

**BYLAWS**  
**OF**  
**WOODLAND VILLAGE HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I**

**Definitions**

Any words used in these Bylaws which are not specifically defined in the Bylaws shall have the meanings assigned to them in the Declaration of Protective Covenants, Conditions and Restrictions for Woodland Village as recorded among the land records of Loudoun County, Virginia (the "Declaration") unless such a meaning would be manifestly improper or unreasonable in the context in which a word is used.

**ARTICLE II**

**Offices**

Section 2.01. The initial registered office shall be in the County of Arlington in the Commonwealth of Virginia. The Association may also have offices at such places within the Commonwealth of Virginia as the Board of Directors may, from time to time, determine or the business of the Association may require.

**ARTICLE III**

**Members**

Section 3.01. ***Voting Rights of Members***. The Association shall have three (3) classes of members in accordance with the provisions of Article 4 of the Declaration. The rights, privileges and qualifications of each class of members shall be as set out in the Declaration and as provided in these Bylaws.

Section 3.02. ***Annual Meetings***. The Association shall hold an annual meeting of the Members each year within one (1) year from the date of incorporation and for the transaction of any business within the powers of the Association. Such annual meeting shall be held at a time to be designated by the Board of Directors from time to time. Any business of the Association may be transacted at an annual meeting without being specially designated in the notice of such meeting, except such business as is specifically required by statute, the Articles of Incorporation or the Declaration to be stated in the

notice. Any matter requiring the affirmative vote of more than a majority of the Members present at a meeting shall be designated in the notice of such meeting. Failure to hold an annual meeting at the designated time shall not, however, invalidate the corporate existence or affect otherwise valid corporate acts.

Section 3.03. **Special Meetings.** At any time in the interval between annual meetings, special meetings of the Members may be called by the President, the Board of Directors, the Declarant or by a petition of twenty-five percent (25%) of the Class A and B Members.

Section 3.04. **Place of Meetings.** All meetings shall be held at the registered office of the Association, or at such other place within the State of Virginia as is designated by the Board of Directors from time to time.

Section 3.05. **Notice of Meetings.**

(a) Written notice stating the place, day and hour of the annual meeting of the Members and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than fifteen (15) no more than sixty (60) days before the date of the meeting (except as a different time is specified below) either personally or by mail, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Association, with postage thereon prepaid. In lieu of delivering notice as above, the Association may publish such notice at least once a week for two successive calendar weeks in a newspaper having a general circulation in the city or county in which the registered office is located, the first publication to be not more than sixty (60) days and the second not less than seven (7) days before the date of the meeting. If notice of the meeting is so published, a notice of the meeting shall also be posted at not less than three (3) conspicuous locations on the Property.

(b) Notice of a Members' meeting to act on an amendment of the Articles of Incorporation or a plan or merger or consolidation shall be delivered or published and posted in the manner required by the laws of Virginia. Such laws currently require such notice not less than fifteen (15) nor more than sixty (60) days before the date of the meeting.

(c) Notwithstanding the foregoing provision, a waiver of notice in writing, signed by the Member or Members entitled to such notice, whether before or after the holding of the meeting, shall be equivalent to the giving of such notice to such Member(s). A Member who attends a meeting shall be deemed to have had timely and proper notice of the meeting unless he attends for the express purpose of objecting because the meeting is not lawfully called or convened.

Section 3.06. **Quorum.** At any meeting of Members the presence in person or by proxy of Members entitled to cast fifteen percent (15%) of all of the votes entitled to be cast by the Members shall constitute a quorum. This section shall not affect any requirement under statute, the Declaration or under the Articles of Incorporation of the Association for the vote necessary for the adoption of any measure. In the absence of a quorum, without regard to class, the Members present in person or by proxy, by majority vote taken and without notice other than by announcement, may adjourn the meeting from time to time until a quorum shall attend. In addition, at such a meeting where a quorum of Members is not present, the Members present in person or by proxy by majority vote taken without notice other than by announcement, may call a further meeting of Members, and at such further meeting the percentages of votes required to constitute a quorum shall each be reduced to one-half (½) of the percentage specified above and by proxy. The Members present may take any action, including, without limitation, the election of directors, which might have been taken at the original meeting had a sufficient number of Members been present.

Section 3.07. **Votes Required.** A majority of the votes cast by the Members without regard to class at a meeting of Members duly called and at which a quorum is present shall be sufficient to take or authorize action upon any matter which may properly come before the meeting, except as otherwise required by the laws of Virginia, or the Declaration. The Declaration requires the affirmative vote of more than a majority of each class of members in certain instances.

Section 3.08. **Proxy Voting.** 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). Such proxies may be granted by any Owner in favor of only another Owner, a member of the Board of Directors, the Declarant, the managing agent or such unit owner's Mortgagee, or additionally in the case of a non-resident Owner, the Owner's lessee, attorney or rental agent. No person other than the managing agent or a member of the Board of Directors shall cast votes as a proxy for more than one Lot not owned by such person. There are no restrictions on the number of uninstructed proxy ballots which can be cast by a member of the Board of Directors or the managing agent. Proxies shall be duly executed in writing, shall be witnessed, shall contain the full name and address of the witness, shall be dated, shall be signed by a person having authority at the time of the execution thereof to execute deeds on behalf of that person, shall be valid only for the particular meeting designated therein and any continuation thereof, and must 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 any of the persons owning such unit. Except with respect to proxies in favor of a lessee or Mortgagee, no proxy shall in any event be valid for a period in excess of one hundred and eighty (180) days after the execution thereof.

Section 3.09. **Alternative Voting Procedures.** Notwithstanding any other provision of these Bylaws, to the extent permitted by the laws of Virginia, any vote to be

taken of the members upon a stated proposal or for the election of directors may be taken by mail, and the number of votes necessary for passage of the proposal or election as a director shall be the same as if the vote were taken at a meeting.

Section 3.10. **Fixing of Record Date.** For the purpose of determining the Members entitled to notice of, or to vote at any annual or special meeting of the Members, or any adjournment thereof, or in order to make a determination of the Members for any other proper purpose, the Board of Directors may fix in advance a date as the record date for any such determination of Members such date in any case to be not more than sixty (60) days and not less than ten (10) days prior to the date on which the particular action requiring such determination of Members is to be taken. If no record date is fixed for the determination of Members entitled to notice or to vote at a meeting of Members, the date on which notice of the meeting is mailed shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof.

## **ARTICLE IV**

### **Board of Directors**

Section 4.01. **Powers.** The business and affairs of the Association shall be managed by the Board of Directors. The Board of Directors may exercise all the powers of the Association, except such as are, by the laws of Virginia, the Articles of Incorporation, the Declaration or these Bylaws, conferred upon or reserved to the Members. The Board of Directors shall have the power to:

- (a) adopt and publish rules and regulations governing the use of the Common Area, and the personal conduct of the Members and their guest thereon, and to establish penalties for the infraction thereof;
- (b) suspend a Member's voting rights and/or right to use the Common Area (other than streets and roadways) during any period in which such Member will be in default in the payment of the Annual Assessment levied by the Association. Such rights may also be suspended, after notice and hearing, for a period not to exceed sixty (60) days for an infraction of published rules and regulations or a violation of the Declaration, pursuant to the Virginia Property Owners Association Act; and;
- (c) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors or is delinquent more than two (2) months in paying his Annual Assessment; and

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

(e) appoint and disband such committees as required by the Declaration and as the Board deems appropriate.

(f) adopt an annual budget for the operation of the Association.

(g) exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration.

Section 4.02. **Duties.** It shall be the duties of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by the Members who are entitled to cast one-fourth (1/4) of the outstanding votes;

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

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

(1) fix the amount of the Annual General Assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto.

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

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees and managing agents having fiscal responsibilities to be bonded in an amount which shall not be less than the sum of three (3) month's Annual General Assessments on all Lots in the Association, plus the Association's reserve funds.

(g) cause the Common Area to be maintained; and

(h) appoint a Covenant Committee as provided in the Declaration.

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

Section 4.03. **Number and Composition of Board.** The affairs of the Association shall be managed by a Board of Directors consisting of at least three (3) natural persons who shall be initially designated by the Declarant. Directors appointed by the Declarant shall hold office until the election of their successors at a meeting of the Members of the Association held within one hundred twenty (120) days after the Class C Membership terminates. During the term of Class C Membership, the Directors shall be appointed by the Declarant. After Class C membership terminates, the Board of Directors shall consist of a minimum of three (3) members and a maximum of seven (7) members who shall be elected by the Members of the Association. The exact number of Directors shall be determined by majority vote of the Members of the Association.

Section 4.04. **Qualifications of Directors.** All Directors shall be Lot Owners or spouses of Lot Owners, Mortgagees (or designees of Mortgagees) or designees of the Declarant.

Section 4.05. **Appointed Directors.** Appointed Directors shall be appointed by the Declarant and shall serve one (1) year terms or until their successor is appointed. Such appointed Directors may be reappointed and they need not be members of the Association. The Declarant shall appoint a majority of the Directors until such time as the Declarant Control Period expires.

Section 4.06. **Elected Directors.** At the first meeting held within one hundred twenty (120) days following the termination of the Declarant Control Period, Directors shall be elected for staggered terms as follows; one (1) Director shall be elected for a one (1) year term, one (1) Director shall be elected for a two (2) year term and the remaining Director(s) shall be elected for a three (3) year term. Thereafter, all Directors shall be elected for three (3) year terms.

Section 4.07. **Vacancies and Removal.** Any Director may be removed from the Board with or without cause, by a majority vote of the Members of the Association. Any Director who misses three (3) consecutive meetings of the Board of Directors or is two or more months delinquent in paying his Assessments shall be removed from the Board of Directors at its option. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board of Directors and shall serve for the unexpired term of his predecessor, subject to removal, however, by vote of the Members of the Association. Notwithstanding the foregoing during the Declarant

Control Period, none of the directors appointed by the Declarant shall be removed without the prior written consent of the Declarant.

Section 4.08. **Compensation.** No Director shall receive compensation from the Association for any service he may render to the Association as a Director. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 4.09. **Action by the Board of Directors.**

(a) **Regular Meetings.** Except as permitted by this Section, all actions, matters or resolutions approved or disapproved by the Board of Directors shall be by vote of the Directors taken at a regular meeting. Regular meetings of the Board of Directors shall be held monthly without notice.

(b) **Emergency Meetings or Action by the Board of Directors.** In the event of an emergency (as determined by a majority consent of the Board of Directors) requiring immediate action by the Board of Directors, the Board of Directors may act by means of a conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other and participation by such means shall constitute presence in person at such meeting. Such meetings may be called by the President of the Association or by a majority of the Directors.

(c) **Time and Place of Meeting.** Each meeting of the Board of Directors shall be held at such time and at such place within the State of Virginia as the person or persons calling the meeting may designate or at such other place outside the State of Virginia as may be agreed upon by all of the Directors.

(d) **Action Without a Meeting.** To the extent permitted by the laws of Virginia, the Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 4.10. **Quorum.** A majority of the Directors shall constitute a quorum for the transaction of business.

Section 4.11. **Limitations on Board of Directors.** Notwithstanding any other provision of the Declaration or these Bylaws, after the Declarant Control Period terminates, the following limitations on the actions of the Board of Directors shall apply:

(1) any controversy or claim arising out of or relating in any way to the development or construction of the Property, including the Common Area, shall be settled

by arbitration in accordance with the Virginia Uniform Arbitration Act (Section 8.01-581.01, Code of Virginia, 1950 as amended); and

(2) the Board may not file any claim on behalf of the Association regarding any issues described in paragraph (1) above, without first obtaining from a lawyer or other legal consultant a detailed cost-benefit analysis relating to such claim (which cost-benefit analysis must include at least the following: (A) the nature and extent of the claim and the prospects of winning or losing the claim, (B) the prospects of settling the dispute early, (C) the cost of prosecuting the claim, and (D) the effect of pending litigation on resales and on home refinancings in the Property. After distributing such cost-benefit analysis to all Owners, unless expiration of any applicable statute of limitations is imminent, the Board shall obtain approval to file such claim from a majority of Members present at a regularly scheduled or Special Meeting at which a quorum is present pursuant to Article IV hereof. The Board shall also attempt to meet with a potential defendant in order to investigate the possibility of any early settlement of the lawsuit or claim; and give the potential defendant notice of the claim or the potential litigation and a reasonable opportunity to cure the problem before the claim is filed.

## **ARTICLE V**

### **Officers and Their Duties**

**Section 5.01. Enumeration of Officers.** The officers of this Association shall be a president, who shall be a Director, a vice president, a secretary, and a treasurer, and such other officers and assistant officers as may from time to time be deemed necessary by the Board of Directors. Any two (2) or more offices may be held by the same person except the offices of President and Secretary.

**Section 5.02. Election of Officers.** The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

**Section 5.03. Term.** The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year until his successor is elected and qualified unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

**Section 5.04. Special Appointments.** Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5.06. **Vacancies.** A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 5.07. **Duties of the President.** The President shall be the chief operating officer of the Association, shall be available at all meetings of the Members and the Board of Directors, shall have general and active operating management of the business of the Association and shall see that all orders and resolutions of the Board of Directors are carried into effect. The President shall act as chairman at meetings of the Board of Directors. He shall execute bonds, mortgages, and other contracts requiring a seal, under the seal of the Association, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Association. The President shall have the power to act on behalf of the Board, within limits, between meetings of the Board to take care of the normal and customary business of the Board or anything of an emergency nature.

Section 5.08. **Duties of the Vice President.** In the absence of the President or in the event of his inability or refusal to act, the Vice President (or in the event there be more than one vice president, the Vice Presidents in the order designated by the Directors, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

Section 5.09. **Duties of the Secretary.** The Secretary shall attend all meetings of the Board of Directors and all meetings of the Members and shall record or cause to be recorded all the proceedings of the meetings of the Association and of the Board of Directors in a book to be kept for that purpose. He shall give, or cause to be given, notice of all meetings of the Members and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision he shall be. He shall have custody of the corporate seal of the Association and he shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his signature. The Board of Directors may give general authority to any other officer to affix the seal of the Association and to attest the affixing by his signature.

Section 5.10. **Duties of the Treasurer.** The Treasurer shall have the custody of the Associations' funds and securities and shall keep or cause to be kept fully and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. He shall disburse or cause to be disbursed the funds of the Association as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, at its regular meetings, or when the Board of

Directors so requires, an account of all his transactions as Treasurer and of the financial condition of the Association. The Treasurer shall cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of issuance and expenditures to be prescribed to the membership at its regular annual meeting and shall file a copy of each in the records of the Association. The Board may assign certain Treasurer duties described herein to the managing agent.

## **ARTICLE VI**

### **Finance**

**Section 6.01. Checks, Drafts, Etc.** All checks, drafts, and orders for the payment of money, notes and other evidences of indebtedness, issued in the name of the Association, shall be signed as provided by resolution of the Board of Directors.

**Section 6.02. Fiscal Year.** The fiscal year of the Association shall be the twelve calendar months period ending December 31 of each year, unless otherwise provided by the Board of Directors.

**Section 6.03. Carryover of Unused Funds.** The Association shall not be obligated to spend in any calendar year all the sums collected in such year and may carry forward, as surplus, any balance remaining; nor shall the Association be obligated to apply any such surpluses to the reduction of the amount of the Annual Assessments in the succeeding year, but may carry forward from year to year such surplus or may offset any budget deficit as the Board of Directors in its absolute discretion may determine to be desirable for the greater financial security of the Association and the effectuation of its purposes.

**Section 6.04. Annual Audit.** The Association shall cause an annual audit of the Association books to be made by a independent certified public accountant at the end of every fiscal year. Such audit shall be available to all Members and First Mortgagees within 120 days of the fiscal year end.

## **ARTICLE VII**

### **Miscellaneous**

**Section 7.01. Books and Records.** The books, records and papers of the Association (pursuant to the Virginia Property Owners Association Act) shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be

available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

Section 7.02. **Seal.** The Board of Directors may provide a suitable seal, bearing the name of the Association which shall be in the charge of the Secretary. The Board of Directors may authorize one or more duplicate seals and provide for the custody thereof.

Section 7.03. **Indemnification.** The members of the Board of Directors and officers of the Association shall not be personally liable to the Association, Owners or others for any mistake or judgment or for any acts or omissions made in good faith acting as such Board members or officers individually or collectively. Each member of the Board of Directors and each officer shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, or any settlement thereof, by reason of his being or having been a member of the Board of Directors or an officer of the Association, whether or not he is a member of the Board of Directors or an officer at the time such expenses are incurred, except in such cases wherein the member of the Board of Directors or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement, the indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interests of the Association.

Section 7.04. **Amendments.** Any and all provisions of these Bylaws may be altered or repealed and new Bylaws may be adopted at any annual meeting of the Members, or at any special meeting called for that purpose by a majority vote of the Members; provided, however, no amendment or change shall be effective without the consent of the Declarant during the Declarant Control Period. Amendment of the Bylaws is subject to specific provisions contained in the Declaration. The Federal Housing Administration and the Veterans Administration shall have the right to veto any material amendments to the Bylaws during the Declarant Control Period.

Section 7.05. **Consistency of Articles of Incorporation and Bylaws.** These Bylaws shall be construed and interpreted in a manner which is consistent with the terms and provisions of the Articles of Incorporation and the Declaration. The terms and provisions of the Articles of Incorporation and the Declaration shall be controlling over any inconsistent provision contained in these Bylaws.

## **ARTICLE VIII**

### **Management**

**Section 8.01. Management Agent.** The Board of Directors shall employ for the Association a management agent or manager (the "Management Agent") at a rate of compensation established by the Board of Directors, which rate shall be a rate which is ordinary, reasonable, and customary for such services, to perform such duties and services as the Board of Directors shall from time to time authorize in writing. Any management agreement entered into by the Association shall provide, inter alia, that such agreement may be terminated for cause by either party upon thirty (30) day's written notice thereof to the other party. The term of any such management agreement shall not exceed three (3) years; provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties.

Provided that any Lot subject to these Bylaws is then encumbered by a deed of trust or mortgage which is insured by the Federal Housing Administration, or guaranteed by the Veterans Administration, and, provided further, that FHA and/or VA standards and regulations prohibit self-management of the Association, then no such self-management shall be undertaken by the Association without the prior written consent and approval of FHA or VA, as well as First Mortgagees.

## **ARTICLE IX**

### **Rights of First Mortgagees**

**Section 9.01.** Written notice of meetings of the members shall be delivered in accordance with Article III, Section 3.05 to all First Mortgagees who file a written request with the Secretary.

**Section 9.02.** Upon written request to the Secretary, the books and records of the Association, pursuant to Section 55-510, Code of Virginia, 1950 as amended, shall be available for examination by a First Mortgagee and its duly authorized agents or attorneys during normal business hours after reasonable notice and for purposes reasonably related to its interest.

**Section 9.03.** Upon written request to the Secretary, a First Mortgagee may obtain written notification of the lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

**Section 9.04.** A First Mortgagee shall be entitled to receive a copy of the budget and financial statement of the Association upon written request delivered to the Secretary.

END OF BY-LAWS