

AMENDED
ARTICLES OF INCORPORATION
OF
LAKE HOLIDAY COUNTRY CLUB, INC.

We, the undersigned, do hereby set forth the amended Articles of Incorporation as follows:

ARTICLE I

NAME

The name of the corporation is LAKE HOLIDAY COUNTRY CLUB, INC., hereafter called the Association.

ARTICLE II

REGISTERED OFFICE

The address of the Registered Office of the Association is 21, S. Loudoun Street, Winchester, Virginia, which is in The City of Winchester Virginia.

ARTICLE III

REGISTERED AGENT

The name of the Registered Agent of the Association is Ian Williams of the Law Firm of Harrison and Johnston, operating in the State of Virginia and members of the Virginia State Bar and whose office address is 21, S. Loudoun Street, Winchester, Virginia, which is in The City of Winchester, Virginia.

ARTICLE IV

PURPOSES AND POWERS

This Association does not contemplate pecuniary gain or profit to itself or to the members thereof, and is formed to provide for the ownership, maintenance, improvement, preservation, security, operation, management, control and regulation of roads, road easements, walkways, riding trails, boat landings, swimming beaches, comfort stations, club houses and pavilions, swimming pools, tennis courts, parks and playgrounds, and such other common or recreational facilities or areas as may be established or constructed within the bounds of property conveyed by Deed recorded in Deed Book 395 at Page 73 among the land records of Frederick County, Virginia (herein-after referred to as

"The Summit"), as the same was dedicated and/or conveyed to the Association by the Developer, Lake Holiday Estates, Inc., a Virginia Corporation, and its successors and assigns, to promote the recreation, health, safety, and welfare of the members and their guests upon the above-named property (and such additions thereto as may be brought within the province of the Association as provided in the By-Laws); to exercise architectural and esthetic control and supervision over any structures to be constructed or maintained or over any modifications to the natural environment within the aforesaid property; to contract with and pay, own or operate appropriate utility companies for electric, water and sewerage services for common or recreational facilities and areas furnished as an incidence of membership in the Association, and to do any other thing, not prohibited by law or required to be stated in these Articles, deemed necessary, convenient, or desirable to maintain the properties of The Summit in good condition, operation, or repair or to improve the same; and for these purposes to:

(a) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in certain Restrictions and Covenants, as contained in the Declarations and Deeds of Dedication, made by Lake Holiday Estates, Inc., Lake Holiday Country Club Inc., and Lake Holiday Estates Utility Company and recorded in the Office of the Clerk of the Circuit Court of Frederick County, Virginia, and as the same may from time to time be made applicable to portions of the The Summit and additions thereto, which Declarations and Deeds of Dedication may be amended from time to time, as set forth therein;

(b) Annex any additional properties and common or recreational areas or facilities to the properties designated, in the manner provided for in these Articles, the Bylaws, Declarations and, or, Deeds of Dedication;

(c) Fix, levy, collect and enforce payment of, by any lawful means, all charges or assessments made or imposed pursuant to the provisions of these Articles, the Bylaws, Declarations and, or, Deeds of Dedication; and, pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the operation and property of the Association;

(d) Acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(e) Borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; and

(f) Have and to exercise any and all powers, rights, and privileges which a corporation organized under the Non-Stock Corporation Laws of the State of Virginia by law may now or hereafter have or exercise; and to have and exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the said Declarations and Deeds of Dedication, as the same may be amended from time to time.

ARTICLE V

MEMBERSHIP

Membership in the Lake Holiday Country Club, Inc., shall be determined as follows:

(a) Members. Every person or entity who is or becomes a record owner of a fee or undivided fee interest in any lot which is subjected to the above-mentioned Declarations and Deeds of Dedication, as then amended, shall be a Member of the Association, and all persons purchasing Property subject to these Declarations and Deeds of Dedication, by the acceptance of their deeds, agree to and do thereby become Members.

Ownership of more than one (1) lot shall entitle the owner to all the rights and privileges of membership and shall subject such owner to all the liabilities and duties attendant upon ownership of each lot separately, provided, however, that the Association may issue a single certificate or other evidence of membership relating to all lots owned by a Member; and provided further, that the owner of more than one (1) lot shall be considered a single member.

The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation, nor trustees under any instrument securing such an obligation. A Lot shall not have more than one membership, but the single membership shall be shared by all

owners of the lot. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to said Declarations and Deeds of Dedication. Ownership of such lot shall be the sole qualification for membership.

(b) **Associate Members.** In addition to those persons or entities who become Members of the Association as described above, there shall be Associate Members as outlined in certain deeds or deeds of easement which conditionally granted Associate Memberships and which are recorded in the Office of the Clerk of the Circuit Court of Frederick County, Virginia.

Except as provided below, Associate Members shall be entitled to all the rights and privileges of Association Members and shall be liable for the payment of dues and assessments and subject to all rules and regulations incident to the maintenance and operation of the amenities and common facilities of the Association. Associate Members will not be entitled to vote or otherwise participate in the operation or management of the Association.

The categories of membership as defined in (a) above shall be determined by a majority vote of the Board of Directors, who will fix annual assessments for each category. Initially there will be two (2) categories of members. These are, (1) members who own lots at "The Summit" to which water and sewer service is available; and (2) members who own lots at "The Summit" to which no water and sewer service is available

ARTICLE VI

VOTING RIGHTS

The members shall be entitled to one vote for each lot in which they hold the interest required for membership by Article V. When more than one person holds such an interest in any lot, the vote for such lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any such lot.

Voting rights of members may be suspended as provided in the By-Laws, Declarations, Deeds of Dedication and, or, the Virginia Property Owners' Association Act for nonpayment of dues, levies, or assessments or violations of the covenants.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board of Directors, who shall be members of the Association. There shall be eleven (11) members of the Board of Directors, which number may be changed in accordance with the By-Laws of the Association. The names and addresses of the current Directors are as follows:

Name: Lester W. Bates Address: 1017 Lake View Drive Cross Junction, VA. 22625	Name: William F. Penfield Address: 200 Sunset Circle Cross Junction, VA. 22625
Name: David J. Bessant Address: 160 Lake Holiday Road Cross Junction, VA. 22625	Name: Stanley C. Pettersen Address: 102 Point Place Cross Junction, VA. 22625
Name: Alan D. Bloomingdale Address: 111 Carolyn Court Cross Junction, VA. 22625	Name: James Pratt Address: 109 Vista Court Cross Junction, VA. 22625
Name: Louis R. Einstman Address: 111 Sunset Circle Cross Junction, VA. 22625	Name: Emmett C. Scott Address: 104 Knoll Court Cross Junction, VA. 22625
Name: M. Frank Heisey Address: 238 Fairway Circle Cross Junction, VA. 22625	Name: Kris C. Tierney Address: 330 Overlook Drive Cross Junction, VA. 22625
Name: VACANT Address:	

At each annual meeting, the members of the Association shall elect Directors as provided in the By-Laws; Said By-Laws shall provide for an annual meeting of the membership of the Association.

ARTICLE VIII

LIABILITIES

The highest amount of indebtedness or liability, direct or contingent, to which the Association may be subject at any one time shall not exceed 50% per cent of its gross income for the previous fiscal year, provided that additional amounts may be authorized at a duly held meeting by the assent of not less than sixty seven per cent (67%) of the total eligible voting power of the membership of the Association.

ARTICLE IX

MERGERS AND CONSOLIDATIONS

To the extent permitted by law, the Association may participate in mergers and consolidations with other Non-Stock and Non-Profit Corporations organized for the same purposes, provided, that any such merger or consolidation shall have the assent of the votes of more than sixty seven percent (67%) of the total eligible voting power of the membership of the Association.

ARTICLE X

AUTHORITY TO MORTGAGE

A mortgage or other encumbrance by the Association of the common or recreational areas or facilities then subject to the Declarations and Deeds of Dedication or any part thereof shall require the assent of more than sixty seven percent (67%) of the total eligible voting power of the membership of the Association.

ARTICLE XI

AUTHORITY TO DEDICATE

The Association shall have the power to dedicate, sell, or transfer all or any part of the common or recreational areas or facilities to any other Association, individual, individuals, corporation, corporations, or any public agency, authority or utility, for such purposes and subject to such conditions as may be agreed to by the members and subject to such conditions as may be required by any public agency, authority, or utility including, but not limited to, plat approval by appropriate county authorities, provided, that any such dedication shall have the assent of more than sixty seven percent (67%) of the total eligible voting power of the membership present or represented at a properly called meeting of the Association.

ARTICLE XII

DISSOLUTION

The Association may be voluntarily dissolved as provided in Article 6, Chapter 2, Title 13.1 of the Code of Virginia, as amended. Upon dissolution of the Association, the assets, both real and personal, of the Association shall be

dedicated to an appropriate public agency to be devoted to the purposes, as nearly as practicable, the same as those to which they were required to be devoted by the Association. Any such conveyance or transfer pursuant to this Article shall be subject to plat approval by the appropriate county authorities. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed, and assigned to any non-profit corporation, association, trust, or other organization devoted to purposes and uses that would most nearly reflect the purposes and uses to which they were required to be devoted by the Association.

Notwithstanding the foregoing, before such dedication, grant, conveyance, or assignment, every lot owner shall have an option to purchase from the Association, at a reasonable price to be determined by the Board of Directors, that portion of common or recreational areas or facilities adjacent to his lot as determined by the Board of Directors, subject however to approval by the Frederick County Authorities.

ARTICLE XIII **AMENDMENTS**

Amendment of these Articles shall require the assent of the votes of more than sixty seven percent (67%) of the total eligible voting power of the membership of the Association, present or represented at a properly called meeting of the Association.

ARTICLE XIV **MEETINGS**

In order to take action under Article VIII through Article XIII there must be a duly held meeting. Written notice, setting forth the purposes of the meeting shall be given to all members, as prescribed by law. The presence of members or of absentee ballots entitled to cast Thirty Five percent (35%) of the total eligible votes of the membership of the Association, shall constitute a quorum. If the required quorum does not exist at such meeting, the meeting will be adjourned and another meeting may be called, which shall be subject to the voting requirements set forth above. Notwithstanding the above provision requiring notice in writing to members, a waiver of such notice in writing signed

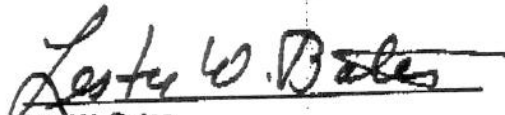
by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.


ARTICLE XV


DURATION


The corporation shall exist perpetually, unless dissolved by operation of law, action pursuant to Article XII, or otherwise.

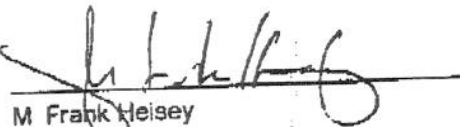
IN WITNESS WHEREOF, for the purpose of amending the Articles of Incorporation of this corporation in keeping with the approval of the requisite number of members hereof, pursuant to Article XIII of the Articles of Incorporation, and under the laws of the Commonwealth of Virginia, we, the undersigned, the elected directors of the corporation have herewith executed these Amended Articles of Incorporation in accordance with the approval of the members of the Association this 23rd day of October, 1999.


Les W. Bates

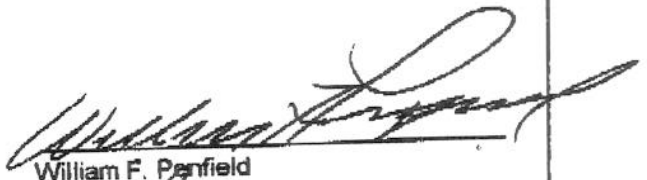

David J. Bessant


Alan D. Bloomingdale

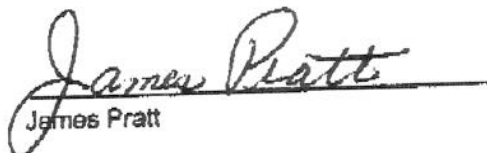

Louis R. Einstman


M. Frank Heisey

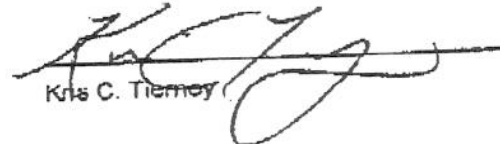
Vacant


William F. Penfield


Stanley C. Pettersen


James Pratt


Emmett C. Scott


Kris C. Tierney