

MEMBERSHIP PLAN
April 30, 2022



TALISKER CLUB

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Effective: April 30, 2022

This Talisker Club Membership Plan (“**Plan**”) describes the membership program at Talisker Club (the “**Club**”) located in Wasatch County and Summit County, Utah. This Plan, together with the Club Rules and Regulations (the “**Rules and Regulations**”) and the Membership Application and Agreement or Membership Enrollment Agreement, as applicable (the “**Membership Application**”) (collectively, including the Plan, the “**Membership Documents**”) set forth the rights, privileges and responsibilities associated with a membership in the Club (“**Membership**”, with each owner of a Membership, a “**Member**” and, collectively, the “**Members**”).

CLUB FACILITIES

Ownership and Operation of Club Facilities

Talisker Club 2.0, LLC, a Delaware limited liability company (together with its successors and assigns, “**Club Owner**”) owns and operates the Club Facilities (as set forth below) and provides related services in connection with such Club Facilities. Any right, power or privilege given to or retained by the Club Owner, or the Club, may be exercised by the Club Owner or the Club Owner’s designees, at any time, or from time to time. References herein to the Club taking any action or making a decision or determination shall be to the Club Owner or its designees trading as Talisker Club. The development of additional facilities, as contemplated herein, the operation of the Club Facilities and all licenses and privileges granted pursuant to this Plan may be subject to financing with liens securing such financing.

Description of Club Facilities

The existing facilities comprising the Club (collectively, the “**Club Facilities**”) consist of the following as of the date of this Plan:

Tuhaye Facilities:

- An 18-hole championship golf course designed by Masters and British Open Champion Mark O’Meara (the “**Golf Course**”) located within the residential community located in Wasatch County and Summit County, Utah known as “**Tuhaye**”. The Club makes no representation or warranty that a second golf course will ever be built in connection with the Club. Utilization metrics will be implemented in connection with the Golf Course to ensure a high-end, exclusive private club experience for Members while providing flexibility to add additional Members with Golf Course access as Membership levels increase over time.
- Practice facilities including a driving range with target greens, a short game area with practice bunkers and a practice putting green.
- A series of club buildings located in the Tuhaye community (collectively referred to as “**Tuhaye Park**”) including a spa and fitness facility, park, tennis courts, swimming pool, golf pro shop, golf locker rooms, Members’ activity center, children’s center and pool and dining facilities.

Mountain Facilities:

- The Tower Club located in the Village at Empire Pass (the “**Tower Club**”), which includes a Members’ dining facilities, lounge and bar, spa, children’s center, ski lounge,

fitness facility, hot tubs and heated pool.

- The Outpost located on the leased land in Bonanza Flats which includes yurt and deck, warming cabin and tubing hill.

Club Services and Programs

The Club's goal is to provide its Members a premier experience in their use and enjoyment of the Club Facilities. The Club staff will coordinate recreational and educational programs and services, for both adults and children. The costs for participation in some programs and services will be included in the annual Club dues, while others may require an additional fee. The Club may enter into agreements with third parties who will provide Members an opportunity to experience additional recreational activities available in the area.

Additional Club Facilities and Withdrawal of Club Facilities

A preliminary plan of capital projects in connection with existing and contemplated Club Facilities to ensure ongoing Member access to Club Facilities as Membership levels increased pursuant to specifications, schedule and budget, each acceptable to the Club, was adopted in March, 2017 (the "**Capex Plan**"). The Club has completed or in the process of completing the capital projects provided for in the Capex Plan or enhanced versions thereof, as well as additional capital projects not contemplated by the Capex Plan. The Capex Plan is being updated to reflect the remaining capital projects and the anticipated timeline and conditions for completing the same, including funding from the New Facilities Capital Reserve.

Upon the development of additional Club Facilities to which Members have access, all of the terms, conditions and obligations of this Plan shall additionally apply to such Club Facilities. The Club may also withdraw facilities from the Club Facilities; provided, however, that the Golf Course, Tuhaye Park, or the Tower Club may not be withdrawn as Club Facilities.

MEMBERSHIP CATEGORIES AND PRIVILEGES

Application Procedure

Each eligible person who desires a Membership in the Club must submit a fully executed and completed Membership Application to the Club, and all additional required paperwork, together with payment of the amount of the Club's required initiation fee ("**Initiation Fee**").

Description of Membership Privileges

Each person who acquires a Club Membership and his or her Immediate Family, as hereinafter described, will be entitled to use the Club Facilities in accordance with the terms and conditions of this Plan and the Rules and Regulations, as each may be amended from time to time. This Plan supersedes, in its entirety, all prior membership plans in connection with the Club and the Club Facilities.

Full Memberships

The Club offers full membership ("**Full Membership**") to purchasers of property within communities designated by the Club at **Schedule A** attached hereto and incorporated by reference (each, a "**Talisker Designated Community**" and collectively, the "**Talisker Designated Communities**").

Presently, only full dues are available to Full Members. The Club reserves the right, however, to offer two dues categories for Full Members: full and social. If and when the Club offers a social dues option for Full Members, the Club will provide written notice thereof to all Full Members. The membership privileges currently associated with a Full Membership and applicable dues category are as follows:

Full Membership with Full Dues

A Full Membership with full dues entitles the Member to full use of all Club Facilities.

Full Membership with Social Dues

A Full Membership with social dues (when available) entitles the Member to full use of all Club Facilities excluding the golf facilities and the Club Facilities located at Empire Pass.

Base Memberships

Memberships for the limited use of the Club Facilities and without golf use privileges were previously acquired by certain Members ("**Base Members**") prior to the May 31, 2018 amended and restated Plan. The Club will not issue new Base Memberships but will continue to recognize the rights of Base Members. Base Members may upgrade their memberships to Full Membership, subject to the availability of Full Memberships, by payment of an amount equal to the difference between the then applicable Full Membership Initiation Fee (as set forth below) and the Base Membership Initiation Fee previously paid. Base Members must be accompanied by a Full Member on the Golf Course and will be considered a guest of such Full Member and will be subject to all rules and regulations applicable to guests, including, but not limited to, guest fees and limitation of use. Base Memberships will not count toward the maximum number of Memberships permitted to be issued.

Former Owner Members

In the event that a Member sells its property in a Talisker Designated Community to a third party who does not wish to become a Member (subject to the membership requirement provisions contained herein), such Member may continue membership as a "**Former Owner Member**" upon the execution of a new Membership Application within thirty (30) days following such sale. Former Owner Memberships shall be issued on an "as available basis" subject to the Club's Membership cap and shall be subject to recall by the Club in its discretion on ninety (90) days' notice. Former Owner Memberships may not be assigned or reissued to third parties.

Provisional Memberships

A purchaser of a new home site or residence in a Talisker Designated Community who has executed a contract for the purchase of such home site or residence but has not closed such purchase, can become a provisional member ("**Provisional Member**") with the right to utilize all Club Facilities by submitting a fully completed Membership Application to the Club and payment of the Initiation Fee (as set forth below) and applicable Club dues. Subject to the Club's acceptance of the applicant's Membership Application, a Provisional Member will become a Full Member upon the closing of the purchase of the home site or residence in the Talisker Designated Community. If a Provisional Member fails to close on the purchase of a home site or residence in a Talisker Designated Community on the date specified in the applicable real estate contract, the Club will have the right at any time thereafter to recall such Provisional Membership. If such Membership is recalled, the Club will return the Initiation Fee to the person or entity that made the payment to the Club subject to the payment of the then current Reissuance Fee (as set forth below). Any dues paid will be prorated from the date the Provisional Membership became effective to the date the Provisional Membership is recalled and any refund due will be paid by the Club. Provisional Memberships do not count against the Membership cap.

Invitational Memberships

The Club, in its discretion and upon receipt of written recommendation of the Members' Advisory Board (as set forth below) or by a Full Member, or by invitation by the Club, may issue, and have outstanding at any time, up to fifty (50) Memberships to prospective owners of home sites or residences in Talisker Designated Communities ("**Invitational Members**") for a term not to exceed two (2) years. Proposed Invitational Members shall submit a fully completed Membership Application to the Club and pay the non-refundable enrollment fee for Invitational Memberships

then in effect (the “**Invitational Membership Enrollment Fee**”), which Invitational Membership Enrollment Fee shall be at least \$10,000. Each Invitational Member shall pay Full Member dues and Invitational Memberships will not be subject to the Club’s Membership cap. Each Invitational Membership will automatically terminate upon the first to occur of (a) the end of its stated term or (b) the purchase of a Full Membership upon the purchase of property in a Talisker Designated Community. In connection with the purchase of a Full Membership, an Invitational Member shall execute a new Membership Application for a Full Membership and pay to the Club a fee in an amount equal to the Initiation Fee for Full Memberships then in effect as of such election date less the amount of the Invitational Membership Enrollment Fee previously paid. Upon the expiration or termination of an Invitational Membership, the Club shall retain the full amount of the Invitational Membership Enrollment Fee.

Honorary Memberships

The Club reserves the right to issue honorary memberships (“**Honorary Memberships**”) to such persons or entities as the Club shall determine from time to time. A maximum of ten (10) Honorary Memberships can be outstanding at any time. These Memberships shall not count against the cap on Memberships and shall be issued on such terms and conditions and provide for such rights and privileges, as the Club shall determine in its discretion.

Charter Memberships

The Club may issue up to five (5) Charter Memberships (“**Charter Memberships**”) to such persons as the Club determines from time to time. These memberships are in addition to all other memberships permitted to be issued in the Club. Charter Members shall be permitted to use the Club Facilities on the same basis as Golf Members. Charter Members will not pay dues, or greens fees or cart fees for their use of the golf facilities, court fees, or accompanied guest fees, but shall be required to pay all other fees and charges incurred at the Club.

In the event that the Club is converted to an equity, member-owned club as addressed hereinafter, subject to the terms of this paragraph, Charter Members will be permitted to continue as non-equity members in the equity club. Charter Members will not be required to pay any membership contribution, dues, or operating or capital assessments in the equity club. Charter Members shall have the same privileges to use the facilities of the equity club as Golf Members. Charter Members will not pay greens fees or accompanied guest fees, but will pay all other fees and charges incurred at the equity club. Charter Memberships shall not entitle the holder thereof to any equity or ownership interest in the equity club or the facilities of the equity club, or to any voting rights. Upon the death of a Charter Member, the Charter Membership will automatically pass to the surviving spouse, if any. The Charter Member or the spouse, as the case may be, may arrange for the Charter Membership to be transferred one time only to an adult child of the Charter Member who has been invited for membership. If the Charter Membership is not transferred to a spouse or adult child of the Charter Member as provided for above, the Charter Membership shall be deemed resigned. Other than one transfer of the Charter Membership to a spouse and one transfer of a Charter Membership to an adult child, as provided for above, no other transfer of a Charter Membership is permitted. The terms of a Charter Membership may not be changed without the prior written consent of the Charter Member.

Interval Memberships

Some residences in Talisker Designated Communities may be conveyed by a developer pursuant to a formal, documented plan as interval, fractional or private residence club ownership structures that allow multiple persons to own intervals of time for the use of the residence. The Club may issue memberships (“**Interval Memberships**”) in connection with up to fifty (50) separate residences (the “**Interval Residences**”). Each owner of an interest in an Interval Residence is eligible for and shall be required to apply for, and if accepted, must acquire an Interval Membership on the terms and conditions determined by the Club. With respect to the initial purchasers of an interest in a given Interval Residence, the developer thereof shall pay the required Initiation Fee for the Interval

Memberships associated with the Interval Residence in question for the benefit of the initial purchasers. The Initiation Fee required to be paid for all of the Interval Memberships associated with a given Interval Residence shall be no less than one hundred fifty percent (150%) of the amount of the Initiation Fee then required for a Full Membership. Upon the resale or after transfer of an interest in an Interval Residence, the purchaser or other transferee must apply for the owner's Interval Membership and if approved, must acquire the Interval Membership at the closing of the sale or other transfer. The seller must pay a transfer fee in the amount of \$5,000 in connection with, and as a condition to, the reissuance of the Interval Membership to the buyer or other transferee. Holders of Interval Memberships are required to pay dues with respect thereto as determined by the Club from time to time. In no event, however, will the dues that are payable with respect to any given Interval Membership be less than seventy-five percent (75%) of the annual full dues that are then payable with respect to a Full Membership. The holder of an Interval Membership shall have the same use privileges as a Full Member who is paying full dues while in residence at the interval, fractional or private club development.

All of the Interval Memberships issued with respect to a given Interval Residence shall count as one Full Membership toward the total number of Full Memberships permitted as provided for in this Plan.

Upon the conversion of Talisker Club to an equity, member-owned club as provided for hereinafter, the Interval Memberships that are issued and outstanding at the time shall continue as non-equity memberships in the Equity Club (as set forth below).

Number of Memberships in the Club

The Club retains and reserves the right, in its discretion, to reserve Memberships (collectively, "**Reserved Memberships**") for sale to future purchasers of property located within Talisker Designated Communities. Reserved Memberships will not be considered to be available Memberships, and purchasers of properties to which Reserved Memberships relate shall be subject to the Club's standard Membership Application review.

Prior to an Equity Conversion as set forth below, the total number of Full Memberships which can be outstanding and active will not exceed the lesser of (a) 1,500 or (b) the total number of permitted residential units within all Talisker Designated Communities (to be determined following the approval of all final plats by Summit or Wasatch Counties, as applicable). Any increase in the total number of Memberships in the Club shall be subject to the affirmative vote in writing of over fifty percent (50%) of the active, dues paying Full Members, Former Owner Members and Base Members in good standing ("**Majority Member Consent**").

The Club retains the right to reissue or replace any Membership which has been recalled, which has been repurchased by the Club, or which has otherwise reverted to the Club.

Right to Establish, Modify, Suspend or Discontinue Membership Categories

Prior to an Equity Conversion, the Club has the sole right, power, and authority to establish, modify and discontinue further issuance of any and all Membership categories and/or dues categories from time to time as the Club may determine in its discretion, so long as such new Membership categories maintain the character and quality of the Club as a private, Member-only club. The Club may, at any time, and from time to time in its discretion, modify Initiation Fees, Reissuance Fees payable by new incoming Members, other fees, dues, charges, privileges and restrictions, subject to the limitations set forth in this Plan.

FAMILY PRIVILEGES

Use of Club Facilities by Immediate Family

The “**Immediate Family**” of a Member will be entitled to use the Club Facilities on the same basis as the Member. A Member’s Immediate Family shall include the primary Member (the “**Primary Member**”), and the Member’s spouse or “Designated Adult” (as set forth below) and the children of the Primary Member, spouse or the Designated Adult who are each under the age of 28. The Club may increase the maximum age for children to qualify as Immediate Family and establish such rules and policies with respect to Immediate Family as it may determine.

Use of Club Facilities by Extended Family

The “**Extended Family**” of a Member may use the Club Facilities on the same basis as the Member upon payment of fees as established by the Club. The Extended Family shall include the parents, grandchildren, and the children who are 28 or older of the Member and his or her spouse or Designated Adult, and their spouses. The Club may modify this privilege and establish such rules and policies with respect to Extended Family as it may determine.

Privileges for Individual Living with Member

An unmarried member living together with another individual in the same household as a family unit may designate the other individual on a membership year basis to use the Club Facilities as an Immediate Family member (the “**Designated Adult**”). The Primary Member shall identify in writing to the Club office the person who the Primary Member wishes to designate as the Designated Adult for such Primary Member’s Membership, and the Club may require the Primary Member and/or such person being designated by the Primary Member to execute a written instrument in a form provided by the Club as a condition to recognizing such designated person as the Designated Adult of such Primary Member. There shall be only one Designated Adult at a time per Membership; provided, however, a Primary Member may change the Designated Adult no more than once during any two year period by written notice to the Club Office and upon payment of such reasonable administrative fees as may be established by the Club from time to time. If a Designated Adult ceases to maintain the same principal residence as the Primary Member, such person shall cease to qualify as the Designated Adult and the Club may deny access and use privileges to such person; provided, however, the Primary Member shall remain responsible for all actions and charges of such person unless and until the Club office receives written notice from the Primary Member to cancel such person’s status as the Designated Adult, in connection with charges arising following receipt of such written notice, with all previously incurred charges remaining the obligation of the Primary Member.

Legal Separation or Divorce

In the event of the divorce or separation, the Membership will vest in the spouse who is awarded the property which is situated in a Talisker Designated Community by an agreement of separation or a decree of divorce. In the case of a Membership which is not held by a Member who holds title to property in a Talisker Designated Community, the Membership will vest in the spouse who is awarded to Membership by an agreement of separation or a decree of divorce. The Club reserves the right, in its discretion, not to 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. In the case of divorce, if the Club has been unable to determine which spouse is legally entitled to the Membership within six (6) months after the date of the divorce decree, the Membership shall automatically be deemed resigned and will be placed on the Resigned Members’ Wait List (as set forth below) to be reissued (or replaced), unless otherwise determined by the Club.

OTHER USE PRIVILEGES

Guest Privileges

Members may invite guests to use the Club Facilities upon payment of the applicable guest charges. Guest use shall be in compliance with the Rules and Regulations of the Club, which may include, without limitation, restrictions on the number of times a particular guest may use all or a portion of

the Club Facilities during each membership year, the total number of guests a Member can sponsor during any membership year or portion thereof and a requirement that guests of a Member be accompanied by the Member (or a requirement that unaccompanied guests may be subject to higher guest fees) and to limit guest privileges when the Club determines it is in the best interests of the Club. The Member will be responsible for the payment of charges incurred but not paid by his or her guests, including any applicable guest fees established by the Club from time to time. Members will also be responsible for the deportment of their guests.

Reciprocity

The Club reserves the right to enter into reciprocal use agreements providing for the use of other facilities. Such agreements may be entered into with entities that have facilities and service levels that are comparable to those of the Club as determined by the Club. The agreements will provide that Club Members will have limited use rights to the facilities and services of other facilities in exchange for the limited use right of the members of such other clubs to use certain of the Club Facilities. Any such reciprocal use rights will be limited by the Club to ensure a high-end, exclusive, private club experience is maintained for Club Members. Any use of the Club Facilities by reciprocal users will not count toward any limits on the number of Club Memberships.

Right to Promotional and Other Use of Club Facilities

The Club and its designees reserve the right to hold promotional and/or special events at the Club Facilities from time to time, and to promote the Club in advertisements and promotional materials by making reference to the Club and the availability of Memberships in the Club to purchasers of property in Talisker Designated Communities. The Club also reserves the right to hold charitable events and functions at the Club from time to time, which events may include the use of the Club Facilities.

The persons designated by the Club to hold such events may include, without limitation, persons who are employees or affiliates of the Club, persons who are involved in special events held at the Club, and persons involved in tournaments and other events sanctioned by either a PGA or USGA affiliate. The Club can sponsor individuals affiliated with the Company or its affiliates, as well as prospective purchasers of residences or home sites in Talisker Designated Communities or Memberships to use the Club Facilities on such terms and conditions as it shall determine.

Lodging Guests

The Club may allow Lodging Guests to use the Golf Course and the Clubhouse at Tuhaye Park upon the payment of the applicable fees and charges as are determined by the Club from time to time. "**Lodging Guests**" are defined as guests staying in one or more hotels or similar lodging facilities of a quality comparable to the Club, as determined by Club and the designees of the owners, operators or managers of such lodging. All use rights by Lodging Guests shall be subject to the following:

- No Lodging Guests shall be permitted tee times over holidays and extended holiday weekends.
- Each access arrangement shall additionally provide the following limitations:
 - Lodging Guest rounds may only be booked following 1:00 PM on a "space available" basis;
 - Lodging Guest rounds must be booked through the hotel or resort concierge and not by the Lodging Guest directly;
 - Lodging Guest use shall be limited to playing golf (accompanied by a Club golf staff member or a fore-caddie) and dining privileges preceding or following golf play. No use of the pool, fitness or other Club Facilities will be permitted; and
 - For the avoidance of doubt, all renters of residences for periods less than

six (6) months in duration shall not be considered Lodging Guests.

- The terms, conditions and provisions of this Plan related to Lodging Guest use and any access agreement shall survive any transfer, sale, or lease of the Club Facilities.

OFFERING OF MEMBERSHIPS

Eligibility for Membership

Eligibility for the various categories of membership currently being offered shall be as provided for previously.

Membership Requirement

Specific properties within the Talisker Designated Communities are, and additional properties may in the future be, subject to that certain Club Declaration of Covenants and encumbered thereby, which is recorded in the Public Records of Summit County and in the Public Records of Wasatch County (as amended, modified or supplemented from time to time, the "Club Declaration").

In order to further the long-term success of the Club, which is an integral part of the Talisker Designated Communities, each owner of a residence or home site within a Talisker Designated Community that is subject to the Club Declaration and/or any declaration of covenants that provides for required membership in the Club, shall be required to acquire a Full Membership or other Membership for which the owner is eligible in the Club and maintain a Membership for so long as such owner owns the membership required property in question (such property being referred to hereinafter as an "**MR Property**"), as more particularly provided for herein. Each initial purchaser, resale purchaser or other transferee of an MR Property is required to apply for, and, if approved for membership in the Club, acquire no later than the closing on the real estate purchase or transfer and maintain through the duration of ownership of the MR Property a Membership in the Club, unless exempt from such requirement.

Application for Membership

To apply for a Membership, an applicant must complete and sign the then current form of the Membership Application. The applicant must then mail or deliver the completed and signed Membership Application along with the applicable Initiation Fee required to the Club office.

Review of Membership Application

The Club has the right, but not the obligation, to approve all applicants applying for membership prior to their becoming admitted as Members. After receiving the Membership Application, the Club will determine if the applicant has satisfied the relevant conditions of membership. The Club will consider all Membership Applications without regard to race, religion, gender, age, national origin, marital status or physical disability. If the applicant has satisfied the conditions for membership, as determined solely by the Club, the applicant will be notified in writing that the Membership Application has been acted upon favorably. In the event the Membership Application has not been acted upon favorably, the applicant, or the entity that paid the Initiation Fee for such applicant, will receive a refund of any Initiation Fee amounts previously paid, without interest.

Initial Purchasers of a Residence or Home Site

Initial purchasers of an MR Property in a Talisker Designated Community or their designee must apply for a Full Membership subject to the then current availability of Full Memberships. Applicants are required to apply for a Full Membership prior to the closing on the residence or home site, but such Full Membership shall not be issued until closing has taken place. The number of Full Memberships is limited and, if available, will generally be issued on a first-come, first-served basis.

Transfer to New Residence or Home Site

If a Full Member purchases another residence or home site within a Talisker Designated Community from the master developer or its designee, or from an existing owner, the ability of the Member to transfer the Full Membership to the other residence or home site in question, as well as the ability of a purchaser of the Full Member's property with which the Full Membership was formerly associated to acquire a Full Membership, shall be determined in accordance with the policy adopted by the Club in its discretion in this regard and in effect at the time.

Purchasers of Multiple Residences or Home Sites

In the case of the purchase of two (2) or more MR Properties within Talisker Designated Communities, the purchaser or the purchaser's designee must acquire a Full Membership for each property, if available, unless exempt. If the purchaser of multiple residences or home sites designates a separate individual(s) and/or entity(ies) on the deed to the additional residence or home site at the time of purchase, one (1) designated individual or entity must apply for a Full Membership, if available. If a person or entity purchases two (2) or more contiguous home sites and combines them, but constructs only one (1) residence, the purchaser need only acquire one (1) Full Membership.

Multiple Owners of Property

In the event two (2) or more persons and/or entities, other than spouses or a Designated Adult, own a residence or home site in a Talisker Designated Community, only one (1) individual is eligible to be the designated Member (the "**Member Designee**") under the associated Membership. Such multiple property owners may change the one (1) Member Designee to another individual only once per calendar year, subject to approval of the Club. The Club may charge an administrative fee in connection with such Member Designee change. All Club account balances of the current Member Designee must be paid in full before the Club shall process the request for change of Member Designee.

Membership Held in Name of Legal Entity

For the convenience of Members, and if approved by the Club, a Membership may be held in the name of a partnership, corporation, limited liability company, trust or other form of entity ownership (collectively, the "Legal Entity"). The Legal Entity must designate in writing to the Club one (1) individual who will have the right to use the Membership. The designated user must submit a signed Membership Application and will be subject to the approval of the Club. The designated user must be a bona fide director, officer, partner, shareholder or employee of the Legal Entity, or a beneficiary or settlor if the Membership is held in the name of a trust, and must pay the required dues and charges, for which he or she and the Legal Entity shall be jointly and severally responsible. No person other than the designated user and his or her Immediate Family and Extended Family will be entitled to simultaneously use the Membership. The designated user may be changed one (1) time each membership year, subject to approval by the Club. In the event that through one (1) or more transactions and/or assignments, the majority ownership interest in the Legal Entity is directly or indirectly transferred to a different party or parties other than the real party in interest of the entity or the spouse or adult child of such person, the entity is obligated to notify the Club in writing and shall pay to the Club an entity transfer fee determined 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 to be the Member for all purposes under the terms and provisions of this Plan and the Rules and Regulations, except where otherwise stated or the context requires otherwise.

Reserved Memberships

All unissued Memberships will be reserved by the Club in its discretion as Reserved Memberships, and the Club may enter into agreements with developers of property located within Talisker Designated Communities to issue Reserved Memberships to initial purchasers of residential units within such developments. Subject to the terms of this Plan, the Club may not be compelled to issue

a Reserved Membership. The Club may issue a Reserved Membership to any purchaser of a property located within a Talisker Designated Community.

Membership Waiting Lists

If Full Memberships are not available, the Club may establish, in its discretion, a waiting list for Full Memberships of those eligible persons or entities who have notified the Club in writing of their desire to apply for a Full Membership.

INITIATION FEES

Initiation Fee Required for Memberships

Each applicant approved for Full Membership will be required to pay (or to have paid by others) to the Club the Initiation Fee in United States Dollars, plus all applicable taxes thereon, in effect for this category at the time the Membership Application is submitted to the Club. The amount of the required Initiation Fee will be determined by the Club from time to time in its discretion and the full amount of the applicable Initiation Fee in effect on the date the applicant submits the Membership Application to the Club shall be paid at the time of the submission by the prospective Member of his, her or its Membership Application, unless otherwise determined by the Club. The Initiation Fee may be paid by another party on behalf of the prospective Member.

Refund of Initiation Fee

Members who have paid a refundable Initiation Fee are entitled to a refund, without interest, upon the occurrence of any one of the following and in the amounts indicated:

- (a) The lesser of the Initiation Fee paid by the resigning Member or the Initiation Fee paid by the incoming Member, less the amount of the Reissuance Fee provided for below, within thirty (30) days after a Member's resigned Membership has been reissued (or replaced) by the Club either, (i) in connection with the sale or other transfer of the residence or home site associated with the Membership in question, or (ii) from the Resigned Members' Wait List, as set forth below;
- (b) One hundred percent (100%) of the Initiation Fee within thirty (30) days of termination or recall of a Full Membership, Former Owner Membership or Base Membership by the Club.

Notwithstanding the foregoing, a Membership that is revoked or terminated due to default in payment or other disciplinary action shall not be entitled to any refund for any dues, club credits, fees or other charges incurred by the revoked, expelled or terminated Member.

The Club shall have the right to deduct from any refund due to a Member, any amount which the Member owes to the Club.

Membership Reissuance Fee

The Club will be entitled to collect a fee (the "**Reissuance Fee**") in connection with the reissuance (or replacement) of any resigned Base Membership, Full Membership or Former Owner Membership as hereinafter provided, in an amount equal to twenty percent (20%) of the Initiation Fee paid by the Member whose Membership is being reissued (or replaced). The Reissuance Fee will be deducted by the Club from the Initiation Fee refund which is payable as provided above.

Tax Consequences of Club Membership

The Club, the Club Owner and their affiliates, legal representatives, agents and employees, make no representations and express no opinions of any type or nature regarding the federal, state or local tax consequences of a Membership or with respect to any Initiation Fee, dues, fees or charges paid to

the Club. All persons who become Members are subject to all applicable taxes and similar charges and tax laws, as the same may be amended from time to time. Accordingly, Members and prospective Members should consult with their own tax advisors with respect to the federal, state and local tax consequences of a Club Membership and with respect to Initiation Fees, dues, fees or charges paid to the Club and any other matters or items related thereto.

DUES, FEES 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 paid annually in advance, or on such other intervals as determined by the Club from time to time. The amount of dues, fees and other charges is subject to change from time to time, subject to the dues increase limit set forth below, by the Club. All dues billed are due and payable upon receipt. The payment of dues will not be abated for any reason, including, without limitation, any extended absences of the Member from the area, or any temporary disability preventing the Member's use of the Club Facilities. A Member who is suspended or terminated by the Club, for failure to pay dues, fees or other charges, or for any other reason, will not be permitted to be the guest of a Member of the Club or otherwise be permitted to use the Club.

Dues Increase Limit

Annual increases in dues will be limited to the annual percentage increase reflected in the most recently published Consumer Price Index applied against the prior year's dues amount. For purposes hereof, the "**Consumer Price Index**" shall mean the Consumer Price Index for Urban Wage Earners and Clerical Workers, United States city average, all items 1982-84 = 100, or any successor thereto as promulgated by the Bureau of Labor Statistics of the United States Department of Labor. In the event that such Consumer Price Index (or such successor index) is not available, a reliable governmental or other non-partisan publication evaluating information used in determining the Consumer Price Index shall be used. Notwithstanding the above, dues may be increased by more than the annual percentage increase in the Consumer Price Index provided: (i) the Club has determined that dues have increased by a higher percentage than the Consumer Price Index at other clubs comparable to the Club with respect to location, amenities and pricing, or (ii) a Majority Member Consent has been obtained.

Payment of Dues by Resigning Member

A resigning Base Member or Full Member is obligated to pay the dues, fees and charges associated with the resigned Membership and may continue to have Club privileges until the reissuance (or replacement) of the resigned Membership by the Club or the expiration of twelve (12) months following the effective date of the resignation, whichever occurs first, so long as such resigning Member continues to timely pay dues, fees and charges incurred during such period. If the Membership of a resigning Base Member or Full Member is reissued (or replaced) during the twelve (12) month period following the effective date of the resignation, the resigning Member will be entitled to a refund of a pro-rata portion of any dues and other fees paid in advance for services that have yet to be rendered. At the discretion of the Club, if the resigning Member's Base Membership or Full Membership has not been reissued (or replaced) at the expiration of twelve (12) months following the effective date of resignation, and the resigning Member wishes to continue to have Club privileges, the Club has the option to allow the resigning Member to continue to maintain their existing Club privileges until such time as the resigning Member's Membership has been reissued (or replaced), so long as the resigning Member timely pays all dues, fees and charges incurred at the Club and faithfully observes the obligations of the Member under the Membership Documents or until the Club elects, in its discretion, to discontinue Club privileges for such Membership. A resigning Former Owner Member is obligated to pay dues, fees and charges associated with the resigned Membership and may continue to have Club privileges until the replacement of the resigned Membership by the Club (unless otherwise agreed to by the Club in

writing), provided the dues, fees and charges are timely paid. Members on the ResignedMembers' Wait List (referred to below) shall not have voting rights.

Notwithstanding anything contained herein to the contrary, a Member who owns, or whose membership is associated with, an MR Property cannot resign other than (i) in connection with the sale or transfer of the applicable MR Property or (ii) as otherwise determined by the Club in its discretion.

Club Charges Lien

With respect to any Member who owns or whose membership is associated with, an MR Property, the Member or owner of such property, if different from the Member, hereby grants and conveys to the Club Owner, a present charge, which shall be a continuing servitude and lien on the property in question ("Club Charges Lien") for the payment of the required Initiation Fee, dues, fees and charges, as well as any late payment charges, which become due and payable. The Club Charges Lien shall also cover reasonable attorneys' and paraprofessionals' fees, and costs at all levels of proceedings including appeals, collection and bankruptcy. The enforcement of a Club Charges Lien hereunder may cover and include any additional amounts which accrue thereafter until satisfied. With respect to property which is subject to the Club Declaration, the Club Charges Lien is further provided for in and evidenced by the Club Declaration. Each person or entity who owns or is acquiring an MR Property or any interest therein, agrees to the imposition of the Club Charges Lien on such owner's or other person's or entity's interest in such property. All unpaid amounts owed hereunder or under the Rules and Regulations together with and reasonable attorneys' and paraprofessionals' fees at all levels including appeals, collections and bankruptcy and other costs shall be the personal obligation of the Member in question, as well as the Member's heirs, devisees, personal representatives, but not the personal obligation of the owner of the residence or home site or of a successor owner who is a bona fide third party purchaser for value of the residence or home site in question (unless obligated under the relevant Membership Application). However, a third party purchaser shall take title subject to the Club Charges Lien and the applicable amounts provided for herein commencing upon acquisition of title to the residence or home site. If a residence is leased, the owner shall nonetheless be liable hereunder notwithstanding any provision in the lease to the contrary. The Club Owner shall have the right to enforce its Club Charges Lien against the subject property by the exercise of all rights and remedies available at law or in equity, including, but not limited to, bringing an action at law to collect amounts secured by the lien or foreclose the lien in the same manner as foreclosing a mortgage on real property in the State of Utah, including by power of sale. The owner of the property in question shall have the right to pay the delinquent amount owed to the Club and to satisfy the Club Charges Lien associated with respect to the delinquent amount. Though not necessary to foreclose a Club Charges Lien, the Club Owner may, in its discretion, file a notice of lien in the Public Records of Summit County and/or Wasatch County, as appropriate. The Club Charges Lien shall be subject and subordinate to the lien of a first mortgage or first deed of trust on the property in question made in good faith and for value in favor of a financial institution.

The Club Charges Lien, as provided for above, shall also apply to any Member who joins the Club after May 31, 2018 (and not to existing Members as of such date) and who owns or whose Membership is associated with a property in a Talisker Designated Community, even though not an MR Property.

USE OF INITIATION FEES: ASSESSMENTS

No Assessments of Members

With the exception of dues, fees, taxes, service charges and other charges as the Club may establish from time to time, prior to the conversion (the "**Equity Conversion**") of the Club to an equity, member-owned Club (an "**Equity Club**"), Members will not be subject to capital or

operating assessments related to the costs and expenses of constructing or operating the Club Facilities. Prior to the Equity Conversion, the Club Owner will be responsible for all deficits from the operation and ownership of the Club Facilities.

Club Membership Year

The Club's membership year will constitute the twelve (12) month period commencing January 1 and ending December 31, unless otherwise established by the Club.

Use of Initiation Fees by Club

The Club shall deposit sixty five percent (65%) of Initiation Fee proceeds received by the Club (on an after-tax basis) in connection with the issuance of a Full Membership in the case where there is no refund that has to be paid to a resigned Member in accordance with the terms hereof into a segregated account (the "**New Facilities Capital Reserve**"), with the amounts in such New Facilities Capital Reserve to be utilized to fund the construction of new Club Facilities or the expansion of existing Club Facilities pursuant to the Capex Plan in order to accommodate additional Members until the costs in connection with the construction of such Club Facilities have been fully funded.

The remaining thirty five percent (35%) of Initiation Fee proceeds received by the Club (on an after-tax basis) in connection with the issuance of a Full Membership in the case where there is no refund that has to be paid to a resigned Member in accordance with the terms hereof, shall be deposited into another segregated account (the "**Operating Reserve**") for the purpose of replacement of property and equipment and other capital expenses pursuant to a yearly capital improvements plan and budget until such time as the aggregate amount of deposits funded into the Operating Reserve equals \$1,500,000.

Exception to Deposit Requirement

Club Owner, among other parties, has entered into that certain First Amendment to Club Facilities Development and Operations Agreement for Talisker Club (the "Amendment to Development and Operations Agreement") dated January 31, 2018. The Amendment to Development and Operations Agreement provides, among other things, that upon the satisfaction of certain conditions and the making of an election described in the Amendment to Development and Operations Agreement, the Club shall deposit sixty-five percent (65%) of Initiation Fees for all Full Memberships purchased in Sommet Blanc into a Contribution Reserve (as defined therein) account to be utilized to secure and fund the Club Owner's Contribution (as defined therein). Notwithstanding anything to contrary contained in this Plan, with respect to Initiation Fees for all Full Memberships purchased within Sommet Blanc, the Contribution Reserve shall take precedence over all other allocations or distributions contained in the Membership Documents, including, without limitation, the New Facilities Capital Reserve and the Operating Reserve, and construction of Club Facilities pursuant to the Capex Plan. The Contribution Reserve shall be enforceable against Club Owner or any successors or assigns of Club Owner and may be evidenced by a written agreement filed of record against the real property upon which the Club Facilities are located.

Operating and Capital Assessments after Equity Conversion

Following the "**Turnover Date**" (i.e., the date on which control of the Equity Club is turned over to the equity members as provided for hereinafter and in the Turnover Agreement referred to below), the Club Owner shall have no future obligation for operating expenses, capital improvements or repairs or any other costs or expenses incurred in connection with the Club Facilities. Thereafter, the Equity Club will be liable and responsible for all capital expenditures (including without limitation, any capital expenditures relating to new facilities or expansion of existing facilities contemplated by the Capex Plan which have not yet been developed) and all costs incurred in the operation of the Club Facilities, and shall determine the need for dues increases, establishment of reserves or sinking funds, borrowing or assessments of members.

MEMBERS' FINANCIAL RESPONSIBILITIES

Each Member shall be responsible for the performance and prompt discharge of all obligations and indebtedness to the Club imposed upon, or incurred by, the Member, members of their family, or their guests. The Club, in its discretion, may expel, suspend, fine, or otherwise limit the use of any or all of the Club Facilities for any Member who fails or neglects to promptly discharge or fulfill any amounts owing to the Club. The Club reserves the right to require Members to provide a credit card, check, or cash deposit as security for the payment of a Club account. The Club reserves the right to take whatever action it deems necessary to collect in full the amount owed on a delinquent Club account. A Member's Club account, which is billed monthly, will include monthly dues owed and Club charges. If the Club engages an attorney to collect a past-due Club account, the delinquent Member will be liable for all legal fees and expenses incurred in pursuing collection of such amounts.

TERMINATION OF MEMBERSHIP

Resignation: Transfer of Membership

Should a Member desire to resign from the Club, the Member shall be required to give 30 days' prior written notice to the Club. The original signed resignation notice is required to be delivered by hand delivery or by overnight courier to the Club. Resignation of a Member is irrevocable, unless otherwise determined by the Club, and is subject to the other provisions hereof. Resignation shall not become effective unless the Member's Club account is current. A Member of the Club may transfer the Membership only through the Club subject to the terms and conditions of this Plan.

Resignation of Club Membership in Connection with Sale of Property

A Membership may, at the Club's option, be deemed automatically resigned upon the closing of the sale by the Member of that Member's residence or home site in the Talisker Designated Community for which the Membership is held. In the event that the Club exercises the option to have a Membership deemed automatically resigned, or if the Member voluntarily resigns in connection with the sale or transfer of the residence or home site, the Club will reissue the Full Membership (or issue a replacement Full Membership) to the purchaser or transferee, if desired by the purchaser or transferee, subject to submission by the purchaser or transferee of a Membership Application, acceptance thereof by the Club and payment of the required Initiation Fee. Upon the reissuance of such Full Membership (or issuance of a replacement Full Membership), the resigned Member's obligation to pay future Club dues will be terminated.

If the subsequent purchaser of the Member's residence or home site in a Talisker Designated Community elects not to apply for a Membership, the selling Member may elect to either have the Membership placed on the Resigned Members' Wait List or elect to become a Former Owner Member if this status is then being granted by the Club.

Notwithstanding the foregoing, with respect to the sale or other transfer of an MR Property, unless otherwise determined by the Club, the subsequent purchaser or transferee, or a designee thereof, must apply for and subject to approval of the Club, acquire a Full Membership contemporaneously with the closing.

Reissuance of Membership Through Resigned Members' Wait List

If a Member resigns from the Club (subject to the foregoing provisions regarding resignation), and the Full Membership is not being reissued (or a replacement Full Membership is not being issued) to a purchaser or other transferee of the Member's residence or home site in a Talisker Designated Community (or to a designee of such purchaser or transferee), the Member's resigned Membership will be placed on the Resigned Members' Wait List to be reissued (or replaced) by the Club on a first-resigned, first-reissued (or replaced) basis as follows:

- (a) So long as the Club holds available for initial issuance one (1) or more Full Memberships (including any Memberships which have been repurchased by or otherwise reverted to the Club), the Club will reissue one (1) resigned Membership from the Resigned Members' Wait List after the issuance of three (3) of the Club's Full Memberships.
- (b) After the Club has initially issued all of its Full Memberships (including any Memberships which have been repurchased by or otherwise revert to the Club), each Full Membership issued (excluding the reissuance of a Full Membership (or the issuance of a replacement Full Membership) to the subsequent real estate purchaser or transferee from a Member is provided above) will be a Full Membership from the Resigned Members' Wait List.

Notwithstanding the foregoing, in the case where a Base Membership or Former Owner Membership is at the head of the Resigned Members' Wait List and would be the next Membership to be reissued, a replacement Full Membership will be issued in its place.

In the event that a Member desires to have their resigned Membership removed from the Resigned Members' Wait List, such Membership will be removed from the Resigned Members' Wait List only in the discretion of the Club who may also require that such resigning Member pay to the Club a reinstatement fee (the "**Reinstatement Fee**") in such amount as Club may, from time to time, determine, as well as such other amounts as the Club shall determine, all in its discretion, as a condition to such removal from the Resigned Members' Wait List.

Prorated Dues and Fees upon Reissuance of Membership

If a Membership is reissued (or replaced) during a membership year, the resigned Member shall be entitled to a refund of a pro rata portion of any dues and other fees paid in advance and for which services have not been rendered or product supplied based on a three hundred sixty (360) day calendar year.

In the Event of Member's Death

Upon the death of a Member, the Membership will pass to the spouse or Designated Adult, as applicable, of the deceased Member, or a legal heir of such deceased Member who is at least eighteen (18) years of age, without any additional Initiation Fee, provided that such survivor becomes the owner of the property associated with the applicable Membership. Invitational Memberships shall terminate upon the death of the Invitational Member. Any such transfer of such Membership shall additionally be subject to compliance with the will and estate documentation of the deceased. If the spouse, Designated Adult or legal heir of the deceased, as applicable, does not wish to continue membership privileges, then he or she may resign from the Club and have the Membership added to the Resigned Members' Wait List, upon submitting a copy of the death certificate of the former Member and appropriate documentation to the Club within one hundred eighty (180) days following the former Member's death. Beyond the prescribed one hundred eighty (180) day notification period, the Membership will be deemed resigned without any further obligation for dues, fees or charges, except for those that have accrued at the time of death. The refund owed, if any, when payable, shall be paid to the estate of the deceased Member.

The foregoing provisions of this paragraph are subject to the membership requirement provisions of this Plan for any Member who owns or whose membership is associated with, an MR Property.

Termination of Membership at Club Election

In the event of the termination of any Full Membership, Former Owner Membership or Base Membership, at the Club's sole election and not as a result of the sale of the Member's residence or home site in a Talisker Designated Community, death of the Member, divorce or separation of the Member or by resignation, or violations of the Rules and Regulations or any policies of the Club, the

Club shall repurchase the terminated Member's Membership by refund to the terminated Member of the original amount of the Initiation Fee paid by such former Member, without interest, within thirty (30) days of the date of such termination. In the event of the expulsion of a Member and termination of membership privileges as a result of the violation of this Plan, the Rules and Regulations or any policies of the Club, as determined by Club, the Club shall add the Member's Membership to the Resigned Members' Wait List.

Repurchase of Memberships Under Other Circumstances

The Club may, in its discretion, repurchase a resigned Membership which is not being transferred to the subsequent purchaser or other transferee of the resigned Member's residence or home site in a Talisker Designated Community, on terms agreed to by the Club and the resigned Member. Any Membership so purchased shall be added to the Club's reserved Memberships. If the Club repurchases a Membership on terms agreed to by the Club and the Member, no other Member shall have the right to compel the Club to repurchase his, her or its Membership on such terms or any other terms.

ACKNOWLEDGEMENT BY MEMBERS OF MEMBERS' LIMITED RIGHTS

Member's Acknowledgement

Membership issuance by the Club provides the Member with a non-exclusive revocable limited license to use the Club Facilities in accordance with the Membership Documents as they may be amended or modified from time to time. A Membership is not an investment in the Club, the Club Owner or the Club Facilities and does not give a Member a vested or prescriptive right or easement to use the Club Facilities. A Membership does not provide or grant a Member, or anyone who has access to the Club Facilities through such Member's Membership any equity or ownership interest or any other property interest in the Club, the Club Owner or any of the Club Facilities or any additional Club property. The Club reserves the right to make changes in the terms and conditions of membership or in the Club Facilities or services available to Members subject to the restrictions set forth in this Plan.

In the event of a sale of the Club Facilities, save and except for an Equity Conversion, the terms of which will be governed by an agreement to be entered into between the Member Entity referred to hereinafter and the Club Owner (the "**Turnover Agreement**"), the buyer of the Club Facilities will take title subject to the terms and provisions of the then existing Membership Documents. If the Club Facilities are sold, the Members will look solely to the new owner of the Club Facilities in connection with the operation of the Club and the prior Club Owner will be automatically released from all liability in connection with its ownership of the Club. In addition, if the Club Facilities are sold, the Members will look solely to the new owner with respect to the management, operation and maintenance of the Club Facilities, Club property and any additional Club facilities, and the performance of all obligations of the Club or the prior Club Owner under any Membership Documents.

Membership May Not be Pledged or Transferred

A Member may not directly or indirectly, voluntarily or involuntarily, pledge, assign, encumber, hypothecate or otherwise transfer a Membership by sale, gift or otherwise except as specifically herein provided and any attempted action in contravention of this restriction will be invalid, null and void and of no force or effect. A Membership may be pledged to the extent the lien or security interest is incurred through a third-party lender as a result of obtaining the Membership privileges in connection with the purchase of a lot or residence in a Talisker Designated Community. In the event an Initiation Fee for a Membership is included as part of the purchase price for a home site or residence in a Talisker Designated Community and the purchase price is financed by a third-party lender, the Club: (i) will agree in writing, if required, to notify the lender if the Membership is

terminated and (ii) will agree in writing, if required, that the Initiation Fee will not be refunded to the Member without the prior approval of the lender holding the lien or security interest.

Rights of Members Governed Only by Membership Documents

If approved for membership, each Member and his or her Immediate Family, Extended Family, and their guests agree to be bound by the terms and conditions of the Membership Documents, as they may be amended from time to time by the Club.

CLUB OPERATIONS

Management and Operation of the Club

The Club reserves the right to: (i) engage one or more management companies or other companies, entities or persons, to manage and operate the Club Facilities and (ii) to lease all or any portions of the Club Facilities to such companies, entities or persons, if at any time, or from time to time, Club elects to do so at Club's discretion so long as the rights of the Members set forth in this Plan with respect to use of and access to the Club Facilities is not unreasonably impaired or modified.

Club Governance

The Club has established a Members' Advisory Board composed of Members whose purpose includes fostering good relations between the Members and management of the Club, providing the Members with input on programs, plans and activities of the Club, and advising on policies and rules and regulations. The members of the Members' Advisory Board are appointed by the Club for specific terms as determined by the Club from time to time and may be removed by the Club. The management of the Club shall meet with the Members' Advisory Board on a periodic basis to discuss the operation of the Club Facilities. The Members' Advisory Board 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 Talisker Club will have the final authority on all matters concerning the Club Facilities and the Members of the Club.

EQUITY CONVERSION TO A MEMBER-OWNED CLUB

Creation of Member Entity

Prior to the execution of the Turnover Agreement, the Club will cause an entity to be formed (the "**Member Entity**") to serve as the Equity Club entity. Only equity members will be eligible to serve as officers or board members of the Member Entity (the "**Member Board**").

Equity Conversion

It is the intention of Club Owner to convey the Club Facilities and related land to the Member Entity pursuant to certain terms, conditions and conveyance documentation to be more particularly set forth in the Turnover Agreement. Material terms of the Turnover Agreement will include, without limitation, the following:

1. The Turnover Agreement will contain standard seller representations and warranties and provide for documentation and due diligence requirements utilized in comparable club conveyance transactions including title, survey, environmental and engineering reports.
2. Club Facilities owned by the Club Owner are to be conveyed in fee or assigned to the Member Entity free of mortgage or other unpermitted security interests or encumbrances. Club Facilities leased or licensed to the Club Owner are to be assigned to the Member Entity, as applicable, to the extent such agreements are assignable, with any rights of lenders to be subject to acceptable subordination and

non-disturbance or similar agreements and any obligations of lenders to remain in full force and effect.

3. The Equity Conversion will take place on a date determined in the discretion of the Club Owner (the "**Equity Conversion Date**"), without the need for further Member vote, but no later than the earlier of (a) twelve (12) years from May 31, 2018 or (b) after ninety percent (90%) of all Summit County and Wasatch County residences and homesites planned within the Talisker Designated Communities as set forth at **Schedule A** have been sold to retail purchasers, provided that the Club has operated at "breakeven" or better for the prior two Club fiscal years, the Operating Reserve Account has been fully funded (i.e., \$1,500,000), and that all Club Facilities to be constructed pursuant to the Capex Plan as of the Equity Conversion Date have been funded. For purposes of determining "breakeven", Initiation Fees and other non-recurring fees will be excluded, service levels and Club conditions must be consistent or better than historical operational standards, and there shall have been no deferral of Club maintenance expenses.
4. Full Members in good standing will not be required to pay a conversion fee, equity purchase payment or similar fee upon the Equity Conversion.
5. Base Members shall be provided an opportunity to upgrade their Memberships to Full Memberships prior to the Equity Conversion, subject to availability and on terms determined by the Club. In the event Base Members elect not to upgrade their Memberships prior to the Equity Conversion, such Members shall retain the right to utilize Club Facilities as provided prior to the Equity Conversion but will not be eligible to vote or serve on the Member Board, and will remain non-equity members. Former Owner Members at the time of the Equity Conversion shall continue as non-equity members in the Equity Club with the right to utilize the Club Facilities as provided prior to the Equity Conversion, but will not be eligible to vote or serve on the Member Board. Former Owner Memberships will still be subject to recall by the Equity Club.
6. Full Members who fail to convert to an equity membership in the Member Entity will be treated as resigning their Memberships. Resigned Full Memberships, Base Memberships and Former Owner Memberships as of the Equity Conversion Date will be placed on a resale wait list (in descending order of priority based on length of membership in the Club) with other resigned Memberships and will be reissued in the same manner as hereinabove provided, except that these Memberships will be replaced by equity Full Memberships. Those Full Members who own or whose membership is associated with an MR Property automatically convert to equity Full Membership in the Equity Club on the Equity Conversion Date and shall be required to execute and deliver a Membership Purchase Agreement provided by the Equity Club to the Equity Club. Failure to do so shall not affect a given Full Member's status as an equity Full Member commencing on the Equity Conversion Date. Further, membership in the Equity Club will be mandatory for all subsequent purchasers or transferees of an MR Property, subject to approval for membership and payment of the required membership contribution, unless exempted by the Member Entity.
7. All inter-company payables and all non-ordinary course payables and liabilities in connection with the Club shall have been fully discharged or subordinated to the satisfaction of the Member Entity.
8. The Equity Conversion will end and automatically satisfy any remaining obligations

of the Club Owner to make a refund in respect of any Initiation Fees paid by any Member.

9. Following the Turnover Date, the Member Entity will continue to make equity memberships available to initial purchasers of properties in Talisker Designated Communities.
10. The Member Entity will pay to the Club Owner an amount equal to thirty-five percent (35%) of the membership contribution received by the Member Entity from the initial sale of each unsold equity Full Memberships until the maximum permitted number of these memberships has been sold.
11. Club Owner and the Member Entity agree to work with one another in good faith to enter into any agreements as may be necessary to ensure the ongoing access by members of the Equity Club to utilize all of the Club Facilities.
12. On the Turnover Date, the Member Entity and the Equity Club will be governed by the board of directors of the Member Entity.

Nothing in this section may be construed to prevent the Club Owner or any successor or assignat any time from selling, leasing, exchanging, conveying or transferring the Club or any of the Club Facilities to any person or entity and upon any terms or conditions that the Club Owner or its successors or assigns may elect subject only to the obligation of the purchaser, lessee or transferee to assume the obligations of the Club Owner or its successor or assign under the then current Membership Documentssubject to applicable membership approval guidelines then in effect.

Sale of Club Memberships by Member Entity

Upon an Equity Conversion, the Member Entity will offer equity Full Memberships and any other equity memberships then being offered in the Equity Club to initial purchasers of residences or home sites in Talisker Designated Communities. The Equity Club and its Member Board shall not create any category of membership which may adversely affect the availability of memberships for initial purchasers of residences or home sites in Talisker Designated Communities or offer memberships to other parties subject to pricing or other financial terms more favorable than to initial purchasers of residences or home sites in Talisker Designated Communities. The Member Entity also, will not issue memberships in any category that has equal to or greater rights or privileges than those of Full Memberships without the prior written consent of the Club Owner. Further, the Member Entity will not offer memberships to owners of property outside of the Talisker Designated Communities without the prior written consent of the Club Owner. The Member Entity agrees to issue memberships upon payment of the then required membership contribution and upon application approved by the Equity Club. The obligations of the Member Entity in connection with the issuance of equity memberships in the Equity Club will be set forth in a written agreement to be filed of record on or before the Turnover Date.

No Discrimination Against Equity Club Issued Memberships

Membership approval of any prospective equity member desiring to purchase one of the Equity Club's equity memberships will not be unreasonably withheld by the Equity Club or its ownership and no member purchasing an Equity Club issued membership after the Turnover Date will be discriminated against as to membership privileges nor relegated to any category of membership or access use different than those for any other member. The Club will continue to observe the right of a second or subsequent purchaser of a residence or home site in a Talisker Designated Community to apply to purchase a membership in other than a membership required situation and will take no action to discriminate against or relegate any such purchaser to an inferior status in the Equity Club or an inferior status to any other equal membership category or class.

RIGHT TO SELL, LEASE, PLEDGE AND ENCUMBER THE CLUB FACILITIES AND CLUB ASSETS

Club Owner and any owner of fee title to the Club Facilities and Club assets, if different than the Club Owner (whether one or more, the "**Fee Owner**"), retain and have the unilateral right and option at any time to sell or lease the Club Facilities and Club assets, or any portion thereof, to any person or entity as determined by: (i) the Club Owner, in Club Owner's discretion, or (ii) the Fee Owner, if applicable, in the Fee Owner's sole discretion. Neither Club Owner nor Fee Owner has any obligation or duty of any type or nature to offer to sell or lease the Club Facilities and Club assets to any Member or group of Members of the Club, other than as specified in connection with the Turnover Agreement and this Plan. Upon the written assumption by a purchaser or lessee of the Club or Club Facilities of the obligations of Club Owner under the Membership Documents, the Club Owner and selling or leasing Fee Owner will be automatically released from any and all liability of any nature whatsoever under the Club Documents. No joinder, consent or acknowledgement by any Member of the Club is required for the full and final release of Club Owner and Fee Owner from any and all such obligations. In the event of the sale or lease by Club Owner of the Club Facilities, the Club assets or any portion thereof, the subsequent owner or lessee will remain obligated to offer memberships to purchasers of residences or home sites in Talisker Designated Communities, complete all required projects as set forth in the Capex Plan and apply Initiation Fee proceeds as set forth in this Plan.

GENERAL PROVISIONS

No Recording

In no event or circumstance will any Member, any Member Entity or any other person, party or entity record this Plan or any summary or memorandum thereof in any real property records of any county in the state of Utah without the express prior written approval of Club Owner.

Rely Only on the Information in This Plan

No person has been authorized to give or provide information or make any representation not contained within this Plan and the documents referenced. Representations made by any source regardless of affiliation which are not contained within this Plan may not be relied upon as having been authorized by the Club Owner or the Club. In the event of a conflict between the terms of this Plan, the Rules and Regulations and the Membership Application with any other printed materials issued by the Club Owner, the Club or any other source, the Plan, the Rules and Regulations and the Membership Application shall govern and constitute the actual representations of the Club Owner and the Club.

Memberships are for Recreational Purposes Only

Memberships are offered exclusively for the purpose of permitting Members' use of the Club Facilities for the purposes stated within the Plan, the Rules and Regulations and the Membership Application. Under no circumstances should Membership be viewed as an investment and no Member should expect to derive any economic profit from holding a Membership at any time. No federal or state authority has passed upon or endorsed the merits of this Plan or membership in the Club.

Review of Membership Documents

Prospective Members are advised to carefully review the Rules and Regulations and Membership Application prior to applying for a Membership.

Non-Discrimination

It shall be the policy of the Club and the Members not to discriminate in the solicitation and issuance of Memberships or in the operation of the Club on the basis of race, color, religion, sex, national origin, age or disability or any other basis for which non-discrimination is mandated by applicable federal, state or local law.

Dispute Resolution

In the event there is a dispute concerning the rights and/or obligations of the Members or the Club under the Membership Application, Membership Plan or the Rules and Regulations, the matter shall be submitted to binding arbitration pursuant to the procedures set forth in the Membership Application and/or the Rules and Regulations. For all matters involving the interpretation of any provision of this Membership Plan, the Membership Application, and/or Rules and Regulations, the interpretation offered by the Club shall be controlling.

Amendment

This Plan may be amended or modified at any time by the Club Owner, in the Club Owner's discretion; provided, however, that the maximum number of Memberships in the Club and dues increases in excess of the maximum amount permitted pursuant to this Plan may only be changed upon receipt of Majority Member Consent. The definition of Majority Member Consent may not be modified by the Club Owner. The obligation to apply Initiation Fees to the New Facilities Capital Reserve and the Operating Reserve, the obligations to construct Club Facilities pursuant to the Capex Plan, and the terms and conditions of the Equity Conversion to be set forth in the Turnover Agreement shall be enforceable against Club Owner and/or any successors or assigns of Club Owner and may be evidenced by a written agreement filed of record against the real property upon which the Club Facilities are located.

The Club's Discretion

With respect to any determination, approval, decision or judgment of the Club or the Club Owner hereunder or under the Rules and Regulations, such determination, approval, decision or judgment shall, except as otherwise expressly set forth in this Plan or Rules and Regulations, as the case may be, be within the sole and absolute discretion of the Club or Club Owner, respectively, and shall be final. All uses of the word "discretion" in this Plan or the Rules and Regulations shall mean sole and absolute discretion.

Talisker Designated Communities Disclosure

Tuhaye. As provided in Schedule A attached hereto, Tuhaye is a Talisker Designated Community and all lot owners in Tuhaye shall be eligible to become Members of the Club on the same terms and conditions as any other Talisker Designated Community. The provisions of this paragraph and the designation of Tuhaye as a Talisker Designated Community shall not be amended, altered, or removed without the written consent of the fee title owner or developer of Tuhaye.

Sommet Blanc. As provided in Schedule A attached hereto, Sommet Blanc (which has replaced B2 East) is a Talisker Designated Community.

Club Office Available

Any questions regarding this Plan or the Membership opportunities available at the Club should be directed to the Club's administrative office.

Dated: _____, 2022

SCHEDULE A

TALISKER DESIGNATED COMMUNITIES

Existing Talisker Designated Communities:

- Tuhaye
- Red Cloud
- Residences at the Tower
- Arrowleaf A & B
- Banner Wood
- The Belles
- Flagstaff Lodge
- Grand Lodge
- Ironwood
- Larkspur
- Tower Villas
- Moonshadow (formerly Marsac Horseshoe)
- Montage
- North Side Village (Nakoma)
- One Empire Pass
- Paintbrush
- Silver Cloud
- Shooting Star
- Silver Strike
- Empire Residences
- Argent
- Sommet Blanc (formerly B2 East)

Talisker Designated Communities may additionally include properties located adjacent to existing Talisker Designated Communities as of August, 2016, and proposed to be developed in connection with, Tuhaye, Empire Pass and Red Cloud.