

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

August 31, 1998

The State Corporation Commission has found the accompanying
articles submitted on behalf of

LANSDOWNE CONSERVANCY

to comply with the requirements of law, and confirms payment of
all related fees.

Therefore, it is ORDERED that this

CERTIFICATE OF RESTATEMENT

be issued and admitted to record with the articles of amendment in
the Office of the Clerk of the Commission, effective August 31,
1998 at 07:59 PM.

The corporation is granted the authority conferred on it by law in
accordance with the articles, subject to the conditions and
restrictions imposed by law.

STATE CORPORATION COMMISSION

By



Commissioner

AMENACPT
CIS20436
98-08-18-0066

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SECOND AMENDED AND RESTATED
BYLAWS
FOR
LANSDOWNE CONSERVANCY

ARTICLE 1

INTERPRETIVE PROVISIONS

Definitions, terms and other interpretive provisions set forth in Article 2 of the Second Amended and Restated Articles of Incorporation for Lansdowne Conservancy (as amended, "Articles of Incorporation") are equally applicable to these Bylaws. Terms used herein without definition herein or in the Articles of Incorporation shall have the meanings specified for such terms in Section 13.1-803 of the Act.

ARTICLE 2

MEETINGS OF MEMBERS

Section 2.1. Annual Meetings. Annual meetings of the Association shall be held on weekdays (other than legal holidays recognized as such in Virginia) at least forty-five days before the beginning of each fiscal year at such time as may be fixed from time to time by resolutions of the Board of Directors.

Section 2.2. Special Meetings. The Association shall hold a special meeting: (1) upon the call of the President or Chairman of the Board of Directors; (2) if so directed by resolution of the Board of Directors; (3) upon a petition presented to the Secretary and signed by members entitled to cast at least twenty percent of the total number of votes (excluding the Declarant's votes during the Development Period); or (4) during the Development Period, upon request of the Declarant. The signatures on a petition requesting a special meeting shall be valid for a period of one hundred-eighty days after the date of the first such signature. Such resolution, petition or request must: (1) specify the time and place at which the meeting is to be held; (2) either specify a date on which the meeting is to be held which will permit the Secretary to comply with Section 2.3 hereof, or else specify that the Secretary shall designate the date of the meeting; (3) specify the purposes for which the meeting is to be held; and (4) be delivered to the Secretary.

Section 2.3. Notice of Meetings.

(a) Written notice stating the place, day and time of each annual meeting and, in case of a special meeting, the purposes for which the meeting is called, shall be given by the Secretary to each member entitled to vote at such meeting not less than ten nor more than sixty days before the date of the meeting. No business shall be transacted at a special meeting except as stated in the notice. The giving of notice in the manner provided in this section and Article 20 hereof shall be considered service of notice.

(b) Notwithstanding the provisions of Subsection (a), notice of a meeting to act on an amendment to the Articles of Incorporation, a plan of merger or consolidation or dissolution shall be given in the manner provided above not less than twenty-five nor more than sixty days before the date of the meeting. Any such notice shall be accompanied by a copy of the proposed amendment, plan of merger or consolidation or dissolution. Any such amendment, plan of merger or consolidation or dissolution shall not be effective unless notice of such matter was provided in accordance with this subsection.

Section 2.4. Waiver of Notice of Meetings.

(a) Whenever any notice is required to be given of any meeting of the Association, a waiver thereof in writing signed by a member entitled to such notice, whether given before or after the meeting, shall be equivalent to the giving of such notice to that member and such waiver shall be delivered to the Secretary for inclusion in the minutes or filing with the Association records.

(b) A member who attends a meeting shall be conclusively presumed to have had timely and proper notice of the meeting or to have duly waived notice thereof, unless such member attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called or convened and so notifies the person conducting the meeting at or prior to the commencement of the meeting or at or prior to consideration of the matter subject to objection, in the case of a special meeting.

Section 2.5. Quorum. A quorum shall be deemed to be present throughout any meeting of the Association if members entitled to cast at least ten percent (10%) of the total number of votes are present, in person or by proxy, at the beginning of such meeting. Once a member is present at a meeting such member is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new Record Date is or shall be set for that adjourned meeting.

If at any meeting of the Association a quorum is not present, a majority of the members who are present at such meeting in person or by proxy may: (1) recess the meeting to such date, time and place as such members may agree not more than forty-eight hours after the time the original meeting was called; or (2) adjourn the meeting to a time not less than forty-eight hours after the time the original meeting was called at such date and place as such members may agree, whereupon the Secretary shall announce the date, time and place at the meeting and make other reasonable efforts to notify all members of such date, time and place.

Section 2.6. Order of Business. Unless otherwise specified in the notice of the meeting, the order of business at all meetings of the Association shall be as follows: (1) roll call (proof of quorum); (2) proof of notice of meeting; (3) reading of minutes of preceding meeting; (4) reports of officers; (5) report of Board of Directors; (6) reports of committees; (7) appointment of inspectors of election (when so required); (8) election of directors (when so required); (9) unfinished business; and (10) new business; provided, however, that balloting for election of directors may commence at any time at the direction of the presiding officer.

Section 2.7. Conduct of Meetings. The President shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meetings and record all resolutions adopted at the meetings and proceedings occurring at such meetings. The President may appoint a parliamentarian at any meeting of the Association. The then current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Act or the Association Documents.

Section 2.8. Record Date to Determine Members; List of Members. The date for determining which Persons are members and therefore entitled to vote ("Record Date") shall be the close of business on the day before the effective date of the notice to the members of the meeting, unless the Board of Directors shall determine otherwise. The Board shall not fix a Record Date more than seventy days before the date of the meeting or other action requiring a determination of the members, nor shall the Board set a Record Date retroactively. At least ten days before each meeting, the Secretary shall make a complete list of members, with the address of each, available for review by the members before and during the meeting. The list shall be current as of the Record Date.

ARTICLE 3

MEMBERSHIP AND VOTING

Section 3.1. Membership and Voting Rights. The voting rights of the members of the Association shall be as set forth in Article 4 of the Articles of Incorporation.

Section 3.2. Additional Provisions Governing Voting.

(a) Association Votes. If the Association should become an Owner of a Lot in any Class, by virtue of the exercise of its rights and remedies in Article 12 of the Declaration, the Association shall cast its votes with the majority with respect to any Lot it owns, and in any event such votes shall be counted for the purpose of establishing a quorum. In the event of a tie, any votes with respect to any Lot owned by the Association shall not be cast.

(b) Multiple-Person Owners. Since a member may be more than one Person, if only one of such Persons is present at a meeting of the Association, that Person shall be entitled to cast the member's votes. If more than one of such Persons is present, the vote appertaining to that member shall be cast only in accordance with unanimous agreement of such Persons, and such agreement shall be conclusively presumed if any of them purports to cast the vote appertaining to that member without protest being made forthwith to the Person presiding over the meeting by any of the other Persons constituting such member.

(c) Voting Certificate. If a member is not a natural person, the vote by such member may be cast by any natural person authorized by such member. Such natural person must be named in a certificate signed by an authorized officer, partner or trustee of such Person and filed with the Secretary; provided, however, that any vote cast by a natural person on behalf of such member shall be deemed valid unless successfully challenged prior to the adjournment of the meeting at which the vote was cast. Such certificate shall be valid until revoked by a subsequent certificate similarly executed and filed. Wherever the approval or disapproval of a member is required by the Association Documents, such approval or disapproval may be made by any Person who would be entitled to cast the vote of such member at any meeting of the Association. Any votes cast by the Owner of a Senior Lot which is a condominium regime shall be cast pursuant to a certificate signed by an authorized officer of the applicable Subassociation that each question concerning which a vote was cast on behalf of such Owner was affirmed or rejected by the condominium unit owners association governing such condominium, pursuant to its governing documents. Such a

certificate shall be conclusive authorization for purposes of the Association.

(d) Delinquency. No member may vote at any meeting of the Association or be elected to serve on the Board of Directors if payment by such member of any financial obligation to the Association is delinquent more than sixty days and the amount necessary to bring the account current has not been paid at the time of such meeting or election.

Section 3.3. Manner of Voting.

(a) At a Meeting. Voting by members at a meeting shall be by voice vote (except for the election of directors which shall be by written ballot and except for votes of members that are cast by Subassociation representatives) unless any member present at the meeting, in person or by proxy, requests, and by a Majority Vote the members consent to, a vote by written ballots.

(b) By Referendum. In the sole discretion of the Board of Directors, and to the extent permitted by law, elections of directors and other matters requiring a vote of the members may be submitted to a referendum of the members on a ballot, by mail or at polling places. Ballots shall be returned to the Secretary by the date specified on the ballot. The Board of Directors shall determine the method of voting, the form of all ballots, the wording of questions thereon, the deadline for return of ballots and the number and location of polling places, if any. Where a vote on any question is required by law to be taken at a meeting, each referendum ballot on such question shall be considered an instructed proxy which directs the Secretary to cast such votes as are set forth on such ballot.

(c) Advisory Referendum. The Board of Directors may include on any ballot questions on which it seeks an advisory vote. Members may suggest questions for an advisory vote which shall be evaluated by the Board for consistency with the exercise of its duties and responsibilities and with the Association Documents. In any advisory vote, each such question on a ballot shall indicate that the vote is for advisory purposes only.

Section 3.4. Proxies. A vote may be cast in person or by proxy. A proxy may be instructed (directing the proxy how to vote) or uninstructed (leaving how to vote to the proxy's discretion). Only instructed proxies may be granted by any member to the managing agent (see Article 5 below). Proxies shall be in writing, shall be dated, shall be signed by the member or a Person authorized by the member (or in cases where the member is more than one Person by or on behalf of all such Persons), shall be valid for eleven months unless a longer time period is provided in the proxy and shall be filed with the

Secretary. Such proxy shall be deemed revoked only upon actual receipt by the Person presiding over the meeting of notice of revocation from the member.

ARTICLE 4

BOARD OF DIRECTORS

Section 4.1. Powers and Duties of the Board of Directors. The business and affairs of the Association shall be managed by the Board of Directors elected in accordance with the procedures and for the terms of office set forth in Article 5 of the Articles of Incorporation. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not required by the Act or the Association Documents to be exercised and done by the members. The Board of Directors shall delegate to one of its members or to a Person employed for such purpose the authority to act on behalf of the Board on such matters relating to the duties of the managing agent (as defined in Section 5.3 hereof), if any, which may arise between meetings of the Board as the Board deems appropriate. In addition to the duties imposed by any other provision of the Association Documents or by any resolution of the Association that may hereafter be adopted, the Board shall perform the following duties and take the following actions on behalf of the Association:

(1) Provide goods and services to the members in accordance with the Association Documents, and provide for Upkeep of the Common Area, streets and, to the extent provided in the Association Documents, of the Lots.

(2) Designate, hire, dismiss and, where appropriate, compensate the personnel necessary to provide for the Upkeep of the Common Area, streets and, to the extent provided in the Association Documents, of the Lots, and provide goods and services to the members and Owners, as well as purchase equipment, supplies and materials to be used by such personnel in the performance of their duties.

(3) Collect the assessments, deposit the proceeds thereof in depositories designated by the Board of Directors and use the proceeds to carry out the Upkeep of the Property to the extent the Association is so authorized by the Association Documents.

(4) Adopt and amend any reasonable Rules and Regulations not inconsistent with the Association Documents.

(5) Open bank accounts on behalf of the Association and designate the signatories thereon.

(6) Enforce by legal means the provisions of the Association Documents.

(7) Act with respect to all matters arising out of any eminent domain proceeding affecting the Common Area.

(8) Notify the members of any litigation against the Association involving a claim in excess of ten percent of the amount of the annual budget.

(9) Obtain and carry insurance against casualties and liabilities, as provided in Article 10 of the Declaration, pay the premiums therefor and adjust and settle any claims thereunder.

(10) Pay the cost of all authorized goods and services rendered to the Association and not billed to Owners of individual Lots or otherwise provided for in Article 6 of the Declaration.

(11) Notify a Mortgagee of any default in paying assessments for Common Expenses by an Owner (which remains uncured for sixty days) or for any other default, simultaneously with the notice sent to the defaulting Owner.

(12) Pursuant to the Association's exercise of its rights set forth in Article 12 of the Declaration, acquire, hold and dispose of Lots and mortgage the same without the prior approval of the Association if such expenditures and hypothecations are included in the budget.

(13) Charge reasonable fees for the use of any Common Area and for services.

(14) Suspend the right of any Owner or other occupant of a Lot, and the right of such Person's household, guests, employees, customers, tenants, agents and invitees to use the Common Area in accordance with Subsection 12.1(h) of the Declaration.

(15) Prepare an annual budget in accordance with Article 6 of the Declaration.

(16) Adopt an annual budget and make assessments against the Owners to defray the Common Expenses of the Association, establish the means and methods of collecting such assessments from the Owners and establish the period of the installment payment, if any, of the annual assessment for Common Expenses.

(17) Borrow money on behalf of the Association, when required for any valid purpose; provided, however, that (except during the Development Period) either a Majority Vote of members obtained at a meeting held for such purpose or written approval by members entitled to cast more than fifty percent (50%) of the total number of votes shall be required to borrow any sum in excess of fifteen percent (15%) of the total annual assessment for Common Expenses for that fiscal year.

(18) Execute deeds, plats of resubdivision and applications for construction permits, as may be necessary or desirable in the normal course of the orderly development of the Property, at the request of the Declarant.

(19) Transfer any of its rights with respect to any portion of the Common Area or grant easements, rights-of-way or licenses over and through the Common Area.

(20) In its sole discretion, designate certain portions of the Common Area as Reserved Common Area, pursuant to Section 3.9 of the Declaration, and impose such restrictions and conditions on the use thereof as the Board of Directors deems appropriate.

(21) Upon receipt of such payment as may be established by the Board of Directors in compliance with Section 55-512 of the POA Act (defined below), furnish the statement required by Section 55-512 of the POA Act within fourteen days after receipt of a written request by any Lot Owner and payment of the fee, substantially in the form set forth on Exhibit A to these Bylaws and designated "Association Disclosure Packet."

(22) Recommend to the members such extraordinary actions described in Section 15.4 of the Declaration as the Board of Directors determines to be appropriate or necessary.

(23) Do anything else not inconsistent with the Act or the Association Documents.

Section 4.2. Number of Directors. The Board of Directors shall consist of seven (7) directors as provided in Subsection 5.2(a) of the Articles of Incorporation.

Section 4.3. Meetings of Directors.

(a) Types of Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors; provided, however, that commencing at the end of the Development Period, such meetings shall be held at least quarterly during each fiscal year. Special meetings of the Board of Directors may

be called by the President, and shall be called by the President or Secretary upon the written request of at least two directors or of the Declarant. All meetings of the Board of Directors shall be open to Owners (including the individual unit owners of any condominium units constructed within a Senior Lot) as observers, except that the President or presiding officer may call the Board into executive session on sensitive matters such as personnel, litigation strategy or hearings with respect to violations of the Association Documents. Any final action taken by the Board in executive session shall be recorded in the minutes.

(b) Notice. Notice of meetings of the Board of Directors shall be given to each director, personally or by mail, telegraph or telephone, orally or in writing, at least three business days prior to the day named for such meeting. Such notice shall state the place, day and time and, in the case of special meetings, the purpose thereof.

(c) Waiver of Notice. Any director may at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors shall constitute a waiver of notice by such director of the time, place and purpose of such meeting, unless such director attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called or convened and so notifies the person conducting the meeting at or prior to the commencement of the meeting or at or prior to consideration of the matter subject to objection, in the case of a special meeting. If all directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

(d) Quorum of Board of Directors. At all meetings of the Board of Directors four (4) directors shall constitute a quorum for the transaction of business, and a Majority Vote of the directors shall constitute a decision of the Board of Directors, unless provided otherwise in the Act or the Association Documents. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those votes present may adjourn or recess the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. A director who participates in a meeting by any means of communication by which all directors may simultaneously hear each other during the meeting shall be deemed present at the meeting for all purposes.

(e) Conduct of Meetings. The President shall preside over meetings of the Board of Directors and the Secretary shall keep the minutes of the meetings and record all resolutions adopted at the meetings and proceedings occurring at the meetings. The then current edition of Robert's Rules of Order, Revised shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Act or the Association Documents.

Section 4.4. Action By Directors Without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if a consent in writing setting forth the action taken shall be signed either before or after such action is taken by all of the directors. Any such written consent shall have the same force and effect as a unanimous vote and shall be filed with the minutes of the Board of Directors.

ARTICLE 5

MANAGING AGENT

Section 5.1. Compensation. The Board of Directors may employ for the purpose of administering the Property a "managing agent" at a commercially reasonable compensation to be established by the Board.

Section 5.2. Requirements. The managing agent shall be a bona fide business enterprise, and either be unaffiliated with the Declarant and engaged in the business of managing common interest communities or be affiliated with the Declarant. If unaffiliated, such firm or its principals shall have a minimum of two years experience in real estate community management and shall employ Persons possessing a high level of competence in the technical skills necessary to proper management of the Property. The managing agent must be able to advise the Board of Directors regarding the administrative operation of the Property and shall employ personnel knowledgeable in the areas of insurance, accounting, contract negotiation, labor relations and property management. Otherwise, the managing agent may be a full-time employee of the Association who shall organize, staff, train and administer the in-house personnel solely to manage the Property.

Section 5.3. Duties. The managing agent shall perform such duties and services as the Board of Directors shall direct. Such duties and services may include, without limitation, the duties listed in Paragraphs 4.1 (1), (2), (3), (6), (7), (8), (9), (10), (11), (15), (21) and portions of (23), as well as recommendations regarding any powers or duties not delegated to such managing agent. The Board of Directors may delegate to the managing agent

all of the powers granted to the Board of Directors by these Bylaws other than the powers set forth in Paragraphs 4.1 (4), (5), (12), (13), (14), (16), (17), (18), (19), (20) and (22). The managing agent shall perform the obligations, duties and services relating to the management of the Property, the rights of Mortgagees and the maintenance of reserve funds in compliance with the provisions of the Act and the Association Documents.

Section 5.4. Standards. The Board of Directors shall impose appropriate standards of performance upon the managing agent. Unless the managing agent is instructed otherwise by the Board of Directors:

(1) the accrual method of accounting shall be employed and expenses required by these Bylaws to be charged to one or more but less than all Owners shall be accounted for and reported separately;

(2) two or more individuals shall be responsible for handling cash to maintain adequate financial control procedures;

(3) cash accounts of the Association shall not be commingled with any other entity's accounts;

(4) no remuneration shall be accepted by the managing agent from vendors, independent contractors or others providing goods or services to the Association whether in the form of commissions, finders fees, service fees or otherwise; any discounts received shall benefit the Association;

(5) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors; and

(6) a financial report shall be prepared for the Association at least quarterly, containing: (i) an "income statement" reflecting all income and expense activity for the preceding period on an accrual basis; (ii) an "account activity statement" reflecting all receipt and disbursement activity for the preceding period on a cash basis; (iii) an "account status report" reflecting the status of all accounts in an "actual" versus "projected" (budget) format; (iv) a "balance sheet" reflecting the financial condition of the Association on an unaudited basis; (v) a "budget report" reflecting any actual or pending obligations which are in excess of budgeted amounts by an amount exceeding the operating reserves or ten percent of a major budget category (as distinct from a specific line item in an expanded chart of accounts); and (vi) a "delinquency report" listing all Owners who are delinquent in paying assessments and describing the status of any actions to collect such assessments.

Section 5.5. Limitations. The Board of Directors may employ a managing agent for an initial term not to exceed two years. Any contract with the managing agent must provide that it may be terminated, without payment of a termination fee, without cause on no more than ninety days written notice and with cause on no more than thirty days written notice.

ARTICLE 6

OFFICERS

Section 6.1. Designation and Duties of Officers. The principal Officers of the Association shall be the President (who shall also serve as Chairman of the Board of Directors), the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may also elect an assistant treasurer, an assistant secretary and such other Officers as in its judgment may be necessary. The President and Vice President shall be Owners (including representatives of a Subassociation, except that this requirement shall not apply to those directors who are designated or elected by the Declarant) and members of the Board of Directors. Any other Officers may, but need not, be Owners or directors. Each Officer shall perform such duties as are normally associated with such office in parliamentary organizations, except to the extent (if any) inconsistent with the Act or the Association Documents, and shall perform such other duties as may be assigned to such office by resolution of the Board of Directors. If any Officer is unable for any reason to perform the duties of the office, the President (or the Board of Directors if the President fails to do so) may appoint another qualified Person to act in such Officer's stead on an interim basis.

Section 6.2. Election of Officers. The Officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board. Any Officer may hold more than one position; provided, however, that the offices of President, Vice President and Secretary shall be held by three different individuals. Except for death, resignation or removal, the Officers shall hold office until their respective successors shall have been elected by the Board.

Section 6.3. Resignation or Removal of Officers. Any Officer may resign by delivering written notice to the Board of Directors. Unless otherwise specified, such resignation shall take effect upon the receipt thereof, and acceptance of such resignation shall not be necessary to make it effective. Upon a Two-thirds Vote of the Board of Directors any Officer may be removed, either with or without cause, and a successor may be

elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

Section 6.4. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The individual appointed to fill a vacancy shall serve for the remainder of the term of the Officer such individual replaces.

Section 6.5. President. The President shall be the chief executive officer of the Association; preside at all meetings of the Association and of the Board of Directors; have general and active direction of the business of the Association subject to the control of the Board; see to the execution of the resolutions of the Association and the Board of Directors; see that all orders and resolutions of the Board are carried into effect; and, in general, perform all the duties incident to the office of President.

Section 6.6. Vice President. The Vice President shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other director to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed by the Board of Directors or by the President.

Section 6.7. Secretary. The Secretary shall: keep the minutes of all meetings of the Association and of the Board of Directors; have charge of such books and papers as the Board may direct and as may be required by Section 13.1-932 of the Act, and by Sections 55-510 and 55-516 of the Property Owners' Association Act (Va. Code Sections 508 et seq., Cum Supp. 1994 as amended; hereafter the "POA Act"); give or cause to be given all notices required to be given by the Association; give each Owner notice of each assessment against such Owner's Lot as soon as practicable after assessment is made; coordinate issuance of Association disclosure packets, as applicable, pursuant to Section 55-512 of the POA Act; give each member and Owner notice and a copy of the Rules and Regulations or amendment thereof; maintain a register setting forth the place to which all notices to members, Owners and Mortgagees hereunder shall be delivered; file or cause to be filed the annual reports required by Section 13.1-936 of the Act and Section 55-516.1 of the POA Act; make it possible for any member or Owner to inspect and copy at reasonable times and by appointment the records of the Association; and, in general, perform all the duties incident to the office of Secretary.

Section 6.8. Treasurer. The Treasurer shall be responsible for Association funds and securities; keep full and accurate financial records and books of account showing all receipts and

disbursements; prepare all required financial data; deposit all monies and other valuable effects in the name of the Board of Directors or the Association, in such depositories as may from time to time be designated by the Board; and, in general, perform all the duties incident to the office of Treasurer.

ARTICLE 7

COMMITTEES

Section 7.1. Covenants Committee. The Board of Directors shall establish a Covenants Committee and subcommittees as set forth in Article 9 of the Declaration.

Section 7.2. Other Committees. The Board of Directors may create and abolish from time to time such other committees consisting of two or more individuals as the Board may deem appropriate to aid in the administration of the affairs of the Association. Such committees shall have the powers and duties fixed by resolution of the Board from time to time. The Board shall appoint the chair of each committee, and may either appoint the other members thereof or leave such appointment to the committee chair.

Section 7.3. Action by Committee Without Meeting. Any action required or permitted to be taken at a meeting of a committee may be taken without a meeting if consent in writing, setting forth the action taken, shall be signed either before or after such action by all of the members of the committee. Any such written consent shall have the same force and effect as a unanimous vote and shall be filed with the minutes of the committee.

ARTICLE 8

FIDUCIARY DUTIES

Section 8.1. Execution of Documents. Unless otherwise provided in the resolution of the Board of Directors: (1) all agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of 2/10 percent of the total annual assessment for Common Expenses for that fiscal year, and all checks drawn upon reserve accounts, shall be executed by any two individuals designated by the Board of Directors; and (2) all such instruments for expenditures or obligations of 2/10 percent or less of the total annual assessment for Common Expenses for that fiscal year, except from reserve accounts, may be executed by any one

individual designated by the Board of Directors. Any Officer of the Association may be designated by Board resolution to sign a Statement of Common Expenses on behalf of the Association.

Section 8.2. Conflicts of Interest.

(a) Rule and Exceptions. Each director or Officer shall exercise such director's or Officer's powers and duties in good faith and in the best interests of the Association. No contract or other transaction between the Association and any of its directors or Officers, or between the Association and any corporation, firm or association (including the Declarant) in which any of the directors or Officers of the Association are directors or officers or are pecuniarily or otherwise interested, is either void or voidable because of such relationship or because any such director or Officer is present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction or because such director's or Officer's vote is counted for such purpose if any of the following conditions exist: (1) the material facts of the transaction and the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof, and the Board authorizes, approves or ratifies such contract or transaction in good faith by a majority of directors entitled to vote on the transaction, but in no event may such a transaction be authorized, approved or ratified by a single director; (2) the material facts of the transaction and the common directorate or interest is disclosed or known to all of the members entitled to vote on the matter, and the members who are entitled to be counted in a vote on the transaction approve or ratify the contract or transaction by a majority of the total number of votes entitled to be cast; or (3) the contract or transaction is commercially reasonable to the Association in view of all the facts known to any director or Officer at the time such contract or transaction is authorized, ratified, approved or executed.

(b) Votes Not Counted. Any common or interested directors or Officers may be counted in determining the presence of a quorum of any meeting of the Board of Directors, a committee thereof, or the members which authorizes, approves or ratifies any contract or transaction, but such director's votes shall not be counted with respect to any matter as to which such director would have a conflict of interest; such director may cast votes, however, at the meeting to authorize any other contract or transaction.

Section 8.3. Liability and Indemnification.

(a) No Personal Liability. The directors, Officers and members of the Covenants Committee shall not be liable to the Association or any member or Owner for any mistake of judgment, negligence or otherwise, except for their own individual willful

misconduct or bad faith. Directors and Officers shall have no personal liability with respect to any contract made by them on behalf of the Association. No member or Owner shall be liable for the contract or tort liability of the Association by reason of ownership or membership therein. Every agreement made by the Board of Directors, the Officers or the managing agent on behalf of the Association shall, if obtainable, provide that the directors, the Officers or the managing agent, as the case may be, are acting only as agents for the Association and shall have no personal liability thereunder.

(b) Indemnification. The Association shall indemnify the directors, Officers and members of the Covenants Committee to the extent that it is contemplated a nonstock corporation may indemnify its directors, officers and employees pursuant to Sections 13.1-875 through 13.1-883 of the Act.

(c) Directors and Officers Liability Insurance. The Association shall have the power, pursuant to Article 10 of the Declaration, to purchase and maintain insurance on behalf of any individual who is or was a director, Officer or member of the Covenants Committee against any liability asserted against such individual and incurred by such individual in any such capacity or arising out of such individual's status as such, whether or not the Association would have the power to indemnify such individual against such liability under the provisions of this section. Further, the availability of the Association's indemnity shall not relieve any insurer of any liability under an insurance policy held by the Association.

Section 8.4. Compensation of Directors and Officers. No salary or other compensation shall be paid by the Association to any director or Officer of the Association for serving or acting as such, but this shall not preclude the payment of salary or other compensation for the performance by such director or Officer of other services to the Association nor shall it preclude the reimbursement of reasonable, ordinary and necessary expenses incurred in serving or acting as a director or Officer.

ARTICLE 9

BOOKS AND RECORDS

Section 9.1. Maintenance. The Association shall keep books and records as required by Section 13.1-932 of the Act. All books and records shall be kept in accordance with generally accepted accounting principles, and the same shall be audited at least once a year by an auditor retained by the Board of Directors who shall not be an Owner or an occupant of a Lot. The cost of such audit shall be a Common Expense. The Association

shall also file and maintain the annual reports required to be filed with the Virginia State Corporation Commission by Section 13.1-936 of the Act.

Section 9.2. Availability. The books and records of the Association shall be available for examination by the members, the Owners, their attorneys, accountants, Mortgagees and authorized agents during general business hours on business days at the times and in the manner established by the Board of Directors for the general knowledge of the Owners in accordance with Section 13.1-933 of the Act. The list of members required by Section 2.8 hereof shall be available for inspection for a period of ten days prior to the meeting and at the meeting. Pursuant to Section 13.3 of the Declaration, all Mortgagees or their representatives shall have the right to examine the books and records of the Association on the same terms and conditions as the members and Owners. The Board of Directors may fix from time to time a reasonable charge to cover the direct and indirect costs of providing any documents to a member, Owner or Mortgagee.

Section 9.3. Accounting Report. Within one hundred twenty days after the end of each fiscal year, the Board of Directors shall make available to all members and Owners, and to each Mortgagee requesting the same, an itemized report of the Common Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Board of Directors for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves.

Section 9.4 Fiscal Year. The fiscal year of the Association shall be the calendar year, unless otherwise determined by the Board of Directors in its discretion.

ARTICLE 10

NOTICES

Except as specifically provided otherwise in the Act or the Association Documents, all notices, demands, bills, statements or other communications under the Association Documents shall be in writing and shall be deemed to have been duly given if delivered personally or sent by United States mail, postage prepaid pursuant to Section 13.1-810 of the Act, or if notification is of a default or lien, sent by registered or certified United States mail, return receipt requested, postage prepaid: (1) if to an Owner, at the address which the Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Lot of such Owner; (2) if to the Association, the Board of Directors or to the managing agent, at the principal office of the managing agent or at such other

address as shall be designated by notice in writing to the Owners pursuant to this section; or (3) if to a Mortgagee, at the address indicated by the Mortgagee in a written notice to the Association. If a Lot is owned by more than one Person, each such Person who so designates an address in writing to the Secretary shall be entitled to receive all notices hereunder, otherwise, the Person receiving the notice shall have the responsibility for notifying the other Persons comprising the Owner.

ARTICLE 11

AMENDMENTS

These Bylaws may be amended by a Majority Vote of the members of the Association if the proposed amendment has been inserted in the notice of meeting or all of the members are present in person or by proxy. These Bylaws, except Sections 4.1, 8.3, 8.4 and this Article 11, may also be amended by a Majority Vote of the Board of Directors. All such votes must include all the votes of the Declarant member while there is a Declarant Class member. The Board of Directors shall send any amendment that it has enacted as provided herein to the members within seven days after adoption. If the members call for a special meeting in accordance with Section 2.2 hereof, the members may reverse such amendment by a Majority Vote at the meeting. No amendment to these Bylaws may diminish or impair the rights of the Declarant under the Bylaws without the prior written consent of the Declarant. Notwithstanding any other provision in these Bylaws to the contrary, the Declarant reserves the right to amend these Bylaws during the Development Period without the consent of the Association, any Mortgagee, any Owner or any other Person claiming an interest in the Association, the Property, or any portion thereof, or any other class of member, if the amendment is requested by, or otherwise is necessary to bring these Bylaws into compliance with any rule, order, regulation or requirement of, the Department of Veterans Affairs, the Federal Housing Administration, the Federal National Mortgage Association ("FNMA"), the Federal Home Loan Mortgage Corporation ("FHLMC") (and any successor(s) to the foregoing entities), Loudoun County or the Commonwealth of Virginia.

LANSDOWNE CONSERVANCY
ASSOCIATION DISCLOSURE PACKET

TO: _____

FROM: Lansdowne Conservancy
RE: Lot No. _____, Lansdowne, Loudoun County, Virginia

In accordance with Section 55-512 of the Virginia Property Owners' Association Act, as amended, we hereby certify that as of the date hereof, except as herein stated:

A. Lansdowne Conservancy (the "Conservancy") is a nonstock corporation organized under the Virginia Nonstock Corporation Act. The name and address of the registered agent for the Conservancy is:

B. Attached is a copy of the Association Documents including the Second Amended and Restated Declaration for Lansdowne, Second Amended and Restated Articles of Incorporation, and Second Amended and Restated Bylaws. (See Attachment A)

C. Attached is a copy of the Design Guidelines pertaining to the Lot including all amendments. (See Attachment B).

D. Attached is a copy of the income and expense statement, the Lansdowne Conservancy Audited Financial Statements for the year ended _____, (See Attachment C), and the current operating budget. (See Attachment D).

E. STATEMENT OF COMMON EXPENSES

The status of assessments and mandatory fees and charges with respect to the Lot being purchased and to the right of use of common areas are as follows:

Current assessment due _____	\$ _____
Assessment in arrears _____	\$ _____
Other fees or charges due _____	\$ _____
Fees or charges in arrears _____	\$ _____
TOTAL DUE	\$ _____
Assessments, fees and charges for the current fiscal year not yet due	\$ _____

The Conservancy levies annual assessments (which may be payable in equal periodic installments if so determined by the Board of Directors) to pay Common Expenses. Additional assessments may also be levied for the same purpose. A fee of up to _____ Dollars is currently charged by the Association for the preparation of the Association Disclosure Packet (such as this one). A late charge of _____ Dollars is currently applied to any assessment or installment thereof not paid within ten days after the date it becomes due. There are no other fees or charges imposed by the Conservancy or any other entity or facility except:

[Fill in if applicable, including
Subassociation matters.]

F. The following, if any, is a list of all capital expenditures anticipated by the Conservancy within the current or succeeding two fiscal years.

[Fill in if applicable.]

G. As of the date of this certificate, there is an outstanding balance in the reserve for replacement funds (reserve account) of approximately \$_____. Of that balance, the following amounts, if any, have been designated by the Board of Directors for the following specific projects:

[Fill in if applicable.]

H. There are no unsatisfied judgments against the Conservancy nor any pending suits (other than those suits occurring in the ordinary course of business) in which the Conservancy is a party except as follows:

[Fill in status and nature if applicable.]

I. The Conservancy maintains the following hazard, property damage and liability insurance policies, including any fidelity bond(s), covering the Common Area as required by the Declaration. It is suggested that each Owner obtain insurance covering property damage to such Owner's Lot and personal property contained therein as well as insurance covering personal liability. You are urged to review Article 10 of the Declaration and to consult with your insurance agent.

J. The Conservancy has not given notice to the Owner of the Lot and has no knowledge of whether improvements or alterations made to the Lot or uses made of the Lot are in violation of the Association Documents except as follows:

[Fill in if applicable.]

K. The Conservancy is/is not in receipt of a Statement setting forth any restriction, limitation or prohibition of the right of a lot owner to place a sign on the owner's lot advertising the lot for sale, except as follows:

[Fill in if applicable.]

The information contained in this Association Disclosure Packet, based on the best knowledge and belief of the Conservancy, is current as of the date hereof.

The name and address of the President of the Conservancy are: _____.

The Conservancy may charge a fee for the preparation and issuance of this Association Disclosure Packet, not to exceed \$100.00.

Dated _____, 19____.

LANSDOWNE CONSERVANCY

By _____
Officer:

I hereby acknowledge that I received this Association
Disclosure Packet on _____, 19____.

Owner

I hereby acknowledge that I have received and read the
information contained in this Association Disclosure Packet on
_____, 19____.

Purchaser

Purchaser

NOTE:

Pursuant to Section 1.3 of the Declaration, upon
acquiring title to a Lot each new Owner shall
immediately give written notice to the Secretary
of the Conservancy stating name and address of
such new Owner and the number or address of the
Lot. If a new Owner gives such notice within
thirty days after acquiring title to a Lot, there
will be no charge for adding such Owner's name to
the Conservancy records. After thirty days there
will be a charge of _____ Dollars assessed
against such Owner to cover the administrative
costs of record keeping.