

THE CLUB AT

Seven Canyons

S E D O N A

AMENDED AND RESTATED

MEMBERSHIP PLAN

June 2013

This Amended and Restated Membership Plan supersedes and replaces in its entirety any prior Membership Plan for the Club.

MEMBERSHIP PLAN OVERVIEW

MEMBERSHIP OPPORTUNITY

This Membership Plan describes the Membership opportunities in The Club at Seven Canyons (the "Club"). The Club is a semi-private club, located in scenic Sedona, Arizona featuring exceptional golf, spa, fitness and social facilities. Use of the golf course will be open to the public at the discretion of Northlight Asset Management II LLC, a Delaware limited liability company (the "Company"), acting for the benefit of, and in its capacity as, asset manager and loan servicer for Specialty/Sedona Loan Holdings LLC, a Delaware limited liability company, and those certain tenants-in-common / participants pursuant to that certain Master Loan Participation and Servicing Agreement, dated as of February 1, 2008, as amended..

This Amended and Restated Membership Plan supersedes and replaces in its entirety any prior Membership Plan for the Club.

MEMBERSHIP CATEGORIES AND PRIVILEGES

The following categories of Membership are being offered in the Club: Full Membership, Junior Membership, Fractional Membership, Social Membership, Affiliated Club Membership, and Golf Membership (each as defined herein). There are also three (3) Partnership Memberships. 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 currently offers a number of attractive benefits, including:

- **Immediate Family Privileges.** A Member, his or her spouse and their unmarried children, under the age of 23 who are living at home, attending school on a full-time basis or in the military are entitled to Membership privileges without having to pay additional Membership dues.
- **Extended Family Privileges.** The parents, adult children and grandchildren of the Member and spouse and their respective spouses are also entitled to use the Club Facilities upon payment of reduced fees, as provided in this Membership Plan.
- **Transferability of Memberships.** Memberships are transferable through the Company to the subsequent purchaser of a Member's fractional Residence Club interest in The Residence Club at Seven Canyons or a residence or homesite in The Private Estates at Seven Canyons, provided the subsequent purchaser is approved for Membership.
- **No Assessments.** Members are not subject to either operating or capital assessments.
- **Inheritability.** Upon the death of a Full Member or Junior Member whose initiation has been fully paid, the Full Membership or Junior Membership can be transferred to his or her spouse or adult child, as described further in this Membership Plan.
- **Concierge.** At such time as the permanent clubhouse opens, a concierge service may be available which will enable members to arrange for a variety of personal services and business assistance.

the Company as defined and referred to below, reserves the right to change or eliminate certain Membership benefits from time to time.

CAREFULLY REVIEW ALL MEMBERSHIP DOCUMENTS

Every person who desires to obtain a Membership 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 COMPANY. 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

Membership shall be by invitation only. A person who has been invited for Membership may become a Member by submitting a Membership Agreement to the Company and paying the required initiation fee.

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: 755 Golf Club Way, Sedona, AZ 86336 or by calling (928) 203-2001.

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MEMBERSHIP FEATURES AND FACILITIES

INTRODUCTION

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

CLUB FACILITIES

Members, their families and guests, subject to the terms of this Membership Plan, will enjoy the following exceptional Club Facilities (the "Club Facilities"):

- 18-hole Tom Weiskopf championship golf course;
- Golf practice facilities;
- A Clubhouse, to include: a restaurant, bar, locker room, pro shop, and space for the VOA administration. The Clubhouse construction will be completed within three years of the effective date of the Plan of Reorganization, which shall not occur later than May 31, 2013, (subject to force majeure events including extraordinary and unforeseen delays in obtaining government plan and building approvals). The exterior architecture of the Clubhouse will be consistent with the exterior architectural style of the existing Villas;
- Additional facilities as may be constructed in the future by the Company.

CONSTRUCTION OF CLUB FACILITIES

The golf course and temporary clubhouse are completed and open for use. A permanent clubhouse is anticipated to be completed and open for use by the end of 2016. The construction of a swimming pool is presently contemplated, but a final decision has not been made by the Company. The construction of the permanent clubhouse and any additional Club Facilities will be subject to obtaining the necessary approvals and permits.

Owner commits to finish a Clubhouse on the existing Clubhouse Parcel K. Clubhouse construction will be completed within three years of the plan effective date, which shall not occur later than May 31, 2013, (subject to *force majeure* events including requisite plan and building approvals). The Clubhouse will include: a restaurant, bar, locker room, pro shop, and space for the VOA administration. The exterior architecture of the Clubhouse will be consistent with the exterior architectural style of the existing Villas.

ADDITIONAL CLUB FACILITIES

The Company 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. See also "LIMIT ON NUMBER OF MEMBERSHIPS" section on Page 4.

PERSONALIZED MEMBER SERVICES

At such time as the permanent clubhouse opens, a concierge service may be available to members, which will enable members to arrange for a variety of personal services, including dinner reservations, airline tickets, tickets to sporting and cultural events, shuffle service, car rentals, and business assistance, such as copies and faxes. The concierge service will be included with a Membership, but the cost of services used will be charged to the Member.

OWNERSHIP OF CLUB FACILITIES; RIGHT OF FIRST OPTION

Specialty Trust investors, including Northlight Trust I and Specialty Trust, Inc., own the Club Facilities, which are asset managed by the Company.

Enchantment Member (defined below) shall have a first right of option to purchase the Golf Course and amenities in exchange for agreement with the terms herein, and for paying the following minimum guaranteed financial commitment for a Partnership Membership:

- (i) Calendar Year 2014: 3,000 rounds of golf at an average rate of \$125 per round or a minimum of \$375,000 in green fee revenue;
- (ii) Calendar Year 2015: 4,000 rounds of golf at an average rate of \$125 per round or a minimum of \$500,000 in green fee revenue;
- (iii) Calendar Year 2016: The greater of 5,000 rounds or \$625,000 in green fee revenue; and
- (iv) Thereafter: 5,000 rounds at commercially reasonable rates, not less than \$125 per round on average.

The purchase option shall be have a predetermined gross sales price as defined in the Seven Canyons confirmed Plan of Reorganization and Enchantment management agreement.

MEMBERSHIP CATEGORIES AND PRIVILEGES

CATEGORIES OF MEMBERSHIP

The Company is offering a limited number of Memberships in the following categories: Full Memberships, Junior Membership, Fractional Membership, Social Membership, Affiliated Club Membership, and Golf Memberships. The Company may offer certain other Memberships and use privileges as described in the "Other Memberships and Use Privileges" provision in this Membership Plan.

FULL MEMBERSHIP

Full Members will be entitled to use all Club Facilities and social facilities of the Club. Full Members will not be required to pay greens fees for use of the golf facilities, but will be required to pay golf cart fees. Advance sign-up for golf starting times will be as determined by the Company from time to time.

JUNIOR MEMBERSHIP

Junior Memberships shall be limited to individuals who are between the ages of twenty-one (21) and thirty-nine (39) at the time such individual's acceptance into the Membership. Junior Members will be entitled to use all Club Facilities and social facilities of the Club. Junior Members will not be required to pay greens fees for use of the golf facilities, but will be required to pay golf cart fees. Advance sign-up for golf starting

times will be as determined by the Company from time to time.

FRACTIONAL MEMBERSHIP

Each person who acquires a Fractional Membership will be entitled to use all of the Club Facilities and social facilities of the Club when in residence at The Residence Club at Seven Canyons. Residence Club Members will not be required to pay greens fees for use of the golf facilities, but will be required to pay golf cart fees. Advance sign-up for golf starting times will be as determined by the Company from time to time.

SOCIAL MEMBERSHIP

Each person who acquires a Social Membership will be entitled to use all Club Facilities other than the golf course facilities.

AFFILIATED CLUB MEMBERSHIP

Affiliated Club Memberships will only be offered to those individuals who are members of another golf club owned or managed by the Company or its affiliates. Each person who acquires an Affiliated Club Membership will be entitled to ten (10) rounds of golf without the requirement to pay greens fees, but will be required to pay golf cart fees, and shall be entitled to the use of the other Club Facilities. Advance sign-up for golf starting times will be as determined by the Company from time to time.

GOLF MEMBERSHIP

Each person who acquires a Golf Membership will be entitled to use all of the golf facilities of the Club. Golf Members will not be required to pay greens fees for use of the golf facilities, but will be required to pay golf cart fees.

RULES AND POLICIES

In order to enhance the recreational and social pleasure of members and their guests, the Company reserves the right to establish or modify rules, regulations, policies, guidelines, or systems governing access or reservation of the Club Facilities.

UPGRADES OF CLUB MEMBERSHIP

Fractional Members, Social Members, Affiliated Club Members, and Golf Members may upgrade to a Full Membership, in the sole discretion of the Company, if a Full Membership is then available and not reserved. In order to upgrade, the Member shall pay to the Company the difference between the initiation fee previously paid by the Member and the initiation fee then charged for a Full Membership.

Upon any sale of a Villa, should the seller wish to retain a right to its Membership, it may do so by upgrading to a Golf Membership (at no initiation fee), provided (a) the purchaser pay the then-established initiation fee for a Fractional Membership (subject to potential upgrade to a Golf Membership, if the buyer pays the initiation fee and all applicable dues), and (b) the seller begins paying prospectively dues associated with a full Golf Membership.

NUMBER OF MEMBERSHIPS

LIMIT ON NUMBER OF MEMBERSHIPS

The maximum number of Memberships, excluding Affiliated Club Memberships, will be limited to 395, of which not more than one hundred (100) will be Social Memberships. For purposes of determining the total number of Memberships, each Fractional Membership shall be construed as one-tenth (1/10th) of a Membership (e.g. 300 Fractional Memberships equal 30 Memberships). The Company may, in its sole discretion, further limit or increase the number of Memberships available in any category of Membership as the Company determines appropriate from time to time. See also "ADDITIONAL CLUB FACILITIES" section on Page 2.

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 23 who are living at home, attending school on a full-time basis or in the military.

EXTENDED FAMILY PRIVILEGES

A Member's extended family will be permitted to use the Club Facilities in the company of the Member in accordance with the Member's category of Membership upon payment of applicable 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 their respective spouses. The Company may modify or terminate this privilege and establish such rules with respect thereto as it may determine from time to time.

GUEST PRIVILEGES

Members, excluding Social Members, may invite guests to use the Club Facilities when in the company of the Member in accordance with the Member's category of Membership upon payment of the applicable guest charges. Guest use shall be in compliance with the Rules and Regulations of the Club, which may include, without limitation, restrictions on the number of times a particular guest may use all or a portion of the Club Facilities during each Membership year, the total number of guests a Member can sponsor during any Membership year or portion thereof and a requirement that guests of a Member be accompanied by the Member. The Company reserves the right to establish guest policies from time to time, including the restriction or elimination of the use of the Club Facilities by unaccompanied guests, in its sole discretion. A Member shall have no more than four (4) unaccompanied guests use the Club Facilities in any twelve (12) month period. The Member will be responsible for the payment of charges incurred but not paid by his or her guests, including any applicable guest fees established by the Company from time to time. Members will also be responsible for the department of their guests.

OFFERING OF MEMBERSHIPS

OFFERING OF MEMBERSHIPS

Membership will be offered to such persons as the Company determines appropriate from time to time in its sole discretion. Fractional Club Memberships will only be available to purchasers of fractional Residence Club interests in The Residence Club at Seven Canyons.

MEMBERSHIP FOR FORMER MEMBERS

Individuals who previously obtained a Membership through Sedona Development Partners, LLC shall be permitted to obtain to become new members of the Club without payment of an initiation fee, provided that the individual has paid all past dues from the period of January 1, 2013 through 90 days after Effective Date of the Plan of Reorganization. Those individuals who held either a Founder Membership or Golf Membership, as those terms were defined in the prior Membership Plan of the Club, will be admitted as Full Members. Those individuals who held Residence Memberships, as the term is defined in the prior Membership Plan of the Club, will be admitted as Fractional Members.

RESERVED MEMBERSHIPS

All of the unissued Memberships will be reserved by the Company in its sole discretion and any reserved Memberships will not be considered to be available Memberships in the Club. The Company may not be compelled to sell a reserved Membership. The Company may issue a reserved Membership to any person whom the Company, in its sole discretion, determines appropriate from time to time.

INITIAL PURCHASERS OF RESIDENCES OR HOMESITES IN THE PRIVATE ESTATES AT SEVEN CANYONS

Each initial purchaser of a residence or homesite in The Private Estates at Seven Canyons who is invited and has been approved for Membership may at any time on or before the closing on the residence or homesite, apply for a Full Membership in the Club, provided the Company has a Full Membership for sale. The number of Full Memberships is limited and available Full Memberships will generally be issued on a first-come, first-served basis. Any initial purchaser who has been invited and does not apply for a Full Membership on or before the closing on the residence or homesite may apply for a Full Membership at a later date only if one is available and not otherwise reserved by the Company, and only upon payment of the initiation fee 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.

INITIAL PURCHASERS OF FRACTIONAL RESIDENCE CLUB INTERESTS IN THE RESIDENCE CLUB AT SEVEN CANYONS

Each initial purchaser of a fractional Residence Club interest in The Residence Club at Seven Canyons may acquire a Fractional Membership. If a reserved Fractional Membership is not acquired on or before the closing on the fractional Residence Club interest, a Residence Club Membership may only be acquired at a later date if one is available and only upon payment of the initiation fee which is in effect.

MEMBERSHIP PRIVILEGES PRIOR TO CLOSING

The Company may allow the initial purchaser of a residence or homesite in The Private Estates at Seven Canyons 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 initiation fee, dues, fees and other charges established by the Company from time to time. In the event the purchaser does not close on the residence or homesite, the Company may terminate the Membership privileges by returning to the person the initiation fee and the unused portion of any dues, fees and charges paid by the person in advance for the remainder of the Membership year. In this event, a Membership will thereafter be made available to the person only in the discretion of the Company.

OWNERSHIP OF MULTIPLE RESIDENCES OR HOMESITES

If a person acquires two or more residences or homesites in The Private Estates at Seven Canyons, 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 Company 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. The purchaser of the contiguous lot will be able to acquire a Membership only if one is available and not reserved and the purchaser has been invited and approved for Membership.

Persons who acquire two or more Residence Club interests in The Residence Club at Seven Canyons must acquire a Membership for each fractional Residence Club interest or acquire no Membership at all.

WAITING LIST

If a person desires to acquire a Membership in a particular category and a Membership is not available in that category, the Company will establish a waiting list.

MULTIPLE OWNERS OF PROPERTY

In the event a fractional Residence Club interest, residence or homesite is owned by more than one person (other than spouses), only one owner is eligible to obtain a Membership as an initial purchaser of the fractional Residence Club interest, residence or homesite. The additional owners of the property must acquire a Full Membership, Social Membership, or Golf Membership, if available, in order to use the applicable Club Facilities. Otherwise, the additional owner(s) may only use the Club Facilities as the guest of a Member. Only one Membership can be transferred to the subsequent purchaser of the fractional Residence Club interest, residence or homesite, as provided hereafter. Therefore, there is no guarantee that the additional Membership(s) once resigned, will be reissued.

MEMBERSHIP HELD IN NAME OF LEGAL ENTITY

For the convenience of members, a Membership may be held in the name of a corporation, partnership, 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, except the entity may change the designated user to the designated user's spouse upon the death of the designated user, subject to approval of the spouse as a designated user. The designated user must submit a Prospective Member Information Statement and Membership Agreement and will be subject to the approval of the Company. The designated user must be a bona fide director, officer, partner, shareholder or

employee of the entity, or a beneficiary, trustee or settlor of the entity if the Membership is held in the name of a trust, and must pay the required dues and charges for which the entity will also be responsible. No person other than the designated user and his or her immediate family will be entitled to simultaneously use the Membership.

INITIATION FEE

INITIATION FEE REQUIRED TO ACQUIRE MEMBERSHIP

Except as provided above, each person who desires to acquire a Membership will be required to pay an initiation fee determined by the Company from time to time. The initial schedule of initiation fees is set forth on the attached Schedule A. Initiation Fee 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 Agreement.

MEMBER MAY CONTINUE MEMBERSHIP AT END OF THIRTY YEARS

A Member who continues to be a Member for 30 years 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 COMPANY

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

TAX CONSEQUENCES OF ACQUIRING MEMBERSHIP

The Company 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 initiation fees paid to the Company. 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 initiation fees.

TRANSFER OF MEMBERSHIP

TRANSFER TO SUBSEQUENT PURCHASER IN THE RESIDENCE CLUB OR PRIVATE ESTATES AT SEVEN CANYONS

Provided the Full Member or Fractional Member, as the case may be, is in good standing and of his or her dues and other charges payable by the Member are then current, a Fractional Member or Full Member who resigns from the Club upon the sale of his or her fractional interest in The Residence Club at Seven Canyons or a residence or homesite in The Private Estates at Seven Canyons may arrange for the Company to reissue the Member's Membership to the subsequent purchaser of the fractional interest, residence or homesite regardless of whether all of the Memberships in that category have been issued and regardless of whether there are any resigned Memberships on the waiting list, subject to the following conditions: the subsequent purchaser desiring the resigned Membership will be required to submit a Prospective Member Information Statement and will be subject to the approval of the Company.

The Company will expeditiously review the Prospective Member Information Statement and make a determination after receipt of all requested information by the Company, whether or not to invite the subsequent purchaser for Membership. The Company has no obligation to invite a subsequent purchaser for Membership. If invited for Membership, the subsequent purchaser shall submit a Membership Agreement, but shall not be obligated to pay the applicable initiation fee. Transfer to the subsequent property purchaser of a Residence Club Member's fractional interest or residence or homesite in The Private Estates at Seven Canyons must be arranged within 30 days of the effective date of the resignation of the applicable Membership. In the event of an approved transfer, the selling Member shall receive back its initiation fee less a 20% transaction fee for the transfer, payable to the Company.

SALE OF MEMBERSHIPS BY FULL MEMBERS/JUNIOR MEMBERS

A Full Member or Junior Member whose initiation fee is paid in full and who is and remains current on all dues, fees and other charges due to the Club may sell his or her Full Membership or Junior Membership, subject to the terms and conditions set forth in this Paragraph. The Full Membership or Junior Membership shall be placed on a waiting list and will be sold by the Company on a first submitted, first sold basis. All sales shall be made through the Company to a party identified on a waiting list established by the Company. Third parties may not be used by the Full Member or Junior Member to sell the Membership interest. The order of sale shall be as follows:

- (a) Until the Company has sold a total of fourteen (14) Memberships, seven (7) Memberships shall be sold by the Company before One (1) Full Membership or Junior Membership is sold from the waiting list;
- (b) Until the Company has sold a total of twenty-five (25) Memberships, five (5) Memberships shall be sold by the Company before One (1) Full Membership or Junior Membership is sold from the waiting list; and
- (c) After the Company has sold twenty-five (25) Memberships, the Company shall sell four (4) Memberships before One (1) Full Membership or Junior Membership is sold from the waiting list.

If a Full Member or Junior Member seeking to sell his or her Membership interest does not approve of the price in which the Membership interest is to be sold from the waiting list, he or she may choose to decline the sale and move to the back list of Full Memberships for sale. The sale of the Full Membership or Junior Membership by the Company on behalf of the Full Member shall be subject to a resale fee of 20% of the purchase price of the applicable Full Membership or Junior Membership, as the case may be. No Member may use the Sevens Canyons intellectual property, including trademarks, without the express written authority of the Company.

TRANSFER TO NEW PROPERTY WITHIN THE PRIVATE ESTATES AT SEVEN CANYONS

If a Member who is a property owner in The Private Estates at Seven Canyons purchases another residence or homesite from the Company or its approved builders in The Private Estates at Seven Canyons the Membership can be transferred to the new residence or homesite. Additionally, the purchaser of the Member's property in The Private Estates at Seven Canyons can then acquire a Full Membership for the then current initiation fee, if one is available and the purchaser is approved for Membership.

IF A RESIDENCE CLUB MEMBER SELLS FRACTIONAL RESIDENCE CLUB INTEREST IN THE RESIDENCE CLUB AT SEVEN CANYONS

Subject to the terms of the "UPGRADES OF CLUB MEMBERSHIPS" section above, if a Residence Club Member sells his or her fractional Residence Club interest in The Residence Club at Seven Canyons does not transfer the Fractional Membership to the subsequent purchaser of the Member's fractional Residence

Club interest and does not take the steps required to officially resign from the Club, the Fractional Membership shall nevertheless be deemed resigned.

OPTIONAL REPURCHASE OF MEMBERSHIPS

The Company may, in its sole and absolute discretion, but is not obligated to, repurchase a resigned Membership which is not being transferred to the subsequent property purchaser from the resigning Member in The Residence Club or The Private Estates at Seven Canyons on any terms which are mutually agreeable to the Company and the resigned Member. Any Membership so repurchased shall be added to the Company's reserved Memberships.

TRANSFER OF MEMBERSHIP UPON DEATH OF MEMBER

Upon the death of a Full Member or Junior Member, the surviving spouse, if any, may elect to: (i) continue the Membership privileges without having to pay any additional initiation fee; (ii) resign the Membership; or (iii) designate one adult child to acquire the Membership, subject to the approval of the adult child for Membership in the Club, by giving written notice to the Company within 60 days after the death of the Member. Failure of the surviving spouse to elect one of said alternatives within the prescribed time period shall be deemed an election to continue the Membership privileges for the spouse. If there is no surviving spouse, and the deceased Member has not designated one adult child as the beneficiary of the Membership, the children of the Member may designate one adult child to acquire the Membership, subject to the approval of the Company. In the event there is no surviving spouse, or the surviving spouse does not desire to continue the Membership privileges, and there is no adult child who wants to continue Membership privileges and who is approved for Membership in the Club, the Membership will be deemed resigned and will be reissued by the Company on the same basis as provided above, whereupon the estate of the deceased Member will be entitled to the proceeds of the sale after deduction by the Company of a resale fee of 20% of the purchase price.

Upon the death of a Fractional Member, the surviving spouse, if any, may elect to: (i) continue the Fractional Membership privileges without having to pay any additional initiation fee; (ii) resign the Fractional Membership; or (iii) designate one adult child to acquire the Fractional Membership, subject to the approval of the adult child for Fractional Membership in the Club, by giving written notice to the Company within 60 days after the death of the Fractional Member. Failure of the surviving spouse to elect one of said alternatives within the prescribed time period shall be deemed an election to continue the Fractional Membership privileges for the spouse. The spouse or adult child to whom a Fractional Membership is to be transferred under this provision must own or acquire a fractional Residence Club interest in The Residence Club at Seven Canyons. If the spouse or adult child to whom a Fractional Membership is to be transferred pursuant to this provision does not own a fractional Residence Club interest in The Residence Club at Seven Canyons, the Fractional Membership shall automatically be deemed resigned.

The Full Membership, Junior Membership, or Fractional Membership, as the case may be, may be transferred only one time to an adult child. Upon the death of the adult child who acquired the applicable Membership, the Membership shall be deemed resigned. In order to effectuate a transfer to an adult child, the Member's estate or surviving spouse, as the case may be, shall resign the Membership and the Company shall repay the deceased Member's estate the initiation fee previously paid by the deceased Member. The transfer of the Membership to an adult child shall not be subject to any resigned Member's waiting list or buyer's waiting list.

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 Company, both spouses will be jointly and severally liable for all dues and charges and may both continue to enjoy Membership privileges so long as such amounts are timely paid. The Company reserves the right, in its sole discretion, not to transfer the Membership to either spouse if the Company, 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 Company 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 and will be placed on the resigned Membership waiting list to be reissued. If the spouse to whom a Residence Club Membership is to be transferred pursuant to this provision does not own a fractional Residence Club interest in The Residence Club at Seven Canyons, the Residence Club Membership shall automatically be deemed resigned.

DUES AND CHARGES

DUES, FEES AND CHARGES

The Company 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 Company from time to time. The current dues, fees and charges for use of the Club Facilities are indicated on the attached Schedule A. The amount of dues, fees and other charges is subject to change from time to time by the Company. Dues and charges not paid within sixty days of when due will result in the outstanding amount accruing interest at the rate of 18% per annum and the Membership privileges of the Member being suspended until all past due amounts and accrued interest are paid in full. Additionally, the Company, may, in its discretion, restrict the use of Club Facilities by any Member that fails to meet the annual food and beverage minimum.

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.

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 Company from time to time.

RESIGNATION AND PAYMENT OF DUES BY RESIGNED MEMBER

A Member may resign his or her Membership Interest at any time. Should a Member desire to resign from the Club, the Member shall be required to give written notice to the Company. Resignation of a Member is irrevocable, unless otherwise determined by the Company.

A resigned Full 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 Full Membership by the Company, or

(ii) the end of the Membership year in which the resignation occurs. A resigned Full 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 Full Member.

A resigned Fractional Member, Social Member, Affiliated Club Member or Golf Member will not be obligated to pay dues and will not have access to the Club Facilities, except as the guest of a Member, after such time as the resignation is effective.

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 of the Club. 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 an 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 this Membership Plan and the Rules and Regulations, as the same may be amended from time to time, and the Membership Agreement. The Company reserves the right in its sole discretion to modify this Membership Plan and the Rules and Regulations, to reserve Memberships, to sell, lease or otherwise dispose of the Club Facilities in any manner whatsoever and to any persons whomsoever, to add, issue or modify any type, category or class of Membership, to recall any Membership at any time for any or no reason whatsoever, 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 recall of a Membership the affected Member will be entitled to a refund of the greater of (i) the initiation fee paid, without interest, or (ii) seventy percent (70%) of the then current initiation fee for the applicable category of Membership, within 30 days.

In the event that the Club Facilities are sold and the buyer assumes liability for the repayment of the appropriate initiation fee as provided in the Membership Agreement, the Member shall look solely to the new owner for repayment of the initiation fee and the seller of the Club Facilities shall be released from all liability for the repayment thereof. In the event of a sale of the Club Facilities, 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

INVITATION FOR MEMBERSHIP

Membership is by invitation only. The determination of whether an individual will be invited for Membership shall be made by the Company in its sole and absolute discretion.

MEMBERSHIP PROCESS

Prospective members must submit a Prospective Member Information Statement. An individual who has been invited for Membership must mail or deliver to the Director of Membership Sales at the Membership

Office a fully completed and signed Membership Agreement and a check in U.S. funds for the amount required in respect of the initiation fee.

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 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

PARTNERSHIP MEMBERSHIP

The Company will issue no more than three (3) non-revocable permanent Partnership Memberships in the Club to (i) the Company, (ii) Enchantment Member (defined as Enchantment Resort or one of its designated affiliates), and (iii) one Partnership Member to be determined at a later date (each, a "Partnership Member"). The Partnership Member will be entitled to designate individuals to use the Club Facilities on the same basis as Full Members, provided, however, use of the golf facilities by designees of the Enchantment Member shall be subject to availability with other Members of the Club, on an equitable, pro rata basis, in accordance with usual and customary practice for similar golf courses. Neither the Partnership Member nor the persons designated to use the Club Facilities will be obligated to pay any initiation fee or dues, but designees will be obligated to pay for goods and services provided by the Club, including green fees and cart fees at rates established by the Company. Persons designated by a Partnership Member shall not be entitled to assign or transfer their Membership privileges, and shall surrender their Membership privileges upon receipt of notice from the Partnership Member. Any Partnership Member shall issue temporary Membership cards to those designees entitled to use the Club Facilities by virtue of the Partnership Membership. Separate accounts for each person designated to use the Club Facilities pursuant to the Partnership Membership will be established and such individuals will be billed directly with respect to the Club account. The Partnership Member shall have the right to change the designees under the Partnership Membership from time to time in its sole discretion.

The Company's Partnership Membership shall provide for free playing privileges to its members (including Specialty Trust, Inc. and Northlight Trust I's affiliates, officers, agents and holdings, as to the Company).

In addition, Enchantment Member shall have the right, in its sole and absolute discretion, to purchase the Golf Facilities pursuant to the Seven Canyons confirmed Plan of Reorganization and pursuant to the terms provided herein. Subject to Enchantment Member's exercise of its option to purchase, thereafter, Enchantment Member's membership rights shall include its right to, in its sole and absolute discretion, disapprove and override any decision by the Club Members to replace the Club Manager (other than as provided in the Management Agreement) or modify the Club's dues and fee structures and/or membership privileges in any material way, subject to the dues chart attached and agreements regarding the same in the Plan of Reorganization.

PUBLIC PLAY AT SEVENS CANYON COURSE

Company reserves the right to permit play on the Sevens Canyon Course by the general public and guests of other resorts.

HONORARY MEMBERSHIPS

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 Company determines.

RECIPROCAL PRIVILEGES

The Residence Club at Seven Canyons may be a part of a limited reciprocal or exchange system with other residential projects, whereby The Residence Club at Seven Canyons fractional Residence Club interest owners may stay in residential units at other projects and the owners of interests in residential units at the other projects may stay in residences at The Residence Club at Seven Canyons. These reciprocal program guests will be entitled to exercise the same Club Facilities use privileges as a Fractional Member when in residence at The Residence Club at Seven Canyons but will be obligated to pay a guest greens fee and cart fee.

Until such time as the Clubhouse is completed, the greater of actual charges at the Club Facilities or 50% of the applicable food and beverage minimum must be expended at the Seven Canyons Golf Club. For those Members with a Food and Beverage balance at the end of the year, such balance (not to exceed 50% of the minimum) may be transferred to a gift card or equivalent and expended at Enchantment during the following year. This arrangement shall continue until the Clubhouse is completed at which point the entire Food and Beverage minimum must be expended at the Club Facilities.

Providing Enchantment Member maintains its Partnership Membership in good standing at Seven Canyons, Seven Canyons Members are entitled to receive the following reciprocal benefits at Enchantment Resort:

- Preferential Restaurant Reservations
- Signing Privileges at Enchantments restaurants, retail outlets to their Seven Canyons Members Account (so long as member account is in good standing)
- Ability to reserve and use the tennis courts at Enchantment Resort
- Ability to book tennis lessons from Enchantment Resorts Tennis Pros (pro fee applies)
- Ability to book spa treatments at Mii amo (Subject to availability and lead-times)
- Preferred Room Rates at Enchantment Resort subject to availability
- Upon completion of the Clubhouse at Seven Canyons, Members will receive food and beverage discounts at Enchantment Resort

PROMOTIONAL USE AND TOURNAMENT OR GROUP PLAY

The Company will have the right to designate other persons who will not count toward Membership limits, including, without limitation, officers, directors, partners, shareholders, employees and designees of the Company and its affiliates and their guests to use the Club Facilities upon such terms and conditions as may be determined from time to time by the Company. The Company will also have the right to permit prospective members and purchasers of fractional Residence Club interests in The Residence Club at Seven Canyons or residences or homesites in The Private Estates at Seven Canyons to use the Club Facilities on such terms and conditions as may be determined from time to time by the Company. The Company 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 events from time to time.

CLUB OPERATIONS

MANAGEMENT AND OPERATION

The Company 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.

GENERAL PROVISIONS

MEMBERSHIP OFFICE AVAILABLE TO ANSWER INQUIRIES

Should you have any questions concerning this Membership Plan or the Membership opportunities available at the Club, please contact the Membership Office at (928) 203-2001.