

DECLARATION OF TIMESHARE COVENANTS AND RESTRICTIONS

FOR MOUNTAINSIDE VILLAS

AMENDING AND RESTATING MASSANUTTEN VILLAGE, INC. STATEMENT OF MUTUAL OWNERSHIP AGREEMENTS PROTECTIVE COVENANTS AND RESTRICTIONS OF MOUNTAINSIDE VILLAS, MASSANUTTEN VILLAGE MCGAHEYSVILLE, ROCKINGHAM COUNTY, VIRGINIA

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MOUNTAINSIDE VILLAS**

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MCGAHEYSVILLE, ROCKINGHAM COUNTY, VIRGINIA

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DECLARATION OF TIMESHARE COVENANTS AND RESTRICTIONS
FOR MOUNTAINSIDE VILLAS

AMENDING AND RESTATING STATEMENT OF MUTUAL OWNERSHIP AGREEMENTS
PROTECTIVE COVENANTS AND RESTRICTIONS OF MOUNTAINSIDE VILLAS,
MASSANUTTEN VILLAGE, MCGAHEYSVILLE, ROCKINGHAM COUNTY, VIRGINIA

This DECLARATION OF TIMESHARE COVENANTS AND RESTRICTIONS, AMENDING AND RESTATING STATEMENT OF MUTUAL OWNERSHIP AGREEMENTS PROTECTIVE COVENANTS AND RESTRICTIONS OF MOUNTAINSIDE VILLAS, MASSANUTTEN VILLAGE, MCGAHEYSVILLE, ROCKINGHAM COUNTY, VIRGINIA (“this Declaration”), is made this ___ day of _____, 20__, by **MOUNTAINSIDE VILLAS OWNERS ASSOCIATION, INC.** a Virginia non-stock corporation (“Association”) having an address of _____ [index as “Grantor” and “Grantee” for recording purposes].

RECITALS

A. By instrument entitled “Massanutten Village, Inc. Statement of Mutual Ownership Agreements Protective Covenants and Restrictions of Mountainside Villas, Massanutten Village, McGaheysville, Rockingham County, Virginia,” dated July 15, 1978 and recorded July 20, 1978 in the Clerk’s Office of the Circuit Court of Rockingham County, Virginia (the “Clerk’s Office”), in Deed Book 527, page 442, (the “1978 Declaration”), Massanutten Village, Inc., a Virginia corporation, as “Declarant” (hereinafter referred to as the “Original Declarant”) subjected certain real property more particularly described therein to certain covenants, easements, liens, charges and restrictions set forth therein, and declared that "Units committed to Timeshared Ownership," as therein provided, "shall be held, occupied, improved, transferred, sold, leased, assigned and conveyed subject to" the Original Declaration.

B. By various instruments entitled “Supplementary Declaration of Covenants” recorded in the Clerk's Office and more particularly set forth and described in Exhibit A hereto (each a “Supplemental Declaration” and collectively, the “Supplemental Declarations”), Declarant subjected certain additional real property described in each Supplemental Declaration to the Original Declaration.

C. The 1978 Declaration as supplemented and/or amended by the Supplemental Declarations is hereinafter referred to collectively as the “Original Declaration.”

D. Article X, subparagraph E(2) of the 1978 Declaration provides that the Original Declaration may be amended "by written instrument executed by seventy-five percent (75%) of the members of the Mountainside Villas Owners Association, provided, however, that no such amendment may affect or alter the right of any Time Period owner to exclusively occupy, use and enjoy his Time Period, and, as between the owners, to use and enjoy the Association property, and

the rights and easements appurtenant to a Unit during a Time Period owner's Time Period, unless such owner shall expressly so consent."

E. The members of the Association (by written instrument signed by the owners of the Time Periods set forth on Exhibit B hereto who comprise seventy-five percent (75%) or more of the members of the Association) have determined that it is in the best interests of the Association to amend and restate the Original Declaration in its entirety and to adopt the amendments set forth in this Declaration.

F. The members of the Association have also voted to approve the amendment and restatement of the Association's Articles of Incorporation and Bylaws (copies of which amended and restated documents are attached hereto as Exhibit C and Exhibit D, respectively).

NOW, THEREFORE, the Original Declaration is amended to delete the entire document in its entirety, and the following Articles I through IX are hereby substituted therefor. This Declaration may be executed in counterparts, all of which shall be read together as one document.

ARTICLE I DEFINITIONS

Section 1.1. "Annual Assessment" shall have the meaning set forth in Section 4.3 of this Declaration.

Section 1.2. "Articles" means the Amended and Restated Articles of Incorporation of Mountainside Villas Owners Association, Inc, as the same may be amended from time to time.

Section 1.3. "Association" means the Mountainside Villas Owners Association, Inc., a Virginia nonstock corporation, its successors and assigns.

Section 1.4. "Board" shall mean the Board of Directors of the Association.

Section 1.5. "Bylaws" means the Amended and Restated Bylaws of Mountainside Villas Owners Association, Inc., as the same may be amended from time to time.

Section 1.6. "Clerk's Office" means the Clerk's Office of the Circuit Court of Rockingham County, Virginia.

Section 1.7. "Common Elements" means the real estate, improvements on such real estate, and the personal property situated within the Properties and owned by the Association. "Common Elements" does not include Units or the Time-shares.

Section 1.8. "County" means Rockingham County, Virginia.

Section 1.9. "Declarant" means Great Eastern Resort Corporation, a Virginia corporation (which is the successor of the Original Declarant).

Section 1.10. "Declaration" means this Declaration of Timeshare Covenants and Restrictions for Mountainside Villas, as the same may from time to time be supplemented or amended.

Section 1.11. "Governing Documents" means this Declaration, the Articles, the Bylaws and the Rules and Regulations.

Section 1.12. "Guest" means a Person who is on the Properties at the request of an Owner, the Association, or Managing Agent or a Person otherwise legally permitted to be on the Properties. "Guest" includes family members of Owners; time-share exchange participants; renters, merchants, purveyors or vendors; and employees of merchants, purveyors, vendors, the Declarant; or the Association.

Section 1.13. "Maintenance Time Period" means the one Time Period set aside for the maintenance and restoration of each Unit, the title to which Time Period is owned by the Association.

Section 1.14. "Managing Agent" means a Person that undertakes the duties, responsibilities, and the obligations of the management of the Time-share Project.

Section 1.15. "Managing Entity" means the Managing Agent or, if there is no managing agent, the Association.

Section 1.16. "Member" means every person or entity who holds membership in the Association.

Section 1.17. "Non-Owner" means any Person who is not an Owner, as that term is defined in Section 1.18.

Section 1.18. "Owner" means the record holder, whether one or more Persons or entities, of fee simple title to a Time-share Estate, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 1.19. "Person" means any natural person, corporation, limited liability company, 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.

Section 1.20. "Properties" means all property currently subjected to this Declaration.

Section 1.21. "Rules and Regulations" means the rules, regulations, and policies from time to time adopted by the Board (or the Managing Agent if so authorized by its management contract) to govern the use and occupancy of the Units and the Common Elements, the conduct of the Owners and Guests, and the administration of the Association.

Section 1.22. "Supplemental Declaration" shall have the meaning set forth in Recital B of this Declaration.

Section 1.23. "Time Period" means a one-week period of time-shared ownership in a Unit.

Section 1.24. "Time-share" means a Time-share Estate plus its incidental benefits.

Section 1.25. "Time-share Estate" means a one fifty-second co-tenancy ownership interest in the Time-share Unit as restricted and committed to time-share use and occupancy in accordance with this Declaration and the other Time-share Instruments. It contends with the exclusive right to use and occupy a Time-share Unit during one or more Time Periods as provided in this Declaration.

Section 1.26. "Time-share Instrument" means the Articles, the Bylaws, this Declaration and any Supplemental Declaration, as the same may be amended or supplemented from time to time.

Section 1.27. "Time-share Project" or "Project" means all of the Properties.

Section 1.28. "Time-share Unit" means a Unit divided into Time Periods designated for separate occupancy and use as established upon the recording of the first deed thereto and the Original Declaration and as continued under this Declaration

Section 1.29. "Unit" means the dwelling unit and the subdivided lot on which the dwelling unit is situated.

Section 1.30. "Virginia Code" shall mean the Code of Virginia (1950), as in effect on the first date of recordation of this Declaration and as amended from time to time thereafter. Except as otherwise expressly permitted herein, if any sections of the Virginia Code referred to in this Declaration are hereafter repealed or recodified, each such reference shall be deemed to apply to the section of the Virginia Code that is the successor to the previous section referred to herein, or,

if there is no successor section, such reference shall be interpreted as if the section had not been repealed.

Section 1.31 “Voting Member” means the Person entitled to cast the vote of the Time-Share Estate.

Section 1.32. “Zoning Ordinance” means any ordinance, regulation or provision enacted by the applicable governing body of Rockingham County, Virginia, regulating, restricting, permitting or prohibiting the use of land and the construction of Improvements thereon, and, for the purpose of this definition, shall include the conditions and provisions of any conditional use permit affecting any portion of the Properties or any other government-controlled or directed process affecting any portion of the Properties. Without limiting the generality of the foregoing, “Zoning Ordinance” also includes any applicable proffers made by Declarant and/or any of its respective predecessor(s) in title to the extent applicable to the Properties and accepted by the County, as the same may be amended, modified, supplemented or amended and restated from time to time.

ARTICLE II

OWNERS ASSOCIATION

Section 2.1. Membership. Every Owner of a Time-share Estate in a Time-share Unit shall be a member of the Association. Membership shall be appurtenant to and shall not be separated from ownership of any Time-share Estate in a Time-share Unit. Upon the recordation of a deed of a Time-share Estate in a Time-share Unit connected to a transfer of ownership of a Time-share Estate in a Time-share Unit, the membership of the selling Owner in the Association shall cease, and the purchasing Owner shall immediately become a member of the Association.

Section 2.2. Classes of Membership. The Association shall have one class of voting membership. All Owners of Time-share Estates in Time-share Units shall be Members of the Association.

Section 2.3. Voting Rights. Each Member shall be entitled to cast one vote for each Time Period owned.

Section 2.4. Suspension of Voting Rights. The Board may suspend the voting rights of any Member while any assessment or other amount owed to the Association is delinquent, but upon payment of such assessment or other amount owed the voting rights of such Member shall automatically be restored. The Board, after appropriate due process, may also suspend the voting rights of any Member who is in violation of the Governing Documents while the Member is in such violation.

Section 2.5. Articles and Bylaws to Govern; Virginia Real Estate Time-Share Act. Except to the extent expressly provided in this Declaration all the rights, powers and duties of the Association and the Members, including the Members' voting rights, shall be governed by the Articles and the Bylaws. However, in the event of any conflict or inconsistency between the provisions of this Declaration and the provisions of the Articles or Bylaws, this Declaration shall control. In addition to all of the rights, powers and duties of the Association provided in this

Declaration, the Association shall have all of the rights, powers and duties provided in the Virginia Real Estate Time-Share Act, § 55.1-2200 et. seq. and the Virginia Nonstock Corporation Act § 13.1 et. seq. of the Virginia Code, as the same may be amended from time to time.

ARTICLE III

COMMON ELEMENTS

Section 3.1. Obligations of the Association. The Association, subject to the rights of the Members set forth in this Declaration and subject to the rights of Non-Owners, but only to the extent Non-Owners are granted rights pursuant to the provisions of this Declaration, shall be responsible for the maintenance, management, operation and control of the Common Elements and all improvements thereon (including fixtures, personal property and equipment related thereto). The Association shall keep the Common Elements and all improvements thereon and thereunto belonging in good and clean condition, order and repair and in accordance with this Declaration, the Governing Documents and the Zoning Ordinance.

In addition to the Association's responsibilities regarding the Common Elements, the Association shall have the express right and authority to enter into cost sharing, shared use and cross access arrangements with any Person, including, without limitation, any other property owners association providing services and/or shared facilities in the vicinity of the Property.

The Association's performance of its obligations under this Section 3.1 shall be for the benefit of its Members, and Guests who have been authorized to use the Common Elements pursuant hereto provided, however, that the rights of such Members and Guests shall be subject to the provisions of the Governing Documents.

Section 3.2. Owners' Rights of Enjoyment and Use of Common Elements. Subject to the provisions of this Declaration, the Articles, the Bylaws and the Rules and Regulations, every Owner during their Time Period shall have a right of enjoyment in and to the Common Elements which right of enjoyment shall be appurtenant to and shall pass with the title to every Time-share Estate in a Time-share Unit. The Common Elements shall be used by Owners and Guests only for the purpose or purposes for which the Common Elements have been improved by Declarant or the Association and subject to any applicable restrictions in the Zoning Ordinance. The use by an Owner or Guest of any Common Element which has been improved shall not damage or disturb the purpose or purposes for which the Common Element was improved or the enjoyment thereof by other Owners and Guests. Any Common Element which has not been improved for a particular use is intended to remain in its natural condition until so improved, and any use thereof by an Owner or Guest shall not damage or disturb such natural condition or the enjoyment thereof by other Owners and Guests. Without limiting the generality of the foregoing, there is reserved to the Association the right to grant to any Person or Persons a license and/or similar right to make temporary exclusive use of portions of the Common Elements; provided that any such grant is evidenced by duly adopted resolution of the Board.

Section 3.3. General Limitations on Owners' Rights. Owners', Guests' and Non-Owners' rights of enjoyment in the Common Elements shall be subject to the following:

- (a) the right of the Board to establish reasonable rules and regulations and to charge reasonable admission and other fees for the use of the Common Elements;
- (b) the right of the Association to grant to any Person or Persons licenses and/or similar rights to make temporary exclusive use of such areas;
- (c) the right of the Board to suspend the right of an Owner to use or benefit from any of the Common Elements for the period during which any assessment or other amount owed to the Association is delinquent;
- (d) the right of the Board to suspend the right of an Owner to use or benefit from any of the Common Elements for any period during which any violation of the Governing Documents by the Owner remains uncorrected after the last day of a period established for correction by the Board (such period to be stated in a notice to the Owner together with a statement of the violation complained of and the manner of correction required);
- (e) the right of the Board to mortgage any or all of the Common Elements as further addressed in the Bylaws;
- (f) the right of the Board to grant or assign utility easements across the Common Elements;
- (g) the right of the Board to dedicate or transfer all or any part of the Common Elements to any public agency, authority or utility for such purposes and subject to such conditions as may be desired as allowed by the Bylaws;
- (h) all of the other easements, covenants and restrictions provided for in this Declaration;
- (i) the right of the Board to permit use of any facilities situated on Common Elements by use of Non-Owners, upon payment of use fees or other consideration established by the Board; and
- (j) the right of the Board to determine, in its sole and absolute discretion, whether to remove or build new improvements, equipment or other facilities located on any Common Elements due to obsolescence, age, non-use, and/or if the cost of repairing, operating and/or maintaining the same becomes unreasonable in light of the provided benefit, if any, to the affected Owners.

Section 3.4. Delegation of Use. Any Owner may delegate his right of enjoyment to the Common Elements to his Guests during his Time Period.

Section 3.5. Damage or Destruction of Common Elements by an Owner or their Guest. In the event any Common Element is damaged, destroyed or altered by an Owner, his Guests, or his agents, the Association may undertake to restore such area and/or repair such damage at the Owner's expense. If the Association undertakes to restore such area and/or repair such damage, the Association shall restore/repair such alteration/damage in a good and workmanlike manner in conformance with the original plans and specifications of the area or improvement involved, or as the Common Element or improvement may have been theretofore modified or altered by the Association, in the discretion of the Board. The cost of such restoration and/or repairs shall become a Special Assessment (as hereinafter defined) against such Owner and shall constitute a

lien on such Owner's Time Period and Time-share Estate and be collectible in the same manner as other assessments set forth herein.

ARTICLE IV

ASSESSMENTS, CHARGES AND FEES

Section 4.1. Creation of the Lien and Personal Obligation for Assessments, Charges and Fees. Each Owner by acceptance of title to a Time-share Estate in a Time-share Unit, whether or not it shall be so expressed in the deed or other instrument of conveyance or demise to such Time-share Estate, is deemed to covenant to pay to the Association assessments, charges and fees as set forth in this Declaration and in the Bylaws. Assessments, charges and fees, together with interest thereon, and any resulting late charges and costs of collection including attorneys' fees, shall be a continuing lien upon the Owner's Time-share Estate in the Time-share Unit against which each such assessment, charge or fee is made in order to secure payment thereof and shall also be the personal obligation of the party who was the Owner of the Time-share Estate at the time the assessment, charge or fee fell due. No Owner may waive or otherwise avoid liability for the assessments provided herein by nonuse of the Common Elements and/or their Time-share Unit, or abandonment of their Time-share Estate and/or Time-share Unit. Each assessment, charge or fee that is not paid when due shall bear interest at the rate established by the Association, which rate shall not exceed the maximum rate permitted by applicable law. Each assessment, charge or fee, as applicable, that is not paid within ten (10) days of its due date shall, at the option of the Association, incur a late charge and administrative fee as may be established from time to time by resolution duly adopted by the Board.

Section 4.2. Purpose of General Assessments. The common expense assessments levied by the Association shall be used for the management, maintenance, improvement, care, operation, renovation, repair and replacement of the Common Elements and Units and improvements thereon and other property owned or acquired by the Association; for the discharge of all taxes and other levies and assessments against the Units and the Common Elements and improvements thereon and other property owned or acquired by the Association; for the procurement of insurance by the Association in accordance with the Bylaws; for the establishment of reserves with respect to the replacement, repair and remodeling within the Units, the Units and the Common Elements; for the maintenance of the Units due to normal wear and tear; for the discharge of the Association's contractual and legal obligations; for the payment of utilities and domestic services; for funding and/or providing educational and training activities for directors and officers of the Association and to Association volunteers and Owners; for the provision of services by the Association, its advisors, consultants, attorneys, contractors, employees, and agents, as authorized in this Declaration, in the Articles and/or the Bylaws; for the payment of assessments owed to the Mountainside Villas Owners Association; for the provision of security services; for the discharge of such other obligations as may be imposed upon or assumed by the Association pursuant to its Articles or Bylaws or this Declaration or any Supplemental Declaration; and for such other purposes as may be authorized by or pursuant to the Articles or Bylaws.

Section 4.3. Annual Assessments. "Annual Assessments" shall mean the annual amount assessed for "General Assessments."

(a) General Assessments.

1. Purpose. "General Assessments" shall mean those assessments used for the general purposes set forth in Section 4.2 above except that the General Assessments shall not be used for those purposes attributed to Individual Expense Charges (as defined in Section 4.4 below).

2. Basis. General Assessments shall be established upon the basis of an annual budget adopted by the Board and increased or decreased from time to time by the Board pursuant to the Bylaws.

Section 4.4. Individual Expense Charge. Each Owner, in addition to their obligation to pay the General Assessments levied for each Time Period they own, shall be obligated to pay and covenants to pay on a current basis those expenses directly related to their use and occupancy of their Time-share Units during the Time Period(s) corresponding to their Time-share Unit(s) (collectively, the "Individual Expense Charge"). Such expenses shall include but not be limited to: telephone charges directly related to the Owner or their Guests; and extraordinary repairs for damages to the Unit, equipment, furnishings or fixtures thereof, or the Common Elements, caused by such Owner's or such Owner's Guest's use of such Unit, property or Common Elements.

Section 4.5. Special Assessments. In addition to the General Assessments and Individual Expense Charges, the Board may levy a periodic special assessment if the Board finds such special assessment to be in the best interests of the Association and the proceeds of such assessment are used for (1) the maintenance and upkeep, including capital expenditures, of the Common Elements and the Units, and/or (2) the discharge of taxes, the procurement of insurance, the establishment of reserves, payment of costs and expenses incurred by the Association in the course of its operations, the discharge of such services and other obligations as may be assumed by the Association pursuant to its Articles, Bylaws, the Declaration or any cost sharing, use or cross easement arrangements entered into with any other Person, and for such other purposes as authorized by or pursuant to the Articles or Bylaws (a "Special Assessment").

Section 4.6. Payment of Annual Assessments, Individual Expense Charges, and Special Assessments. The Annual Assessments, Individual Expense Charges, and any Special Assessments shall be paid as provided in the Bylaws.

Section 4.7. Effect of Nonpayment of Assessments, Charges and Fees; Remedies of Association. The lien of the assessments, charges and fees provided for in this Declaration may be perfected and enforced and/or foreclosed in the manner provided in the Virginia Real Estate Time-Share Act §55.1-2211 of the Virginia Code. A statement from the Association showing the balance due on any assessment, charge or fee shall be prima facie proof of the current assessment, charge or fee balance and the delinquency, if any, due for a particular Time Period in a Time-share Unit. In addition to the other remedies provided for herein, the Board or the Managing Agent if so authorized by the Board shall have the right to deny the occupancy and use of the Time-share Unit to any Owner during any time in which any amounts due and payable to the Association, together with interest, late charges, and attorney's fees, if any, are past due. The Association may also bring

an action at law against any Owner personally obligated to pay the same, either in the first instance or for deficiency following foreclosure, and interest, late charges and costs of collection including attorney's fees shall be added to the amount of such assessment and secured by the assessment lien. In addition, if any installment of any Annual Assessment, Individual Expense Charge or Special Assessment is not paid within thirty (30) days after the due date, the Board shall have the right upon notice to the Owner to accelerate the installments owed and declare the entire balance of the same immediately due and payable in full.

Section 4.8. Foreclosure. All amounts due under this Declaration which remain unpaid shall constitute a lien solely and exclusively on the Owner's Time-share Estate and Time Period representing the Owner's undivided co-tenancy interest in the Unit. The lien shall attach from the date the unpaid amount shall become due and may be perfected and foreclosed as provided in §55.1-2211 of the Virginia Code. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceedings including reasonable attorney's fees and court costs. During the period of foreclosure, the Owner who is in default shall not be entitled to use, rent, devise or otherwise assign his Time Period, Time-share Estate or his undivided co-tenancy interest in the Unit. The Association (or its Managing Agent if so authorized) shall be entitled to rent such Time Period in the Unit during the defaulting Owner's Time Period and to set off any amounts received against the amounts due from the defaulting Owner.

Section 4.9. Annual Budget. The Board shall adopt an annual budget for each fiscal year, which budget shall provide for the annual level of assessments (including provision for reserves, improvements and physical damage insurance deductibles) and an allocation of expenses. The Board may amend and/or modify any previously adopted annual budget at any time and from time to time during the Association's fiscal year and shall have the right to amend and/or modify the annual level of assessments payable pursuant to such amended and/or modified annual budget. The Bylaws contain additional provisions and requirements regarding the annual budget.

ARTICLE V

USE OF PROPERTY

Section 5.1. Protective Covenants.

(a) Nuisances. No nuisance shall be permitted to exist within any Time-share Unit. Noxious, destructive, or offensive activity, or any activity constituting an unreasonable source of noise (such as barking dogs) and/or annoyance, shall not be permitted within any Unit or on the Common Elements, or any part thereof, and the Association shall have standing to initiate legal proceedings to abate such activity. Each Owner and Guest shall refrain from any act or use of any Time-share Unit which could reasonably cause undue embarrassment, discomfort, or annoyance to other Owners, and the Board shall have the power to make and to enforce reasonable rules in furtherance of this provision.

(b) Restriction on Further Subdivision. No Time-share Unit shall be further subdivided or separated into smaller Time Periods by any Owner, and no portion less than all of

any such Time Period, nor any easement or other interest herein, shall be conveyed or transferred by an Owner.

(c) Rules and Regulations. From time to time the Board may adopt Rules and Regulations concerning the conduct of Owners and Guests while on the Properties, potential problems relating to the use of Properties and the well-being of Members, such as the definition of nuisances, keeping of animals, storage and use of machinery, parking of vehicles, assignment of parking spaces, installation of antennas, installation of satellite dishes, signages, trash and trash containers, and maintenance and removal of vegetation on the Properties. Such Rules and Regulations and any subsequent amendments thereto shall be binding on all Owners and Guests of the Properties, except where expressly provided otherwise in such Rule or Regulation. Such Rules and Regulations as adopted from time to time are herein incorporated by reference and shall be as binding as if set forth herein in full; provided, however, that in the event of a conflict between any provision(s) of the Rules and Regulations and the Governing Documents, the provision(s) set forth in the Governing Documents shall control.

(d) Permitted Uses. Except as otherwise provided in the Governing Documents (including without limitation any applicable Supplemental Declaration), no Time-share Unit shall be used for other than Time-share residential vacation purposes.

(e) Hazardous Uses; Waste. Nothing shall be done or kept on the Properties which will increase the rate of insurance for permitted uses of the Common Elements and the Units, or any part thereof without the prior written consent of the Board, including, without limitation, any activities which are unsafe or hazardous with respect to any person or property. No Person shall permit anything to be done or kept on the Properties which will result in the cancellation of any insurance on the Common Elements, the Units or any part thereof or which would be in violation of any law, regulation or administrative ruling. No vehicle of any size which transports inflammatory or explosive cargo may be kept or driven on the Properties at any time, except those authorized by the Association (or its Managing Agent if so authorized) e.g. to transport propane or fuels. Each Owner and their Guest shall comply with all federal, state and local statutes, regulations, ordinances, or other rules intended to protect the public health and welfare as related to land, water, groundwater, air or other aspects of the natural environment (the "Environmental Laws"). Environmental Laws shall include, but are not limited to, those laws regulating the use, generation, storage or disposal of hazardous substances, toxic wastes and other environmental contaminants (collectively, the "Hazardous Materials"). No Owner shall knowingly use, generate, manufacture, store, release, dispose of or knowingly permit to exist in, on, under or about such Owner's Time-share Unit, the Common Elements, or any portion of the Properties, or transport to or from any portion of the Properties any Hazardous Materials except in compliance with the Environmental Laws. No waste shall be committed on the Common Elements.

(f) Lawful Use. No improper, offensive or unlawful use shall be made of the Properties or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof relating to any portion of the Properties shall be complied with, by and at the sole expense of the Owner, or the Association, whichever shall have the obligation for the upkeep of such portion of the Properties, and, if the Association, then the cost of such compliance shall be included in the General Assessment or Individual Expense Charge, as appropriate.

(g) Emissions. There shall be no emissions of dust, sweepings, dirt, cinders, odors, gases or other substances into the atmosphere except for normal residential chimney emissions, no production, storage or discharge of Hazardous Materials on the Properties or discharges of liquid, solid wastes or other environmental contaminants into the ground or any body of water, if such emission, production, storage or discharge may adversely affect the use or intended use of any portion of the Properties or may adversely affect the health, safety or comfort of any Person. Routine housekeeping activities such as sweeping porches and balconies are exempted. The foregoing sentence shall not apply to dust, mud, dirt and construction debris emitted by or in connection with the construction of improvements or repairs and replacements by the Association.

(h) Noise. No Person shall cause any unreasonably loud noise (except for security devices) anywhere on the Properties, nor shall any Person permit, engage or allow such people, dogs or other pets to engage in any activity, practice or behavior which causes unreasonable annoyance, discomfort or disturbance to any Person lawfully present on any portion of the Properties. The foregoing sentence shall not apply to the noise emitted by or in connection with the construction of improvements, repairs and/or replacements conducted on behalf of the Association.

(i) Obstructions. No Person shall obstruct any of the Common Elements or otherwise impede the rightful access of any other Person on any portion of the Properties upon which such Person has the right to enter. No Person shall place, cause or permit anything to be placed on or in any of the Common Elements without the prior written approval of the Board. Nothing shall be altered or constructed in or removed from the Common Elements except with the prior written approval of the Board. No vehicles may be parked in any public or private street or right-of-way within the Properties and vehicles may only be parked overnight in designated parking areas located within the Common Elements.

(j) Association Property. The Common Elements and the improvements located on the Common Elements shall be used only for their intended purposes and for uses which are incident to the use and occupancy of the Time-share Units. Except as otherwise expressly authorized herein or otherwise provided in the Governing Documents, no Owner shall make any private, exclusive or proprietary use of any of the Common Elements without the prior written approval of the Board and then only on a temporary basis.

(k) Mining. No Lot shall be used for the purpose of boring, mining, quarrying, exploring for or removing oil or other hydrocarbons, minerals, gravel or earth except with the prior written approval of the Board.

(l) Signs. Except for such signs as may be posted by the Association, no signs of any character shall be erected, posted or displayed on any Unit or the Common Elements.

(m) Trash. No burning of any trash and no accumulation or storage of litter, refuse, bulk materials, building materials, garbage, or trash of any other kind shall be permitted in or on any Unit. Trash, leaves and other materials shall not be burned in violation of local ordinances. All trash collection and removal shall be in accordance with the Rules and Regulations.

(n) Vehicles. Except in connection with construction activities, no trucks (except for private passenger trucks), trailers, commercial vehicles, construction trucks, campers, recreational vehicles, all-terrain vehicles, personal watercraft, jet skis, boats or other large vehicles, including grounds maintenance equipment, may be parked on any portion of the Common

Elements or on any public right-of-way within or adjacent to the Properties, or any grass area, unless expressly permitted by the Board and only in such parking areas or for such time periods (if any) as may be designated for such purpose. All vehicles must be parked so as not to impede traffic or damage vegetation. No junk or derelict automobile or other automobile on which current registration plates and current county and state inspection permits are not displayed shall be kept upon any portion of the Properties, or any public or private right-of-way. All motor vehicles including, but not limited to, trail bikes, motorcycles, dune buggies, and snowmobiles shall be driven only upon paved streets and parking areas. No motor vehicles, motorized scooters, "segways" or similar motorized equipment shall be driven on community trails, pathways or unpaved portions of the Properties except (i) such vehicles as are authorized by the Board as needed to maintain, repair, or improve the Common Elements or Units, and (ii) motorized wheelchairs or other devices to assist disabled persons. This prohibition shall not apply to normal vehicular use of designated streets, and alleys within the Properties.

o. Occupancy. Occupancy of any Time-share Unit shall not exceed eight (8) people during the applicable Time Period.

Section 5.2. Time-share Ownership.

(a) Each Unit has been committed and subjected to the Time-share form of ownership subject to the terms, provisions, easements, liens and covenants of this Declaration. Units shall remain committed to time-share ownership unless and until all Units and Time Periods are owned by the same Person in which event such Person may record an instrument in the Clerk's Office terminating this Declaration and the time-share form of ownership established hereunder.

(b) Duration of Time Periods. Each Time Period equates to a one-week ownership period in accordance with subparagraph C of this Section 5.2.

(c) Schedule of Time Periods. Time Period No. 1 is the seven (7) days commencing either on the first Friday, or the Saturday or Sunday following the first Friday of each year. Time Period No. 2 is the seven (7) days succeeding. Additional weeks up to and including Time Period No. 51 are computed in a like manner. Time Period No. 52 contains the seven (7) days succeeding the end of Time Period No. 51 without regard to the month or the year of the individual days in the Time Period plus any excess days not otherwise assigned. A Time Period commences at 4:00 p.m. or as directed by the Board on the first Friday, Saturday or Sunday of the Time Period, as applicable. Each Owner hereby covenants and agrees to use, enjoy and occupy his Time Period subject to the Rules and Regulations for the benefit of all Owners, particularly the Rules and Regulations as to time of occupancy and time of vacating the Time-share Unit.

(d) Ownership Interest. An Owner of a Time Period and Time-share Estate in and to a Time-share Unit shall own an undivided one fifty-second interest in the Unit as a tenant in common with the other Owners from time to time of other undivided fractional interests in and to the Unit. Each tenancy in co-tenancy ownership interest shall be computed from the number of Time Periods owned.

(e) Transfer of a Time Period. An Owner of a Time-share Estate may transfer their undivided one fifty-second co-tenancy interest in the Unit only by an instrument which specifies the Time Period appurtenant to the Unit, which Time period must be the identical Time Period which the conveying Owner acquired. Any deed purporting to change or alter the Time Period acquired by the conveying Owner or to combine or divide a Time Period acquired by such Owner shall be null and void and of no force or effect.

(f) Waiver of Right of Partition. Each Owner of a Time Period and Time-share Estate, and each purchaser of a Time Period and Time-share Estate, in and to a Unit, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from the Declarant or a subsequent Owner of such Time Period/Time-share Estate, by such-acceptance, such grantee or purchaser shall for himself, his heirs, devisees, personal representatives, grantees, successors and assigns, covenant, consent and agree to and with Declarant and the grantee or purchaser of each other Time Period/Time-share Estate in a Unit, to waive and relinquish for the duration of the effective period of this Declaration, any and all rights which he may now have or which he may hereafter acquire to cause a judicial partition of his Unit. No Owner or other Person or entity acquiring any right, title or interest in the Unit shall obtain through legal proceedings, judicial partition of the Unit or sale of the Unit in lieu of partition at any date prior to the expiration date of this Declaration. If, however, any Time Period/Time-share Estate shall be owned by two or more Persons, nothing herein contained shall prohibit a judicial sale of the Time Period/Time-share Estate in lieu of partition as between such Owners. Each Owner of a Time Period/Time-share Estate may convey, lease, assign, devise or otherwise transfer his entire Time Period/Time-share Estate as a Time Period as defined in Section 5.2.

(g) Exclusive Use and Occupancy. Each Owner shall have the exclusive right to occupy the Unit and the rights and easements appurtenant to the Unit during their Time Period(s), together with the non-exclusive right in common with all other Owners of the Unit when acting through the Association or its Managing Agent, to maintain, repair and refurbish the Unit. No Owner shall occupy the Unit or exercise any other rights of ownership with respect to the Unit and the furniture and furnishings appurtenant to the Unit, other than the rights herein provided, during any other Time Period(s) unless expressly so authorized by the Owner entitled to occupy the Unit during such Time Period(s). Each Owner shall keep the Unit and all furniture and furnishings appurtenant to the Unit in good condition and repair during his Time Period, check out and vacate the Unit at the time established by the Rules and Regulations, remove all persons and personal property, leave the Unit in good and sanitary condition and repair, and otherwise comply with such reasonable occupancy Rules and Regulations and other procedures as may from time to time be contained in the Rules and Regulations. The foregoing notwithstanding, if an Owner and the Owner's Guests, if any, check out and vacate a Unit prior to the end of such Owner's Time Period, the Association may enter such Unit to service and clean such Unit in preparation for the next occupants of the Unit and/or to temporarily store supplies for cleaning and servicing such Unit and/or other Units.

(h) Failure to Vacate Penalties. If any owner of a Time Period fails to vacate the Unit at the time prescribed by the Rules and Regulations, or otherwise uses or occupies the Unit during a Time Period for the Unit conveyed to another including the Time Period which Declarant owns by reason of the Time Period not being conveyed, or prevents another owner from using or occupying the Unit during such other Owner's, including the Declarant's, Time Period, the Owner in wrongful possession (1) shall be subject to immediate removal, eviction or ejection from the Unit wrongfully occupied; (2) shall be deemed to have waived any notices required by law with respect to any legal proceedings regarding the removal, eviction or ejection of such Owner in wrongful possession; (3) shall pay to the Owner entitled to use the Unit during said wrongful occupancy, as liquidated damages for the wrongful use of the Unit and the appropriation of such other owner's Time Period, a sum equal to Three Hundred percent (300%) of the fair rental value per day of the Unit that such Unit is wrongfully occupied, for each day or portion thereof,

including the day of surrender, during which the Owner in wrongful possession occupies the Unit; (4) shall reimburse the Owner entitled to use the Unit during the wrongful occupancy of the Unit for all costs and expenses, including but not limited to, court costs and reasonable attorney's fees incurred in connection with removing, evicting or ejecting the Owner in wrongful possession of the Unit; (5) shall be subject to having his voting rights, if any, suspended by the Association; and (6) shall be subject to having the Association terminate any and all utility and other services to the Unit during the period of their wrongful occupancy.

(i) Maintenance Periods. There is set aside one Time Period for each Unit each year for the maintenance and restoration of the Unit. The maintenance Time Period may not be the same for all Units.

1. Title to such maintenance period in each Unit was conveyed (or will be conveyed) to the Association within three years of the sale and recordation of a deed conveying a Time Period to a purchaser.

2. Neither the Declarant or the Association by reason of the ownership of the maintenance periods shall be liable or responsible for the payment of any expense fee or assessment chargeable to Owners of Time Periods under the provision of this Declaration, or the Bylaws.

(j) Ownership and Use of Furnishings. Each Time-share Unit shall be provided with basic furniture and furnishings.

1. Each Owner shall own an individual interest, equivalent to his undivided interest in the applicable Unit in all furniture, furnishings and personal property located in and appurtenant to said Unit under and subject to the provisions of this Declaration. Provided, however, that such Owner may use such personal property only in accordance with the purposes for which it is intended and with respect to the furniture and furnishings, only during his Time Period and without hindering or violating the lawful rights of others to use same.

2. A transfer of an undivided interest in a Time-share Unit shall transfer to the grantee ownership of the transferor's interest in the furniture, furnishings and personal property appurtenant to such Unit without any reference thereto. The transfer of the title to an interest in a Time-share Unit under a foreclosure proceeding shall entitle the purchaser to the interest in the furniture, furnishings and personal property appurtenant to such Unit with the foreclosed interest.

3. At the end of his Time Period, each Owner and his Guests shall remove from the Unit all clothing, luggage and personal effects brought into the Unit. The Managing Agent, the Association and subsequent Time Period Owners shall not be liable in any manner whatsoever for any personal effects left in the Unit by an Owner or his Guests. All clothing, luggage and personal property remaining in the Unit after it has been vacated by the Owner or their Guests shall be considered to have been abandoned if not claimed within 7 days.

4. No Unit or the furniture or furnishings in such Unit shall be altered, remodeled or renovated unless such alteration, remodeling or renovation shall be approved in accordance with the terms of this Declaration.

5. All repairs to a Unit required to maintain the manner of each Unit must be made by the Association or its Managing Agent. No Owner shall make such repairs. No Owner shall cause any material to be furnished to his Time-share Unit or any labor to be performed therein or thereon. Each Owner shall indemnify and hold the other Owners of the Unit harmless against any loss, damage, or claim arising out of his breach of the provisions of this paragraph,

including but not limited to the costs of removing any unauthorized improvements and repairing and restoring the Unit to substantially the same condition prior to such alteration, remodeling, renovation or repair.

(k) Ownership Subject to Declaration. Each Owner shall be subject to the provisions of this Declaration and shall thereby agree that the covenants, restrictions and provisions hereof are reasonable in scope and are essential to the uniform plan and form of ownership in which the Unit is held. The Board shall have the express and exclusive right to determine the method(s), if any, for compensating, or providing alternate periods or monetary compensation to, Owners if a Time-share Unit cannot be made available for the Owner's Time Period as more particularly set forth in the Bylaws.

Section 5.3. Security. Neither the Association nor Declarant shall be held liable for any loss or damage by reason of failure to provide security or ineffectiveness of security measures undertaken. All Owners and Guests, as applicable, acknowledge that the Association, Declarant, the Board and committees established by any of the foregoing entities, are not insurers and that each Owner and Guest assumes all risk or loss or damage to persons, personal property, structures or other improvements situated on the Properties, and to the contents of any improvements situated on the Properties.

ARTICLE VI

EASEMENTS

Section 6.1. Utility Easements. Declarant reserved the right to lay out, make and maintain certain utility easements as more particularly set forth in Article V of the 1978 Declaration. To the extent, if any, that such easements remain in effect as of the recording of this Declaration, such surviving easements are incorporated herein by reference in accordance with the terms and provisions of Article V of the 1978 Declaration.

Section 6.2. Right of Enjoyment of Certain Facilities of Massanutten Village. Article V, subparagraph B2 of the 1978 Declaration is incorporated herein and provides: "Each Time Period owner [sic] shall have the right to use the recreational, cultural and athletic facilities available at Massanutten Village during his Time Period for so long as he owns a Time Period upon the same terms and conditions as established for property owners of lots in Massanutten Village. In addition, each Time Period owner [sic] shall have the right to use the recreational, cultural and athletic facilities available at Massanutten Village at times other than his Time Period upon the same terms and conditions as the guests of the lot owner in Massanutten Village."

Section 6.3. Maintenance of Units. The Association is granted the perpetual easement, right and privilege, to enter each Unit for the purpose of performing its responsibilities, conducting inspections, and taking such action as the Association may consider necessary to correct any condition which detracts from the Properties, or which may constitute a hazard or nuisance.

ARTICLE VII GENERAL PROVISIONS

Section 7.1. Duration. The covenants and restrictions of this Declaration shall run with and bind the Properties for a term of twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of twenty-five (25) years, subject to termination by amendment as provided in Section 7.2 below.

Section 7.2. Amendments. Except as otherwise set forth in this Declaration, this Declaration may be amended by the affirmative vote of the Owners of two-thirds (2/3) or more of the Time Periods. Such vote may be conducted in person during a meeting, by proxy and/or by absentee ballot with or without a meeting.

Section 7.3. Enforcement. The Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, easements, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Without limiting the generality of the foregoing, if any Owner fails to comply with any of the provisions of this Declaration and such failure continues for at least five (5) days after notice thereof is given to the Owner, then the Association may, but without any obligation to do so, take such action as either of them considers necessary or appropriate (including, without limitation, entering the Unit) to correct the noncompliance. The cost incurred in taking such action shall constitute a Special Assessment upon the Owner's Time Period and shall be collectible in the manner provided herein for the payment of assessments. Failure by the Association or any Owner to enforce any provision of this Declaration shall in no event be deemed a waiver of the right to do so thereafter.

Section 7.4. Limitations. No amendment may affect or alter the right of any Owner to exclusively occupy, use and enjoy their Time Period, and, as between Owners, to use and enjoy the Common Elements, and the rights and easements appurtenant to a Unit during the Owner's Time Period, unless such Owner shall expressly so consent in writing.

Section 7.5. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 7.6. Conflict. In the event of conflict among the Governing Documents, this Declaration shall control, then the Articles, then the Bylaws. All cases where the Governing Documents may be found to be in conflict with a statute, the statute shall control.

Section 7.7. Interpretation. Unless the context otherwise requires, the use of the singular shall include the plural and vice versa; the use of one gender shall include all genders; and the use of the term "including" shall mean "including, without limitation." The headings used herein are for indexing purposes only and shall not be used as a means of interpreting or construing the substantive provisions hereof.

Section 7.8. Approvals and Consents. All approvals and consents required or permitted by this Declaration (other than approvals or consents given by Members in a vote conducted in accordance with the Bylaws) shall be in writing, shall be signed by the party from whom the consent or approval is sought and, unless otherwise provided herein, may be withheld by such party in its sole discretion.

Section 7.9. Assignment of Declarant's Rights. Any and all rights, powers, easements and reservations of Declarant set forth herein may be assigned in whole or in part, at any time or from time to time, to the Association, to another Owner, or to any other party in Declarant's sole discretion. Each such assignment shall be evidenced by an instrument which shall be signed by Declarant and its assignee and recorded in the Clerk's Office.

Section 7.10. Successors and Assigns. The provisions hereof shall be binding upon and shall inure to the benefit of Declarant, the Association, and the Owners and their respective heirs, legal representatives, successors and assigns.

Section 7.11. Compliance with Virginia Real Estate Time-Share Act and the Virginia Non-Stock Corporation Act. The Association shall be subject to and comply with the Virginia Real Estate Time-Share Act as set out in §55.1-2200 *et. seq.*, of the Virginia Code and the Virginia Nonstock Corporation Act § 13.1 *et. seq.* of the Virginia Code, as amended.

Section 7.12. Termination of Time-share. The Time-share and the Time-share Project may be terminated in accordance with §55.1-2216 of the Virginia Real Estate Time-Share Act.

ARTICLE VIII

DISSOLUTION OF THE ASSOCIATION

Dissolution of the Association shall require the vote (in person, by proxy or by absentee ballot) of Owners of more than seventy-five percent (75%) of the Time Periods (voting one vote per Time Period owned) at a duly held meeting at which a quorum is present. Prior to dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be offered for dedication to the locality in which they are situated. In the event that such dedication is refused upon dissolution, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to similar purposes.

ARTICLE IX

NOTICES

All notices, demands, requests and other communications required or permitted hereunder shall be in writing and shall either be delivered in person or sent by overnight express courier or by U.S. first class mail, postage prepaid. All such notices, demands, requests and other communications shall be deemed to have been given when sent to the last known address of the Person who appears as Owner of such Time Period in the records of the Association at the time of

such notice. Rejection or other refusal to accept shall not invalidate the effectiveness of any notice, demand, request or other communication. Notwithstanding the foregoing, any notice of the filing of a memorandum of assessment lien shall be sent in the manner required by § 55.1- 2211 of the Virginia Code.

[SIGNATURES FOLLOW ON NEXT PAGE]

WITNESS the following signatures and seals as of the date first above written.
MOUNTAINSIDE VILLAS OWNERS ASSOCIATION, INC.
a Virginia non-stock corporation

By: _____
Its: President

COMMONWEALTH OF VIRGINIA
COUNTY OF _____, to-wit:

The foregoing DECLARATION OF TIMESHARE COVENANTS AND RESTRICTIONS FOR MOUNTAINSIDE VILLAS was acknowledged before me this __ day of _____, 202_, by _____, President of Mountainside Villas Owners Association, Inc., a Virginia nonstock corporation.

[SEAL]

Notary Public

My commission expires: _____
Registration No: _____

CERTIFICATION

BY: _____
Title: President

COMMONWEALTH OF VIRGINIA
COUNTY OF _____, to wit:

The foregoing instrument was acknowledged before me this __ day of _____, 20__, by _____, President of Mountainside Villas Owners Association, Inc., a Virginia nonstock corporation, on behalf of the corporation, who did state and certify that the requisite percentage of Owners have approved, given their consent to and ratified such DECLARATION OF TIMESHARE COVENANTS AND RESTRICTIONS FOR MOUNTAINSIDE VILLAS and have executed a written instrument approving such Declaration which original instruments are on file with the Association and are available for inspection by Owners of Time Periods.

[SEAL]

Notary Public

My commission expires: _____
Registration No: _____