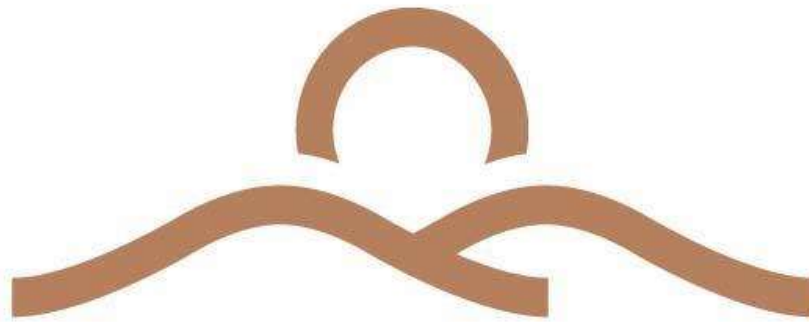


THE CLUB AT COMANCHE TRACE™



MEMBERSHIP PLAN

2019

THE CLUB AT COMANCHE TRACE

MEMBERSHIP PLAN OVERVIEW

AMENDMENT: THE MEMBERSHIP PLAN IS AMENDED BY THE CLUB PURSUANT TO ITS RESERVED RIGHT TO MODIFY MEMBERSHIP PLAN. AS OF DECEMBER 20, 2019 THIS AMENDMENT BEING AN AMENDMENT OF THE MEMBERSHIP PLAN IN ITS ENTIRETY TO BE AND READ AS SET FORTH HEREIN; THIS AMENDED PLAN REPLACING AND AMENDING THE PRIOR PLANS AND AMENDMENTS; PROVIDED THAT THIS AMENDMENT SHALL NOT REVISE NOR AFFECT EXISTING REFUNDABLE MEMBERSHIP AND CURRENT TERMS AND CONDITIONS FOR REFUND.

MISSION STATEMENT

It is our desire and intent to provide members and their guests a quality golf club experience and environment at The Club at Comanche Trace. Practices and policies will be established by the Club to promote superior club and Golf Course operations.

MEMBERSHIP OPPORTUNITY

This Membership Plan describes the membership opportunities in The Club at Comanche Trace (the "Club"). The Club is a private club located in the Comanche Trace residential community in Kerrville, Texas featuring an exceptional Golf Course, Sports Center and Clubhouse facilities.

MEMBERSHIP CATEGORIES AND PRIVILEGES

The Club offers the following categories of membership:

- Comanche Trace Full Golf Memberships
- Comanche Trace Limited Golf Memberships
- Comanche Trace Social Membership

The use privileges associated with each category of membership are more fully described in this Membership Plan.

SPECIAL MEMBERSHIP BENEFITS

In addition to exceptional Club Facilities and an extensive array of programs and activities for members and their families, membership in the Club offers a number of attractive benefits, including:

- **Membership Deposit.** The membership deposit actually paid for a Refundable Full or Limited Golf membership may be refundable upon resignation and re-issuance of the membership, as provided for in this Membership Plan and subject to the terms and conditions for refund as provided in this Membership Plan.

- **Immediate Family Privileges.** A member, his or her spouse and their unmarried children, under the age of 25 who live at home, or who attend school on a full-time basis or serve in the military are entitled to membership privileges without having to pay additional membership dues.
- **Extended Family Privileges.** The parents, adult children who do not fall within the definition of immediate family, grandparents and grandchildren of the member and spouse and their spouses are also entitled to use the Club Facilities upon payment of reduced greens fees and any applicable user 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, as provided for in this Membership Plan.
- **Transferability of Memberships.** Memberships are transferable through the Club to the subsequent purchaser of a member's residence or homesite in the Community, as hereinafter defined.
- **No Assessments.** Members are not subject to either operating or capital assessments.
- **Annual Exchange of Membership Privileges.** Members who would like to exchange their privileges with the privileges of another member, may do so through the Club on an annual basis, subject to the approval of the Club.
- **Upgrade of Membership.** Members who would like to upgrade to a higher category of membership may do so through the Club.
- **Change of Membership Category.** Members who would like to change their membership category may do so through the Club.
- **Lessee Privileges.** Lessees of a member's residence in the Community may enjoy membership privileges in the Club.

AVAILABILITY OF MEMBERSHIPS IS LIMITED

Memberships are limited in number. This limitation is important to ensure our members' enjoyment of the Club's outstanding facilities.

Memberships will be offered to initial purchasers of a residence or homesite in the Comanche Trace residential community or in such other communities as may be designated by the Partnership from time to time (collectively, "the Community"), and to other such persons as the Club determines appropriate from time to time.

CAREFULLY REVIEW ALL MEMBERSHIP DOCUMENTS

Every person who desires to obtain a membership, or owns or purchases a residence or homesite within the Community, should carefully read this Membership Plan and all of the referenced documents and should seek professional advice to evaluate these documents.

RELY ONLY ON INFORMATION IN THIS MEMBERSHIP PLAN

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY 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, subject to the terms and conditions for any refund of such Membership Deposit as herein provided.

MEMBERSHIP DIRECTOR AVAILABLE TO ANSWER QUESTIONS

All inquiries regarding membership in the Club or this Membership Plan and referenced documents should be directed to the Membership Director by calling (830) 895-8500. You may call or visit the Membership Office, conveniently located at 3074 Bandera Highway, Kerrville, Texas 78028. No appointment is necessary.

TABLE OF CONTENTS

MEMBERSHIP FEATURES AND FACILITIES.....	1
Introduction	1
Club Facilities.....	1
Additional Club Facilities.....	1
Ownership and Operation of Club Facilities	2
MEMBERSHIP CATEGORIES AND PRIVILEGES.....	2
Comanche Trace Full Golf Membership	2
Comanche Trace Limited Golf Membership.....	2
Comanche Trace Social Membership.....	2
Rules and Policies	3
Annual Exchange of Membership Privileges	3
Upgrade of Membership.....	3
Change of Membership Category.....	3
NUMBER OF MEMBERSHIPS	4
Limit on the Number of Memberships	4
FAMILY AND GUEST PRIVILEGES	4
Immediate Family Privileges.....	4
Extended Family Privileges.....	4
Guest Privileges.....	4
LESSEE PRIVILEGES	5
OFFERING OF MEMBERSHIPS.....	5
Offering of Memberships	5
Reserved Memberships	5
Initial Purchasers of Residences or Homesites in the Community	5
Lot Owners in The Homestead @ Turtle Creek	6
Membership Privileges Prior to Closing.....	6
Ownership of Multiple Residences or Homesites.....	6
Buyer's Waiting List.....	6
Multiple Owners of Property	7
Membership Held in Name of Legal Entity	7
MEMBERSHIP DEPOSIT	7
Membership Deposit Required to Acquire Membership.....	7
Refund of Membership Deposit	8
Member May Continue Membership at End of Thirty Years.....	8
Deduction of Amounts Owed to Club.....	8
Tax Consequences of Acquiring Membership	8
TRANSFER OF MEMBERSHIP	8
Transfer of Membership to the Club	8
Transfer Upon Sale of Residence or Homesite	9
Transfer Through Resale Waiting List.....	9
Transfer to New Property	9
Sale of Residence or Homesite.....	9

Repurchase of Memberships Under Other Circumstances	10
Transfer of Membership Upon Death of Member	10
Legal Separation or Divorce of Married Members.....	10
DUES AND CHARGES	10
Dues, Fees and Charges.....	10
No Assessments Against Members	10
Membership Year	11
Payment of Dues by Resigned Member	11
Prorated Dues and Fees Upon Reissuance of Membership	11
ACKNOWLEDGMENT OF MEMBERSHIP RIGHTS	11
No Pledge of Memberships	12
MEMBERSHIP AGREEMENT	12
Application Procedure	12
Review of Membership Agreement.....	12
Rights Governed by Membership Plan.....	12
OTHER MEMBERSHIPS AND USE PRIVILEGES	13
Invitational Memberships	13
Developer Memberships.....	13
Honorary Memberships	13
Social Memberships	14
Reciprocal Privileges.....	14
Member Outings.....	14
Promotional Use and Tournament or Group Play	14
CLUB OPERATIONS.....	14
Management and Operation.....	14
Board of Governors	14
Club Committees	15
GENERAL PROVISIONS.....	15
Protection of Membership Privileges	15

MEMBERSHIP FEATURES AND FACILITIES

INTRODUCTION

Membership in The Club at Comanche Trace offers use of an exceptional Golf Course, Sports Center, and Golf Clubhouse facilities. The terms of membership are described in this Membership Plan, the Rules and Regulations and the Membership Agreement.

CLUB FACILITIES

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

27-Hole Championship Golf Course. 18 holes designed by Tom Kite in conjunction with Bechtol/Russell Golf Course Architects and 9 holes designed by Jay & Carter Morrish and is the focal point of the Club. The Golf Course was designed with tee placements that will be a challenge to the low-handicapper while creating an enjoyable golfing experience for all levels of players.

Golf Practice Facilities. An outstanding practice facility including a 15-acre practice area, a practice chipping area, sand bunker and a putting green are onsite.

Full Service Golf Clubhouse. The Golf Clubhouse is the social center for the Club. The Golf Clubhouse features attractive dining areas and lounges where members may gather, along with the traditional golf shop, locker rooms and golf cart storage area. The mixture of the Golf Clubhouse facility and great activities develop the camaraderie that is the basis of a fine club.

Sports Center. The 6,500 square foot Sports Center building features state-of-the-art fitness facilities, steam rooms, men's and ladies' locker rooms and sales and administrative offices. In addition, the Tennis facilities will initially include two lighted courts where clinics and private lessons will be available with a tennis professional and the Swimming facilities.

ADDITIONAL CLUB FACILITIES

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

For each additional nine holes of Golf added to the Club Facilities after the initial 18 holes, the total number of memberships may be increased by up to an additional 250 Golf Memberships.

The Club may, in its discretion, allow all members to use the additional Club Facilities, increase dues for all members or certain categories of membership to pay the additional costs associated with the additional Club Facilities, or give members the option to use the Club Facilities upon payment of additional membership dues.

OWNERSHIP AND OPERATION OF CLUB FACILITIES

Comanche Trace Ranch & Golf Club, LLLP a Texas limited partnership (the "Partnership"), owns and operates the Club Facilities. The Partnership and the Club are hereinafter sometimes collectively referred to as the "Club". Where this Membership Plan refers to the Club taking action or having certain rights, the Partnership or its designee may take such action and shall have such rights.

MEMBERSHIP CATEGORIES AND PRIVILEGES

CATEGORIES OF MEMBERSHIP

In order to provide availability of facilities and services to members, the Club is offering a limited number of memberships in the following categories: Comanche Trace Full Golf Memberships, Comanche Trace Limited Golf Memberships and Comanche Trace Social 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.

COMANCHE TRACE FULL GOLF MEMBERSHIP

Each person who acquires a Comanche Trace Full Golf Membership is entitled to use all of the Golf, Sports Center and Golf Clubhouse facilities of the Club. Comanche Trace Full Golf Members will not be required to pay greens fees or court fees for use of the Golf and Tennis Facilities, but will be required to pay daily or annual golf cart fees. Comanche Trace Full Golf Members are entitled to reserve golf starting times 14 days in advance.

Comanche Trace Full Golf Memberships are currently available only to persons who own a residence or homesite in the Community.

COMANCHE TRACE LIMITED GOLF MEMBERSHIP

Each person who acquires a Comanche Trace Limited Golf Membership is entitled to use all of the Golf, Sports Center and Golf Clubhouse facilities of the Club, in accordance with the Rules and Regulations. The Comanche Trace Limited Golf Membership is entitled to play forty-eight (48) individual rounds of golf per year with no greens fee. In addition, Comanche Trace Limited Golf Members are entitled to unlimited golf at a preferred greens fee rate on a space available basis. Comanche Trace Limited Golf Members will not be required to pay court fees for use of the Tennis Facilities, but will be required to pay applicable greens fees and daily golf cart fees for use of the Golf Course. Comanche Trace Limited Golf Members are entitled to reserve golf starting times nine days in advance.

COMANCHE TRACE SOCIAL MEMBERSHIP

Each person who acquires a Comanche Trace Social Membership is entitled to use all of the Sports Center and Golf Clubhouse facilities of the Club. Comanche Trace Social Members will not be required to pay court fees for use of the Tennis Facilities. Comanche Trace Social Members will not have golf privileges, except they may play four individual rounds per year with payment of applicable green fees and cart fees on a space available basis.

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 or reservation of the Club Facilities.

ANNUAL EXCHANGE OF MEMBERSHIP PRIVILEGES

Members who do not desire to retain their full membership privileges may arrange through the Club to exchange their membership privileges and respective dues obligations with those of another member in a different membership category, upon obtaining the approval of the Club. No exchange of membership privileges shall be permitted if there is a Comanche Trace Full Golf Membership available for issuance at the time of the desired exchange. The right to exchange membership privileges shall be on a membership year basis, and shall not affect the exchanging member's rights to their underlying membership other than the payment of dues for the membership year in which the exchange occurs. The Club may promulgate rules concerning the exchange of membership privileges. Only members may exchange membership privileges with other members.

UPGRADE OF MEMBERSHIP

Members may upgrade to a higher category of membership, at the sole discretion of the Club, if the higher category of membership is then available and not reserved. In order to upgrade, the member shall pay to the Club the difference between the membership deposit previously paid by the member for the lower category of membership and the current membership deposit charged for the higher category of membership. Because of the limited number of memberships in each category and the reservation of memberships by the Club, a member may not be able to upgrade to a higher category of membership.

CHANGE OF MEMBERSHIP CATEGORY

Members may arrange to change their membership category to a lower category of membership. Any request for a permanent change of membership category must be made by giving the Club written notice no later than September 30 of the current membership year by completing a Change of Membership Category form and returning it to the Membership Director, also providing the category is available. Changes in a membership category and corresponding changes in dues, if any, will be effective starting January 1 of the membership year following the year in which notice was received. Any notice received after September 30 will constitute notice received in the following membership year and any changes in membership category and corresponding change in dues, if any, will be effective January 1 of the membership year following the year in which notice was received. All memberships must remain on an active, dues-paying basis until such time as they are resigned. If the member elects to change a membership category which requires the payment of a membership deposit less than that originally paid by the member, then the member must place his or her membership on the waiting list, if applicable and when the membership is reissued, purchase the lower category of membership at the then current price. A member may not request a change in membership category more than once.

NUMBER OF MEMBERSHIPS

LIMIT ON THE 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>
Comanche Trace Full Golf Memberships (including Comanche Trace Full Golf, and Comanche Trace Invitational Full Golf Memberships)	700 for 27 holes
Comanche Trace Limited Golf Membership	Total number of residences or homesites in the Community less the number of Comanche Trace Full Golf Memberships issued to property owners in the Community
Comanche Trace Social Membership	The total number of residences or homesites in the Community less the number of Comanche Trace Full Golf Memberships and Comanche Trace Limited Golf Memberships issued to property owners in the Community

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

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 25 who live at home, or who attend school on a full-time basis or serve in the military.

EXTENDED FAMILY PRIVILEGES

A member's extended family will be permitted to use the Club Facilities in accordance with the member's category of membership upon payment of a reduced guest rate. The extended family shall include the parents, adult children who do not fall within the definition of immediate family, grandparents and grandchildren of the member and spouse and their spouses. 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

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

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

LESSEE PRIVILEGES

A member, who leases his or her residence in the Community for a period of at least three months, may designate the lessee of his or her residence as the beneficial user of the membership, subject to the approval of the Club, for a period no greater than 6 months. The lessee must submit an Application for Lessee Privileges, 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 department 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

OFFERING OF MEMBERSHIPS

Memberships will be offered to initial purchasers of a residence or homesite in the Community and to other such persons as the Club determines appropriate from time to time.

RESERVED MEMBERSHIPS

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 which the Club, in its sole discretion, determines appropriate from time to time, including persons who do not own a residence or homesite in the Community.

INITIAL PURCHASERS OF RESIDENCES OR HOMESITES IN THE COMMUNITY

Each initial purchaser of a residence or homesite in the Community may, at any time within 60 days from the date of his or her closing on the residence or homesite, apply for a membership in the Club, provided the Club has a membership for sale. The number of memberships in each category is limited and available memberships in each category will generally be issued on a first-come, first-served basis. Any initial purchaser who does not apply for a membership within 60 days from the date of his or her closing on the residence or homesite may apply for a membership at a later date only if one is available and not otherwise reserved by the Club, and only upon payment of the membership deposit which is in effect at the time the membership is acquired.

OWNERSHIP OF A RESIDENCE OR HOMESITE DOES NOT GIVE ANY VESTED RIGHT OR EASEMENT, PRESCRIPTIVE OR OTHERWISE, TO USE THE CLUB

FACILITIES, OR TO ACQUIRE A MEMBERSHIP IN THE CLUB AND DOES NOT GRANT ANY OWNERSHIP OR MEMBERSHIP INTEREST IN THE CLUB OR THE CLUB FACILITIES.

LOT OWNERS IN THE HOMESTEAD @ TURTLE CREEK

Pursuant to an agreement between the Partnership and Crystal Land Co., LLC, (the "Homestead Agreement"), "Existing Lot Owners" and "Future Lot Owners" in The Homestead @ Turtle Creek community, as those terms are defined in the Homestead Agreement, may apply for a membership in the Club in the same manner as offered to the purchasers of residences and homesites in the Comanche Trace residential community except any promotional membership incentive offered only to homesite purchases in Comanche Trace shall not be available to Homestead owners. The Homestead @ Turtle Creek Club community should be considered one of the designated communities hereunder as relating to the club only, but not relating to any Comanche Trace Community HOA or similar uses. Payment of the required membership deposit, as well as the terms and conditions of the membership, shall be as provided in such lot owner's Membership Agreement and in this Membership Plan and the Rules and Regulations.

MEMBERSHIP PRIVILEGES PRIOR TO CLOSING

The Club may allow the initial purchaser of a residence or homesite in the Community to use the Club Facilities as a member prior to the closing on his or her residence or homesite. 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 close on the residence or homesite, the Club may terminate the membership privileges by returning to the person the membership deposit 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 at the discretion of the Club.

OWNERSHIP OF MULTIPLE RESIDENCES OR HOMESITES

If a person acquires two or more residences or homesites in the Community, the purchaser should acquire a membership for each residence or homesite for which membership privileges are desired. If the person does not acquire a membership for each residence or homesite, the Club will not guarantee that a membership will be available for the residence or homesite at a later date. Persons who acquire two or more contiguous lots but who construct only one residence may desire only one membership. If a membership is not acquired for the contiguous lot and the contiguous lot is subsequently sold, then the purchaser of the contiguous lot must acquire a membership if the purchaser is to be permitted to use the Club Facilities.

BUYER'S WAITING LIST

If a person desires to acquire a membership in a particular category and a membership is not available in that category, the Club will establish a waiting list. Resigned memberships that are not reissued to the subsequent purchaser of a resigned member's residence or homesite in the Community or are repurchased by the Club, as provided hereafter, 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;

Second, to Comanche Trace Invitational Members of the Club (as hereinafter described);

Third, to property owners in the Community who are not members of the Club; and

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

MULTIPLE OWNERS OF PROPERTY

In the event that more than one person owns a residence or homesite, only one owner is eligible to obtain a Comanche Trace Full Golf Membership with respect to that residence or homesite, unless otherwise determined by the Club and in accordance with the Rules and Regulations of the Club. The additional owners of the property must acquire a lower category of membership in order to use the Club Facilities. Only one membership can be transferred through the Club to the subsequent purchaser of the residence or homesite, as provided hereafter. Therefore, there is no guarantee that the additional membership(s) once resigned, will be reissued. Additional owners choosing to acquire a lower category of memberships may pay Comanche Trace Full Golf Membership dues and enjoy full golf privileges until the maximum number of Comanche Trace Full Golf Memberships has been issued.

MEMBERSHIP HELD IN NAME OF 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 (collectively, the "entity"). The entity must designate one individual or family who will have the right to use the membership. The designated individual or family may not be changed. The designated user must submit a Membership Agreement and will be subject to the approval of the Club. The designated user must be a bona fide director, officer, partner, shareholder or employee of the 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. No person other than the designated user and his or her immediate family will be entitled to simultaneously use the membership.

MEMBERSHIP DEPOSIT/ FEE

MEMBERSHIP DEPOSIT REQUIRED TO ACQUIRE MEMBERSHIP

Each person who desires to acquire a membership will be required to pay a deposit or fee determined by the Club from time to time. Membership deposits and fees are not transferable, except as specifically provided in this Membership Plan, and are not refundable except as expressly set forth in this amended Membership Plan and in accordance with this Membership Plan, the Rules and Regulations of the Club and the Membership Agreement. A membership fee is not refundable. A Membership Deposit may be refundable but only as expressly set forth herein and in accordance with the terms, provisions and conditions herein set forth.

REFUND OF MEMBERSHIP DEPOSIT

The Membership Deposit actually paid by a member will be refunded, without interest, 30 years after the date the membership is issued by the Club.

If the member resigns prior to the end of the 30-year period, the Membership Deposit paid by a member 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 in this Membership Plan.

The Membership Agreement shall evidence the Club's obligation to the member. This Amended Membership Plan does not and shall not modify nor change any Membership Agreement in effect on the date of the adoption of this Amended Membership Plan. Upon the reissuance of a resigned membership to a new member, a new 30-year period will begin on the date the new membership is issued. 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 refund of a Membership Deposit shall only be as to those memberships designated as refundable in the Membership Agreement.

MEMBER MAY CONTINUE MEMBERSHIP AT END OF THIRTY YEARS

A member may elect to continue his or her membership at the end of the 30-year period until the member subsequently resigns from the Club by paying the applicable membership dues, fees and charges. Any member who elects to continue his or her membership at 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.

TAX CONSEQUENCES OF ACQUIRING MEMBERSHIP

The Club makes no representations and expresses no opinions regarding the federal, state or local income or sales 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 or fees.

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 member is irrevocable, unless otherwise determined by the Club.

TRANSFER UPON SALE OF RESIDENCE OR HOMESITE

A refundable member who resigns from the Club upon the sale of his or her residence or homesite in the Community may arrange for the Club to reissue his or her membership to the subsequent purchaser of his or her residence or homesite in the Community, regardless of whether all of the memberships in that category have been issued and regardless of whether there are any resigned refundable memberships on the waiting list. The subsequent purchaser desiring the resigned membership will be required to submit a Membership Agreement, will be subject to the approval of the Club and will be required to pay the membership deposit or fee which is then in effect. The subsequent purchaser must acquire the membership within 30 days of the real estate closing.

In the event the subsequent purchaser of a member's residence or homesite in the Community elects a category of membership which requires the payment of a membership deposit or fee less than that paid by the resigning member, then the resigning member may elect to either

(i) place his or her resigned membership on the waiting list, or (ii) receive the amount of the membership deposit or fee paid by the subsequent purchaser of his or her residence or homesite.

TRANSFER THROUGH RESALE WAITING LIST

A resigned membership that is designated as a refundable membership will be placed on a resale waiting list and will be reissued on a first-resigned, first-reissued basis as follows, unless the member arranges for the subsequent purchaser of his or her residence or homesite in the Community to acquire his or her membership:

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

After the initial sale of all memberships within a membership' category, each refundable membership sold in that category will be a resigned refundable membership from the waiting list.

TRANSFER TO NEW PROPERTY

If a member, who is a property owner in the Community, purchases another residence or homesite from the Partnership or its approved builders, the membership can be transferred to the new residence or homesite within the Community. Additionally, the purchaser of the member's property in the Community can then acquire a reserved membership for the then current membership deposit from the Club, if one is available and the purchaser is approved for membership.

SALE OF RESIDENCE OR HOMESITE

If a member sells his or her residence or homesite in the Community, does not resign from the Club and does not acquire another residence or homesite in the Community, the Club may recall the membership at any time in the sole discretion of the Club. If the membership is recalled, the member will be entitled to a refund of the membership

deposit paid if such membership is designated as a refundable membership, within 30 days after the membership is recalled.

REPURCHASE OF MEMBERSHIPS UNDER OTHER CIRCUMSTANCES

The Club may, in its sole and absolute discretion, repurchase a resigned membership which is designated as a refundable membership and which is not being transferred to the subsequent purchaser of the resigning member's residence or homesite in the Community, by paying to the resigned member, the Membership Deposit previously paid by the resigned member of such designated refundable membership. 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 will be deemed to have been resigned, with no further obligation for dues, fees, or other charges, and will be reissued by the Club on the same basis as any other resigned membership.

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 written notice thereof is provided to the Club, both spouses will be jointly and severally liable for all dues and charges and both may continue to enjoy membership privileges so long as such amounts are timely paid. The Club reserves the right, in its sole discretion, not to transfer the membership to either spouse if the Club, in its sole discretion, is unable to determine the person who is lawfully entitled to receive the membership. If the Club has been unable to determine which spouse is legally entitled to the membership within six months after the date of the agreement of separation or divorce decree, the membership shall automatically be deemed resigned. In such event, upon reissuance of the resigned membership that is designated as a refundable membership to a new member, the Membership Deposit will be repaid to the person or persons named in the Membership Agreement.

DUES AND CHARGES

DUES, FEES AND CHARGES

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

MEMBERSHIP YEAR

The Club's membership year will constitute the 12-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 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) the end of the membership year in which the notice of resignation is recognized as having occurred as outlined by the club rules. If the membership is non-refundable, the member is obligated to continue the payment of dues throughout the year that the resignation is recognized as having occurred as outlined by the club rules. 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 if it is a refundable 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.

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 Partnership 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 Partnership or the Club Facilities. A member only acquires a revocable license to use the Club Facilities in accordance with the terms and conditions of this Membership Plan and the Rules and Regulations, as the same may be amended from time to time, and the Membership Agreement. 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 discretion, to terminate or modify this Membership Plan and Rules and Regulations, including without limitation, the use privileges of members, to reserve memberships, to change, modify or reduce the terms of the membership and any fee and deposits paid by members, to sell, lease or otherwise dispose of the Club Facilities in any manner whatsoever and to any person whomsoever, 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 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.

In the event of termination of the Membership Plan, termination of a person's category of membership or the discontinuance of operation of all or substantially all of the Club Facilities, the Club will refund the Membership Deposit for a membership designated as a refundable membership to the affected members. 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 this Amended Membership Plan and the Membership Agreement, the member shall look solely to the new owner for repayment of the Membership Deposit, and the seller of the Club Facilities shall be released from all liability for the repayment or refund thereof, if any and limited to the membership designated as a refundable membership. In the event of a sale of the Club Facilities, 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.

MEMBERSHIP AGREEMENT

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 or fee

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.

RIGHTS GOVERNED BY MEMBERSHIP PLAN

The 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 substitute fully 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

COMANCHE TRACE INVITATIONAL MEMBERSHIPS

In order to introduce the Club to prospective members, the Club may, in its sole discretion, offer Comanche Trace Invitational Memberships on a recallable basis in Full Golf and Limited Golf categories as well as social. Comanche Trace Invitational Members are entitled to use the Club Facilities in accordance with their respective category of membership. Comanche Trace Invitational Memberships will not be available to persons who own a residence or homesite in the Community. Comanche Trace Invitational Full Golf Memberships may be acquired by persons living within or outside the city limits of Kerrville.

The total number of Comanche Trace Invitational Full Golf Memberships permitted to be issued will be limited to the difference between the maximum number of Comanche Trace Full Golf Memberships that can be issued and the number of unissued Comanche Trace Full Golf Memberships at the beginning of any membership year. Comanche Trace Invitational Limited Golf Memberships will not be counted toward any cap or limits on the total number of members or the number of members in the Comanche Trace Limited Golf Membership. Comanche Trace Invitational Full Golf Memberships may be recalled at the end of each membership year as necessary, on a last-issued, first-recalled basis to reduce the total number of Comanche Trace Golf Memberships to the maximum number of Comanche Trace Golf Memberships permitted. Comanche Trace Invitational Limited Golf Memberships may be recalled at the end of each membership year as necessary, on a last-issued, first-recalled basis, in the sole discretion of the Club.

DEVELOPER MEMBERSHIP

The Club will issue one Developer Membership to the Partnership or to an entity affiliated with the Partnership (the "Developer"). The Developer Membership entitles the Developer to designate up to ten individuals, subject only to the approval of the Developer, and their immediate families to use the Club Facilities on the same basis as Comanche Trace Full Golf Members. Neither the Developer nor the persons designated to use the Club Facilities will be obligated to pay any membership deposit or monthly dues but designees will be obligated to pay for goods and services provided by the Club. Persons designated by the Developer shall not be entitled to assign or transfer their membership privileges, and shall surrender their membership privileges upon receipt of notice from the Developer. The Club shall issue membership cards to those designees entitled to use the Club Facilities by virtue of the Developer Membership. Separate accounts for each person designated to use the Club Facilities pursuant to the Developer Membership will be established and such individuals will be billed directly with respect to their respective Club accounts. The Developer shall have the right to change the designees under the Developer Membership from time to time in its sole discretion upon notice to the Club. The Developer Membership will be in addition to all other memberships and will be available on such terms and conditions as the Club determines appropriate.

HONORARY MEMBERSHIPS

The Club may issue up to ten 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 afford such privileges as the Club determines.

SOCIAL MEMBERSHIPS

The Club reserves the right, in its sole discretion, to offer Social Memberships in the Club. If offered, each person who acquires a Social Membership would be entitled to use all of the dining and Clubhouse facilities of the Club.

RECIPROCAL PRIVILEGES

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

MEMBER OUTINGS

Use of the Club Facilities by members may be restricted or reserved from time to time by the Club for member-sponsored outings held at the Club Facilities. Member-sponsored outings will be limited to those times as designated by the Club, and each member will be limited to a total of two times per membership year, unless otherwise determined by the Club.

PROMOTIONAL USE AND TOURNAMENT OR GROUP PLAY

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 Partnership 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 residences or homesites in the Community 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 or group play, on-site lodging guests, outings and other special events from time to time.

CLUB OPERATIONS

MANAGEMENT AND OPERATION

The Partnership owns the Club Facilities and will manage and operate the Club Facilities. As a result, the Partnership 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.

BOARD OF GOVERNORS

The Club may establish an advisory Board of Governors comprised of members whose purpose includes fostering good relations between the members and management of the Club, providing the Club with input on programs, plans and activities of the Club, and advising on the Club's policies and rules and regulations. The management of the Club shall meet with the Board of Governors on a periodic basis to discuss the operation of the Club Facilities. The Board of Governors 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.

CLUB COMMITTEES

The Club may establish Golf Committees, Tennis Committees and other appropriate committees. The Club will appoint all of the members of these committees, including the chairperson, for specific terms as determined by the Club from time to time. The management of the Club will meet with these committees on a regular basis to discuss member programs and events at the Club. Each of the committees will act only in an advisory capacity and will not have any duty or authority to act on behalf of the members or the Club.

GENERAL PROVISIONS

PROTECTION OF MEMBERSHIP PRIVILEGES

In the event that the Partnership ever sells the Club Facilities, it will disclose the existence of this Membership Plan and will require the purchaser to acquire title to the Club Facilities subject to the terms and conditions of this Membership Plan, as amended from time to time. Furthermore, the Partnership will disclose the Membership Plan to any prospective lender.