group of officers at its first organizational meeting.

Section 7.3. Term. Each officer of the Community Association shall be elected annually by the Board and each officer shall hold office for one (1) year or until his or her successor is duly elected and qualified, unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 7.4. Special Appointments. The Board may elect such other officers as the affairs of the Community Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

Section 7.5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7.6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 7.7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person and the offices of Vice President and assistant secretary may be held by the same person, but in no event shall the same officer execute, acknowledge or verify any instrument in more than one capacity if such instrument is required by law or the Governing Documents to be executed, acknowledged or verified by two (2) or more officers. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 7.4 of this Article and except as otherwise provided in this Section 7.7.

Section 7.8. Duties. The duties of the officers are as follows (any of which may be assigned, in whole or in part, by the Board of Directors to the Community Association's management agent):

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

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

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

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

Section 7.9. Compensation. No officer shall receive compensation for any service rendered to the Community Association. However, any officer may be reimbursed for actual expenses incurred in the performance of such officer's duties.

ARTICLE 8

Liability and Indemnification of Officers and Directors; Fidelity Insurance

Section 8.1. Liability and Indemnification. The Community Association shall indemnify every officer and Director of the Community Association against any and all expenses, including counsel fees, reasonably incurred by or imposed upon an officer or Director in

connection with any action, suit or other proceeding (including the settlement of any such suit or proceeding if approved by the then Board of Directors of the Community Association) to which such officer or Director may be made a party by reason of being or having been an officer or Director of the Community Association, whether or not such person is an officer or Director at the time such expenses are incurred. The officers and Directors of the Community Association shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The officers and Directors of the Community Association shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Community Association and the Community Association shall indemnify and forever hold each such officer and Director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or Director of the Community Association or former officer or Director of the Community Association may be entitled.

Section 8.2. Fidelity Insurance. The Community Association shall maintain liability insurance for Directors and officers of the Community Association with coverages not less than those provided for under Section 5-406 of the Courts and Judicial Proceedings Article of the Annotated Code of Maryland, or any successor statute, as the same may be amended from time to time. The Board of Directors shall require that all officers, Directors and employees of the Community Association regularly handling or otherwise responsible for the funds of the Community Association shall be covered by adequate fidelity insurance or equivalent coverage against acts of dishonesty. The premiums on the insurance under this Section 8.2 shall be paid by the Community Association.

Section 8.3. Committee Members. The provisions of this Article 8 or provisions elsewhere in the Governing Documents relating to liability, indemnification and insurance of Directors and officers shall also apply to any member of a committee of the Community Association.

ARTICLE 9

Insurance

Section 9.1. Insurance. In addition to the insurance coverage required to be maintained pursuant to the Declaration, the Board of Directors may obtain and maintain, to the extent reasonably available, the following:

- (a) Workmen's compensation insurance for employees of the Community Association to the extent necessary to comply with any applicable law;
- (b) A "Legal Expense Indemnity Endorsement", or its equivalent, affording protection for the officers and Directors of the Community Association for expenses and fees incurred by any of them in defending any suit or settling any claim, judgment or cause of action to which any such officer or Director shall have been made a party by reason of his or her services as such; and

(c) Such other policies of insurance, including director and officer liability insurance and insurance for other risks of a similar or dissimilar nature and fidelity insurance as required by these Bylaws, as are or shall hereafter be considered appropriate by the Board of Directors.

Section 9.2. Limitations. Any insurance obtained pursuant to the requirements of this Article shall be subject to the following provisions:

(a) All policies shall be written or reinsured with a company or companies licensed to do business in the State of Maryland which has a current rating by the Best's Key Rating Guide of "B" or better (or its equivalent).

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

(c) In no event shall the insurance coverage obtained and maintained pursuant to the requirements of this Article be brought into contribution with insurance purchased by the owners of the Units or their mortgagees, as herein permitted, and any "no other insurance" or similar clause in any policy obtained by the Community Association pursuant to the requirements of this Article shall exclude such policies from consideration.

(d) All policies shall provide that such policies may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days prior written notice to any and all insureds named thereon, including any mortgagee of any Unit who requests such notice in writing.

(e) All policies shall contain a waiver of subrogation by the insurer as to any and all claims against the Community Association, the Board of Directors, the officers of the Community Association, the Owners and their respective agents, employees or tenants, and of any defenses based upon co-insurance or invalidity arising from the acts of the insured.

ARTICLE 10

Committees

The Board of Directors may appoint a Covenant Committee as provided in the Declaration. In addition, the Board of Directors may appoint other committees as it deems appropriate in carrying out its purposes. All committees appointed by the Board of Directors shall hold meetings in accordance with Section 3.10 and Section 5.1 of these Bylaws.

ARTICLE 11

Books and Records/Fiscal Management

Section 11.1. Fiscal Year. The fiscal year of the Community Association shall begin on the first day of January every year, except for the first fiscal year of the Community Association, which shall begin on the date of recordation of the Declaration. The commencement date of the Community Association's fiscal year shall be subject to change by the Board of Directors should the practice of the Community Association subsequently dictate.

Section 11.2. Principal Office - Change of Same. The initial principal office of the Community Association shall be as set forth in the Articles of Incorporation for the Community Association but meetings of Owners and Directors may be held at such places within or outside the State of Maryland as may be designated by the Board of Directors. The Board of Directors, by appropriate resolution, shall have the authority to change the location of the principal office of the Community Association from time to time.

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

Section 11.4. Auditing. At the close of each fiscal year and at the election of the Board of Directors, the books and records of the Community Association may be audited by an independent Public Accountant whose report shall be prepared in accordance with generally accepted auditing standards, consistently applied. Based upon such report, if prepared, the Community Association shall furnish the Owners and any Mortgagee requesting the same with an annual financial statement, including the income and disbursements of the Community Association, within one hundred twenty (120) days following the end of each fiscal year.

Section 11.5. Inspection of Books. The books and accounts of the Community Association, vouchers accrediting the entries made thereupon and all other records maintained by the Community Association shall be available for examination by the Owners and their duly authorized agents or attorneys, and to the institutional holder of any first mortgage on any Unit and its duly authorized agents or attorneys, during normal business hours and for purposes reasonably related to their respective interests and after reasonable notice. The Governing Documents shall be available for inspection by any Owner at the principal office of the Community Association, where copies may be purchased at reasonable cost.

ARTICLE 12

Assessments

Each Owner is obligated to pay to the Assessments levied by the Community Association pursuant to the Governing Documents. Assessments are secured by a continuing lien upon the Unit against which the Assessment is made.

ARTICLE 13

Corporate Seal

The Community Association may have a seal in circular form having within its circumference the words: THE COLONNADE COMMUNITY ASSOCIATION, INC., a Maryland corporation. Alternatively, the Community Association may place the word "(SEAL)"

adjacent to the signature of the person authorized to sign any document on behalf of the Community Association if a corporate seal is required.

ARTICLE 14
Amendments

These Bylaws may be amended, at a regular or special meeting of the Owners, by Owners entitled to vote at least fifty-one percent (51%) of the total votes of the Community Association and with the consent of the Declarant during the Declarant Control Period.

ARTICLE 15
Interpretation/Miscellaneous

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

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

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

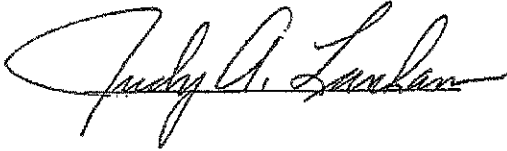
Section 15.4. Waiver. No restriction, condition, obligation or provision of these Bylaws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

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

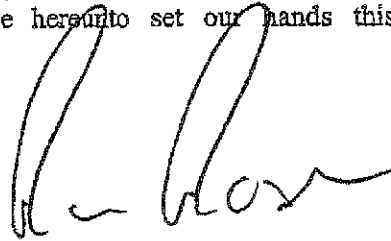
[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, we, being all of the Directors of THE COLONNADE
COMMUNITY ASSOCIATION, INC., have hereunto set our hands this ____ day of
_____, 200_.

WITNESS:



Judy A. Larkin



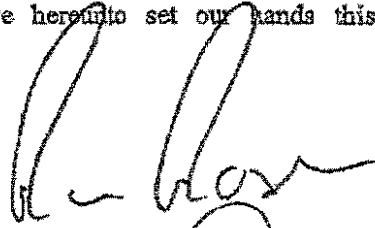
Rami Rosen, Director

_____, Director

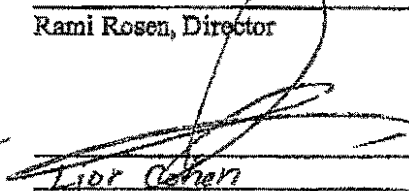
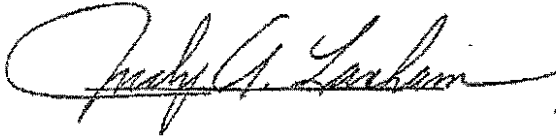
_____, Director

IN WITNESS WHEREOF, we, being all of the Directors of THE COLONNADE
COMMUNITY ASSOCIATION, INC., have hereunto set our hands this ____ day of
_____, 200_.

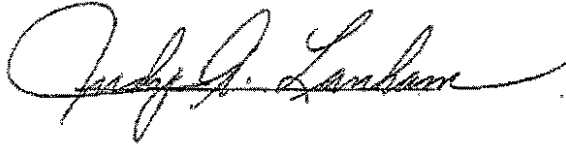
WITNESS:



Rami Rosen, Director



Lior Cohen, Director



Joseph Manor, Director

