

MEMBERSHIP RESERVATION AGREEMENT
(Spruce Point North)

This Membership Reservation Agreement (this “Agreement”), is made as of the 24th day of February, 2023 (“Effective Date”) by and between The Club at Cobble Creek, Inc., a Colorado nonprofit corporation (“Club”), FBO Investments, LLLP, a Colorado limited liability limited partnership (“FBOI”), Spruce Point Development Company, LLC, a Colorado limited liability company (“SPDC”) and SP Homes, LLC, a Colorado limited liability company (“SPH”). SPDC, FBOI and SPH may be referred to herein individually or collectively as “Developer.”

RECITALS

A. SPDC and FBOI are the owners of the land more particularly described on Schedule A attached hereto located in Montrose, Colorado and generally described herein as the “Spruce Point North Land.”

B. By virtue of a “Partial Assignment of Membership Reservation Agreement” dated effective as of February 15, 2022 (the “Assignment”), SPDC and FBOI assert that they are also assignees of certain rights, duties and obligations, relative to the Spruce Point North Land, and other lands, pursuant to that certain “Membership Reservation Agreement (Future Eligible Lots)” by and between Club and Weststar Development, LLC (“Weststar”) dated December 31, 2019 (the “Prior Agreement”).

C. To express the terms under which the parties will move forward with respect to Memberships (as defined below) for lots and units to be developed on the Spruce Point North Land, the parties enter into this Agreement, intending that it will entirely supersede and replace the Prior Agreement and Assignment as it relates to the Spruce Point North land, as more specifically set forth in Section 18 below. Weststar is a signatory to this Agreement for the sole purpose of acknowledging its agreement with the provisions of said Section 18.

D. Club owns and operates the golf course, clubhouse, fitness center, tennis courts, and other facilities, together with related services, generally known as the Cobble Creek Golf Community Club (the “Club Operations”).

E. Developer desires to acquire, for the benefit of ultimate purchasers of the Eligible Lots (as defined below) (“Lot Purchasers”), certain Club Operations memberships and Club desires to reserve and provide certain Club Operations memberships and accept Lot Purchasers as new members of the Club, on the terms and conditions hereinafter set forth.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, the recitals set forth above, which are material terms of this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Future Development, Reservation of Memberships. Developer intends to form, annex, and expand common interest communities on the Spruce Point North Land by recording one or more declarations of covenants, conditions and restrictions and related plats/maps, and by organizing one or more community associations (each, an “Association”) to provide services to and collect assessments from the owners or lots or units located therein. Following formation of a community, platting of new lots or units, and creation of an Association (each a “New Phase”), Developer may, in its sole discretion, provide Club with a written request to entitle lots located within such New Phase as eligible for Club membership

pursuant to this Agreement , including a reasonable identification of the lots or units therein, and each of the lots or units in each New Phase will thereafter be eligible for Club membership pursuant to this Agreement (all such lots or units an “Eligible Lot”). Club agrees to acknowledge, in writing, Developer’s entitlement of Eligible Lots within such New Phase and to thereafter make available for purchase by Developer or the Lot Purchasers, one full voting clubhouse resident membership in the Club Operations (the “Memberships”) for each Eligible Lot which shall have the rights and obligations as set forth in (i) the form Cobble Creek Membership Agreement (effective January 1, 2023), subject to modification as set forth in this Agreement, and (ii) the Bylaws of the Club. All Memberships shall be issued and held in accordance with and subject to the provisions of the then application and agreement for Membership (“Membership Agreement”) and the applicable rules and regulations then applicable to the Club members and Club Operations (“Club Rules, together with the Membership Agreement, the “Club Documents”) subject to modification as set forth in this Agreement. Membership includes voting rights and other rights and responsibilities as a full voting member under the Club’s Bylaws.

2. Acceptance of Memberships. Upon the sale and closing of an Eligible Lot by Developer or a Homebuilder to a Lot Purchaser, the Lot Purchaser shall elect to either: (a) apply for and execute the then standard Membership Agreement and pay the transfer fee then provided under the Club Documents for such Membership (the “Transfer Fee”) or (b) decline to apply for Membership, at which point a fixed resignation fee of \$1500 (the “Opt-Out Fee”) will be due and payable to the Club. In consideration to the Agreement, Transfer Fees for the initial sale of each membership eligible lot will be paid to the Developer, and as such, the Developer has the right to waive the transfer fee on the initial property sale. All lot or home sales which have memberships attached after the initial sale are obligated to pay Transfer Fees under the standard Membership Agreement which then are paid to the Club, or pay the Opt-Out Fee under the standard Membership Agreement. No Membership that is the subject of this Agreement will have any usage privileges, voting rights, obligations to pay dues, fees, or other charges, or other rights or obligations under the Club Documents, unless and until a Membership is activated by Club’s acceptance and issuance of a Membership to a Lot Purchaser. The Club recognizes Developer, any Homebuilder and Lot Purchasers may make alternative provisions by agreement among themselves for payment of the Transfer Fee and/or Opt-Out Fee, which agreements are beyond the scope of this Agreement. Each Lot Purchaser shall be subject to Club’s regular application and admissions procedures, consistently applied on a nondiscriminatory basis, such approval not to be unreasonably withheld. In the unlikely event that Club properly rejects the application of a Lot Purchaser for Membership, no Opt-Out Fee nor other fee, charge, or penalty payment related to such Membership will be due. As used in this Agreement, the term “Homebuilder” shall mean and refer to any person or entity who purchases a vacant Eligible Lot from Developer or another Homebuilder and whose primary business consists of building residences for sale to third-party, consumer homeowners. Homebuilders, including without limitation SPH, shall not be considered Lot Purchasers under this Agreement. While a Homebuilder owns an Eligible Lot, it shall be considered an assignee of Developer’s rights and obligations under this Agreement for purposes of conveying the reserved Membership for that Eligible Lot in connection with the ultimate sale of that Eligible Lot to a Lot Purchaser. For the avoidance of doubt, the Opt-Out Fee provided in this Agreement is different, separate and distinct from any resignation or other fee provided in the Club Documents. The payment of fees provided in the Club Documents shall be governed by the terms of the Club Documents.

3. Declining Reserved Memberships, Waiting List. Notwithstanding anything to the contrary contained in this Agreement, , the Club may decline Developer’s request to entitle additional Eligible Lots pursuant to Section 1 above or Section 6(a) below if, at the time Developer makes such request, the Club has in effect a moratorium on or there is some other restriction against the issuance of additional Memberships that is uniformly applicable to all prospective Club members from any source. In that event: (i) the lots that were the subject of Developer’s requests shall not be considered Eligible Lots unless subsequently entitled as such; and, (ii) Developer may resubmit its request to entitle additional Eligible Lots once such moratorium or restriction is no longer in effect, and Club shall consider Developer’s request pursuant to this Agreement on a “first come first served” basis on equal footing with

other prospective Club memberships from any source.

4. Term. Except as provided below, the term of this Agreement (the “Term”) will expire on the earlier of: (a) sale of all Eligible Lots created on the Spruce Point North Land to Lot Purchasers, or (b) December 31, 2027 (the “Outside Date”). Provided Developer creates at least thirty (30) Eligible Lots pursuant to Section 1 of this Agreement within the Term, the Outside Date shall be extended to December 31, 2032. Additionally, if after initially creating at least thirty (30) Eligible Lots within the Term, Developer creates at least fifteen (15) more Eligible Lots pursuant to Section 1 of this Agreement, the Outside Date will be further extended to a date that is five (5) calendar years after the date of the recording of the plats or map that created those Eligible Lots with the Montrose County Clerk and Recorder. At the end of the Term, Developer’s rights to entitled additional Eligible Lots shall terminate, but such termination shall not affect Developer’s rights with respect to any Eligible Lots previously entitled. Upon termination, Developer and Club shall have no further rights or obligations hereunder, except as expressly surviving herein or agreed to by the parties in writing.

5. Amendments to Club Documents. Club will not amend, modify or supplement the Club Documents as those documents might pertain to any Eligible Lots under this Agreement without Developer’s prior written consent, which will not be unreasonably withheld, in any manner that: (a) materially reduces the rights, benefits and privileges of Membership below those offered to clubhouse resident members under the form Cobble Creek Membership Agreement (effective January 1, 2023) (“Baseline Benefits”); (b) materially increases the dues, fees, rates, charges and other monetary obligations set forth in the form Cobble Creek Membership Agreement (effective January 1, 2023) (“Baseline Charges”); or (c) otherwise materially and adversely effects or dilutes the rights and obligations under the Memberships, such as imposition of new preconditions or qualifications to membership or creation a new class of memberships with materially greater rights and benefits. In the avoidance of doubt, Developer will not withhold consent to amendments to the Club Documents having a general application to all members, even if such amendments reduce the Baseline Benefits or increase the Baseline Charges, so long as such amendments have a material adverse effect on all members of the Club, additionally, the Club may make changes of any kind with respect to Memberships other than those that are the subject of this Agreement, or that have already been issued and are outstanding.

6. Future Golf Course Easements. Following the entitlement of Eligible Lots pursuant to Section 1 above, the Club agrees to grant, execute, acknowledge and deliver an easement to the Association containing Eligible Lots for the benefit of the members of the Association, their guests, tenants and invitees, in substantially similar form as that certain Easement Agreement and Grants for Common Areas and Golf Course, by and between the Club (as successor-in-title to Weststar Development, LLC) and Cobble Creek Homeowners’ Association, Inc. (the “CC Association”), recorded on December 7, 2015 at Reception No. 870867 with the Clerk and Recorder of Montrose County, Colorado (the “CC Association Easement”), except as modified hereunder with regard to annual maintenance payments due under Section 9 of the Golf Course Easement (each a “Golf Course Easement”).

(a) As consideration for the grant of each Golf Course Easement benefitting an Association, Developer shall pay the Club a “Buy-In Fee” equal to \$1,500 per Eligible Lot within such Association upon execution of the Golf Course Easement. Developer may entitle additional lots or units being added to a previously- formed Association containing Eligible Lots in the following manner: (i) Developer shall give notice of that fact to the Club in the same manner as described above for a New Phase; (ii) within ten (10) days of the Club’s receipt of such notice from Developer, the Club shall either acknowledge Developer’s entitlement of additional Eligible Lots as provided in Section 1 above or reject entitlement of additional Eligible Lots pursuant to Section 3 above; (iii) within thirty (30) days of acknowledging the entitlement of additional Eligible Lots, the Club shall execute, acknowledge and deliver to Developer an amendment to the Golf Course Easement granted to the previously-formed Association memorializing the inclusion of such additional lots in the lands benefitted by such easement

(but not otherwise revising such easement); (iii) the additional lots being added to such previously-formed Association shall be considered Eligible Lots when such amendment is recorded with the Montrose County Clerk and Recorder; and, (iv) Developer shall pay the Club the required Buy-In Fee attributable to the additional Eligible Lots upon execution of the easement amendment.

(b) As additional consideration for a Golf Course Easement benefitting any New Phase or any part or portion of the Spruce Point North Land, each Association containing Eligible Lots shall pay to the Club a "Maintenance Fee" calculated as follows for all Eligible Lots in the Association:

- (i) for calendar year 2023, the Maintenance Fee shall be \$225 per year per Eligible Lot.
- (ii) for each year thereafter, the Maintenance Fee shall be the greater of:
 - (1) the prior year's Maintenance Fee increased by of four percent (4.0%);
 - (2) the prior year's Maintenance Fee increased in proportion to the Consumer Price Index under this sub-section (the "Index Fraction"). For purposes of the foregoing, the numerator of the Index Fraction shall be the published Consumer Price Index - All Urban Consumers (All Items) for the West Region published by the United States Department of Labor, Bureau of Labor Statistics Index ("Index") for December of the preceding calendar year (i.e. December, 2023 for the calculation applicable to 2024). The denominator of the Index Fraction is the Index published for December of the year prior to the preceding year (i.e. December, 2022 for the calculation applicable to 2024); or
 - (3) sixty percent (60%) of the per lot annual easement maintenance payment from the CC Association Easement, as amended or supplemented ("CC Community Payments"), rounded to the nearest whole dollar, calculated as follows: (i) the annual amount then applicable CC Community Payments, (ii) divided by the number of lots then served by the CC Association, (iii) multiplied by 0.60, then (iv) multiplied by number of Eligible Lots served by the applicable Association. As an illustrative example only: if (v) the CC Community Payment annual amount is \$160,000 in a given year, (w) the CC Association serves 416 lots, and (x) there are 36 Eligible Lots in the applicable Spruce Point North Land community; then the annual payment due in that year under the form of golf course easement benefitting the members of such community would be:

$$[\$160,000 / 416] \times 0.60 \times 36 = \$8,308 \text{ (or } \$231 \text{ per lot, rounded to the nearest whole dollar)}$$

(c) For each New Phase or when additional lots are added to an existing Association, the applicable Maintenance Fee calculated in accordance with the foregoing shall first commence and become due and payable when the lots therein become Eligible Lots, pro-rated daily to the

end of the calendar year based on the date the fee first commences. The Maintenance Fee shall be paid in equal monthly installments due on or before the 15th day of the month to which each installment applies. The Developer or subsequent Association will be responsible for collection of payments from others and will pay the Club directly in one payment.

(d) Developer shall reference or incorporate the above terms in the any declaration of covenants, conditions and restrictions for any community containing Eligible Lots and shall incorporate the Maintenance Fee into the assessment framework of the Association governing such community. The fact that an Association or an Eligible Lot may also be subject to or a member of a master association governing all or part of the Spruce Point North Land shall not impact the applicability or enforceability of this Agreement relative to such Association or Eligible Lot.

7. **Assignment.** Developer may assign its rights, obligations and interests in this Agreement to a successor in title to the Eligible Lots, other than a Lot Purchaser, and to any successor in title to all or any portion of the Spruce Point North Lands, in proportion to and with respect to those lands. Club may assign its rights, obligations, and interest in this Agreement to any other person that owns and operates the Club Operations and facilities. In each case, the assigning party will provide prompt notice of the assignment and transfer to the other party. Other than as set forth above, neither party shall be entitled to assign any right, obligation or interest in this Agreement, in whole or in part, without the prior written consent of the other party, which may be withheld in such party's reasonable discretion.

8. **No Third Party Beneficiaries.** This Agreement is for the sole and exclusive benefit of the parties hereto and their respective successors and permitted assigns, and no third party is intended to or shall have any rights hereunder.

9. **Notices.** All notices, demands or requests made pursuant to, under or by virtue of this Agreement must be in writing and shall be (a) personally delivered or (b) delivered by express mail, Federal Express or other comparable overnight courier service, as follows:

To Developer:

4643 S. Ulster Street, Suite 1210
Denver, CO 80237
Attention: Flint Ogle

To Club:

699 Cobble Drive
Montrose, CO 81403
Attention: Board of Directors

All notices (i) shall be deemed to have been given on the date that the same shall have been delivered in accordance with the provisions of this Section and (ii) may be given either by a party or by such party's attorneys. Any party may, from time to time, specify as its address for purposes of this Agreement any other address upon the giving of 10 days' prior notice thereof to the other parties.

10. **Amendments.** This Agreement may not be amended, modified, supplemented or terminated, nor may any of the obligations of Developer or Club hereunder be waived, except by written agreement executed by the party or parties to be charged.

11. **Governing Law.** This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with, the laws of the State of Colorado.

12. **Arbitration.** In the event that the parties are not able to resolve any dispute arising under this Agreement, the parties shall submit the dispute to binding arbitration conducted by Judicial Arbitrator Group in Grand Junction, Colorado, pursuant to the provisions of the Colorado Arbitration Act, Colorado Revised Statutes Section 13-22-201 et seq. The arbitration shall be governed by the laws of the State of Colorado. The arbitrator shall be a neutral and impartial third party. If the parties cannot agree on an

arbitrator to conduct the arbitration, then each party shall each select one arbitrator and such arbitrators shall then select a third arbitrator. The third arbitrator shall serve as the arbitrator for the arbitration. Judgment upon an award rendered by the arbitrator may be entered by a court having competent jurisdiction. All statements or admissions, whether oral or written, made in the course of the arbitration by any Person shall remain confidential and shall not be disclosed by any person. The decision of the arbitrator shall be final and binding upon the parties to the arbitration.

13. Submission to Jurisdiction; Waiver of Jury. Club and Developer each irrevocably submits to the jurisdiction of (a) the courts of Montrose County, Colorado and (b) the United States District Court for the District of Colorado for the purposes of any suit, action or other proceeding arising out of this Agreement or any transaction contemplated hereby. Club and Developer each irrevocably and unconditionally waives any objection to the laying of venue in any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in (x) Montrose County, Colorado and (y) the United States District Court for the District of Colorado, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. CLUB AND DEVELOPER, AFTER CONSULTING OR HAVING HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL, EACH KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE IRREVOCABLY, THE RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, OR ANY OF THE OTHER OBLIGATIONS, THE COLLATERAL, OR ANY OTHER AGREEMENT EXECUTED OR CONTEMPLATED TO BE EXECUTED IN CONJUNCTION WITH THIS AGREEMENT, OR ANY COURSE OF CONDUCT OR COURSE OF DEALING IN WHICH CLUB AND DEVELOPER ARE ADVERSE PARTIES.

14. Costs and Attorneys' Fees. In the event of any arbitration, litigation or dispute between the parties arising out of or in any way connected with this Agreement, resulting in any arbitration or litigation, the prevailing party in such arbitration or litigation shall be awarded and entitled to recover its costs of prosecuting and/or defending same, including, without limitation, reasonable attorneys' fees during such arbitration proceedings, at trial, and all appellate levels.

15. Severability. If any term or provision of this Agreement or the application thereof to any Person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

16. Recorded Memo. A short-form memorandum of this Agreement may be executed and recorded by any party with the Clerk and Recorder of Montrose County, Colorado ("Public Records") to provide record notice of this Agreement, but such memorandum shall not be deemed to amend, modify, supplement or alter any of the obligations hereunder. Further, such memorandum is not intended and shall not be deemed to create an interest in real property in the Club Operations or in any land of any party. Upon expiration of the Term, the party recording such memorandum will promptly record a notice of termination in the Public Records and take all action as reasonably necessary to remove such record notice of this Agreement from title.

17. Counterparts. This Agreement may be executed and delivered in two or more counterparts and electronically, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. If this Agreement is signed electronically via DocuSign or similar electronic means or by e-mail delivery of a ".pdf", such signature shall create a valid and binding obligation of the signing party as if the electronic signature or ".pdf" signature page were an original hereof.

18. Supersedes Prior Agreement; Reduction In Membership Under Prior Agreement

This Agreement entirely supersedes, as between the parties hereto and relative to the Spruce Point North Land only, the Prior Agreement, such that, upon execution of this Agreement, the Prior Agreement shall have no further force or effect as between the parties hereto and relative to the Spruce Point North Land. Further, the number of memberships available to Weststar under the Prior Agreement shall be reduced by the number of Eligible Lots entitled pursuant to this Agreement. Weststar is a signatory to this Agreement for the sole purpose of acknowledging its agreement with the provisions of this Section 18 and is not otherwise a party hereto. By its signature below, Weststar acknowledges and confirms its agreement with this provision.

[Signatures appear on following page]

IN WITNESS WHEREOF, this Membership Reservation Agreement has been duly executed by the parties hereto as of the Effective Date, regardless of the actual date of signature.

DEVELOPER:


FBO Investments, LLLP, a Colorado limited liability limited partnership

By: DocuSigned by:

23C6ED1818934B7
Flint B. Ogle, General Partner


Spruce Point Development Company, LLC, a Colorado limited liability company

By: FBO Investments, LLLP, Manager

By: DocuSigned by:

23C6FD1818934B7...
Flint B. Ogle, General Partner

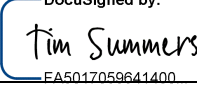
SP Homes, LLC, a Colorado limited liability company

By: FBO Investments, LLLP, Manager

By: DocuSigned by:

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Flint B. Ogle, General Partner

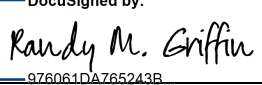
CLUB:

The Club at Cobble Creek, Inc., a Colorado nonprofit corporation

By: DocuSigned by:

FA5017059641400
Tim Summers, President

WESTSTAR:

Weststar Development, LLC, a Colorado limited liability company

By: DocuSigned by:

976061DA765243B
Randy M. Griffin, President

SCHEDULE A

SPRUCE POINT NORTH LAND

Parcels owned by FBO Investments, LLLP:

Tract A-1, Tract A-2, Tract B, and Outlot 2, Spruce Point Subdivision, Filing No. 1, as depicted on the plat thereof recorded under Reception No. 770229 in the official land records of Montrose County, State of Colorado.

Parcels owned by Spruce Point Development Company, LLC:

Lots 1 through 36, inclusive, and Outlot 1, Spruce Point Subdivision, Filing No. 3, as depicted on the plat thereof recorded under Reception No. 958659 in the official land records of Montrose County, State of Colorado