

**ARTICLES OF INCORPORATION
OF
MASSANUTTEN PROPERTY OWNERS ASSOCIATION, INC.**

(A Virginia Non-Stock Corporation)

ARTICLE I

The name of the corporation is "Massanutten Property Owners Association, Inc."

ARTICLE II

The purposes of the corporation are as follows:

(a) To provide for security and for maintenance and preservation of streets, open areas, trails, recreational and other facilities, either owned by it or used though not owned, exclusively or nonexclusively by members of this corporation; to provide for the use of the facilities by members or others as determined by bylaws or policies;

(b) To do all things lawful, necessary or incident to the accomplishment of the purposes set forth above, to exercise all lawful powers now possessed by Virginia corporations of similar character, and to engage in any business in which a corporation organized under the laws of Virginia may engage except any business that is required to be specifically set forth in the articles of incorporation.

(c) The objects, powers and purposes specified in any clause or paragraph hereinabove contained shall be construed as objects, powers and purposes in furtherance, and not in limitation, of the general powers conferred by the laws of the Commonwealth of Virginia; and it is hereby expressly provided that the foregoing enumeration of specific powers shall in no way limit or restrict any other power, object or purpose of the corporation as granted by Title 13.1, Chapter 2.

ARTICLE III

The corporation does not contemplate pecuniary gain or profit to the members thereof.

ARTICLE IV

(Amended February 10, 1988)

(A) The corporation shall have members made up of owners of lots at Massanutten Village. (A "lot" is any unit, parcel, division, or piece of land designated or used for residential purposes. The term "residential purposes" encompasses, but is not necessarily limited to, single or multiple family dwellings, townhouses, condominiums, and time-sharing units.)

(B) There shall be two classes of members. "Periodic" members are owners of time-share units and have no vote. All other members are "Year-Round" members and are entitled to vote as provided in paragraph (C).

(C) Year-Round members shall be entitled to one vote for each lot provided that

(1) there shall be only one vote for each lot, and when there is more than one owner of a lot, the vote for that lot shall be case as the owners determine, and

(2) in multiple family dwellings, only one vote shall be allowed for the lot on which the dwelling is situated, and such vote shall be cast as the owners of the multiple family dwelling determine.

If, for any reason, a lot is not assessed, or if assessed and payment is not made when due, the owner of any such lot shall not be entitled to vote.

ARTICLE V

The corporation shall have the authority to levy anual or special assessments on its members and to collect such assessments from the members according to law, for the purposes stated under Article II hereof.

ARTICLE VI

The corporation shall have a lien on every lot within its subdivision for unpaid regular or special assessments levied against that lot and such lien, once perfected, shall be prior to all other liens and encumbrances except for (a) real estate tax liens on that lot, (b) liens and encumbrances recorded prior to the perfected lien, and (c) any sums unpaid on any first mortgages or first deeds of trust recorded prior to the perfection of said lien for regular or special assessments provided such first mortgages or first deeds of trust secure institutional lenders.

ARTICLE VII

The corporation shall have the right by bylaw to provide procedures for determining and collecting regular assessments to defray expenses attributable to the ownership, use, enjoyment, and operation of common areas and facilities owned by the corporation and to provide by bylaw procedures for establishing and collecting special assessments for capital improvements or other purposes.

ARTICLE VIII

The corporation shall also have the right by bylaw to establish monetary penalties or denial of use privileges and voting suspension of members for breaches of the restrictions, bylaws, or other legal instruments for the management and control of the various subdivisions at Massanutten Village, or for non-payment of regular or special assessments.

ARTICLE IX

The corporation shall have the right to provide by bylaw for procedures for hearings for disciplined members.

ARTICLE X

(Amended May 30, 1990)

There shall be thirteen (13) directors. Eleven (11) of the directors shall be selected by the

voting members of the corporation, another voting director shall be designated by the developer of the Massanutten Village Project, and another voting director shall be a member of Mountainside Villas Owners Association, Inc., designated by that corporation's board of directors. "Developer" now means Great Eastern Resorts Corporation, the present owner of the skiing and golf facilities within the project, and any successor to Great Eastern Resorts Corporation which continues generally the development of the project.

The terms of office of the eleven (11) members of the board elected by the voting members of the corporation shall be as follows:

- (a) Three (3) directors are currently serving terms expiring upon the annual meeting of the membership in 1990;
- (b) Four (4) directors are currently serving a term expiring upon the annual meeting of the membership in 1991;
- (c) Four (4) members are currently serving terms expiring upon the annual meeting of the membership in 1992; and
- (d) All successors to the directors referred to above shall serve for terms of three (3) years.

ARTICLE XI

The board of directors, subject to any specific written limitations or restrictions imposed by law or by these articles, shall direct the carrying out of the purposes and exercise the powers of the corporation without previous authorization or subsequent approval by the members of the corporation.

ARTICLE XII

Any contract or other transaction between the corporation and one or more of its directors or between the corporation and any firm of which one or more of its directors are members or employees, or in which they are interested, or between the corporation and any corporation or association of which one or more of its directors are shareholders, members, directors, officers, or employees, or in which they are interested, shall be valid for all purposes, notwithstanding the presence of the director or directors at the meeting of the board of directors of the corporation that

acts upon, or in reference to, a contract or transaction, and notwithstanding his or their participation in the action, if the fact of such interest shall be disclosed or known to the board of directors and the board of directors shall, nevertheless, authorize or ratify the contract or transaction, the interested director or directors to be counted in determining whether a quorum is present and to be entitled to vote on such authorization or ratification. This section shall not be construed to invalidate any contract or other transaction that would otherwise be valid under the common and statutory law applicable to it.