



THE CLUB AT PRADERA

MEMBERSHIP PLAN

Revised November 15, 2017

THE CLUB AT PRADERA

INTRODUCTION TO MEMBERSHIP PLAN

PURPOSE OF THE MEMBERSHIP PLAN

The Membership Plan describes the Memberships available at The Club at Pradera and other related matters. Capitalized terms used in this Introduction without definition shall have the meaning given to such terms in the Membership Plan.

OWNERSHIP AND USE OF THE CLUB FACILITIES

CF Arcis V, LLC, is the current owner of the Club Facilities. The Club Facilities are being operated under the name The Club at Pradera. Use of the Club Facilities provided at the Club will be available to Members and Designees of the Club, the Immediate Family of Members and Designees of the Club, the Extended Family of Members and Designees of the Club, Guests and other persons permitted by Owner from time to time, subject to and in accordance with the Membership Plan and the Rules and Regulations. The Club Facilities may also be available for use by non-member users from time to time on such terms as Owner establishes.

MEMBERSHIP PRIVILEGES

The Club has offered in the past, and is currently offering, various categories and classifications of Memberships as further set forth in the Membership Plan. All Memberships in the Club are non-equity, non-proprietary, non-voting, non-transferable, non-assessable and only confer upon the holder a license to utilize the Club Facilities in accordance with the Membership Plan and the Rules and Regulations of the Club. Owner reserves the right to modify such Membership categories and classifications, the rights, privileges and obligations associated with such Membership categories and classifications, to add new Membership categories and classifications and/or to discontinue one or more of such Membership categories and classifications from time to time.

Members and Designees, the Immediate Family of Members and Designees, the Extended Family of Members and Designees and Guests are allowed to use the Club Facilities provided at the Club in accordance with the Membership Plan and the Rules and Regulations. By obtaining a Membership at the Club, Members acquire a non-exclusive, non-transferable and revocable license to use the Club Facilities provided at The Club at Pradera in accordance with the applicable Membership category and classification. Members do not obtain an equity or ownership interest in Owner, the Club or the Club Facilities, have no right to become involved in the management or operation of Owner, the Club or the Club Facilities and are not subject to any assessments, whether for: (a) operating deficits incurred in the operation of the Club Facilities; (b) capital improvements, maintenance or repair; or (c) otherwise.

THE DIRECTOR OF MEMBERSHIP IS AVAILABLE TO ANSWER INQUIRIES

Any questions concerning the Membership Plan, the Rules and Regulations and/or the Memberships at The Club at Pradera should be directed to the Director of Membership. The Director of Membership may be contacted at the Membership Office by calling (303) 607-5672.

FOLLOW THESE PROCEDURES TO APPLY FOR MEMBERSHIP

Persons who desire to acquire a Membership must comply with all of the following requirements:

- A. Complete and sign the Application and Agreement;
- B. If you are a Designee, complete and sign the Designee Application and Agreement;
- C. Deliver to the Director of Membership the completed and signed Application and Agreement and the applicable Initiation Fee as further set forth in the Application and Agreement; and
- D. Attend a personal interview, if requested.

RELY ONLY ON INFORMATION IN THE MEMBERSHIP PLAN

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION NOT CONTAINED IN THE MEMBERSHIP PLAN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY OWNER.

MEMBERSHIPS ARE OFFERED ONLY FOR PURPOSES OF USING THE CLUB FACILITIES AND NOT AS INVESTMENTS

MEMBERSHIPS IN THE CLUB ARE BEING OFFERED EXCLUSIVELY FOR THE PURPOSE OF GRANTING A LICENSE TO USE THE CLUB FACILITIES PROVIDED AT THE CLUB. ALL MEMBERSHIPS IN THE CLUB ARE NON-EQUITY, NON-PROPRIETARY, NON-VOTING, NON-TRANSFERABLE, NON-ASSESSABLE AND ONLY CONFER UPON THE HOLDER A LICENSE TO UTILIZE THE CLUB FACILITIES IN ACCORDANCE WITH THE MEMBERSHIP PLAN AND THE RULES AND REGULATIONS OF THE CLUB. A MEMBERSHIP SHOULD NOT BE VIEWED OR OBTAINED AS AN INVESTMENT, AND NO PERSON OBTAINING A MEMBERSHIP AT THE CLUB SHOULD EXPECT TO DERIVE ANY ECONOMIC BENEFITS OR PROFITS FROM ACQUIRING A MEMBERSHIP AT THE CLUB OR ANY RIGHTS TO PARTICIPATE IN THE MANAGEMENT OF THE CLUB. THIS MEMBERSHIP PLAN HAS NOT BEEN REVIEWED OR ENDORSED BY ANY FEDERAL, STATE OR GOVERNMENTAL AUTHORITY AND NO INDEPENDENT CLUB INDUSTRY REVIEWER HAS PASSED UPON OR ENDORSED THE MERITS OF THIS MEMBERSHIP PLAN.

THE CLUB AT PRADERA

MEMBERSHIP PLAN

Table of Contents

ARTICLE 1 INTRODUCTION 1

 1.1 MEMBERSHIP OPPORTUNITY 1

ARTICLE 2 CLUB FACILITIES 1

 2.1 DESCRIPTION OF THE CLUB FACILITIES 1

 2.2 OPERATION OF CLUB FACILITIES; CHANGES TO CLUB FACILITIES 1

ARTICLE 3 MEMBERSHIPS 2

 3.1 CATEGORIES AND CLASSIFICATIONS OF MEMBERSHIPS 2

 3.2 ADDITIONAL CATEGORIES AND CLASSIFICATIONS OF MEMBERSHIP
 MAY BE MADE AVAILABLE; DISCONTINUANCE OF CATEGORIES
 AND CLASSIFICATIONS OF MEMBERSHIP 4

 3.3 Number of Memberships 4

 3.4 MEMBERS HAVE THE OPPORTUNITY TO UPGRADE TO A HIGHER
 CATEGORY OR CLASSIFICATION OF MEMBERSHIP 5

 3.5 GOLF MEMBERS AND SPORTS MEMBERS HAVE THE OPPORTUNITY
 TO UPGRADE THEIR GOLF MEMBERSHIP AND SPORTS MEMBERSHIP,
 RESPECTIVELY, AND RECEIVE SUMMIT PRIVILEGES 5

ARTICLE 4 MEMBERSHIP PRIVILEGES 6

 4.1 CLUB MEMBERS OBTAIN SPECIFIC MEMBERSHIP PRIVILEGES 6

 4.2 USE OF THE CLUB FACILITIES BY THE IMMEDIATE FAMILY 9

 4.3 USE OF THE CLUB FACILITIES BY THE EXTENDED FAMILY 10

 4.4 MEMBERS OF THE CLUB ARE NOT SUBJECT TO ASSESSMENTS 10

 4.5 GOLF RESERVATION PRIVILEGES 10

 4.6 OWNER MAY DESIGNATE PRIMARY PLAYING TIMES ON THE GOLF
 COURSE..... 11

 4.7 GUEST PRIVILEGES..... 11

 4.8 Lessee Privileges..... 11

 4.9 RULES AND REGULATIONS 12

ARTICLE 5 APPLICATION AND SELECTION TO MEMBERSHIPS..... 12

 5.1 ELIGIBILITY FOR MEMBERSHIP 12

 5.2 REVIEW OF APPLICATION AND AGREEMENT 12

| | | |
|--|--|-----------|
| 5.3 | INITIATION FEE..... | 13 |
| 5.4 | THE CLUB MAY MAINTAIN A WAITING LIST OF PERSONS DESIRING TO ACQUIRE A MEMBERSHIP..... | 13 |
| 5.5 | MEMBERSHIP PRIVILEGES ARE GOVERNED BY THE MEMBERSHIP PLAN AND THE RULES AND REGULATIONS | 14 |
| 5.6 | MEMBERSHIP HELD IN NAME OF A TRUST | 14 |
| 5.7 | MEMBERS ASSUME ALL TAX CONSEQUENCES OF OBTAINING A MEMBERSHIP AT THE CLUB AT PRADERA..... | 14 |
| 5.8 | MEMBERSHIP PRIVILEGES MAY NOT BE PLEDGED | 15 |
| ARTICLE 6 TRANSFER AND TERMINATION OF A MEMBERSHIP..... | | 15 |
| 6.1 | MEMBERSHIPS ARE NON-TRANSFERABLE | 15 |
| 6.2 | VOLUNTARY RESIGNATION..... | 15 |
| 6.3 | TERMINATION OF A MEMBERSHIP..... | 17 |
| 6.4 | TRANSFER UPON SALE OF RESIDENCE OR HOMESITE | 18 |
| 6.5 | AMOUNTS OWING TO THE CLUB ON TERMINATION..... | 18 |
| 6.6 | TRANSFER THROUGH WAITING LIST..... | 19 |
| 6.7 | SUSPENSION OF MEMBERSHIP PRIVILEGES | 20 |
| 6.8 | EXPULSION | 20 |
| 6.9 | GRIEVANCE COMMITTEE/DISCIPLINARY HEARING..... | 22 |
| 6.10 | DEATH OF A MEMBER OR DESIGNEE..... | 23 |
| 6.11 | LEGAL SEPARATION OR DIVORCE | 24 |
| 6.12 | TEMPORARY DOWNGRADE TO SOCIAL MEMBERSHIP | 24 |
| 6.13 | TERMINATION AND REDEMPTION OF A MEMBERSHIP WITHOUT CAUSE | 25 |
| 6.14 | GOOD STANDING | 25 |
| ARTICLE 7 DUES, FEES, MINIMUMS AND OTHER CHARGES..... | | 26 |
| 7.1 | MEMBERSHIP YEAR OF THE CLUB AT PRADERA | 26 |
| 7.2 | DUES, FEES, CHARGES AND OTHER AMOUNTS ESTABLISHED BY OWNER..... | 26 |
| 7.3 | DUES SHALL BE PAYABLE IN ADVANCE ON A MONTHLY BASIS; FEES, CHARGES AND OTHER AMOUNTS PAYABLE MONTHLY IN ARREARS | 27 |
| 7.4 | THE SCHEDULE OF DUES, FEES, CHARGES AND OTHER AMOUNTS DESCRIBES THE CURRENT DUES, FEES, CHARGES AND OTHER AMOUNTS..... | 27 |
| 7.5 | FINANCIAL RESPONSIBILITY FOR MEMBERSHIP AT THE CLUB AT PRADERA..... | 27 |

| | | |
|---|--|-----------|
| 7.6 | CHARGING PRIVILEGES..... | 28 |
| 7.7 | MEMBER’S ACCOUNTS | 28 |
| ARTICLE 8 CLUB OPERATIONS..... | | 29 |
| 8.1 | MANAGEMENT AND CONTROL OF THE CLUB FACILITIES AND OPERATION OF THE CLUB | 29 |
| 8.2 | MEMBERS AND DESIGNEES HAVE NO VOTING PRIVILEGES..... | 29 |
| 8.3 | ADVISORY BOARD..... | 30 |
| 8.4 | CLUB COMMITTEES..... | 30 |
| ARTICLE 9 OTHER MEMBERSHIPS AND USE PRIVILEGES..... | | 30 |
| 9.1 | USE OF THE GOLF COURSE AND CLUB FACILITIES BY NON- MEMBERS..... | 30 |
| 9.2 | PROMOTIONAL USE OF THE CLUB FACILITIES, TOURNAMENT PLAY, SPECIAL EVENTS AND GROUP OUTINGS | 31 |
| 9.3 | RECIPROCAL PRIVILEGES..... | 31 |
| ARTICLE 10 ACKNOWLEDGEMENT OF MEMBERSHIP PRIVILEGES..... | | 31 |
| 10.1 | ACKNOWLEDGEMENT OF MEMBERSHIP PRIVILEGES | 31 |
| 10.2 | MODIFICATION AND TERMINATION OF MEMBERSHIP PLAN | 32 |
| 10.3 | SUBSEQUENT PURCHASER OF THE CLUB FACILITIES | 32 |
| 10.4 | MANDATORY DISPUTE RESOLUTION..... | 32 |
| 10.5 | MEDIATION..... | 33 |
| 10.6 | EXERCISE OTHER RIGHTS AND REMEDIES | 34 |
| 10.7 | NOTICE..... | 34 |
| 10.8 | OWNER’S AUTHORITY | 34 |
| 10.9 | INDEMNIFICATION AND ASSUMPTION OF RISK | 34 |

THE CLUB AT PRADERA

MEMBERSHIP PLAN

ARTICLE 1 INTRODUCTION

1.1 MEMBERSHIP OPPORTUNITY

CF Arcis V, LLC (the “Owner”) is the current owner of the Club Facilities (as defined below). The Club at Pradera (the “Club”) is offering an opportunity to acquire a Membership (as defined below) and become a Member or Designee (as said terms are defined below) of the Club. Pursuant to this Membership Plan (the “Membership Plan”), the privilege of using the Club Facilities at the Club is available to Members, Designees, the Immediate Family (as defined below) of Members and Designees of the Club, the Extended Family (as defined below) of Members and Designees, Guests (as defined below), daily-fee users and other persons permitted by Owner from time to time. All references to “Owner” shall include the “Club,” and all references to the “Club” shall include “Owner,” unless the context requires otherwise.

This Membership Plan amends, restates and replaces, in its entirety, the Membership Plan of the Club dated May 1, 2013, as well as all prior Membership Plans of the Club.

ARTICLE 2 CLUB FACILITIES

2.1 DESCRIPTION OF THE CLUB FACILITIES

The facilities of The Club at Pradera (the “Club Facilities”) include the following:

- an eighteen-hole golf course designed by Jim Engh and related facilities and improvements;
- golf practice facilities including a driving range, practice putting green and related facilities and improvements;
- two tennis courts and related facilities and improvements; and
- an approximately 27,000 square foot clubhouse offering dining facilities, a lounge, health and fitness facilities, men’s and women’s locker room facilities, a golf shop, golf cart storage facilities and related facilities and improvements.

2.2 OPERATION OF CLUB FACILITIES; CHANGES TO CLUB FACILITIES

Owner shall determine what Club Facilities will be open and available for use from time to time. Such determination shall be made by Owner based on a variety of factors including, without limitation, the number of active Members and Designees in Good Standing (as defined below), the overall demand for and usage of the Club Facilities, any required or desired

maintenance and repair of the Club Facilities, any required or desired capital improvements or replacements to the Club Facilities, weather conditions, economic conditions, financial conditions and other factors deemed applicable by Owner. Owner will advise the Members and Designees from time to time which Club Facilities will be open and made available for use. Without limiting the foregoing, in order to provide and encourage the enjoyment of the Club Facilities and to ensure that adequate services can be provided, the number, size, scope, nature and hours of operation of the Club Facilities are subject to change, and Owner reserves the right to add to, delete from, replace, renovate, close, limit access to and/or use of or otherwise modify the Club Facilities and to provide different rules governing access, use rights and privileges, sign-up privileges, guest privileges and starting times. Membership in the Club does not create any presumption that the Club Facilities or the services that may be available at the Club from time to time will continue to be available in their current state or condition. Owner has not committed to any additional facilities and there is no assurance that any additional facilities will be provided at the Club.

Owner shall not be liable for, and the Members and Designees assume all risks that may occur by reason of, any condition or occurrence including, without limitation, damage to the Club Facilities on account of casualty or caused by fire, tornado, flood, or other Act of God or otherwise caused by any act of willful misconduct, negligence or other act or omission of any other person or entity, or from any other cause whatsoever. No Member or Designee shall be entitled to any reduction or abatement in payment of the Initiation Fee (as defined below) and/or any dues, fees, charges and/or other amounts during the closure of any portion of the Club Facilities or during the repair, renovation and construction of the Club Facilities.

ARTICLE 3 MEMBERSHIPS

3.1 CATEGORIES AND CLASSIFICATIONS OF MEMBERSHIPS

All Memberships in the Club are non-equity, non-proprietary, non-voting, non-transferable, non-assessable and only confer upon the holder thereof a license to utilize the Club Facilities in accordance with this Membership Plan and the Rules and Regulations (as defined below) of the Club. The Memberships do not confer any rights of ownership or any other proprietary rights in any of the assets of the Club, and do not confer upon the holder thereof any right to share in the income, profits or distributions of the Club. Neither Members nor Designees of the Club have any right to participate in the management or operation of the Club Facilities.

The Club has previously offered, and currently offers, various categories and classifications of memberships (individually, a “Membership” and collectively, the “Memberships”), as described in this Article 3. Owner reserves the right to modify any or all of such Membership categories and classifications and/or the rights, privileges and obligations associated with such Membership categories and classifications, at any time and from time to time.

The Club currently offers two (2) categories of Membership in which a designated portion of the Initiation Fee originally paid by the Member is refundable upon the occurrence of certain events set forth in the applicable Application and Agreement (as defined below) of the

Member, namely Refundable Golf Memberships and Refundable Corporate Golf Memberships, as described in Section 4.1(a) and Section 4.1(e), respectively, below.

The Club currently offers six (6) categories of Membership in which no portion of the Initiation Fee originally paid by the Member is refundable, namely: Non-Refundable Golf Membership, Junior Golf Membership, Preview Golf Membership, Limited Golf Membership, Non-Refundable Corporate Golf Membership and Sports Membership, as described in Sections 4.1(a) through (f), respectively, below.

The Club previously offered the following categories of Membership in which a designated portion of the Initiation Fee paid by the Member is refundable upon the occurrence of certain events set forth in the Application and Agreement of the applicable Member, namely: Founder Membership, Summit Membership and Invitational Membership; provided, however, these categories of Membership are no longer offered by the Club and are closed. Existing Members in these categories of Membership who are in Good Standing may continue as Members of the Club and exercise the Membership Privileges (as defined below) associated with their respective category of Membership, subject to the rights, privileges, terms and conditions set forth in this Membership Plan, the Rules and Regulations and their respective Application and Agreement.

The Club currently allows Golf Members and Sports Members in Good Standing the opportunity to upgrade their Golf Membership or Sports Membership, respectively, and receive “Summit Privileges” by paying an additional amount of monthly dues and certain other fees and charges, as more fully described in Section 3.5 below. In order to eliminate any confusion, inasmuch as Summit Memberships are no longer offered by the Club, effective as of the date of this Membership Plan: (a) all Summit Memberships shall automatically be converted to Rocky Mountain Memberships; and (b) all Summit Members (i.e.: holders of Summit Memberships) shall automatically be known as Rocky Mountain Members.

Although Refundable Golf Memberships and Non-Refundable Golf Memberships are separate categories of Membership, with regard to Golf Memberships: (i) all references in this Membership Plan and in the Rules and Regulations to a “Golf Membership” shall mean a Refundable Golf Membership or a Non-Refundable Golf Membership, unless the context otherwise requires; (ii) all references in this Membership Plan and in the Rules and Regulations to a “Golf Member” shall mean the holder of a Refundable Golf Membership or a Non-Refundable Golf Membership, unless the context otherwise requires; and (iii) all references in this Membership Plan and in the Rules and Regulations to a “Refundable Golf Member” shall mean the holder of a Refundable Golf Membership, unless the context requires otherwise; and (iv) all references in this Membership Plan and in the Rules and Regulations to a “Non-Refundable Golf Member” shall mean the holder of a Non-Refundable Golf Membership, unless the context requires otherwise.

Although Refundable Corporate Golf Memberships and Non-Refundable Corporate Golf Memberships are separate categories of Membership, with regard to Corporate Golf Memberships: (A) all references in this Membership Plan and in the Rules and Regulations to a “Corporate Golf Membership” shall mean a Refundable Corporate Golf Membership or a Non-Refundable Corporate Golf Membership, unless the context otherwise requires; (B) all entities

that hold a Refundable Corporate Golf Membership or a Non-Refundable Corporate Golf Membership shall be referred to separately as a “Corporate Member” and collectively as the “Corporate Members,” unless the context requires otherwise; and (C) all references in this Membership Plan and in the Rules and Regulations to a “Refundable Corporate Golf Member” shall mean the holder of a Refundable Corporate Golf Membership, unless the context requires otherwise; and (D) all references in this Membership Plan and in the Rules and Regulations to a “Non-Refundable Corporate Golf Member” shall mean the holder of a Non-Refundable Corporate Golf Membership, unless the context requires otherwise.

All persons or entities that hold a Membership shall be referred to separately as a “Member” and collectively as the “Members.”

3.2 ADDITIONAL CATEGORIES AND CLASSIFICATIONS OF MEMBERSHIP MAY BE MADE AVAILABLE; DISCONTINUANCE OF CATEGORIES AND CLASSIFICATIONS OF MEMBERSHIP

Owner may authorize other categories and classifications of Membership from time to time. If additional categories and classifications of Membership are made available, Owner will establish the number of Memberships available, the rights, privileges and obligations associated with the additional categories and classifications of Membership, the Initiation Fee to be paid for a Membership in these additional categories and classifications of Membership and any dues, fees, charges and other amounts payable with respect to such additional categories and classifications of Membership. Owner may also discontinue one or more categories and classifications of Membership from time to time.

3.3 NUMBER OF MEMBERSHIPS

Limit on Number of Memberships

The maximum number of Memberships in Good Standing permitted in each category of Membership (“Membership Cap”) will be as follows:

| <u>Membership Category</u> | <u>Number of Memberships</u> |
|---|------------------------------|
| <p>Golf Memberships (Refundable Golf Memberships and Non-Refundable Golf Memberships) <i>(including up to 30 designated as Founder Memberships)</i>. In the event, and only in the event, there are more than ten (10) Corporate Golf Memberships in Good Standing (“<u>Excess Corporate Golf Memberships</u>”), then with respect to such Excess Corporate Golf Memberships only, each Designee under such Excess Corporate Golf Memberships shall count as one (1) Golf Member for purposes of the Membership Cap. Additionally, the number of Golf Memberships may be increased by ten (10) additional Golf Memberships at any time to accommodate the purchaser of an Honorary Member’s residence in the Community (as defined below) who also desires to acquire a Golf Membership.</p> | <p>450</p> |

| <u>Membership Category</u> | <u>Number of Memberships</u> |
|---|-------------------------------------|
| Corporate Golf Memberships (Refundable Corporate Golf Memberships and Non-Refundable Corporate Golf Memberships) | <i>No limitation</i> |
| Junior Golf Memberships | <i>No limitation</i> |
| Preview Golf Memberships | <i>No limitation</i> |
| Limited Golf Memberships | <i>No limitation</i> |
| Sports Memberships | <i>No limitation</i> |

Owner may further limit or further expand the Membership Cap in one or more categories of Membership as Owner determines appropriate from time to time.

3.4 MEMBERS HAVE THE OPPORTUNITY TO UPGRADE TO A HIGHER CATEGORY OR CLASSIFICATION OF MEMBERSHIP

Members in Good Standing have the opportunity to upgrade to a higher category or classification of Membership. The opportunity to upgrade is subject to the availability of such higher category or classification of Membership and the payment to Owner of the difference between the Initiation Fee then charged for the higher category or classification of Membership and the actual Initiation Fee previously paid for the Member's existing category or classification of Membership.

3.5 GOLF MEMBERS AND SPORTS MEMBERS HAVE THE OPPORTUNITY TO UPGRADE THEIR GOLF MEMBERSHIP AND SPORTS MEMBERSHIP, RESPECTIVELY, AND RECEIVE SUMMIT PRIVILEGES

Golf Members and Sports Members in Good Standing have the opportunity to upgrade their Golf Membership or Sports Membership, respectively, and receive additional rights and privileges at certain affiliated clubs ("Summit Privileges"), subject to the payment of additional dues, fees, charges and other amounts as specified and imposed by Owner from time to time. The Summit Privileges shall be outlined in a separate schedule published by Owner, as the same may be modified from time to time. Owner reserves the right to limit the number of Golf Members and Sports Members that may upgrade and receive Summit Privileges. Owner also reserves the right to discontinue the Summit Privileges at any time. In such a case, no portion of the Initiation Fee originally paid by a Golf Member or Sports Members for their Golf Membership or Sports Membership, respectively, and no portion of the additional dues, fees, charges or other amounts previously paid for Summit Privileges, shall be refundable solely as a result of termination by Owner of the Summit Privileges. In the event the Membership Privileges of a Golf Member or Sports Member are suspended pursuant to Section 6.7 hereof or in the event of Membership Expulsion Termination of a Golf Membership or a Sports

Membership pursuant to Section 6.8 hereof, and/or in the event of a Membership Termination and Redemption pursuant to Section 6.13 hereof, such suspension or termination shall automatically result in a comparable suspension or termination, as applicable, of such Summit Privileges as of the date thereof. In the event of a termination of a Golf Membership or a Sports Membership pursuant to Section 6.3 hereof, such termination shall automatically result in a comparable termination of such Summit Privileges as of the date thereof. In such a case, no portion of the additional dues, fees, charges or other amounts previously paid for Summit Privileges shall be refundable solely as a result thereof.

ARTICLE 4 MEMBERSHIP PRIVILEGES

4.1 CLUB MEMBERS OBTAIN SPECIFIC MEMBERSHIP PRIVILEGES

The privileges associated with each category and classification of Membership (“Membership Privileges”) are set forth generally below, subject to the terms and conditions contained in this Membership Plan and the Rules and Regulations.

(a) **Golf Membership.** Persons at least eighteen (18) years of age are eligible to apply for a Golf Membership. There are two (2) categories of Golf Membership, namely, Refundable Golf Memberships and Non-Refundable Golf Memberships. Golf Members, their Immediate Family and their Extended Family, are entitled to use the Club Facilities, including all of the golf, tennis, health and fitness and social facilities of the Club, during normal operating hours and subject to availability. Golf Members and their Immediate Family are not required to pay greens fees or court fees for use of the golf and tennis facilities, but are required to pay golf cart fees and other applicable fees and charges. Founder Members, Rocky Mountain Members, Invitational Members and Refundable Golf Members, and their respective Immediate Family, enjoy priority sign-up privileges for tee times and court times. Non-Refundable Golf Members and their Immediate Family enjoy second priority sign-up privileges for tee times and court times. In either case, the Club may restrict tee times and/or court times during high demand periods. The rights, privileges and obligations of the Extended Family of Golf Members, including access, sign-up privileges and the fees and charges payable, are more fully described in Section 4.3 hereof. Refundable Golf Memberships are non-transferable, but are refundable subject to and in accordance with this Membership Plan and the Refundable Golf Member’s Application and Agreement. Non-Refundable Golf Memberships are non-refundable and non-transferable.

(b) **Junior Golf Membership.** Persons between the ages of eighteen (18) and forty (40) are eligible to apply for Junior Golf Membership. Junior Golf Members, their Immediate Family and their Extended Family, are entitled to use the Club Facilities on the same basis as Non-Refundable Golf Members. Upon the Junior Golf Member turning age forty (40), the Junior Golf Member must either: (i) terminate the Junior Golf Membership, at which point the Junior Golf Member shall have no further rights to use the Club Facilities and no amounts paid (including the Initiation Fee for a Junior Golf Membership) will be refunded, or (ii) provided the Junior Golf Member is in Good Standing, convert the Junior Golf Membership to a Non-Refundable Golf Membership or a Limited Golf Membership, as applicable, and pay to the Club the remaining portion of the Initiation Fee due for a Non-Refundable Golf Membership or a

Limited Golf Membership, as applicable, which remaining portion shall be determined at the time the Junior Golf Member submitted his/her Application and Agreement to the Club. All other terms and conditions pertaining to Junior Golf Membership are set forth in the Application and Agreement for each Junior Golf Member, including, without limitation, terms of payment of the Initiation Fee. Junior Golf Memberships are non-refundable and non-transferable.

(c) **Preview Golf Membership.** Persons at least eighteen (18) years of age are eligible to apply for a Preview Golf Membership. Preview Golf Members, their Immediate Family and their Extended Family, are entitled to use the Club Facilities on the same basis as Non-Refundable Golf Members. On the date that is two (2) years after acceptance of a Preview Golf Member's Application and Agreement, provided the Preview Golf Member is in Good Standing and all other terms and conditions set forth in the Preview Golf Member's Application and Agreement have been satisfied, the Preview Golf Membership shall automatically be converted to a Non-Refundable Golf Membership upon the terms and conditions set forth in the Preview Golf Member's Application and Agreement. Preview Golf Memberships are non-refundable and non-transferable.

(d) **Limited Golf Memberships.** Persons at least eighteen (18) years of age are eligible to apply for a Limited Golf Membership. Limited Golf Members, their Immediate Family and their Extended Family, are entitled to use the Club Facilities (other than the golf course and the golf practice facilities) on the same basis as Non-Refundable Golf Members, and are entitled to use the golf course and golf practice facilities on Tuesdays through Thursdays (all day), and on Fridays until 12:00 p.m. Limited Golf Members and their Immediate Family enjoy the same sign-up privileges for tee times and court times as Non-Refundable Golf Members. Limited Golf Members and their Immediate Family are not required to pay greens fees or court fees for use of the golf course or the tennis courts, but are required to pay cart fees and other applicable fees and charges. The rights, privileges and obligations of the Extended Family of Limited Golf Members, including access, sign-up privileges and the fees and charges payable, are more fully described in Section 4.3 hereof. Limited Golf Memberships are non-refundable and non-transferable.

(e) **Corporate Golf Membership.** Any corporation, partnership, limited liability company, sole proprietorship, association or other legal entity ("Business Entity") in good standing with the applicable governmental authorities is eligible to apply for a Corporate Golf Membership. No Business Entity formed primarily for the purpose of holding a Corporate Golf Membership shall be eligible to become a Corporate Golf Member. There are two (2) categories of Corporate Golf Membership, namely, Refundable Corporate Golf Memberships and Non-Refundable Corporate Golf Memberships. Refundable Corporate Golf Memberships are non-transferable, but are refundable subject to and in accordance with this Membership Plan and the Refundable Corporate Golf Member's Application and Agreement. Non-Refundable Corporate Golf Memberships are non-refundable and non-transferable.

Corporate Golf Membership entitles the Corporate Golf Member to designate a minimum of one (1) and a maximum of four (4) persons to use the Club Facilities and exercise the Membership Privileges with respect to such Corporate Golf Membership (each a "Designee" and collectively, the "Designees"). In this regard, the Membership Privileges may only be exercised by the authorized Designees of such Corporate Golf Member and not by the Corporate Golf

Member. Each Designee of a Refundable Corporate Golf Member, their Immediate Family and their Extended Family, are entitled to use the Club Facilities on the same basis as a Refundable Golf Member. Each Designee of a Non-Refundable Corporate Golf Member, their Immediate Family and their Extended Family, are entitled to use the Club Facilities on the same basis as a Non-Refundable Golf Member. Designees are primarily responsible for and shall be billed directly for all dues, fees, charges and other amounts that the Designee and his/her Immediate Family, Extended Family and Guests incur. In the event the Designee shall fail to pay such dues, fees, charges and other amounts, the Corporate Golf Member and such Designee shall be jointly and severally responsible for such payment. Without limiting the foregoing, Corporate Golf Members are jointly and severally responsible with each Designee of such Corporate Golf Member for all incurred or accrued and unpaid dues, fees, charges and other amounts payable by their Designees, regardless of the status (ex: active, inactive, suspended, resigned, terminated, etc.) of such Designees. Furthermore, without limiting the foregoing, each Corporate Golf Member is jointly and severally liable for all dues applicable to the number of authorized Designees of such Corporate Golf Member (i.e.: not less than one (1) and not more than four (4)), regardless of the status of each such Designee (ex: active, inactive, suspended, terminated, resigned, etc.), and regardless of whether or not the Corporate Golf Member has designated a new Designee to replace a former Designee pursuant to the provisions of this Membership Plan, subject to the right of each Corporate Golf Member to increase or decrease the authorized number of Designees and/or to change the identity or designation of a Designee, in each case pursuant to this Section 4.1(e). Each Designee must be at least eighteen (18) years of age, be an owner, director, officer, partner, member, manager, shareholder or employee of the Corporate Golf Member and will be subject to approval of the Club. Each Corporate Golf Member and each Designee must complete and submit an Application and Agreement and a Designee Application and Agreement, respectively, as provided by the Club and such other forms as may be requested by the Club.

Each Corporate Golf Member has the right to: (i) change the identity or designation of a Designee of such Corporate Golf Member from time to time (provided, however, in no event more than one (1) time per Designee during any consecutive twelve (12) month period), by delivering written notice to the Club; and (ii) change the number of authorized Designees of such Corporate Golf Member (provided, however, the authorized number of Designees of such Corporate Golf Member shall not be less than one (1) or more than four (4)), upon not less than twelve (12) months' prior written notice to the Club. Notwithstanding the foregoing, in the event of a resignation of a Designee pursuant to Section 6.2(f) hereof, if the applicable Corporate Golf Member desires not to replace such resigned Designee, but, rather, desires to instead reduce the authorized number of Designees by one (1), such written notice from the Corporate Golf Member may be delivered to the Club at any time during the twelve (12) month period following the date written notice of resignation by such Designee is delivered to the Club pursuant to Section 6.2(f) hereof, and such reduction in the authorized number of Designees shall become effective upon the expiration of such twelve (12) month period. Furthermore, in the case of the death of a Designee, the applicable Corporate Golf Membership shall not be terminated, and the Surviving Spouse of such deceased Designee shall have the right to elect to continue to enjoy the Membership Privileges of the deceased Designee pursuant to the terms and conditions of this Membership Plan, the Rules and Regulations and the deceased Designee's Designee Application and Agreement, subject, however, to the right of the Corporate Golf Member to appoint a new

Designee and/or reduce the number of authorized Designees, in each case pursuant to this Section 4.1(e). A Designee change fee, in an amount to be determined from time to time by the Club, will be imposed in connection with each increase or decrease in the number of authorized Designees of such Corporate Golf Member and in connection with each change in the identity or designation of a Designee of such Corporate Golf Member. Each new prospective Designee will be required to enter into and submit to the Club a Designee Application and Agreement and will be subject to review pursuant to Article 5 below.

(f) **Sports Membership.** Persons at least eighteen (18) years of age are eligible to apply for a Sports Membership. Sports Members, their Immediate Family and Extended Family, are entitled to use all of the golf, tennis, health and fitness and social facilities of the Club during normal operating hours and subject to availability, subject to the limitations set forth in this Membership Plan and in the Rules and Regulations. Sports Members and their Immediate Family are not required to pay court fees for use of the tennis facilities, but are required to pay other applicable fees and charges. Sports Members and their Immediate Family also have limited access to the golf course and may play golf not more than four (4) times (four (4) tee times in the aggregate) per membership year, but are required to pay preferred greens fees and golf cart fees for use of the golf course and other applicable fees and charges. Sports Members will have the third priority sign-up privileges for reserving tee times and court times. The rights, privileges and obligations of the Extended Family of Sports Members, including access, sign-up privileges and the fees and charges payable, are more fully described in Section 4.3 hereof. Sports Memberships are non-refundable and non-transferable.

4.2 USE OF THE CLUB FACILITIES BY THE IMMEDIATE FAMILY

Memberships in the Club shall be issued in the name of the individual or entity designated as the Member in the Application and Agreement. A Membership allows the Member or the Designee, as applicable, and the Immediate Family of the Member or Designee, as applicable, to use the Club Facilities based on the category and classification of Membership selected by the Member and in accordance with the terms of this Membership Plan and the Rules and Regulations. Owner reserves the right to restrict access to the Club Facilities by the Immediate Family during peak periods, special events and other times and occasions determined by Owner. The “Immediate Family” of a Member or Designee includes the Spouse (as defined below) of the Member or Designee, and the unmarried lineal or adopted children of the Member, the Designee or the Spouse, who are under the age of twenty-three (23) and either permanently residing in the Member’s or Designee’s home or attending school on a full-time basis. For purposes hereof, the term “Spouse” means the legal spouse of the Member or the Designee, as applicable, pursuant to the laws of the State of Colorado. The term “Spouse” shall not include a Significant Other (as defined below). If a Member or Designee has no Spouse, then the term “Immediate Family” shall include a Significant Other, if applicable.

Upon written request, an unmarried Member or Designee may request the Club to authorize use of the Club Facilities by a Significant Other. A “Significant Other” is an unmarried person who is not related to the Member or Designee by blood, who represents himself or herself as being in a personal couple relationship with the Member or Designee, and whose primary residential address is the same as the Member’s or Designee’s. The application for Significant Other status shall require proof of the Significant Other’s residence and any other

information required by Owner. Owner may accept or reject such request to extend use of the Club Facilities by the Significant Other. Such use of the Club Facilities by an approved Significant Other shall be permitted without the payment of additional dues or guest fees and without regard to Club rules limiting the number of times a Guest may use the Club Facilities. However, the applicable Member or Designee shall be jointly responsible for all fees, charges and other amounts incurred by the Significant Other at the Club. Ownership of the Membership shall remain with the Member for all purposes. A Member or Designee may not request a change in the designation of his/her Significant Other more than once every two (2) calendar years.

4.3 USE OF THE CLUB FACILITIES BY THE EXTENDED FAMILY

A Membership also allows the Extended Family of the Member or Designee, as applicable, to use the Club Facilities and exercise the Membership Privileges based on the category and classification of the Membership of the applicable Member and in accordance with this Membership Plan and the Rules and Regulations, subject to the payment of the fees and charges applicable to the Extended Family. Owner reserves the right to restrict access to the Club Facilities by the Extended Family during peak periods, special events and other times and occasions determined by Owner. The “Extended Family” of a Member or Designee includes: (a) the parents of the Member or the Designee and the parents of the Spouse of the Member or Designee; (b) the lineal or adopted child or children of the Member or the Designee or the lineal or adopted child or children of the Spouse of the Member or Designee, in either case who do not meet the qualifications to be included within the definition of Immediate Family; (c) the spouse of any lineal or adopted child of the Member or the Designee or the spouse of any lineal or adopted child of the Spouse of the Member or the Designee; and (d) the grandchildren of the Member or the Designee or the grandchildren of the Spouse of the Member or Designee, in either case who are under the age of twenty-three (23), and in all cases, whose name(s) are registered with the Club.

4.4 MEMBERS OF THE CLUB ARE NOT SUBJECT TO ASSESSMENTS

Members of the Club are not subject to any assessments of any kind in connection with their Membership in the Club, whether for the Club’s operating deficits, capital improvements, maintenance or repairs or otherwise.

The payment of the applicable Initiation Fee, together with the ongoing timely payment of all other dues, fees, charges and other amounts that Owner may establish from time to time, are required to initially acquire a Membership at the Club, to retain such Membership and to continue to be able to exercise the Membership Privileges at the Club with respect to such Membership, and are not considered to be assessments of any kind or nature.

4.5 GOLF RESERVATION PRIVILEGES

Owner may establish advance golf reservation times for one or more categories and classifications of Membership from time to time. Any golf starting time which is available to Members and Designees that has not been reserved by the date established prior to the day of play shall be released and made available on a first-come, first-served basis, subject to this

Membership Plan and the Rules and Regulations. Additionally, Owner reserves the right to have tournaments, group outings and other special events on the golf course which may require restricting and possibly eliminating the reserved golf starting times during these events.

4.6 OWNER MAY DESIGNATE PRIMARY PLAYING TIMES ON THE GOLF COURSE

In order to better control golf play during peak playing times on the golf course, Owner may designate certain times on the golf course as “primary playing times.” During such “primary playing times,” Owner reserves the right to adopt and institute reasonable restrictions and controls including, without limitation, providing that only one golf starting time may be reserved by the Member or the Designee, providing that only one golf starting time may be reserved per Membership and/or restricting access by Immediate Family, Extended Family and Guests.

4.7 GUEST PRIVILEGES

Members and Designees, and the Immediate Family of Members and Designees, may sponsor accompanied Guests to use and enjoy the Membership Privileges associated with their category and classification of Membership in the Club, subject to and in accordance with any restrictions or limitations set forth in the applicable Member’s or Designee’s Application and Agreement, this Membership Plan and the Rules and Regulations (individually, a “Guest” and collectively, the “Guests”). Owner reserves the right to impose limitations on the number of times a particular Guest may use the Club Facilities during any particular period of time and the number of Guests a Member or Designee, or the Immediate Family of a Member or Designee, may sponsor at any particular time may be limited. Currently, no person may play more than six (6) rounds of golf or six (6) tennis matches per year as a Guest, and no person may use the recreational facilities of the Club more than six (6) times per year as a Guest. Owner reserves the right to modify the above limits from time to time. Owner shall establish a guest fee (“Guest Fee”) payable in conjunction with the use by Guests of the Club Facilities, which fee is subject to modification by Owner from time to time. The Member or Designee, or the Immediate Family of the Member or Designee, sponsoring the Guest must accompany the Guest and is responsible for the acts and omissions of such Guest while utilizing the Club Facilities, is responsible for the payment of all fees (including the Guest Fee) and all charges for services utilized by such Guest and is responsible for all food, beverage and retail purchases made by such Guest.

4.8 LESSEE PRIVILEGES

A Member in Good Standing who leases his or her residence in the Community (as defined below), or in such other communities as may be designated by Owner from time to time, for a period of at least three (3) consecutive months, may designate the lessee (“Lessee”) of his or her residence as the beneficial user of the Membership, subject to the approval of the Club. The Lessee must submit an Application for Lessee Privileges (in the form provided by the Club), must be approved by the Club and must pay the required administrative fee established by the Club from time to time. As part of the Application for Lessee Privileges, the Lessee will agree to pay to the Club all fees, charges and other amounts incurred by such Lessee and his/her Immediate Family, Extended Family and Guests, provided, however, the Member shall remain

obligated to pay all dues and other fees and charges applicable to such Membership. During the period when a Lessee is the designated user of the Membership, the lessor Member will not have any Membership Privileges. The lessor Member will also be responsible for the conduct of the Lessee and his/her Immediate Family, Extended Family and Guests and for all charges incurred by the Lessee and his/her Immediate Family, Extended Family and Guests which are not paid within the customary billing and collection procedures of the Club.

4.9 RULES AND REGULATIONS

Owner shall establish and adopt rules and regulations for the control and operation of the Club and the Club Facilities ("Rules and Regulations"). Owner reserves the right, from time to time, to modify the Rules and Regulations as it deems necessary or desirable. All references in this Membership Plan to the "Rules and Regulations" shall mean the original Rules and Regulations adopted by Owner, as the same may be amended from time to time. Every Member and Designee, on behalf of themselves and their respective Immediate Family, Extended Family and Guests, agree to be bound by the Rules and Regulations.

ARTICLE 5 APPLICATION AND SELECTION TO MEMBERSHIPS

5.1 ELIGIBILITY FOR MEMBERSHIP

Residency in the Pradera community (the "Community") is not a requirement for Membership. Each prospective Member (each, an "Applicant") must submit to the Club an Application and Agreement for Membership (each, an "Application and Agreement"), in the form provided by the Club. Each prospective Designee must submit to the Club a Designee Application and Agreement (each, a "Designee Application and Agreement"), in the form provided by the Club. The Application and Agreement will only be accepted for review once all of the required information and all of the required documentation for the applicable category and classification of Membership has been submitted and the Applicant has paid to the Club the then-applicable Initiation Fee. Each Designee Application and Agreement will only be accepted for review once all of the required information and all of the required documentation has been submitted.

5.2 REVIEW OF APPLICATION AND AGREEMENT

All Applicants desiring a Membership must be approved by the Club. The Club may require that Applicant interview with the Membership Director, and/or other designees of the Club. After receiving the Application and Agreement, the Club will determine whether the Applicant has satisfied the relevant conditions of membership. In the event the Application and Agreement is not acted upon favorably, the Applicant will receive a refund of that portion of the Initiation Fee previously paid by Applicant to the Club, without interest.

In no event shall any of the governing instruments or policies of the Club (including, but not limited to, this Membership Plan) and the criteria for Membership in the Club, discriminate in any manner against any person on account of race, marital status, disability, sex, age, religious creed, color, sexual orientation or preference, ancestry or national origin. Any membership

criteria applied by Owner shall at all times be applied uniformly to all persons who are applying for the same classification of Membership.

The Club shall notify an Applicant of its decision regarding such Applicant's Application and Agreement. If the Applicant is not approved for membership, the Club may refuse to receive a re-application for any category or classification of Membership from such Applicant for a period of up to one (1) year from the date of the Club's notice of disapproval to such Applicant. If the decision of the Club is favorable, the Club shall send to the successful Applicant a notice of approval, accompanied by such other documents or agreements for review and/or execution by the accepted Applicant in such form and as the Club establishes and deems necessary. In the case of a Corporate Golf Member, concurrently with the notification to the Applicant of the Club's decision regarding the Applicant, the Club shall also notify Applicant of its decision regarding the Designee(s) appointed by Applicant.

In order to preserve a proper Club atmosphere for the Members, the Club shall have the right, but not the obligation, to issue Membership cards to the Members, as well as to approved Designees and the Immediate Family of Members and Designees. If Membership cards are issued, access to the Club Facilities will require use of a Membership card. All Membership card charges will be invoiced to and payable by the Members on a monthly basis. Membership cards do not confer any contract rights on a Member or Designee (or their respective Immediate Family), but are solely an indicia of Membership.

5.3 INITIATION FEE

To obtain a Membership at the Club, an Applicant must pay to Owner the amount of the Initiation Fee Owner establishes from time to time with regard to the desired category or classification of Membership ("Initiation Fee"). The Initiation Fee shall be in such amount and payable in such manner as Owner may determine from time to time, and is further described in the Member's Application and Agreement.

5.4 THE CLUB MAY MAINTAIN A WAITING LIST OF PERSONS DESIRING TO ACQUIRE A MEMBERSHIP

The number of available Memberships in any particular category or classification of Membership may be limited by Owner. There is no assurance that the desired Membership will be available at the time of application. If a Membership is not available in the desired category or classification of Membership at the time of application, the Club may maintain a waiting list for that particular category or classification of Membership consisting of Applicants who have submitted an Application and Agreement and have been approved for Membership on a first-come, first-served basis. The Club may offer those persons desiring to be placed on the waiting list for an available Membership the opportunity to obtain another category or classification of Membership until the desired Membership category or classification becomes available. Priority on the waiting list for an available Membership shall be on a first-come, first-served basis.

5.5 MEMBERSHIP PRIVILEGES ARE GOVERNED BY THE MEMBERSHIP PLAN AND THE RULES AND REGULATIONS

Each Member and Designee agrees to be bound by the terms and conditions of the applicable Application and Agreement, the Designee Application and Agreement, this Membership Plan and the Rules and Regulations. Owner reserves the right to alter, amend and/or change this Membership Plan and/or the Rules and Regulations from time to time. Without limiting the foregoing, any such amendment of this Membership Plan and/or the Rules and Regulations may include a change or modification in the Membership Privileges applicable to any category or classification of Membership. Additionally, Owner reserves the right, from time to time, to modify playing and/or use privileges for one or more categories or classifications of Membership, to establish rules and regulations governing access, sign-up privileges, priority or reserved times, and starting times with respect to the golf course and other Club Facilities in order to match the changing needs and demands of Members and Designees and to permit the Club to be operated in a cost efficient and effective manner. Members and Designees of the Club will be given at least thirty (30) calendar days' notice prior to the effective date of any alteration, amendment or change in this Membership Plan and/or the Rules and Regulations. Upon any such modifications, each Member and Designee agrees to fully substitute the revised Membership Plan and/or Rules and Regulations for the then current Membership Plan and/or Rules and Regulations. To the extent there are any conflicts or ambiguities in the terms of the applicable Application and Agreement, Designee Application and Agreement, the Membership Plan and/or the Rules and Regulations, Owner shall have the sole authority to interpret the documents and its decision shall be conclusive, final and binding.

5.6 MEMBERSHIP HELD IN NAME OF A TRUST

For the convenience of Members, a Membership (other than a Corporate Golf Membership) may be held in the name of a revocable living trust (the "Trust"). The Trust must designate one individual who will have the right to use the Membership and such individual must be a trustor, trustee or beneficiary of the Trust. The designated user must submit an Application and Agreement and will be subject to the approval of the Club. Owner may establish from time to time the policies and procedures governing the designated user of a Membership. The designated user shall be deemed the Member for all purposes of this Membership Plan and the Rules and Regulations. Without limiting the foregoing, the designated user will be required to pay to the Club the Initiation Fee and all required dues, fees, charges and other amounts.

5.7 MEMBERS ASSUME ALL TAX CONSEQUENCES OF OBTAINING A MEMBERSHIP AT THE CLUB AT PRADERA

Owner has not made and will not make any representations or express any opinions regarding the federal or state income tax or sales tax consequences of obtaining a Membership at the Club or with respect to any other aspect of being a Member of the Club. All Members acquire their respective Memberships and all Members and Designees exercise their Membership Privileges subject to all applicable tax laws as may exist from time to time. Members should consult with their own independent tax adviser concerning the acquisition of a Membership and being a Member of the Club. Without limiting the foregoing, Members and Designees shall be responsible for the payment of any applicable sales, use, income, franchise or similar taxes

which may be imposed by the applicable governing authorities in connection with the payment of the Initiation Fee, the issuance of the Membership and/or the exercise of any Membership Privileges applicable to such Membership.

5.8 MEMBERSHIP PRIVILEGES MAY NOT BE PLEDGED

Neither the Memberships nor any of the Membership Privileges may be pledged or hypothecated by any Member or Designee as collateral for any loan or other form of indebtedness.

ARTICLE 6 TRANSFER AND TERMINATION OF A MEMBERSHIP

6.1 MEMBERSHIPS ARE NON-TRANSFERABLE

Memberships in the Club are non-transferable. Furthermore, no Member or Designee may transfer or otherwise assign their Membership Privileges. No Member is entitled to receive a refund, any compensation or other payments in connection with any termination or surrender of a Membership, except as otherwise provided in this Article 6.

6.2 VOLUNTARY RESIGNATION

A Member (other than a Sports Member) in Good Standing may voluntarily resign his, her or its Membership in the Club by giving prior written notice to the Club, such resignation to be effective as of the earlier of: (i) the expiration of twelve (12) months following the date such written notice from the Member is received by the Club; or (ii) in the case of Refundable Golf Memberships, Founder Memberships, Invitational Memberships, Rocky Mountain Memberships or Refundable Corporate Golf Memberships, the date upon which the Club reissues such Membership pursuant to Section 6.4 or Section 6.6 below. A Sports Member in Good Standing may voluntarily resign his/her Sports Membership in the Club by giving prior written notice to the Club, such resignation to be effective upon the expiration of thirty (30) days from the date such written notice from the Sports Member is received by the Club. A Member's election to resign is irrevocable.

In the event of the voluntary resignation of a Refundable Golf Membership, Founder Membership, Invitational Membership, Rocky Mountain Membership or Refundable Corporate Golf Membership, the refund amount payable to the former Member shall be determined and paid as follows:

(a) In the event of the voluntary resignation of a Refundable Golf Membership, the resigned Refundable Golf Member shall be entitled to receive the designated percentage of the Initiation Fee originally paid by such Refundable Golf Member as set forth in such Refundable Golf Member's Application and Agreement. The refund amount will be payable to the resigned Refundable Golf Member at the time the Refundable Golf Membership is reissued by the Club as a Refundable Golf Membership, as described in Section 6.4 or Section 6.6(a) below.

(b) In the event of the voluntary resignation of a Founder Membership, an Invitational Golf Membership or a Rocky Mountain Membership, the resigned Founder Member, Invitational Member or Rocky Mountain Member, as applicable, shall be entitled to receive the designated percentage of the Initiation Fee originally paid by such Founder, Invitational or Rocky Mountain Member, as applicable, as set forth in such Founder Member's, Invitational Member's or Rocky Mountain Member's Application and Agreement, as applicable. The refund amount will be payable to the resigned Founder Member, Invitational Member or Rocky Mountain Member, as applicable, at the time the Founder Membership, Invitational Golf Membership or Rocky Mountain Membership, as applicable, is reissued by the Club as a Refundable Golf Membership, as described in Section 6.4 or Section 6.6(a) below.

(c) In the event of the voluntary resignation of a Refundable Corporate Golf Membership, the resigned Refundable Corporate Golf Member shall be entitled to receive the designated percentage of the Initiation Fee originally paid by such Refundable Corporate Golf Member as set forth in such Refundable Corporate Golf Member's Application and Agreement. The refund amount shall be payable to the resigned Refundable Corporate Golf Member at the time the Refundable Corporate Golf Membership is reissued by the Club as a Refundable Corporate Golf Membership as described in Section 6.6(b) below.

(d) In the event of the voluntary resignation of a Non-Refundable Golf Membership, Non-Refundable Corporate Golf Membership and/or Sports Membership, no portion of the Initiation Fee paid for such Membership shall be refunded.

(e) In the event of the voluntary resignation of a Junior Golf Membership, Preview Golf Membership and/or Limited Golf Membership, no portion of the Initiation Fee paid for such Membership shall be refunded.

(f) A Designee may resign his/her status as a Designee at any time by delivering written notice of resignation to the Club and the applicable Corporate Golf Member. The effective date of any such resignation shall be the first to occur of: (i) the expiration of twelve (12) months following the date in which the Club and the applicable Corporate Golf Member receive the Designee's written notice of resignation; or (ii) the date a new Designee is appointed by the applicable Corporate Golf Member to replace the resigned Designee pursuant to Section 4.1(e) hereof and such replacement Designee is approved pursuant to Section 5.2 hereof. Commencing as of the effective date of such resignation, neither the resigned Designee, nor the Immediate Family or Extended Family of the resigned Designee, shall be entitled to exercise any Membership Privileges and/or have any further rights or privileges with respect to the Club or the Club Facilities. All dues shall cease to accrue as of the effective date of such resignation. Notwithstanding any such resignation: (A) the applicable Corporate Golf Member shall continue to be jointly and severally liable with all of its Designees for all incurred or accrued and unpaid dues, fees, charges and other amounts payable by such Designees, regardless of the status of such Designees (ex: active, inactive, suspended, resigned, terminated, etc.); (B) the applicable Corporate Golf Member shall continue to be jointly and severally liable for all dues, fees, charges and other amounts that thereafter accrue and are payable with respect to the number of authorized Designees of such Corporate Golf Member (i.e.: not less than one (1) and not more than four (4)), subject to the right of such Corporate Golf Member to change the identity or designation of a Designee and/or increase or decrease the authorized number of Designees, in

each case pursuant to Section 4.1(e) hereof; and (C) with respect to the resigned Designee only, the applicable Corporate Golf Member shall continue to be jointly and severally liable with the resigned Designee for all dues, fees, charges and other amounts incurred or accrued and payable with respect to such resigned Designee prior to the effective date of resignation, provided, however, the exercise by a Corporate Golf Member of its right to reduce the number of authorized Designees pursuant to Section 4.1(e) hereof shall not eliminate or reduce the Corporate Golf Member's obligations pursuant to this Section 6.2(f)(C).

Upon the effective date of the termination of a Membership following the resignation of the applicable Member pursuant to this Section 6.2, neither the Member nor the Immediate Family nor the Extended Family of the Member, shall be entitled to exercise any Membership Privileges and/or have any further rights or privileges with respect to the Club or the Club Facilities.

6.3 TERMINATION OF A MEMBERSHIP

A Membership in the Club shall be deemed terminated upon the occurrence of one or more of the following events:

(a) The effective date of resignation of a Membership pursuant to Section 6.2 hereof;

(b) The death of a Member, unless the Surviving Spouse of the deceased Member timely elects to continue the Membership Privileges (as a Spouse) applicable to such Membership pursuant to Section 6.10 hereof;

(c) The death of a Surviving Spouse of a Member who timely elected to continue the Membership Privileges (as a Spouse) applicable to the Membership of his/her deceased Spouse pursuant to Section 6.10 hereof;

(d) In the case of a Corporate Golf Membership, the dissolution of the Corporate Golf Member or the Bankruptcy (as defined below) of the Corporate Golf Member; or

(e) In the case of a Corporate Golf Membership, the Corporate Golf Member is no longer in good standing under the laws of the state in which it is formed, is no longer a valid Business Entity and/or is no longer actively carrying on a valid business purpose.

For purposes hereof, the term "Bankruptcy" shall mean: (i) if a Corporate Golf Member seeks entry of an order for relief as a debtor in a proceeding under the federal bankruptcy laws; (ii) a petition is filed against a Corporate Golf Member seeking relief under the federal bankruptcy laws; (iii) a Corporate Golf Member seeks, consents to or does not contest the appointment of a receiver or trustee for itself or all or any material portion of its assets; or (iv) a Corporate Golf Member makes a general assignment for the benefit of its creditors.

Upon the termination of a Membership pursuant to this Section 6.3: (A) in the event of the termination of a Refundable Golf Membership, a Founder Membership, a Rocky Mountain Membership, an Invitational Membership and/or a Refundable Corporate Golf Membership, that portion of the Initiation Fee previously paid for such terminated Membership shall be refunded in

accordance with the terms and conditions of the applicable terminated Member's Application and Agreement; (B) in the event of the termination of a Non-Refundable Golf Membership, a Junior Golf Membership, a Preview Golf Membership, a Limited Golf Membership, a Non-Refundable Corporate Golf Membership and/or a Sports Membership, no portion of the Initiation Fee previously paid for such terminated Membership shall be refunded; (C) with regard to all categories and classifications of Membership, neither the terminated Member, nor any Designee nor their respective Immediate Family or Extended Family, shall be entitled to exercise any Membership Privileges and/or have any further rights or privileges with respect to the Club or the Club Facilities; (D) with regard to all categories and classifications of Membership, all Membership Privileges with respect to such terminated Membership shall cease; and (E) with regard to all categories and classifications of Memberships, all dues will cease to accrue and will be prorated through the effective date of termination of the Membership.

Notwithstanding any provision contained in this Membership Plan to the contrary, the provisions of this Section 6.3 shall not be applicable to a Membership Expulsion Termination pursuant to Section 6.8 hereof or a Membership Termination and Redemption pursuant to Section 6.13 hereof.

6.4 TRANSFER UPON SALE OF RESIDENCE OR HOMESITE

The holder of a Refundable Golf Membership, a Founder Membership, an Invitational Membership and/or a Rocky Mountain Membership (each, a "Selling Community Member") who is in Good Standing and who resigns from the Club in conjunction with the sale of his or her residence or homesite in the Community, may arrange for the Club to reissue his or her Membership (as a Refundable Golf Membership) to the subsequent purchaser of his or her residence or homesite in the Community regardless of whether all of the Memberships in that category have been issued and regardless of whether there are any resigned Memberships on the waiting list. The subsequent purchaser will be required to submit an Application and Agreement, will be subject to the approval by Owner and will be required to pay to the Club the Initiation Fee which is then in effect for a Refundable Golf Membership. If the amount paid by the new Member is not sufficient to fully refund the Selling Community Member, the Selling Community Member shall receive the amount of the Initiation Fee actually paid by the new member and the remainder amount will be refunded to the Selling Community Member as if it were a resigned Membership transferred through the waiting list, as described in Section 6.6 hereof.

6.5 AMOUNTS OWING TO THE CLUB ON TERMINATION

Upon the termination of a Membership pursuant to Section 6.3, the Member and any applicable Designees shall remain obligated to pay to the Club all dues, fees, charges and other amounts owed to the Club to the extent incurred or accrued prior to the effective date of such termination. Following any such termination of a Membership, such Member (or such Member's Designees, if a Corporate Golf Membership), or such Member's or Designee's Spouse, may rejoin the Club upon the submission of a new Application and Agreement, payment of any applicable Initiation Fee and approval by Owner; provided, however, that a terminated Member (or such terminated Member's Designees, if a Corporate Golf Membership, or such Member's or Designee's Spouse), may not rejoin the Club, unless such person shall pay to the Club an amount equal to all accrued and unpaid dues, fees, charges and other amounts owing as

of the date of termination, as well as all dues, fees charges and other amounts that would have accrued between the date of termination and the date of rejoining if such Membership had not been terminated.

Notwithstanding any such termination, Corporate Golf Members remain jointly and severally responsible with each Designee for the payment of all dues, fees, charges and other amounts owed to the Club by its Designees.

No Member or Designee is entitled to receive any compensation or other payments in connection with the termination of a Membership, except as otherwise expressly provided in this Membership Plan and/or in the applicable Member's Application and Agreement.

6.6 TRANSFER THROUGH WAITING LIST

A resigned or terminated Refundable Golf Membership, Founder Membership, Rocky Mountain Membership and/or Invitational Membership will be placed on the same waiting list (for Refundable Golf Memberships) and will be reissued on a first-resigned, first-reissued basis as described in Section 6.6(a) below, unless the Member arranges for the subsequent purchaser of his or her residence or homesite in the Community to acquire his or her Membership pursuant to Section 6.4. A resigned or terminated Refundable Corporate Golf Membership is discussed in Section 6.6(b) below.

(a) At all times in which the number of issued and outstanding Golf Memberships (both Refundable Golf Memberships and Non-Refundable Golf Memberships) in Good Standing is less than or equal to the Membership Cap, every fourth (4th) Refundable Golf Membership issued will be a resigned Refundable Golf Membership, Founder Membership, Rocky Mountain Membership and/or Invitational Membership from the waiting list (provided there is a Refundable Golf Membership, Founder Membership, Rocky Mountain Membership and/or Invitational Membership on the waiting list), and the same shall be issued as a Refundable Golf Membership. The other three (3) Refundable Golf Memberships shall be from the Club's inventory of unsold Refundable Golf Memberships.

During the time the number of issued and outstanding Golf Memberships in Good Standing is greater than the Membership Cap, then each Golf Membership sold in that category will be a resigned or terminated Refundable Golf Membership, Founder Membership, Rocky Mountain Membership and/or Invitational Membership from that waiting list, and the same shall be issued as a Refundable Golf Membership.

(b) In the case of the resignation or termination of a Refundable Corporate Golf Membership, during the time there are Refundable Corporate Golf Memberships on the Seller's waiting list, every fourth (4th) Corporate Golf Membership sold will be a resigned or terminated Refundable Corporate Golf Membership from that Seller's waiting list (on a first resigned, first reissued basis). This procedure allows the refund of resigned Refundable Corporate Golf Memberships in conjunction with the sale or issuance of Refundable Corporate Golf Memberships. Notwithstanding the foregoing, for resigned Refundable Corporate Golf Memberships, the number of Designees for each Refundable Corporate Golf Membership sold must be at least equal to the number of then authorized Designees for the resigned Refundable

Corporate Golf Membership to be refunded. If not, then additional Refundable Corporate Golf Memberships must be sold until the total number of Designees sold is equal to four (4) multiplied by the number of then authorized Designees for the resigned or terminated Refundable Corporate Golf Membership to be refunded. For example, if the resigned Refundable Corporate Golf Membership to be refunded has four (4) then authorized Designees, then that Refundable Corporate Golf Membership would be refunded (i) after the sale of four (4) Refundable Corporate Golf Memberships, each with four (4) Designees or (ii) after the sale of eight (8) Refundable Corporate Golf Memberships, each with two (2) Designees or (iii) any other combination of Refundable Corporate Golf Memberships that equal sixteen (16) Designees.

6.7 SUSPENSION OF MEMBERSHIP PRIVILEGES

In addition to any other rights and remedies, Owner may suspend any and all Membership Privileges of a Member or Designee upon the occurrence of one or more of the following events:

(a) The failure of the Member or Designee to pay any fees, dues, charges or other amounts owing to the Club on or before the last day of the month in which the Club issues a written statement to the Member or Designee itemizing such fees, dues, charges and other amounts payable; and

(b) The performance in, on or about the Club Facilities by the Member or Designee, or their respective Immediate Family, Extended Family or Guests, or any of them, of conduct which Owner determines to be detrimental to the welfare, safety, harmony or good reputation of the Club or its employees, staff, or to the Member or Designees or their respective Immediate Family, Extended Family and Guests. Such conduct may include, but shall not be limited to: (i) swearing at anyone or out loud; (ii) making vulgar or profane statements to anyone or out loud; (iii) harassing, striking, molesting and/or endangering anyone; (iv) attempting to harass, strike, molest and/or endanger anyone; (v) damaging or attempting to damage all or any portion of the Club Facilities; and/or (vi) violating any of the Rules and Regulations of the Club. Conduct of a Member's or Designee's Immediate Family, Extended Family or Guests may be cause for suspension of a Member or Designee and/or may result in denial of Membership Privileges to such Member's or Designee's Immediate Family, Extended Family or Guests, as applicable, in such manner and for such time as Owner may determine.

In the event Owner suspends a Member or Designee, the suspension may or may not include the suspension of the Immediate Family and/or Extended Family of such Member or Designee, as applicable, as determined by Owner. During any period of suspension, dues shall continue to accrue and suspended Members and Designees shall continue to be liable for the payment of all fees, dues, charges and other amounts accruing and owing with respect to the applicable Membership.

6.8 EXPULSION

In addition to any other rights and remedies, Owner may determine to seek expulsion, or such other lesser sanctions as it deems appropriate, against any Member for cause. Owner may

elect to expel a Designee without expelling the applicable Corporate Member. For purposes hereof, the term “cause” shall mean the occurrence of any one or more of the following events:

(a) Furnishing inaccurate, incomplete and/or misleading information on the Member’s Application and Agreement and/or the Designee’s Application and Agreement;

(b) The failure of a Member or Designee to pay to the Club any fees, dues, charges or other amounts owing to the Club on or before the last day of the month following the month in which the Club issues a statement to the Member or Designee itemizing such amounts;

(c) The failure of a Member or Designee to timely pay to the Club any fees, dues, charges or other amounts owing on two (2) or more occasions in any twelve (12) month period or on three (3) or more occasions in any twenty-four (24) month period;

(d) The conviction of any felony by a Member or Designee;

(e) The commission of any act of fraud by a Corporate Golf Member (or by a Designee of the Corporate Golf Member) in the course of conducting the business enterprises of the Corporate Golf Member or any material acts of a Corporate Golf Member (or by a Designee of the Corporate Golf Member) outside the Club that are unprofessional, unethical or otherwise bring embarrassment to the Club and/or its Members; or

(f) The performance in or about the Club Facilities by a Member or Designee, or their respective Immediate Family, Extended Family or Guests, or any of them, of acts which Owner determines to be detrimental to the welfare, safety, harmony or good reputation of the Club or its employees or staff, or to the Members or Designees or their respective Immediate Family, Extended Family and Guests. Such conduct may include, but shall not be limited to: (i) swearing at anyone or out loud; (ii) making vulgar or profane statements to anyone or out loud; (iii) harassing, striking, molesting and/or endangering anyone; (iv) attempting to harass, strike, molest and/or endanger anyone; (v) damaging or attempting to damage all or any portion of the Club Facilities; and/or (vi) violating any of the Rules and Regulations of the Club. Conduct of a Member’s or Designee’s Immediate Family, Extended Family or Guests may be cause for expulsion of a Member, and/or may result in denial of Membership Privileges of the Club to such Member’s or Designee’s Immediate Family, Extended Family or Guests, as applicable, in such manner and for such time as Owner may determine. The determination to be made by Owner in the case of expulsion shall be that the conduct found to be detrimental consisted of an act sufficiently objectionable, in the judgment of Owner, to give discomfort and offense to reasonable persons of the age, education and background of the typical Member, to such degree that such persons would likely not prefer to associate with the offending individual.

In the event of the expulsion of a Member pursuant to this Section 6.8, the expelled Member’s Membership shall automatically be deemed terminated pursuant to this Section 6.8 effective as of the date of expulsion (“Membership Expulsion Termination”). Upon any such termination, notwithstanding any provision to the contrary in this Membership Plan and/or in the Application and Agreement of the applicable Member, the expelled Member shall not be entitled to a refund of all or any portion of the Initiation Fee paid by the expelled Member, nor shall the expelled Member be entitled to receive back from Owner or the Club any other sums. Upon any such termination, neither the expelled Member, nor any members of the Immediate Family or

Extended Family of the expelled Member, will be entitled to exercise any Membership Privileges of the Club and/or any further rights or privileges with respect to the Club and/or the Club Facilities. Upon any such termination of a Corporate Golf Membership, notwithstanding any provision to the contrary in this Membership Plan and/or in the Application and Agreement of the applicable Corporate Golf Member, the expelled Corporate Golf Member shall not be entitled to a refund of all or any portion of the Initiation Fee paid by the expelled Corporate Golf Member, nor shall the expelled Corporate Golf Member, the Designees nor the Immediate Family or the Extended Family of the Designees, be entitled to exercise any Membership Privileges of the Club and/or any further rights or privileges with respect to the Club and/or the Club Facilities. Upon any such termination, the expelled Member and in the case of a Corporate Golf Membership, the Designees, shall continue to remain liable and obligated for the payment of all accrued and unpaid fees, dues, charges and other amounts owing by the expelled Member and the Designees to the Club up to and through the effective date of expulsion and termination.

For the avoidance of doubt, upon the expulsion of a Member and the termination of such Member's Membership pursuant to this Section 6.8, the provisions of Section 6.2, Section 6.3, Section 6.4 and Section 6.6 shall not be applicable.

6.9 GRIEVANCE COMMITTEE/DISCIPLINARY HEARING

(a) All decisions concerning the disciplinary action to be taken against a Member or Designee who/that is late in the timely payment to the Club of any fees, dues, charges or other amounts owing to the Club, shall be made by Owner. For the avoidance of doubt, in no event and under no circumstance shall a Member or Designee be entitled to a Disciplinary Hearing as a result of the occurrence of the circumstance described in this Section 6.9 (a). In such a case, the decision of the Owner shall be conclusive and binding.

(b) With regard to all conduct, acts or omissions (other than the circumstances described in Section 6.9 (a) hereof), giving rise to potential disciplinary action, Owner shall have the right to appoint from time to time a grievance committee ("Grievance Committee"), consisting of three (3) Members and/or Designees in Good Standing. The Grievance Committee shall function as a hearing tribunal with respect to questions involving any proposed disciplinary action to be taken against any Member or Designee, other than the circumstances described in Section 6.9 (a). In the event: (i) the conduct, acts or omissions of any Member or Designee, or the Immediate Family or Extended Family of any Member or Designee, give rise to potential disciplinary action by the Club; and/or (ii) the Club receives one or more complaints concerning the conduct, acts or omissions of any Member or Designee, or the Immediate Family or Extended Family of any Member or Designee, then the general manager ("General Manager") of the Club shall determine whether or not to refer such matter to the Grievance Committee. In the event the General Manager fails to refer such matter to the Grievance Committee within thirty (30) days after the General Manager is informed in writing of the occurrence of the conduct, acts or omissions in question, then such failure shall mean that Owner has determined that the conduct, acts or omissions in question lack sufficient substantiality to proceed thereon.

(c) After a decision is made to seek suspension, expulsion or other disciplinary action against a Member and/or a Designee, Owner shall give written notice thereof to the Member and/or the Designee and the Grievance Committee ("Disciplinary Notice"). The

Disciplinary Notice shall state: (i) a reasonably specific explanation of the reason for the Disciplinary Notice; (ii) the scope of the disciplinary action the Club may undertake; and (iii) a reasonably convenient time and place for a hearing by the Grievance Committee with respect to the proposed disciplinary action (“Disciplinary Hearing”). The Disciplinary Notice shall be deemed given if delivered or sent to the Member and/or the Designee in any manner permitted in Section 10.7 (a) – (c) hereof.

(d) The Disciplinary Hearing shall be held not earlier than five (5) calendar days and not later than thirty (30) calendar days after the date of the Disciplinary Notice. During the Disciplinary Hearing, the Member and/or Designee may elect to be heard orally or in writing. The scope of proceedings at a Disciplinary Hearing shall be limited to the following matters: (i) the establishment of the conduct believed to constitute the cause for disciplinary action; (ii) oral or written statements of the affected Member and/or Designee and of such other persons, reasonable in number, as may be presented at the Disciplinary Hearing by the affected Member and/or Designee with an explanation or a mitigation of the conduct upon which the Disciplinary Hearing is based; and (iii) oral or written statements of other Members or Designees who have information relevant to the subject matter of the Disciplinary Hearing. The Grievance Committee's function shall be to determine the facts concerning the complaint based upon the evidence presented at the Disciplinary Hearing. All Disciplinary Hearings shall be closed, except as to Members or Designees charged, witnesses and a representative of Owner. Formal rules of evidence will not apply to any Disciplinary Hearing, provided that the Member or Designee in question shall have the opportunity to cross-examine all witnesses against him or her, to produce witnesses on his or her own behalf, to explain any evidence against him or her, and to submit at such Disciplinary Hearing any written or oral argument.

(e) Within ten (10) days following the Disciplinary Hearing, the Grievance Committee shall issue a finding of facts and recommendations in writing to the Owner, and deliver or send a copy thereof to the Member or Designee in question in any manner permitted in Section 10.7 (a) – (c) hereof.

(f) Owner shall, within thirty (30) days after receipt of the finding of facts and recommendations of the Grievance Committee, review the Grievance Committee's findings of fact and recommendations and issue a final decision. The decision of Owner as to sufficiency of the cause for suspension, expulsion or other disciplinary action shall be final and binding and the decision of the Owner shall be delivered or sent to the Member or Designee in any manner permitted in Section 10.7 (a) – (c) hereof.

6.10 DEATH OF A MEMBER OR DESIGNEE

Upon the death of a Member who was married at the time of death, the surviving Spouse (“Surviving Spouse”) of the Member shall have the right to elect to continue to enjoy the Membership Privileges of the deceased Member pursuant to the terms and conditions of this Membership Plan, the Rules and Regulations and the deceased Member’s Application and Agreement. Upon the death of an unmarried Member, the Membership will terminate automatically effective upon the date of death of such Member. In the case of the death of a Designee, the applicable Corporate Golf Membership shall not be terminated, and the Surviving Spouse of such deceased Designee shall have the right to elect to continue to enjoy the

Membership Privileges of the deceased Designee pursuant to the terms and conditions of this Membership Plan, the Rules and Regulations and the deceased Designee's Designee Application and Agreement, subject, however, to the right of the Corporate Golf Member to appoint a new Designee and/or reduce the number of authorized Designees in accordance with the procedures set forth in this Membership Plan and the Corporate Golf Member's Application and Agreement. All elections to be made by the Surviving Spouse of the deceased Member or Designee must be in writing and made within ninety (90) days of the date of death of the Member or Designee. The deceased Member's and deceased Designee's estate shall be responsible for payment of all accrued and unpaid dues, fees, charges and other amounts with respect to the applicable Membership and dues shall continue to accrue (and the estate of the deceased Member and deceased Designee shall continue to be liable for all dues that accrue prior to), the earlier of: (A) in the case of any Membership other than a Corporate Golf Membership: (i) Owner receives written notice from the Surviving Spouse pursuant to this Section 6.10; or (ii) the Membership is deemed terminated pursuant to the provisions of this Membership Plan; or (B) in the case of a Corporate Golf Membership: (i) the Corporate Golf Member exercises its right to designate a new Designee to replace such deceased Designee pursuant to Section 4.1(e) hereof and such replacement Designee is approved pursuant to Article 5 hereof; or (ii) Owner receives written notice from the Surviving Spouse pursuant to this Section 6.10. Memberships are not inheritable by children of the Member or Designee or by others designated in a Member's or Designee's will.

6.11 LEGAL SEPARATION OR DIVORCE

In the event a Member or Designee is legally separated or divorced, the Membership and the accompanying Membership Privileges shall remain vested in the person designated as the Member or Designee (as applicable), in the Application and Agreement, unless otherwise provided in a written separation agreement or final divorce decree. In such an event, either the legally separated Member or Designee (as applicable) or their former Spouse, as the case may be, shall no longer be entitled to exercise any Membership Privileges with respect to such Membership. Owner will not become involved in any dispute between a Member or Designee (as applicable) and their Spouse, and Owner reserves the right to suspend all Membership Privileges in the event of any disagreement over which such spouse is entitled to retain the Membership and/or exercise the Membership Privileges.

6.12 TEMPORARY DOWNGRADE TO SOCIAL MEMBERSHIP

A Golf Member who has a health or medical condition who is in Good Standing (and who has been in Good Standing during the immediately preceding sixty (60) month period) may request to downgrade such person's Golf Membership to a Sports Membership for a period not to exceed six (6) months ("Downgrade"), which request shall be submitted in writing to Owner. For purposes of this Section 6.12, the term health or medical condition shall mean the existence of a temporary or permanent condition that reasonably prevents the Golf Member from playing golf and utilizing the golf facilities of the Club. In those circumstances where the health or medical condition may not be obvious, Owner reserves the right to require the Golf Member provide a written letter from the Golf Member's physician confirming the existence of such health or medical condition and the Golf Member's inability to play golf and utilize the golf facilities of the Club. The decision as to whether or not to permit a Downgrade shall be made by

Owner. Only one (1) Downgrade may be granted in connection with a Golf Membership during the term of such Golf Membership. During any approved Downgrade: (a) neither the Member, nor the Immediate Family of the Member, shall be entitled to exercise any Membership Privileges with respect to the Golf Membership; (b) provided the Member is and remains in Good Standing, the Member and the Immediate Family of the Member, shall be entitled to exercise the Membership Privileges applicable to Sports Memberships; (c) the Member shall remain obligated to pay all dues, fees, charges and other amounts accrued and payable with respect to the Golf Membership prior to such Downgrade; and (d) the Member shall be obligated to pay all dues, fees, charges and other amounts that accrue and are payable with respect to the Sports Membership during the Downgrade.

6.13 TERMINATION AND REDEMPTION OF A MEMBERSHIP WITHOUT CAUSE

Owner reserves the right, without cause and exercisable at any time, to terminate and redeem an individual Membership in the Club, without regard to the date of issuance of such Membership and without regard to whether the conduct of the Member, or the Immediate Family, and/or Guests of the Member (or in the case of a Corporate Golf Membership, the Designee or the Immediate Family and/or Guests of the Designee), is sufficient to warrant disciplinary action (“Membership Termination and Redemption”). In the event Owner elects to effect a Membership Termination and Redemption, Owner shall deliver written notice of such Membership Termination and Redemption to the applicable Member. Upon the effective date of any such Membership Termination and Redemption (as specified in the written notice), the Membership shall be deemed to have been redeemed by the Club and terminated. Within thirty (30) calendar days following any such Membership Termination and Redemption, and notwithstanding any provision contained in this Membership Plan to the contrary, that portion of the Initiation Fee previously paid by the applicable Member to the Club for such Membership shall be refunded to such Member, without any interest accrued thereon, less the amount of all outstanding dues, fees, charges and other amounts owed by the applicable Member to the Club as of the effective date of such Membership Termination and Redemption. Effective upon such Membership Termination and Redemption, neither the applicable Member nor any Designees shall be entitled to exercise any Membership Privileges nor shall they have any further rights or privileges with respect to the Club and/or the Club Facilities. For the avoidance of doubt, the provisions of this Section 6.13 shall not be applicable to a voluntary resignation pursuant to Section 6.2, a termination pursuant to Section 6.3 or the re-issuance provisions set forth in Section 6.4 and Section 6.6 hereof.

6.14 GOOD STANDING

For purposes of this Membership Plan, the term “Good Standing” means: (a) the Membership has not been resigned or terminated pursuant to Section 6.3 hereof; (b) neither the Member nor any of the Designees have been suspended pursuant to Section 6.7 hereof; (c) the Member has not been expelled and the Membership terminated pursuant to Section 6.8 hereof; and (d) in the case of Corporate Golf Memberships, the Corporate Golf Member continues to meet the qualification requirements of a valid Business Entity as set forth in this Membership Plan and is in good standing with the applicable governmental authorities.

ARTICLE 7
DUES, FEES, MINIMUMS AND OTHER CHARGES

7.1 MEMBERSHIP YEAR OF THE CLUB AT PRADERA

The Club's membership year will constitute the twelve month period commencing January 1 and ending December 31, unless otherwise established by Owner.

7.2 DUES, FEES, CHARGES AND OTHER AMOUNTS ESTABLISHED BY OWNER

Owner will establish the amount of dues, fees, charges and other amounts to be paid by each Member and Designee of the Club from time to time. The amount of dues payable by each Member and Designee will depend upon the applicable category and classification of Membership. Owner has the right, exercisable from time to time, to increase or decrease the amount of dues for one or more categories and/or classifications of Membership in the Club. Owner reserves the right to amend, change or modify the dues structure for the Club or for any category or classification of Membership from time to time, in amounts and upon terms and conditions determined by Owner including, without limitation, adopting a multi-tiered dues structure for any category or classification of Membership in which the level of dues will be based upon the number of persons in the Immediate Family of the Member or Designee that are designated by such Member or Designee to enjoy the Membership Privileges associated with the applicable Membership. In order to properly maintain the Club Facilities and assure the continued quality of facilities and services, dues will be based on market demand, market conditions and other factors deemed pertinent by Owner. Any increase or decrease in the amount of dues shall be effective on the date specified by Owner. Owner also reserves the right to impose minimum food, beverage and/or other charges in such amounts as may be determined by Owner from time to time. Owner has the right, from time to time, to increase or decrease the minimum food, beverage and other charges for one or more categories and/or classifications of Membership in the Club. Any increase or decrease in the minimum food, beverage and other charges shall be effective on the date specified by Owner in a written notice to the applicable Members and Designees of the Club. In addition to the dues and minimum food, beverage and other charges, Owner shall determine from time to time separate fees, charges and other amounts which may be imposed for the use of golf carts, lockers, golf club storage, shoe shine, golf tournaments, establishment of handicaps and other goods and services furnished by the Club, as well as other services provided at the other Club Facilities. Members, Designees, Immediate Family, Extended Family and Guests are obligated to pay separate charges for the use of golf carts, lockers and golf club storage. The use of golf carts, lockers and golf club storage is subject to availability. Owner may establish a waiting list or other system of priority with regard to locker availability and golf club storage availability. Priority on the waiting list shall be determined by Owner. Owner also has the right to establish a change fee in connection with any increase or decrease in the number of authorized Designees of a Corporate Golf Member pursuant to this Membership Plan and in connection with any change in the identity or designation of a Designee of a Corporate Golf Member pursuant to this Membership Plan, and in either case, to increase or decrease such change fee from time to time. Owner also has the right to establish a processing fee in connection with any conversion of a Junior Golf Membership, and to increase or decrease such processing fee from time to time. The payment of dues, fees,

charges and other amounts owing to the Club will not be abated for any reason, including, without limitation, any extended absence of the Member or Designee or any temporary disability preventing the Member's or Designee's use of the Club Facilities, except and unless specifically provided otherwise in this Membership Plan.

Corporate Golf Members are jointly and severally responsible with each Designee of such Corporate Golf Member for all incurred and/or accrued and unpaid dues, fees, charges and other amounts with respect to each Designee of such Corporate Golf Member, regardless of the status of such Designees (ex: active, inactive, suspended, resigned, terminated, etc.). Without limiting the foregoing, each Corporate Golf Member shall be jointly and severally liable for all dues applicable to the number of authorized Designees of such Corporate Golf Member (i.e.: not less than one (1) and not more than four (4)), regardless of the status of each such Designee (ex: active, inactive, suspended, terminated, resigned, etc.), and regardless of whether or not the Corporate Golf Member has designated a new Designee to replace the former Designee pursuant to the provisions of this Membership Plan, subject to the right of each Corporate Golf Member to increase or decrease the authorized number of Designees and/or change the identity or designation of each such Designee, as set forth in Section 4.1(e) hereof.

7.3 DUES SHALL BE PAYABLE IN ADVANCE ON A MONTHLY BASIS; FEES, CHARGES AND OTHER AMOUNTS PAYABLE MONTHLY IN ARREARS

Dues shall be payable in advance each month during the membership year, unless otherwise established by Owner, which means the monthly statement sent to each Member and Designee will include the amount of dues owing for the month in which such statement is sent. All other fees, charges and other amounts are payable in arrears on a monthly basis. All dues, fees, charges and other amounts shall be payable in accordance with Section 7.7 below.

7.4 THE SCHEDULE OF DUES, FEES, CHARGES AND OTHER AMOUNTS DESCRIBES THE CURRENT DUES, FEES, CHARGES AND OTHER AMOUNTS

The current dues, fees, charges and other amounts for use of the Club Facilities are described on the Schedule of Dues, Fees and Charges. The Schedule of Dues, Fees and Charges is also subject to change from time to time by Owner.

7.5 FINANCIAL RESPONSIBILITY FOR MEMBERSHIP AT THE CLUB AT PRADERA

Each Member and Designee shall be responsible for the conduct of their respective Immediate Family, Extended Family and Guests when using the Club Facilities. Each Member and Designee shall be directly and fully responsible to Owner for all damages and injuries caused by their respective Immediate Family, Extended Family and Guests and for all charges incurred by their respective Immediate Family, Extended Family and Guests. Corporate Golf Members are jointly and severally responsible with each Designee of such Corporate Member for all damages and injuries caused by such Designee and by the Immediate Family, Extended Family and Guests of such Designee. Corporate Golf Members are also jointly and severally responsible with each Designee of such Corporate Golf Member for all incurred and/or accrued and unpaid dues, fees, charges and other amounts with respect to each Designee of such

Corporate Golf Member, regardless of the status of such Designees (ex: active, inactive, suspended, resigned or terminated, etc.). Without limiting the foregoing, each Corporate Golf Member shall be jointly and severally liable for all dues applicable to the number of authorized Designees of such Corporate Golf Member (i.e.: not less than one (1) and not more than four (4)), regardless of the status of each such Designee (ex: active, inactive, suspended, terminated, resigned, etc.), and regardless of whether or not the Corporate Golf Member has designated a new Designee to replace the former Designee pursuant to the provisions of this Membership Plan, subject to the right of each Corporate Golf Member to increase or decrease the authorized number of Designees and/or change the identity or designation of each Designee, in each case pursuant to Section 4.1(e) hereof.

7.6 CHARGING PRIVILEGES

Subject to such restrictions and limitations as may be established by Owner from time to time, Owner will afford all Members and Designees in Good Standing, and their respective Immediate Family and Extended Family, the privilege of charging for all food and beverage, retail and other purchases in the clubhouse and on or about the Club Facilities. Additionally, subject to the provisions of this Membership Plan, the Club will afford authorized Guests the privilege of charging all food and beverage, retail and other purchases as well as for services provided in the clubhouse and/or on or about the Club Facilities. Accounts will be billed on a monthly basis. Members, Designees, and their respective Immediate Family and Extended Family, are required to sign all charge tickets and are also required to write the applicable Member's or Designee's membership number on all charge tickets. The Club may also accept cash for food and beverage, and retail and other purchases, and in certain areas of the Club Facilities. The Club may also accept designated credit cards/debit cards for food and beverage, retail and other purchases and, in connection therewith, impose a surcharge/service charge/processing fee in such amount as may be established by Owner, subject to applicable law. Furthermore, Owner also reserves the right to impose a service charge on certain food and beverage purchases in the restaurants comprising the Club Facilities.

7.7 MEMBER'S ACCOUNTS

A monthly statement shall be sent to each Member and Designee, which will include a summary of all dues, fees, charges and other amounts owing to the Club. Dues shall be payable in advance on or before the first day of each month, which means the monthly statement sent to each Member and Designee will include the amount of dues owing for the month in which such statement is sent. All other fees, charges and other amounts are due and payable on or before the last day of the month in which the Club issues a written statement to the Member or Designee itemizing such dues, fees, charges and other amounts that are payable. Without limiting the remedies of Owner as described in this Membership Plan, in the event any Member or Designee fails to timely pay to the Club any financial or monetary obligation owing to the Club including, without limitation, the amount set forth in any monthly statement, all such unpaid amounts shall bear interest at the rate of one and three-quarters percent (1.75%) per month, compounded monthly, commencing on the date such obligation was due and terminating on the date such amount is paid in full, but not to exceed the maximum amount permitted by law.

Owner has the authority to post any delinquent Member's or Designee's name on the Club bulletin board or take any other action that may be deemed appropriate to assist in the collection of such Member's or Designee's accounts. In the event any Member or Designee is delinquent in the payment of such Member's or Designee's account with the Club on one or more occasion, in addition to all the rights and remedies which may be available to Owner under this Membership Plan, the Rules and Regulations, the applicable Application and Agreement and other applicable laws, Owner reserves the right to require such Member and/or Designee to prepay in advance their respective fees, dues, charges and other amounts (including, without limitation, club storage fees, handicap fees, locker fees and/or fees for other services provided at the Club Facilities), on either an annual or other periodic basis as may be determined by Owner from time to time. Any expenses incurred by Owner for checks returned by a Member's or Designee's bank or otherwise incurred in connection with delinquent accounts, shall be borne by such Member and/or Designee, as applicable including, without limitation all attorneys' fees and court costs incurred by Owner in connection with the collection of such expenses. Without limiting any rights of Owner or the Club, Owner shall have the right to charge all delinquent dues, fees and charges against the applicable Member's or Designee's credit card/debit card on file with the Club and, in connection therewith, impose a service charge/processing fee in such amount as may be established by Owner, subject to applicable law.

Owner may elect to accept designated credit cards/debit cards for the payment of monthly dues, fees, charges and other amounts owing by a Member and/or a Designee to the Club. As a condition to exercising the privilege of using a credit card, Owner may impose a surcharge/service charge/processing fee in such amount as may be established by Owner, subject to applicable law.

ARTICLE 8 CLUB OPERATIONS

8.1 MANAGEMENT AND CONTROL OF THE CLUB FACILITIES AND OPERATION OF THE CLUB

Owner, either directly and/or through its agents and representatives, will manage and operate the Club and the Club Facilities as Owner deems appropriate. As a result, Owner shall be solely responsible for the administration of the Club and the Club Facilities and will have the exclusive authority to accept or decline prospective Members and Designees, set all dues, fees and other charges, establish the Rules and Regulations and control the management and affairs of the Club and the Club Facilities. Owner shall in no way be obligated to satisfy or underwrite deficits and shall be entitled to operate the Club Facilities in any manner deemed appropriate by Owner. All revenues and operating profits, if any, resulting from or relating to the Club and the Club Facilities shall belong to Owner. Owner reserves the right to retain a professional management firm to manage and operate the day-to-day affairs of the Club Facilities.

8.2 MEMBERS AND DESIGNEES HAVE NO VOTING PRIVILEGES

Members and Designees have no voting privileges with respect to the Club or the Club Facilities.

8.3 ADVISORY BOARD

Owner may establish an advisory board whose purpose includes fostering good relations between the Members and Designees and management of the Club Facilities and providing Member and Designee input on programs and activities provided at the Club. The advisory board shall be composed of Members and Designees selected by Owner (the "Advisory Board"). Members of the Advisory Board shall serve staggered terms established by Owner. The Advisory Board has no duty or power to negotiate or otherwise act on behalf of Owner, the Club or its management or the Members or Designees and such Advisory Board of serves only in an advisory capacity as a liaison between Members and Designees of the Club and management of the Club Facilities.

8.4 CLUB COMMITTEES

Owner may establish such other committees ("Committees"), as Owner deems appropriate and shall appoint Members and Designees designated by Owner. Designated members of the management team shall meet with these Committees on a regular basis to discuss the operation of the Club Facilities and the formulation of programs for Members and Designees. Each of the Committees shall submit their recommendations to Owner for review and approval.

All Committees shall act as advisory committees only. The chairperson of each Committee may appoint from the members of the Committees such sub-committees as they deem desirable. All sub-committees shall report directly to the Committee as a whole, which shall approve, amend or disapprove the report of the sub-committee.

ARTICLE 9 OTHER MEMBERSHIPS AND USE PRIVILEGES

9.1 USE OF THE GOLF COURSE AND CLUB FACILITIES BY NON-MEMBERS

Owner reserves the right to permit golf play and use of the clubhouse and other Club Facilities by non-Members, upon such terms and conditions as determined by Owner from time to time ("Non-Member Use"). The Non-Member Use may include, without limitation, tournaments, banquets, weddings, bar mitzvahs, bat mitzvahs and other special events. Owner will establish the use privileges and the applicable fees and other charges and conditions from time to time applicable to such Non-Member Use. The Non-Member Use may from time to time supersede and/or take priority over the use of the Club Facilities by Members and Designees, their respective Immediate Family, Extended Family and Guests, as applicable, provided Owner shall endeavor to schedule such Non-Member Use at such times so as not to materially interfere with the use and enjoyment of the Club Facilities by Members and Designees, their respective Immediate Family, Extended Family and Guests.

9.2 PROMOTIONAL USE OF THE CLUB FACILITIES, TOURNAMENT PLAY, SPECIAL EVENTS AND GROUP OUTINGS

Owner has the right to designate persons to use any or all of the Club Facilities for any purpose and upon such terms and conditions as are established from time to time by Owner. The persons designated to use the Club Facilities may include, without limitation, persons who are prospective members at the Club, persons who are involved in special events held at the Club and employees of Owner and/or its affiliates. The persons designated by Owner are subject solely to approval by Owner.

Owner shall have the right at any time to hold promotional and other special events on the Club Facilities and to promote the Club in advertisements and promotional materials by making reference to The Club at Pradera and the availability of Memberships. Owner reserves the right to restrict or otherwise reserve in advance the Club Facilities for maintenance and for such promotional and other special events from time to time.

9.3 RECIPROCAL PRIVILEGES

Owner shall have the right to enter into reciprocal use, privileges and access agreements with other golf club and recreational facilities including, without limitation, agreements with affiliates of Owner, pursuant to which (a) Members of the Club may be entitled to use the other clubs and facilities upon payment of such dues, fees and charges established by the owners of the other clubs and facilities from time to time; and (b) members of the other clubs and facilities may be entitled to use the Club Facilities upon payment of such dues, fees and charges established by Owner from time to time. Such reciprocal use rights shall be on such terms and conditions as may be determined by Owner from time to time and may be withdrawn or limited at any time by Owner.

ARTICLE 10 ACKNOWLEDGEMENT OF MEMBERSHIP PRIVILEGES.

10.1 ACKNOWLEDGEMENT OF MEMBERSHIP PRIVILEGES

The Club Facilities are owned by Owner. Membership at the Club is not an investment in Owner, the Club or the Club Facilities and does not provide the Member with an equity or ownership interest or any other property interest in Owner, the Club or the Club Facilities. Membership at the Club allows the Member or the Member's Designees to use the Club Facilities, but does not grant to the Member or the Member's Designee a vested or prescriptive right or easement to use the Club Facilities. Members do not have any interest in the income of Owner or the Club and do not have the right to receive any of Owner's or the Club's assets if the Club is dissolved, or if the Club or any Club Facilities are sold or otherwise conveyed. Use of the Club Facilities by Members and Designees may be restricted or reserved from time to time by Owner. Members and Designees only obtain a non-exclusive, non-transferable, revocable, non-refundable license to use the Club Facilities in accordance with the terms of the Membership Plan, the Rules and Regulations and the applicable Application and Agreement/Designee Application and Agreement.

Owner may obtain a loan from time to time and use the Club Facilities as security and collateral for repayment of such loan and therefore, all rights and privileges of the Members and Designees pursuant to this Membership Plan, the Rules and Regulations and the applicable Application and Agreement/Designee Application and Agreement, are subordinate to the lien of any mortgage or deed of trust encumbering the Club Facilities.

10.2 MODIFICATION AND TERMINATION OF MEMBERSHIP PLAN

Owner reserves the right to sell, assign its interest in, lease or otherwise dispose of the Club Facilities or any part thereof, or to convert The Club at Pradera into an equity membership owned club, without the consent or approval of any Members of the Club. Without limiting the provisions of Section 5.5 hereof, Owner further reserves the right to amend and modify this Membership Plan in any manner it deems appropriate. All Members and Designees agree to be bound by any changes to this Membership Plan once communicated to them in writing.

10.3 SUBSEQUENT PURCHASER OF THE CLUB FACILITIES

Any purchaser of the Club Facilities from Owner shall acquire the Club Facilities subject to all of the terms and conditions of this Membership Plan, as it may be amended from time to time, unless this Membership Plan is terminated (as described in this Membership Plan) prior to the closing of the proposed acquisition. In the event Owner sells the Club Facilities, assigns its interest in, leases or converts the Club Facilities into an equity member-owned club, Owner may assign its rights and obligations under this Membership Plan and the Application and Agreements/Designee Applications and Agreements, in which event Owner shall be released from all liability under this Membership Plan and the Application and Agreements/Designee Applications and Agreements, and the term "Owner" as used in this Membership Plan, shall thereafter be deemed to refer to such purchaser or assignee.

10.4 MANDATORY DISPUTE RESOLUTION

Any controversy, dispute or claim (collectively "Dispute") regarding, resulting from, arising out of or in any way related to the Club, the Memberships, the Membership Privileges, use of Club Facilities, Club operations, this Membership Plan, the Rules and Regulations, any Application and Agreement/Designee Application and Agreement/or Owner's decision as to any Disciplinary Hearing and the disciplinary action taken, shall be governed by the mandatory dispute resolution procedures set forth below.

In the event that Owner or a Member or Designee has a Dispute (the "Claimant"), the Claimant shall notify the applicable party (the "Notified Party") in writing of the claim, describing the nature of the claim and any proposed remedy (the "Dispute Notice"). Within a reasonable period after receipt of the Dispute Notice, which period shall not exceed sixty (60) calendar days, the Notified Party shall contact the Claimant to set up a meeting and shall meet at the Club Facilities to discuss the Dispute.

10.5 MEDIATION

If the parties to the Dispute fail to resolve the Dispute by negotiation within thirty (30) calendar days after delivery of the Dispute Notice, the matter shall be submitted to mediation pursuant to the Mediation Rules of the American Arbitration Association applicable to recreational club facility disputes (except as such procedures are modified by these provisions or such other mediation service selected by the Notified Party). The Claimant shall have until one hundred twenty (120) days after the date of delivery of the Dispute Notice to Notified Party, to submit the Dispute to mediation. If Claimant fails to timely submit the Dispute to mediation, then the Dispute of the Claimant shall be deemed waived and abandoned and all applicable parties shall be relieved and released from any and all liability relating to the Dispute. No person shall serve as a mediator in any dispute in which the person has any financial or personal interest in the result of the mediation, except by written consent of all parties. Prior to accepting any appointment, the prospective mediator shall disclose any circumstances likely to create a presumption of bias or to prevent a prompt commencement of the mediation process. No litigation or other action shall be commenced against the Notified Party or any applicable party without complying with the procedures described herein:

(a) Position Memoranda; Pre-Mediation Conference. Within ten (10) calendar days of the selection of the mediator, each party shall submit a brief memorandum setting forth their position with regard to the issues that need to be resolved. The mediator shall have the right to schedule a pre-mediation conference and all parties shall attend unless otherwise agreed. The mediation shall be commenced within ten (10) calendar days following the submittal of the memoranda and shall be concluded within fifteen (15) calendar days from the commencement of the mediation unless the parties mutually agree to extend the mediation period. The mediation shall be held at the Club Facilities or such other place as is mutually acceptable by the parties.

(b) Conduct of Mediation. The mediator has discretion to conduct the mediation in the manner in which the mediator believes is most appropriate for reaching a settlement of the Dispute, consistent with the mediation rules applicable to the Dispute. The mediator is authorized to conduct joint and separate meetings with the parties and to make oral and written recommendations for settlement. Whenever necessary, the mediator may also obtain expert advice concerning technical aspects of the Dispute, provided the parties agree and assume the expense of obtaining such advice. The mediator does not have the authority to impose a settlement on the parties.

(c) Exclusion Agreement. Any admissions, offers of compromise or settlement negotiations or communications at the mediation shall be excluded in any subsequent dispute resolution forum.

(d) Parties Permitted at Sessions. Persons other than the parties, the representatives and mediator may attend mediation sessions only with the permission of both parties and the consent of the mediator. Confidential information disclosed to a mediator by the parties or by witnesses in the course of the mediation shall be confidential. There shall be no stenographic record of the mediation process.

(e) Mediation Expenses. All expenses of the mediation (including the fees and costs charged by the mediator and the expenses of any witnesses or the cost of any proof or expert advice produced at the direct request of the mediator), shall be borne equally by the parties unless they agree otherwise. Each party to the mediation shall bear its own attorneys' fees and costs in connection with such mediation.

10.6 EXERCISE OTHER RIGHTS AND REMEDIES

Should mediation not be successful in resolving any Dispute, then the Claimant who delivered the Dispute Notice shall have ninety (90) calendar days after the date of termination of the mediation to pursue all other rights and remedies available under applicable law.

10.7 NOTICE

All notices or other communications (other than regular statements of account and delinquent notices) required to be given or made hereunder by the Club or Owner shall be in writing and shall be deemed delivered when: (a) delivered personally; (b) deposited in the United States mail (first-class, postage prepaid), and addressed to the recipient at the last known address of such recipient on record with the Club; (c) sent by facsimile telecommunication or electronic mail when directed to the recipient at the last known facsimile number or electronic mail address, respectively, of such recipient on record with Club; or (d) the expiration of thirty (30) days after posting of such notice or communication on an electronic message board, secure website or network which the Club has designated for such notices and communications. All regular statements of account and delinquent notices required to be given or made hereunder by the Club shall be in writing and shall be deemed delivered when: (i) delivered personally; (ii) deposited in the United States mail (first-class, postage prepaid) and addressed to the recipient at the last known address of such recipient on record with the Club; or (iii) sent by facsimile telecommunication or electronic mail when directed to the recipient at the last known facsimile number or email address, respectively, of such recipient on record with the Club.

10.8 OWNER'S AUTHORITY

All matters subject to Owner's review, consent, approval or discretion pursuant to this Membership Plan, the Rules and Regulations of the Club, the applicable Application and Agreement/Designee Application and Agreement and/or any other governing instruments of the Club, shall be reviewed and approved or disapproved by Owner in its sole and absolute discretion.

10.9 INDEMNIFICATION AND ASSUMPTION OF RISK

Each Member and Designee hereby agrees to indemnify, defend and hold harmless Owner (and Owner's parent, subsidiaries and affiliates) and any management firm retained to operate and manage the Club Facilities on a day-to-day basis, and each of their respective members, managers, directors, officers, partners, shareholders, employees, agents, attorneys, successors and assigns, at all levels ("Indemnified Parties"), from and against any and all liabilities, costs (including reasonable attorney's fees), judgments and damages, arising out of and/or related to all claims, demands and causes of action incident to or arising out of acts or

omissions of such Member or Designee, or their respective Immediate Family, Extended Family and Guests. Each Member and Designee hereby voluntarily assumes all risks of accident or damage to such Member's or Designee's person or property, and the person or property of their respective Immediate Family, Extended Family and Guests, arising out of or relating to the use or occupancy of the Club Facilities and/or participating in any event or activity held by the Club either on or off the Club Facilities, by such Member or Designee, and their respective Immediate Family, Extended Family and Guests. Owner shall not be responsible or liable for any property damage, personal injury and/or theft caused by any Member or Designee or by the Immediate Family, Extended Family and/or Guests of any Member or Designee and/or caused to any Member or Designee or to the Immediate Family, Extended Family and/or Guests of any Member or Designee. Each Member and Designee hereby agrees to be responsible and liable for all property damage, personal injury and/or theft which he or she causes, or which is caused by his or her Immediate Family, Extended Family or Guests, at the Club Facilities or at any activity or function operated, organized, arranged or sponsored by Owner. In addition, a Member or Designee, or the Immediate Family or Extended Family of the Member or Designee, who arranges or sponsors any activity or function at the Club Facilities, shall be responsible for any such damage or injury even if such damage or injury was not caused by the Member, Designee or the Immediate Family or Extended Family of the Member or Designee. Without limiting the foregoing, the cost of repairing any such damage shall be charged to the Member's or Designee's account. The terms and provisions of this section shall survive termination of this Membership Plan and/or the Membership of any Member and/or Designee in the Club.