



## **CATAMOUNT RANCH & CLUB**

**PLAN FOR THE OFFERING OF MEMBERSHIPS**

# CATAMOUNT RANCH & CLUB

## INTRODUCTION

### PURPOSE OF THE CLUB

This Membership Plan offers you an opportunity to acquire a membership in Catamount Ranch & Club (the "Club"). The Club offers its members, their families and guests the right to use the golf, recreational and Lake facilities of the Club (the "Club Facilities") in accordance with the terms and conditions of this Membership Plan, the Rules and Regulations and the Membership Application and Agreement, as they may be amended from time to time (collectively, the "Membership Plan Documents").

### OWNERSHIP AND OPERATION

Catamount Development, Inc., its successors or assigns (the "Owner") will own the Club Facilities. The Club is a division of the Owner. The Club Facilities will be operated by Catamount Ranch & Club Management LLC, a Colorado limited liability company, the Owner or whomever the Owner shall designate from time to time (the "Operator"). The Club Facilities will be available to members of the Club, their families and guests and other persons, all as permitted by the Club from time to time. All references to the "Club" herein shall refer to the golf and lake club operated in accordance with the Membership Plan Documents, commonly known as Catamount Ranch & Club.

### CATEGORIES OF MEMBERSHIP AVAILABLE IN THE CLUB

Members of the Club and their families and guests will be permitted to use the Club Facilities in accordance with their category of membership. Seven categories of membership may be offered by the Club: Founder Membership, Premier Membership, Charter Premier Membership, Signature Membership, Cabin Membership, National Membership and Lake Membership. In addition, the Club may issue a limited number of Invitational and Honorary Memberships (as described more fully in this Membership Plan).

### SPECIAL MEMBERSHIP BENEFITS

Membership in the Club offers a number of benefits, in addition to use of the Club Facilities, including:

- **Refundable Membership Deposit.** One hundred percent (100%) of the membership deposit paid for a membership will be refunded after resignation and reissuance of the membership, less the applicable transfer fee (if any) provided for in the member's Membership Application and Agreement and as provided for in this Membership Plan.
- **Transferability of Memberships.** Founder, Premier, and Charter Premier Memberships are transferable through the Club to a subsequent purchaser of a member's home or homesite, according to the terms of each membership category and their Membership Application and Agreement.
- **Preferred Pricing.** Members may receive preferred pricing in the restaurants, shops and other facilities in the Communities.
- **Extended Family Privileges.** The extended family of a member may use the Club Facilities upon payment of reduced guest fees.

**PROCEDURES TO APPLY FOR CLUB MEMBERSHIP PRIVILEGES**

Persons who desire to apply for membership privileges in the Club must comply with all of the following requirements:

- A. Complete and sign the Membership Application and Agreement; and
- B. Mail to Catamount Ranch & Club, 655 Clubhouse Drive, Post Office Box 988, Edwards, Colorado 81632 or hand deliver to the Club the completed and signed Membership Application and Agreement together with a check made payable to Catamount Ranch & Club in the amount of the required membership deposit as set forth in the person's Membership Application and Agreement. The annual membership dues (prorated accordingly for the first year) will be billed separately.

**ALL APPLICANTS FOR MEMBERSHIP MUST BE APPROVED BY THE CLUB**

The Club must approve all applicants for membership in the Club. After receiving the Membership Application and Agreement, the Club will determine, in its sole discretion, whether the applicant has satisfied the relevant conditions of membership and, if so, will notify the applicant in writing.

**RELY ONLY ON INFORMATION CONTAINED IN MEMBERSHIP PLAN DOCUMENTS**

**NO PERSON, INCLUDING REAL ESTATE AGENTS OR BROKERS, HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION NOT CONTAINED IN THE MEMBERSHIP PLAN DOCUMENTS.**

**MEMBERSHIPS FOR RECREATIONAL PURPOSES ONLY**

**MEMBERSHIPS IN THE CLUB ARE BEING OFFERED EXCLUSIVELY FOR THE PURPOSE OF PERMITTING PERSONS BECOMING MEMBERS TO OBTAIN RECREATIONAL USE OF THE CLUB FACILITIES. MEMBERSHIP IN THE CLUB DOES NOT CONSTITUTE ANY OWNERSHIP INTEREST AND NO MEMBER OF THE CLUB SHALL HAVE ANY RIGHTS OF ANY KIND WITH RESPECT TO THE OWNERSHIP OR MANAGEMENT OF THE CLUB. MEMBERSHIPS SHOULD NOT BE VIEWED OR ACQUIRED AS AN INVESTMENT AND NO PERSON BECOMING A MEMBER SHOULD EXPECT TO DERIVE ANY ECONOMIC PROFITS FROM MEMBERSHIP IN THE CLUB.**

As Amended June 7, 2002

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**CATAMOUNT RANCH & CLUB**  
**PLAN FOR THE OFFERING OF MEMBERSHIPS**

Members of the Club and their families and guests are permitted to use the Club Facilities in accordance with the member's category of membership and the terms and conditions of the Membership Plan Documents.

**DESCRIPTION OF THE CLUB FACILITIES**

The "Club Facilities" will include the following facilities and such other facilities as the Club may add or modify from time to time:

Catamount Ranch Facilities

- ∃ An 18-hole championship golf course, designed by Tom Weiskopf;
- ∃ A clubhouse complex to be located at the golf course, including a pro shop, grille and snack bar, a cart barn, and locker rooms (the "Catamount Ranch Golf Clubhouse");
- ∃ A golf driving range and putting green; and
- ∃ Such other recreational facilities as the Club determines.

Lake Catamount Facilities

- ∃ An Outfitters Center and its boat docks;
- ∃ A swimming pool and tennis courts;
- ∃ A Lake Clubhouse including a restaurant, fitness equipment and changing room facilities;
- ∃ A Heritage Center, providing a location for community recreation and other activities;
- ∃ A putting green; and
- ∃ Such other recreational facilities as the Club determines.

Lake Catamount (the "Lake") will also be made available to Club members. Use of the Lake by members and their guests will be in accordance with rules and regulations adopted by the Club from time to time. Access to the Lake will be governed exclusively by the Club. Property owners and others may not use the Lake, except as a Club member or guest in accordance with the Membership Plan Documents.

**CONSTRUCTION OF CLUB FACILITIES**

The Club Facilities will be constructed in phases. It is currently anticipated that Club Facilities will be commenced as follows, subject to obtaining required approvals and permits:

- Construction of the golf course, practice facilities, and those portions of the Catamount Ranch Golf Clubhouse consisting of the pro shop, snack bar and temporary changing facilities and cart barn will commence upon the sale of 100 Founder, Premier, Charter Premier, Signature and/or Cabin Memberships, or at such earlier time as the Club shall determine.

- Construction of the Catamount Ranch Golf Clubhouse grille and locker room will commence upon the sale of 200 Founder, Premier, Charter Premier, Signature and/or Cabin Memberships, or at such earlier time as the Club shall determine.
- Construction of the Outfitters Center at the Lake with its boat docks will commence upon the sale of 100 Founder, Premier, Charter Premier, Signature and/or Cabin Memberships, or at such earlier time as the Club shall determine.
- Construction of the Lake Clubhouse, swimming pool and tennis courts will commence upon the sale of 200 Founder, Premier, Charter Premier, Signature and/or Cabin Memberships or at such earlier time as the Club shall determine.

## **MEMBERSHIPS**

### **IN GENERAL**

Members of the Club and their families and guests will be permitted to use the Club Facilities in accordance with their category of membership. Seven categories of membership may be offered by the Club: Founder Memberships, Premier Memberships, Charter Premier Memberships, Signature Memberships, Cabin Memberships, National Memberships and Lake Memberships. Founder Memberships may be offered to individuals who purchase a home or homesite in the Catamount Ranch or Lake Catamount residential communities from Catamount Development, Inc. Premier Memberships may be offered to other individuals who own a home or homesite at locations designated by the Owner from time to time, including in Catamount Ranch or Lake Catamount residential Communities (“Communities”). Cabin Memberships, if offered, will be associated with cabins in the Communities and will entitle individuals who own whole or partial interests in the cabins to use the Club Facilities in accordance with the Membership Plan Documents. Charter Premier Memberships and Signature Memberships may be offered principally to individuals who do not own a home or homesite in the Communities. Charter Premier Memberships may also be offered to designated Advisory Board of Governors, or other persons specially designated by the Club. National Memberships may be offered to individuals who do not own a primary residence or vacation home within 75 road miles of Steamboat Springs. Lake Memberships may be offered in the Club’s discretion to individuals who do not wish to use the golf facilities. In addition, the Club may issue a limited number of Invitational and Honorary Memberships (as described more fully in this Membership Plan). All memberships in the Club are non-equity memberships, which do not entitle the members to vote on any Club matters or to any ownership interest in the Club or its facilities. All membership categories may be offered to any individual in the Club’s discretion.

### **NUMBER OF MEMBERSHIPS**

The total number of Founder Memberships, Premier Memberships, Charter Premier Memberships, Signature and Cabin Memberships will be limited to 375, of which there will be no more than 65 Founder Memberships. If the Club constructs, acquires or otherwise adds additional golf facilities, the Club may issue an additional 185 memberships consisting of Premier, Charter Premier, Signature and/or Cabin Memberships for each additional 9 full regulation holes of golf constructed, acquired or otherwise added to the Club Facilities.

The total number of National Memberships will be limited to 75. The Club may convert up to 50 National Memberships to Premier Memberships, Charter Premier Membership, Signature Memberships and/or Cabin Memberships on a 2.5 to 1 ratio. For example, if the 50 National Memberships were converted, the maximum number of Founder Memberships, Premier Memberships, Charter Premier Membership, Signature Memberships and Cabin Memberships would increase by 20.

The total number of Lake Memberships will be limited to 100.

The total number of Honorary Memberships will be limited to 10.

## **MEMBERSHIP PRIVILEGES**

Members of the Club will be entitled to use the Club Facilities in accordance with their category of membership. The privileges associated with each category of membership will be as follows:

### **FOUNDER MEMBERSHIP PRIVILEGES**

Founder Members will be entitled to use the Club Facilities. Founder Members will not be required to pay any greens fees, but will be required to pay golf car fees and/or caddie fees. Founder Members will be entitled to reserve golf tee times six months in advance and will have first priority, along with Premier Members, on the selection of lockers and the use of the bag storage facilities at the Catamount Ranch Golf Clubhouse. All use privileges shall be subject to tournaments, group play and other restrictions established by the Club from time to time.

### **PREMIER MEMBERSHIP PRIVILEGES**

Premier Members will be entitled to use the Club Facilities. Premier Members will not be required to pay any greens fees, but will be required to pay golf car fees and/or caddie fees. Premier Members will be entitled to reserve golf tee times 14 days in advance and will have first priority, along with Founder Members, on the selection of lockers and the use of the bag storage facilities at the Catamount Ranch Golf Clubhouse. All use privileges shall be subject to tournaments, group play and other restrictions established by the Club from time to time.

### **CHARTER PREMIER MEMBERSHIP PRIVILEGES**

Charter Premier Members will be entitled to use the Club Facilities, and will have priority after Founder Members and Premier Members on the selection of lockers and the use of bag storage facilities. Charter Premier Members will not be required to pay any greens fees, but will be required to pay golf car fees and/or caddie fees. Charter Premier Members will be entitled to reserve golf tee times 14 days in advance. All use privileges shall be subject to tournaments, group play and other restrictions established by the Club.

### **CABIN MEMBERSHIP PRIVILEGES**

The Owner or its affiliates may sell some of the cabin or condominium units in the Communities ("Cabins") pursuant to an ownership structure allowing persons to own whole or partial interests in a Cabin ("Cabin Interest Owners"). If Cabins are sold other than as whole ownership interests, a Cabin Membership will be associated with each Cabin. A Cabin Membership will entitle each Cabin Interest Owner who has acquired membership privileges to the same play privileges as a Premier Member, including family and guest privileges, during the time that the Cabin Interest Owner is staying in a Cabin; except that as to reservations of golf tee times, Cabin Interest Owners may reserve golf tee times when they reserve their stay at the Cabin. Each Cabin Interest Owner will be required to apply for membership privileges and if approved, pay such membership deposit established from time to time by the Club.

In addition, the Cabins may be part of a limited reciprocal or exchange program or system with other residential projects, whereby Cabin Interest Owners may stay in residential units at the other projects and the owners of whole or partial interests in residential units at the other projects may stay in the Cabins ("Reciprocal Cabin Guests"). Reciprocal Cabin Guests will be entitled to exercise the same Club Facilities use privileges as a Premier Member during the time that the Reciprocal Cabin Guest is staying in a Cabin, except that (i) as to reservations of golf tee times, Reciprocal Cabin Guests may reserve golf tee times when they reserve their stay at the Cabin, and (ii) Cabin Guests will be required to pay greens fees and golf car fees and/or caddie fees. The exercise of membership privileges by Reciprocal Cabin Guests is subject to the Membership Plan Documents. Accompanied guests of Reciprocal Cabin Guests may use the Club Facilities in accordance with rules and regulations as determined by the Club from time to time.

### **SIGNATURE MEMBERSHIP PRIVILEGES**

Signature Members will be entitled to use the Club Facilities. Signature Members will not be required to pay greens fees, but will be required to pay golf car fees and/or caddie fees. Signature Members will be entitled to reserve golf tee times 14 days in advance and will have priority after Founder Members, Premier Members, and Charter Premier Members on the selection of lockers and the use of the bag storage facilities at the Catamount Ranch Golf Clubhouse. All use privileges shall be subject to tournaments, group play and other restrictions established by the Club.

#### **NATIONAL MEMBERSHIP PRIVILEGES**

National Members will be entitled to use the Club Facilities. National Members will not be required to pay any greens fees, but will be required to pay golf car fees and/or caddie fees. National Members will be entitled to reserve golf tee times 14 days in advance. All use privileges shall be subject to tournaments, group play and other restrictions established by the Club.

#### **LAKE MEMBERSHIP PRIVILEGES**

Lake Members will be entitled to use the Lake Catamount Facilities in the same manner as other members. Lake Members will not be entitled to use the Catamount Ranch Facilities other than as guests, pursuant to the guest policies in effect from time to time, but will be entitled to use the Pro Shop, Grille and Snack Bar.

#### **SPECIAL MEMBER DISCOUNTS AND PRICING**

All members of the Club may receive preferred pricing at the facilities that they are otherwise entitled to use, including the restaurants at the Catamount Ranch Golf Clubhouse, Lake Clubhouse, shops and other facilities in the Communities as determined by the Club from time to time, in its sole discretion, and subject to existing agreements with the Owner or the owners of those facilities if not owned by the Owner.

#### **THE CLUB MAY ESTABLISH RULES REGARDING USE OF THE CLUB FACILITIES**

In order to provide and encourage the enjoyment of the Club Facilities by all members, the Club may add to or otherwise modify the facilities offered now or in the future, and may provide different rules governing access, sign-up privileges, reservation systems, guest privileges and starting times as well as preferred sign-up and access privileges to the golf course.

#### **ADDITIONAL FACILITIES, MEMBERSHIPS AND CATEGORIES OF MEMBERSHIP**

The Club may, in its sole discretion, construct, acquire or otherwise add additional facilities to the Club, including additional golf facilities within or outside of the Communities. If the Club adds additional recreational or Lake Facilities to the Club (including any additional golf facilities), the Club may offer additional categories of membership privileges to its members and such other persons determined by the Club from time to time. If offered, each member may acquire some or all of the additional membership privileges, subject to availability, on such terms and conditions as may be determined by the Club from time to time. Members who elect to acquire the additional membership privileges may be required to pay an additional membership deposit and additional dues, fees and charges for the additional membership privileges. The Club reserves the right to remove or restrict the use of any additional facilities added to the Club. If the Club constructs, acquires or otherwise adds additional golf facilities, the Club may issue an additional 185 memberships consisting of Premier, Charter Premier, Signature and/or Cabin Memberships for each additional 9 full regulation holes of golf constructed, acquired or otherwise added to the Club Facilities.

### **FAMILY AND GUEST PRIVILEGES**

#### **USE OF THE CLUB FACILITIES BY IMMEDIATE FAMILY MEMBERS**

Membership entitles the member and his or her immediate family to use the Catamount Ranch Facilities and/or Lake Catamount Facilities in accordance with the member's category of membership and the Membership Plan and the Membership Application and Agreement. A member's immediate family includes the member's spouse and their

unmarried children under the age of 24 living at home or attending school on a full-time basis. The Club may, in its sole discretion, establish from time to time different rules with respect to other children of the member.

**USE OF THE CLUB FACILITIES BY EXTENDED FAMILY**

The Club reserves the right from time to time, to permit the extended family of a member to use the membership privileges as guests upon payment of reduced fees as may be established by the Club. The extended family shall include the parents, adult children (i.e., who are not included in the "immediate family" definition above), and grandchildren of the member and spouse and their spouses. The Club may modify or terminate this privilege and establish such rules with respect thereto as it may determine from time to time.

**MEMBERS MAY HAVE GUESTS USE THE CLUB FACILITIES**

Membership entitles the member to have guests (accompanied and unaccompanied) use the Catamount Ranch Facilities and/or Lake Catamount Facilities in accordance with the member's category of membership and the Membership Plan and Membership Application and Agreement established by the Club from time to time. The sponsoring member will at all times be responsible to the Club for all charges incurred but not paid by his or her guests and for the deportment of his or her guests. The Club reserves the right to set guest play policy, including but not limited to restricting the number of times a particular guest may use the Club Facilities each year as a guest of a member.

**USAGE AND PLAY TIME POLICIES**

Although each membership has family and guest privileges, the Club has the right to set the usage, play, and tee time policies in its sole discretion, including but not limited to restricting usage and play by members, children and guests during certain playing times. The Club may, for example, designate times when only members and their spouses may play or when guests or children may not play golf, in order to better handle golf play for all users of the golf course.

**MEMBERS MAY HAVE LESSEES USE THE CLUB FACILITIES**

A member who leases his or her home in the Communities for a period of at least one-year, may designate the lessee of his or her home as the beneficial user of the membership, subject to the approval of the Club. The lessee must submit a Membership Application and Agreement, must be approved by the Club and must pay the required administrative fee established by the Club from time to time. During the period when a lessee is the designated user of the membership, the lessor member will not have any membership privileges but will continue to be obligated to pay dues with respect to the membership. The member will be responsible for the deportment of the lessee and his or her guests and for all charges incurred by the lessee and his or her guests which are not paid within the customary billing and collection procedures of the Club.

**MEMBERSHIP DEPOSIT**

**MEMBERSHIP DEPOSIT IS REQUIRED**

Each person who acquires a membership in the Club will be required to pay to the Club the membership deposit set forth in the person's Membership Application and Agreement.

**REPAYMENT OF MEMBERSHIP DEPOSIT**

The Club will refund, without interest, the member's membership deposit upon the earlier of the following events:

- (a) within 30 days after the resignation and reissuance of the member's membership in the Club (subject to a transfer fee, if applicable), or
- (b) 30 years after the date of the member's admission to the Club.

The Club reserves the right to transfer and assign the obligation to repay the member's membership deposit at 30 years to another person or entity. The Club reserves the right to deliver to each member a document evidencing the 30-year repayment obligation.

#### **TRANSFER AND ADMINISTRATIVE FEE**

The Club will be entitled to a transfer or administrative fee upon the reissuance of a member's membership as set forth in the member's Membership Application and Agreement.

#### **CONTINUATION OF MEMBERSHIP AFTER THIRTY YEARS**

A member who is refunded his or her membership deposit at the end of 30 years may continue his or her membership upon the payment of dues, until the member resigns from the Club. Any member who elects to continue his or her membership at the end of 30 years will not be counted toward the total number of memberships.

### **ELIGIBILITY FOR MEMBERSHIP**

#### **OFFERING OF MEMBERSHIPS**

Memberships may be offered to persons who purchase homes and homesites in the Communities and such other persons determined by the Club from time to time. The Club may, in its sole discretion and without notice, reserve memberships for sale to future purchasers of a home or homesite in the Communities and may make such memberships available as it deems appropriate. Any membership which is reserved by the Club will not be considered to be an available membership and the Club may not be compelled to issue it.

#### **NEW PURCHASERS**

Each person who buys a home or homesite in the Communities from a developer of the Communities, or its approved builders, is referred to as a "new purchaser." Each new purchaser of a home or homesite in the Communities may be entitled for a period of 30 days from the date of the new purchaser's closing of his or her home or homesite to apply for membership in the Club, subject to approval by the Club. Any new purchaser who fails to apply for a membership in the Club prior to the end of the 30-day period will not be entitled to acquire a reserved membership at a later date unless the Club makes a membership available in its sole discretion. After the 30-day period, neither the new purchaser nor the subsequent purchaser of his or her home or homesite will have any right to apply for a membership in the Club.

#### **MEMBERSHIPS NOT PURCHASED BY NEW PURCHASERS**

All unissued memberships are reserved and will not be considered available, except to new purchasers during their applicable 30-day period described above. Any membership that is not issued to a new purchaser prior to the end of the applicable 30-day period will be reserved by the Club for any person whom the Club deems appropriate.

#### **PURCHASER OF TWO OR MORE HOMES OR HOMESITES SHOULD ACQUIRE MEMBERSHIP FOR EACH HOME OR HOMESITE**

If a person acquires two or more homes or homesites in the Communities, the purchaser should apply for a membership for each home or homesite for which membership privileges are desired. If the person does not apply for and acquire a membership for each home or homesite, the Club has no obligation to make a membership available to the owner of the home or homesite thereafter.

#### **BUYERS' WAITING LIST AND AVAILABILITY OF RESIGNED MEMBERSHIPS**

The Club will establish a waiting list for persons who desire to become Premier or Signature Members when a membership is not available in that category. Resigned memberships (other than memberships that are reissued to the purchaser of a member's home or homesite) will be reissued in accordance with the following order of priorities:

First, to property owners in the Communities who are members of the Club;

Second, to property owners in the Communities who are not members of the Club;

Third, to members of the Club who are not property owners in the Communities; and

Fourth, to all other persons who desire a membership in the Club, subject to the Club's right to purchase resigned memberships described below.

#### **THE CLUB'S RIGHT TO ACQUIRE RESIGNED MEMBERSHIPS**

The Club will have the right to acquire ahead of the "buyers waiting list" every second resigned membership in each category of membership for an amount equal to the membership deposit previously paid by the resigned member, less the applicable transfer fee (if any) provided for in the member's Membership Application and Agreement. The Club, in its sole discretion, may issue any membership reserved by the Club hereunder to future purchasers of homes or homesites in the Communities or such other persons as it deems appropriate.

#### **MEMBERSHIP HELD IN THE NAME OF A LEGAL ENTITY**

For the convenience of members, a membership may be held in the name of a partnership, company, trust or other form of multiple ownership ("Entity"). The Entity must designate one individual or family (the "Designated User") who will have the right to use the membership. The Designated User must be the controlling shareholder or owner of the Entity, or a beneficiary or settlor if the membership is held in the name of a trust, and must pay the required dues and charges. If the Designated User is no longer the controlling shareholder or owner of the Entity, or beneficiary or settlor of the trust, the membership shall be deemed resigned and will be placed on the waiting list to be reissued. The Designated User must submit a Membership Application and Agreement and will be subject to the approval of the Club in its sole discretion. The Designated User will enjoy the same benefits, and be subject to the same conditions, as an individual holding a membership in the applicable category of membership. No person other than the Designated User and his or her immediate family will be entitled to simultaneously use the membership. The number of times the Entity may change the Designated User is limited to one time each membership year, unless the Designated User dies, is transferred to a distant locale, or leaves the employ of the Entity provided that the new Designated User is the controlling shareholder or owner of the Entity, or beneficiary or settlor of the trust. For clarification, "Membership Year" for the Entity is each 12-month period from the Membership approval date. In addition, the Entity may, subject to the approval of the new Designated User by the Club, change the Designated User, without payment of a redesignation fee in cases where such Designated User dies, is transferred to a distant locale or leaves the employ of the Entity. In any event, no more than one transfer without a redesignation fee shall be permitted within a five (5) year period. The Entity's principal(s) must personally guarantee the performance of the Entity's membership obligations.

#### **USE OF MEMBERSHIP PRIVILEGES PRIOR TO CLOSING ON PROPERTY PURCHASE**

The Club may allow the purchaser of a home or homesite in the Communities to use the Club Facilities as a member prior to the closing on his or her home or homesite. The person will be required to pay the applicable membership deposit, dues, fees and other charges established by the Club from time to time. In the event the purchaser does not close on the home or homesite, the Club may terminate the membership privileges by returning to the person the membership deposit and the unused portion of any dues, fees and charges paid by the person in advance for the remainder of the membership year.

#### **TRANSFER OF MEMBERSHIPS**

A member may transfer his or her membership only to the Club. A member may not transfer his or her membership directly to any third party.

Founder and Premier Members of the Club will be permitted to arrange through the Club for the purchaser of his or her home or homesite in the Communities or other Designated Property (as identified in the Membership Application

and Agreement) to apply to succeed to his or her membership. A Founder Member's membership will be reissued as a Premier Membership to the subsequent purchaser of his or her home or homesite. A Premier Membership will be reissued as a Premier Membership to the subsequent purchaser of his or her home or homesite.

Charter Premier Members will be permitted to arrange through the Club for the purchaser of his or her designated home or homesite, whether or not in the Communities, to apply to succeed to his or her membership. A Charter Premier Membership will be reissued to such purchaser as a Signature Membership. The subsequent purchaser desiring the resigned membership will be required to submit a Membership Application and Agreement, will be subject to the approval of the Club and will be required to pay the membership deposit which is then in effect. A resale purchaser of a Cabin Interest may succeed to the Cabin Interest Owner's Cabin Membership interest, subject to approval of the Club of the resale purchaser's Membership Application and Agreement. A Signature Member will not be entitled to arrange for the purchaser of his or her home or homesite to succeed to his or her membership, except as and to the extent set forth in his/her Membership Application and Agreement.

If a member resigns from the Club and the member is not entitled to arrange through the Club for the purchaser of his or her home or homesite to apply to succeed to his or her membership or the purchaser does not desire to become a member, the resigned membership will be placed on the "sellers waiting list" and will be reissued by the Club on a first-resigned, first-reissued basis as follows:

- (a) Prior to the initial issuance of all of the memberships in the resigned member's category of membership, every fourth membership issued in that category (other than a resigned membership which is reissued to the purchaser of the member's home or homesite) will be a resigned membership from the waiting list. The other three memberships issued will be unissued memberships.
- (b) After the initial issuance of all of the memberships in the resigned member's category of membership, every membership issued in that category (other than a resigned membership which is reissued to the purchaser of the member's home or homesite) will be a resigned membership from the waiting list.

#### **THE CLUB WILL DEDUCT AMOUNTS OWED TO THE CLUB**

The Club will deduct from the membership deposit to be repaid to the resigned member any amount which the resigned member owes to the Club, including any applicable transfer fee set forth in the member's Membership Application and Agreement.

#### **PAYMENT OF DUES BY A RESIGNED MEMBER**

A resigned member will be obligated to continue to pay dues until his or her membership is reissued by the Club, or until the expiration of one year from the date of his or her resignation, whichever occurs first. A resigned member will be permitted to use the Club Facilities as long as the member is obligated and continues to pay dues on the resigned membership.

#### **DUES AND FEES TO BE PRORATED**

If a membership is reissued during a membership year, the resigned member will be entitled to a refund of a pro rata portion of any dues and other fees advanced by the resigned member for the remainder of the membership year, less any amounts owed to the Club.

#### **TRANSFER OF MEMBERSHIP UPON DEATH OF MEMBER**

Upon the death of a member, the membership will be transferred to the member's surviving spouse without the payment of any additional membership deposit. If there is no surviving spouse or the surviving spouse does not

desire to continue the membership, the membership will be deemed to have been resigned and will be reissued by the Club on the same basis as any resigned membership.

#### **LEGAL SEPARATION OR DIVORCE OF MARRIED MEMBERS**

If married members are legally separated or divorced, title to the membership will vest in the spouse awarded the membership or, if the separation is pursuant to agreement under the laws of a state where legal separation is so permitted, then title to the membership will vest in the spouse whom the married members agree in writing is entitled to the membership, provided that the Club reserves the right not to transfer the membership to either spouse if, in its sole discretion, it is unable to determine lawful entitlement. In the event the membership is awarded to a spouse in whose name the membership is not held individually or jointly, such person must be approved by the Club to have membership privileges, and pay any legal costs and expenses incurred by the Club in connection with the transfer of membership. The Club may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine, may assume the validity and accuracy of any statement or assertion, and the Club will have no liability for transferring the membership to one of the spouses in reliance on such writing or instrument. Until the Club has determined in its sole discretion lawful entitlement, both of the spouses will be responsible, jointly and severally, for the payment of all dues and other fees associated with the membership and both will, accordingly, be eligible to use and enjoy the Club Facilities in accordance with the category of membership, except as otherwise determined by the Club in its sole discretion. If the Club is unable to determine in its sole discretion which spouse is legally entitled to the membership within six months after the date of the divorce decree, the Club may, in its sole discretion: (i) not transfer the membership to either spouse, and deem the membership to be resigned; or (ii) request its counsel to advise the Club on the question, and/or file an action in a court that the Club's counsel determines appropriate to determine lawful entitlement; and the spouses shall jointly be liable to the Club and shall reimburse the Club on demand for all of the Club's legal fees and costs related to any such request of counsel or filing of action.

#### **MEMBER SALE OF PROPERTY**

If a member sells his or her home or homesite in the Communities and does not resign from the Club or acquire another home or homesite in the Communities, the member's Founder Membership will convert to a Signature Membership automatically, and the new Signature Membership will not entitle the member to arrange for the future subsequent purchaser of his home or homesite outside of the Communities to acquire the membership, except as and to the extent set out in their Membership Application and Agreement.

If a Premier Member sells his or her initial Designated Property in association with which the Membership was initially issued and the Member does not resign from the Club, the Premier Membership will remain transferable through the Club to the purchaser of the Member's subsequent Designated Property, as and to the extent set out in the Membership Application and Agreement. Acceptance of any applicant, including subsequent purchasers of Designated Property, is in the sole discretion of the Club.

If a Signature Member resigns, the Membership is not transferable through the Club to any other person.

### **DUES AND CHARGES**

#### **MEMBERSHIP YEAR**

The Club's membership year will constitute the 12-month period commencing January 1 and ending on December 31, unless otherwise established by the Club from time to time.

#### **SETTING DUES, FEES AND CHARGES**

Each year the Club will determine the amount of the dues, fees and other charges to be paid by each member of the Club for the following membership year. The current dues and fees for use of the Club Facilities are as set forth on the Schedule of Dues, Fees and Charges and are subject to change.

#### **PAYMENT OF DUES**

Dues shall be due and payable on or before the first day of each membership year, unless otherwise established by the Club from time to time. The failure of any member to pay the required dues, fees and charges when due will be grounds, among others, for terminating the member's membership in the Club.

#### **ASSESSMENTS**

##### **NO ASSESSMENTS**

The payment of membership deposits, dues, fees, state taxes, service charges, personal and other charges as the Club may establish from time to time, in its sole discretion, is an absolute requirement to acquire and maintain membership privileges in the Club. With the exception of paying these charges and the membership deposit, members are not subject to any liability or assessment for the costs and expenses of ownership or management of the Club. Members are not subject to any operating or capital assessments, beyond payment of dues, fees and charges. The Owner will pay all operating deficits and will retain all operating profits resulting from operation of the Club.

#### **OTHER MEMBERSHIPS AND USE PRIVILEGES**

##### **INVITATIONAL MEMBERSHIPS**

In order to introduce the Club to prospective members, the Club may, in its sole discretion, offer recallable Invitational Golf Memberships. Invitational Golf Members will be entitled to use the Club Facilities on the same terms and conditions as Signature Members. The total number of Invitational Golf Memberships that can be issued during any membership year will equal the difference between 375 and the number of outstanding active Founder, Premier, Charter Premier, Signature, Cabin and Invitational Golf Memberships (collectively, the "Golf Memberships") at the beginning of any membership year. Invitational Golf Memberships will be recalled at the end of each membership year as necessary to reduce the number of Golf Memberships to 375.

##### **HONORARY MEMBERSHIPS**

A total of 10 Honorary Memberships may be issued and reissued to persons designated by the Club from time to time. These Honorary Memberships are in addition to all other memberships permitted to be issued in the Club and will be available on such terms and conditions and have such privileges as determined by the Club from time to time. Honorary Members will not pay any greens fees, but shall be required to pay golf car fees and all other fees and charges incurred at the Club. Honorary Memberships will not be assignable or transferable by the Honorary Members and will terminate and be surrendered to the Club at the Club's sole discretion and upon issuance of written notice from the Club. Any Honorary Membership recalled by the Club may be reissued to another person as designated by the Club from time to time.

##### **CABIN OWNERS AND GUESTS**

Guests of the owner of a cabin unit, including guests staying in the units and residences in the Communities, will be entitled to use the Club Facilities, including group play. The right of such persons to use the Club Facilities shall continue after any equity conversion of the Club or any sale of the Club or Club Facilities.

##### **OTHER GUESTS**

The Club may allow persons who are not members of the Club to use the Club Facilities, including guests of the Owner for promotional purposes as provided herein, pursuant to the rules and regulations established by the Club from time to time.

##### **RECIPROCAL USE AND ACCESS AGREEMENTS**

The Club may, in its sole discretion, enter into use and access agreements or participate in a multi-club system with other clubs and resorts, pursuant to which members of the Club would be entitled to use the facilities of the other clubs and resorts upon the payment of such dues, fees and charges established by the Club from time to time, and the members of the other clubs and guests of the other resorts would be entitled to use the Club Facilities.

## **CLUB OPERATIONS**

### **CLUB MANAGEMENT AND OPERATIONS**

The Club, the Owner or the Operator or their agents or representatives shall operate and manage, or cause to be operated and managed, the Club Facilities under their control and shall have the exclusive authority to accept members, set membership deposits, dues, fees and charges, establish play and tee time policies and other rules and regulations and control the management and affairs of the Club.

### **RIGHT TO DESIGNATE CLUB USERS**

The Club may, in its sole discretion, designate persons who are not members of the Club to use the Club Facilities and the Lake from time to time including, without limitation, participants and spectators in special events held at the Club.

### **RIGHT OF THE CLUB TO USE THE CLUB FACILITIES FOR PROMOTION**

The Club may hold promotional and other special events using the Catamount Ranch and Lake Catamount Facilities, including, without limitation, golf tournaments, and may promote the Club in advertisements and promotional materials by making reference to the Club and the availability of memberships in the Club. The Club may close the golf course and/or some or all of the other Club Facilities from time to time for one or more categories of memberships as it deems appropriate for tournaments, holidays, group play and other special or promotional events.

## **BOARD OF GOVERNORS**

The Club will appoint an Advisory Board of Governors (the "Advisory Board of Governors"). This Advisory Board of Governors will be selected from among the members of the Club in good standing and will serve as a liaison between the Owner and Operator and the members of the Club. The Club will designate the members of the Advisory Board of Governors from time to time. The Club may increase or decrease the number of governors and may stagger the terms of the governors in its sole discretion. Initially, one-third of the Advisory Board of Governors will be appointed to one year terms, one-third will be appointed to two year terms and one-third will be appointed to three year terms. Thereafter, appointments will be for the three-year terms so that one-third of the Advisory Board of Governors shall be up for appointment each year. The Club, in its sole discretion, may remove a member of the Advisory Board of Governors at any time. The Club, in its sole discretion, will determine the exact composition of the Advisory Board of Governors from time to time. The Advisory Board of Governors will have no power or authority to negotiate or act on behalf of the members, but will serve only in an advisory capacity. The Club is not obligated to consult with or act on the advice of the Advisory Board of Governors.

## **ACKNOWLEDGMENT OF MEMBERSHIP RIGHTS**

The Operator and its affiliates will operate the Club and its Facilities. Members of the Club will not be entitled to vote or to otherwise participate in the management of the Club. The Owner is under no obligation to transfer the Club Facilities to the members. The Owner may, however, elect to convert the club to member ownership as described below, may sell the Club and/or the Club Facilities to a third party after members are given the opportunity to acquire the Club Facilities and fail to do so as described herein under "First Right of Offer," may convert the Club to member ownership and assign resigned and unissued memberships and Equity Memberships to a third party, together with control of the Club prior to turnover of control to the members, or may retain the Club Facilities and the Club for an indefinite period of time. Membership in the Club is not an investment in the Club and does not provide the member with any equity or ownership interest in the Club or its facilities. Membership in the Club is a

revocable license to use the Club Facilities and does not constitute a vested or prescriptive right or easement to use the Club Facilities.

## **MEMBERSHIP PLAN DOCUMENTS TO GOVERN**

Each person who acquires a membership in the Club agrees to be bound by the terms and conditions of the Membership Plan Documents, as amended from time to time, and to fully substitute the membership privileges acquired pursuant to the Membership Plan Documents for any present or prior rights which the applicant may have, or with respect to the Club or its facilities, or any future membership privileges offered in substitution by the Club for those privileges. The Club may terminate a member's membership in accordance with the Rules and Regulations of the Club. The Membership Plan Documents supersede all other oral or written understandings with respect to its subject matter.

## **MODIFICATION OF MEMBERSHIP PLAN DOCUMENTS**

The Club reserves the right to modify the Membership Plan Documents, sell or otherwise dispose of the Club Facilities or convert the Club into an equity member-owned club, subject to the member's rights set forth below under the headings "Equity Conversion" and "First Right of Offer."

## **EQUITY CONVERSION**

The Owner reserves the right to convert the Club to an equity member-owned club in its sole and absolute discretion. However, the Owner is under no obligation to convert the Club to an equity member-owned club. If the Club is converted to an equity member-owned club, control of the equity club will be retained by the Owner until all equity memberships are sold, or earlier in the discretion of the Owner.

Under the equity conversion, the Club Facilities would be acquired by a newly formed equity club (the "Equity Club") in their "where is, as is" condition subject to the Equity Club's assumption of the obligations of the Club under the Membership Plan, all in accordance with the equity membership documents prepared by the Owner. The Owner reserves the right to exclude certain personal property and intangible assets from the transfer to the Equity Club, in accordance with the equity membership documents to be prepared by the Owner. The Owner will enter into a Lease Agreement with the operators of the Golf Clubhouse, Grille at Catamount Ranch, and the restaurant in the Lake Clubhouse. Copies of the Lease Agreements, when signed, will be available for review at the Membership Office. The terms of the Lease Agreements are expected to continue beyond any equity conversion. The transfer of the Club Facilities will be subject to the Lease Agreements.

Each member, including National Members, as of the date of the conversion would have a period of 60 days (the "Initial Conversion Period") to acquire an equity membership from the Club in their same category of membership and upon the terms and conditions and the payment of the conversion amount set forth in the member's Membership Application and Agreement and/or the conversion documents prepared by the Owner, and will be required to pay the conversion amount if they desire an equity membership. Neither the availability nor the price of an equity membership to be set by the Owner will be guaranteed beyond the Initial Conversion Period. Any existing member who fails or is not entitled to acquire an equity membership during the Initial Conversion Period would be entitled to continue his or her membership as a non-equity member, in accordance with terms and conditions of this Membership Plan, subject to recall by the equity club at the direction of the Owner at any time, in its sole discretion. Any member whose non-equity membership is recalled by the Club would be entitled to a refund of his or her membership deposit, subject to the applicable transfer fee (if any) set forth in the member's Membership Application and Agreement.

In consideration for the Club Facilities, the Owner will be entitled to receive all of the proceeds from the initial sale of all of the equity memberships in the Equity Club, plus the value of the Pro Shop inventory and supplies (determined in accordance with generally accepted accounting principles) transferred to the Equity Club in accordance with the equity membership documents. The Owner may in its discretion exclude the restaurant from the Club Facilities subject to conversion. The total number of equity memberships that would be permitted to be issued in the Equity Club would be the same as the total number of memberships permitted to be issued under this

Membership Plan. Any of the equity memberships not sold during the Initial Offering Period would be transferred to the Owner. The Owner will be permitted to assign its equity memberships to third parties on such terms as Owner shall determine without obligation to offer the Club, the Equity Club or the Equity Members. Prior to the sale of all of the Owner's equity memberships, the Owner will establish the price of equity memberships. After the sale of all of the Owner's equity memberships, the Equity Club's Board of Directors will establish the price of equity memberships.

Prior to the initial sale of all of the Owner's equity memberships, every fourth equity membership sold in the Equity Club may be a resigned equity membership. The other three equity memberships sold in the Equity Club would be from the Owner's unsold equity memberships. After the initial sale of all of the Owner's equity memberships, every equity membership sold in the Equity Club would be a resigned equity membership.

If less than a satisfactory percentage of members, as determined by the Owner, of the total number of equity memberships permitted to be issued in each category of membership are acquired during the Initial Conversion Period, the Owner would have the right, in its sole discretion, to convert, extend the offering period, or to terminate the equity plan, with the right to attempt conversion at a later date and/or to sell some or all of the Club Facilities to any person which the Owner deemed appropriate, in its sole discretion, without any further obligation to offer the Club Facilities to the members of the Club, other than under the "First Right of Offer" provision below.

Every member shall be bound by the terms of the equity membership documents negotiated on behalf of the members as provided herein regardless of whether such member elects to acquire an equity membership. The Advisory Board of Governors or such other committee or body elected or appointed by Owner or the Club under procedures to be determined by the Owner or the Club shall have the authority to negotiate the terms and conditions of the equity membership documents on behalf of the members.

#### **FIRST RIGHT OF OFFER**

In the event the Owner determines to sell the Club Facilities or a significant portion thereof to a third party other than an "Affiliate Owner" or by conversion, the Owner shall present the members with an offer to sell the Club Facilities or applicable portion thereof. "Affiliate Owner" means any person or business entity that, directly or indirectly, controls, is controlled by or is under common control with Owner. For purposes of this definition, the term "control" means the possession, directly or indirectly, of the power to vote 50% or more of the voting stock or to direct or cause the direction of the management and policies of a business entity, whether through the ownership of voting stock, by contract or otherwise.

Upon presentation of the offer, the Advisory Board of Governors shall organize an election of a committee composed of five members to negotiate a possible sales transaction with the Owner. The members shall have a period of ninety days for the committee to attempt to reach agreement with the Owner upon the terms of the offer, and for members to vote on whether to accept the offer by a majority vote of the membership.

In the event that the members elect not to accept the offer, or if a transaction is agreed upon and not ultimately consummated on or before the agreed upon closing date, then the Owner shall thereafter be free to sell the Club Facilities or applicable portion thereof to any other party upon any terms and conditions deemed acceptable to the Owner in its sole and absolute discretion, whether more or less favorable than those presented to the members, and need not present the members with any other offer thereafter. A new owner shall, however, take title subject to the terms and provisions of the Membership Plan Documents. If the new owner assumes the obligations of the Owner, the Owner shall be relieved of all obligations under the Membership Plan Documents. The foregoing provisions shall not apply in the case of the conversion of the Club into a membership-owned club or to the sale of Owner or an affiliate owner.

#### **RULES AND REGULATIONS**

Purchasers of memberships in the Club will be subject to and should review the Rules and Regulations, which the Club reserves the right to change from time to time, in its sole discretion.

## **TAX CONSEQUENCES OF ACQUIRING A MEMBERSHIP IN THE CLUB**

Purchasers of memberships in the Club should consult with their individual tax advisors to determine the tax consequences, if any, of becoming a member. The Club expresses no views on such federal, state or local income or other tax consequences. All members acquire their membership privileges subject to the applicable tax laws as they exist from time to time. For example, certain provisions of the Internal Revenue Code may impute interest income to a lender with respect to a non-interest-bearing loan. While it does not appear that these provisions currently apply to membership deposits, there can be no assurance that the IRS or a court will not later attempt to apply these provisions to the membership deposits. Accordingly, members should consult with their own tax advisors with respect to the tax consequences of any membership deposit.