

**VILLAGE FESTIVAL
PLANNED COMMERCIAL DISTRICT
GREAT EASTERN RESORT CORPORATION**

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Massanutten Resort, in recent decades, has emerged as one of the most important factors in the economic prosperity and overall character of Rockingham County. The resort, which includes Woodstone Meadows, is the single most popular tourist destination in the area.

Under the ownership and operation of Great Eastern Resort Corporation, time-share sales at Massanutten Resort have continued to exceed expectations. This success has created the need to provide additional recreational and leisure time activities at the resort. To meet those needs Great Eastern has developed a plan to establish a Planned Commercial District, which will include a recreational water park, a time-share sales center, hotel buildings and a convenient concentration of retail shops and services selected specifically for the time-share vacationer.

Project Objectives & Character

Great Eastern's primary objective in the development of Village Festival is to enhance the vacation experience of the Massanutten Resort time-share community. "The water park will be a state-of-the-art facility, family oriented to appeal to all ages. Although there will be some outdoor facilities for warmer months, emphasis is on the indoor park, in keeping with Massanutten's 'year round resort' philosophy. Each phase of the indoor park will house nearly one acre of various water related activities, ranging from shallow theme pools for younger children, to pools, slides and spas for older users. The water park building will contain shower facilities and concessions, including food. The water park is planned as an important element in the Resort's recreational activity, supplementing the existing golf courses, ski slopes and the tubing park.

The commercial development at Village Festival will provide a vacation shopping experience for the Massanutten Resort guest. A variety of shops and services, selected for the vacation market, will be scattered throughout a well landscaped, park-like setting, in small clusters or individually, and will be connected by convenient pedestrian circulation areas. The pedestrian circulation areas will include landscaping, flower beds, planters and features such as benches and picnic tables. The areas around and between the commercial shops may also contain outdoor café dining, ice cream/drink/snack stands, specialty kiosks and other similar seasonal uses.

Located throughout the commercial project, parking areas will be relatively small, well landscaped and convenient to the retail shops. Although there will be some parking areas between the access street and the commercial buildings, the emphasis will be placed on pedestrian and bicycle travel within the shopping area. Benches, pocket parks and picnic facilities will be located conveniently throughout the commercial development.

The central area and a focal point of the commercial area will be a large park with a series of small ponds, an element of the storm water management plan, and a small amphitheater. The amphitheater is intended for use as an enhancement to the shopping experience, providing live music, ongoing entertainment or informative programs, rather than full-scale theatrical productions. It will also serve as a place to rest, relax and picnic when not in use for entertainment.

The buildings within the commercial area will be designed without a conventional 'front' and 'back' usually associated with retail sales development. Instead buildings will be designed to present an attractive appearance from any side and many of the shops will incorporate a walk through design with multiple entrances as part of

the overall pedestrian friendly concept. Due to the nature of the vacation market retail shops, most stores will not have conventional loading doors and docks. Although there will be strategically located loading areas designated throughout the development, most shops do not have the large volume of inventory associated with 'big box' retail, and will receive goods delivered by hand trucks or dollies by way of the pedestrian walkways. In similar vacation market shopping developments, most inventory is delivered by smaller single-unit trucks rather than tractor-trailers.

The sales center is intended to replace the existing facility at the Woodstone Meadows clubhouse. The new location will make more space available at Woodstone for recreational and administrative uses and will relieve parking and traffic in the clubhouse area. The sales center will be more easily accessible to first time visitors to the resort. The existing residence will be used as the reception area for the sales center. An addition of approximately four thousand square feet is planned for office space and closing rooms. A children's playground and a picnic area are planned for the open space to the northwest of the sales center.

The hotel units are intended primarily for use in the time-share sales program as short-term accommodations for prospective owners. Rooms are also used by Great Eastern for Resort guests and visitors on business. Although rooms may be rented, subject to availability, through the Massanutten rental program, the hotels are not generally advertised or promoted for use by the general public.

All new development is intended to have a pleasing tasteful appearance. The careful selection of colors, building materials and landscaping elements will insure Village Festival will be an attractive addition to the community. Landscaping will be an important element of the Village Festival project. At a minimum, landscaping shall conform to the strict regulations for the Planned Commercial District. Particular attention shall be given to the perimeter buffers. Existing mature trees shall be supplemented with new plantings to create a perimeter screen that shall act as a visual and noise barrier wherever appropriate to protect adjacent properties. In the unlikely event that vegetative screening, alone, will not accomplish the intended purpose, walls, fencing and earthen mounds may be incorporated into the perimeter buffer.

Approximate Development Schedule

Construction of Phase I of the indoor water park is scheduled to begin in 2004 and to be completed the following year. The outdoor portion of Phase I is planned to be constructed, either at the same time as the Phase I indoor park, or shortly after completion of the indoor portion. Approximately one-half of the water park parking area shown on the Master Plan will be developed concurrently with the first indoor phase.

At this time, no schedule has been established for construction of Phase II of the water park. The use of Phase I and the rate of time-share sales will dictate the need for Phase II development scheduling.

Development of the commercial area is scheduled to begin within two years, with the restaurant, the first cluster of shops and, at least, a portion of the park area. The retail area is expected to develop in four phases, over a period of eight years. Each phase will include approximately one-fourth of the total commercial retail development. Development of the hotel buildings is planned for construction in four phases. Beginning in 2005, one building will be constructed approximately every two years with build-out planned for 2011.

The sales center will be developed in a single phase. Construction is expected to begin in the next several years, although no actual beginning date has been established.

Land Area Sales & Leasing

The three out-parcels at the southwest corner of the commercial area and the strips of land adjacent to Route 644 and Route 602, designated as additional highway right-of-way, are the only tracts of land expected to be conveyed. Restrictions will be placed on development of the out-parcels to insure that architectural and landscaping standards will be the same as the other portions of Village Festival. Possible uses for the out-parcels include a branch bank, a pharmacy and a dry cleaners.

Great Eastern may rent or lease commercial buildings or building space for retail or other commercial uses compatible with the character of the development. It is also possible that Great Eastern may enter into an agreement with a commercial development management company, existing or to be established, for the ownership and management of Village Festival.

Buildings

The exterior architectural style of all buildings planned for the Village Festival will be aesthetically compatible with the character of the resort. Structures will incorporate the use of exterior siding and stone in keeping with the 'mountain' theme, and will be marked by broken rooflines and walls. The majority of the buildings in the commercial area will be one story, although some two story buildings with multi-level entrances are expected on sloping ground and some buildings may be two stories with the upper floor used for office space. The combined area of all buildings in the commercial portion is expected to be approximately 150,000 square feet, at build-out.

The hotel buildings will be three-stories on the lower side and two-stories on the upper. Each hotel building will be approximately 160 feet by 72 feet (about 11,500 square feet) and will contain fifty rooms. The sales center will include the existing dwelling on the site and a building addition of approximately 4000 square feet, with ample parking and an outdoor activity area. The activity area will include a children's playground.

The indoor water park buildings will contain a total of about 80,000 square feet on three levels within a footprint of approximately 54,000 square feet, each phase. The water park buildings will be constructed with an upper and lower grade level entrance in such a manner that the building height will not exceed 45 feet by the County Zoning Ordinance definition of building height.

Use, Maintenance & Protection of the Property

Great Eastern Resort Corporation will be solely responsible for the construction, use and maintenance of Village Festival, either directly or through a subsidiary corporation, such as Great Eastern Purveyors, an independent corporation, or one to be established for management of the project.

Definitive restrictions and covenants will control the use and operation of all leased commercial space and out-parcels to insure the nature, character and quality of the development is not compromised. As at Woodstone Meadows, Great Eastern will maintain all roads, parking areas, bicycle and pedestrian ways, open areas and parks, storm water management facilities, lighting and all landscaping and buffer areas.

Access to the development from the adjoining public roads will be as shown on the Master Plan. There will be no direct access to Route 33 to Village Festival. The three out-lots will be served from the internal road. There will be no direct access from Route 33 or Route 644 to the out-lots.

Massanutten Public Service Corporation will provide water and sewage treatment and will own and maintain the water and sewer lines as part of the existing Massanutten system. The wells shown on the Master Plan will be for non-potable uses only.

