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88181**PUBLIC OFFERING STATEMENT****FOR****WINDWOOD FLY IN RESORT****A Common Interest Community Located in Canaan Valley, Tucker County, West Virginia****I. IDENTITY OF COMMON INTEREST COMMUNITY**

The name of this Common Interest Community ("CIC") is Windwood Fly in Resort ("Windwood" or "Subdivision") which is located in Canaan Valley, Dry Fork District, Tucker County, West Virginia. The mailing address of Windwood is HC 70, Box 105, Davis, West Virginia. This CIC is as planned community as defined in Chapter 36B West Virginia Code.

II. NAME AND ADDRESS OF DECLARANT

The Declarant is West Virginia Resorts Limited Liability Company, a West Virginia Corporation, which has its principle place of business at HC 70, Box 105, Davis, West Virginia 26260.

III. EFFECTIVE DATE OF PUBLIC OFFERING STATEMENT

This Public Offering Statement for Windwood is effective as of January 1, 1997.

PURPOSE OF PUBLIC OFFERING STATEMENT

Declarant is providing you with this Public Offering Statement in accordance with the West Virginia Uniform Common Interest Ownership Act, Chapter 36B, West Virginia Code, to allow you as a prospective purchaser of a Unit within Windwood, to familiarize yourself with the Windwood project. This Public Offering Statement is intended to provide you with the required statutory notices and to disclose and summarize various types of information which might be relevant to you in determining whether or not you might wish to purchase or acquire a Unit in Windwood. The information contained in this Public Offering Statement is based upon information available to the Declarant as of the effective date hereof.

V. STATUTORY NOTICE

The West Virginia Common Interest Ownership Act, West Virginia Code, Section 36B-4-103 (a) (11) and (13), requires that the developer of a common interest community who wishes to sell Units within that CIC to the public, make the following disclosure. Accordingly, you are advised as follows:

WITHIN FIFTEEN (15) DAYS AFTER RECEIPT OF A PUBLIC OFFERING STATEMENT, A PURCHASER, BEFORE CONVEYANCE, MAY CANCEL ANY CONTRACT FOR PURCHASE OF A UNIT FROM A DECLARANT;

IF A DECLARANT FAILS TO PROVIDE A PUBLIC OFFERING STATEMENT TO A PURCHASER BEFORE CONVEYING A UNIT, THAT PURCHASER MAY RECOVER FROM THE DECLARANT TEN PERCENT (10%) OF THE SALES PRICE OF THE UNIT PLUS TEN PERCENT (10%) OF THE SHARE, PROPORTIONATE TO HIS COMMON EXPENSE LIABILITY, OF ANY INDEBTEDNESS OF THE ASSOCIATION SECURED BY SECURITY INTERESTS ENCUMBERING THE COMMON INTEREST COMMUNITY;

IF A PURCHASER RECEIVES THE PUBLIC OFFERING STATEMENT MORE THAN FIFTEEN (15) DAYS BEFORE SIGNING A CONTRACT, HE CANNOT CANCEL THE CONTRACT; and

ANY DEPOSIT MADE IN CONNECTION WITH THE PURCHASE OF A UNIT WILL BE HELD IN AN ESCROW ACCOUNT UNTIL CLOSING AND WILL BE RETURNED TO THE PURCHASER IF THE PURCHASER CANCELS THE CONTRACT PURSUANT TO WEST VIRGINIA CODE, SECTION 36B-4-108.

VI. VOLUNTARY NOTICE

This Public Offering Statement is important and should be carefully read by a prospective purchaser of a Unit of Windwood. Prospective purchasers are also urged to consult with their attorneys or other advisors and to provide them with a copy of this Statement and the Declaration before completing the performance of their agreement to purchase.

VII. THE COMMON INTEREST COMMUNITY CONCEPT

A common interest community is real estate with respect to which a person, by virtue of his ownership of a Unit, is obligated to pay for real estate taxes, insurance premiums, maintenance or improvements of other real estate which is common property ("Common Elements"), as well as other common expenses. As opposed to other types of common interest community property, such as a condominium or cooperative, Windwood is a planned community.

VIII. GENERAL DESCRIPTION OF WINDWOOD FLY IN RESORT

Windwood Fly in Resort is located on Cortland Road in Canaan Valley, 6 miles south of Davis, West Virginia. It is a 54 acre (approximate) tract of level to gently sloping terrain with a southern exposure. No more than 99 Units have been designated for this parcel. All of the Units in Windwood shall be restricted to residential Units other than any Unit being utilized for a sales model or additional lodge building. The word "Unit" is descriptive of both lots and duplex

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houses with appurtenant land.

Declarant is a party to a contract by which it may acquire an additional 72 acres on the northern and western sides of the Windwood property. Such additional property need not be acquired. If acquired and developed, this additional acreage will comprise Phase II of the Windwood Fly in Resort. Declarant may also use this additional property for a golf course and/or driving range. Please note that the lodge, golf course, or driving range need not be built. On the eastern side of the 54 acre tract lies Talheim, with which there are joint agreements for usage of roadway, water and sewer, and rights of way.

IX. DOCUMENTS AND INSTRUMENTS COMPRISING THE CIC TRANSACTION

The submission of the property comprising this CIC to Windwood Fly in Resort is a complicated process. The following is a brief summary of each of the CIC Instruments and their role in the creation and operation of the CIC.

A. Significant Features of Declaration

Under West Virginia law, a CIC may only be created by recordation of a Declaration executed, in the same manner as a deed, by all persons whose interests in the real estate submitted for CIC purpose will be conveyed to Unit Owners. In the instant case, the Declaration will be executed by West Virginia Resorts, L.L.C. No Unit may be conveyed until the Declaration is recorded in the Office of the Clerk of the County Commission of Tucker County, West Virginia.

The Declaration for Windwood Fly in Resort sets forth certain definitions which are pertinent to the planned community concept. It provides a legal description of the CIC property of Windwood Fly In Resort.

The Declaration describes the Units, common elements, boundaries of the Units and identifying numbers. It sets forth an allocation to each Unit of an undivided percentage interest in the common elements, portion of votes in the Unit Owners' Association, and share of common expenses of the Association. A detailed statement of the restrictive covenants, restrictions, and reservations which affect the use, occupancy and alienation of the Units is included. It incorporates various additional easements and rights of way which attach to and encumber the property through the creation of the CIC.

As a prospective purchaser you should examine a copy of the Declaration. Many parts of the Declaration are included verbatim in this Public Offering Statement; nonetheless, it would be

prudent to thoroughly familiarize yourself with the contents of the Declaration.

B. Bylaws, Rules and Regulations and Unit Owners' Association

1. Composition of Unit Owners' Association. All of the owners of Units in the Subdivision, acting as a group in accordance with the Uniform Common Interest Ownership Act, the Declaration, and the Bylaws, shall constitute the Unit Owners' Association which shall have the responsibility of administering the Subdivision, establishing the means and methods of assessing the Unit Owners and collecting the assessments for Common Expenses, arranging for the management, and performing all of the other acts that may be required to be performed by the Unit Owners' Association, pursuant to the Uniform Common Interest Ownership Act and the Declaration. Except as to those matters which the Uniform Common Interest Ownership Act specifically requires to be performed by the vote of the Unit Owners, the administration and the day-to-day management of the Subdivision shall be performed by the Executive Board which shall consist of five (5) members.

2. Election of Members of the Executive Board. The Uniform Common Interest Ownership Act and Bylaws provide that initially the Declarant shall have the right to appoint the Executive Board. However, not later than sixty (60) days after the conveyance of twenty-five percent (25%) of the Units to the Unit Owners other than the Declarant, not less than twenty-five percent (25%) of the members of the Executive Board shall be elected by Unit Owners other than the Declarant and not later than sixty (60) days after the conveyance of fifty percent (50%) of the Units to Unit Owners other than the Declarant, not less than thirty-three and one-third percent (33 1/3%) of the members of the Executive Board shall be elected by Unit Owners other than the Declarant. The Bylaws also provide that not later than the termination of the Declarant Control Period, the members of the Executive Board shall be elected by the members of the Unit Owners' Association. At such time, the members elected or appointed by the Declarant will be replaced by members elected by the Unit Owners.

3. Appointment of Officers. The Bylaws provide that the principal officers of the Condominium shall be a President, Vice-President, Secretary, and Treasurer, all of whom will be elected by the Executive Board. The President and Secretary must be Unit Owners and members of the Executive Board. The other officers must be Unit Owners but need not be members of the Executive Board. The eligibility requirements shall not apply to officers nor to Executive Board members during the period of Declarant Control except as to those Executive Board members that may be elected from the Unit Owners' Association.

4. Management. Under the provisions of the Bylaws the management responsibilities and obligations are delegated to the Executive Board, except as to certain limited matters which are reserved exclusively to the Unit Owners' Association. Furthermore, the Bylaws provide that a Managing Agent or Agents may be retained by the Executive Board and/or by the Unit Owners' Association with certain delegated duties and responsibilities.

5. Voting Rights. The Declaration and the Bylaws provide a formula to calculate the voting strength of any particular Unit Owner at a Unit Owners' Association meeting. Basically, each Unit is entitled to one vote. The presence in person or by proxy of Unit Owners owning Units to which twenty percent (20%) of the percentage interest appertain will constitute a quorum at all meetings of the Unit Owners' Association. Furthermore, in Unit Owners' Association meetings a simple majority vote of the percentage interests of the Unit Owners present after the establishment of a quorum is sufficient to pass any resolution, adopt decisions and transact business, except where a greater percentage interest is required (in matters such as amendment to the Declaration or as otherwise required by the Uniform Common Interest Ownership Act and the Bylaws). In order to change the Declaration or the Bylaws, a vote of sixty-seven percent (67%) of the percentage interest of Unit Owners entitled to vote at a meeting duly held for such purpose will be necessary except as otherwise provided in the Bylaws and the Uniform Common Interest Ownership Act. Annual meetings of the Unit Owners' Association will be held at least sixty (60) days before the beginning of each fiscal year. Special meetings may be held from time to time as provided in the Bylaws.

6. Common Expenses. The Bylaws provide that the Common Expenses payable by a Unit Owner from time to time will be based upon the percentage interest assigned to such Unit in relation to the total expenses and costs to be incurred by the Unit Owners' Association. Each Unit Owner will be advised promptly after the adoption of each budget of the amount of Common Expenses payable for the period covered by such budget. The Declarant will pay the Common Expenses allocable to the Units owned by it commencing with the first common expense assessment by the Executive Board.

7. Limited Common Expenses. Expenses which relate to elements of the common interest community which are common to more than one but less than all of the unit owners of the common interest community are limited common elements. For example, as this subdivision contains duplex structures, there are certain portions of the structure which are common to both unit owners of that structure, such as the roof, party wall and certain utility

lines. Expenses which relate to the maintenance or repair of such limited common elements are limited common expenses to be shared by only those having an interest therein, not but the common interest community as a whole. Limited common expenses may, if unpaid, be assessed against a unit owner and such indebtedness may constitute a lien upon his interest in the unit.

8. Repairs. All painting, decorating, maintenance, repairs and replacements to the Common Elements are to be made at the direction and under the supervision of the Executive Board; the costs thereof are to be charged to all Unit Owners as a Common Expense, except for limited common expenses and except to the extent that such costs of repairs are necessitated by the negligence, misuse or neglect of a Unit Owner as determined by the Executive Board. In the event of such negligence, misuse, or neglect such repairs will be charged to such Unit Owner, although the repairs will be made under the direction and supervision of the Executive Board.

9. Rules and Regulations. Rules and Regulations concerning the operation and use of the Common Elements and assessment of fees, fines and penalties may be promulgated and amended by the Executive Board so long as such Rules and Regulations are not contrary to or inconsistent with the Uniform Common Interest Ownership Act, the Declaration or the Bylaws.

10. Improvements and Costs. The Executive Board may make alterations and improvements to the Common Elements without obtaining the prior consent of the Unit Owners if such alterations and improvements do not cost in excess of Five Thousand Dollars (\$5,000.00) in any consecutive twelve month period. All expenditures in excess of Five Thousand Dollars (\$5,000.00) and loans in excess of Ten Thousand Dollars (\$10,000.00) will require approval of the Unit Owners' Association.

11. Liability of the Executive Board and Unit Owners. Any contract or other commitment made by the Executive Board (or a Managing Agent or onsite Manager) will only be made in a representative capacity on behalf of the Unit Owners and/or the members of the Executive Board. The liability of any Unit Owner with respect to any such contract, commitment or liability will be limited to his percentage interest share of the total liability thereunder. The Executive Board shall have no liability to the Unit Owners for errors of judgment, negligence or otherwise except to the extent that such liability is satisfied by Liability Insurance maintained for the benefit of the Executive Board members; provided that the Executive Board members will be liable for their own willful misconduct or bad faith.

12. Right of Access The Executive Board and/or the Managing Agent or onsite Manager and/or the Unit Owners' Association shall have a right of access to each Unit to inspect and make repairs to the Unit to prevent waste thereto, the Common Elements, or any other Unit and may enter any Unit without notice in an emergency (or with reasonable notice if there is no emergency) to abate or remove any thing or condition constituting a violation of the Uniform Common Interest Ownership Act, a violation of the provisions of the Declaration, a violation of the provisions of the Bylaws or Rules and Regulations of the Subdivision. The Declarant or the Unit Owners' Association or its representatives and agents are empowered to take actions or perform work on a Unit without the consent of the Unit Owner and the Unit Owner may be required to pay the cost of said action so taken or work so performed. For a period of time the Declarant also has the right to enter Units to abate violations and correct some of the other matters described in this subparagraph. Furthermore, the Declarant shall have access for utilities and travelways for ingress and egress in the manner set forth in the Declaration and Bylaws.

X. UNITS AND COMMON ELEMENTS

A Unit of the CIC consists of (1) the lot or parcel of land which is conveyed to a purchaser and is exclusively owned by him, and (2) the common elements which includes all other land, including improvements and appurtenances thereto, central utilities and services, and areas of common use. A Unit in Windwood is a lot or an individually owned one-half of a duplex together with the lot to which it is appurtenant.

The Unit Owners' allocated interest in the Common Elements will vary depending on the ultimate number of Units created by the Declarant. THE TOTAL NUMBER OF LOTS DEDICATED TO THE CIC HAS NOT BEEN CONCLUSIVELY DETERMINED. The Special Declarant rights reserved permit Declarant to create or subdivide Units within a phase where no Units have been sold or eliminate an entire phase. Should Declarant determine to create or eliminate Units or entire phases from the CIC, then the allocated interest in the CIC will vary accordingly. Unit Owners can determine their allocated interests by the formula that an allocated interest is equal to a fraction wherein the numerator is one (representing one Unit) and the denominator is the number equal to the total number of lots (including one-half of a duplex and the real estate which is conveyed therewith) within all dedicated phases. Unit Owners holding a fee simple interest in a Unit may have their allocated interest increased or reduced by an amount equal to the number of Units added or subtracted from the actual development of the CIC. The denominator of each fraction is subject to change due to the rights reserved in Declarant to subdivide or create the lots in any phase or to delete entire phases.

XI. ASSESSMENTS FOR MAINTENANCE

Assessments will be charged to each Unit Owner for the maintenance and upkeep of the common elements, including use of amenities. The assessment will be based upon a budget to be established by the Unit Owners' Association. The laws of the State of West Virginia and the Declaration provide for means by which unpaid assessments become liens against the Units and disqualify the Unit Owners from voting at meetings of the Unit Owners' Association.

XII. PROTECTIVE AND RESTRICTIVE COVENANTS

The Declaration provides a detailed listing of the protective and restrictive covenants which apply to each Unit of the CIC, including the minimal requirements for construction of housing and the formation of a building control committee to review and pass upon building plans and to consider requests for variances of the restrictions. These protective and restrictive covenants are as follows:

Declarant does hereby declare and establish the following covenants and restrictions which shall pertain to and apply to all units within the Windwood.

1. Each unit shall be used solely for single family residential purposes, rental, or non-commercial recreational use. In no event shall any unit or dwelling thereon be utilized on a time-sharing basis.
2. No building, fence, hedge, sidewalk, wall, driveway or other structure shall be erected, placed or altered on any unit until the proposed building plan, specifications, exterior materials, color and finish, site plans and construction schedule shall have been approved in writing by the Building Control Committee. One copy of all such plans, plats, specifications and related documentation shall be furnished to the Building Control Committee for its review and permanent record.
3. With the written approval of the Building Control Committee, two or more contiguous units may be combined by an owner and a single dwelling may be constructed upon such combined units.
4. The ground floor area of any dwelling of two (2) or more floors erected on a unit shall contain a minimum of 800 square feet, exclusive of porches and garages. No dwelling shall be erected upon any unit which contains less than 1,000 square feet of living area, exclusive of porches and garages; provided, however, that the Units which consist of one side of a duplex structure (and the real estate conveyed therewith) may contain less square footage at the discretion of Declarant.

5. The exterior woodwork of every house and building on any unit shall be painted with at least two (2) coats of paint, varnish or stain, as soon after completion as weather permits. However, the Building Control Committee shall have the right to waive this condition in the event that the plans for said dwelling call for exposed, untreated, natural wood. Duplex structures shall only be stained in such color and at such time only as directed by the Building Control Committee.

6. The exterior construction of all buildings shall consist of natural materials such as wood and stone. Materials such as brick, aluminum and vinyl siding, and T-111 paneling are expressly forbidden. The roofing shingles on all houses and buildings shall be cedar shakes.

7. In order to assure that houses and other structures will be aesthetically located with regard to the topography of the land or in relation to wooded areas of each individual tract, the Building Control Committee shall have the right to control the site and location of any house or dwelling, or other structure to be placed upon any unit, provided, however, that such location shall be determined only after reasonable opportunity is afforded the unit owner to recommend a specific site.

8. The exterior of all houses or other structures must be completed within six months after the construction of the dwelling shall have commenced, except where such completion is impossible or would result in great hardship to the owner or builder due to strike, fire, national emergency, or an act of God.

9. No excavation of stone, gravel, or earth shall be made upon any unit except for basements, cellars, retaining walls, landscaping and driveways. All other excavations or removal of earth or deposits of any material on any unit shall not be commenced without first obtaining written approval of the Building Control Committee.

10. Within one month after completion of a dwelling, all debris and waste material remaining on the ground shall be removed and disposed of. Within one year after the completion of a dwelling, the unit shall be landscaped, including the seeding of bare earth in a workmanlike manner. The Building Control Committee shall have the right to waive this covenant at the request of the owner. All foundation plantings and lawns shall be maintained by the unit owner; common areas shall be maintained by the Homeowners' Association.

11. Each unit owner shall construct and maintain suitable and adequate parking space on the unit for parking of vehicles for the owner and guests, so that said vehicles, when parked shall not obstruct or interfere with the vehicular traffic on any of the roadways or cul-de-sacs within Windwood.

12. Only licensed four-wheel vehicles may be used on the roadways and rights-of way within Windwood, except vehicles such as cycles may be used for the sole purpose of ingress and egress to individual lots. All ATVs, including, but not limited to three-wheelers and four-wheelers are expressly prohibited on the roadways and rights-of way of Windwood, as well as upon the individual units and elsewhere within the subdivision; provided, however, that this provision in no way prohibits the use of any type or character of vehicle by unit owners which might be required or necessitated for construction, maintenance, upkeep or repair of the real estate, roadways, rights-of way and conservancy or retreat areas of Windwood.

13. No unit or any dwelling constructed thereon, may utilize a septic system or any type of individual sewage system. Likewise, no unit or dwelling constructed thereon may use a well, or any stream, brook, pond, or spring as a source of residential water supply. All unit owners, their heirs, successors and assigns, shall be required to hook-up to a central water system and central sewage system within 120 days after commencement of construction of any residence, dwelling or any other structure, unless specifically waived in writing by the Building Control Committee.

14. No trailer, shed, or other temporary or moveable building or facility shall be erected or maintained upon any unit except as may be reasonably necessary for short-term use in the construction of a dwelling on said unit, and if so used, must be removed within 20 days after completion of construction.

15. No trailer, basement of a partially completed dwelling, tent, garage, barn, shed, or other similar structure shall at any time be used as a residence. Camping on units within the Windwood is specifically prohibited.

16. No unit shall be used or maintained as a dumping ground for rubbish, nor shall any rubbish, garbage or any other waste be allowed to accumulate on a unit. Rubbish, garbage and other waste shall be kept in sanitary containers and all such containers or incinerators or other equipment used for the storage or disposal of said materials shall be kept in a clean and sanitary condition and located in as inconspicuous a place as possible. It is understood and agreed that there is no obligation on the part of declarant, its successors or assigns, to provide garbage or trash removal services.

17. No fowl, swine, cattle, sheep, goats, horses or other domestic or wild animals shall be kept or maintained on any unit. This restriction shall not apply to dogs, cats, or other small domestic animals generally considered as pets so long as said domestic animals are not of

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an offensive nature and so long as such domestic animals are not permitted to roam at large.

18. No obnoxious, offensive, unlawful or criminal activity shall be carried on upon any unit, nor shall any unit be used for such purposes.

19. No sign of any kind may be displayed upon a unit to the public view without first obtaining written approval from the Building Control Committee, except that one sign showing the owner's name and the name of the premises shall be permitted on the unit so long as the sign does not extend more than three feet in length or height, nor comprise an area greater than two square feet.

20. No open fires shall be permitted on any unit, and any outdoor fireplaces shall be equipped with proper screening and approved by the Building Control Committee.

21. All guns, bows, and weapons shall be cased and no firearms shall be discharged within the Windwood.

22. Outside illumination of any dwelling, or of a sign erected in accordance with Paragraph 18, shall be accomplished by means of a constant light utilizing ordinary light bulbs or small flood lights, it being the intent of this restriction that no neon or similar type lighting, no flashing light or illumination of or by any type of reflective lettering, nor dusk to dawn lights, nor the use of luminous or reflective material of any nature shall be permitted in connection with said lighting or the outside illumination of said dwelling.

23. No exterior television or radio antenna of any kind shall be constructed, erected or permitted to remain on any tract or residence after such time as a community antenna television (CATV) system or central cable has been made available to residences; this provision shall not be considered an obligation of declarant to provide or maintain any such service.

24. All electrical service lines and telephone lines to any structure shall be by an underground entry unless waived in writing by the Building Control Committee.

25. No trees measuring six inches or more in diameter at breast height may be removed without the written approval of the Building Control Committee unless such tree is located within ten feet of the unit's dwelling site.

26. No tract shall be subdivided, or its boundary lines changed, except with the written approval of the Building Control Committee and as provided for by the Declaration or the Common Interest Ownership Act.

XIII. PROJECTED BUDGET OF CIC

It is the best estimate of the Declarant that the owner of the Declarant that the owner of an unimproved Unit in Windwood will pay a monthly assessment to the Unit Owner's Association in the amount of \$25.00 - \$30.00 per month. On an annual basis for the thirty-eight (38) Units in phase I of the development, the total annual budget of the Unit Owner's Association would be Eleven Thousand Eight Hundred Dollars (\$11,800.00). It is estimated that this sum will be sufficient to make payment of the following categories of expenditures of the Association in the following amounts:

Road maintenance	\$9,500.00
Snow removal	\$1,600.00
Insurance and Administration	\$ 700.00

There is presently no amount included in the budget as a reserve for repairs and replacement.

XV. WARRANTY OF QUALITY

Windwood Fly In Resort is a Common Interest Community created and designed for use as a residential community. Declarant makes no express or implied warranties of quality. It is understood that by purchasing a Unit, any and all Unit Owners accept, as excluded, all expressed or implied warranties of quality. Units are being offered for sale by Declarant upon an "AS IS" basis.

All purchasers shall execute a Purchase Agreement which waives Purchaser's statutory right to a six-year statute of limitations for the commencement of a legal action for breach of implied or expressed warranties of quality. In its place shall be substituted a statute of limitations requiring the commencement of any legal actions by Purchaser for breach of warranty within two (2) years of the date the Purchaser enters into possession.

XVI. TERMINATION AND EMINENT DOMAIN

A. Termination: The CIC (which includes all Units, Common Elements, rights and restrictions herein created) may be terminated only by agreement of owners of Units to which at least eighty percent (80%) of the votes in the Association are allocated. An agreement to terminate must be evidenced by the execution of a termination agreement or ratifications thereof in the same manner as a deed, by the requisite number of Unit Owners. The termination agreement and all ratifications thereof must specify a date after which the agreement shall become void if not recorded before that date. It is further provided that:

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1. Notwithstanding any provision to the contrary herein contained, Declarant may, by recording a Notice of Termination, terminate this Declaration as to the entire Subdivision or any individual phase prior to the recordation of the first deed for a Unit from the entire Subdivision or within that particular phase but not as to any remaining phase.

2. Foreclosure or enforcement of a lien or encumbrance against the entire CIC or any part thereof does not itself terminate the CIC or withdraw that part thereof from the CIC.

3. The termination agreement may provide that all of the Common Elements and the Units must be sold following termination. If any real estate is to be sold pursuant to the termination agreement, the agreement must set forth the minimum terms of sale.

4. The Association, on behalf of the Unit Owners, may contract for the sale of real estate but the contract is not binding on the Unit Owners until approved pursuant to this section. If any real estate is to be sold following termination, title to that real estate vests in the Association as trustee for the holders of all interests in the Units. Thereafter, the Association has all powers necessary and appropriate to effectuate the sale. Until the same has been concluded and the proceeds thereof distributed, the Association continues in existence with all powers it had before termination. Proceeds of the sale must be distributed to Unit Owners and lienholders as their interests may appear. Unless otherwise specified in the termination agreement, so long as the Association holds title to the real estate, each Unit Owner and the Unit Owner's successor in interest have an exclusive right to occupancy of that portion of the real estate that formerly constituted the Unit. During the period of that occupancy, each Unit Owner and the Unit Owner's successor in interest remain liable for all assessments and other obligations imposed on Unit Owners by the Declaration.

5. If a lien or encumbrance against a portion of real estate has priority over the Declaration and the lien or encumbrance has not been partially released, the parties foreclosing the lien or encumbrance, upon foreclosure may record an instrument excluding the real estate subject to that lien or encumbrance from the CIC.

B. Eminent Domain:

If a Unit is acquired by eminent domain or any part of any Unit is acquired by eminent domain leaving the Unit Owner with a remnant that may not practically or lawfully be used for any purpose permitted by the Declaration, the award must include compensation to the Unit Owner for that Unit and its allocated interests, whether or not any Common Elements are

acquired. Upon acquisition, unless a decree provides otherwise, that Unit's allocated interests are automatically re-allocated to the remaining Units in proportion to the respective allocated interests of those Units before the taking and the Association shall promptly prepare, execute and record an amendment to the Declaration reflecting the reallocations. Any remnant of a Unit remaining after part of a Unit is taken under this subsection is thereafter a Common Element.

If part of the Common Elements is acquired by eminent domain, the portion of the award attributable to the Common Elements taken must be paid to the Association.

XVII. INSURANCE

Commencing not later than the time of the first conveyance of a Unit to a person other than the Declarant, the Association shall maintain, to the extent reasonably available:

(a) Property insurance on the Common Elements insuring against all risks of direct physical loss commonly insured against. The total amount of insurance after application of any deductibles must be not less than eighty percent (80%) of the actual cash value of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, and other items normally excluded from property policies;

(b) Liability insurance, including medical payments insurance, in limits of not less than \$300,000/\$1,000,000 and thereafter, in an amount determined by the Board, so as to cover all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements; and

(c) Other insurance requirements are more particularly described in the Declaration and Bylaws.

XIX. DECLARANT'S OBLIGATION TO COMPLETE

Except for improvements labeled "need not be built" the Declarant shall complete all improvements depicted on any site plan or other graphic representation, including any plats or plans. Declarant presently has adequate financing with which to complete all said improvements.

XX. ZONING AND LAND USE REQUIREMENTS

The area in which the CIC is being developed is controlled by the Canaan Valley Zoning Ordinance dated February 24, 1987. This Subdivision complies with all features thereof. A copy of the Zoning Ordinance may be obtained from the Clerk of the County Commission of Tucker County, West Virginia.

XXI. MISCELLANEOUS

1. Other than the limitations imposed upon construction which are set forth in the restrictions and protective covenants which apply to each Unit, there is no assurance that buildings or other improvements erected pursuant to any future development right of Declarant in any part of the CIC will be compatible with existing buildings and improvements in the CIC in terms of architectural style, quality of construction and/or size.

2. No assurances are being made regarding the general description of improvements to common elements created within any part of the CIC pursuant to any development rights reserved by the Declarant.

3. There are no assurances made in regard to any limitation as to the location of any building or other improvement that may be made within any part of the CIC pursuant to any development right reserved by the Declarant.

4. There are no assurances being made that any limited common elements created pursuant to any development right reserved by the Declarant will be of the same general type and size as the limited common elements within other parts of the CIC and, in fact, no limited common elements are planned for development by Declarant.

5. No assurances are being made that the proportion of limited common elements to Units created pursuant to any development right reserved by the Declarant will be approximately equal to the proportion existing within other parts of the CIC and, in fact, no limited common elements are planned for development by Declarant.

6. All restrictions in the Declaration affecting use, occupancy and alienation of Units will apply to any Units created pursuant to any development right reserved by the Declarant.

7. In the event that Declarant does not exercise its development rights, then the assurances or non-assurances set forth herein will not apply.

XXII. TERMS OF THE OFFERING

1. Offering Prices. The initial offering prices for all Units have been determined and reservations are being accepted with Unit prices established by Declarant, but such reservations are cancelable by the Declarant and the prices quoted therein are subject to change. Different purchasers may pay different prices for similar Units at the sole discretion of the Declarant. Price changes may be made during negotiations between Declarant and a purchaser prior to the execution of a purchase agreement, or generally, at any time by the Declarant without notice and without requiring amendment of this Public Offering Statement.

2. Down Payment. In general, full down payment of 10% of the purchase price is required when a purchase agreement is signed on a Unit. However, the Declarant reserves the right to, in its sole discretion, vary the deposit requirement in the case of purchasers who are its principals, sales agents, affiliates, or other where it determines that the full down payment is adequately secured or closing otherwise assured.

3. Escrow. With respect to the disposition of purchasers' deposits, Section 36B-4-110 of the West Virginia Uniform Common Interest Ownership Act provides as follows: Any deposit made in connection with the purchase or reservation of a Unit from a Declarant shall be placed in escrow and held in this state in an account designated solely for that purpose by an institution whose accounts are insured by a governmental agency or instrumentality until (1) delivered to the Declarant at closing; (2) delivered to the Declarant; because of purchaser's default under a contract to purchase the Unit or (3) refunded to the purchaser. The Developer has complied with this requirement by maintaining an escrow account at the Miners and Merchants Bank, Thomas, West Virginia 26291.

4. Time of Settlement. Settlement shall occur within thirty (30) days after written or oral notice to the purchaser from the Declarant. Upon cancellation or termination, if not the consequence of Purchaser's failure to meet purchaser's obligation under the purchase agreement, the Declarant will cause deposits to be returned to the purchaser and the parties will have no further rights or liabilities under the purchase agreement. If such cancellation or termination is a consequence of purchaser's failure to meet his or her obligations under the purchase agreement, the Declarant may retain any deposits as liquidated damages, in which event neither party shall have any further rights and liabilities under the purchase agreement.

5. Settlement Costs and Expenses.

(a) The Declarant will pay the costs of deed preparation and the West Virginia State transfer tax stamps. All other costs of settlement shall be paid by the purchaser. The estimates of such costs are set forth below:

<u>Item</u>	<u>Cost</u>
Loan origination fee	Points vary with lender and loan plan selected by purchaser
Private Mortgage Insurance Premium	May be required on loans; the fees vary with the loan amount
Combination Mortgagee's Title Insurance and	\$3.50 per \$1,000 (rounded to nearest

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Owner's Title Insurance Premiums (Combination)	highest 1,000 plus \$7.50 fee.)
Clerk's Fee for Deed Recordation	\$2.00 for the first two pages; \$.50 for each additional page.
Clerks's Fee for Deed of Trust Recordation	\$2.00 for the first two pages; \$.50 for each additional page.
Credit Report Fee	\$50.00 /borrower (husband and wife included as one)
Appraisal Fee	\$350.00 Unit
Title Examination Fee	\$250.00
Loan Document Preparation	
Fee	\$100.00
Closing Fee	\$40.00

THESE FEES ARE ONLY ESTIMATES. Certain of the fees and charges described above are subject to change at the discretion of the institutions and professionals imposing them, and no amendment of this Public Offering Statement will be made unless such changes are substantial.

The purchaser also shall be required to reimburse the Declarant at settlement on a pro rata basis for prepaid real estate taxes, assessments, utility charges, if any, all of which are to be adjusted as of the date of settlement.

The purchaser shall be required to pay yearly, in advance, to the Windwood Unit Owners' Association, that portion of the common expenses allocated to his Unit. Common expenses payable for the month in which settlement occurs shall be adjusted on a per diem basis as of the settlement date. The percentage of common expenses to be assessed against each Unit is set forth herein. The estimated common expenses for the first year of operation for each Unit are set for hereinabove in the projected budget.

XXIII. CANCELLATION

Any prospective Unit owner desiring to cancel the Purchase Agreement may do so by hand delivery of a cancellation notice to Declarant or by mailing notice of the cancellation by prepaid United States Mail to the Declarant at the address stated in Article II above or to R. Mike Mullens, Attorney at Law, 324 Randolph Avenue, Elkins, West Virginia 26241. Cancellation is without penalty or interest charged, and payments shall be promptly refunded.

XXIV. GENERAL INFORMATION

The Declarant reserves the right to change the terms of this Public Offering Statement as it affects potential Unit purchasers not then under contract to purchase a Unit. As to any Unit purchaser, however, any information or data regarding Windwood not presented in this Public Offering Statement must not be relied on. No person has been authorized by the Declarant to make any representation not expressly contained herein.

WEST VIRGINIA RESORTS, L.L.C., Declarant

By: Joe Beam
JOE BEAM

Its: _____
Managing Partner

This document prepared by:

R. MIKE MULLENS
Attorney at Law
324 Randolph Avenue
Elkins, West Virginia 26241

STATE OF WEST VIRGINIA,
Tucker County Clerk's Office:

Be it remembered that on this 3rd day of April, 19 97
the foregoing Public Offering Statement with the certificate
therein, was this day presented in said office and admitted to record.

10:23AM. Teste Nina B. Buchanan Clerk
bylc