

BYLAWS
OF
WOODLEA MANOR CONSERVANCY

ARTICLE I
NAME AND LOCATION

The name of the corporation is WOODLEA MANOR CONSERVANCY, hereinafter referred to as the "Conservancy." The principal office of the Conservancy shall be located at 6820 Elm Street, McLean, Virginia 22101, but meetings of Members and Trustees may be held at such places as may be designated by the Board of Trustees.

ARTICLE II

SEAL

The corporate seal of the Conservancy shall be in circular form and shall bear the name of the Conservancy and the date _____, 1988.

ARTICLE III

DEFINITIONS

Section 1. "Approval" shall mean and refer to the issuance by any public agency of written approval, or any written waiver of approval rights or formal letter stating "no objection."

Section 2. "Assessable Unit" shall mean and refer to any real property within the Properties which is subject to assessments as provided in Article V of the Declaration.

Section 3. "Book of Regulations" shall mean and refer to the document containing rules and regulations and policies of the Conservancy as they may from time to time be amended.

Section 4. "Builder" shall mean and refer to a person or entity which acquires a portion of the Properties for the purpose of improving such portion for resale to Owners.

Section 5. "Common Area" shall mean and refer to all real property and improvements thereon owned or leased by the Conservancy for the use and enjoyment of the Members.

Section 6. "Declaration" shall mean and refer to the covenants, conditions, and restrictions and all other provisions therein set forth in the Woodlea Manor Declaration of Covenants, Conditions, and Restrictions as may be amended from time to time.

Section 7. "Developer" shall mean and refer to NVLand, Inc., a Virginia corporation, its successors and assigns; provided, however, that no successor or assignee of the Developer shall have any rights or obligations of the Developer hereunder unless such rights and obligations are specifically set forth in the instrument of succession or assignment or which pass by operation of law. The rights and obligations set forth herein of the Developer, as Developer, shall cease upon the earlier to occur of (i) the completion of ninety percent (90%) of the Living Unit construction within the Development Limits, or (ii) the lapse of five (5) years since the recordation of the last subdivision record plat and accompanying documentation submitting property to the Declaration.

Section 8. "Development Limits" shall mean and refer to the total of potential land which may become part of the properties.

Section 9. "Federal Mortgage Agencies" shall mean and refer to those Federal Agencies who have an interest in the Properties, such as the Federal Housing Administration, the Veterans Administration, the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation, or successors to their interests.

Section 10. "First Mortgagee" shall mean and refer to an Institutional Lender who holds the first deed of trust on a Lot or Living Unit and who has notified the Conservancy of its holdings.

Section 11. "Conservancy" shall mean and refer to the Woodlea Manor Conservancy, its successors and assigns.

Section 12. "Founding Documents" shall mean and refer to the Articles of Incorporation of the Conservancy, the Declaration, and these Conservancy Bylaws, all as initially drawn by the Developer and filed and recorded as the case may be, and all as may be duly amended from time to time.

Section 13. "Governing Documents" shall mean and refer collectively and severally to the Founding Documents and the Book of Regulations, as such may be amended from time to time.

Section 14. "Institutional Lender" shall mean and refer to one or more commercial or savings banks, savings and loan associations, trust companies, credit unions, industrial loan associations, insurance companies, pension funds, or business

trusts including but not limited to real estate investment trusts, any other lender regularly engaged in financing the purchase, construction, or improvement of real estate, or any assignee of loans made by such a lender, or any private or governmental institution which has insured a loan of such a lender, or any combination of any of the foregoing entities.

Section 15. "Living Unit" shall mean and refer to any portion of a structure situated upon the Properties designed and intended for use and occupancy as a residence by a Single Family.

Section 16. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision plat of the Properties.

Section 17. "Members" shall mean and refer to members of the Conservancy which shall consist of all Owners and which is comprised of Class A and Class B Members as defined in the Articles of Incorporation of the Conservancy.

Section 18. "Notice" shall mean and refer to (1) written notice delivered personally or mailed to the last known address of the intended recipient, or (2) notice published at least once a week for two consecutive weeks in a newspaper having general circulation in Loudoun County, or (3) the newsletter of the Conservancy delivered or mailed to each Member.

Section 19. "Owner" shall mean and refer to the record holder of the fee simple title to any Lot, whether one or more persons or entities, including contract sellers; the term shall exclude those having such interest merely as security for the performance of an obligation.

Section 20. "Properties" shall mean and refer to all real property which becomes subject to the Declaration, together with such other real property as may from time to time be annexed thereto.

Section 21. "Quorum" shall mean and refer to the representation by presence or proxy of Members who hold ten percent (10%) of the outstanding votes of each voting class.

Section 22. "Registered Notice" shall mean and refer to any Notice which has been signed for by a recipient or has been certified by the U. S. Postal Service or other entity as having been delivered to the address of the intended recipient. Refusal of an intended recipient to acknowledge such Registered Notice shall in no way affect its validity.

Section 23. "Single Family" shall mean and refer to a single housekeeping unit which includes not more than four adults who are legally unrelated.

ARTICLE IV

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Conservancy, and each subsequent regular annual meeting of the Members shall be held on a date and at a place set by the Board of Trustees, not more than fourteen (14) or less than ten (10) months from the last annual meeting, provided that there shall be an annual meeting in each calendar year.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Trustees or upon written request of the Owners who hold one-tenth (1/10) of the outstanding Class A votes as of the date the first Owner signs the demand for a special meeting.

Section 3. Proxies. Each Member may vote in person or by proxy. In order to be valid, any proxy shall be in writing and filed with the Secretary or other officer entitled to tabulate votes. Every proxy shall be revocable and shall automatically cease after eleven months unless a longer period is expressly provided in the appointment form. A proxy may be instructed (directing the person to whom the proxy has been granted to vote) or uninstructed (allowing the person to whom the proxy has been granted to vote as such person desires).

Section 4. Method of Voting. Elections or questions to be submitted to all or any part of the membership may be decided at a meeting or by ballot vote, by mail, or at polling places designated by the Board. The Board shall determine the method of voting by resolution and give notice thereof as provided herein.

Section 5. Consent in Lieu of Meeting. Any action which may be taken at a meeting of the Members of the Conservancy can be taken without a meeting and without action by the Board of Trustees if the action is unanimously consented to in writing by the Members of the Conservancy entitled to vote on the action. A unanimous consent shall be effective according to its terms when

all consents to an action are in the possession of the Secretary of the Conservancy.

ARTICLE V

NOTICE

Section 1. Notice. Notice for meetings to amend the Articles of Incorporation shall be provided to Members at least thirty (30) days and no more than sixty (60) days prior to such meeting or ballot poll. Notice of all other meetings of Members shall be provided to Members at least fifteen (15) days before such meeting.

Notice of meetings or ballot polls shall specify the place, day and hour. In the case of a special meeting, the Notice shall state the purpose of the meeting. In the case of the ballot poll, the Notice shall include the matter(s) to be voted upon.

Section 2. Fixing of Record Date. For the purpose of determining the Members entitled to notice of, or to vote at any annual or special meeting of the Members, or any adjournment thereof, or in order to make a determination of the Members for any other proper purpose, the Board of Trustees may fix in advance a date as the record date for any such determination of Members, such date in any case to be not more than sixty (60) days and not less than ten (10) days prior to the date on which the particular action requiring such determination of Members is to be taken. If no record date is fixed for the determination of Members entitled to notice or to vote at a meeting of Members, the date on which notice of the meeting is mailed shall be the

record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof.

Section 3. Voting Lists. The Secretary of the Conservancy shall make, at least ten (10) days prior to each meeting of the Members, a complete list of the Members entitled to vote at such meeting, or any adjournment thereof, arranged in alphabetical order, with the address of and the number of votes held by each Member; which list, for a period of ten (10) days prior to such meeting shall be kept on file at the principal office of the Conservancy and shall be subject to inspection by any Member at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member during the whole time of the meeting. The original record of Members shall be prima facie evidence as to who are the Members entitled to examine such list or to vote at the meeting of Members.

ARTICLE VI

BOARD OF TRUSTEES

Section 1. Number. The affairs of the Conservancy shall be managed by a Board of up to seven Trustees. The initial Board shall consist of four (4) Trustees appointed by the Developer. At the first Annual Meeting following the expansion of the Conservancy to include at least Two Hundred Eighty-five (285) Class A Members, one Trustee shall be elected and the Board of

Trustees shall be expanded to consist of five (5) Trustees. At the first annual meeting following the expansion of the Conservancy to include at least Three Hundred Fifty-seven (357) Class A Members, two (2) additional Trustees shall be elected and the Board of Trustees shall be expanded to consist of seven (7) Trustees.

Section 2. Composition and Term.

Appointed Trustees. Appointed Trustees shall be appointed by the Developer and shall serve two year terms. Appointed Trustees may be reappointed, and need not be Members of the Conservancy. The Developer shall appoint four Trustees until such time as the Class B membership expires. Thereafter, the Developer, until its rights as Developer cease, shall appoint two Trustees and the remainder of the Trustees shall be elected. After the rights of the Developer, as Developer, cease, all Trustees shall be elected.

Elected Trustees. Until the expiration of the remaining terms of all Appointed Trustees, all Elected Trustees shall be elected for one-year terms and shall be Members of the Conservancy. Upon the expiration of the final term of all of the Appointed Trustees, the terms of the Elected Trustees shall be staggered as follows. The Trustees shall be divided into two groups: two groups of two Trustees, if there are a total of four Trustees; a group of two Trustees and a group of three Trustees if there are five Trustees; and a group of three Trustees and a group of four Trustees if there are seven Trustees. Both groups

of Trustees shall be elected for two-year terms; provided, however, that at the first annual meeting at which groups of Trustees are elected for staggered terms, one of the two groups shall be elected for a one-year term and the other group shall be elected for a two-year term. Should the Board of Trustees have either five or seven Trustees, then the larger group (the group with three or four Trustees respectively) shall be the group that is elected for an initial two-year term.

Section 3. Method of Nomination. Candidates for election shall file a petition of candidacy, signed by not less than ten Members, with the Elections Committee at least three weeks before the annual meeting. The Elections Committee shall provide all Members with a ballot containing the names of all bona fide candidates with the notice of the annual meeting.

Section 4. Method of Election. The Members may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles of Incorporation. Cumulative voting is not permitted. Those persons receiving the largest number of votes shall be elected.

Section 5. Resignation and Removal. The unexcused absence of an Elected Trustee from three consecutive regular meetings of the Board shall be deemed a resignation. Any Elected Trustee may be removed from the Board, with or without cause, by a majority vote of the Members of the Conservancy. Any Elected or Appointed Trustee may resign by delivering written notice of his resignation to the Board of Trustees.

Section 6. Vacancies. In the event of death, resignation, or removal of an Elected Trustee, his successor shall be selected by the remaining Trustees, and shall serve until the next meeting of the Members of which Trustees are elected.

Section 7. Compensation. No Trustee shall receive compensation for any service he may render to the Conservancy. However, any Trustee may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 8. Powers. The Board of Trustees shall have all powers for the conduct of the affairs of the Conservancy which are enabled by law, the Declaration, and the Articles of Incorporation which are not specifically reserved to Members or the Developer.

Section 9. Duties. Without limiting the generality of its powers, it shall be the duty of the Board to:

(a) exercise its powers in accordance with the Governing Documents;

(b) cause to be kept a complete record of all its corporate affairs, including the Book of Regulations, make such records available for inspection by any Member, his agent, or Institutional Lender who has an interest in the Properties and present an annual statement thereof to the Members and First Mortgagees;

(c) adopt and follow procedures for adoption and publication of board resolutions to be included in the Book of Regulations, including the provision for hearing and notice to

Members for resolution on rules, the annual budget and other matters affecting the rights of Members;

(d) adopt and publish rules and regulations, including fees, if any, governing the use of the Common Area and facilities and the personal conduct of the Members and their guests thereon, and include these in the Book of Regulations;

(e) enforce the adopted and published rules and regulations and all provisions of the Governing Documents;

(f) establish architectural standards for the Properties in accordance with the procedures specified in the Book of Regulations;

(g) supervise all officers, agents, and employees of the Conservancy and see that their duties are properly performed;

(h) designate depositories for Conservancy funds, designate those officers, agents, and/or employees who shall have authority to withdraw funds from such accounts on behalf of the Conservancy, and cause such persons to be bonded, as it may deem appropriate;

(i) send written notice of each assessment to every Owner subject thereto at least 30 days in advance of the due date of the annual assessment or first installment thereof;

(j) appoint the committees prescribed in Article VIII herein and such other committees the Board deems necessary or helpful; and

(k) exercise their powers and duties in good faith, with a view to the interests of the Conservancy and to this end

adopt appropriate guidelines for action on matters where a potential conflict of interest may exist.

ARTICLE VII

OFFICERS

Section 1. Enumeration of Offices. The officers of the Conservancy shall be a president and a vice president, who shall at all times be members of the Board of Trustees, a secretary, and a treasurer, and such other officers as the Board of Trustees may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Trustees following each annual meeting of the Members.

Section 3. Term. The officers of this Conservancy shall be elected annually by the Board of Trustees and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. 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 a resignation shall not be necessary to make it effective.

Section 5. 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 replaces.

Section 6. Multiple Offices. The same individual may simultaneously hold more than one office in the Conservancy.

Section 7. Duties. The duties of the officers are as follows:

(a) President. The president shall preside at all meetings of the Board of Trustees and of the Conservancy (unless the Board designates another officer to preside at such meetings); see that orders and resolutions of the Board are carried out; sign all mortgages, leases, deeds, and other written instruments and co-sign all promissory notes and contracts as the Board may approve from time to time.

(b) Vice President. The vice president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and exercise and discharge such duties as may be required of him by the Board.

(c) Secretary. The secretary shall cause the minutes to be kept of all meetings and proceedings of the Board and of the Members; cause the Book of Resolutions to be maintained; serve as custodian of Conservancy files and records, keep the corporate seal of the Conservancy and affix it on all papers requiring said seal; cause notice to be served to Members and First Mortgagees as required in the Governing Documents; cause a roster to be maintained of the names of all Members of the Conservancy together with their addresses, as registered by such

Members; cause a roster to be maintained of all First Mortgagees, together with the properties in which each has an interest, and perform such other duties as required by the Board.

(d) Treasurer. The treasurer shall cause all monies of the Conservancy to be deposited in appropriate accounts and disbursed therefrom within the limits of the annual budget or as directed by resolution of the Board of Trustees; co-sign any promissory notes and contracts; see that proper books of account are kept; cause an annual audit of the Conservancy books to be made by a certified public accountant at the completion of each full fiscal year; be the chief officer responsible for the annual preparation of the budget, the income statement and the balance sheet statement to be presented to the Board at its annual meeting; annually submit the audited financial statements.

ARTICLE VIII

ELECTIONS COMMITTEE

The Board of Trustees shall appoint an Elections Committee no later than two months prior to the annual meeting date. The Committee shall consist of a chairman who may not be a Trustee, and at least four Members, none of whom shall be candidates for office. It shall be the duty of the Committee to provide supervision of the nomination and election of Trustees in accordance with procedures adopted by the Board and placed in the Book of Resolutions.

ARTICLE IX

ARCHITECTURAL REVIEW BOARD

Section 1. Composition. The Architectural Review Board shall be comprised of three or more Members appointed by the Board of Trustees. At least one member of the initial Architectural Review Board shall serve a term of three years, at least one member shall serve a term of two years, and at least one member shall serve a term of one year; and as the terms of such members expire, new members shall be appointed for terms of three years.

Until construction is completed on all Living Units within the Development Limits, the Architectural Review Board shall consist of two committees: The New Construction Panel and the Modification and Change Panel. Thereafter, the New Construction Panel shall be terminated.

After the Class B membership and Class B voting rights of the Developer cease, no member of the Architectural Review Board may be a Trustee.

Section 2. Method of Selection. The Developer shall appoint three persons and one alternate to serve as the New Construction Panel of the Architectural Review Board for so long as the New Construction Panel exists. The Board of Trustees shall appoint the Modification and Change Panel. Members of the Modification and Change Panel shall be selected at the discretion of the Board of Trustees without prior nomination by the

Developer and may be removed from the Panel by the Board, with or without cause.

Section 3. Vacancies. Appointments to fill vacancies in unexpired terms shall be made in the same manner as the original appointment.

Section 4. Officers. At the first meeting of the Architectural Review Board following each Annual Meeting of Members, the Architectural Review Board shall elect from among themselves, a Chair, a Vice Chair, and a Secretary who shall perform the usual duties of their respective offices.

Section 5. Duties. The Architectural Review Board shall regulate the external design, appearance, and locations of the Properties and improvements thereon in such a manner so as to preserve and enhance values and to maintain a harmonious relationship among structures and the natural vegetation and topography. In furtherance thereof, the Board shall:

(a) Review and approve, modify or disapprove, within forty-five (45) days, all written applications of Owners and of the Conservancy for improvements or additions (as described in Article VI of the Declaration) to Lots, Living Units or Common Areas; in this regard, during the period the Architectural Review Board is composed of the committees described above, the New Construction Panel shall act with respect to initial improvements to the Common Area and Lots; the Modification and Change Panel shall act with respect to modification and changes to the Common Area and Lots, including improvements thereon. Notice of any

modifications or disapprovals of applications shall be by Registered Notice.

(b) Periodically inspect the Properties for compliance with architectural standards and approved plans for alteration; and

(c) Adopt architectural guidelines and programs subject to the confirmation of the Board of Trustees; and

(d) Adopt procedures for the exercise of its duties and enter them in the Book of Resolutions; and

(e) Maintain complete and accurate records of all actions taken.

ARTICLE X

MEETINGS OF THE BOARD OF TRUSTEES

THE ARCHITECTURAL REVIEW BOARD

AND STANDING COMMITTEES

Section 1. Regular Meetings. Regular meetings of the Board of Trustees, the Architectural Review Board, or any other board or any committee shall be held without notice at such place and hour as may be fixed from time to time by resolution of such board or committee.

Section 2. Special Meetings. Special meetings of the Board of Trustees, the Architectural Review Board or any other board or committee shall be held when called by the president of the Conservancy, by its chairman or by any two members of such board or committee, after not less than three (3) days notice to each member of such board or committee.

Section 3. Quorum. A majority of the members of a board or committee shall constitute a quorum for the transaction of business, except in no event shall a quorum be less than three members.

Section 4. Executive Sessions. All meetings of boards or committees shall be open to observers, except the president or chairman may call a board or committee into executive session on matters of personnel and legal matters. Any action taken by a board or committee in executive session shall be recorded in the minutes of such board or committee.

Section 5. Action Taken Without a Meeting. The members of a board or committee 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 members of such board or committee. Any action so approved shall have the same effect as though taken at a meeting of the board or committee.

Section 6. Meeting by Conference Call. Any or all members of the Board of Trustees or a Committee may participate in a regular or special meeting of the Board of Trustees or a Committee through the use of any means of communications by which all Trustees or members of a Committee can simultaneously hear one another during the meeting. A Trustee or Committee member participating in a special or regular meeting of the Board of Trustees or a Committee by any such means of communication shall be deemed to be present at such meeting.

ARTICLE XI
INDEMNIFICATION

Each officer, trustee, and board member of the Conservancy, in consideration of his services as such, shall be indemnified by the Conservancy to the extent permitted by law against expenses and liabilities reasonably incurred by him in connection with the defense of any action, suit, or proceeding, civil or criminal, to which he may be a party by reason of his past or present role in the Conservancy, except to the extent such liability, damage, or injury is covered by any type of insurance. The foregoing right of indemnification shall not be exclusive of any other rights to which the person may be entitled by law, or agreement, or vote of the Members or otherwise.

ARTICLE XII
FISCAL YEAR

Unless otherwise determined by the Board of Trustees, the fiscal year of the Conservancy shall begin on the first day of January and end on the last day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XIII
AMENDMENT

These Bylaws may be amended by a majority of a Quorum of Members present in person or proxy at any meeting duly called for that purpose; provided that if the Class B Member exists, the

amendment shall be approved by the appropriate Federal Mortgage Agencies.

Amendments shall become effective upon adoption.

IN WITNESS WHEREOF, we being all the Trustees of Woodlea Manor Conservancy have hereunto set our hands this _____ day of _____, 1988.

Stuart E. Butler, Trustee

William A. Moran, Trustee

Brian A. Smith, Trustee

Faith Robertson, Trustee