

BYLAWS OF
WINDSTONE HOMEOWNERS ASSOCIATION, INC.

SECTION 1. OFFICES: The principal office shall be in the City of Winchester, State of Virginia. The corporation may have offices and places of business at such other places within and without the State of Virginia as shall be determined by the directors.

SECTION 2. ANNUAL MEETING: The annual meeting of the corporation shall be held at a place to be determined by the Board of Directors, with notice not less than 30 days prior to the meeting.

SECTION 3. SPECIAL MEETINGS: Special meetings of the members for any purposes may be called by the President, and must be called by him or her on receipt of a written request from ten of the members entitled to vote.

SECTION 4. NOTICE OF ANNUAL OR SPECIAL MEETINGS: Notice of the annual meeting or of a special meeting, stating the time, place and purpose or purposes thereof shall be given to each member no less than 30 days nor more than 60 days prior to the meeting, but such notice may be waived in writing at any time.

SECTION 5. QUORUM: At any meeting of the members, the presence of members or of proxies entitled to cast sixty-seven percent (67%) of all votes of the membership shall constitute a quorum, except as otherwise provided by law.

SECTION 6. VOTING: At each meeting of the members every member then entitled to vote may vote in person or by proxy. The association will provide a standard proxy form for members to use as needed. Proxies must be signed and dated by the member, and specify to whom the proxy is given, and the length of time (not to exceed one

year) the proxy is given for. A valid proxy may be given to a non-member. All forms submitted shall be kept with the association records.

SECTION 7. NUMBER OF DIRECTORS, TENURE, VACANCIES: The business and affairs of the corporation shall be managed and controlled by a Board of Directors of not less than three (3) directors, nor more than nine (9) directors, who shall be elected annually by the members at the annual meeting. Each director shall hold office until the election of his or her successor. Any director may resign at any time. Vacancies occurring among the directors may be filled by the directors.

SECTION 8. REGULAR MEETING OF THE BOARD: Immediately after each annual election of directors, the newly elected directors may meet forthwith for the purpose of organization and the transaction of other business; if a quorum of the directors be then present no prior notice of such meeting shall be required. Other regular meetings of the board may be held without notice at such times and places as the directors may determine.

SECTION 9. SPECIAL MEETINGS: Special meetings of the directors may be called by the President and must be called at the written request of two members of the Board.

SECTION 10. NOTICE OF SPECIAL MEETINGS: Notice of a special meeting shall be given to each director at least five days prior to meeting, but such notice may be waived in writing at any time.

SECTION 11. QUORUM: A majority of the Board of Directors shall constitute a quorum at all meetings of the Board.

SECTION 12. OFFICERS: The officers of the corporation shall be a President, a Vice President, a Secretary, and a Treasurer, who shall be elected annually by the directors and who shall hold office during the pleasure of the directors, and any other assistants to the Board of Directors may determine to elect at any time. The positions of (1)

President and Treasurer, (2) Vice President and Treasurer, and (3) Secretary and Treasurer may be united in one person. All vacancies occurring among any of the above officers shall be filled by the directors. Any officer may be removed at any time by the affirmative vote of a majority of the member at a special meeting of the members called for the purpose.

SECTION 13. SUBORDINATE OFFICERS: The board may appoint such other officers and agents with such powers and duties as it shall deem necessary.

SECTION 14. THE PRESIDENT: The President shall preside at all meetings of the members and directors. He or she shall have general management and control of the business and affairs of the corporation.

SECTION 15. THE VICE PRESIDENT: The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of the President. He or she shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the directors.

SECTION 16. THE TREASURER: If the Board of Directors so desire, the Treasurer shall, prior to taking office, post a surety bond, the premium of which shall be paid by the association. Once bonded, the Treasurer shall have the custody of all funds, securities, evidences of indebtedness and other personal property of the corporation and shall deposit the same in such bank or trust company as shall be designated by the directors of the corporation or the President. He shall receive and give receipts and acquittances for monies paid on account of the corporation and shall pay out of the funds on hand all bills, payrolls and other just debts of the corporation of whatever nature upon maturity of the same; he or she shall enter regularly in books of the corporation to be kept by him or her for that purpose full and accurate accounts of all

monies received and paid out by him or her on account of the corporation, and he or she shall perform all other duties incident to the office of Treasurer.

SECTION 17. THE SECRETARY: The Secretary shall keep the minutes of all proceedings of the directors and the members; he or she shall attend to the giving and serving of all notices to the members and directors, or other notices required by law or the By-Laws; he or she shall affix the seal of the corporation to deeds, contracts and other instruments in writing requiring a seal, when duly signed; he or she shall have charge of the member rolls and such other books and papers as the Board may direct, and he or she shall perform all other duties incident to the office of Secretary.

SECTION 18. SALARIES: The Board of Directors shall serve without compensation.

SECTION 19. SEAL: The directors may, but shall not be required to, provide a suitable corporate seal of which the Secretary shall be in charge, and which shall be used as authorized by the directors.

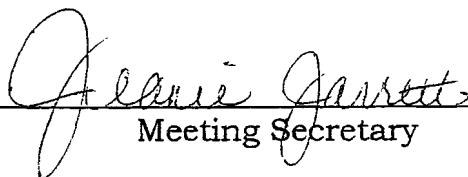
SECTION 20. DEPOSITORIES: The funds of the corporation shall be deposited in such bank or trust company, and checks drawn against such funds shall be signed in such manner, as may be determined from time to time by the directors.

SECTION 21. NOTICE AND WAIVER OF NOTICE: Any notice required to be given by the bylaws may be given by mailing or faxing the same to the person entitled thereto at his or her address or fax number as shown on the corporation's books and such notice shall be deemed to have been given at the time of such mailing or faxing. Any notice required by these bylaws to be given may be waived by the person entitled to such notice.

SECTION 22. OTHER PROVISIONS INCORPORATED: All provisions of the Deed of Dedication of Windstone of record in the Clerk's Office of the Circuit Court of the Frederick County, Virginia, as they may pertain to this Association, are hereby incorporated into these bylaws and made a part hereof by this reference as though set out in full.

SECTION 23. POWER OF DIRECTORS TO AMEND, ETC.: The Board of Directors shall have power to make, amend and repeal the bylaws of the corporation at any annual meeting or at a special meeting called for the purpose and all bylaws made by the directors may be altered or repealed by the members, except as such power is in conflict with the Deed of Dedication, which shall control.

Adopted at the organizational meeting of the Board of Directors of WINDSTONE HOMEOWNERS ASSOCIATION, INC. held on the 27 day of November, 2002.



Meeting Secretary



THIS DEED OF GIFT, made and dated this 1 day of August 2002, by and between **OAKCREST PROPERTIES, L.L.C.**, a Virginia limited liability company, herein called the Grantor, and **WINDSTONE HOMEOWNERS ASSOCIATION, INC.**, a Virginia nonstock corporation, herein called the Grantee.

WITNESSETH: The Grantor hereby gives, grants and conveys, with General Warranty and English covenants of title unto the Grantees, in fee simple, all those certain parcels in Frederick County, Virginia, defined as "Common Areas" in the Deed of Dedication of Windstone Section 1 of designated as "Common Open Space" on the plats attached to said Deed of Dedication, which instruments are of record in the Clerk's Office of the Circuit Court of Frederick County, Virginia, as Instrument No. 02-0011392

Reference is hereby made to the aforesaid instruments and the references therein contained for more particular descriptions of the property hereby conveyed.

This conveyance is made subject to all easements, rights of way, liens and restrictions of record affecting the subject property.

As is set forth in the Deed of Dedication of said subdivision, the Grantee is required to maintain said parking areas and open space, is empowered to collect assessments, and has other duties and powers as set forth therein.

WITNESS the following signature and seal:

James T. Vickers (SEAL)
JAMES T. VICKERS, Managing Member,
Oakcrest Properties, L.L.C.

STATE OF VIRGINIA
CITY of WINCHESTER, to-wit:

Acknowledged before me this 27 day of November, 2002, by James T. Vickers,
who is Managing Member of Oakcrest Properties, L.L.C., on behalf of the company.

Jeanie Garrett
Notary Public

My commission expires: Dec. 31, 2005