



**THE CLUB AT BRASADA RANCH**

**AMENDED AND RESTATED MEMBERSHIP PLAN  
OCTOBER 2015**

## **THE CLUB AT BRASADA RANCH**

### **MEMBERSHIP PLAN OVERVIEW**

#### **THE CLUB AT BRASADA RANCH**

The Club at Brasada Ranch (the "Club") is a unique country club community known as Brasada Ranch at Powell Butte ("Brasada Ranch") near Bend, Oregon, that offers outstanding golf, fitness, tennis, swimming and social facilities to its members. The Club also offers exceptional equestrian facilities. This Amended and Restated Membership Plan (the "Membership Plan") amends, restates and replaces the Membership Plan for The Club at Brasada Ranch dated May 2010 and any amendments thereto. This Membership Plan describes the non-equity membership program and membership opportunities available at the Club.

#### **MEMBERSHIP OPPORTUNITY**

Two primary categories of membership are offered in the Club: Golf Membership and Athletic Membership. The privileges associated with each category of membership are more fully described in this Membership Plan. In addition, the Club is also offering an add-on Equestrian Membership available only to Golf and Athletic Members of the Club. The Equestrian Membership is being offered pursuant to and is governed by The Club at Brasada Ranch Equestrian Membership Plan and Equestrian Rules and Regulations, as well as an Equestrian Membership Agreement between the Club and each Equestrian Member (the "Equestrian Membership Documents").

In order to ensure a stable source of revenue for the Club and further the long term success of the Club, which will positively impact property values in the Brasada Ranch, each owner of a residence or homesite in Brasada Ranch ("Property") is required to acquire and maintain at least an Athletic Membership in the Club pursuant to covenants recorded against the Property providing for mandatory membership.

#### **SPECIAL BENEFITS FOR MEMBERS**

In addition to wonderful facilities, membership in the Club currently offers a number of attractive benefits. A brief description of some of these benefits follows and they are described in greater detail in this Membership Plan:

- **Refundable Membership Deposit.** The membership deposit paid by new members joining the Club is 100% refundable 30 years after the date the membership is issued by the Club if the member does not resign within 30 years. If the member resigns before 30 years, the membership deposit less a transfer fee will be refunded upon resignation and reissuance of the membership by the Club to a new member.
- **Immediate Family Privileges.** The member, his or her spouse or significant other and their unmarried children under the age of 23 living at home, attending school on a full-time basis or in the military are entitled to membership privileges without having to pay an additional membership deposit or dues.
- **Extended Family Privileges.** The married or adult children, parents, grandparents and grandchildren of the member and spouse or significant other and their respective spouses or significant others can use the facilities of the Club upon the payment of preferred fees.

- **Resigned Memberships Reissued Prior to Membership Sell-Out.** Resigned members do not have to wait until all new memberships in the Club have been issued before their membership is reissued and they receive their refund, if applicable. Every fourth membership issued within a category will be a resigned membership from the waiting list.
- **Preferred Pricing.** Members are entitled to preferred pricing on all food and beverage purchases, spa treatments and retail merchandise purchases at the Club.
- **Transferability.** A member can arrange for the transfer of his or her membership through the Club to the subsequent purchaser of the member's Property as more particularly provided in this Membership Plan.
- **No Assessments.** Members are not subject to either operating or capital assessments.
- **Legacy Transfer.** Members can request the transfer of their membership through the Club to their adult child or grandchild as a legacy transfer.
- **Inheritability.** Upon the death of a member, the membership can be transferred to his or her spouse, adult child as more particularly provided in this Membership Plan.
- **Concierge.** Member and concierge services will be available to provide various services as further described in this Membership Plan.
- **Club Newsletter.** Members will receive an electronic newsletter containing the calendar of events and other Club news.
- **Club Website.** The Club will have a website which will enable members to obtain up to date Club information, as well as allow for the making of reservations to use the Club Facilities.

#### **CAREFULLY REVIEW ALL MEMBERSHIP DOCUMENTS**

Every person who desires to purchase Property or obtain a membership in the Club should carefully read this Membership Plan and all of the referenced documents and should seek professional advice to evaluate these documents. Membership in the Club is governed by the terms and conditions of the Membership Plan, Rules and Regulations and Membership Agreement, as they may be amended from time to time.

#### **RELY ONLY ON INFORMATION IN THIS MEMBERSHIP PLAN**

**NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS NOT CONTAINED IN THIS MEMBERSHIP PLAN AND THE REFERENCED DOCUMENTS AND, IF GIVEN OR MADE, SUCH INFORMATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE CLUB. IN THE EVENT OF A CONFLICT BETWEEN THE TERMS OF MEMBERSHIP CONTAINED IN THE MEMBERSHIP PLAN, RULES AND REGULATIONS AND MEMBERSHIP AGREEMENT WITH OTHER PRINTED MATERIALS, THE MEMBERSHIP PLAN, RULES AND REGULATIONS AND MEMBERSHIP AGREEMENT SHALL GOVERN.**

## **MEMBERSHIPS ARE OFFERED ONLY FOR RECREATIONAL PURPOSES**

**MEMBERSHIPS AT THE CLUB ARE BEING OFFERED EXCLUSIVELY FOR THE PURPOSE OF PERMITTING MEMBERS THE RECREATIONAL USE OF THE CLUB FACILITIES. MEMBERSHIPS SHOULD NOT BE VIEWED AS AN INVESTMENT AND NO MEMBER SHOULD EXPECT TO DERIVE ANY ECONOMIC PROFITS FROM MEMBERSHIP AT THE CLUB. NO FEDERAL OR STATE AUTHORITY HAS PASSED UPON OR ENDORSED THE MERITS OF THIS MEMBERSHIP PLAN.**

## **APPLICATION PROCEDURE**

Each person who desires to become a member must mail or deliver to the Membership Director a fully completed and signed Membership Agreement, along with a check for the required membership deposit. In the event the Membership Agreement is not acted upon favorably, the membership deposit will be fully refunded, without interest.

Provisions for application and approval of membership do not apply to owners of Property who acquire only Athletic Memberships, unless otherwise determined by the Club.

## **MEMBERSHIP OFFICE AVAILABLE TO ANSWER QUESTIONS**

All inquiries regarding membership in the Club or this Membership Plan and referenced documents should be directed to the Membership Office at: The Club at Brasada Ranch, 16986 S.W. Brasada Ranch Road, Powell Butte, Oregon 97753 or by calling (855) 842-5250. You may call or visit the Membership Office. An appointment is recommended.

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**October 2015**

# MEMBERSHIP FEATURES AND FACILITIES

## INTRODUCTION

This Membership Plan, the Rules and Regulations and the Membership Agreement, set forth the rights and privileges of membership in the Club.

## CLUB FACILITIES

The Club offers the following exceptional "Club Facilities" which will include certain areas designated for use by members only ("Member-Only Areas"):

- The Brasada Canyons Golf Course, a championship 18-hole golf course designed by Peter Jacobsen and his partner, Jim Hardy;
- Golf practice facilities, including a range and putting green;
- Clubhouse including a seasonal restaurant for dining, a spacious outside deck for dining and entertaining, pro shop and men's and women's locker rooms with adjacent lounges, massage and steam rooms and an outdoor pool as well as direct access to the spa; and
- Athletic Club, a recreation and activities complex offering a variety of outstanding facilities with members' wellness, health and fitness needs in mind including the following:
  - Athletic center with cardio and strength-training room and yoga and Pilates areas;
  - Two large outdoor, seasonal "swimming holes," complete with a water slide, "lazy river" feature, and a grotto with waterfall;
  - Two hot tub spas and spacious deck area;
  - Year-round indoor recreation pool, large enough for laps, and a tot's pool with water features; and
  - Family Activity Center stocked with games and toys and a schedule of events include a variety of craft projects, game involvement and weekend movies.

In addition to the foregoing Club Facilities, the Club also features "Equestrian Facilities" for members who add on an Equestrian Membership in the Club as described in the Equestrian Membership Plan. Equestrian Members will also have access to the Equestrian Center as more particularly provided for in the Equestrian Membership Documents.

## COMPLETION OF FACILITIES

The Club Facilities with the exception of the tennis courts are completed and available for member use. The golf course and clubhouse will be operated seasonally as determined by the Club. Construction of two outdoor tennis courts is bonded for completion and the courts are estimated to be available for member use in 2012. This completion date is an estimate only and the actual completion date may vary and is subject to obtaining the necessary approvals and permits, as well as delays due to severe weather or unforeseen casualty.

## **ADDITIONAL CLUB FACILITIES**

The Club may, in its sole and absolute discretion, expand the Club Facilities, or add additional facilities either on or off-site as it determines appropriate from time to time. If the Club Facilities are expanded or additional facilities are added to the Club Facilities, the number of memberships issued in the Club may be increased and/or additional categories of membership may be added.

## **CONCIERGE**

Member and concierge services will be available to members to provide updates on weather, airport shuttle service, restaurant reservations, car rentals, and information on other activities available in the central Oregon area.

## **PREFERRED PRICING FOR MEMBERS**

Members are entitled to receive preferred pricing on retail merchandise, spa treatments, and food and beverages purchased at the Club.

## **ACTIVITIES AND EVENTS**

The Club is committed to sponsoring activities and events which are appealing to members, their family members and Member Guests (as defined herein).

## **INTERACTIVE WEB SITE AND ELECTRONIC NEWSLETTER**

The Club will have a website which will enable members to obtain up to date Club information, as well as allow for the making of reservations to use the Club Facilities. In addition, an electronic newsletter of events and other pertinent club news will be sent to members.

## **OWNERSHIP AND OPERATION OF THE CLUB**

The Club Facilities referred to hereinafter are or will be owned by Brasada Club LLC, a Delaware limited liability company (the "Company"). The Company will operate the Club Facilities as further described in this Membership Plan. Where this Membership Plan refers to the Club taking action or having certain rights, the Company or its designees shall take such action and have such rights.

## **MEMBERSHIP PRIVILEGES; NUMBER OF MEMBERSHIPS**

### **MEMBERSHIP CATEGORIES**

The Club is offering two primary categories of membership pursuant to this Membership Plan: Golf Membership and Athletic Membership. The privileges associated with each category are described below. The Club is also offering an Equestrian Membership which may be added to either a Golf or Athletic Membership pursuant to a separate Equestrian Membership Plan.

### **GOLF MEMBERSHIP**

Golf Members will be entitled to use all of the golf, health/fitness, swimming, tennis and social facilities of the Club. Only Golf Members will be permitted to access the Member-Only Areas. Golf Members will not be required to pay greens fees for use of the golf facilities but



will be required to pay cart fees. Golf Members will not pay court fees for use of the tennis courts and have advance sign-up privileges for court times as determined by the Club from time to time.

## **ATHLETIC MEMBERSHIP**

Athletic Members will be entitled to use all of the health/fitness, swimming (except the pool adjacent to the clubhouse), tennis and social facilities of the Club. Athletic Members will not be required to pay court fees for use of the tennis courts and will have advance sign-up privileges for court times as determined by the Club from time to time.

Athletic Members will also be entitled to six rounds of golf each membership year, including rounds played by family members and Member Guests. Athletic Members will be obligated to pay a preferred greens fee and a cart fee to play golf and will have advance sign-up privileges to reserve tee times as determined by the Club from time to time (but not during Golf Member Primary Playing Times as described below). Athletic Members can use the golf practice facilities and locker rooms (but not the lounges adjacent thereto) in the clubhouse only when playing a round of golf or getting a spa treatment.

## **NON-REFUNDABLE MEMBERSHIPS**

The Club will offer non-refundable memberships, in its sole and absolute discretion. Each will have the same privileges as refundable membership in that category depending on the classification selected. Non-refundable memberships are not subject to the following provisions of this Membership Plan: *Membership Deposit Required to Acquire Membership*, *Refund of Membership Deposit*, *Member May Continue Membership at End of Thirty Years* and *Transfer Through Waiting List*. With the exception of the provisions set forth in this Membership Plan apply to non-refundable memberships, except as specifically set forth in such provisions. Non-refundable members will pay a non-refundable initiation fees as required by The Club.

## **PRIMARY PLAYING TIMES**

Although each membership has family and Member Guest privileges, the Club may establish primary playing times during which children, extended family, and/or Member Guest play and play by Athletic Members may be restricted to better handle golf play during primary playing times ("Primary Playing Times"). The Club may designate times when only Golf Members and their spouses or significant others may play or when children, extended family, Member Guests and/or Athletic Members may not play golf, notwithstanding any provision herein. Members of the immediate family will have the same golf privileges as the Golf Member during all times except Primary Playing Times.

## **RULES AND POLICIES**

In order to enhance the recreational and social pleasure of members and their Member Guests, the Club reserves the right to establish or modify rules, regulations, policies, guidelines, or systems governing access or reservation of the Club Facilities, including, without limitation establishing a tee time reservation policy for members.

**UPGRADE OF MEMBERSHIP**

Athletic Members may upgrade to a Golf Membership, if a Golf Membership is then available and not reserved. In order to upgrade, the member shall pay to the Club the difference between the membership deposit then charged for a Golf Membership and the membership deposit previously paid by the member for the Athletic Membership. Because of the limited number of Golf Memberships and the reservation of Golf Memberships, an Athletic Member may not be able to upgrade to a Golf Membership.

**DOWNGRADE OF MEMBERSHIP**

Downgrades of membership will not be permitted except in cases of hardship as verified in writing and approved by the Club.

**NUMBER OF MEMBERSHIPS**

The maximum number of memberships permitted in each category will be as follows:

<u>Membership Category</u>	<u>Number of Memberships</u>
Golf	425
Athletic	Equal to the number of Properties less the number of Golf Memberships issued to Property owners

The Club may at any time, in its sole and absolute discretion, further limit the number of memberships available in any category of membership as the Club determines appropriate from time to time.

**FAMILY AND MEMBER GUEST PRIVILEGES**

**IMMEDIATE FAMILY PRIVILEGES**

A member’s immediate family will be entitled to use the Club Facilities on the same basis as the member. A member’s immediate family will include the member’s spouse or significant other (referred to below) and their unmarried children under the age of 23 living at home, attending school on a full-time basis or in the military.

**PRIVILEGES FOR INDIVIDUAL LIVING WITH A MEMBER**

A member living together with another individual ("significant other") in the same household as a family unit may designate the significant other on a membership year basis to use the Club Facilities. The total number of adults who may have family privileges is limited to two adults, age 18 years or older, per membership. The member and the significant other shall be individually and jointly responsible for the payment of all charges and fees incurred by the significant other. The Club reserves the right to establish such and other rules it deems appropriate with respect to access by a significant other.

## **EXTENDED FAMILY PRIVILEGES**

The extended family of a member may enjoy the membership privileges of the member upon payment of such preferred fees as may be established by the Club. The extended family shall include the parents, children who do not fall within the definition of immediate family, grandparents and grandchildren of the member and spouse or significant other and the spouses or significant others of such family members. The Club reserves the right to restrict access to the Club Facilities when not accompanied by the member or an immediate family member. The Club may modify or terminate this privilege and establish such rules with respect thereto as it may determine from time to time.

## **GUEST PRIVILEGES**

The Club will permit Member Guests, Rental Guests, Owner Guests and Lodging Guest (as such are defined below) in accordance with the following provisions:

- "Member Guest" shall mean persons sponsored by a Member. Member Guests may use the Club Facilities in accordance with the member's category of membership and the Rules and Regulations and guest policies of the Club. The Club may limit the number of Member Guests and the number of times a particular Member Guest may use the Club Facilities during each membership year or portion thereof. The member will be responsible for the payment of charges incurred but not paid by Member Guests including any applicable Member Guest fees established by the Club from time to time. Members will also be responsible for the conduct of Member Guests.
- "Rental Guest" shall mean renters of a member's residence in Brasada Ranch under the Brasada Ranch Rental Management Program ("BRRMP"). The Club will allow Rental Guests to use the Club Facilities on such terms and conditions as the Club determines in its sole and absolute discretion. Rental Guests shall be obligated to pay applicable fees and charges for use of the Club Facilities as established by the Club from time to time.
- "Owner Guest" shall mean persons other than Rental Guests who rent a member's residence in Brasada Ranch. The Club will permit Owner Guests to use the Club Facilities on such terms and conditions as the Club determines in its sole and absolute discretion. Owner Guests shall be obligated to pay applicable fees and charges for the use of the Club Facilities as established by the Club from time to time.
- "Lodging Guest" shall mean a guest staying in the hospitality accommodations at Brasada Ranch. Lodging Guests will have access to the Club Facilities on such terms and conditions as the Club determines in its sole and absolute discretion. Lodging Guests shall be obligated to pay applicable fees and charges for the use of the Club Facilities as established by the Club from time to time.

The Club will reserve a limited number of tee times for use by Rental Guests, by Owner Guests and Lodging Guests, but generally not during peak play periods. Rental Guests, Owner Guests and Lodging Guests will not have access to any Member-Only Areas.

## **LESSEE PRIVILEGES**

A member who leases his or her residence, and not a residence developed in the neighborhood known as Sage Canyons pursuant to the Declaration of Covenants,

Conditions, Restrictions, and Easements for Brasada Ranch Residential Areas dated June 1, 2005, as supplemented by the Supplemental Declaration Annexing Phase 1 of Sage Canyons to Brasada Ranch Residential Areas dated October 6, 2005, Amendment to Supplemental Declaration Annexing Phase 1 of Sage Canons to Brasada Ranch Residential Areas dated July 25, 2006 and Supplemental Declaration Annexing Phase 2 of Sage Canyons to Brasada Ranch Residential Areas dated October 26, 2006 ("Cabin"), for a period of at least six months may designate the lessee of his or her residence as the beneficial user of the membership, subject to the approval of the Club. The lessee must submit a Lessee Membership Agreement, must be approved by the Club and must pay the required administrative fee established by the Club from time to time. During the period when a lessee is the designated user of the membership, the lessor member will not have any membership privileges but will continue to be obligated to pay dues with respect to the membership. The member will be responsible for the deportment of the lessee and for all charges incurred by the lessee which are not paid within the customary billing and collection procedures of the Club.

### **OFFERING OF MEMBERSHIPS**

Memberships in the Club will be offered to purchasers of Property. The Club reserves the right to offer Golf Memberships to non-Property owners in its sole and absolute discretion. The Club reserves the right to offer refundable and/or non-refundable memberships in its sole and absolute discretion. Athletic Memberships will only be offered to owners of Property. As more fully set forth in the Equestrian Membership Documents, Equestrian Memberships will only be offered to holders of either a Golf Membership (regardless of whether the member is an owner of Property) or Athletic Membership in the Club.

### **MEMBERSHIP REQUIREMENT FOR PROPERTY OWNERS**

Membership in the Club is mandatory for all owners of Property with covenants recorded against the Property providing for mandatory membership. Each purchaser of Property must therefore acquire at least an Athletic Membership in the Club no later than the closing on the sale and purchase of the Property. The foregoing requirement may not apply to certain builders designated by the Company.

### **RESERVED MEMBERSHIPS**

The Club will reserve an Athletic Membership for each Property. All of the unissued memberships will be reserved by the Club and will not be considered to be available memberships in the Club. The Club may not be compelled to sell a reserved membership. The Club may issue a reserved membership (other than memberships reserved for purchasers of Property) to any person to which the Club, in its sole and absolute discretion, determines appropriate from time to time, including in the case of Golf Memberships, persons who do not own Property.

### **INITIAL PURCHASERS OF PROPERTY**

Each initial retail purchaser of Property must no later than the date of his or her closing on the Property, acquire at least an Athletic Membership in the Club. The number of Golf Memberships is limited and will generally be issued on a first-come, first-served basis. Therefore, any initial purchaser of Property who is given the opportunity to select and apply for a Golf Membership and who does not do so prior to closing on the purchase of the Property

may upgrade to Golf Membership at a later date only if one is available and not otherwise reserved by the Club, and only in accordance with the "Upgrade of Membership" section of this Membership Plan. OWNERSHIP OF PROPERTY DOES NOT GIVE ANY VESTED RIGHT OR EASEMENT, PRESCRIPTIVE OR OTHERWISE, TO USE THE CLUB FACILITIES, OR TO ACQUIRE A GOLF MEMBERSHIP IN THE CLUB AND DOES NOT GRANT ANY OWNERSHIP OR MEMBERSHIP INTEREST IN THE CLUB OR THE CLUB FACILITIES.

#### **MEMBERSHIP PRIVILEGES PRIOR TO CLOSING**

The Club may allow the initial retail purchaser of Property to use the Club Facilities as a member prior to the closing on his or her Property. The person will be required to pay the applicable membership deposit, dues, fees and other charges established by the Club from time to time. In the event the purchaser does not timely close on the Property, the Club may terminate the membership privileges by returning to the person the membership deposit paid and the unused portion of any dues, fees and charges paid by the person in advance for the remainder of the membership year. In this event, a membership will thereafter be made available to the person only in the discretion of the Club.

#### **OWNERSHIP OF MULTIPLE PROPERTIES**

If a person acquires two or more Properties, the purchaser must acquire at least an Athletic Membership for each Property. If the person does not acquire a Golf Membership for each Property, if and when available, the Club will not guarantee that a Golf Membership will be available for the owner of the Property at a later date. Persons, who acquire two or more contiguous homesites, proceed to legally consolidate them into one homesite and construct only one residence need only acquire one membership for the legally consolidated property. If the homesites are not legally consolidated, the purchaser must acquire at least an Athletic Membership for each homesite.

#### **MULTIPLE OWNERS OF PROPERTY**

The Club will allow a membership to be held jointly by up to three co-owners who are on the deed to the Property (other than spouses), subject to the provisions set forth below in the following section titled "Title to Membership" and set forth in an addendum to Membership Agreement. Only one membership fee will be required for the membership. The payment of the specified dues premium required to acquire membership privileges for all co-owners will be set forth in a separate addendum to the Membership Agreement. Only one co-owner may use the Club Facilities and membership privileges at any given time. Any additional co-owners may use the Club Facilities as a Member Guest upon payment of any applicable Member Guest fees and in accordance with the Rules and Regulations. The Club may limit the number of memberships held jointly by co-owners and may impose terms and conditions on the use of them from time to time in the sole and absolute discretion of the Club.

#### **TITLE TO MEMBERSHIP**

The membership of an owner of Property must be held in the name in which title to the Property is held. Notwithstanding this general rule, (i) in the case of Property held in the name of more than one person, (other than spouses), the membership may be held jointly in the name of up to three persons who own title to the Property jointly, provided the other owners sign a consent and

acknowledgment that non-payment of dues, fees and charges under the membership may result in the placement of a lien on the Property, in a form approved by the Club; and (ii) in the case of Property held in the name of an entity (as hereinafter defined), the membership may be held in the name of a shareholder, member, partner or owner of the entity, provided that the entity signs a consent and acknowledgment that non-payment of dues, fees and charges under the membership may result in the placement of a lien on the residence or homesite, in a form approved by the Club.

## **MEMBERSHIP HELD IN NAME OF LEGAL ENTITY**

For the convenience of members, a membership may be held in the name of a corporation, partnership, company, trust or other form of multiple ownership (collectively, the "entity"). The entity may designate one individual who with his or her immediate family will have the right to use the membership. The entity may change the designated user prior to the start of each membership year in accordance with the Rules and Regulations of the Club and upon payment of the redesignation fee established by the Club. Notwithstanding the above, the entity may change a designated user in the case of the death of a designated user or the termination of the relationship with a designated user at any time. The designated user must submit a Membership Agreement and will be subject to the approval of the Club as described in this Membership Plan. The entity must acquire at least an Athletic Membership no later than the closing on the sale and purchase of the Property. The designated user must be a bona fide director, officer, partner, shareholder or employee of the entity, or a beneficiary or settlor if the membership is held in the name of a trust, and must pay the required dues and charges, for which the entity shall also be responsible. The foregoing requirement may or may not apply to builders designated by the Company. No person other than the designated user and his or her immediate family will be entitled to simultaneously use the membership. The Club may establish from time to time the rules governing the designated user of a membership, including a limit on the number of times the designated user may be changed. In the event that through one or more transactions and/or assignments, the majority ownership interest in the entity is directly or indirectly transferred, the entity is obligated to notify the Club in writing and shall pay to the Club an additional membership deposit in an amount equal to the difference between the then current membership deposit for the category in question and the membership deposit previously paid for the membership.

## **WAITING LIST**

Resigned memberships that are not reissued to the subsequent purchaser of a resigned member's Property or repurchased by the Club, as hereinafter provided, will be offered to persons on the waiting list in accordance with the following order of priorities:

First, to members of the Club who desire to upgrade to a higher category of membership; and

Second, to all other persons who desire a membership in the Club.

## **MEMBERSHIP FEE**

### **MEMBERSHIP FEE REQUIRED TO ACQUIRE MEMBERSHIP**

Each person who desires to acquire a membership will be required to pay either a refundable membership deposit or a non-refundable initiation fee (sometimes referred to herein as "Membership Fee") as determined by the Club from time to time. Membership Fees are not

transferable, except as specifically provided in this Membership Plan, and are refundable only in accordance with this Membership Plan, Rules and Regulations of the Club and the member's Membership Agreement.

#### **REFUND OF MEMBERSHIP DEPOSIT**

One hundred percent (100%) of the membership deposit paid by a member will be refunded, without interest, by the Club 30 years after the date the membership is issued by the Club if the membership is not resigned and reissued within 30 years.

Subject to the mandatory membership requirement for Property owners, if a member resigns prior to the end of the 30-year period, the membership deposit paid by the member, less a transfer fee as set forth in the member's Membership Agreement, will be refunded, without interest, within 30 days after the reissuance of the resigned membership by the Club to a new member in accordance with the "Transfer of Membership" provision hereinafter.

The Club's obligation to the member shall be evidenced by the Membership Agreement. Upon reissuance of a resigned membership to a new member, a new 30-year period for the refund of the membership deposit begins on the date the membership is reissued. The difference between the amount paid by the new member and the amount refunded to the resigning member will be retained by the Club. The initiation fee paid by a member for a non-refundable membership is not refundable to the member in the future or upon resignation and reissuance.

In the event a dispute arises between two or more parties as to who is entitled to the refund of the membership deposit, the Club at any time in its sole and absolute discretion may file an interpleader action or similar type action and thereby deposit the refund amount into the registry of a court of competent jurisdiction for the court to determine who is entitled to the refund without recourse to the Club. The Club shall be entitled to reimbursement of reasonable attorney's fees and costs for filing such interpleader action.

#### **MEMBER MAY CONTINUE MEMBERSHIP AT END OF THIRTY YEARS**

A member who continues to be a member for 30 years will receive a refund of the membership deposit previously paid at the end of the 30-year period, will continue his or her membership privileges and will continue to pay applicable dues, fees and charges until the member subsequently resigns from the Club. Any member whose membership continues after the end of the 30-year period will not be counted toward any cap or limits on the total number of members or the number of members in any category.

#### **DEDUCTION OF AMOUNTS OWED TO CLUB**

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

### **TRANSFER OF MEMBERSHIP**

#### **TRANSFER OF MEMBERSHIP TO THE CLUB**

A member may transfer his or her membership only to the Club by resigning the membership and arranging for the Club to reissue the 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. Resignation of a membership is irrevocable, unless otherwise determined by the Club. All Property owners are required to maintain at least an Athletic Membership. In the case of a Golf or Athletic Member who also holds an Equestrian Membership, upon resignation of the Golf or Athletic Membership, the Equestrian Membership shall automatically be deemed resigned. **PROPERTY OWNER MEMBERS ARE NOT PERMITTED TO RESIGN THEIR MEMBERSHIP, EXCEPT IN CONNECTION WITH THE SALE OF THEIR PROPERTY.**

#### **TRANSFER UPON SALE OF PROPERTY**

A member who resigns from the Club upon the sale of his or her Property may arrange for the Club to reissue the member's membership to the subsequent purchaser of the Property regardless of whether all of the memberships in the category in question have been issued and regardless of whether there are any resigned memberships on the waiting list. The subsequent purchaser desiring the resigned membership will be required to submit a Membership Agreement, and in the case of a Golf Membership, will be subject to approval of the Club, and will be required to pay the membership deposit which is then in effect. The subsequent purchaser must apply for the membership on or before the Property closing.

In the case where the subsequent purchaser of Property is not approved for membership, the Club will refund the membership deposit paid to the resigning member within 30 days after the disapproval.

#### **TRANSFER THROUGH WAITING LIST**

A resigned membership will be placed on a waiting list and will be reissued on a first-resigned, first-reissued basis as follows, unless the subsequent purchaser of the member's Property is acquiring his or her membership.

Prior to the initial sale of all of the memberships in the resigned member's category of membership, every fourth membership issued in that category (1 in 4) will be a resigned membership from the waiting list, provided there is a resigned membership on the waiting list. The other three memberships issued will be from the Club's unissued memberships. This procedure allows the reissuance of resigned memberships prior to the issuance of all memberships in the Club.

After the initial sale of all memberships in the resigned member's category of membership, each membership issued in that category will be a resigned membership from the waiting list. From the date of this Amendment, a member must be current with his or her dues obligation in order to be placed on the waiting list for reissuance, unless The Club determines otherwise. The issuance of non-refundable membership will count towards the above ratios.

Notwithstanding the foregoing, an Athletic Member who owns Property may not resign the Athletic Membership without a sale of the Property.

#### **TRANSFER TO NEW PROPERTY**

If a Golf Member who is a Property owner purchases another Property from the Company, its affiliate or their approved builders, the membership can be transferred to the new Property. Additionally, the purchaser of the member's Property can then acquire a Golf Membership for the then current membership deposit from the Club, if one is available.



## **SALE OF PROPERTY**

If a member sells his or her Property and does not acquire another Property, the membership, if a Golf Membership, can be recalled by the Club upon repayment of the membership deposit paid by the member. If an Athletic Membership, it shall be deemed resigned.

## **REPURCHASE OF MEMBERSHIPS UNDER OTHER CIRCUMSTANCES**

The Club is not obligated to repurchase a membership under any circumstances, other than the circumstances described in this Membership Plan. The Club may, in its sole and absolute discretion, repurchase a resigned membership which is not being transferred to the subsequent purchaser of the resigning member's Property on terms agreed to by the Club and the member. Any membership so purchased shall be added to the Club's reserved memberships.

## **TRANSFER OF MEMBERSHIP UPON DEATH OF MEMBER**

Upon the death of a member, the membership will be transferred to the member's surviving spouse without the payment of any additional membership deposit. If there is no surviving spouse or the surviving spouse does not desire to continue the membership, the membership can be transferred to an adult child who is approved for membership. In the event there is no surviving spouse or adult child who wants to continue the membership privileges or who is approved for membership privileges, the membership will be deemed to have been resigned, with no further obligation for dues, fees or other charges, except for those that have accrued to the date of death, and will be reissued by the Club on the same basis as any other resigned membership. The amount of the refund will be paid to the estate of the deceased member.

In the event a membership is to be transferred to an adult child, the deceased member's estate shall resign the membership to the Club. The Club will repay the membership deposit previously paid by the deceased member. The deceased member's adult child will then acquire the deceased member's membership from the Club upon payment of the membership deposit previously paid by the deceased member. A new 30- year period for repayment of the adult child's membership deposit shall commence upon issuance of the membership to the adult child. The transfer of the membership to an adult child shall not be subject to any waiting lists.

The foregoing provisions are subject to the requirement that all Property owners must acquire and maintain at least an Athletic Membership in the Club.

## **LEGAL SEPARATION OR DIVORCE**

In the event of the divorce or separation of spouses having membership privileges, the membership, including all of its rights and benefits, will vest in the spouse awarded the Property by an agreement of separation or a decree of divorce. In the case of the divorce or separation of spouses who do not own Property, the membership, including all of its rights and benefits, will vest in the spouse awarded the membership by an agreement of separation or a decree of divorce. Until the award of the membership and written notice thereof is provided to the Club, both spouses will be jointly and severally liable for all dues and charges and both may continue to enjoy membership privileges so long as such amounts are timely paid. The Club reserves the right, in its sole and absolute discretion, not to transfer the membership to either spouse if the Club, in its sole and absolute discretion, is unable to determine the person who is lawfully entitled to receive the membership.

## **DUES AND CHARGES**

### **DUES, FEES AND CHARGES**

The Club will determine the amount of base dues and modified dues, as described below (collectively "dues"), fees and charges to be payable by members of the Club each year. All dues shall be payable on a monthly basis on or before the first day of each month, unless otherwise determined by the Club from time to time. The dues, fees and charges for use of the Club Facilities are indicated on the Schedule of Dues and Charges. The amount of dues, fees and other charges is subject to change from time to time by the Club.

In order to ensure the further and long term success of the resort rental program operated by BRRMP by encouraging owner participation in the BRRMP, which will positively impact the Club membership program and its long term success, which in turn positively impacts property values in Brasada Ranch, the Club will maintain the following structure and level of dues for members and owners of Cabins as they may be amended from time to time in the Club's sole and absolute discretion:

- Members who own Property and members who do not own Property or a Cabin will pay Athletic Membership level of dues at the base rate set by the Club from time to time in its sole and absolute discretion ("Base Dues");
- All owners of a Cabin who are Athletic Members will pay modified dues equal to two and one half times Base Dues as set forth on their dues statement ("Modified Dues");
- All owners of a Cabin who are Golf Members will pay Modified Dues plus the difference between Golf Dues and Base Dues as set forth on their dues statement;
- All owners of a Cabin and participating in the BRRMP as set forth in separate BRRMP documents will pay Base Dues;
- All owners of a Cabin, regardless of their participation in the BRRMP, will pay Base Dues instead of Modified Dues through December 31, 2012.

Payment of dues by members is a continuing obligation of membership which is not suspended due to the closure of any or all of the Club Facilities which result from acts of God, natural disasters, pestilence, weather, fires, the need to replace turf and landscaping on the Club property due to disease or other unanticipated cause, requirements imposed by governmental authorities after the date hereof and any events beyond the reasonable control of the Club.

If a member fails to pay any dues, fees and other charges, the Club may suspend the member's privileges for non-payment and may take such other remedies including but not limited to, placing a lien on the member's Property, pursuant to covenants recorded against the Property providing for mandatory membership.

### **NO ASSESSMENTS AGAINST MEMBERS**

Members will only pay membership dues, fees and other charges established from time to time. Members will not be subject to any liability for capital or operating assessments for the costs and expenses of ownership or operation of the Club or the Club Facilities. The Company will pay

all operating deficits incurred in the operation of the Club Facilities and will retain all operating revenues resulting from operation of the Club Facilities. Increases in dues shall not be deemed an assessment for purposes of this provision. The budget and the calculation of dues may include a reserve for capital replacements and improvements and this shall not be deemed an assessment for purposes of this provision.

#### **MEMBERSHIP YEAR**

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

#### **PAYMENT OF DUES FOLLOWING RESIGNATION**

A member who owns Property shall continue to pay dues and may not resign from the Club until the subsequent purchaser of the member's Property acquires either the member's resigned membership or another membership in the Club.

A resigned member who does not own Property shall be obligated to continue to pay dues, fees and other charges associated with the resigned membership until the earlier of: (i) the reissuance of the membership by the Club, or (ii) 12 months after the resignation occurs. A resigned member shall be permitted to use the Club Facilities as long as the dues, fees and other charges continue to be paid by the resigned member. In the event that there are any amounts owing to the Club by a resigned member which are past due, the Club reserves the right to move the resigned membership to the bottom of the reissuance waiting list until such amounts have been paid in full.

### **MEMBERSHIP PROCESS**

#### **APPLICATION PROCEDURE**

Each person who desires to become a member must mail or deliver to the Membership Director a fully completed and signed Membership Agreement, along with a check for the required membership deposit (unless paid out of the escrow from the real estate closing).

Each purchaser of Property must at a minimum acquire an Athletic Membership on or before the closing on their purchase of the residence or homesite. Therefore, provisions for application and approval of membership do not apply to owners of Property who acquire Athletic Memberships, unless otherwise determined by the Club.

#### **REVIEW OF MEMBERSHIP AGREEMENT**

All applicants desiring a membership must be approved by the Club. The Club may require an interview with the Membership Director, and/or other designees of the Club. After receiving the Membership Agreement, the Club will determine whether the applicant has satisfied the relevant conditions of membership. In the event the Membership Agreement is not acted upon favorably, the applicant will receive a refund of any amount previously paid, without interest.

Notwithstanding any provision herein, provisions for application and approval of membership do not apply to owners of Property, unless otherwise determined by the Club.

## **OTHER MEMBERSHIPS AND USE PRIVILEGES**

### **CHARTER MEMBERSHIPS**

The Club has previously issued memberships prior to the date of this Membership Plan to its existing members. Existing members of the Club as of June 30, 2011 will hereinafter be recognized as "Charter Members." Charter Members will have the same privileges to use the Club Facilities as they previously enjoyed, such as Charter Golf Members will not have to pay cart fees and all Charter Members will receive certain discounts and benefits as determined by the Club from time to time in the Club's sole and absolute discretion. Charter Memberships are not transferable. Upon the sale of his or her Property, a Charter Membership will be reissued as a Golf Membership or an Athletic Membership. Charter Members will be entitled to such refund, if any, as set forth in his or her agreement they executed upon joining the Club and the Charter Member's subsequent Property purchaser shall be required to pay such transfer fee as set forth in the agreement the Charter Member executed upon joining the Club.

### **EQUESTRIAN MEMBERS**

As previously referenced above, Golf or Athletic Members of the Club may add-on an Equestrian Membership as more fully described in the Equestrian Membership Documents.

### **COMPANY/HONORARY MEMBERSHIPS**

The Club may issue up to 20 Company/Honorary Memberships in the Club to such persons as the Club determines appropriate from time to time. These Company/Honorary Memberships will be available on such terms and conditions as the Club determines appropriate and will not count toward any membership limit. Company/Honorary Members have the same privileges as Golf Members, but will not pay a membership deposit or dues. Company/Honorary Members will pay greens fees and cart fees as determined by the Club from time to time in its sole and absolute discretion and fees and charges for goods and services purchased at the Club. Company/Honorary Members will not be obligated to pay dues unless the Club is ever converted into an equity, member-owned club.

### **SHARED OWNERSHIP MEMBERSHIPS**

The Club reserves the right to issue one or more classes of membership in the future in the event that shared ownership interests are sold at Brasada Ranch, which will be directed to the purchasers thereof. Those memberships which offer full golf privileges, would count against the Golf Membership cap on an equivalent basis, so that all of such memberships issued with respect to a given unit would count as one membership against the cap on Golf Memberships. Holders of these memberships would generally have the same privileges as either Golf or Athletic Members, depending on the class selected, while in residence at Brasada Ranch.

### **RECIPROCAL PRIVILEGES**

The Club may, in its sole and absolute discretion, enter into reciprocal use privileges and arrangements with other clubs and resorts, as the Club determines appropriate from time to time.

## **PROMOTIONAL USE**

The Club will have the right to designate other persons who will not count toward membership limits, including, without limitation, officers, directors, partners, shareholders, employees and designees of the Company and its affiliates and their guests to use the Club Facilities upon such terms and conditions as may be determined from time to time by the Club. The Club will also have the right to permit prospective purchasers of Property and members to use the Club Facilities on such terms and conditions as may be determined from time to time by the Club. The Club reserves the right, in its sole and absolute discretion, to restrict or to otherwise reserve in advance the Club Facilities for maintenance, tournaments, group events and other special events from time to time. The Club will also permit use of the golf facilities and clubhouse by persons sponsored by area golf professionals on a greens fee basis and on such other terms and conditions as the Club determines from time to time.

## **CLUB OPERATIONS**

### **MANAGEMENT AND OPERATION**

The Company will manage and operate the Club Facilities. As a result, the Company is solely responsible for the government and administration of the Club Facilities and the Club and will have the exclusive authority to accept members, set dues and charges, establish rules and regulations and control the management and affairs of the Club Facilities and the Club. The Club also reserves the right to engage a professional management company to operate the Club Facilities.

### **ADVISORY COMMITTEE**

The Club will establish an advisory committee 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 the Club's policies and rules and regulations. Members of the advisory committee will be appointed for specific terms as determined by the Club from time to time. The management of the Club shall meet with the advisory committee on a periodic basis to discuss the operation of the Club Facilities. The advisory committee shall have no duty or power to negotiate or otherwise act on behalf of the Club, its management or the members of the Club, and shall serve only in an advisory capacity. The management of the Club will have the final authority on all matters concerning the Club Facilities and the members of the Club.

## **GENERAL PROVISIONS**

### **RIGHT OF FIRST OFFER**

If the Company desires to sell the Club Facilities or a significant portion thereof, the Company shall present Brasada Ranch Residential Owners Association, an Oregon nonprofit Corporation (the "Association") with an offer to sell the Club Facilities or applicable portion thereof. Notwithstanding the foregoing, the Company, in its sole and absolute discretion, shall determine whether the Equestrian Facilities will or will not be subject to the right of first offer.

Upon presentation of the offer, an acquisition committee composed of Property owners will be formed to pursue a possible sales transaction with the Company. The Association shall have a period of 90 days to accept the offer by a majority vote of the members of the Association.

In the event that the Association elects not to accept the offer, or if a transaction is agreed upon and not ultimately consummated, then the Company shall thereafter be free to sell the Club Facilities or applicable portion thereof to any other party upon any terms and conditions deemed acceptable to the Company in its sole and absolute discretion. Notwithstanding the foregoing, in the case where the Association elects not to accept the offer, the purchase price in a sales transaction with another party must be at least equal to 90% of that presented to the Association should the sale occur within one year thereafter. A purchaser of the Club Facilities or portion thereof shall acquire title subject to the terms and provisions of the Membership Plan then existing. If the Club Facilities or applicable portions thereof are not sold within one year after the Company was free to sell the same based on an inability to negotiate a sale transaction, the members will again be entitled to receive an offer to sell the Club Facilities or a significant portion thereof from the Company as herein provided.

The foregoing provisions concerning the presentation of an offer to the members shall not apply to the sale of any or all of the Club Facilities to an affiliated entity or to an equity conversion.

#### **PROTECTION OF MEMBERSHIP PRIVILEGES**

In the event that the Company ever sells the Club Facilities, other than a foreclosure sale, it will disclose the existence of this Membership Plan to the purchaser and will require the purchaser to acquire title thereto subject to the terms and conditions of this Membership Plan. Furthermore, the Company will disclose the Membership Plan to any prospective lender, and will request recognition by the prospective lender of the Membership Plan.

#### **ACKNOWLEDGMENT OF MEMBERSHIP RIGHTS**

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

The Club reserves the right, in its sole and absolute discretion, to terminate or modify this Membership Plan and Rules and Regulations, to reserve memberships, to sell, transfer, lease or otherwise dispose of the Club Facilities in any manner whatsoever and to any person whomsoever, to recall any membership at any time for any or no reason whatsoever, to add, issue, modify or terminate any type or category or class of membership, to discontinue operation of any or all of the Club Facilities, to convert the Club into an equity, membership-owned club (whether or not the Equestrian Facilities are included in any such equity conversion program will be determined by the Company in its sole and absolute discretion), and to make

any other changes in the terms and conditions of membership or in the Club Facilities available for use by members.

In the event of termination of the Membership Plan, termination of a person's category of membership, recall of a membership or the discontinuance of operation of all or substantially all of the Club Facilities, the Club will refund the membership deposit, if any, to the affected member(s). In the event that the Club Facilities are sold and the buyer assumes liability for the repayment of the appropriate membership deposit as provided in the Membership Agreement, the member shall look solely to the new owner for repayment of the membership deposit, if any, and the seller of the Club Facilities shall be released from all liability for the repayment thereof. In the event of a sale of the Club Facilities (other than a foreclosure sale), the buyer shall take title subject to the terms and provisions of the then existing Membership Plan.

#### **NO PLEDGE OF MEMBERSHIPS**

A member may not pledge or hypothecate the membership except to the extent the lien or security interest is incurred as a result of obtaining the membership privileges. A refund of the membership deposit will be paid to the member unless and until a lender can show a properly foreclosed security interest in the membership and the membership deposit.

#### **TAX CONSEQUENCES OF ACQUIRING MEMBERSHIP**

The Club makes no representations and expresses no opinions regarding the federal, state or local income tax consequences of acquiring a membership or with respect to any membership deposits paid to the Club. All persons acquire their membership subject to all applicable tax laws, as the same may be amended from time to time. Accordingly, members should consult with their own tax advisors with respect to the tax consequences of any membership deposits.