

**2020 AMENDED AND RESTATED
BY-LAWS
OF
WILLOWSFORD CONSERVANCY**

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OF
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**Article 1
Name, Principal Office, and Definitions**

1.1. Name

The name of the corporation is Willowsford Conservancy (the "**Conservancy**").

1.2. Principal Office

The Conservancy's principal office shall be located in Loudoun County, Virginia. The Conservancy may have such other offices, either within or outside Virginia, as its board of trustees may determine or as the Conservancy's affairs may require.

1.3. Definitions

The words used in these 2020 Amended and Restated By-Laws ("**By-Laws**") shall be given their normal, commonly understood definitions. Capitalized terms shall have the meaning ascribed to them herein, in the Community Covenant for Willowsford, initially recorded by Willowsford, L.L.C. in the Office of the Clerk of the Circuit Court of Loudoun County, Virginia as Instrument No. 20110324-0019086, as may be amended and supplemented from time to time ("**Community Covenant**"), or in the Conservancy's Articles of Incorporation, as may be amended from time to time ("**Articles**"). The By-Laws, Community Covenant, and Articles, collectively, are sometimes referred to as the "**Governing Documents**."

References to the "**Conservancy Board**" shall be to the Conservancy's board of trustees. A "trustee" shall be a member of the Conservancy Board and shall be a "director" as defined in the Virginia Nonstock Corporation Act (Va. Code §13.1-801, *et seq.*). As used in these By-Laws, the term "majority" shall mean those votes, persons, or other group, as the context may indicate, totaling more than 50% of the total eligible number.

References to the "**Founder**" shall be to Loudoun Conservancy, LLC, a Virginia limited liability company; and references to the "**Association**" shall be to Willowsford Homeowners Association, Inc., or any other owners association created within Willowsford in the future, respectively or collectively. "**Willowsford**" shall mean all property subjected to the Community Covenant, including The Grant, The Grange, The Grove, and The Greens (each, a "**Village**"). Each individual or entity that holds record title to a Unit, as defined in the Community Covenant,

is referred to as an "**Owner**." However, an individual or entity that holds title merely as security for the performance of an obligation (such as a lender holding a mortgage or similar security instrument) is not considered an "Owner." An "**Affiliate**" is any person or entity that, directly or indirectly, controls, is controlled by, or is under common control with another person or entity, including the Founder.

Article 2

Purposes of the Conservancy

The Conservancy is organized to serve the common good and general welfare of Willowsford and the greater community, including, without limitation, the owners and residents of property made subject to the Community Covenant. The Conservancy may provide or provide for activities, services, and programs of a corporation exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States internal revenue law ("**IRC**"), including, but not limited to, sponsoring or supporting cultural programs, educational programs, land management and conservation activities, and such other activities as are set forth in its Articles. The Conservancy shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of the Conservancy; and the Conservancy shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(4) of the IRC. The purposes for which the Conservancy is organized are further set forth in the Articles.

Article 3

Membership and Administration of the Conservancy

3.1. Membership

(a) During the Founder Appointment Period (as later defined), the Conservancy shall have one or more members. The Founder is the initial member (the "**Founder Member**"). For so long as the Founder, any Founder Affiliate, any of the Consenting Owners (as defined in the Community Covenant), or any Consenting Owner Affiliate owns real property in Willowsford or the Founder has an unexpired option to expand Willowsford pursuant to the Community Covenant, or until such earlier time as the Founder relinquishes such right in a recorded document (the "**Founder Appointment Period**"), the Founder may, from time to time, admit one or more additional members with such privileges, rights (including voting rights or no voting rights) and obligations as the Founder, consistent with the applicable provisions of the Virginia Nonstock Corporation Act ("**Act**"), may specify. The Founder shall give written notice to the Conservancy Board of the admission of any additional member, which notice shall identify the additional member and specify the privileges, rights and obligations attendant to the additional member's interest as a member. Until such time as one or more additional members are so admitted, references in these By-Laws to the "members" shall mean the Founder Member. Reference is made to Section 4.4 of the Community Covenant, which provides for the assignment by the Founder and any one or more of the Consenting Owners of its or their status

and rights as the Founder or as a Consenting Owner under the Governing Documents. Section 4.4 of the Community Covenant provides, among other things (i) that upon and after any such assignment, references in the Governing Documents to the Founder and Consenting Owners shall mean the respective assignee or assignees, as applicable; and (ii) for the withdrawal as a Conservancy member of a Member Assignor (as defined in the Community Covenant) and the admission, as a member of the Conservancy, of the applicable assignee.

(b) Until such time as additional members with voting rights are admitted in accordance with Section 3.1(a), the Founder Member shall be the sole member having voting rights.

(c) Meetings of the members shall be held at such times and at such places, within or outside the Commonwealth of Virginia, as may be determined by resolution of the Conservancy Board. An annual meeting of the members for the purpose of electing trustees comprising the Conservancy Board shall be held in each calendar year. Special meetings of the members may be called by the Conservancy Board or by written notice to the Conservancy Board signed by the members at the time entitled to cast a majority of the votes which all members with voting rights are entitled to cast. Upon the calling of an annual or special meeting, as aforesaid, the Secretary of the Conservancy shall give notice of the meeting to the members in accordance with the Act.

(d) Any action by the members required or permitted to be taken at a meeting of the members may be taken without a meeting, without notice and without a vote if a consent or consents specifying the action so taken is or are signed by the members at the time representing the minimum number of votes that would have been required if taken at a meeting of the members for such purpose. Any such consent or consents shall be filed with the Secretary of the Conservancy.

(e) Upon the expiration of the Founder Appointment Period, the Conservancy shall have no members and the Conservancy's affairs shall be governed solely by the Conservancy Board.

3.2. Governing Body

The Conservancy Board shall govern the Conservancy's affairs in accordance with the By-Laws.

**Article 4
Conservancy Board**

4.1. Number and Qualification of Trustees

(a) *Number.* The Conservancy Board shall consist of at least three trustees and no more than seven trustees, as the Conservancy Board may determine from time to time by resolution.

- (b) **Qualifications.** Any natural person 18 years of age or older may serve as a trustee.

4.2. Selection of Trustees; Term of Office

(a) **During the Founder Appointment Period.** The Founder is authorized to appoint, remove, and replace all of the trustees during the Founder Appointment Period.

(b) **After the Founder Appointment Period.** Upon expiration of the Founder Appointment Period, a new Conservancy Board shall be selected. This new Conservancy Board shall be comprised initially of at least five and not more than seven trustees. The trustees following the expiration of the Founder Appointment Period initially shall be selected in the following manner:

(i) The Founder shall be entitled to select at least three but no more than five trustees, with one trustee selected to serve a term of one year and the remainder of the trustees selected to serve a term of two years; and

(ii) The Owners of Units subject to the Community Covenant shall elect two trustees, each of whom shall be elected at-large to serve an initial term of three years.

Upon expiration of the initial term of office of any trustee appointed or elected as provided in subsection (i) or (ii) above, the remaining trustees shall appoint a successor trustee to serve a three-year term. Thereafter, upon expiration of the term of office of any trustee, the remaining trustees shall appoint a successor to serve a three-year term. Such appointments shall take place at a regular or special meeting of the Conservancy Board.

Each trustee, except trustees appointed by the Founder during the Founder Appointment Period, shall be limited to three consecutive terms. At all times after the Founder Appointment Period, at least two trustees shall be Owners of Units, and such trustees shall reside in at least two different Villages.

The Conservancy Board may appoint one or more individuals who are not residents of Willowsford to serve on the Conservancy Board in an official or *ex officio* capacity, as the trustees may determine by majority vote. Also, if a Youth Board is created pursuant to the Community Covenant, then the Youth Board may appoint a representative to serve on the Conservancy Board in an *ex officio* capacity.

4.3. Resignation and Removal of Trustees; Vacancies

Any trustee may resign at any time by giving written notice to the entire Conservancy Board or the President. Such resignation shall take effect on the date such notice is received or at a later time specified in the notice. Acceptance of such resignation shall not be necessary to make it effective.

During the Founder Appointment Period, the Founder shall have the sole authority to remove trustees and fill vacancies on the Conservancy Board. Thereafter, any trustee may be removed, with or without cause, upon the vote of a majority of the other trustees. The vote to remove a trustee shall not be valid unless each trustee is given at least three days' written notice that the matter will be voted on at a trustees' meeting unless such notice is waived. Any vacancy on the Conservancy Board caused by death, resignation, or removal of a trustee by the affirmative vote of the majority of the remaining trustees shall be filled by appointment by the remaining trustees. Any trustee appointed to a vacated position shall serve the unexpired portion of the term of the trustee who vacated the position.

4.4. Meetings

(a) ***Organizational Meetings.*** The Conservancy Board shall hold an organizational meeting within 30 days after any newly-appointed trustee(s) take(s) office.

(b) ***Regular Meetings.*** Regular meetings of the Conservancy Board may be held at such time and place as a majority of the trustees determine from time to time; provided, at least four meetings shall be held during each fiscal year with at least one meeting each fiscal quarter.

(c) ***Special Meetings.*** Special meetings shall be held when called by written notice signed by the President, Vice President, or by any two trustees and delivered to the Secretary. The notice of a special meeting shall specify the time and place of the meeting and the nature of any special business to be considered.

(d) ***Notice of Meetings.*** The President or Secretary shall notify each trustee of any Conservancy Board meeting by: (i) personal delivery; (ii) first class mail, postage prepaid; (iii) telephone communication, either directly to the trustee or to a person at the trustee's office or home who would reasonably be expected to communicate such notice promptly to the trustee; or (iv) facsimile, electronic mail, or other electronic communication device with confirmation of receipt.

All notices shall be given at the trustee's telephone number, fax number, electronic mail address, or sent to the trustee's residential or office address as shown on the Conservancy's records. Notices sent by first class mail shall be deposited in a United States mailbox at least five business days before the date set for the meeting. Notices given by personal delivery, telephone, or other electronic communication shall be delivered or transmitted at least 72 hours before the time set for the meeting.

The Conservancy Board shall give reasonable notice to the Owners of the date, time, and place of Conservancy Board meetings by announcing such information at a previous Conservancy Board or community-wide meeting, if practical, and by publishing or posting notice in a manner or location which the Conservancy Board shall designate where it is reasonably calculated to be available to a majority of the Owners.

In addition, notice of Conservancy Board meetings shall be sent by first class mail or electronic transmission to any Owner so requesting. At least one copy of any agenda packet

furnished to Conservancy Board members shall be made available at the same time for inspection by the Owners.

(e) ***Waiver of Notice.*** Transactions of any Conservancy Board meeting, however called and noticed or wherever held, shall be as valid as if taken at a meeting duly held after regular call and notice if (i) a quorum is present, and (ii) either before or after the meeting each absent trustee signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any trustee who attends the meeting without protesting before or at its commencement about lack of adequate notice.

(f) ***Quorum.*** At all Conservancy Board meetings, a majority of the trustees shall constitute a quorum for transacting business, and votes of a majority of the trustees present shall constitute the Conservancy Board's decision, unless Virginia law or these By-Laws specifically provide otherwise. If a quorum is present, the trustees may continue to transact business, notwithstanding the withdrawal of trustees, if any action taken is approved by at least a majority of the required quorum for that meeting.

If any Conservancy Board meeting cannot be held because a quorum is not present, a majority of the trustees who are present at such meeting may adjourn the meeting to a time not less than 5 nor more than 30 days from the scheduled date of the original meeting. At the reconvened meeting, if a quorum is present, any business that could have been transacted at the originally called meeting may be transacted without further notice.

(g) ***Conduct of Meetings.*** The President or a Board-approved designee shall preside over all Conservancy Board meetings. The Secretary shall ensure that minutes of the meetings are kept and that all resolutions adopted and all other transactions occurring at such meetings are kept with the Conservancy Board's books.

(h) ***Electronic Participation.*** Members of the Conservancy Board or any committee designated by the Conservancy Board may participate in and vote during any regular or special Conservancy Board meeting by telephone conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Those trustees so participating shall be deemed present at such meeting for all purposes including determining a quorum.

(i) ***Open Meetings; Executive Session.***

(i) Subject to the provisions of subsection 4.4(b) and Section 4.5, all Conservancy Board meetings shall be open to attendance by all Owners or their representatives. The Conservancy Board shall set aside a period of time during each meeting to allow Owners an opportunity to comment on matters relating to the Conservancy, which matters may be limited to items on the agenda for any meeting with a limited agenda. The Conservancy Board may adopt reasonable rules for such comment period, including limits on the time that any individual may speak and rules requiring Owners who wish to speak to register prior to the meeting. Other than

during such comment period, only trustees may participate in any discussion or deliberation unless a trustee requests that attendees be granted permission to speak. In such case, the President may limit the time any such individual may speak.

(ii) Notwithstanding the above, upon a motion to convene in executive session specifically stating the purpose thereof approved by majority vote of the trustees eligible to vote at any open meeting, the President may adjourn any Conservancy Board meeting and reconvene in executive session for such purpose only, and may restrict attendance to trustees and such other persons as the Conservancy Board may specifically invite and announce during the open portion of the Conservancy Board meeting. Such purposes may include discussion of personnel matters, pending or probable litigation, violations of the Community Covenant, or personal liability of an Owner, and such other matters as may be permitted by Virginia law. No contract, motion, or other action taken in executive session shall become effective unless the Conservancy Board reconvenes in an open meeting to vote on such contract, motion, or other action, the substance of which shall be reasonably identified in the open meeting.

4.5. Action Without a Formal Meeting

Any action taken or which may be taken at a Conservancy Board meeting may be taken without a meeting if all trustees consent in writing to the action so taken. Such consent shall have the same force and effect as a unanimous vote.

4.6. Compensation

Trustees shall not receive any compensation for acting as such unless a majority of the Conservancy Board consents in writing, excluding the trustee whose compensation is in question. A trustee may receive reimbursement for expenses incurred on the Conservancy's behalf upon approval of a majority of the other trustees.

Nothing in these By-Laws shall prohibit the Conservancy from compensating a trustee, or any entity with which a trustee is affiliated, for services or supplies furnished to the Conservancy in a capacity other than as a trustee pursuant to a contract or agreement with the Conservancy. However, such trustee must make his or her interest known to the Conservancy Board prior to entering into such contract, and a majority of trustees other than the interested trustee must approve such contract.

4.7. Powers

The Conservancy Board shall have all the powers which Virginia law provides for nonstock corporations and those necessary to administer the Conservancy's affairs and to perform the Conservancy's purposes as set forth in the Governing Documents.

4.8. Duties

The Conservancy Board's duties shall include those imposed by law and shall also include, without limitation:

- (a) preparing and adopting an annual budget;
- (b) designating, hiring, and dismissing the personnel, organizations, companies, and others necessary to further the purposes of the Conservancy and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
- (c) performing such other managerial or administrative tasks as are necessary or appropriate to the conduct of its affairs or as are required by law; and
- (d) performing such duties as may be applicable to the Conservancy under the Virginia Property Owners Association Act, Va. Code §55-508, *et seq.*

Article 5 Officers

5.1. Officers

The Conservancy's officers shall be a President, Vice-President, Secretary, and Treasurer. The President and Secretary shall be elected from among the trustees; other officers may, but need not, be trustees. The Conservancy Board may appoint such other officers, including one or more Vice-Presidents, Assistant Secretaries and Assistant Treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Conservancy Board prescribes. Any two or more offices may be held by the same person, except the offices of President and Secretary.

5.2. Election and Term of Office

The Conservancy Board shall elect the Conservancy's officers at such times as it deems appropriate or when a position becomes vacant. Officers may serve terms of such length as the Conservancy Board may designate.

5.3. Removal and Vacancies

The Conservancy Board may remove any officer whenever in its judgment the Conservancy's best interests will be served, and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise, for the unexpired portion of the term.

5.4. Powers and Duties

The Conservancy's officers shall have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as the Conservancy Board may specifically confer or impose. The President shall be the Conservancy's chief executive officer. The Secretary shall be responsible for ensuring that the minutes of all Conservancy Board meetings and committee meetings are kept and shall have charge of authenticating records of the Conservancy. The Treasurer shall have primary responsibility for preparing the Conservancy's budgets, and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

5.5. Resignation

Any officer may resign at any time by giving written notice to the Conservancy Board, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at a later time specified therein. Unless the resignation specifies, acceptance of such resignation shall not be necessary to make it effective.

Article 6 Liability and Indemnification

6.1. Standards for Trustees and Officers

The Conservancy Board shall exercise its powers in a reasonable, fair, and nondiscriminatory manner and shall adhere to procedures established in the Governing Documents.

In performing their duties, trustees and officers shall act as fiduciaries and shall be insulated from liability as provided for directors of corporations under Virginia law and as otherwise provided by the Articles and these By-Laws. Trustees and officers shall discharge their duties as trustees or officers, and as members of any committee to which they are appointed, in a manner that the trustee or officer believes in good faith to be in the best interest of the Conservancy and with the care, including reasonable inquiry, that an ordinarily prudent person in a like position would exercise under similar circumstances. A trustee is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by others to the extent authorized under Virginia law.

6.2. Liability

(a) A trustee or officer shall not be personally liable to a third party for monetary damages for any action taken or not taken as a trustee or officer if he or she has acted in accordance with Section 6.1. Trustees shall not be liable for actions taken or omissions made in the performance of their duties except for wanton or willful acts or omissions.

(b) Pursuant to the business judgment rule, a trustee also shall not be personally liable for any action taken or not taken as a trustee if the trustee:

(i) acts within the express or implied scope of the Governing Documents and his or her actions are not ultra vires;

(ii) affirmatively undertakes to make decisions which the trustee reasonably believes are necessary for the Conservancy's continued and successful operation and, when decisions are made, makes them on an informed basis;

(iii) acts on a disinterested basis, promptly disclosing any real or potential conflict of interests (pecuniary or other), and avoiding participation in decisions and actions on matters as to which he or she has a conflict of interest; and

(iv) acts in a non-fraudulent manner and without reckless indifference to the Conservancy affairs.

(c) The Conservancy's officers, trustees, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and trustees shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on the Conservancy's behalf.

6.3. Indemnification

Subject to the limitations of Virginia law, the Conservancy shall indemnify every officer, trustee, and committee member against all damages and expenses, including counsel fees and expenses, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then-Board) to which he or she may be a party by reason of being or having been an officer, trustee, or committee member, except that the Conservancy shall have no obligation to indemnify any individual against liability or expenses incurred in connection with a proceeding:

(a) brought by or in the right of the Conservancy, although it may reimburse the individual for reasonable expenses incurred in connection with the proceeding if it is determined, by the court or in the manner provided above, that the individual met the relevant standard of conduct under Virginia law; or

(b) to the extent that the individual is adjudged liable for conduct that constitutes:

(i) appropriation, in violation of his or her duties, of any business opportunity of the Conservancy;

(ii) intentional misconduct or knowing violation of the law;

- (iii) an unlawful distribution to members, trustees or officers; or
- (iv) receipt of an improper personal benefit.

This right to indemnification shall not be exclusive of any other rights to which any present or former officer, trustee, or committee member may be entitled. The Conservancy shall maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

6.4. Advancement of Expenses

In accordance with the procedures and subject to the conditions and limitations set forth in Virginia law, the Conservancy Board may authorize the Conservancy to advance funds to pay for or reimburse the reasonable expenses incurred by a present or former officer, trustee, or committee member in any proceeding to which he or she may be a party by reason of being or having been an officer, trustee, or committee member of the Conservancy.

Article 7 Management and Accounting

7.1. Managing Agent

The Conservancy Board may employ for the Conservancy professional management agents at such compensation as the Conservancy Board may establish, to perform such duties and services as the Conservancy Board shall authorize. The Conservancy Board may delegate such powers as are necessary to act on behalf of the Conservancy Board on all matters relating to the duties of the managing agent or manager, if any, which might arise between Board meetings, but shall not delegate policymaking authority or ultimate responsibility for those duties set forth in Section 4.8.

The managing agent shall not accept remuneration from vendors, independent contractors, or others providing goods or services to the Conservancy, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; anything of value received shall benefit the Conservancy; provided, the managing agent may also serve as the managing agent for the Association and receive compensation in connection with such position. The managing agent shall promptly disclose to the Conservancy Board any financial or other interest which it may have in any firm providing goods or services to the Conservancy.

7.2. Accounts and Reports

The following management standards of performance shall be followed unless the Conservancy Board by resolution specifically determines otherwise:

- (a) accounting and controls should conform to generally accepted accounting principles;

(b) the Conservancy's cash accounts shall not be commingled with any other accounts; and

(c) an annual report consisting of at least the following shall be compiled and provided to the Conservancy Board within 120 days after the close of the fiscal year: (i) a balance sheet; (ii) an operating (income) statement; and (iii) a statement of changes in financial position for the fiscal year. Such annual report shall be prepared by the managing agent, a public accountant, or a certified public accountant, on an audited, reviewed, or compiled basis, as the Conservancy Board determines.

The Conservancy Board shall file an annual report with the Virginia Real Estate Board to the extent required by Va. Code §55-516.1.

7.3. Borrowing

The Conservancy shall have the power to borrow money to further the purposes for which it is organized.

7.4. Right to Receive Contributions; Collect Fees

The Conservancy shall have the right to receive donations and contributions and the right to collect fees to further the purposes for which it is organized.

7.5. Agreements, Contracts, Deeds, Leases, Checks, Etc.

All Conservancy agreements, contracts, deeds, leases, checks, and other instruments shall be executed by at least two officers or by such other person or persons as the Conservancy Board may designate by resolution.

Article 8 Committees

The Conservancy Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Conservancy Board may designate by resolution. The creation of a committee and appointment of its members must be approved by a majority of the Conservancy Board. Committees may be comprised, in whole or in part, of individuals other than trustees. Each committee shall operate in accordance with the terms of its creating resolution. Committees are authorized to recommend policies or procedures to the Conservancy Board as a collective body. Individual committee members are not authorized to carry out such policies or take action on behalf of the Conservancy.

Article 9

Remedies for Violations

9.1. Authority; Sanctions

Subject to compliance with the procedures described in Section 9.2, the Conservancy Board shall have the right to impose sanctions for violations of its rules, which sanctions may include but need not be limited to:

- (a) reasonable monetary charges (subject to any limitations under Virginia law, including Va. Code §55-513) which shall constitute a lien upon the violator's property; and
- (b) suspension of the privilege of using any services or participating in any programs that the Conservancy provides or sponsors.

The Conservancy Board also shall have the right to recover any costs incurred by the Conservancy as a result of the negligence or misconduct of any person using Conservancy property or participating in programs or events sponsored by the Conservancy. On its own initiative or upon filing of a written complaint by any Owner or resident of Willowsford, the Board may investigate the facts and circumstances and, if the Board determines it appropriate, may proceed in accordance with this Article.

In addition, the Conservancy Board may elect to file suit at law or in equity to enjoin any violation or to recover monetary damages or both, without the necessity of compliance with the procedures described in Section 9.2. All remedies are cumulative of any remedies available at law or in equity. If the Conservancy prevails in any legal action, it shall be entitled to recover all costs, including, without limitation, attorney's fees and court costs reasonably incurred in such action.

The decision to pursue enforcement action in any particular case shall be left to the Conservancy Board's discretion, except that the Conservancy Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Conservancy Board may determine that, under the circumstances of a particular case:

- (a) the Conservancy's position is not strong enough to justify taking any or further action;
- (b) the covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with applicable law;
- (c) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Conservancy's resources; or

(d) that it is not in the Conservancy's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

Such a decision shall not be construed as a waiver of the Conservancy's right to enforce such provision at a later time under other circumstances or preclude the Conservancy from enforcing any other covenant, restriction, or rule.

Decisions as to whether to institute litigation are no different from other decisions trustees make. There is no independent legal obligation to bring a civil action against another party, the Conservancy Board shall have no duty to sue under any circumstances.

9.2. Imposition of Sanctions

The Conservancy Board shall comply with the following procedures prior to imposition of sanctions against any Owner:

(a) **Notice and Response.** The Conservancy Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation and (ii) the proposed sanction to be imposed. The notice shall include a statement that the alleged violator has 14 days from the date of such notice to present a written request for a hearing to the Conservancy Board or the proposed sanction may be imposed. In any event, the Conservancy Board's notice of an alleged violation and opportunity for a hearing shall comply with the requirements of Va. Code §55-513.B.

The alleged violator shall respond to the notice of the alleged violation in writing within such 14-day period, regardless of whether the alleged violator is challenging the imposition of the proposed sanction, or the proposed sanction shall be imposed. If the alleged violator cures the alleged violation and notifies the Conservancy Board in writing within such 14-day period the Conservancy Board may, but shall not be obligated to, waive the sanction. Such waiver shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.

Prior to the effectiveness of sanctions imposed pursuant to this Article, proof of proper notice shall be placed in the minutes of the Conservancy Board. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, trustee, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative requests and appears at the hearing.

(b) **Hearing.** If a hearing is requested within the allotted 10-day period, the Conservancy Board shall set a date for the hearing and give the alleged violator at least 14 days' notice of the date, time and location thereof by registered or certified mail, return receipt requested. The hearing shall be held before the Covenants Committee, or if one has not been appointed, then before the Conservancy Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. The minutes of the meetings of the Conservancy Board shall contain a

written statement of the results of the hearing (*i.e.*, the Conservancy Board's decision) and the sanction, if any, to be imposed. Written notice of the decision shall be mailed to the violator within seven days after the hearing.

Article 10 Miscellaneous

10.1. Fiscal Year

The Conservancy's fiscal year shall be the calendar year unless the Conservancy Board establishes a different fiscal year by resolution.

10.2. Parliamentary Rules

Except as may be modified by Conservancy Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Conservancy proceedings when not in conflict with Virginia law or these By-Laws.

10.3. Conflicts

If there are conflicts among the provisions of Virginia law, or any of the Governing Documents, the provisions of Virginia law, the Articles, the Community Covenant, and these By-Laws (in that order) shall prevail.

10.4. Books and Records

(a) ***Inspection by Trustees.*** Every trustee shall have the absolute right at any reasonable time to inspect all Conservancy books, records, and documents and the physical properties owned or controlled by the Conservancy. A trustee's right of inspection includes the right to make a copy of relevant documents at the Conservancy's expense.

(b) ***Inspection by Owners.*** The Conservancy Board shall make available for inspection and copying by any holder, insurer or guarantor of any Owner or the duly appointed representative of any Owner at any reasonable time and for a purpose reasonably related to his or her interest in a Unit such books, records, and documents as it may be required to make available in accordance with Va. Code §55-510. The Board may establish rules with respect to timing, location, and costs associated with any such inspection.

10.5. Notices

Except as otherwise provided in these By-Laws or by Virginia law, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and may be delivered in person, by United States mail, by private carrier, or if the intended recipient has given its prior written authorization to use such method of delivery, by facsimile or electronic mail with

written confirmation of transmission.

10.6. Amendment

The Founder may unilaterally amend these By-Laws during the Founder Appointment Period. These By-Laws may be amended by the Conservancy Board upon resolution approved by at least three fourth (3/4) of the then-serving trustees and, during the Founder Appointment Period, with the approval of the Founder.

Without limiting the scope of the Conservancy Board's amendment authority, the Conservancy Board may, in its discretion and, during the Founder Appointment Period, with the approval of the Founder, amend these By-Laws as necessary to comply with the terms of Virginia Property Owners' Association Act (Va. Code §55-508, *et seq.*) or such other provisions of Virginia law as may be required to permit the levying of Annual Assessments or other charges under the Community Covenant or these By-Laws.

Any procedural challenge to an amendment must be made within one year of its recordation, or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these By-Laws.

No amendment may remove, revoke, or modify any right or privilege of the Founder without the written consent of the Founder (or the assignee of such right or privilege).

Article 11 Endowment

11.1. Fund

The Willowsford Conservancy Endowment shall be an integral part of the Conservancy to provide a vehicle to receive, accept and administer gifts, contributions and bequests and devises of monies and properties. The Endowment shall serve as a permanent and perpetual repository for assets intended to finance both the regular and the special needs of the Conservancy. Funds shall be distributed as deemed appropriate by the Endowment Directors or as otherwise required by the terms of a particular gift or bequest

11.2. Administration

The Endowment shall be administered in accordance with such provisions and procedures as shall be established from time to time by the Conservancy Board, and shall be managed by the Endowment Directors. The Endowment Directors shall be comprised of the members of the Conservancy's Finance Committee.

The Conservancy Board will have the power to adopt, alter, and amend or appeal the Operating Procedures as may be necessary or desirable for the proper management of the affairs of the Endowment.

Notwithstanding any other provision of these By-Laws, this Article 11, and any Operating Procedures adopted by the Conservancy Board related to the proper management of the Endowment, may be amended only upon a resolution approved by at least three fourth (3/4) of the then-serving members of the Conservancy Board.

11.3. Dissolution

If for any reason the Conservancy ceases to exist, the assets of the Endowment shall be disposed of as the Conservancy Board shall direct, consistent with the laws of the Commonwealth of Virginia, the IRC, and the Conservancy's Governing Documents.

* * * * *


CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Willowsford Conservancy, a Virginia nonstock corporation; and

That the foregoing constitutes the 2020 Amended and Restated By-Laws, as duly adopted by the Conservancy Board thereof on the 24th day of **March 2020**.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 23rd day of April, 2020.



Secretary

