

THE BOULDERS CLUB

MEMBERSHIP PLAN

THE BOULDERS CLUB

MEMBERSHIP PLAN OVERVIEW

MEMBERSHIP OPPORTUNITY

This Membership Plan offers persons an opportunity to acquire a membership in The Boulders Club (the "Club"). The Club offers use of exceptional golf, tennis, swimming, spa, health and fitness and social facilities located in The Boulders residential community ("The Boulders Development") in Carefree, Arizona.

CATEGORIES OF MEMBERSHIP

Three categories of refundable and non-refundable Premier Membership are offered by the Club: Premier Golf Memberships, Premier Social Memberships, and Premier Clubhouse Memberships. The use privileges associated with each category of membership are more fully described in this Membership Plan. Prior to May 23, 2008 ("Amendment Date"), the Club had previously issued regular Golf, Social and Clubhouse Memberships and will continue to offer regular Golf Memberships to persons desiring them on a refundable or non-refundable basis. The Club will continue to honor previously issued regular Social and Clubhouse Memberships for persons holding them, although no new regular Social or Clubhouse Memberships will be issued. The Club may offer other memberships, as outlined in the "Other Memberships and Use Privileges in the Club" section of this Membership Plan.

PREMIER MEMBERSHIP BENEFITS

- Preferred access to the Boulders Spa.
- Refundability of the initiation fee paid to acquire a Premier Membership as provided herein for persons who acquire or hold a refundable membership.
- Transferability of the membership through the Club to the subsequent purchaser of the member's residence or homesite in The Boulders Development.
- Access to a members-only lounge.
- Preferred pricing on various items and services.
- Concierge services.

CAREFULLY REVIEW ALL MEMBERSHIP DOCUMENTS

Every person who desires to obtain a membership, or owns or purchases a residence or homesite within The Boulders Development 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 REPRESENTATION NOT CONTAINED IN THIS MEMBERSHIP PLAN AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION 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, AMENDED AND RESTATED MEMBERSHIP AGREEMENT AND BY-LAWS, RULES AND REGULATIONS AND MEMBERSHIP AGREEMENT OR MEMBERSHIP APPLICATION WITH OTHER PRINTED MATERIALS OR ORAL REPRESENTATIONS, THE MEMBERSHIP PLAN, AMENDED AND RESTATED MEMBERSHIP AGREEMENT AND BY-LAWS, RULES AND REGULATIONS AND MEMBERSHIP AGREEMENT OR MEMBERSHIP APPLICATION SHALL GOVERN.

MEMBERSHIPS AT THE CLUB ARE OFFERED ONLY FOR RECREATIONAL PURPOSES

MEMBERSHIPS AT THE CLUB ARE BEING OFFERED EXCLUSIVELY FOR THE PURPOSE OF PERMITTING THE MEMBERS RECREATIONAL USE OF THE CLUB FACILITIES. MEMBERSHIPS SHOULD NOT BE VIEWED OR ACQUIRED AS AN INVESTMENT AND NO PERSON PURCHASING A MEMBERSHIP SHOULD EXPECT TO DERIVE ANY ECONOMIC PROFITS FROM MEMBERSHIP AT THE CLUB.

NO FEDERAL, STATE OR GOVERNMENTAL AUTHORITY HAS PASSED UPON OR ENDORSED THE MERITS OF THIS MEMBERSHIP PLAN.

MEMBER SERVICES MANAGER AVAILABLE TO ANSWER INQUIRIES

Should you have any questions concerning this Membership Plan or the membership opportunities available in the Club, please contact the Member Services Manager or visit the Membership Office at:

34831 North Tom Darlington Drive
Carefree, Arizona 85377

TABLE OF CONTENTS

GENERAL DESCRIPTION OF MEMBERSHIP PLAN	1
Implementation of Membership Plan	1
DESCRIPTION OF THE CLUB FACILITIES	1
Club Facilities	1
Ownership and Operation of the Club Facilities	1
DESCRIPTION OF MEMBERSHIPS	2
Categories of Premier Membership Offered in the Club	2
Description of Membership Privileges	2
Preferred Pricing	3
Personalized Member Services	3
NUMBER OF MEMBERSHIPS	3
Limit on the Number of Golf Memberships	3
FAMILY PRIVILEGES	3
Use of the Club Facilities By the Immediate Family of a Member	3
GUEST PRIVILEGES	3
LESSEE PRIVILEGES	4
OFFERING OF MEMBERSHIPS	4
Offering of Memberships	4
Prior Members	5
Prior Non-Member Property Owners	5
Refundable Premier Members May Upgrade to a Higher Category of Premier Membership	5
Waiting List	6
INITIATION FEE	6
Initiation Fee Required to Acquire a Membership	6
Refund of Initiation Fee	6
Deduction of Amounts Owed to the Club	7
TRANSFER AND TERMINATION OF MEMBERSHIP	7
Termination of Membership	7
Transfer of Membership Upon the Sale of a Residence or Homesite	8
Retention of Membership upon Sale of Residence or Homesite	8
Transfer of Membership Upon the Member's Death	8
Legal Separation or Divorce	8
Effect of Termination and Transfer	9
ACKNOWLEDGMENT OF MEMBERSHIP RIGHTS	9
Members' acknowledgement	9
MEMBERSHIP APPLICATION	9
Membership Application Must Be Mailed or Delivered to the Club	9
Review of Membership Application	10
The Rights of Members to Use the Club Facilities are Governed Only by This Membership Plan	10

DUES AND CHARGES10

- Dues, Fees and Charges10
- Limitation on Dues Increases10
- Private Golf Cart Program10
- Membership Year of the Club11

CLUB OPERATIONS11

- Management and Control of the Club11
- Advisory Committee11
- Standing Committees11

OTHER MEMBERSHIPS AND USE PRIVILEGES IN THE CLUB12

- Existing Memberships.....12
- Premier Charter Memberships12
- Other Memberships.....12
- Use of Facilities by Non-Members12
- Reciprocal Privileges With Other Clubs13
- The Company May Use the Club Facilities for Marketing and Promotional Purposes13

GENERAL PROVISIONS13

- Interface with By-laws13
- Member Services Manager Available to Answer Inquiries13

Amended and Restated as of May 2008

GENERAL DESCRIPTION OF MEMBERSHIP PLAN

IMPLEMENTATION OF MEMBERSHIP PLAN

The Club is implementing this Membership Plan, together with the Membership Agreement and By-laws amended and restated as of May 23, 2008 (hereinafter referred to as the "By-laws") and Rules and Regulations of the Club, pursuant to which members, their families, guests and other persons will be permitted to use the Club Facilities referred to below at The Boulders Club. The terms of membership are described in the foregoing documents and the member's Membership Agreement.

DESCRIPTION OF THE CLUB FACILITIES

CLUB FACILITIES

The Club Facilities include the following:

- Two 18-hole championship golf courses designed by Jay Morrish, one of which will be designated each day by the Club staff for the exclusive use of the members ("Member Course");
- Golf practice facilities, including a members-only driving range, putting green and chipping practice area;
- Clubhouse featuring a 19th hole, dining and banquet facilities, members-only fitness center, men's and women's locker rooms, including a members-only lounge;
- Swimming pool;
- Tennis Garden featuring eight plexi-cushioned courts and full service pro shop; and
- Boulders Spa of approximately 32,000 feet featuring state-of-the-art spa facilities including 26 treatment rooms, movement studio, fitness room with Cybex strength equipment, free weights and cardiovascular equipment, whirlpools, steam baths, a swimming pool, the Boulders Spa Boutique and members-only day locker areas.

OWNERSHIP AND OPERATION OF THE CLUB FACILITIES

CP Boulders, LLC, doing business as The Boulders Club (the "Company") owns the Club Facilities (the Club and the Company are hereinafter sometimes collectively referred to as the "Club").

DESCRIPTION OF MEMBERSHIPS

CATEGORIES OF PREMIER MEMBERSHIP OFFERED IN THE CLUB

The Club is currently offering refundable and non-refundable Premier Memberships in the following categories: Premier Golf Memberships, Premier Social Memberships and Premier Clubhouse Memberships.

DESCRIPTION OF MEMBERSHIP PRIVILEGES

Each person who acquires a membership in the Club will be entitled to use the Club Facilities in accordance with his or her category of membership and the terms and conditions of this Membership Plan, the By-laws and the Rules and Regulations of the Club. The membership privileges currently associated with each category of Premier Membership in the Club are as follows:

Premier Golf Membership. Premier Golf Members are entitled to use all of the golf, tennis, swim, spa, health and fitness and social facilities of the Club. In addition, Premier Golf Members have preferred access to the Boulders Spa and those other facilities at The Boulders Resort which are from time to time made available to Club members. Premier Golf Members will not pay greens fees or court fees, but will pay golf cart or private golf cart usage fees. Premier Golf Members have a seven-day advance sign-up privilege for tee times at the Member Course and a two-day advance sign-up privilege for tennis court times. Premier Golf Members will pay the applicable charges for treatments and services at the Boulders Spa, except that there will be no charges for exercise classes.

Premier Social Membership. Premier Social Members are entitled to use all of the golf, tennis, swim, health and fitness and social facilities of the Club. In addition, Premier Social Members have preferred access to the Boulders Spa and those other facilities at The Boulders Resort which are from time to time made available to Club members. These members may play golf on the Member Course a total of six times during the months of October through May and without a limit on the number of rounds during the rest of the year, subject to availability. Notwithstanding the foregoing, Social Members who upgraded to a Premier Social Membership prior to June 24, 2000 will not be limited in the number of times they can play from October through May. Premier Social Members will pay a guest fee applicable to accompanied guests of Premier Golf Members when playing golf. No court fee shall be required. Premier Social Members have a one-day advance sign-up privilege for tee times and a one-day advance sign-up privilege for tennis court times. Premier Social Members will pay the applicable charges for treatments and services at the Boulders Spa, except that there will be no charges for exercise classes.

Premier Clubhouse Membership. Premier Clubhouse Members are entitled to use all of the tennis, swim, spa, health and fitness and social facilities of the Club. In addition, Premier Clubhouse Members have preferred access to the Boulders Spa and those other facilities at The Boulders Resort which are from time to time made available to Club members. Premier Clubhouse Members will not be required to pay a court fee and have

a one-day advance sign-up privilege for tennis court times. Premier Clubhouse Members will pay the applicable charges for treatments and services at the Boulders Spa, except that there will be no charges for exercise classes.

PREFERRED PRICING

Premier Golf, Social and Clubhouse Members are entitled to a 20% discount on all spa treatments and services and a 15% discount on retail purchases at the Boulders Spa. Presently, these members will also be entitled to a discount of 15% on the full retail price of merchandise purchased at the golf pro shop, tennis pro shop and Resort gift shop when charged to the member's account, a 10% discount on the best available rate for rooms at The Boulders Resort on Sunday through Wednesday on a space available basis, and a 20% discount on food and beverages and wine purchased at the Club and Resort operated dining facilities.

PERSONALIZED MEMBER SERVICES

The Resort's concierge service is available to Premier Members, which provides assistance with transportation, special events and other services made available to guests staying at The Boulders Resort.

NUMBER OF MEMBERSHIPS

LIMIT ON THE NUMBER OF GOLF MEMBERSHIPS

The maximum number of golf memberships, including both Premier and regular Golf Memberships, permitted in the Club is 400.

FAMILY PRIVILEGES

USE OF THE CLUB FACILITIES BY THE IMMEDIATE FAMILY OF A MEMBER

A member who elects to pay family dues will be entitled to have his or her immediate family use the Club Facilities in accordance with the member's category of membership. A member's immediate family will include the member's spouse and the children of either spouse who are under the age of 23 and living at home.

If a member has elected to pay individual dues, the member's immediate family may only use the golf, tennis, swimming, spa, health and fitness and social facilities as a guest of a member. The member's immediate family shall, however, be entitled to use the Resort restaurants and The Club restaurant.

GUEST PRIVILEGES

Members may have guests use the Club Facilities in accordance with the member's category of membership and the Rules and Regulations of the Club. The Club may limit

the number of guests and the number of times a particular guest may use the Club Facilities during each membership year. The member will be responsible for the payment of charges incurred but not paid by his or her guests, including any applicable daily guest fees established by the Club from time to time. Members will be responsible for the conduct and deportment of their guests.

LESSEE PRIVILEGES

If a member has constructed a home on a residential lot and has leased the entire home to an individual, that member may, upon receipt of written approval of the Club Manager, allow the lessee of the member's home to use the Club Facilities available under the membership for the term of the lessee's lease of the member's home. During such time, the member and his or her family shall have no right to use the Club Facilities and the lessee shall be obligated to pay greens fees for golf and use charges for the use of the other Club Facilities as are set forth from time to time by the Board of Directors. If a member desires to allow the lessee of his or her home to so utilize the Club Facilities, the member shall submit a written request to the Club Manager. This request shall set forth the name of the lessee and, if the membership is a family membership, the members of his or her family who will be utilizing the membership. In addition, this request shall note the length of lessee's lease of the member's home. The Club Manager, in his or her sole discretion, shall be entitled to approve or deny any such request and to limit the total number of lessees using the Club Facilities. The member shall be responsible for all dues assessed during the lessee's use of the Club Facilities as provided in this paragraph and for all unpaid charges and other obligations of the lessee and his or her family. The use of the golf courses and the other Club Facilities by such lessees shall be governed by rules and regulations established from time to time by the Board of Directors. These rules and regulations will, among other things, restrict the golfing privileges by a Golf, Premier Golf, Social or Premier Social Member's lessee to the golf course designated for use by the Resort guests and make such golfing privileges available to a Social Member's lessee on a space-available basis. With respect to Premier Members only, for purposes of this Section, the Boulders Spa shall be deemed part of the Club Facilities so that Premier Members' lessees will have access to the Boulders Spa on the terms and conditions provided above.

OFFERING OF MEMBERSHIPS

OFFERING OF MEMBERSHIPS

Memberships will be offered to such persons as the Club determines appropriate from time to time.

The Club may issue Premier Golf Memberships and regular Golf Memberships to non-property owners in The Boulders Development, as the Club determines from time to time, so long as the total number of Premier Golf and regular Golf Memberships does not exceed 400. Club members may recommend candidates for Premier Golf and regular Golf Membership in the Club. The Club will not issue Premier Social or Premier Clubhouse Memberships to non-property owners in The Boulders Development, except

under the circumstances set forth below. If the total number of active dues-paying Premier and regular Social and Clubhouse Memberships falls below 110 (not including a reduction in the number of these memberships based on any upgrades to golf memberships during the Initial Offering Period, as hereinafter defined) for a period of 90 days, The Boulders can issue Premier Social and Premier Clubhouse Memberships to non-property owners in The Boulders Development until such time as there are a combined total of 150 Premier and regular Social and Clubhouse Memberships. Should The Boulders offer Premier Social and Premier Clubhouse Memberships to non-property owners, members will be given an opportunity to recommend candidates for such membership in the Club.

Except as provided in the By-laws, the Club will not create and offer any new category of membership offering access to any of the Club Facilities to persons who do not own property in The Boulders Development.

PRIOR MEMBERS

Each member as of June 24, 2000 had the opportunity to acquire a Premier Membership during an initial offering period which ended June 24, 2000 (the "Initial Offering Period"). The amount that was required to be paid by an existing member for a Premier Membership is set forth in the member's Membership Agreement.

Members as of June 24, 2000 who did not acquire a Premier Membership during the Initial Offering Period for Premier Memberships are not entitled to purchase a Premier Membership; however, a subsequent purchaser of such member's property may acquire a Premier Membership in the category of Premier Membership corresponding to the property seller's membership or another category of Premier Membership, if a membership in that category is available.

Members as of June 24, 2000 who did not acquire a Premier Membership continue with their current membership privileges under the By-laws and their Membership Application. The Club reserves the right to amend both the By-laws and the Membership Plan, subject to the restriction on amendments set forth in the By-laws.

PRIOR NON-MEMBER PROPERTY OWNERS

Non-member property owners in The Boulders Development who did not acquire a Premier Membership prior to June 24, 2000 are not entitled to purchase a Premier Membership; however, a subsequent purchaser of such property owner's property may acquire a Premier Membership in the Club if a membership is available.

REFUNDABLE PREMIER MEMBERS MAY UPGRADE TO A HIGHER CATEGORY OF PREMIER MEMBERSHIP

Refundable Premier Members will at all times have a right to upgrade to a higher category of refundable Premier Membership. In order to upgrade, the member shall pay to the Club the difference between the refundable initiation fee then charged for the desired category of Premier Membership and the refundable initiation fee amount

previously paid by the member for the member's category of Premier Membership. Because of the limited number of Premier Golf Memberships, a Premier Golf Membership may not be available for a Premier Social or Clubhouse Member to be able to upgrade to a Premier Golf Membership.

WAITING LIST

If Premier Memberships are not available, the Club will establish a waiting list of those persons who have notified the Club in writing of their desire to purchase a membership. Existing refundable Premier Members who desire to upgrade their membership will have first priority on the waiting list over all others. Premier Social Members will have priority over Premier Clubhouse Members on the waiting list for Premier Golf Memberships. Subject to the foregoing, property owners in The Boulders Development will have priority over non-property owners to acquire any available memberships as determined by the Club.

INITIATION FEE

INITIATION FEE REQUIRED TO ACQUIRE A MEMBERSHIP

Each person who acquires a membership in the Club will be required to pay the initiation fee established by the Club.

REFUND OF INITIATION FEE

Upon termination and removal of the member's name from the transfer list in accordance with the provisions of this Membership Plan and the By-laws, the member will be entitled to the following refund:

Premier Golf Membership: Premier Golf Members will be entitled to receive 80% of the then current initiation fee for a Premier Golf Membership. Notwithstanding the foregoing, if the member was a Premier Golf Member as of the Amendment Date or a Premier Golf Member who was on the Golf Transfer List as of the Amendment Date, his or her initiation fee refund amount shall not be less than \$80,000.

Premier Social Membership: Premier Social Members will be entitled to receive 80% of the then current initiation fee for a Premier Social Membership. Notwithstanding the foregoing, if the Member was a Premier Social Member as of the Amendment Date or a resigned Member whose name was on the Social Transfer List as of the Amendment Date, his or her initiation fee refund amount shall not be less than \$23,500.

Premier Clubhouse Membership: Premier Clubhouse Members will be entitled to receive 80% of the then current initiation fee for a Premier Clubhouse Membership. Notwithstanding the foregoing, if the Member was a Premier Clubhouse Member or a resigned Member whose name was on the Clubhouse Transfer List as of the Amendment Date, his or her initiation fee refund amount shall not be less than \$16,000.

Golf, Social and Clubhouse Membership: Golf, Social and Clubhouse Members will be entitled to receive 50% of the then current initiation fee for their respective category of regular membership, consistent with the current refund policy. Notwithstanding the foregoing, if a Member held a regular Golf, Social or Clubhouse Membership as of the Amendment Date, his or her refund amount shall not be less than: (1) \$40,000 for a regular Golf Member, (2) \$17,400 for a regular Social Member, or (3) \$10,000 for a regular Clubhouse Member.

DEDUCTION OF AMOUNTS OWED TO THE CLUB

The Club will deduct from any amount to be repaid to the member any amount which the member owes to the Club.

TRANSFER AND TERMINATION OF MEMBERSHIP

TERMINATION OF MEMBERSHIP

Should a member desire to terminate the membership, the member shall be required to give 30 days prior written notice to the Club. On the thirtieth day after the Club's receipt of such notice, the member's membership shall be deemed terminated and the member shall have no further rights or obligations, except as otherwise provided herein.

Terminated refundable Premier Memberships and refundable regular memberships in the same category will be placed on a transfer list and will be refunded on a first-terminated, first-refunded basis as follows, unless the member arranges for the subsequent purchaser of his or her residence to acquire a membership:

- i. Whether or not the Club is still issuing new memberships in a particular category, if there is at least one member on the transfer list for such category of membership when an applicant for membership in that category is approved by the Club and such applicant pays his or her initiation fee, the member whose name is at the top of the transfer list for that category will receive a refund in the amount outlined in the "Refund of Initiation Fee" section of this Membership Plan for his or her Premier or regular membership. The Club will retain any initiation fee amounts paid by the new member in excess of the amount refunded to the member at the top of the transfer list.
- ii. If the Club is still issuing new memberships in a particular category and there are no members on the transfer list for that category when an applicant for that category is approved for membership and the approved applicant pays his or her initiation fee, the Club will issue a new membership and retain 100% of the initiation fee paid by the applicant.

A member's name may not be added to the transfer list until all outstanding obligations to the Club have been paid in full. The Club is not obligated to refund a membership under any other circumstances, but the Club may do so in its sole and absolute discretion. Termination of membership is irrevocable, unless otherwise determined by the Club.

TRANSFER OF MEMBERSHIP UPON THE SALE OF A RESIDENCE OR HOMESITE

When a member sells his or her residence or homesite in The Boulders Development and desires to transfer his or her membership to the subsequent purchaser of the residence or homesite, the member shall so notify the Club. The subsequent purchaser must complete and submit to the Club an application for a membership in the transferring member's category of membership, together with a check in the amount of the then applicable initiation fee.

The Board of Directors will review the application, investigate the applicant and decide whether the applicant will be admitted as a member of the Club. The Board of Directors will notify the applicant and the transferring member of its decision on the application. The transferee's membership and the termination of the transferring member's membership shall be effective upon the transferee's purchase of the residential lot or homesite in The Boulders Development.

The transferring member will not be subject to the transfer list for his or her category of membership and will be entitled to receive a refund in the amount previously stated for his or her category of membership, if the transferring member had a refundable membership.

RETENTION OF MEMBERSHIP UPON SALE OF RESIDENCE OR HOMESITE

If not transferred or otherwise resigned in accordance with the By-laws, the membership of any member who is an owner of a residence or homesite in The Boulders Development shall not automatically terminate at such time as the member sells or is otherwise divested of all or substantially all of his or her interest in the residence or homesite, and the holder of the Membership may continue his or her Membership privileges in the Club after the sale of his or her Residential Lot.

TRANSFER OF MEMBERSHIP UPON THE MEMBER'S DEATH

Upon the death of a member and by giving written notice to the Club, the surviving spouse, if any, may elect to: (i) continue the membership privileges without having to pay any additional initiation fee; or (ii) terminate the membership. Failure of the surviving spouse to elect one of said alternatives shall be deemed an election to continue the membership privileges. In the event there is no surviving spouse, the death of the member shall result in the automatic termination of the membership. Memberships that are terminated based on the death of the member shall be treated in the same manner as any other similar membership in the Club which is terminated as provided previously.

LEGAL SEPARATION OR DIVORCE

In the event of the divorce or separation of spouses having membership privileges, the membership, including all of its rights and benefits, will vest in the spouse awarded the membership by an agreement of separation or a decree of divorce. Until the award of

the membership 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, in its sole discretion, not to transfer the membership to either spouse if the Club, in its sole discretion, is unable to determine the person who is lawfully entitled to receive the membership.

EFFECT OF TERMINATION AND TRANSFER

Notwithstanding use of the term transfer herein, memberships are not transferred. Upon termination of a membership or the transfer of a membership in connection with the sale of a residence or homesite, the preceding membership shall be deemed terminated and another new membership issued in its place.

ACKNOWLEDGMENT OF MEMBERSHIP RIGHTS

MEMBERS' ACKNOWLEDGEMENT

Membership in the Club permits the member to use the Club Facilities in accordance with this Membership Plan, the By-laws, and the Rules and Regulations. Membership in the Club is not an investment in 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 Club. A member only acquires a revocable license to use the Club Facilities in accordance with the terms and conditions of the Membership Plan, By-laws and Rules and Regulations, as the same may be amended from time to time, and the Membership Agreement or Application, as the case may be. The Club reserves the right to modify this Membership Plan, the By-laws (subject to the restrictions contained therein) and the Rules and Regulations, to reserve memberships, to discontinue operation of any Club Facilities, to sell, lease or otherwise dispose of the Club Facilities in any manner whatsoever and to any person whomsoever, to add, issue or modify any type or category of membership, to convert the Club into a membership-owned club, and to make any other changes in the terms and conditions of membership or in the Club Facilities available for use by members, subject to the provisions of the By-laws. In the case of any sale or lease of the Club Facilities, any successor owner or lessee shall take subject to the terms of the then existing Membership Plan, By-laws and Rules and Regulations of the Club.

MEMBERSHIP APPLICATION

MEMBERSHIP APPLICATION MUST BE MAILED OR DELIVERED TO THE CLUB

Each person who desires a membership in the Club must mail or deliver to the Club a fully completed and signed Membership Application in a form approved by the Board of Directors, together with a check in the required amount as stated in the Membership Application.

REVIEW OF MEMBERSHIP APPLICATION

Each person who applies for a membership in the Club will be subject to the approval of the Club. The Membership Application shall be submitted to the Board of Directors. The Board of Directors will review the Membership Application, investigate each applicant and decide whether the applicant will be admitted as a member of the Club. The Board of Directors shall keep confidential its proceedings concerning the applicant's application. In the event the Membership Application is not acted upon favorably, the applicant will receive a refund, without interest, of 100% of any initiation fee paid by the applicant to the Club.

THE RIGHTS OF MEMBERS TO USE THE CLUB FACILITIES ARE GOVERNED ONLY BY THIS MEMBERSHIP PLAN

If approved for membership in the Club, the member agrees to be bound by the terms and conditions of this Membership Plan, the By-laws and the Rules and Regulations of the Club, as amended from time to time, and agrees to fully substitute the membership privileges acquired pursuant to this Membership Plan, By-laws and Rules and Regulations for any present or prior rights in or to use of the Club Facilities.

DUES AND CHARGES

DUES, FEES AND CHARGES

The Club will determine the amount of dues, fees and charges to be payable by members each year. Dues shall be payable on a monthly basis on or before the first day of each month, unless otherwise determined by the Club from time to time. The current dues, fees and charges for use of the Club Facilities are indicated on the Schedule of Dues, Fees and Charges.

LIMITATION ON DUES INCREASES

The amount of dues, fees and other charges is subject to change from time to time by the Club by the Board of Directors, in its sole discretion. Increases in dues each year are limited to the lesser of (i) five percent (5%) per year, or (ii) the percentage increase in the Consumer Price Index for all Urban Consumers, published by the United States Bureau of Labor Statistics, except that there will be a one-time increase in excess of such limit following the completion of the clubhouse renovation, as outlined in Section 5.2C of the By-laws.

PRIVATE GOLF CART PROGRAM

The Club has established a private golf cart program which allows members to own and operate privately owned golf carts. Members will be permitted to use their golf carts at the Club in accordance with the rules established by the Club from time to time and upon payment of applicable usage fees for private cart use. The annual private cart trail fee may not increase until January 1, 2011; thereafter, the annual private cart trail fee may be increased from time to time by the Board of Directors, in its sole discretion,

provided that such increase is not greater than the lesser of (i) five percent (5%) per year; or (ii) the yearly increase in the Consumer Price Index for All Urban Consumers, published by the United States Bureau of Labor Statistics. Please check with the Club Manager or Director of Golf before purchasing a cart.

MEMBERSHIP YEAR OF THE CLUB

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

CLUB OPERATIONS

MANAGEMENT AND CONTROL OF THE CLUB

The Club is managed by a Board of Directors which is comprised of individuals selected from time to time by the Company. The Board of Directors will have the exclusive authority to accept members, set dues and charges, establish rules and regulations and control the management and affairs of the Club. The Company reserves the right to engage an independent professional management company to operate the Club Facilities.

ADVISORY COMMITTEE

The Members shall be entitled to establish an advisory committee composed of members owning each of the different membership classifications, to offer their opinions, advice and input to The Boulders Club manager. The Boulders Club manager will regularly meet with the committee to help foster The Boulders Club manager's and the Board of Directors' awareness of the members' concerns and ideas. The advisory committee shall be chosen in accordance with rules and procedures including election by the membership as established by the advisory committee from time to time, subject to the approval of the Club, which shall not be unreasonably withheld. The Club may only withhold approval of such procedures if it determines that such procedures are not fair to members.

STANDING COMMITTEES

The Boulder Club will establish Standing Committees composed of members, such as spa, golf, tennis, communications, house (including food and beverage), and clubhouse renovations. Directors of these activities and services will work with each Standing Committee to address problems, solicit suggestions and work to improve services. Members of each Standing Committee shall be appointed by the advisory committee, subject to the Club's approval, which shall not be unreasonably withheld.

OTHER MEMBERSHIPS AND USE PRIVILEGES IN THE CLUB

EXISTING MEMBERSHIPS

The Club previously issued three categories of memberships: Golf Memberships, Social Memberships and Clubhouse Memberships, and will continue to issue regular Golf Memberships and honor existing Golf, Social and Clubhouse Memberships. These members currently have the following privileges, which are more particularly described in the By-laws:

Golf Membership. Golf Members are entitled to use all of the golf, tennis, swim, spa, health and fitness and social facilities of the Club. Golf Members will not pay greens fees or court fees, but will pay golf cart or private golf cart usage fees. Golf Members have a seven-day advance sign-up privilege for tee times and a two-day advance sign-up privilege for tennis court times. Golf Members are permitted to use the Boulders Spa to the same extent as the general public.

Social Membership. Social Members are entitled to use all of the golf, tennis, swim, spa, health and fitness and social facilities of the Club. Social Members pay a guest fee applicable to accompanied guests of Golf Members when playing golf. These members do not pay court fees. Social Members have a one-day advance sign-up privilege for tee times and a one-day advance sign-up privilege for tennis court times. Social Members are permitted to use the Boulders Spa to the same extent as the general public.

Clubhouse Membership. Clubhouse Members are entitled to use all of the tennis, swim, spa, health and fitness and social facilities of the Club. Clubhouse Members have a one-day advance sign-up privilege for tennis court times. Clubhouse Members are permitted to use the Boulders Spa to the same extent as the general public.

PREMIER CHARTER MEMBERSHIPS

Existing Charter Members and those members who will not be entitled to receive any refund upon resignation of their memberships had the opportunity to acquire Premier Charter Memberships during the Initial Offering Period. Premier Charter Members will have such privileges and rights as are contained in their Membership Agreements, including access to the Boulders Spa.

OTHER MEMBERSHIPS

The Club may offer other memberships or categories of membership in its sole discretion in accordance with the terms and provisions of the By-laws.

USE OF FACILITIES BY NON-MEMBERS

Guests staying at The Boulders Resort and other persons authorized by the Club are permitted to use any golf courses not specifically designated for member play, one-half of the tennis courts and all of the other Club Facilities except those marked "For

Members and Their Guests Only", on such terms and conditions as may be determined by the Club from time to time.

RECIPROCAL PRIVILEGES WITH OTHER CLUBS

The Club reserves the right to enter into reciprocal use arrangements with other clubs and resorts on such terms and conditions as the Club may determine appropriate from time to time.

THE COMPANY MAY USE THE CLUB FACILITIES FOR MARKETING AND PROMOTIONAL PURPOSES

The Club will have the right to designate other persons who will not count toward the membership limits to use the Club Facilities upon such terms and conditions as may be determined from time to time by the Club. Such use will not unreasonably interfere with the use of the Club Facilities by the members. The Club reserves the right, in its sole and absolute discretion, to restrict or otherwise reserve in advance the Club Facilities for maintenance, tournament or group play, outings and other special events from time to time.

GENERAL PROVISIONS

INTERFACE WITH BY-LAWS

In the event of any conflict between the terms and provisions of this Membership Plan and the terms and provisions of the By-laws, the terms and provisions of the By-laws shall control. This provision may not be amended without a majority vote of the members.

MEMBER SERVICES MANAGER AVAILABLE TO ANSWER INQUIRIES

Should you have any questions concerning this Membership Plan or the membership opportunities available at the Club, please contact the Member Services Manager.