



The Promontory Club
FREQUENTLY ASKED QUESTIONS

Summit County, Utah

THE PROMONTORY CLUB

The following questions and answers are designed to provide an understanding of The Promontory Club and the membership opportunity available at the Club. As these questions and answers are only summary in nature, you should read the Membership Plan and Rules and Regulations prior to purchasing a membership.

1. Q: What is The Promontory Club?

A: The Promontory Club is a family-friendly, luxury private club which offers its members a unique opportunity to enjoy outstanding golf, tennis, swimming, fitness, equestrian and social facilities. The Club is located in scenic Park City, Utah.

2. Q: What is the membership opportunity at the Club?

A: The Promontory Club issues Golf, Equestrian and Ranch Memberships. In addition, the Club may also offer recallable Invitational Memberships.

3. Q: What recreational and social facilities are available to members of The Promontory Club?

A: The Club Facilities include:

- **Two 18 Hole, Par 72, award-winning Championship golf courses:**
 - The first golf course, the Pete Dye Canyon Golf Course, opened for Member play in 2002.
 - The second golf course, the Jack Nicklaus Painted Valley Signature Course, opened for Member play in 2007.
 - Golf practice facilities associated with each course will include driving ranges, chipping areas and putting surfaces.
- **Pete Dye Canyon Clubhouse and Range House:**
 - The Pete Dye Canyon Clubhouse is the centerpiece of Promontory's golf and hospitality. It contains a Pro Shop, bag storage, men's and women's locker rooms and is home to Hearth, an upscale restaurant.
 - The Range House is located overlooking the Driving Range of the Pete Dye Canyon Golf Course, and features an indoor golf simulator, restroom/changing rooms, a snack bar and dining patio and equipment storage.

- **The Outfitter's Cabin:**

Located high atop Promontory overlooking the Rockport Reservoir, the Outfitter's Cabin is your family's center for hiking, camping, mountain biking, fishing and, in winter, Nordic skiing and snowshoeing. The Promontory Club Outfitter can provide and instruct members in the use of outdoor sporting equipment and knows all the Promontory trails and best fishing spots in Promontory's stocked ponds. In addition, the Outfitter will organize off-property expeditions for members to sail and wakeboard on the nearby Jordanelle and Rockport Reservoirs, enjoy blue-ribbon fly fishing in Utah's wild rivers and explore local national forests.

- **The Ranch Clubhouse:**

The Ranch Clubhouse opened in 2004 and is the athletic clubhouse within Promontory's Club Village, and offers the finest amenities for swimming, tennis, croquet, fitness and aerobic/cardio-vascular, and spa services. The Clubhouse also has a grill restaurant and a teenage activity center for members. In addition, a soccer field and sand volleyball courts are within walking distance. The stadium tennis court even converts into an ice rink in the wintertime to provide Promontory Families with a one-of-a-kind holiday experience. The Ranch Club Pro Staff offers instruction in tennis, fitness and swimming, and organizes alpine ski adventures to local resorts in winter.

- **The Kinnikinnick Cabin:**

Located an easy walking distance to the Ranch Clubhouse, the Kinnikinnick Kid's Cabin gives Promontory's younger family members a clubhouse to call their own. The Kinnikinnick Cabin offers organized activities, games and crafts for its young campers and it also serves as the jumping-off point for the Promontory Adventure Trail – a Tom Sawyer fantasy path complete with a fort, a tree house and a cave.

- **The Dye Canyon Golf Clubhouse:**

Promontory's Golf Clubhouse provides Promontory's Golf Members a sanctuary devoted to the game. Overlooking the 18th fairway and green, this clubhouse features a grill and dining patio, luxurious men's and women's locker facilities, meeting rooms/lounges, cart and bag storage and a fully equipped pro-shop.

- **The Alpine Lodge at Deer Valley:**

The Promontory Club's private ski lodge is located on the ski mountain at Upper Deer Valley. The Alpine Lodge at Deer Valley opened in 2001. The lodge is located in a leased facility and is served by the Promontory Conservancy's private Shuttle (which makes regular runs between Promontory and all three of Park City's ski resorts). Promontory's Alpine Lodge provides a private place for members and their families to relax and read the paper or to watch sporting events with a snack or beverage between runs, or at the end of the day, while waiting for the rest of their family.

The Lodge offers day lockers to store equipment while skiing, and it has a Ski Valet to help members with their skis and to help dry their gloves and boots for use the next day. While relaxing in the Lodge, the Club Concierge will assist members with plans for local dining and other activities. The Kids Cove area at the Lodge provides a place for the younger family members to warm up or wind down while playing board or computer games, watching videos or simply hanging out with friends.

- **The Equestrian Center:**

Promontory's private Equestrian Center allows Equestrian Members to maintain and train their horses year-round at Promontory while training for competition-level riding or simply exploring Promontory on horseback. The private Equestrian Center is adjacent to Promontory's West Gatehouse and includes an indoor arena, stables for 32 horses, outdoor corrals, a round pen and adjacent pastures.

- **The Wrangler Corral:**

Promontory's Wrangler offers those who don't have their own horses the opportunity to take trail rides and other equestrian excursions through Promontory's expansive open space preserve utilizing Promontory's private trail system.

- **Planned Facilities**

- The Jack Nicklaus Clubhouse, which will serve the Nicklaus Golf Course, is designed to be a sophisticated, multi-use clubhouse, which is the social and activity center for the Painted Valley area of Promontory. This facility is designed to feature an indoor pool, fitness facilities, golf locker rooms and lounges, and an elegant bar/mixed grill and dining room and is anticipated to be built concurrently with the sale of real estate adjacent to the Nicklaus Course or when otherwise determined by the developer to be necessary to serve Golf Member demand.
- The "Shed," is designed as a family activity clubhouse which includes family dining, a gymnasium, an art studio, a theatre, bowling and a small general store. The Shed is currently under construction and is scheduled to open in 2012.

4. Q: When will construction of the Club Facilities be completed?

A: The first golf course and related golf practice facilities and the Range House opened for member use in 2002. The Alpine Lodge, Outfitter's Cabin and trail riding facilities also opened in 2002. The Kinnikinnick Cabin and the Promontory Adventure Trail opened for member use in 2003. The Ranch Clubhouse, tennis facilities and swimming pool opened for member use in 2004. The Equestrian Center opened for Member use in 2006 and the Pete Dye Clubhouse opened for member use on New Year's Eve of 2006. The

Jack Nicklaus Signature golf course and related practice facilities opened for member use in July of 2007.

The Jack Nicklaus Clubhouse is anticipated to be built concurrently with the sale of real estate adjacent to the Nicklaus Course. The Shed is currently under construction in an area adjacent to the Dye Golf Clubhouse and is scheduled to open in 2012.

5. Q: Who owns the Club Facilities?

A: Promontory Investments, LLC an Arizona limited liability company (the "Company"), owns and operates the Club Facilities.

6. Q: How many memberships will be available in the Club?

A: The limit on the number of Golf Memberships to be activated in the Club with respect to the first two Par 72 championship golf courses is 790. In the event a resort is constructed at Promontory and allowed access to one or more of the initial two courses, the number of Golf Memberships which may be activated by the Club with respect to these courses will decrease by 45 for each course to which resort access is allowed. If additional golf holes (beyond the initial two (2) Par 72 championship courses specified above) are added, the number of Golf Memberships may be increased by up to 195 for each additional nine (9) holes, and The Club has determined that the number of permitted Golf Memberships will be increased by 250 in the event the Club adds a Par 60 Short Course. The limit on the number of Equestrian Memberships to be offered in the Club shall be the same number as the number of boarding stalls available for use in the private equestrian center facilities. Thus, to the extent that the Club may, from time-to-time elect, in its sole discretion, to construct additional stalls it may increase the total number of Equestrian Memberships to match the total number of stalls available for use. The Club is authorized to issue a sufficient number of Ranch Memberships so that any property owner in the Promontory community can acquire a Ranch Membership. Although the Club is authorized to issue a sufficient number of Ranch Memberships so that any property owner can acquire one, the Club does not plan to make a Ranch Membership available to an initial property purchaser after the closing on the property purchase. 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.

7. Q: What are the privileges of a Golf Membership?

A: Each person who acquires a Golf Membership will be entitled to use all of the golf, tennis, swimming, fitness, social and trail riding facilities of the Club (excluding the private equestrian center facilities). 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 golf cart fees. Advance sign-up privileges for golf starting times and tennis court times will be determined by the Club from time to time.

8. Q: What are the privileges of an Equestrian Membership?

A: Each person who acquires an Equestrian Membership will be entitled to full use of the facilities of Promontory's private equestrian center subject to applicable rules governing such use. Each Equestrian Membership shall entitle the member to the use of one single-horse boarding stall and a private tack locker. Equestrian Members may be given the opportunity to temporarily board additional horses, upon payment of applicable additional fees, to the extent stalls are available and not presently being used by other Equestrian Members. Stalls and lockers shall be assigned, and re-assigned, from time to time, by the Club in its sole discretion, provided, however, the assignment of boarding stalls and private tack lockers, as well as the allocation of unused stalls available for rent among Equestrian Members shall be determined by each membership's priority status based upon a first-issued, first-priority basis. Equestrian Members will pay monthly Equestrian dues in addition to dues on their underlying Golf or Ranch Membership, and will also be responsible for boarding and feed charges during any periods they maintain a horse in the facilities. Training and grooming services will also be available to Equestrian Members on an additional fee basis.

9. Q: What are the privileges of a Ranch Membership?

A: Each person who acquires a Ranch Membership will be entitled to use all of the tennis, swimming, fitness, social and trail riding facilities of the Club (excluding the private Equestrian Center facilities). The private social facilities in the Golf Clubhouses and Equestrian Canter are generally reserved for Golf and Equestrian Members, respectively, but may be opened to Ranch Members for special functions or at other times determined by the Club. Ranch Members will not be required to pay court fees for use of the tennis facilities. Advance sign-up privileges for tennis court times will be determined by the Club from time to time.

10. Q: What are the special benefits of membership in the Club?

A: In addition to outstanding Club Facilities, and a broad array of activities for members and their families, membership in the Club offers many unique benefits, all subject to the terms of the Membership Plan, including:

- **Refundable Membership Deposit.** The membership deposit paid for a membership is refundable upon resignation and reissuance of the membership as provided for in the Membership Plan.
- **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, subject to the terms of the Membership Plan.
- **Transferability of Memberships.** Memberships are transferable through the Club to the subsequent purchaser of a member's residence or homesite in Promontory subject to the terms of the Membership Plan.

- **Legacy Transfer.** Members can arrange for a one-time transfer of their membership through the Club to an immediate or extended family member who owns property at Promontory, subject to the terms of the Membership Plan.
- **Inheritability.** Upon the death of a member, the membership can be transferred to his or her spouse or, one time, to an immediate or extended family member who owns property at Promontory, subject to the terms of the Membership Plan.
- **No Assessments.** Members are responsible only for dues, fees and charges established by the Club from time to time and are not subject to either operating or capital assessments prior to an equity conversion.
- **Family Privileges.** The member's spouse and unmarried children of either spouse under the age of 23 who are living at home, attending school on a full-time basis or in the military can enjoy the Club Facilities on the same basis as the member.
- **Extended Family Privileges.** A member's extended family, including adult children, parents, grandchildren and great grandchildren, siblings of the member and member's spouse, their spouses and their children, grandchildren and great grandchildren and their spouses can enjoy the Club's facilities, on non-peak days and at times determined by the Club, by paying reduced fees as provided in the Membership Plan and the Rules and Regulations.
- **Club Newsletter.** Members will receive newsletters containing information about events and activities at the Club and other items of interest to members.

11. Q: May I invite guests to the Club?

A: Having your friends enjoy the Club's fine facilities with you is a wonderful attribute of membership in the Club. Therefore, members are encouraged to invite guests to the Club subject to reasonable rules and regulations adopted by the Club (as detailed in regulations set out in the Club Rules and Regulations and the Guest/Extended Family Use Policies, including blackout periods established therein, which are subject to change from time to time, in the Club's sole discretion) and upon payment of applicable guest fees and charges established by the Club. **All fees and club charges incurred by a member's guest will be charged to the member's club account and shall be payable by the Member.** An exception to this rule may be made, in the sole discretion of the Club, when member-accompanied guests wish to use their credit card for such charges and fees.

12. Q: Will my family members be welcome at the Club?

A: Yes. Membership entitles the member, his or her spouse (or, in cases where there is no spouse but a permanent co-habitation situation exists, a member's "significant other," as designated pursuant to Club policies) and their unmarried children, under the age of 23, living at home, attending school on a full-time basis or in the military to use the Club Facilities in accordance with the membership category selected by the member.

A member's extended family may also use the Club Facilities when staying in a member's residence in accordance with the member's category of membership upon payment of reduced fees established from time to time by the Club, and subject to blackout periods and other regulations as detailed in the Rules and Regulations and the Guest/Extended Family Use Policies, all of which are subject to change from time to time, in the discretion of the Club. **All fees and club charges incurred by the member's extended family will be charged to the member's club account and shall be payable by the member.** An exception to this rule may be made, in the sole discretion of the Club, when member-accompanied extended family wishes to use their credit card for such charges and fees. The extended family shall include the parents, adult children who do not fall within the definition of immediate family, grandparents, grandchildren and great grandchildren of the member and spouse and the spouses of such children, grandchildren and great grandchildren. The extended family shall also include the siblings of the member and member's spouse, the siblings' spouses and their children, grandchildren and great grandchildren 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. For complete information, please see the Guest/Extended Family policies established as part of the current Promontory Club Rules and Regulations.

13. Q: Who is eligible to acquire a membership in the Club?

A: Memberships will be offered to initial purchasers of a residence or homesite in Promontory and other such persons as the Club, in its sole discretion, determines appropriate from time to time. In addition, Equestrian Memberships will be offered only to Golf Members and Ranch Members in good standing. Each initial purchaser of a residence or homesite in Promontory may at the time of his or her closing on the residence or homesite, acquire a membership in the Club, provided there is 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.

14. Q: May the category of membership selected at the time of Lot purchase be upgraded and/or downgraded?

A: The category of membership (either Ranch or Golf) selected at the time of Lot purchase runs with the Lot associated with the Membership Agreement. Such category of membership may never be downgraded (i.e. changing a Golf membership to a Ranch membership or changing a Ranch membership to no membership). The category of membership acquired at the time of Lot purchase is not generally available for upgrade, since all un-issued memberships are reserved for use in connection with the Developer's future real estate sales. This means that a Lot purchaser who does not buy a Golf

membership at the time of Lot purchase will most likely not have the opportunity to acquire one in the future for such Lot.

15. Q: What do I have to pay in order to acquire a membership in the Club?

A: You are required to pay a refundable membership deposit in the amount determined by the Club. The required membership deposit will be set forth in the Membership Agreement.

The membership deposit for a Ranch Membership will be included in the real estate purchase contract for initial purchasers of property in Promontory.

16. Q: What happens if I do not acquire a Full Golf Membership in the Club at the time of initial purchase of my homesite from the Developer?

A: If you do not acquire a membership at the time of initial purchase of your homesite from the Developer, you and the subsequent purchaser of your property in Promontory may acquire a membership at a later date only if one is available and not reserved by the Club and only upon payment of the full membership deposit which is then in effect at the time the membership is acquired.

17. Q: When will the membership deposit be repaid to the member?

A: Each person who acquires a membership will be entitled to receive a refund of his or her membership deposit, without interest, 30 years from the date of the member's admission to the Club. In the event that the member resigns from the Club before the end of the 30 year period, the member will be entitled to receive the membership deposit paid by the resigning member within 30 days after the reissuance of the member's membership by the Club to a new member. The Club may charge a transfer fee in connection with the resignation and reissuance of a resigned membership. If a transfer fee is charged, that fact and the amount of the transfer fee will be set forth in the member's Membership Agreement. Until all new memberships in the resigned member's category of membership have been issued in the Club, one resigned membership will be reissued for every three new memberships issued, on a first-resigned, first-reissued basis.

18. Q: May I arrange for the subsequent owner of my residence or homesite to acquire my membership?

A: Yes. A member who owns a residence or homesite in Promontory may arrange for the Club to reissue his or her membership to the subsequent purchaser of the residence or homesite, regardless of whether all the memberships in that category have been issued and regardless of whether there are any resigned memberships on the waiting lists. The subsequent purchaser must be approved for membership and must pay the then required membership deposit.

19. Q: Can members be assessed to cover any operating deficits or capital improvements?

A: No. Members will pay membership dues, fees and other charges established from time to time by the Club. Until such time as the conversion to an equity member-owned club occurs, 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 in the non-equity club. 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.

20. Q: I understand that the membership program at The Promontory Club is a "Convertible Equity Membership Program." What does that mean?

A: The membership plan documents will provide that the Club can be converted to an equity member-owned club. The Company may, in its sole discretion, determine to convert the Club to an equity member-owned Club at any time after December 31, 2010. However, upon the initial issuance of 90% of the maximum number of Golf Memberships permitted to be issued in the Club (based on committed golf courses), the members will be entitled to vote on whether the Club should be converted as provided below. Upon the Company's determination to convert after 2010 or upon the initial issuance of 90% of the maximum number of Golf Memberships which can be issued in the Club, whichever is the sooner to occur, the members will vote on the conversion at a special meeting of the members. If a majority of the eligible votes of the members are voted in favor of conversion, the Club will be converted to an equity club. In such a vote, Founder, Charter and Golf Members will be entitled to three votes per membership and Ranch Club Members will be entitled to one vote per membership. Any member of these aforementioned categories of membership who is also an Equestrian Member shall have one additional vote by virtue of such Equestrian Membership.

The "Turnover Date" will be 60 days after the earlier of: (i) (A) the initial sale of all of the equity memberships held by the Company, or (B) the initial sale of all the residences or homesites now or hereafter included within Promontory to retail purchasers, whichever is later to occur, or (ii) a date certain to be specified by the Company in the Equity Membership Documents, or (iii) any earlier date determined by the Company in its sole discretion, provided the equity club's accounting firm has reviewed the operating results of the club and confirmed that the club operated during the preceding 12-month period without an operating deficit.

Prior to the Turnover Date, the Company will fund all operating deficits and be entitled to retain any operating profits of the club.

21. Q: If the Club is converted to an equity member-owned club, what will my rights be as an existing member of the Club?

A: If the Club is converted to an equity, member-owned Club, all members will be given an opportunity to acquire an equity membership in the corresponding equity category.

- 22. Q: What amount will I have to pay for an equity membership if the Club is converted to an equity club?**
- A:** If and when the Club is converted, existing members who desire to convert will be required to pay an additional payment during the initial offering period. This amount and the terms of conversion will be included in the original Membership Agreement signed by each member for non-equity membership.
- 23. Q: What happens to my membership if I do not convert my membership to equity membership if members vote to convert the Club to an equity club?**
- A:** Members who choose not to convert to equity membership may continue their membership privileges as non-equity members, but their memberships are subject to recall on a last-in, first-recalled basis in order to issue an equity membership without exceeding the limit on the number of memberships in the equity club or due to reduced membership limits. The recalled member will be entitled to a refund of the membership deposit paid within 30 days of the effective date of the recall.
- 24. Q: How will the Club keep informed of the desires of the members?**
- A:** The Club is committed to providing the types of services, activities and events that the membership is desirous of having. An advisory Board of Governors composed of members of the Club meets quarterly to enable members to have input on the foregoing items as well as other matters that are of concern to the members.
- 25. Q: Will there be any other types of membership available in the Club?**
- A:** In addition, the Club may issue up to ten Company Memberships per golf course and 20 Honorary Memberships to such persons as the Club determines appropriate from time to time.
- The Club may offer recallable Invitational Golf Memberships and recallable Invitational Equestrian Memberships to persons who do not own property in Promontory. Invitational Members will have the same privileges as a member in the corresponding regular membership category and will count against the applicable cap on the number of memberships which may be issued.
- Certain persons designated by the Company who acquired Golf Memberships in the Club prior to the commencement of real estate sales at Promontory will be known and recognized as "Founder Members." Certain persons designated by the Company who acquired Golf or Ranch Memberships in the Club and are among the first real estate purchasers at Promontory will be known and recognized as "Charter Members." Founder Members who purchase a specially designated "Legacy Homesite" property in Promontory and maintain a Golf Membership in good standing for at least five years from the date of closing on their property in Promontory may, upon sale of their Promontory property, resign their Golf Membership and obtain a Legacy Golf

Membership in the Club upon the payment of a one-time activation fee as provided in their Membership Agreement. Legacy Golf Members will not count against the limit on the number of Golf Memberships.

26. Q: How do I become a member?

A: To become a member of the Club, you must be an owner of property in Promontory and be approved for a membership by the Club. Temporary recallable memberships may also be made available by the Club, in its sole discretion. You must submit to the Club a fully completed and signed Membership Agreement and a check in the amount of the required membership deposit. In the event your agreement is not acted upon favorably, the membership deposit will be fully refunded, without interest.

27. What if I have additional questions?

A: If you have additional questions you may contact or visit the Membership Director's Office at:

**Promontory
8417-A N. Ranch Club Trail
Park City, Utah 84098
(435) 333-4000**

This is a general description of the membership opportunities available at the Club and should not be relied on for the purpose of deciding to acquire a residence or homesite in Promontory or a membership in the Club. The complete Membership Plan is available upon request at the Membership Office.

