

BY-LAWS

BYLAWS
OF
ASHLAND CONSERVANCY, INC.

ARTICLE I

Definitions

The words used hereinabove or hereafter in these Bylaws which begin with capital letters (other than words which would be normally capitalized) shall have the meanings assigned to them as follows.

1.01 "Annual Assessments" shall mean and refer to the Annual General Assessment and Services Assessment levied by the Association in each of its fiscal years pursuant to Article IV of the Declaration.

1.02 "Annual General Assessment" shall mean and refer to the annual charge shared by all Class "A" members established pursuant to Article IV of the Declaration.

1.03 "Approval of Secondary Mortgage Agencies or Mortgagees" means: (i) written approval; (ii) any written waiver of approval rights; (iii) a letter stating no objection; or (iv) presumptive approval if a Secondary Mortgage Agency or Mortgagee does not respond to a notice by certified or registered United States mail, return receipt requested, within thirty days after the date the request for approval is transmitted in accordance with the notice requirements of the Declaration.

1.04 "Assessable Property" shall mean and refer to all of the Property except such part or parts thereof as may from time to time constitute Exempt Property.

1.05 "Association" shall mean and refer to Ashland Conservancy, Inc., a Virginia non-stock corporation, its successors and assigns.

1.06 "Board of Directors" shall mean and refer to the Board of Directors of the Association and any board, group or entity of the successor or assign to the Association serving in a comparable capacity to the Board of Directors of the Association.

1.07 "Class A Members" shall mean and refer to all Owners except, during the Development Period, the Developer.

1.08 "Class B Member" shall mean and refer to the Developer.

1.09 "Community Facilities" and/or "Common Area" shall mean and refer to all real property and the improvements thereon from time to time owned or leased by the Association for the common use and enjoyment of the Members. Such property may (but need not) include any common areas, public, neighborhood or community buildings, community centers and plazas, day care centers, recreational or educational facilities, natural resource facilities, parks and other open space land, lakes and streams, storm water management and drainage facilities, cultural facilities, community streets, pathway and bikeway systems, pedestrian facilities, design amenities and other community facilities and buildings needed in connection with water supply, sewage disposal, gas, electric, or other utility lines, equipment or installations.

1.10 "Covenants Committee" shall mean and refer to the Architectural Review and Covenants Committee so named and established in accordance with Article V of the Declaration.

1.11 "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions and Reservation of Easements recorded or to be recorded among the land records of Prince William County Virginia, as it may from time to time be amended or supplemented.

1.12 "Developer" shall mean and refer to Ashland Community Development, a Delaware limited liability company, its successors and assigns, provided, however, that no successor or assignee of the Developer shall have any rights or obligations of the Developer hereunder unless such rights and obligations are specifically set forth in an instrument of succession or assignment designating a party as the Developer hereunder or which pass by operation of law.

1.13 "Development Period" shall mean and refer to the period commencing on the date of the Declaration and terminating on the earlier of (a) December 31, 2005; or (b) four (4) years from the recordation of the final annexation of land into the Association; or (c) the date specified by the Developer in a written notice to the Association that the Developer control period is to terminate on that date. If the Developer is delayed in the improvement and development of the Property due to a sewer, water or building permit moratorium or other cause or event beyond the Developer's control, then the aforesaid period shall be extended for the length of the delay, or two years whichever is less.

1.14 "Dwelling Unit" shall mean any portion of the Property, as improved, intended for any type of independent ownership for use and occupancy as a residence by a household and shall, unless otherwise specified, include within its meaning (in way of illustration, but no limitation) condominium units, apartment and cooperative units, patio or zero lot line homes, as may be used and defined as herein provided or as provided in subsequent Declarations covering all or part of the Property.

1.15 "Exempt Property" shall mean and refer to all land and structures and Community Facilities owned by the Association for so long as the Association shall be the owner thereof.

1.16 "Majority Vote" means a simple majority (more than fifty percent) of the votes entitled to be cast by members present in person or by proxy at a duly held meeting of the members at which a quorum is present. Any vote of a specified percentage of members means that percentage with respect to the total number of votes actually cast by members present in person or by proxy at a duly held meeting at which a quorum is present. Any vote by a specified percentage of the Board of Directors (or committee) means that percentage with respect to votes entitled to be cast by directors (or committee members) present at a duly held meeting of the Board of Directors (or committee) at which a quorum is present. Any vote of or approval by a specified percentage of the Mortgagees means a vote of or approval (whether actual or presumed) by the Mortgagees of Lots calculated based on one vote for each Lot on which a Mortgage is held by a Mortgagee.

1.17 "Mortgagee" shall mean the holder of any recorded mortgage, or the party secured or beneficiary of any recorded deed of trust, encumbering one or more of the Lots. "Mortgage," as used herein, shall include deeds of trust. "First Mortgage" as used herein, shall mean a mortgage with priority over other mortgages. As used in these Bylaws, the term "Mortgagee" shall mean any mortgagee and shall not be limited to institutional mortgagees. As used in these Bylaws, the term "institutional mortgagee" or "institutional holder" shall include banks, trust companies, insurance companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, mortgage companies, Federal National Mortgage Association ("FNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), all corporations and any agency or department of the United States Government or of any state or municipal government. As used in this Declaration, the term "holder" or "mortgagee" shall include the parties secured by any deed of trust or any beneficiary thereof.

1.18 "Land Development Activity" shall mean and refer to any building, construction, reconstruction or repair of a Dwelling Unit, roadways, curbing, sidewalks, utility services or any other Structure on a Lot or any other portion of the Property by the

Developer and/or by other persons regularly engaged in the building or construction business (including a Participating Builder), if granted approval in writing by the Developer.

1.19 "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property upon which a Dwelling Unit(s) could be constructed in accordance with Prince William County zoning ordinances and to each condominium unit or apartment or cooperative unit on the Property created in accordance with the applicable laws of Virginia in effect from time to time. "Lot" shall not mean and refer to Community Facilities.

1.20 "Member" shall mean the Class A Members and Class B Member of the Association. Every Owner of a Lot which is subject to assessment shall be member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

1.21 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of any Dwelling Unit which is part of the Property but excluding in all cases any party holding an interest merely as security for the performance of an obligation. For the purpose of this definition, the owner of Dwelling Units in an apartment shall be the record owner of the apartment building or buildings. The owner of Dwelling Units in a cooperative shall be the cooperative corporation.

1.22 "Participating Builder" shall mean and refer to a person (a) designated in writing by the Developer as a Participating Builder.

1.23 "Person" shall mean and refer to any individual, corporation, joint venture, partnership, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof or any other separate legal entity.

1.24 "Property" shall mean and refer to those certain lands in Prince William County, Virginia, more particularly described in Exhibit "A" attached to the Declaration, together with such additional lands as shall be subjected to the Declaration. The Developer owns or may acquire other lands in the vicinity of the land described in Exhibit "A" which it may, in accordance with Article VII of the Declaration, subject to the Declaration during the Development Period.

1.25 "Resident" shall mean and refer to (i) each individual occupying any Dwelling Unit pursuant to a lease agreement with the Owner thereof who, if requested by the Board of Directors, has delivered proof of such lease agreement to the Board of Directors; (ii) members of the immediate family of such individual or of an owner who actually resides within the Property and in the same household with each such individual or Owner; and (iii)

any person who has a fixed place of habitation at a Dwelling Unit of any such individual or owner to which, whenever he is absent, he has the intention of returning.

1.26 "Secondary Mortgage Agencies" shall mean and refer to the (i) Veterans Administration ("VA") and Federal Housing Administration ("FHA"), both of which are governmental agencies of the United States of America, and any successor(s) thereto, and (ii) the Federal Home Loan Mortgage Corporation ("FHLMC") and Federal National Mortgage Association ("FNMA") and any successor(s) thereto.

1.27 "Services Assessment" shall mean and refer to the charge or charges imposed upon a section of the Property or type of housing for services rendered by the Association only to that section or housing type pursuant to Article IV of the Declaration.

1.28 "Special Assessment" shall mean and refer to any special charge established pursuant to Article IV of the Declaration.

1.29 "Structure" shall mean and refer to:

(a) Any Community Facility,

(b) Any thing or object (other than trees, shrubbery, landscaping and hedges less than two feet high) the placement of which upon any Lot may affect the appearance of such Lot, including any building, garage, porch, shed, greenhouse, bathhouse, coop, cage, house trailer, covered or uncovered patio, swimming pool, fence, curbing, paving, wall, signboard or any other temporary or permanent improvement on such Lot,

(c) Any excavation, fill, ditch, dam or other thing or device which affects or alters the natural flow of surface waters from, upon or across any Lot, or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel from, upon or across any Lot, and any Lot.

(d) Any change of more than six inches in the grade of any lot.

ARTICLE II

Offices

Section 2.01. The initial registered office shall be in the County of Arlington in the Commonwealth of Virginia.

Section 2.02. 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 two classes of members in accordance with the provisions of Article VI of the Articles of Incorporation. The rights, privileges and qualifications of each class of members shall be as set out in the Articles of Incorporation, the Declaration and as provided in these Bylaws. No Class A Member shall be eligible to vote, either in person or by proxy, or to be elected to the Board of Directors, who is shown on the books or management accounts of the Association to be more than one (1) month delinquent in any payment due the Association or who is in violation of the Declaration or the rules and regulations adopted by the Board of Directors.

Section 3.02. Annual Meetings. The first annual meeting of the Members shall be held within twelve (12) months from the date of filing of the Articles of Incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held during the same month of each year thereafter.

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 Class B Member or by Class A Members having twenty percent (20%) of the votes entitled to be cast by the Class A Members at such meeting.

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. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until half of the quorum, as aforesaid, shall be present or be represented by proxy.

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, the Declaration or the Articles of Incorporation. The Declaration requires the affirmative vote of more than a majority of each class of members in certain instances.

Section 3.08. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot. No proxy shall be valid after eleven (11) months from its date, unless otherwise provided in the proxy.

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 during any period in which such Member will be in default in the payment of any 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 infraction of published rules and regulations or until the violation is cured;

(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 meeting of the Board of Directors; and

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

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

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

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 Class A 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 Assessments against each Lot at least thirty (30) days in advance of each annual assessment period; and

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

(3) begin the process of foreclosing the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring action at law against the Owner personally obligated to pay the same.

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

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

(f) cause all officers or employees having fiscal responsibilities to be bonded in an amount which shall not be less than the sum of three month's assessments on all units in the Association, plus the Association's reserve funds.

(g) cause the Community Facilities to be maintained; and

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

(i) otherwise perform or cause to be performed the functions and obligations of the Board and the Association as directed by the Declaration, Bylaws or Articles of Incorporation.

Section 4.03. Number and Composition of Board. The Board of Directors shall consist of not fewer than three (3) members and not more than seven (7) members. The initial Board shall consist of three (3) members appointed by the Developer. At the first Annual Meeting following the termination of Class B membership, the Board of Directors shall be expanded to consist of not more than seven (7) members. The number of Directors may be fixed or changed from time to time within the maximum and minimum by the Members or the Board of Directors. Until the Class B membership terminates, the Board shall consist of appointed Directors. Thereafter, all Directors shall be elected.

Section 4.04. Appointed Directors. Appointed Directors shall be appointed by the Developer and shall serve one year terms or until their successor is appointed. Such appointed Directors may be reappointed and they need not be members of the Association. The Developer shall appoint three (3) Directors until such time as the Class B membership expires.

Section 4.05. Elected Directors. Until the expiration of the remaining terms of all appointed Directors, all elected Directors shall be elected for one (1) year terms and shall be Members of the Association. At the Annual Meeting following the termination of Class B membership, Directors shall be elected for staggered terms, as follows; two (2) Directors shall be elected for one (1) year terms, two (2) Directors shall be elected for two (2) year terms and one (1) Director shall be elected for a three (3) year term. Thereafter, all Directors shall be elected for three (3) year terms. Election to the Board of Directors may be by secret written ballot. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 4.06. 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 without prior notice shall be removed from the Board. 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 Development Period, none of the directors appointed by the Developer shall be removed without the prior written consent of the Developer.

Section 4.07. 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 4.08. 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 may be called by the President of the Association or by a majority of the Directors.

(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 4.09. Notice of Meetings to Directors. Notice of the place, day and hour of every regular and special meeting shall be given to each director two days (or more) before the meeting, by delivering the same to him personally, or by sending the same to him by telegraph, or by leaving the same at his residence or usual place of business, or, in the alternative, by mailing such notice three days (or more) before the meeting, postage prepaid,

and addressed to him at his last known post office address, as shown upon the records of the Association. Unless required by these Bylaws or by resolution of the Board of Directors, no notice of any meeting of the Board of Directors need state the business to be transacted thereat. No notice of any meeting of the Board of Directors need be given to any director who, either before or after the holding thereof, waives such notice in writing. Attendance of a director at any meeting shall constitute waiver of notice of such meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any meeting of the Board of Directors, regular or special, may be adjourned from time to time to reconvene at the same or some other place, and no notice need be given of any such adjourned meeting other than by announcement.

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

Section 4.11. Fidelity Bonds. The Board of Directors shall require that all officers, Directors, employees and agents of the Association regularly handling or otherwise responsible for the funds of the Association shall furnish adequate fidelity bonds or equivalent insurance against acts of dishonesty. The premiums of such bonds or insurance shall be paid by the Association.

Section 4.12. Liability and Indemnification of Officers and Directors. The Association shall indemnify every officer and Director of the Association against any and all expenses, including counsel fees, reasonably incurred by, or imposed upon, an officer or director in connection with any action, suit or other proceeding (including the settlement of any such suit or proceeding if approved by the then Board of Directors of the Association) to which he may be made a party by reason of being or having been an officer or Director of the Association, whether or not such person is an officer or Director at the time such expenses are incurred. The officers and Directors of the Association shall not be liable to the Members of the Association for any mistake or judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The officers and Directors of the Association shall have no personal liability with respect to any contract or other commitment may be them, in good faith, on behalf of the Association and the Association shall indemnify and forever hold such officer and Director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or Director of the Association or former officer or Director of the Association may be entitled.

Section 4.13. The Board of Directors shall appoint a Covenants Committee, as provided in the Declaration. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

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 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.

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 and Assistant Secretaries. 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, or an Assistant Secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his signature or by the signature of such Assistant Secretary. 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. The Assistant Secretary, or if there be more than one, the Assistant Secretaries in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election), shall, in the absence of the Secretary or in the event of his inability or refusal to act, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

Section 5.10. Duties of the Treasurer and Assistant Treasurers. 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 Assistant Treasurer, or if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors (or if there be no such

determination, then in the order of their election) , shall, in the absence of the Treasurer or in the event of his inability or refusal to act, perform the duties and have such other powers as the Board of Directors may from time to time prescribe.

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 unless otherwise provided by resolution of the Board of Directors, be signed by two officers of the Association, one of whom shall be the President or a Vice President and the other of whom shall be the Treasurer or an Assistant Treasurer.

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 assessments in the succeeding year, but may carry forward from year to year such surplus 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.

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 shall 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.

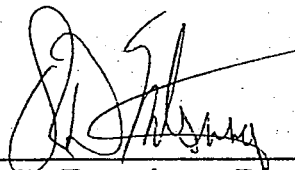
Section 7.03. Amendments. Any and all provisions of these Bylaws may be altered or repealed and new Bylaws may be adopted at any annual meeting of the members, or at any special meeting called for that purpose by a Majority Vote of the members; provided, however, no amendment or change shall be effective without the consent of the Class B Member during the Development Period. Amendment of the Bylaws is subject to specific provisions contained in the Articles of Incorporation and the Declaration.

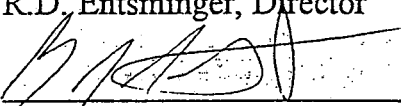
Section 7.04. Consistency of Articles of Incorporation and Bylaws. These Bylaws shall be construed and interpreted in a manner which is consistent with the terms and provisions of the Articles of Incorporation and the Declaration. The terms and provisions of the Articles of Incorporation and the Declaration shall be controlling over any inconsistent provision contained in these Bylaws.

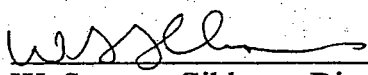
Section 7.05. Auditing. At the close of each fiscal year, the books and records of the Association shall be audited by an independent Public Accountant whose report shall be prepared in accordance with generally accepted auditing standards, consistently applied. Based upon such report, the Association shall furnish the Members and any mortgagee requesting the same with an annual financial statement, including the income and disbursements of the Association, within ninety (90) days following the end of each fiscal year.

IN WITNESS WHEREOF, we being all of the initial Directors of Ashland Conservancy Inc., have hereunto set our hands this 30 day of April, 1996.

WITNESS:



R.D. Entsminger, Director


G. Jay Sotos, Director


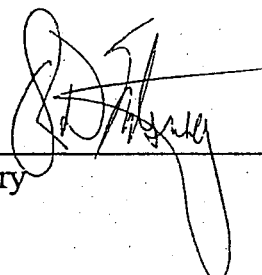
W. Stewart Gibbons, Director

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting secretary of Ashland Conservancy, Inc., a Virginia non-stock, non-profit corporation, and,

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors hereof, held on the 30 day of April, 1996.



Secretary

(CORPORATE SEAL)

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