



FROST CREEK

MEMBERSHIP PLAN

FROST CREEK CLUB

MEMBERSHIP PLAN OVERVIEW

MISSION STATEMENT

It is our desire and intent to provide members and their guests a premier private country club experience and environment at Frost Creek Club (the "Club"). Practices and policies will be established by the Club which are designed to promote a quality experience for all members, and superior club and golf course operations.

MEMBERSHIP OPPORTUNITY

This Membership Plan (the "Membership Plan") describes the membership opportunities in the Club. Membership in the Club provides access to outstanding golf, tennis, swim, health and fitness, social and lodging facilities, as more fully described hereinafter, located within the Frost Creek residential community in Eagle, Colorado (the "Community").

The following primary categories of non-equity membership are being offered in the Club: Founding Investor, Founding, Resident Premier, Resident Social, Local and Regional/National. The holder of a membership in the Club is hereinafter referred to as a "Member."

SPECIAL MEMBERSHIP BENEFITS

Membership in the Club provides a number of benefits. A brief description of some of the current benefits follows and they are described in greater detail in this Membership Plan, which provisions shall control (capitalized terms in quotations below in this Special Membership Benefits paragraph shall have the meaning ascribed to them hereinafter in this Membership Plan):

- **Transferability of Membership to Subsequent Purchaser of Member's Property.** A membership is transferable to the subsequent purchaser of the Member's residence or home site in the Community or in an "Other Designated Community" according to the terms set forth hereinafter.
- **Immediate Family Privileges.** A Member's "Immediate Family Members" are entitled to the same use privileges as the Member without having to pay additional membership dues.
- **No Assessments.** Members are not subject to operating or capital assessments by the Club.
- **Legacy Feature.** Members may request a transfer of the membership through the Club to the Member's spouse, if any, or to an adult child or adult grandchild one time, without the payment of any additional "Initiation Fee".
- **Inheritability.** Upon the death of a Member, the membership can be transferred to the surviving spouse, if any, or to an adult child or adult grandchild one time, without the payment of any additional Initiation Fee.

- **Club Concierge.** A concierge service may be available to Members to arrange for a variety of services.

CAREFULLY REVIEW ALL MEMBERSHIP DOCUMENTS

Every candidate for membership should carefully read this Membership Plan and all of the referenced documents and should seek professional advice to evaluate these documents.

RELY ONLY ON INFORMATION IN THIS MEMBERSHIP PLAN

No person has been authorized to give any information or make any representations not contained in this Membership Plan and the other documents governing membership in the Club and, if given or made, such information must not be relied upon as having been authorized by the Club. In the event of a conflict between the terms of membership contained in the Membership Plan, the Frost Creek Club Rules and Regulations (the "Rules and Regulations") and the Membership Agreement (referred to hereinafter), on the one hand, and other printed materials, on the other hand, the Membership Plan, Rules and Regulations and Membership Agreement shall govern.

Any decision, determination, approval or the like by the Club as provided in this Membership Plan, unless otherwise indicated, shall be made in the Club's sole and absolute discretion and the word "discretion" when used herein shall mean sole and absolute discretion.

MEMBERSHIPS ARE OFFERED FOR RECREATIONAL PURPOSES ONLY

Memberships in the Club are being offered exclusively for the purpose of permitting Members the recreational use of the Club Facilities. Memberships should not be viewed as an investment and no Member should expect to derive any economic profits from membership in the Club.

No federal, state or local authority has passed upon or endorsed the merits of this Membership Plan or other documents governing membership in the Club.

MEMBERSHIP IS BY INVITATION ONLY

Membership in the Club is by invitation only. Candidates for membership must submit a Proposal for Membership in a form provided by the Club and must be invited in order to become a Member. Additional information in this regard is provided hereinafter.

MEMBERSHIP OFFICE AVAILABLE TO ANSWER INQUIRIES

All inquiries regarding membership in the Club or this Membership Plan and referenced documents should be directed to the Membership Office at 1094 Frost Creek Drive, Eagle, Colorado 81631, by mail - P.O. Box 659, Eagle, Colorado 81631, telephone - 970-328-2326 and e-mail - membership@frostcreek.com. You may visit, call or write to the Membership Office. An appointment is recommended in the case of a visit.

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April 2015, as amended May 2015

SECTION I MEMBERSHIP FEATURES AND FACILITIES

INTRODUCTION

The Membership Plan, Rules and Regulations and Membership Agreement set forth the rights, privileges and obligations of membership in the Club. The Club reserves the right to amend, modify or supplement the Membership Plan and Rules and Regulations in its discretion.

CLUB FACILITIES

The Club will offer the following "Club Facilities":

- 18-hole world-class golf course designed by Tom Weiskopf;
- Golf practice facilities, including a driving range and putting green;
- Clubhouse featuring a dining room, bar/lounge, pro shop, men's and women's locker rooms, and fitness area;
- Tennis court with lights for night play;
- Swimming pool together with pool house and sports court; and
- Five free-standing cabins providing overnight accommodations for Members, their family members and guests. Additional cabins may be added at the Club for the enjoyment of Members and guests of the Club.

ADDITIONAL CLUB FACILITIES

The Club may, in its discretion, expand, modify, or remove any of the Club Facilities or add additional facilities either on or off-site, as it determines appropriate from time to time. The Club is not under any obligation whatsoever to expand or modify the Club Facilities or add facilities thereto.

Access to additional facilities which are added to the Club Facilities shall be on such terms as are determined by the Club. The Club may, in its discretion, allow all Members or only those Members in the membership category(ies) designated by the Club to use the additional facilities, increase dues for all Members or only those Members in the designated category(ies) of membership having access to such additional facilities in order to defray the operating costs associated therewith, or give Members in one or more categories the option to use the additional facilities upon payment of an additional Initiation Fee, other charge and/or increased membership dues.

ACTIVITIES AND EVENTS

The Club is committed to conducting activities and events that are appealing to Members, their Immediate Family Members and guests. The Club will conduct enrichment, cultural and educational programs and activities for all ages. A monthly calendar of activities and events will be made available to the membership of the Club.

INTERACTIVE WEB SITE AND NEWSLETTER

The member page at the web site, www.frostcreek.com enables Members to obtain up-to-date Club information and to make reservations to use Club Facilities and services. An e-newsletter containing Club news and other items of interest will be disseminated periodically to all Members requesting receipt thereof.

MEMBER CONCIERGE

A Member Concierge may be available to Members to provide such things as business services, including facsimiles, copies and overnight delivery, restaurant reservations, tickets to sporting and cultural events, tour and excursion booking, such as fishing, rafting, skiing, snow-mobiling, hiking, biking and camping, information about activities available in the local area and other types of assistance determined by the Club. The concierge service when available is included with the membership, but any cost of services procured through the Member Concierge will be charged to the Member.

OWNERSHIP AND OPERATION OF CLUB FACILITIES

BCP-ARR, LLC, a Colorado limited liability company (the "Owner"), owns the Club Facilities and related land upon which they have been constructed. The Owner has entered into an Operating Agreement with BCP-ARR Club, LLC, also a Colorado limited liability company and an affiliate of the Owner (the "Company"). The Company is the sponsor of the membership program at the Club and operates the Club Facilities. Where this Membership Plan refers to the "Club" making a decision or determination, or otherwise taking action, the reference shall be deemed to be to the Company and/or its designees doing business as Frost Creek Club.

SECTION II MEMBERSHIP CATEGORIES AND PRIVILEGES

MEMBERSHIP CATEGORIES

The Club is currently offering memberships in the following primary categories: Founding Investor Membership, Founding Membership, Resident Premier Membership, Resident Social Membership, Local Membership and Regional/National Membership. The use privileges associated with these categories are more fully described below. The Club also offers certain other memberships and use privileges as described in the "Other Memberships and Use Privileges" Section of this Membership Plan.

DESCRIPTION OF MEMBERSHIP PRIVILEGES

A Member will be entitled to use the Club Facilities in accordance with the Member's category of membership and the terms and conditions of this Membership Plan and the Rules and Regulations, each as amended, modified or supplemented by the Club from time to time. All use privileges are subject to availability and to the payment of applicable dues, fees and charges. The membership privileges currently associated with each category of membership are as follows:

Founding Investor Membership

The holders of a Founding Investor Membership (“Founding Investor Members”) are entitled to use all of the Club Facilities. Founding Investor Members are not required to pay greens fees or court fees for use of the golf course and tennis court, respectively, but are required to pay cart fees. Range balls are complimentary. The Club will determine advance sign-up privileges for tee times and court times. Presently, there is no requirement for advance sign-up for tee times or court times, however, Founding Investor Members are free to reserve a time if they so desire.

Founding Membership

The holders of a Founding Membership (“Founding Members”) are entitled to use all of the Club Facilities. Founding Members are not required to pay greens fees or court fees for use of the golf course and tennis court, respectively, but are required to pay cart fees. Range balls are complimentary. The Club will determine advance sign-up privileges for tee times and court times. Presently, there is no requirement for advance sign-up for tee times or court times, however, Founding Members are free to reserve a time if they so desire.

Resident Premier Membership

The holders of a Resident Premier Membership (“Resident Premier Members”) are entitled to use all of the Club Facilities. Resident Premier Members are not required to pay greens fees or court fees for use of the golf course and tennis court, respectively, but are required to pay cart fees. Range balls are complimentary. The Club will determine advance sign-up privileges for tee times and court times. Presently, there is no requirement for advance sign-up for tee times or court times, however, Resident Premier Members are free to reserve a time if they so desire.

Resident Social Membership

The holders of a Resident Social Membership (“Resident Social Members”) are entitled to use all of the Club Facilities, excluding the golf course and golf practice facilities except as a guest of a Member, subject to the Rules and Regulations. Resident Social Members are not obligated to pay court fees for use of the tennis court. Presently, there is no advance sign-up for court times, however, Resident Social Members are free to reserve a time if they so desire.

Local Membership

The holders of a Local Membership (“Local Members”) are entitled to use all of the Club Facilities. Local Members are not required to pay greens fees or court fees for use of the golf course and tennis court, respectively, but are required to pay cart fees. Range balls are complimentary. The Club will determine advance sign-up privileges for tee times and court times. Presently, there is no requirement for advance sign-up for tee times or court times, however, Local Members are free to reserve a time if they so desire.

Regional/National Membership

The holders of a Regional/National Membership (“Regional/National Members”) are entitled to use all of the Club Facilities. National/Regional Members are not required to pay greens fees or court fees for use of the golf course and tennis court, respectively, but are required to pay cart fees. Range balls are complimentary. The Club will determine advance sign-up privileges for tee times and court times. Presently, there is no requirement for advance sign-up for tee times or court times, however, Regional/National Members are free to reserve a time if they so desire.

UPGRADE OF MEMBERSHIP

Resident Social Members may upgrade to a Resident Premier Membership, if a Resident Premier Membership is then available for issuance and not reserved. In order to upgrade, the Member shall pay to the Club the difference between the Initiation Fee then charged for a Resident Premier Membership and the Initiation Fee previously paid by the Member for the Resident Social Membership. The additional amount paid, together with the Initiation Fee previously paid, shall constitute the Member’s Initiation Fee with respect to the Resident Premier Membership. Upon the upgrade becoming effective, the Member shall commence paying the applicable dues and fees associated with a Resident Premier Membership. A Member desiring to upgrade shall execute and deliver such documents as the Club shall require in this regard.

DOWNGRADE OF MEMBERSHIP

Resident Premier Members may downgrade to a Resident Social Membership effective at the beginning of a Membership Year upon written request made to the Club prior to the end of the then current Membership Year. The obligation to pay dues and fees with respect to the Resident Premier Membership shall terminate at the end of the Membership Year in which the request is made, whereupon the Member shall commence paying the applicable dues and fees with respect to the Resident Social Membership. No refund shall be owed to the Member in connection with the downgrade. The Member shall execute and deliver such documents as the Club shall require in this regard. A Resident Premier Member who downgrades to a Resident Social Membership will not be permitted to upgrade the Member’s membership in the future unless otherwise determined by the Club in its discretion.

ACCESS TO GOLF AND TENNIS FACILITIES

Founding Investor Members, Founding Members, Resident Premier Members, and Regional/National Members will have the same advance sign-up privileges for golf tee times, which will be preferred as compared with those of Local Members. Founding Investor Members, Founding Members, Resident Premier Members, Resident Social Members, Local Members and Regional/National Members will have the same advance sign-up privilege for tennis court times.

ACCESS TO CABINS

Access to the cabins at the Club shall be subject to the Club’s cabin reservation and usage policies, as well as applicable rules and regulations in effect from time to time, and to the payment of such charges as are determined by the Club from time to time. Founding Investor Members, Founding Members, Resident Premier Members, and

Regional/National Members will have priority for making reservations to use the cabins as compared with Local Members and Resident Social Members.

RULES AND POLICIES

Subject to the provisions of the "Access to Golf and Tennis Facilities" and the "Access to Cabins" paragraphs above, in order to enhance the recreational and social pleasure of Members, their family members and guests, the Club reserves the right to establish, amend or modify rules, regulations, policies, guidelines, or systems governing use, access or reservation of the Club Facilities.

SECTION III NUMBER OF MEMBERSHIPS

LIMIT ON NUMBER OF MEMBERSHIPS

The maximum combined number of active Founding Investor, Founding, Resident Premier, Local and Regional/National Memberships permitted pursuant to this Membership Plan is 425. The Club can issue a sufficient number of Resident Social Memberships so that any property owner in the Community or in an Other Designated Community who does not hold a Resident Premier Membership or other type of membership in the Club can own one. The Club shall have the right, in its discretion, to have fewer active memberships than are permitted hereunder.

SECTION IV FAMILY AND GUEST PRIVILEGES

IMMEDIATE FAMILY PRIVILEGES

The Member's spouse or Significant Other (as defined below) and the children of either spouse or Significant Other who are unmarried and under the age of 26, all of whom are herein defined as "Immediate Family Members," are entitled to use the Club Facilities on the same basis as the Member.

PRIVILEGES FOR INDIVIDUAL LIVING WITH A MEMBER

A Member living together with another individual ("Significant Other") in the same household as a family unit may designate the Significant Other on a Membership Year (as defined below) basis to use the Club Facilities as an Immediate Family Member. A Member may designate only one Significant Other at a time. The Member and the Significant Other shall be individually and jointly responsible for the payment of all charges and fees incurred by the Significant Other. The Club reserves the right to require such forms and establish such rules it deems appropriate with respect to access by a Significant Other.

The Significant Other may be changed only one time per Membership Year with the payment of a re-designation fee, if required, as determined by the Club.

GUEST PRIVILEGES

Members may have guests use the Club Facilities in accordance with the Member's category of membership. Usage by guests is subject to the provisions of the Rules and Regulations and the guest policies in effect from time to time, which may include, without limitation, restrictions on the number of times a particular guest may use all or a portion of the Club Facilities and the number of guests a Member is able to sponsor on any given day, or during a Membership Year or portion thereof, as well as the payment of applicable guest fees. Members can sponsor accompanied guests and unaccompanied guests to use the Club Facilities, subject to guest rules, regulations and policies.

EXTENDED FAMILY MEMBERS

Guests who are "Extended Family Members" (herein defined as children of the Member, the Member's spouse or the Member's Significant Other who do not qualify as Immediate Family Members, parents and grandchildren of the Member and Member's spouse or Significant Other, and the spouses or Significant Others of such family members), qualify for reduced guest greens fees when playing golf as determined by the Club. The Club may from time to time extend other benefits in favor of Extended Family Members.

PRIMARY PLAYING TIMES

Although each membership has family and guest privileges, the Club may in the future establish primary playing times during which golf play by Immediate Family Members other than spouses and Significant Others, and, in the Club's discretion guests, may be restricted, to better handle golf play during peak play periods. The Club may designate times when only Members and their spouses or Significant Others and, in the Club's discretion guests, may play golf notwithstanding any provision herein. Entry into Club tournaments may also be restricted.

CERTAIN RESPONSIBILITIES OF A MEMBER

Each Member shall be responsible for the payment of all charges and fees incurred by, and the actions and conduct of, the Member's Immediate Family Members and guests.

SECTION V OFFERING OF MEMBERSHIPS

OFFERING OF MEMBERSHIPS

Memberships will be offered to such persons and entities as are invited for membership in the Club. Founding Investor Memberships are available only to individuals and entities who have contributed to the capitalization of the Company, directly or indirectly. Founding Memberships are available only to individuals that are designated by the Club as being eligible for Founding Membership. Resident Premier Memberships and Resident Social Memberships are available only to persons and entities that own property in the Community or in another community designated by the Club as being eligible for these or a different category or categories of membership (each such community being herein referred to as an "Other Designated Community"). Local Memberships are available only to persons and entities who do not own property in the

Community or an Other Designated Community, but who own or rent property in Eagle County. Regional/National Memberships are available only to persons and entities who do not own or rent property, directly or indirectly, in Eagle County.

MEMBERSHIP OBLIGATION

The Declaration of Covenants, Conditions and Restrictions for the Community (the "Declaration of Covenants") provides that each initial and resale purchaser or transferee of a residence or home site in the Community or any land annexed to the Declaration of Covenants is subject to a mandatory membership requirement unless exempt. Builders designated by the master developer of the Community are exempt from the mandatory membership requirement. In addition, any other residential communities designated by the Club as part of the membership program and as being within the Community are subject to mandatory membership in the Club. The mandatory membership requirement in the Club means that the purchaser or transferee must, subject to invitation, acquire on or before the closing of escrow on the purchase of the residence or home site in question and maintain in good standing thereafter, at least a Resident Social Membership. Therefore, the required Initiation Fee must be paid to the Club on or before the closing of escrow. OWNERSHIP OF A RESIDENCE OR HOME SITE IN THE COMMUNITY DOES NOT GIVE ANY VESTED RIGHT OR EASEMENT, PRESCRIPTIVE OR OTHERWISE, TO USE THE CLUB FACILITIES, OR TO ACQUIRE A MEMBERSHIP IN THE CLUB EXCEPT AS OTHERWISE PROVIDED IN THIS MEMBERSHIP PLAN, AND DOES NOT GRANT ANY OWNERSHIP OR MEMBERSHIP INTEREST IN THE CLUB OR THE CLUB FACILITIES. Non-payment of dues, fees and charges by a Member who is the owner of a residence or home site in the Community subject to a mandatory membership requirement may result in the enforcement of the Club Charges Lien (as hereinafter defined) on the property, as set forth in the Declaration of Covenants or any applicable declaration, and as provided in the "Placement of a Lien on Residence or Home Site for Non-Payment" paragraph of this Membership Plan. The mandatory membership requirement may be made applicable to a given Other Designated Community with the Club's approval.

OWNERSHIP OF MULTIPLE RESIDENCES OR HOME SITES

If a purchaser acquires two or more residences or home sites in the Community, the purchaser must acquire at least a Resident Social Membership for each residence or home site, unless exempt. Persons who acquire two or more contiguous home sites, and subject to the covenants affecting the home sites, proceed to legally consolidate such home sites into one home site and construct only one residence, need only acquire one membership for the legally consolidated property.

MEMBERSHIP PRIVILEGES PRIOR TO CLOSING

The Club may, in its discretion, allow a pending purchaser of a residence or home site in the Community to use the Club Facilities as a Member prior to the closing on the residence or home site in question upon terms and conditions determined by the Club. In the event the purchaser does not close on the residence or home site in a timely fashion, the Club may terminate the membership privileges. In this event, a membership will thereafter be made available to the person only in the discretion of the

Club. In the event the purchaser does not timely close on the residence or home site and a membership is terminated, the membership will be considered to be an unissued membership if one of the Club's.

WAITING LIST FOR MEMBERSHIP

If a person or entity desires to acquire a membership in the Club in a particular category and a membership in that category is not available, the Club will establish a waiting list. If a membership in the desired category thereafter becomes available, the membership will be offered to persons and entities on the waiting list.

Resigned memberships that are reissued to subsequent property purchasers from Members as provided hereafter are not considered available memberships. Reserved memberships are also not considered available memberships. Notwithstanding the foregoing, the Club reserves the right to make exceptions to the waiting list policy and priorities in its discretion.

MEMBERSHIP HELD IN NAME OF LEGAL ENTITY

For the convenience of Members, a membership may be held in the name of a partnership, company, trust or other form of multiple ownership (collectively, the "entity"). The entity must designate one individual who will have the right to use the membership. The designated user must submit a Membership Agreement and will be subject to the approval of the Club. The designated user must be a bona fide director, officer, partner, shareholder, member or employee of the entity, or a beneficiary or settlor if the membership is held in the name of a trust, and must pay the required dues, fees and charges, for which the entity shall also be responsible. No person other than the designated user and his or her Immediate Family Members will be entitled to simultaneously use the membership. The designated user cannot be changed, except in the event of the death of the designated user, in which case the new designated user can be the spouse, adult child or adult grandchild of the decedent or a beneficiary of the trust in the event the membership is held in the name of a trust, subject to approval by the Club. The Club may establish from time to time the rules governing the designated user of a membership. The designated user shall be considered a Member for purposes of this Membership Plan unless otherwise indicated or the context requires otherwise. In the case where an entity holds title to property in the Community, the entity in question must also hold title to the membership.

MULTIPLE OWNERS OF PROPERTY

In the event a residence or home site in the Community or in an Other Designated Community is purchased and title is held in more than one name (other than spouses or Significant Others), only one membership is required to be obtained (unless there is an exemption from the mandatory membership requirement). The additional owners are not permitted to enjoy membership privileges under the subject membership. However, each additional owner can acquire a membership subject to invitation, availability in the case of a Resident Premier Membership, and the payment of the required Initiation Fee.

SECTION VI MEMBERSHIP ADMISSION PAYMENT

PAYMENT REQUIRED TO BE ADMITTED AS A MEMBER

Each prospective Member who desires to acquire a Founding Investor Membership, Founding Membership, Resident Premier Membership, Local Membership or Regional/National Membership will be required to pay a membership admission payment called an initiation fee ("Initiation Fee") in effect for the type of membership in question at the time of acquisition, except as otherwise herein provided or determined by the Club. The amount of the Initiation Fee and payment terms shall be determined by the Club from time to time.

SPECIAL ECONOMIC ARRANGEMENTS

The Club reserves the right to make special economic arrangements with prospective Members or existing Members without offering the same terms and conditions to other prospective Members or existing Members, including, but not limited to, providing special discounts or waivers, financing or other incentives to attract or retain Members, all as the Club deems to be appropriate in its discretion.

SECTION VII TRANSFER OF MEMBERSHIP

TRANSFER OF MEMBERSHIP THROUGH THE CLUB

Members may resign and transfer their memberships only through the Club, and subject to the terms and conditions hereof. A Member may not transfer or sell his, her or its membership to any person or entity.

RESIGNATION

Members who desire to resign their membership must give the Club written notice to that effect. Resignation shall be effective upon receipt of the written notice by the Club. Resignation of a Member is irrevocable, unless otherwise determined by the Club. No resignation shall become effective unless and until all amounts owed on the Member's club account have been paid in full. Further, a Member who owns property in the Community or an Other Designated Community which is subject to the mandatory membership requirement, cannot resign except in connection with the sale or transfer of the property in question.

TRANSFER UPON SALE OF RESIDENCE OR HOME SITE

A Member who is in good standing and who sells or otherwise transfers the Member's residence or home site in the Community or an Other Designated Community may arrange with the Club for the reissuance of the Member's membership to the subsequent purchaser or transferee of the subject residence or home site, regardless of whether all of the memberships in the category in question have been issued and are outstanding. The subsequent purchaser or transferee desiring the resigned membership will be required to submit a Proposal for Membership as provided for hereinafter and must be invited for membership. If the subsequent purchaser or transferee is invited for membership, they must submit a Membership Agreement as provided for hereinafter and pay to the Club the Initiation Fee which is then in effect for a membership in the category in

question unless otherwise determined by the Club. The subsequent purchaser or transferee must acquire the departing Member's membership at the time of the real estate closing. Subject to approval, a subsequent purchaser or transferee of property in the Community or in an Other Designated Community where there is a mandatory membership requirement must acquire at least a Resident Social Membership at the time of the real estate closing unless exempt.

In the case where the subsequent purchaser or transferee from a Resident Social Member desires a Resident Premier Membership, the Club will issue a Resident Premier Membership to the subsequent purchaser or transferee if one is available and not reserved upon payment of the required Initiation Fee.

In the event that the subsequent purchaser of a Member's property in the Community or an Other Designated Community is not invited for membership by the Club or is exempt from the mandatory membership obligation referred to previously and chooses not to become a Member, the Member's resigned membership will revert to the Club upon the real estate closing.

TRANSFER TO NEW PROPERTY

If a Member who is a property owner in the Community or in an Other Designated Community purchases another residence or home site in the Community or an Other Designated Community, the buyer's membership can be transferred to the new residence or home site. If the seller of the property is a Member, the seller's membership, if not being transferred to another property in the Community or an Other Designated Community, can be reissued to the buyer's real estate purchaser if the membership is of the type desired by the purchaser and subject to the requirements as provided for previously. The purchaser of the buyer Member's property must acquire at least a Resident Social Membership, if the purchaser is invited for membership, unless exempt.

TRANSFER DURING MEMBER'S LIFETIME

A Founding Investor Member, Founding Member, Resident Premier Member, Resident Social Member, Local Member or Regional/National Member has the right to request the transfer of the Member's membership to the Member's spouse, or to an adult child or adult grandchild, subject to invitation for membership. No additional Initiation Fee need be paid for the transfer of the membership to a spouse or in connection with the first transfer of the membership to an adult child or adult grandchild. With respect to any further transfer of the membership to an adult child or adult grandchild pursuant to this paragraph, the then current Initiation Fee established for the type of membership in question must be paid. The transfer of the membership to a spouse or an adult child or adult grandchild shall not be subject to any waiting lists. The Club may charge an administrative fee in an amount determined by the Club in connection with the transfer of the membership pursuant to this paragraph. Further, the Member's club account must be paid in full in connection with a transfer pursuant to this paragraph. The Club shall receive such documentation as it shall require in connection with the transfer.

Notwithstanding the foregoing provisions of this paragraph, a transfer pursuant to this paragraph is subject to the mandatory membership requirement referred to previously, if applicable.

TRANSFER UPON DEATH

Upon the death of a Founding Investor Member, Founding Member, Resident Premier Member, Resident Social Member, Local Member or Regional/National Member, the membership will be transferred to the Member's surviving spouse without the payment of any additional Initiation Fee. The surviving spouse must be invited for membership by the Club. If there is no surviving spouse, or the surviving spouse does not desire to continue the membership privileges, or the surviving spouse is not invited, the membership can be transferred to an adult child or adult grandchild who is invited for membership. No additional Initiation Fee need be paid for the first transfer of the membership to an adult child or adult grandchild. With respect to any further transfer of the membership to an adult child or adult grandchild pursuant to this paragraph, the then current Initiation Fee established for the type of membership in question must be paid. The transfer of the membership to a spouse or to an adult child or adult grandchild shall not be subject to any waiting lists. In the event there is no surviving spouse or adult child or adult grandchild who wants to continue the membership privileges or who is invited for membership, as applicable, the membership will be deemed to have been resigned with no further obligation for dues, fees or other charges, except for those that have accrued.

The deceased Member's club account must be paid in full in connection with a transfer pursuant to this paragraph. Further, the Club shall receive such documentation as it shall require in connection with the transfer.

Notwithstanding the foregoing provisions of this paragraph, a transfer pursuant to this paragraph is subject to the mandatory membership requirement referred to previously, if applicable.

SALE OF RESIDENCE OR HOME SITE IN THE COMMUNITY

If a Member sells the Member's residence or home site in the Community or in an Other Designated Community and does not acquire another residence or home site in the Community or the Other Designated Community, the Member must resign the membership in the Club. At the discretion of the Club, the resigned Member may apply for and acquire a membership for which the resigned Member is eligible, if one is available, upon terms determined by the Club.

NON-RESIDENT MEMBER WHO PURCHASES A RESIDENCE OR HOME SITE IN THE COMMUNITY

If a Member who does not own property in the Community purchases a residence or home site in the Community, the Member must acquire a Resident Premier Membership or a Resident Social Membership. If the Member purchases a residence or home site in the Community from the master developer or one of its designees, the desired membership shall be acquired on terms agreed to by the Club and the Member. If the

Member purchases a residence or home site in the Community owned by a Member, the Member shall be required to pay the difference, if any, between the Initiation Fee then required for the category of membership in question and the Initiation Fee previously paid for the Member's membership. If the amount of the Initiation Fee previously paid by the Member exceeds the Initiation Fee required for the desired membership, no refund shall be payable to the Member. The same terms as provided above in this paragraph apply with respect to the purchase of property in an Other Designated Community by a Member who does not own property therein unless otherwise determined by the Club.

LEGAL SEPARATION OR DIVORCE OF MARRIED MEMBERS

With respect to a Member who owns a residence or home site in the Community or in an Other Designated Community, in the event of divorce or separation of spouses, the membership, including all of its rights and benefits, will vest solely in the spouse awarded the residence or home site by an agreement of separation or a decree of divorce. With respect to Members who do not own a residence or home site in the Community or in an Other Designated Community, in the event of the divorce or separation of spouses having membership privileges, the membership, including all of its rights and benefits, will vest solely in the spouse awarded the membership by an agreement of separation or a decree of divorce. Until the award of the residence or home site or membership, as the case may be, and written notice thereof is provided to the Club, both spouses will be jointly and severally liable for all dues and charges and both may continue to enjoy membership privileges so long as such amounts are timely paid. The Club reserves the right to not transfer the membership to either spouse if the Club, in its discretion, is unable to determine the person who is lawfully entitled to receive the membership. At such time as ownership of the membership has been determined, written notice thereof and the relevant documentation shall be promptly delivered to the Club. If the disposition of the membership is not determined within one year after a separation or, in the case of a divorce, within the aforesaid one-year period title to the membership has not been addressed in the decree of divorce, the Club has the right to suspend membership privileges until ownership of the membership has been determined and the Club has received written notice thereof and the appropriate documentation. The Club shall also have the right in either such case to deem the membership resigned in its discretion. Following a separation or divorce and award of the membership as contemplated hereby, the spouse awarded the membership shall have the right to determine which Immediate Family Members and Extended Family Members will be permitted to use the Club Facilities under the membership. The Club will not become involved in any domestic or other dispute concerning ownership or issuance of a membership and does not have any liability or responsibility for resolution of such disputes.

SECTION VIII DUES, FEES AND CHARGES

DUES, FEES AND CHARGES

The Club will determine the dues, fees and charges to be payable by Members. Dues shall be payable on an annual basis in advance, unless otherwise determined by the Club from time to time. The dues, and selected fees and charges for use of the Club

Facilities, are indicated on the current Schedule of Dues, Fees and Charges. The amount of dues, fees and charges is subject to change from time to time by the Club.

Payment of dues by Members is a continuing obligation of membership, which is not dependent upon the availability of all of the Club Facilities or the frequency of use. Repair, maintenance and/or construction or remodeling of any of the Club Facilities and/or other occurrence or event (including, without limitation, acts of God, natural disasters, pestilence, weather, disease, other unanticipated cause, or requirements imposed by governmental authorities), whether within or beyond the control of the Club, may make it necessary for the Club to change the hours of use, or to restrict the use of one or more of the Club Facilities or portions thereof, or to close the Club temporarily. Dues shall not be reduced or suspended during the time when the Club Facilities, in whole or in part, are not available.

If a Member fails to pay any dues, fees and other charges, the Club may suspend the Member's privileges for non-payment and may take such other remedies including, but not limited to, with respect to Members who own residences or home sites in the Community or in an Other Designated Community subject to a mandatory membership requirement, the enforcement of the Club Charges Lien on the Member's property in the Community or an Other Designated Community, as set forth in the Declaration of Covenants or any applicable declaration, and as provided in this Section.

PLACEMENT OF LIEN ON RESIDENCE OR HOME SITE FOR NON-PAYMENT

The dues, fees and charges which may become due and payable to the Club by a Resident Premier Member or Resident Social Member shall be a charge, continuing servitude and lien on the applicable property of a Resident Member subject to a mandatory membership requirement under the Declaration of Covenants or any applicable declaration ("Club Charges Lien"). The dues, fees and charges that become due and payable to the Club by a Member shall also be the personal obligation of the Member who owns a residence or home site in the Community or in an Other Designated Community. Each person or entity who owns or is acquiring a residence or home site in the Community or in an Other Designated Community subject to a mandatory membership requirement, by executing the Membership Agreement, agrees to the imposition of the Club Charges Lien on such Member's residence or home site to which the dues, fees and charges relate, and agrees to be personally liable for the dues, fees and charges as provided in the immediately preceding sentence. A property owner Member who acquires another residence or home site in the Community or in an Other Designated Community that is subject to the mandatory membership requirement must complete and sign an acknowledgment that the residence or home site in question will be subject to the Club Charges Lien. The personal obligation for delinquent dues, fees and charges shall not pass to the successors in title of the member responsible therefor unless expressly assumed by such successors, but any successor in title to the responsible Member shall take title to the property subject to the Club Charges Lien for all delinquent and future dues, fees and charges. The Club shall have the right to collect delinquent dues, fees and charges from the responsible property owner and to enforce its Club Charges Lien against the subject residence or home site by the exercise of all rights and remedies available at law or in equity, including foreclosure of the Club Charges Lien. Additional provisions concerning the Club Charges Lien are contained in the Declaration of Covenants.

NO ASSESSMENTS AGAINST MEMBERS

Members will not be subject to any liability for capital or operating assessments for the costs and expenses of ownership or operation of the Club Facilities. The Club will pay all operating deficits incurred in the operation of the Club Facilities and will be entitled to all revenues resulting from ownership and operation of the Club Facilities. Increases in dues, fees or charges shall not be deemed an assessment for purposes of this provision. The Club's operating budget and the calculation of the dues may include a reserve for capital repairs, replacements and improvements and this shall not be deemed an assessment for purposes of this paragraph.

MEMBERSHIP YEAR

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

PAYMENT OF DUES BY RESIGNED MEMBER

A Member who has resigned the membership shall be obligated to continue to pay dues, as well as applicable fees and charges associated with the membership through the end of the month in which the resignation becomes effective as provided for previously. The Member can continue to use the Club Facilities through the end of the month in question, provided the required dues have been paid.

SECTION IX MEMBERSHIP PROCESS

INVITATION PROCEDURE

All candidates desiring a membership must be invited for membership by the Club. Candidates must deliver a Proposal for Membership in a form provided by the Club. The Club may require an interview with the Membership Director, and/or other designees of the Club. After receiving the Proposal for Membership and compliance with other invitation protocol, the Club will determine whether the candidate will or will not be invited for membership.

MEMBERSHIP AGREEMENT

Each person or entity who has been invited for membership must mail or deliver to the Membership Office a fully-completed and signed membership agreement in a form provided by the Club ("Membership Agreement"). The required Initiation Fee must also be paid in conjunction with submission of the Membership Agreement.

RIGHTS GOVERNED BY MEMBERSHIP PLAN

Members of the Club agree to be bound by the terms and conditions of this Membership Plan and the Rules and Regulations, as amended, modified or supplemented from time to time by the Club and irrevocably agree to fully substitute the membership privileges acquired pursuant thereto for any present or prior rights or privileges in or to use the Club Facilities. By becoming a member of the Club, each Member shall have

acknowledged that the rights acquired by such Member are contract rights, including, a license, which is revocable, to use the Club Facilities in accordance with this Membership Plan and the Rules and Regulations, as the same may be amended, modified or supplemented from time to time by the Club so long as the Member remains a member of the Club in good standing. As such, the Club will not owe any fiduciary duty or other special duty to any Member.

SECTION X OTHER MEMBERSHIPS AND USE PRIVILEGES

HONORARY MEMBERSHIPS

The Club may issue up to 10 Honorary Memberships to such persons or companies as the Club determines from time to time. These Honorary Memberships will be available on such terms and conditions and afford such rights and privileges as the Club determines appropriate. Honorary Memberships may be renewed or terminated at the Club's discretion and will not count toward any membership limit. Each entity issued an Honorary Membership may designate from time to time one user of the membership, who must complete and submit a Membership Agreement in the form provided by the Club.

FRACTIONAL MEMBERSHIPS

The Club reserves the right to issue fractional memberships in the future for the benefit of the owners of fractional or other shared ownership interests in the Community or an Other Designated Community. Holders of these memberships or member designees (in the case where the fractional memberships are issued to the fractional owners' association formed to administer the units in question), as the case may be, would generally have the same privileges as a Member in either the Resident Premier Membership category or the Resident Social Membership category, except as more particularly set forth in their respective Membership Agreements. Holders of fractional memberships or designees under fractional memberships may or may not be restricted from using the Club Facilities only while in residence in a given fractional unit as determined by the Club and the constituent documents governing the fractional interests in question.

CORPORATE MEMBERSHIPS

The Club reserves the right to offer a limited number of Corporate Memberships to actual legal, business entities upon such terms and conditions as determined by the Club in its discretion from time to time. If such memberships are offered, each "Corporate Member" can designate persons to use the Club Facilities under the Corporate Membership. Designees under a Corporate Membership can be changed one time each Membership Year, subject to approval by the Club.

SPORTS MEMBERSHIPS

The Club reserves the right to issue Sports Memberships in the future, which will provide access to the Club Facilities and other privileges as the Club shall determine from time to time in its discretion, including possibly, limited golf privileges.

RECIPROCAL/ACCESS PRIVILEGES

The Club may enter into reciprocal use privileges and other access arrangements with other clubs and resorts, as the Club determines appropriate from time to time. The Club reserves the right to limit any given reciprocal use privileges or access rights to one or more categories of membership hereunder and/or to restrict access by Members in one or more categories to certain facilities at a given club or resort which is the subject of a reciprocal use or access arrangement.

OTHER MEMBERSHIPS

Other Memberships in the Club have been issued prior to the implementation of this Membership Plan (collectively the "Other Memberships"). The Other Memberships are governed by the Adam's Mountain Country Club 2014 Membership Plan, the Rules and Regulations, membership applications and/or agreements and related documents (collectively, the "Other Membership Documents"). The holders of the Other Memberships have access to the Club Facilities in accordance with the terms and conditions of the Other Membership Documents, as they may be amended, modified or supplemented from time to time.

PROMOTIONAL USE

The Club will have the right to designate other persons who will not count toward membership limits, including, without limitation, officers, directors, partners, managers, members, shareholders, employees and designees of the Club and its affiliates and their guests, to use the Club Facilities upon such terms and conditions as may be determined from time to time by the Club. The Club will also have the right to permit prospective Members and purchasers of residences or home sites in the Community to use the Club Facilities on such terms and conditions as the Club may determine from time to time. The Club reserves the right to restrict use of or to otherwise reserve in advance the Club Facilities for maintenance, tournament or group play, outings, receptions and other special events from time to time. Usage of the Club Facilities pursuant to this paragraph will not be inconsistent with the private and exclusive nature of the Club or materially adversely impact the enjoyment of the Club Facilities by Members.

CLUB GUESTS

The Club reserves the right to permit members of the general public to use the restaurant/bar and other designated areas related to such use as "Club Guests." Usage by Club Guests shall be on such terms and conditions as shall be determined by the Club from time to time. The Club shall have the right to discontinue such use from time to time or permanently in its discretion.

SECTION XI CLUB OPERATIONS

MANAGEMENT AND OPERATION

The Company is the operator of the Club Facilities. As a result, the Company and its designees are solely responsible for the governance and administration of the Club and the Club Facilities and will have the exclusive authority to accept Members, establish

Initiation Fees, dues, fees and charges, promulgate rules and regulations and control the management and affairs of the Club and the Club Facilities. The Company reserves the right to engage one or more professional management companies to manage and operate the Club and the Club Facilities and/or other matters pertaining to the Club and to delegate its authority to any such management company.

ADVISORY COMMITTEE

The Club may establish an "Advisory Committee" comprised of Members whose purpose includes fostering good relations between the Members and management of the Club, providing the Club with input on programs, plans and activities of the Club, and advising on its policies and rules and regulations. The Club shall appoint the members of the Advisory Committee for such terms as determined by the Club, and may remove any member of the Advisory Committee in its discretion. The management of the Club shall meet with the Advisory Committee on a periodic basis to discuss the operation of the Club Facilities. The Advisory Committee shall have no duty or power to negotiate or otherwise act on behalf of the Club, management, or the Members, and shall serve only in an advisory capacity. The management of the Club will have the final authority on all matters concerning the Club Facilities and the Members of the Club.

SECTION XII GENERAL PROVISIONS

PROTECTION OF MEMBERSHIP PRIVILEGES

In the event that the Company ever sells or otherwise transfers its interest in the Club and the Club Facilities, it will disclose the existence of this Membership Plan, as amended, modified or supplemented from time to time, to the transferee and will require the transferee to acquire the Club Facilities subject to the terms and conditions of this Membership Plan, as amended, modified or supplemented from time to time.

MEMBERS' ACKNOWLEDGMENT

Membership in the Club permits the Member to use the Club Facilities in accordance with this Membership Plan and the Rules and Regulations. Membership in the Club is not an investment in the Company, the Club or its facilities and does not give a Member a vested or prescriptive right or easement to use the Club Facilities. Membership in the Club does not provide a Member with an equity or ownership interest or any other property interest in the Company, the Club or its facilities. A Member acquires only a revocable license to use the Club Facilities in accordance with the terms and conditions of the Membership Plan, the Rules and Regulations and the Membership Agreement, as the same may be amended, modified or supplemented from time to time. All rights and privileges of Members under the Membership Plan, Rules and Regulations and Membership Agreement are subordinate to the lien of any mortgage or deed of trust encumbering the Club Facilities from time to time.

The Club reserves the right, in its discretion, to terminate, amend, modify, or supplement this Membership Plan and the Rules and Regulations, to reserve memberships, to terminate, add, issue, modify or discontinue the offering of any type, category or class of membership or dues category or classification, to discontinue the operation of any or all the Club Facilities, to recall any membership at any time and for

any or no reason whatsoever, to convert Frost Creek Club into a member-owned club and to make any other changes in the terms and conditions of membership or in the Club Facilities or services available to Members.

In the event of termination of the Membership Plan (which terminates all memberships in the Club) without implementing a new membership plan or offering new memberships, termination of a person's category of membership (which terminates all memberships in the category in question) without offering a substitute or alternative category for the terminated category or the permanent discontinuance of operation of all or substantially all of the Club Facilities, Members who have paid an Initiation Fee will be entitled to a refund, if at all, in accordance with the following terms. In the event of termination of the Membership Plan, termination of a person's category of membership, or permanent discontinuance of operation of all or substantially all of the Club Facilities, Members who joined the Club within one year of the happening of any such event will be entitled to a refund of one hundred percent (100%) of the Initiation Fee paid for their memberships within 60 days from the occurrence thereof. Members who joined the Club anywhere from one to two years before the happening of such event shall be entitled to a refund of eighty percent (80%) of the amount of the Initiation Fee paid for their memberships within 60 days of the occurrence thereof. Members who joined the Club anywhere from two to three years before the happening of such event shall be entitled to a refund of sixty percent (60%) of the amount of the Initiation Fee paid for their memberships within 60 days of the occurrence thereof. Members who joined the Club anywhere from three to four years before the happening of such event shall be entitled to a refund of forty percent (40%) of the amount of the Initiation Fee paid for their memberships within 60 days of the occurrence thereof. Members who joined the Club anywhere from four to five years before the happening of such event shall be entitled to a refund of twenty percent (20%) of the amount of the Initiation Fee paid for their memberships within 60 days of the occurrence thereof. Members who joined the Club more than five years before the event shall not be entitled to any refund as a result thereof.

In the event of the recall of a Founding Investor, Founding, Resident Premier, Resident Social, Local or Regional/National Membership, the Member in question shall be entitled to receive a refund of the Initiation Fee paid, less any amounts owed to the Club. The refund owed shall be paid within 30 days after the effective date of the recall.

The Company, for itself and on behalf of its successors and assigns, reserves the right to sell, merge, assign, transfer or otherwise dispose of any or all of its right, title and interest in the Club and the Club Facilities to any party or parties. Upon any such sale, merger, assignment, transfer or other disposition of all right, title and interest in the Club and the Club Facilities, the transferring party shall be relieved of and released from any and all obligations hereunder, under the Rules and Regulations and each Membership Agreement then in effect, provided however, the transferee or the surviving company acquires such right, title and interest subject to the terms and conditions of the Membership Plan, the Rules and Regulations and Membership Agreements then in effect and assumes the obligations of the transferring party thereunder.

The Owner, for itself and on behalf of its successors and assigns, has reserved the right to sell, merge, assign, transfer or otherwise dispose of any or all of its right, title and

interest in the Club Facilities to any party or parties. If the Operating Agreement is in effect at the time of such a transaction, the Owner has agreed to disclose the existence of the Operating Agreement and of this Membership Plan to the other party.

In the event the Operating Agreement expires or is otherwise terminated and a replacement operating agreement is not put into effect whereby a substitute operator succeeds to the position of the Company hereunder and under the Rules and Regulations and each Membership Agreement then in effect, the Owner shall succeed to the Company's interest under the Membership Plan, Rules and Regulations and each Membership Agreement then in effect.

NO PLEDGE OF MEMBERSHIPS

A Member may not pledge or hypothecate the membership except to the extent the lien or security interest is incurred as a result of obtaining the membership privileges.

EXEMPTIONS TO APPLICATION OF MEMBERSHIP DOCUMENTS

Notwithstanding any other provision of this Membership Plan, the Club may grant exemptions to the application of the Membership Plan, the Rules and Regulations and/or the Membership Agreement, in appropriate circumstances, as determined by the Club in its sole discretion. The grant of an exemption in one case shall not prevent or estop the Club from denying an exemption in another case. Each application for exemption shall be determined on a case by case basis.