



L A J I T A S

THE ULTIMATE HIDEOUT

MEMBERSHIP PLAN

Summary of Membership Plan

Background

Set on approximately 25,000 acres of magnificent terrain in Southwest Texas, the town of Lajitas is surrounded by over one million acres of state and national parkland which serves to protect the integrity of the town and preserve the beauty and solitude of the community. Adjacent to the east is Big Bend National Park, to the south is the Rio Grande River and northern Mexico, and to the west lies Big Bend Ranch State Park.

Nestled in the town of Lajitas, it is the intention of Lajitas, The Ultimate Hideout to offer amenities of exceptional quality including golf, tennis, equestrian, spa, hunting and countless other programs, activities and services ensuring a wide and varied world-class experience. Club Facilities will be restricted to Members, their guests and to Resort Guests. The Trading Post and other parts of the town which service the local region will remain open to the general public.

This Membership Plan describes the membership opportunities at Lajitas, The Ultimate Hideout (the “Club”). The Club is located in Lajitas, Brewster County, Texas, and features a traditional old west experience and an outstanding championship golf course, “Ambush”, which opened for play in May 2002.

Membership Categories and Privileges

The Club currently offers the following categories of Membership:

- Golf Membership
- Social Membership

The use privileges associated with each category of Membership are more fully described in this Membership Plan and the Club’s Rules and Regulations.

Membership Benefits

In addition to exceptional Club Facilities, Membership in the Club offers a number of attractive benefits, including:

- **Exclusivity.** Membership is by invitation only.
- **Refundable Membership Deposit.** The membership deposit paid by Members is fully refundable upon resignation and reissuance of the Membership or upon death of the Member, unless otherwise provided in their Membership Application.
- **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.

- **No Assessments.** Members are presently not subject to either operating or capital assessments.
- **No Food and Beverage Minimums.** Members are not presently subject to food or beverage minimums.
- **No Lesson, Cart, Range or Locker Fees.** Golf Members (and Founder Members) are not presently obligated to pay separate lesson, cart, range or locker fees. Social Members are not presently obligated to pay range or locker fees when playing golf.
- **Preferred Pricing.** All Members are entitled to preferred pricing of a 20% discount on food purchases at the Resort, spa services, car rental, Hunt Club & shooting activities fees, Equestrian Center fees (other than boarding fees), airport fees (other than fuel) and retail at Lajitas' shops and resort clubhouse. Social Members also are entitled to a 20% discount for golf on the Ambush course.
- **Member Rates on Resort Accommodations.** All Members are entitled Member Rates of a 60% discount on all Club owned resort accommodations and 20% on those privately owned in the rental program managed by the Club booked within 30 days in advance of arrival.
- **Preferred Rates on Private Air Transportation.** All Members receive preferred rates with ATI Jet which provides private air service for personal use, traveling any where in the United States, Mexico and Canada.
- **Leaders Club Membership.** Members will be enrolled as a complimentary member in The Leading Hotels of the World's exclusive Leaders Club while the Club continues as a member of the Leading Hotels of the World.
- **Immediate Family Privileges.** A Member, his or her spouse and their unmarried children, under the age of 25 who are living at home, attending school on a full time basis or serving in the military are entitled to membership privileges without paying additional dues.
- **Extended Family Privileges.** The parents, adult children and grandchildren of the Member and the spouse and the spouses of these family members are also entitled to use the Club Facilities upon payment of reduced guest fees.
- **Legacy Transfers.** Club Members can request (through the Club), the transfer of their Membership to a spouse, an adult child or grandchild without the payment of any additional membership deposit.

Availability of Memberships is Limited

Memberships are limited in number. Initially, the Club will issue only 150 Golf Memberships at which time the addition of a second and private golf course will be considered for addition to the Club Facilities. The first 50 Golf Memberships issued will be Founder Memberships. Social Memberships will be limited to the extent of the capacity of the Club Facilities to provide the Members with a quality membership experience as determined by the Club.

Carefully Review All Membership Documents

Every person who desires to obtain a Membership should carefully read this Membership Plan and all referenced documents and is encouraged to seek professional advice as to the merit of these documents.

Rely Only On Information In This Membership Plan

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS NOT CONTAINED IN THIS MEMBERSHIP PLAN AND THE 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 APPLICATION WITH OTHER PRINTED MATERIALS, THE MEMBERSHIP PLAN, RULES AND REGULATIONS AND MEMBERSHIP APPLICATION 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.

Invitation For Membership

Membership shall be by invitation only. Persons who are invited for membership in the Club must deliver or mail to the Membership Director at the Club: (i) a completed and executed Membership Application, and (ii) a check in U.S. funds for the amount required in the Membership Application.

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 HC 70 Box 400, Lajitas, Texas 79852 or by calling toll free (866) 608-6694.

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MEMBERSHIP FEATURES AND FACILITIES

Introduction

Membership in Lajitas, The Ultimate Hideout offers use of golf, spa, tennis, pool, hunting, equestrian and social facilities. This Membership Plan, the Rules and Regulations and the Membership Application set forth the terms of Membership in the Club.

Club Facilities

Members, their families and guests currently enjoy the following Club Facilities:

Ambush - The world's only international eighteen-hole championship course, designed by Roy Bechtol and Randy Russell, this oasis-style par 71 course plays on 7,042 yards

Resort Pool – Located near the La Cuesta guest rooms

Equestrian Center & Riding Facilities – A full service boarding facility with a 19-stall barn, a 32,500-square foot covered riding arena, and a 60-foot covered round pen

Ocotillo Restaurant - Featuring gourmet cowboy cuisine on the banks of the Rio Grande River under the direction of “Hudson’s on the Bend” award winning chef and co-owner Jeff Blank

Candelilla Café - Offering casual dining with golf course view and contemporary southwestern cuisine

Thirsty Goat Saloon – Named after the Mayor of Lajitas (a beer-drinking goat), the Thirsty Goat Saloon features live music most nights

Trading Post – Built in 1899, the Trading Post is one of the most historic buildings in Lajitas and continues to be the local grocery store, deli and sandwich shop

Agavita Spa – Named after the native Agave plant, the Agavita Spa offers three massage rooms, one spa wet room, one facial room, and a hair & nail salon

Tennis Center – With four lighted outdoor Hard-tru courts

Hunt Club and Lodge - Consists of two ranches: the 640-acre Palo Amarillo Ranch with Lodge; and the 278,000-acre O2 Ranch, located just north of Lajitas

Lajitas Shooting Range – Five Stand with eight traps capable of throwing targets from different angles.

Lajitas International Airport – Features a 7,500’ x 100’ lighted asphalt runway and an FBO with a lounge and pilot’s quarters

Private Air Transportation - Presently Members have access to book a Lear 25, 35 or 55 jet through an agreement with ATI Jet for personal use, traveling any where in the United States, Mexico and Canada for preferred rates

Lajitas Resort – Currently features 72 rooms and suites in four uniquely different facilities; the Cavalry Post, La Cuesta, Officers’ Quarters, and the Badlands

Conference Facilities – Offers over 6,000 square feet of indoor meeting space, and also includes countless outdoor venues

The foregoing facilities are herein after collectively referred to as the “Club Facilities”.

Improvements to Club Facilities and Additional Club Facilities

The Club is committed to providing its Members with world-class facilities, services and activities. As a result improvements, modifications, deletions and additions deemed appropriate by management of the Club will be an ongoing process. Presently, the Club anticipates that a second and private members-only golf course will be added along with a private members-only clubhouse. In addition, the Club also anticipates adding in association with the Ambush, a new clubhouse with Fitness Center, Tennis Center, additional pools, a larger spa to be called the Agave Spa and an additional restaurant. The construction of the additional Club Facilities will be subject to the sale of sufficient Memberships and to obtaining the necessary approvals and permits. Neither the Club nor its affiliates shall have any liability whatsoever to the Members in the event the additional Club Facilities are not constructed.

Ownership and Operation of Club Facilities

Lajitas Resort, LTD. (the “Company”), operates the Club Facilities and along with several affiliated corporations owns the Club Facilities. The Company and the Club are hereinafter sometimes collectively referred to as the “Club”.

MEMBERSHIP CATEGORIES AND PRIVILEGES

Categories of Membership

In order to provide availability of facilities and services to members, the Club is currently offering a limited number of Memberships in the following categories: Golf Membership and Social Membership. The first 50 Golf Memberships issued by the Club will be Founder Memberships.

The Club may offer certain other Memberships and use privileges as described in the “Other Memberships and Use Privileges” provision in this Membership Plan.

The following is a summary of the current rights and privileges of the Memberships currently offered by the Club:

Golf Membership

Golf Members are allowed to use any and all facilities provided by the Club and attend all club-sponsored events held at Lajitas. Golf Members will not pay lesson fees, green fees, cart fees, range fees for golf, or court fees for tennis, for themselves or their immediate family.

Social Membership

Social Members are entitled to use all of the Club Facilities in the same manner as Golf Members, except golf course usage. Social Members may play golf only on the Ambush Course, and only six times per calendar year upon payment of a preferred playing fee of a 20% discount from the rates charged to Resort Guests. Ambush Practice Facilities are available to Social Members only six times per calendar year and only when actually playing golf. Future private members-only golf course facilities will not be available to Social Members.

Rules and Policies

To enhance the recreational and social pleasure of members and their guests, the Club reserves the right to establish or modify rules, regulations, policies, guidelines, or systems governing access to or reservation of the golf course(s) and the other Club Facilities.

NUMBER OF MEMBERSHIPS

Limit on the Number of Memberships

Initially, the maximum number of memberships permitted in each category will be as follows:

<u>Membership Category</u>	<u>Number of Memberships</u>
Golf Membership	150 with Ambush Course 325 Additional with Private Course Added
Social Membership	Limited by the capacity of the Club Facilities to provide members with a quality membership experience as determined by the Club

FAMILY AND 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 and their unmarried children under the age of twenty-five who are living at home, attending school on a full-time basis or serving in the military.

Extended Family Privileges

Extended family of a Member may use the Club Facilities upon payment of preferred guest fees. The extended family shall include the parents, adult children who do not fall within the definition of immediate family and grandchildren of the member and spouse and the spouses of these family members.

Guest Privileges

Members may have guests use the Club Facilities in accordance with the Rules and Regulations of the Club. The Club may limit the number of guests a member can sponsor during each membership year, as well as the number of times a particular guest may use the Club Facilities during each membership year. The member will be responsible for the payment of daily guest fees established by the Club, and all guest charges. Members will also be responsible for the department of their guests.

A Member is presently permitted to have unaccompanied guests ("Sponsored Guests") enjoy the Club Facilities, subject to the Rules and Regulations of the Club.

OFFERING OF MEMBERSHIPS

Invitation Only Membership

Membership in the Club is by invitation only. Memberships will be offered to such persons as the Club determines appropriate and interested in membership. Golf Memberships and Social Memberships are only available to property owners in Lajitas.

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 to any person whom the Club, in its sole discretion, determines appropriate.

Initial Purchasers of Homes and Homesites

Each initial purchaser of a home or homesite at Lajitas shall have a period of sixty (60) days after the close of escrow in which to acquire a Golf or Social Membership. Memberships are limited in number and will generally be issued on a first-come, first serve basis. An initial purchaser who does not acquire a Membership within the prescribed period and subsequent purchasers of the property in question may acquire a Membership at a later date only if one is available and not reserved and at the membership deposit then charged for the Membership.

Current Home and Homesite Owners

Each current owner of a home or homesite at Lajitas as of the date of this Amended Membership Plan shall have a period of sixty (60) days after receiving a written invitation to acquire a complimentary Social Membership upon payment of only monthly dues and normal charges for services. During the sixty (60) day eligibility period these current owners may apply the

complimentary Social Membership toward a Golf Membership and pay only the balance of the required membership deposit. A current owner who does not acquire a Membership within the prescribed period and subsequent purchasers of the property in question may acquire a Membership at a later date only if one is available and not reserved and at the membership deposit then charged for the Membership.

OWNERSHIP OF A HOME OR HOMESITE AT LAJITAS DOES NOT GIVE ANY VESTED RIGHT OR EASEMENT, PRESCRIPTIVE OR OTHERWISE, TO USE THE CLUB FACILITIES, OR ACQUIRE A MEMBERSHIP INTEREST IN THE CLUB OR THE CLUB FACILITIES.

Membership May be Held in the Name of a Legal Entity

For the convenience of members, a Membership may be held in the name of a partnership, company, trust or other form of multiple ownership (the “entity”). The entity must designate one individual who will have the right to use the Membership. The designated user must submit a Membership Application and will be subject to the approval of the Club. The designated user must also be a bona fide director, officer, partner, shareholder or employee of the entity, or a beneficiary or settler if the Membership is held in the name of a trust, and shall be responsible along with the entity for all applicable dues, fees and charges. No person other than the designated user and his or her family members will be entitled to simultaneously use the Membership. The entity may change the designated user annually upon approval by the Club and payment of a re-designation fee determined by the Club. The Club may adopt such rules with respect to entity Memberships as it shall determine from time to time.

MEMBERSHIP DEPOSIT

Membership Deposit Required to Acquire Membership

Each person who desires to become a member and who has been invited and approved for membership will be required to pay a membership deposit together with any applicable taxes in the amount in effect at the time the person submits the Membership Application. The amount of the required membership deposit will be determined by the Club from time to time. Membership deposits are not transferable, except as specifically provided in this Membership Plan, and are refundable only in accordance with this Membership Plan, the Rules and Regulations of the Club and the Membership Application.

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 deposit 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 deposit or dues.

TRANSFER OF MEMBERSHIP

Transfer of Membership through the Club

Members may transfer their Memberships only through 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 member is irrevocable, unless otherwise determined by the Club.

The resigned Membership will be placed on a waiting list and will be reissued on a first-resigned, first-reissued basis as follows:

- (a) Prior to the initial sale of all Memberships in the resigning Member's category, provided there is a resigned Membership on the waiting list, every fourth Membership issued will be a resigned Membership from the waiting list (the other three Memberships being from the Club's unissued Memberships). This procedure allows the reissuance of resigned Memberships prior to the issuance of all Memberships in the Club.
- (b) After the initial sale of all of the Memberships in the resigning Member's category, each Membership sold will be a resigned Membership from the waiting list.

Resigned Founder Memberships will be reissued as Golf Memberships.

Refund of Membership Deposit upon Transfer

Upon receipt of the written resignation, and after the reissuance of his or her Membership, the resigning Member will be entitled to receive, if the Member is in good standing on the resignation date and the membership deposit has been paid in full, a refund equal to the membership deposit actually paid by the resigning Member. All payments shall be made by the Club within thirty (30) days after the Membership held by the resigning Member has been reissued by the Club. No interest shall be due and payable on the membership deposit. If there is any difference between the amount paid by the new Member to whom the Membership is reissued and the amount of the refund to the resigning Member, the difference shall be retained by the Club.

Repurchase of Memberships under Other Circumstances

The Club may, in its sole and absolute discretion, repurchase a resigned Membership under any circumstances which the Club determines appropriate, subject to the approval of the resigned member.

Transfer of Membership upon Re-Sale of Real Estate

Golf and Social Members who own a home or homesite in Lajitas have the opportunity, for a thirty-day period immediately following the closing of the sale of their property, to arrange for the Club to reissue the resigned Member's Membership. The purchaser must submit a signed Membership Application, be approved for membership and pay to the Club the applicable membership deposit.

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 the surviving spouse does not desire to continue the membership privileges, the surviving spouse may resign the Membership or designate one adult child or grandchild to acquire the Membership without the payment of any additional membership deposit, provided the adult child or grandchild is approved for membership in the Club, by giving written notice to the Club. Failure of the spouse to elect one of such alternatives shall be deemed an election to continue the membership privileges. If there is no surviving spouse and the deceased Member has not designated one adult child or grandchild as the beneficiary of the Membership and who is approved for membership in the Club, the children of the member may designate one adult child or grandchild to acquire the Membership without payment of any additional membership deposit, provided the adult child or grandchild is approved for membership in the Club. In the event there is no surviving spouse or no adult child or grandchild who wants to continue the membership privileges or who is approved for membership in the Club, the Membership will be deemed to have been resigned with no further obligation for dues, fees or other charges and the membership deposit shall be refunded within thirty (30) days after written notice of the death of the Member and of a request for refund

The transfer of the Membership to a surviving spouse or adult child or grandchild shall not be subject to the Club's resigned member's waiting list or buyer's waiting list, if any.

In the case of the death of a Founder Member and transfer of a Membership as provided above, a replacement Golf Membership shall be issued to the surviving spouse or adult child or grandchild, or to a new member, as the case may be.

Legacy Transfers

A member can request the transfer of his or her Membership to an adult child or grandchild who is approved for membership in the Club without the payment of any additional membership deposit. The transfer of the Membership to an adult child or grandchild shall not be subject to the Club's resigned member's waiting list or buyer's waiting list, if any. If the member owns a home or homesite at Lajitas that property must also be transferred to that legatee.

In the case of a Founder Membership, a replacement Golf Membership shall be issued to the adult child or grandchild.

Refund at the End of Thirty Years

The membership deposit paid by a Member will be refunded, without interest, by the Club to the Member thirty (30) years after the date the Membership is issued by the Club if the Member does not resign within thirty years. At the end of the thirty (30) year period, provided Memberships are then being offered, the Member can then continue his or her Membership for another thirty (30) year period.

Deduction of Amounts Owed to the Club

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

Legal Separation or Divorce of Married Members

In the event of the divorce or separation of spouses having membership privileges, the Membership, including all of its rights and benefits, will vest in the spouse awarded the Membership by an agreement of separation or a decree of divorce. Until the award of the Membership and the written notice thereof is provided to the Club, both spouses will be jointly and severally liable for all dues, fees and charges and both may continue to enjoy membership privileges as long as such amounts are timely paid. The Club reserves the right, in its sole discretion, not to transfer the Membership to either spouse if the Club, in its sole discretion, is unable to determine the person who is lawfully entitled to receive the Membership. In the case of divorce, if the Club has been unable to determine which spouse is legally entitled to the Membership within six months after the date of the divorce decree, the Membership shall automatically be deemed resigned.

In the case where a Founder Membership is held by one of the spouses and the other spouse is awarded the Membership, the Founder Membership shall automatically be deemed converted to a Golf Membership.

DUES AND CHARGES

Dues, Fees and Charges

The Club will determine the amount of dues, fees and charges to be payable by members each year. Dues shall be payable on a monthly basis in advance, unless otherwise determined by the Club from time to time. The current dues, fees and charges for use of the Club Facilities are indicated on the Schedule of Dues, Fees and Charges. The amount of dues, fees and other charges is subject to change from time to time by the Club.

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.

Member Preferred Pricing

Members receive preferred pricing of a twenty percent (20%) discount on food at the Club (does not include member-only clubhouses, member events or catered functions). Members also receive preferred pricing of a 20% discount on spa services, car rentals, Hunt Club fees, Equestrian Center fees (other than boarding fees), airport fees (other than fuel) and retail at Lajitas' shops and resort clubhouse. Social Members are entitled to a 20% discount for golf on the Ambush Course.

Member Rates on Resort Accommodations

All Members and their guests receive the Member Rate of a 60% discount on all Club owned resort accommodations and 20% on those privately owned in the rental program managed by the Club booked within 30 days in advance of arrival.

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 by Resigned Member

A resigned Member shall have the option to continue to pay dues, fees and other charges associated with the resigned Membership until the reissuance of the Membership by the Club to a new member. 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. A resigned member may elect to discontinue payment of dues fees and other charges and discontinue use of the Club Facilities pending sale of the Membership. In the event a resigned member elects to discontinue payment of dues, fees and other charges his Membership may not be reactivated. 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.

Prorated Dues and Fees upon Reissuance of Membership

If a Membership is reissued during a membership year, the resigned member shall be entitled to a refund of a pro rata portion of any dues and other fees paid in advance for which services have yet to be rendered.

ACKNOWLEDGEMENT OF MEMBERSHIP RIGHTS

Member's Acknowledgment

Membership in the Club permits the Members 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 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 equity or ownership interest or any other property interest in the Company 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 and Rules and Regulations, as the same may be amended from time to time, and the Membership Application.

The Club reserves the right, in its sole discretion, to terminate or modify this Membership Plan and Rules and Regulations, to reduce, increase or reserve Memberships, to sell, lease or otherwise dispose of the Club Facilities in any manner whatsoever and to any person whomsoever, subject to the provisions hereinafter set forth, to add, issue, modify or terminate any type, category or class of membership, to recall any membership at any time for any or no reason whatsoever, to discontinue operation of any or all of the Club Facilities, to convert the Club into a membership-

owned club, and to make any other changes in the terms and conditions of membership or in the Club Facilities available for use by members.

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.

MEMBERSHIP APPLICATION

Invitation for Membership

Membership is by invitation only. The determination of whether a prospective member will be invited for membership shall be made by the Club in its sole and absolute discretion.

Membership Process

A candidate who has been invited for membership must timely mail or deliver to the Membership Office a fully completed and signed Membership Application and a check in U.S. funds for the amount required in respect to the membership deposit.

Rights Governed by Membership Plan

Members of the Club agree to be bound by the terms and conditions of this Membership Plan and the Rules and Regulations of the Club, as amended from time to time, and irrevocably agree to fully substitute the membership privileges acquired pursuant to this Membership Plan and Rules and Regulations for any present or prior rights in or to use of the Club Facilities.

OTHER MEMBERSHIPS AND USE PRIVILEGES

Company Memberships

Up to fifteen Company Memberships in the Club may be issued to such persons as the Company determines appropriate from time to time. These Company Memberships will be in addition to all other memberships and will be available on such terms and conditions as the Club determines appropriate. Company Members shall have the same privileges as Golf Members and may or may not pay the same fees and charges as Golf Members. Company Members will not be obligated to pay dues. Company Memberships will not be assignable or transferable by the Company Members and will terminate and be surrendered to the Company upon receipt of written notice from the Company.

Honorary Memberships

The Club may issue one or more Honorary Memberships in the Club to such persons as the Club determines appropriate from time to time. These Honorary Memberships will be in addition to all other memberships and will be available on such terms and conditions and afforded such privileges as the Club determines.

Founder Memberships

The first 50 Memberships issued by the Club will be Founder Memberships. Founder Members are allowed to use any and all facilities provided by the Club and attend all club-sponsored events held at Lajitas. Founder Members will not pay lesson fees, green fees, cart fees, or range fees for golf, or court fees for tennis, for themselves or their immediate family. Founder Members will be entitled to special membership benefits as determined by the Club. Each Founder Membership will be counted toward the cap of allowable Golf Memberships. Upon resignation or termination of a Founder Membership, the Club shall have the right to issue a Golf Membership in its place.

Corporate Memberships

The Club previously issued Corporate Memberships. Corporations may designate four (4) individuals to utilize the Membership. The designated users must be bona fide officers, directors, partners, shareholders or employees of the entity to which the Corporate Membership is offered. Designees may be changed annually upon payment of the current change of designee fee being charged by the Club. Designees are subject to approval for membership by the Club upon submission of written application for re-designation. Dues will be payable at the rate of a Golf Membership per designee. Corporate Membership designees shall enjoy all privileges of a Golf Membership. Each designee of a Corporate Membership shall be counted toward the cap of allowable Golf Memberships. Upon the resignation or termination of a Corporate Membership the Club shall have the right to issue a Golf Membership for each designee in its place.

Resort Guests

Guests staying at Lajitas Resort or at any home participating in the rental program operated by the Company or its designee ("Resort Guests") shall be temporary members of the Club and shall be permitted to use the Club Facilities, except Member Rates and Member preferred pricing will not be permitted. Resort Guests and Resort Guests will not have access to the future private course and member-only clubhouse.

Trading Post Open to the General Public

Because the town of Lajitas services the local region, the Trading Post which continues to be the local grocery store and other parts of the town will be open to the general public. The Club reserves the right in the future to restrict access to any facility to Members, Guests and Resort Guests.

Promotional Use and Tournament or Group Play

The Club will have the right to designate temporary members or 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 reserves the right, in its sole and absolute discretion, to restrict or to otherwise reserve in advance the Club Facilities for maintenance, tournament or group play, outings and other special or promotional events from time to time.

Reciprocal Membership Privileges

The Club reserves the right to provide for reciprocal use at preferred rates of the Club Facilities by Members at other similar clubs. Reciprocal use privileges shall be established on an annual or other basis and may be modified or terminated from time to time at the discretion of the Company.

Private Jet Transportation

The Club has executed an Agreement with ATI Jet to provide personal private air transportation for the Members. On a space available basis Members may book a Lear Jet 25, 35 or 55 to travel anywhere in the United States, Mexico and Canada. Members receive a preferred rate, subject to the terms and conditions, including renewal of the Agreement.

CLUB OPERATIONS

Management and Operation

The Company owns the Club Facilities and 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 will have the exclusive authority to accept members, set dues, fees and charges, establish rules and regulations and control the management and affairs of the Club Facilities and the Club. The Club reserves the right to engage a professional management company to operate the Club Facilities.

GENERAL PROVISIONS

Member Protections if Company Desires to Sell Club Facilities

If the Company desires to sell the Club Facilities, the Company shall first present to the members, an offer to sell the Club Facilities.

Upon presentation of the offer, the members shall form an acquisition committee composed of members of the Club to pursue a possible sales transaction with the Company. The members shall have a period of 90 days to accept the offer by a majority vote of the Membership.

In the event the Members elect not to accept the offer, or if a transaction is agreed upon and not ultimately consummated, the Company shall thereafter be free to sell the Club Facilities to any other party upon any terms and conditions deemed acceptable to the Company in its sole and absolute discretion. A purchaser of the Club Facilities shall acquire title subject to the terms and provisions of the Membership Plan then existing. If the Club Facilities are not sold within two years 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 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. Additional provisions regarding the offer and acceptance process are contained in the Rules and Regulations.

Membership Office Available to Answer Inquiries

All inquiries regarding Membership in the Club or this Membership Plan and referenced documents should be directed to the Membership Office at HC 70 Box 400, Lajitas, Texas 79852 or by calling toll free (866) 608-6694.