



## **CATAMOUNT RANCH & CLUB**

**FREQUENTLY ASKED QUESTIONS**

## CATAMOUNT RANCH & CLUB

Members and prospective members should refer to the Membership Plan Documents for a complete description of Member rights and obligations. All answers below are subject to the Membership Plan Documents.

**1. Q: What is Catamount Ranch & Club?**

**A:** Catamount Ranch & Club (the "Club") is a golf, recreational and social club which is owned by Catamount Development Inc., its successors and assigns (the "Owner"). The Club is a division of the Owner. The Club Facilities will be operated by Catamount Ranch & Club Management LLC, the Owner or whomever the Owner shall designate from time to time (the "Operator"). The Club is offering memberships entitling members, their families and their guests the right to use the golf, lake, recreational and social facilities available at the Club.

**2. Q: Where is the Club located?**

**A:** The Club is located at Catamount Ranch and Lake Catamount near Steamboat Springs, Colorado.

**3. Q: What facilities and amenities will be available for use by members of the Club?**

**A:** 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; and
- Such other recreational facilities as the Club determines.

The Club may, in its discretion, add additional facilities to the Club.

**4. Q: What memberships are available in the Club?**

**A:** The Club may offer six categories of membership: Founder Memberships, Premier Memberships, Charter Premier Memberships, Signature Memberships, Cabin Memberships and National Memberships. Founder Memberships will 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 will be offered to other individuals who own a home or homesite in the Catamount Ranch or Lake Catamount residential communities or any other residential communities designated by the Owner from time to time. (The Catamount Ranch and

Lake Catamount residential communities and other residential communities designated by the Owner from time to time for Premier Membership or Cabin Membership eligibility are referred to collectively as, the "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 will be offered to individuals who do not own a home or homesite in the Communities. Charter Premier Memberships will also be offered to designated Advisory Board of Governors, or other persons specially designated by the Club. National Memberships will be issued to individuals who do not own a primary residence or vacation home within 75 road miles of Steamboat Springs. In addition, the Club may also issue a limited number of Invitational and Honorary Memberships, as described in the response to Question 24 below.

Each membership in the Club is currently a non-equity membership, which does not entitle the member to any ownership interest in the Club or its facilities. The Club reserves the right to add additional categories of membership upon the inclusion of additional facilities to the Club.

**5. Q: How many memberships will be available in the Club?**

**A:** The total number of Founder Memberships, Premier Memberships, Charter Premier Memberships, Signature Memberships and Cabin Memberships which may be issued in the Club 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 Memberships, Signature Memberships and/or Cabin Memberships on a 2.5 to 1 ratio. For example, if the 50 National Memberships are converted, the maximum number of Founder Memberships, Premier Memberships, Charter Premier Memberships, Cabin Memberships and Signature Memberships would increase by 20.

The number of Honorary Memberships will be limited to 10.

**6. Q: What are the privileges of membership?**

**A:** 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.

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.

Charter Premier Members will be entitled to use the Club Facilities, and will have priority after Founder 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. Cabin and National Membership locker and bag storage priorities will be determined by the Club.

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 membership 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 Members will be entitled to use the Club Facilities. Signature Members will not be required to pay any 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.

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.

**7. Q: Will members of the Club be entitled to any other benefits or privileges?**

**A:** Yes. 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, as provided for in the Membership Plan Documents.
- **Transferability of Memberships.** Founder, Premier and Charter Premier Memberships are transferable through the Club according to the terms of each membership category to the subsequent purchaser of a member's home or homesite. Charter Premier Memberships are

transferable to the subsequent purchaser of a member's home or homesite. A Founder and Premier Membership will be reissued to a purchaser of a member's home or homesite as a Premier Membership. A Charter Premier Membership will be reissued to a purchaser of a member's home or homesite as a Signature Membership.

- **Preferred Pricing.** Members may receive preferred pricing at 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.

**8. Q: Will new purchasers of homes or homesites in the Communities be entitled to apply for membership in the Club?**

**A:** Yes. Each person who buys a home or homesite in the Communities from a developer of the Communities, or its approved builders, will be entitled to apply for membership within 30 days after the closing on his or her home or homesite, subject to approval by the Club.

**9. Q: What happens if a new purchaser does not apply for membership within the 30 day period?**

**A:** Each new purchaser who does not apply for membership during his or her applicable 30 day period will not be entitled to become a member at a later date unless the Club makes a membership available in its sole discretion. The availability of a membership will not be assured beyond the 30 day period. All unissued memberships are reserved and will not be considered available except to new purchasers during their applicable 30 day period. Any membership which 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.

**10. Q: Will members of my family be entitled to use my membership privileges?**

**A:** Yes. Membership entitles the member and his or her immediate family to use the Club Facilities in accordance with the member's category of membership and the Membership Plan Documents. 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 the other children of the member. Although each membership has family privileges, the Club may designate times when only the 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.

**11. Q: Will members of my extended family be entitled to use my membership privileges?**

**A:** 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.

**12. Q: Will my guests be able to use the Club Facilities?**

**A:** Yes, subject to play policy and rules and regulations issued from time to time. Members will be entitled to have guests (accompanied and unaccompanied) use the Club Facilities in accordance with the member's category of membership and the Membership Plan Documents 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.

**13. Q: How do I apply for a membership?**

**A:** Each person who desires to become a member in the Club must mail or deliver to the Membership Director at the Club a fully completed and signed Membership Application and Agreement and a check for the required membership deposit. Each prospective member must be approved for membership in the Club.

**14. Q: Are memberships transferable?**

**A:** A member may transfer his or her membership only to the Club.

**15. Q: If I own a home or homesite in the Communities, may I arrange for the purchaser of my home or homesite to succeed to my membership in the Club?**

**A:** Founder and Premier Members will be permitted to arrange through the Club for the purchaser of his or her home or homesite in the Communities to apply to succeed to his or her membership in the Club. 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. A resale purchaser of a Cabin Interest will 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 the membership.

Any purchaser of a member's home or homesite who succeeds to the member's membership in the Club will be subject to the normal application and approval procedures of the Club and must submit the required membership deposit to the Club.

**16. Q: What happens if I am not entitled to arrange for the purchasers of my home or homesite to apply to succeed to my membership or the purchaser of my home or homesite does not desire to succeed to my membership?**

**A:** 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 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" to 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.

**17. Q: When will the membership deposit be refunded to a member?**

**A:** 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 is entitled to a transfer fee upon the reissuance of a member's membership as set forth in the member's Membership Application and Agreement.

**18. Q: Can I continue my membership after 30 years?**

**A:** Yes. At the end of 30 years, the Club will refund the membership deposit and the member may continue the 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.

**19. Q: How are annual dues established?**

**A:** Each year the Club will determine the amount of dues, fees and other charges to be paid by each member of the Club for the following membership year. Dues shall be due and payable on or before the first day of each membership year, unless otherwise established by the Club. 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.

**20. Q: Can members be assessed to cover any operating deficits?**

**A:** 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.

**21. Q: Who is responsible for the operation of the Club?**

**A:** The Owner of the Club Facilities or its agents or representatives, including Catamount Ranch &

Club Management LLC, will operate and manage the Club.

**22. Q: Will the members of the Club have an opportunity to have input into the operation of the Club?**

**A:** An Advisory Board of Governors (the "Advisory Board of Governors") will be established by the Club to serve as a liaison between the Owner and Operator and the members of the Club. The Advisory Board of Governors will be composed of members in good standing appointed by the Club and will serve only in an advisory capacity. The Club will not be obligated to consult with or act on the advice of the Advisory Board of Governors. The Club and its facilities will be operated by the Operator and its affiliates. 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.

**23. Q: May the Club be converted to an equity member-owned club?**

**A:** The Owner reserves the right to convert the Club to an equity member-owned club in its sole and absolute discretion and may offer equity memberships to members at a price and on terms the Owner shall determine in its sole 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.

Please see the Membership Plan for a more complete description of conversion rights and obligations, which will, in all events, be governed by conversion documents to be prepared by the Owner.

**24. Q: Will any other persons be entitled to use the Club Facilities?**

**A:** Yes. The Club may offer Honorary and recallable Invitational Memberships from time to time, as described in the Membership Plan Documents. 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, on a last-issued, first recalled basis, to reduce the number of Golf Memberships to 375. In addition, member guests and other persons designated by the Club from time to time will be entitled to use the Club Facilities according to rules and regulations promulgated by the Club.

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. The Club may hold promotional and other special events using the Catamount Ranch and Lake Catamount Facilities, including golf tournaments, may promote the Club in advertisements and promotional materials and 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.

**25. Q: Will the Club enter into reciprocal use and access agreements with other Clubs?**

**A:** 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.

**26. Q: What should I do if I have additional questions?**

**A:** Complete details concerning the membership program at the Club are available from the Membership Director. If you have additional questions or would like further information, please contact the Membership Director at:

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