

**APPLICATION and RENEWAL RULES
Of
THE RESERVE CLUB**

The following constitute rules for application for and renewal of memberships in THE RESERVE CLUB (hereinafter "Club"). Compliance with these rules is a prerequisite for being granted membership.

RULE 1.00

Application forms must be filled out completely and in dark ink. The person whose signature first appears on the application shall be considered the "Applicant."

RULE 2.00

Applications, payments and notices are accepted by mail only, addressed to THE RESERVE CLUB, 4065 Danceglen Drive, Colorado Springs, Colorado 80906.

RULE 3.00

Any and all fees due pursuant to the Bylaws or Rules and Regulations of the Club, including, without limitation, the Initial Fee and the first year's Annual Dues, must be enclosed with the application. For renewals, the Annual Dues for the renewal year, together with any other amounts owed to the Club pursuant to the Bylaws or Rules and Regulations, must be paid before May 1 of the renewal year or a late charge of \$50.00 will be assessed in addition to the Annual Dues. Failure to pay the Annual Dues and late charge before May 31 of the renewal year will result in termination of the membership with ownership reverting to the Club and without refund of the Initial Fee. Partial payments or prorated amounts do not constitute payment and will be rejected. Checks should be made payable to THE RESERVE CLUB.

RULE 4.00

Applications for available memberships will be considered in a "first come first served" basis in the order received by the Club for any particular level of membership priority. Priority for membership is set out in the Club Bylaws and is based upon the Applicant's primary residence. Receipt will be determined by actual receipt of the application, not date of mailing. In the event the order of receipt cannot be determined by the Club, the order of opening the envelopes containing the applications shall determine the order of consideration. The Membership Chairperson's determination of order shall be final and not subject to challenge.

RULE 5.00

Persons entitled to use a membership shall be the Applicant and the members of his or her immediate family, if identified on the application. "Members of his or her immediately family" normally means spouse, children and step-children, actually residing in the Applicant's household, but may include parents, or siblings, if actually residing in the Applicant's household and children residing with applicant pursuant to visitation schedules. A final determination of members of his or her immediate family", if disputed, shall be within the discretion of the Board of Directors and shall not be challenged by a

Member. All such persons entitled to use a membership shall be referred to in these Rules as "Members." In addition to Members, guests of Members shall be allowed to use Club facilities pursuant to Rules and Regulations adopted by the Club.

RULE 6.00

Memberships are non-transferable except for resale through the Club or pursuant to Court order such as in dissolution proceedings. Memberships may only be leased to other persons through the Club. Where a Member desires to transfer their membership, they must notify the Club of their intent in writing, upon which notice the Club will make the membership available for purchase to applicants pursuant to the Bylaws and Rules and Regulations. When an applicant for purchase of such a membership is accepted by the Club and the Initial Fee paid, the membership will be transferred to the purchaser upon payment of a transfer fee to the Club by the selling Member. The amount of such transfer fee will be determined from time to time by the Board. The initial transfer fee is set at \$30.00. In the event of such a transfer, the selling Member shall not be entitled to a rebate on Annual Dues paid and the purchasing Member shall be liable for full Annual Dues for the year in which the membership is purchased. Until transfer of a membership is completed, the Member is liable for all obligations arising under the Bylaws or Rules and Regulations of the Club, including payment of Annual Dues as they come due. In the event a membership is transferred by Court order, the membership and Member remain subject to the Bylaws and Rules and Regulations of the Club.

RULE 7.00

Memberships may also be terminated for cause, such as violation of the Bylaws or Club Rules and Regulations. If a membership is terminated for any reason, ownership of the membership shall immediately revert to the Club and the Member will not be entitled to reimbursement of the purchase price.