

CORDILLERA VAIL CLUB

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INTRODUCTION

Membership Opportunities

The Cordillera Vail Club offers the opportunity to enjoy outstanding recreational and social facilities in the Vista Bahn Building in Vail, Colorado, as well as opportunities to participate in a variety of social events and activities.

The terms and conditions of membership in and use of The Cordillera Vail Club are contained in this Membership Plan for The Cordillera Vail Club, the Rules and Regulations for The Cordillera Vail Club, and such other policies as may be adopted by the Cordillera Property Owners Association Board of Directors, all as may be amended from time to time.

Club Facilities

The Cordillera Vail Club's facilities initially will be located on the 3rd floor of the Vista Bahn Building in Vail, Colorado, and will consist of lockers for ski and boot storage, ski boot warmers/dryers, restrooms, and areas for watching television, dining, conferencing, and socializing with other Members, guests and permitted users of the Club's Facilities.

Ownership and Operation

The Cordillera Vail Club is owned and operated by the Cordillera Property Owners Association and is offered as an amenity, subject to the membership terms and conditions set forth herein, to property owners within the area governed by the Cordillera Property Owners Association, to property owners within the area governed by the Cordillera Valley Club Property Owners Association, and to such other potential members as the Cordillera Property Owners Association Board of Directors may determine in its sole discretion. Membership in The Cordillera Vail Club represents a license to use designated Club Facilities in common with such other persons as the Cordillera Property Owners Association Board of Directors may authorize from time to time. Members in The Cordillera Vail Club do not acquire any ownership, proprietary, or beneficial interest in, or right to control, The Cordillera Vail Club or any of its facilities.

I. DEFINITIONS

In addition to any other terms defined herein, the following terms shall have the following meanings:

- A. Club shall mean The Cordillera Vail Club.
- B. Club Facilities shall mean the lounge, storage area, and other related amenities made available to Members located on the third floor of the Vista Bahn Building in Vail, Colorado.
- C. Club Manager shall mean the manager of the Club. The Club Manager shall be hired by the CPOA and shall report directly to the CPOA General Manager.
- D. CPOA shall mean the Cordillera Property Owners Association, Inc., a Colorado non-profit corporation, acting by and through its board of directors.
- E. CPOA Property shall mean real property located within the area subjected to the Amended and Restated Declaration of Protective Covenants, Conditions and Restrictions for Cordillera, and therefore within the jurisdiction of the CPOA.
- F. CPOA Property Owner shall mean the lawful owner, in fee title, of any CPOA Property.
- G. CVCPOA shall mean the Cordillera Valley Club Property Owners Association, Inc., a Colorado non-profit corporation, acting by and through its board of directors.
- H. CVCPOA Property shall mean real property located within the area subjected to the Declaration of Protective Covenants, Conditions and Restrictions for the Cordillera Valley Club, and therefore within the jurisdiction of the CVCPOA.
- I. CVCPOA Property Owner shall mean the lawful owner, in fee title, of any CVCPOA Property.
- J. Initiation Fees shall mean the initial one-time fee payable to the Club at the time application for a Membership is made, pursuant to Section V. A. of this Membership Plan and as initially established in the amounts set forth in Section II of this Membership Plan.

I. DEFINITIONS (CONT.)

- K. Member shall mean the owner of one of the classes of Membership in the Club set forth in Section II of this Membership Plan.
- L. Membership Plan shall mean this Membership Plan for The Cordillera Vail Club, which, together with the Rules and Regulations of The Cordillera Vail Club shall apply to all Members and users of the Club's Facilities. The Membership is adopted by the CPOA and may be amended from time to time by the CPOA in its sole discretion.
- M. Rules and Regulations shall mean the Rules and Regulations of The Cordillera Vail Club, which are adopted by the CPOA and may be amended from time to time by the CPOA in its sole discretion. The Rules and Regulations together with the Membership Plan shall apply to all Members and users of the Club's Facilities.

II. CLASSES OF MEMBERSHIP

A. General Membership Policy

- I. There currently are seven(7) classes of membership, based upon eligibility. The CPOA may waive the eligibility requirements for any class of membership; establish and change the eligibility requirements, privileges and obligations of any class of membership; discontinue offering any class or category of membership, and create additional classes of membership with such eligibility requirements, privileges and obligations as it deems appropriate, in its sole discretion. Regardless of Membership class, each Membership shall permit two(2) individuals to use the Club's Facilities, subject to the terms of this Membership Plan and the Rules and Regulations. The two(2) individuals permitted to use the Membership shall be designated in writing on the Membership application provided for herein.

B. Classes of Membership

- I. Founder Memberships will be offered to CPOA Property Owners, CVCPOA Property Owners and non-resident Members of the Club at Cordillera from December 1, 2006 through January 31, 2007. Initiation Fees for Founder Memberships are \$10,000 and quarterly dues for Founder Memberships are \$500 per quarter commencing in the fourth quarter of calendar year 2007. Founder Memberships may be transferred, pursuant to Section IV. D. of this Membership Plan or resigned, pursuant to Section IV. E. of this Membership Plan with a full refund of the Initiation Fee paid for such Membership to the resigning or transferring Member at such time as the Membership is resold/transferred.

II. CLASSES OF MEMBERSHIP (CONT.)

2. Charter Memberships will be offered to CPOA Property Owners, CVCPOA Property Owners, and non-resident Members of the Club at Cordillera from February 1, 2007 through March 31, 2007. Initiation Fees for Charter Memberships are \$12,000 and quarterly dues for Charter Memberships are \$500 per quarter commencing in the fourth quarter of calendar year 2007. Charter Memberships may be transferred, pursuant to Section IV. D. of this Membership Plan or resigned, pursuant to Section IV. E. of this Membership Plan, provided that such transfer or resignation shall result in the transferring or resigning Member being entitled to a refund of only 90 percent of the Initiation Fee paid for such Membership at such time as the Membership is resold/transferred.
3. Regular Memberships will be offered to CPOA Property Owners, CVCPOA Property Owners and non-resident Members of the Club at Cordillera after March 31, 2007. Initiation Fees for Regular Memberships are \$15,000 and quarterly dues for Regular Memberships are \$500 per quarter commencing in the fourth quarter of calendar year 2007. Regular Memberships may be transferred, pursuant to Section IV. D. of this Membership Plan or resigned, pursuant to Section IV. E. of this Membership Plan, provided that such transfer or resignation shall result in the transferring or resigning Member being entitled to a refund of only 80 percent of the Initiation Fee paid for such Membership at such time as the Membership is resold/transferred. In addition to those Regular Memberships purchased after March 31, 2007, any Founder or Charter Membership transferred pursuant to Section IV. D. of this Membership Plan or resigned pursuant to Section IV. E. of this Membership Plan shall automatically be converted to a Regular Membership upon such transfer or resignation.
4. Lodge Memberships will be offered to the Lodge & Spa at Cordillera on a limited basis. There shall be no more than 14 Lodge Memberships. Lodge Memberships purchased between December 1, 2006 and January 31, 2007 shall be subject to the same pricing and transfer terms applicable to Founder Memberships. Lodge Memberships purchased between February 1, 2007 and March 31, 2007 shall be subject to the same pricing and transfer terms applicable to Charter Memberships. Lodge Memberships purchased after March 31, 2007 shall be subject to the same pricing and transfer terms applicable to Regular Memberships. Lodge Memberships may be used only by permitted guests of the Lodge, and may not be used by Lodge employees or their families. Lodge Memberships shall be held only by the Lodge & Spa at Cordillera and may not be transferred. Any attempted transfer of a Lodge Membership shall be void ab initio.

II. CLASSES OF MEMBERSHIP (CONT.)

5. Recallable Memberships will be offered after March 31, 2007, if all available Memberships have not been sold. Recallable Memberships will be offered to non-CPOA Property Owners and non-CVCPOA Property Owners, and will be offered to CPOA Property Owners and CVCPOA Property Owners under those circumstances more specifically described in Section IV. B. I., of this Membership Plan. Initiation Fees for Recallable Memberships are \$18,000 and quarterly dues for Recallable Memberships are \$600 per quarter commencing in the fourth quarter of fiscal year 2007. Recallable Memberships may not be transferred and are subject to recall by the CPOA upon one years' written notice, or sooner if mutually agreed. Upon recall, the Member shall be entitled to a refund of 100 percent of the Initiation Fee paid for the Recallable Membership at such time as the recalled Membership is resold.

6. Special Memberships may be created by the CPOA from time to time upon such terms and conditions as the CPOA may deem appropriate in its sole discretion. By way of example, a Special Membership may be offered to builders of spec homes within the CPOA Property or the CVCPOA Property. The terms and conditions of any Special Membership will be set forth in a "Special Membership Memorandum," to be prepared by the CPOA at the time any Special Membership is offered.

III. USE PRIVILEGES

A. Establishment of Rules and Regulations

- I. Contemporaneously with the adoption of this Membership Plan, the CPOA has adopted the Rules and Regulations. The CPOA may modify, change, add to, or eliminate the Rules and Regulations or any portion thereof at any time, in its sole discretion.

B. Use by Members

- I. Each Member shall be entitled to use all the Club's Facilities, services and special events, in accordance with the terms of this Membership Plan and the Rules and Regulations. The Club's Facilities, services and special events may include:
 - a. Access to the Club's Facilities including the lounge and bar area where drinks, snacks, appetizers, sandwiches, and entrees may be available on both a gratis basis and on a per item charge basis.
 - b. Storage space for personal items and recreational equipment.
 - c. Restrooms.
 - d. Meeting/conference areas.
 - e. Concierge services.
 - f. Special events offered through collaboration with other service providers such as, ski schools, First Tracks, Breakfast at Two Elk, use of the Vail Mountain NASTAR course on a private or semi-private basis, and other special events offered at the Vail Mountain. All special events offered through the Club may be offered to Members at no charge, or may be offered at an additional charge, as provided in Section V. II. H., of this Membership Plan.

C. Use by Non-Members

- I. During the ski season (November 15 through April 15), CPOA Property Owners who are not Members and CVCPOA Property Owners who are not Members, may utilize the Club's Facilities on a daily-use basis at a charge of \$50 per day per locker; provided that such daily use shall be limited to a maximum of seven days per ski season, subject to the availability of a daily-use locker. Eligible non-Members wishing to use the Club's Facilities on a daily-use basis must make reservations in advance. Initially there shall be a maximum of 40 lockers which may be reserved for daily use by non-Members. The CPOA may increase, reduce or eliminate daily-use of the Club's Facilities in its sole discretion.

III. USE PRIVILEGES (CONT.)

2. During the non-ski season (April 16 through November 14) CPOA Property Owners who are not Members and CVCPOA Property Owners who are not Members will have access to the Club's Facilities on a space-available, first come, first served basis, at no charge; provided, however, the Club may offer special events during the non-ski season and may permit eligible non-member attendance at such events upon payment of charges established by the CPOA.

D. Use by Guests

1. Guest privileges may be extended by the CPOA from time to time under the provisions of the Rules and Regulations and this Membership Plan. It is the intention of the CPOA to accommodate guests without inconvenience to Members, however, at certain high usage times of the year it may not be possible to accommodate any guests at the Club's Facilities. The CPOA may deny, withdraw, revoke, or modify the extent to which guests may use the Club's Facilities from time to time in its sole discretion. Initially, there shall be a maximum of 20 lockers available for use by guests of Members.
2. Members may bring non-family guests to the Club's Facilities without fee so long as the guests are accompanied by a Member, up to a maximum of 20 days per ski season, provided that a daily-use or guest locker is available and reserved in advance.
3. Members may permit guests to use the Club's Facilities on an unaccompanied basis up to a maximum of 10 days per ski season, provided that the unaccompanied guest is over the age of 23 and further provided that a daily-use or guest locker is available and reserved in advance and the then-applicable daily-use fee is paid.

E. Use by Tenants

1. A Member who leases his or her residence to the same tenant for a period of at least six months may temporarily assign his or her Membership to the tenant for a period not to exceed the term of the lease, upon written notice to and approval by the Club Manager; provided there shall be no more than two such assignments in any twelve-month period. The tenant's use of the Club's Facilities shall be subject to the terms and conditions of this Membership Plan and the Rules and Regulations.
2. During the term of a Member's temporary assignment of his or her Membership, the Member and the Member's family may not use the Club Facilities. A Member may not divide the Membership by assigning a portion to a tenant and retaining a portion of the Membership. A Member may terminate the assignment prior to the termination of the lease by providing written notice to the tenant and to the Club Manager. During the term of any assignment contemplated by this Section III. E., the assigning Member shall remain responsible for payment of all dues and other Club charges.

III. USE PRIVILEGES (CONT.)

F. Family Use Privileges

1. Family of Members under the age of 23 may use the Club's Facilities in accordance with this Membership Plan and the Rules and Regulations, provided the family member is accompanied by a Member and provided a guest locker is available.
2. Family of Members age 23 and over may use the Club's Facilities in accordance with this Membership Plan and the Rules and Regulations on an unaccompanied basis and provided a guest locker is available. The CPOA shall have the right, in its sole discretion, to modify the Rules and Regulations and this Membership Plan concerning use of the Club's Facilities by family of Members and to deny access to the Club's Facilities to anyone, including but not limited to family, guests or Members, whose behavior does not comport with the standards required by this Membership Plan and the Rules and Regulations.

IV. CREATION, TERMINATION, AND TRANSFER OF MEMBERSHIPS

A. Availability of Memberships

1. The total number of Memberships which may be issued and outstanding at any time shall initially be 176. The 176 Memberships may be allocated among the Membership classes set forth in Section II of this Membership Plan as may be determined by the CPOA in its sole discretion; provided, however, that there shall be a maximum of 14 Lodge Memberships/Platinum Memberships.
2. Once all authorized Memberships have been sold, prospective Members may submit their names to a waiting list. CPOA Property Owners, CVCPOA Property Owners, and non-resident Members of the Club at Cordillera shall be placed in the top priority section of the waiting list, followed by other prospective Members eligible for Recallable Memberships. Upon resignation of a Membership or any other increase in the number of available Memberships, the Club Manager shall contact the party at the top of the waiting list and make a Membership available to that party, provided that party complies with all Membership application and eligibility requirements. The priority of names on the waiting list within the sections set forth in this Section IV. A. 2., shall be determined by the Club Manager based upon the date on which the application for a spot on the waiting list is submitted to the Club Manager.

IV. CREATION, TERMINATION, AND TRANSFER OF MEMBERSHIPS (CONT.)

B. Eligibility for Memberships

1. All CPOA Property Owners, CVCPOA Property Owners, and non-resident Members of the Club at Cordillera shall be eligible for Memberships on a first come, first served basis. Ownership of a CPOA or CVCPOA Property does not guarantee a Membership, as there are a limited number of Memberships available. Each CPOA Property Owner and each CVCPOA Property Owner, other than those who own such property for the purpose of constructing a residence for sale to another party, shall be permitted to purchase multiple Memberships, subject to availability, for each CPOA or CVCPOA Property owned. A Member who is a CPOA or CVCPOA Property Owner who relocates within CPOA or CVCPOA Property may transfer his or her Membership to the new CPOA or CVCPOA Property at no charge. Memberships purchased in excess of two per property shall be Recallable Memberships.
2. Certain CPOA Properties and CVCPOA Properties are owned jointly by more than one family. If two or more families or non-spousal single persons own a CPOA Property or CVCPOA Property jointly, they may each apply for a Membership or they may apply for one Membership to be owned jointly, provided however that each Membership, however owned, supports only two persons. If more than two persons jointly own a CPOA or CVCPOA Property, and all desire a Membership, more than one Membership must be applied for. The CPOA may modify the requirements for multiple owners of CPOA and CVCPOA Properties from time to time in its sole discretion.
3. The CPOA may, in its sole discretion, promulgate eligibility requirements for Membership for owners of fractionally divided CPOA or CVCPOA Property.
4. If an entity qualifies for a Membership by virtue of being a CPOA Property Owner or a CVCPOA Property Owner, a Membership may be held in the name of the legal entity, trust, corporation, partnership, or other unincorporated association. In such case, the entity shall designate one married couple or two individual persons who shall be entitled to use of the Membership. Once so designated, the entity may not change the designated user of the Membership without the prior written approval of the CPOA, which approval may be withheld in the CPOA's sole discretion.

C. Application for Memberships

1. Each person who desires a Membership must complete and return an application, together with the required Initiation Fee to the Club Manager at the address noted on the application.

IV. CREATION, TERMINATION, AND TRANSFER OF MEMBERSHIPS (CONT.)

2. Applications will be approved or denied by the CPOA General Manager pursuant to written guidelines and criteria established by the CPOA. The CPOA shall have sole and exclusive authority to determine the qualifications for Membership and may modify such qualifications from time to time in its sole discretion. In the event an application is denied, the applicant shall be refunded the full amount of the Initiation Fee without interest.

D. Transfer of Memberships

1. Memberships, other than Recallable Memberships and Lodge Memberships, may be transferred with the sale of a CPOA or CVCPOA Property, to the buyer of such property. In the event of such transfer, the purchaser of the Membership shall pay to the CPOA the then applicable Initiation Fee for the class of Membership being purchased, and the selling Member shall be entitled to a refund of the Initiation Fee paid for the Membership as set forth in Section II of this Membership Plan. In the event the purchaser of a CPOA or CVCPOA Property does not wish to purchase the Membership, the seller of the affected property may retain the Membership, but such Membership shall be recallable upon thirty days notice from the Club Manager that a CPOA Property Owner or a CVCPOA Property Owner desires to purchase the Membership.
2. Memberships, other than Recallable Memberships and Lodge Memberships may be transferred to an heir(s) of a deceased Member under the deceased Members' estate plan, provided the heir(s) is at least 23 years of age. There shall be no transfer fee upon transfer to an heir at least 23 years of age.
3. Except in the case of Recallable Memberships or Lodge Memberships, upon the death of a Member whose Membership is not automatically retained under joint ownership with rights of survivorship by a spouse or other joint Member, the Membership shall be deemed to have been resigned upon the Member's death unless a transfer of the Membership is provided for under the deceased Member's estate plan and as permitted pursuant to Section IV. D. 3. It shall be the responsibility of the executor of the deceased Member's estate, or the affected heir(s), to notify the Club Manager of the estate plan's transfer provisions. The affected Membership will not be offered for resale until a determination of the Membership status has been made under the deceased Member's estate plan; provided, however, that if such determination is not made within one year from the date of the deceased Member's death, the Membership shall be deemed resigned as of the first anniversary of the deceased Member's death and may be offered for resale. In the event a Membership is deemed to have been resigned because it has not been transferred to an heir or the heir refuses the Membership, or because the Membership is solely owned and the deceased Member's estate plan makes no provision for disposition of the Membership, 100 percent of the Initiation Fee paid by the deceased Member shall be refunded to the deceased Member's estate.

IV. CREATION, TERMINATION, AND TRANSFER OF MEMBERSHIPS (CONT.)

4. If married Members are legally separated or divorced, the Membership will be retained by either the spouse who elects to retain it pursuant to a written agreement between the former spouses, the spouse awarded the Membership by the court with jurisdiction over the divorce proceedings, or by the spouse specified to retain the Membership in a separation agreement entered into under the laws of the state which has jurisdiction over the dissolution of the marriage. The CPOA reserves the right, in its sole discretion, to refuse transfer of the Membership to either spouse if the CPOA is unable to determine the spouse lawfully entitled to retain the Membership. Until acceptable written notice of the spouse lawfully entitled to retain the Membership is delivered to the Club Manager, both spouses will be jointly and severally liable for the payment of all dues, fees, and other charges associated with the Membership, and both spouses will be entitled to the use privileges associated with the Membership.
5. In the event the owner of a Membership who is also a non-resident Member of the Club at Cordillera resigns his or her Membership at the Club at Cordillera, that person's Membership in The Cordillera Vail Club shall be deemed resigned immediately upon resignation from the Club at Cordillera and such Membership shall be treated the same as a Membership resigned voluntarily pursuant to Section IV. E. of this Membership Plan.

E. Resignation of Memberships

1. Any Member may resign his or her Membership at any time upon written notice of intent to resign delivered to the Club Manager. Upon resignation, the resigning Member shall be entitled to a refund of 80 percent of the Initiation Fee paid for such Membership, unless such Membership is a Founder or Charter Membership, in which case the amount of the Initiation Fee-refund to which said resigning Member shall be entitled shall be as set forth in Section II of this Membership Plan. The refund of the Initiation Fee shall be made at such time as the Membership is sold to a replacement Member.
2. Until all authorized Memberships have been sold, one new Membership will be sold for each resigned Membership sold. Members wishing to resign their Membership may cease paying dues and discontinue use of the Membership until such time as the resigned Membership is resold, or, in the alternative, may continue paying dues and may continue using the Membership until such time as the Membership is resold.

F. Termination of Memberships

1. Any Member who, in the opinion of the CPOA, conducts himself or herself, or whose family members or guests conduct themselves, in a manner that is unacceptable to the other Members while using the Club's Facilities, may have his or her Membership terminated. Said Member shall have first received one written warning from the Club Manager notifying the Member of the unacceptable behavior. If the unacceptable behavior continues after the written warning, the Membership may be terminated without further notice from the CPOA. Upon termination for unacceptable behavior, the former Member shall not be entitled to further use of the Club's Facilities and shall not be eligible for reinstatement unless reinstatement is approved by the CPOA.

IV. CREATION, TERMINATION, AND TRANSFER OF MEMBERSHIPS (CONT.)

2. A Member whose Membership is terminated due to unacceptable behavior shall be deemed to have voluntarily resigned his or her Membership, and shall be entitled to a refund of the Initiation Fee paid for the Membership as set forth in Section IV. E., of this Membership Plan. Upon termination of a Membership for unacceptable behavior, the terminated Member shall remain responsible for all dues, fees, and other charges associated with the Membership until such time as the Membership is resold and the terminated Member shall not be entitled to continued use of the Membership during the period of time between termination and the resale of the Membership. Any and all unpaid dues, fees, and other charges accrued and not paid by the terminated Member, together with interest at the rate set forth herein and costs incurred by the CPOA in collecting such sums, including but not limited to court costs and attorneys' fees, shall be deducted from any refund of the Initiation Fee to which the terminated Member may be entitled.

V. FINANCIAL OBLIGATIONS OF MEMBERS

A. Initiation Fees

1. Initial Initiation Fees for the various classes of Membership are set forth in Section II of this Membership Plan. Initiation Fees are due and payable upon submission of an application for Membership. The amount of Initiation Fees due for any particular class of Membership may be modified from time to time by the CPOA in its sole discretion.

B. Dues

1. Each Member shall be responsible for the payment of dues, on a quarterly basis in advance, in such amounts as the CPOA shall establish and may modify from time to time in its sole discretion; provided that any change in the amount of dues shall be noticed, in writing, to all Members not less than 30 days prior to the quarter in which the change in dues shall go into effect. Members may elect to have dues automatically charged, at the beginning of each quarter, to a valid pre-approved credit card on file with the Club Manager. During the first year of Membership, commencing in the fourth quarter of calendar year 2007, dues shall be prorated on a monthly basis from the date the new Membership is acquired to the beginning of the next quarter and shall be payable immediately upon issuance of a new Membership.
2. All dues that are not fully paid within 10 days of the due date shall be considered delinquent. Unpaid dues shall accrue interest at the rates provided for herein from and after the due date until paid in full. The CPOA may, but shall not be obligated to, obtain a valid pre-approved credit card number or imprint from a delinquent Member and such credit card may be charged automatically for future dues should the same Member again become delinquent in the payment of dues. If dues, together with accrued interest, remain delinquent for greater than 30 days after the date of a written notice of failure to pay dues is sent to the Member at the address of the Member on file with the Club Manager, the CPOA may, in its sole discretion, declare that Member's Membership terminated as of such date. A Membership terminated for failure to pay dues, as provided for in this Section shall be treated as a Membership terminated for unacceptable behavior pursuant to Section IV. F.

V. FINANCIAL OBLIGATIONS OF MEMBERS (cont.)

3. From time to time the CPOA may establish charges for food, beverages, or other items, including but not limited to service charges and guest fees, which shall be separate and distinct from dues. The CPOA shall keep on file, and require to be updated, a valid credit card number for each Member for purpose of charging such additional charges when the same are levied by the CPOA or incurred by the Member. The CPOA may, in its sole discretion, change the amount charged for various items and services without advance notice to the Members. Any non-dues charges incurred by a family member or guests of a Member shall be charged to that Member's credit card account. Family and guests of Members may not use a credit card different from that of the Member on file with the Club Manager for non-dues charges.
4. Non-Member CPOA Property Owners and non-Member CVCPOA Property Owners who use the Club's Facilities on a daily-use basis must present a valid approved credit card for charges to the Club Manager at the time a reservation is made and on the date of use of the Club's Facilities.
5. The initial daily-use fees for the Club's Facilities are set forth in Section III. 3 of this Membership Plan. The CPOA may establish, and may modify from time to time in its sole discretion, daily and/or weekly use fees which may entitle CPOA Property Owners, CVCPOA Property Owners, their families and guests, as well as the families and guests of Members to use the Club Facilities. In addition, the CPOA may establish fees for special events, which fees may be charged to daily-basis users, Members, or some combination of the two, in the CPOA's sole discretion.

VI. MANAGEMENT, OPERATION AND TRANSFER OF CLUB FACILITIES

- A. Management and operation of the Club's Facilities shall be the responsibility of the CPOA. The CPOA will employ the services of a Club Manager, who will perform such functions as the CPOA shall delegate and who shall report directly to the CPOA General Manager.
- B. The CPOA shall create a seven person advisory board which shall provide recommendations to the CPOA with respect to management and operation of the Club's Facilities. The initial advisory board shall be appointed by the CPOA and shall serve on an interim basis until the August, 2007 CPOA annual meeting, at which time the members of the advisory board shall be elected by the community members of the CPOA. The responsibilities of the advisory board, together with the terms of office of each advisory board member, and the qualifications for serving on the advisory board, shall be set forth in the advisory board's charter, to be adopted and approved by the CPOA prior to the initial election of advisory board members in August, 2007.

VI. MANAGEMENT, OPERATION AND TRANSFER OF CLUB FACILITIES (CONT.)

- C. The CPOA and CVCPOA, pursuant to an agreement between the two entities, shall be responsible for the financial obligations of the Club, which shall include the obligation to refund Initiation Fees as provided for in this Membership Plan. Neither the CPOA nor the CVCPOA will hold funds in reserve for the refund of Initiation Fees in the event the Club no longer continues in operation upon termination of the CPOA's lease for the third floor of the Vista Bahn Building. Each Member acknowledges, upon purchase of a Membership, that in the event the Club ceases operation at some point in the future, for whatever reason, there will not be funds reserved to refund Initiation Fees and the Members may not receive any refund of Initiation Fees upon the Club's ceasing to operate.

VII. MISCELLANEOUS PROVISIONS

A. Amendment

The CPOA reserves the right, in its sole and absolute discretion, to amend this Membership Plan at any time and in any manner which it deems appropriate.

B. Assumption of Risk

In consideration for the privilege of using the Club's Facilities, each Member and other person entering upon or using the Club's Facilities agrees:

- To accept all risks associated with the use of the Club's Facilities and to release, hold harmless and indemnify the Club, the CPOA and the CVCPOA from any and all claims arising out of or in any way connected with such use of the Club's Facilities, and to defend the Club, the CPOA and the CVCPOA against any and all claims arising out of or in any way connected with such use of the Club's Facilities; and
- To assume sole responsibility for their personal safety and the safety of their personal property brought upon, used or stored at the Club's Facilities. The Club, the CPOA and the CVCPOA shall not be responsible for any loss or damage to any personal property brought upon, used or stored at the Club's Facilities, whether in lockers or elsewhere.

Each Member further agrees to be responsible and liable for any property damage and/or personal injury which he or she causes, or which is caused by his or her authorized users or guests, while on the Club's Facilities, or at any activity or function operated, organized, arranged or sponsored by the Club. In addition, any Member who arranges or sponsors any activity or function at the Club's Facilities shall be responsible for any damage or injury even if such damage or injury was not caused by the Member. The costs of repairing any such damaged shall be charged to the Members Club account, as applicable.

VII. MISCELLANEOUS PROVISIONS (cont.)

C. No Ownership Interest

No Member shall have any ownership or proprietary interest, beneficial interest or any other vested interest whatsoever in the Club or any of the Club's Facilities. Membership constitutes only a license to use some or all of the Club's Facilities as set forth in this Membership Plan and the Rules and Regulations, as both may be amended from time to time. Membership is offered as an opportunity to obtain the recreational and social benefits of the Club only, and should not be viewed as an investment purchased with any view toward, or expectation of, profit.

D. Representations

No person is authorized to make any representation or provide any information with regard to the Club or Memberships contrary to or in addition to the information contained in this Membership Plan and the Rules and Regulations, and any such representation, if made, is hereby repudiated.

E. No Member Responsibility for Club's Financial Obligations

No Member shall bear any responsibility for any financial obligation of the Club; provided, however, that future capital improvements to the Club's Facilities may be authorized by the CPOA with the advice and counsel of the Members and the Advisory Board and the costs for said capital improvements may be assessed to the Members, upon such terms and conditions as may be established by the CPOA in its sole discretion.

F. Denial of Access to Club Facilities

The CPOA and the Club Manager shall have the right to deny access to the Club's Facilities to anyone, including but not limited to Members, their guests and family, who appears to the CPOA and/or Club Manager to be under the influence of alcohol or whose behavior is denying others the right to quiet and peaceful enjoyment of the Club's Facilities.

G. Reciprocal Use Agreements

The CPOA may, in its sole discretion, enter into arrangements permitting members of other clubs or entities to use the Club's Facilities and services in exchange for Members obtaining access to the facilities of other such clubs or entities.

H. Promotional or Special Events

The CPOA may, in its sole discretion, arrange for the use of the Club's Facilities or services for promotional or special events, which may be attended by Members on a gratis or for charge basis, as determined on a case by case basis by the CPOA. Such events shall not entitle Members to any reduction or change in annual dues.

I. Interest Rate

Interest shall accrue on all unpaid amounts due and owing pursuant to this Membership Plan and the Rules and Regulations at a rate of one and one half percent (1.5%) per month until such due and owing amounts are paid.