

PINE CANYON CLUB

FREQUENTLY ASKED QUESTIONS

The following questions and answers are designed to provide an understanding of Pine Canyon 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.

Q: What is Pine Canyon Club?

A: Pine Canyon Club is a private non-equity country club, within the Pine Canyon residential community in Flagstaff, Arizona (the “Community”), featuring exceptional golf, tennis, spa, swimming, health and fitness and social facilities.

Q: What facilities will the Club offer?

A: The “Club Facilities” that are available to members, their family members and guests include the following:

- 18-hole championship golf course designed by the acclaimed golf course architect Jay Morrish
- Driving range, practice chipping area and putting green
- Clubhouse featuring a dining room, golf shop, men's and women's locker rooms, full-service spa facility and health/fitness facility which includes cardiovascular and weight training equipment; as well as an exercise room
- Tennis courts
- Swimming pools – lap pool with waterslide, kids play pool with water features and shaded toddler pool

Q: What categories of membership are being offered by the Club?

A: The Club is offering non-refundable Summit Memberships, Alpine Memberships, Young Professional Memberships and Social Memberships to property owners in the Community. Non-refundable Non-Resident Summit Memberships and Non-Resident Young Professional Memberships are being offered to non-property owners in the Community. The Club also offers refundable Summit and Alpine Memberships under a separate membership plan.

Q: How many memberships will be offered in the Club?

A: The maximum number of regular memberships providing full golf privileges that can be issued and outstanding is 425. The Club will determine the maximum number of Alpine Memberships (refundable and non-refundable) and Social Memberships that can be issued and outstanding in its sole discretion from time to time.

Q: Who owns and operates the Club Facilities?

A: TLC PC Golf, LLC, an Arizona limited liability company (the “Owner”), owns the Club Facilities and the related land upon which they have been developed. The Owner has

leased the Club Facilities and related land to PC Golf, LLC, an Arizona limited liability company and an affiliate of the Owner (the "Company"), pursuant to a lease agreement between the Owner and the Company. The Company operates the Club Facilities. Where these questions and answers refer to the "Club" making a decision or otherwise taking action, the reference shall be deemed to be to the Company and/or its designees doing business as the Pine Canyon Club.

Both the Owner and the Company are affiliates of The True Life Companies ("TTLIC") based in San Ramon, California. TTLIC is a developer of luxury master-planned and niche residential communities throughout the Western United States. Their current portfolio includes properties under construction in California, Arizona and Colorado.

Q: What are the privileges of a Summit and Non-Resident Summit Membership?

A: Summit Members are entitled to use all of the golf, tennis, spa, fitness, swim, clubhouse and other social facilities of the Club. Summit Members are not required to pay greens fees for use of the golf course, but are required to pay golf car and/or caddie fees, as applicable, when playing golf. Golf practice range balls are complimentary. Summit Members are not required to pay separate access fees to use the other Club Facilities. Advance sign-up privileges for golf starting times and tennis court times shall be determined by the Club from time to time.

Q: What are the privileges of an Alpine Membership?

A: Alpine Members are entitled to use all of the tennis, spa, fitness, swim, clubhouse and other social facilities of the Club, as well as on a limited basis, the golf facilities as further described herein. Alpine Members are permitted to reserve up to three (3) tee times per Membership Year and must pay a greens fee equal to a percentage, as determined by the Club from time to time, of the accompanied guest rate then charged by the Club, as well as golf car and/or caddie fees, as applicable, when playing golf. The Club may, in its discretion, increase the number of tee times that can be reserved in a membership year. The Club also reserves the right to designate the days of the week that Alpine Members can reserve tee times for. Alpine Members may utilize the golf practice range on the days that tee times are reserved and golf practice range balls are complimentary. These Members can also play golf as the guest of a Member with full golf privileges subject to the Club's guest rules and policies, but the Member and each of the Member's immediate family members is limited to three (3) guest rounds during a membership year notwithstanding anything to the contrary in the Club's Rules and Regulations. Alpine Members are not required to pay separate access fees to use the other Club Facilities. Advance sign-up privileges for golf starting times and tennis court times shall be determined by the Club from time to time, except that advance sign-up privileges for tee times will be less than that of other Club members who have full golf privileges.

Q: Who is eligible for a Young Professional Membership and what privileges does the membership provide?

A: Young Professional Memberships are available to persons who own property in the Community and who are under the age of 45 (in the case of a married couple, the age of

the older spouse controls). In the case of a Non-Resident Young Professional Membership, the applicant cannot own property within the Community. Prior to reaching the 45 year-old age limit, these members pay reduced dues for the membership. At age 45, the membership must be converted to a Summit Membership or Non-Resident Summit Membership, as the case may be, and the full initiation fee and dues for the membership in question must be paid. Young Professional Members and Non-Resident Young Professional Members have the same membership use privileges as Summit Members and Non-Resident Summit Members, respectively.

Q: What are the privileges of a Social Membership?

A: Social Members are entitled to use all of the clubhouse dining, lounge and spa facilities. Social Members are also welcome to participate in Club social activities and functions in accordance with Club policies and the payment of applicable fees and charges.

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

A: Yes. Each membership in the Club is a family membership, which includes full privileges for the member's immediate family members, namely the member's spouse or significant other and their unmarried children under the age of 23. The Club intends to provide programs and activities that are appealing to family members of all ages.

The extended family of a member who owns property in the Community will be permitted to use the Club Facilities in accordance with the member's category of membership. The extended family includes the parents, children who do not fall within the definition of immediate family above and grandchildren of the member and spouse or significant other, and the spouses or significant others of such family members. Extended family members are not required to pay use fees that would otherwise be charged for guests to access designated Club Facilities provided they are accompanied by the member or an immediate family member, except during certain time periods determined by the Club from time to time. If using the Club Facilities unaccompanied by the member or an immediate family member, an extended family member is required to pay applicable use fees, except during certain off-peak time periods determined by the Club from time to time. Use fees payable by extended family members will be at a preferred rate.

Q: May I invite guests to the Club?

A: Yes. Having your friends enjoy the Club's outstanding facilities with you is a wonderful attribute of membership in the Club. Members are entitled to have guests use the Club Facilities in accordance with the member's category of membership and the rules, regulations and policies adopted by the Club to preserve the exclusivity of its facilities and the availability thereof for members.

Q: What are some of the other significant benefits provided to members under the Membership Plan for Pine Canyon Club?

A: A brief description of some of the other significant benefits provided to members under the Membership Plan follows:

Additional Designated Users

A Summit Member can add up to two additional users under his, her or its membership without the payment of an additional initiation fee or membership deposit, or other fee. Each "Additional User" can enjoy the same membership use privileges as the member, including immediate and extended family privileges, as well as guest privileges. A proposed Additional User must have a familial relationship with an individual member and a relationship with the entity in the case of an entity member, as specified in the Membership Plan. The same dues as are payable by the member must be paid, as well as all applicable fees and charges. An Additional User can also choose Alpine Membership privileges and dues. The Club can limit or cancel this benefit in its discretion.

Transfer During Member's Lifetime

A member can arrange for the transfer of his or her membership to the member's spouse or an adult child who owns property in the Community one time without the payment of any additional initiation fee or membership deposit, or a transfer fee.

Lessee Membership Privileges

The lessee of a member's residence in the Community with a lease term of at least six (6) months can enjoy the member's membership privileges, subject to approval by the Club. The lessor member can continue to enjoy the membership privileges during the lease term by paying additional dues.

Member Concierge

A Member Concierge is available to provide a variety of services and assistance for members as described in the Membership Plan.

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

A: Resident memberships will be offered to purchasers of residences or home sites in the Community. Non-Resident Summit and Non-Resident Young Professional Memberships will be offered only to persons who do not own property in the Community.

Each initial retail purchaser of a residence or home site in the Community may at any time on or before the date of his or her closing on the residence or home site, acquire a membership provided the Club has a membership for sale. Membership is contingent upon approval by the Club. The number of Summit Memberships is limited, and available Summit Memberships will generally be issued on a first-come, first-served

basis. The Club may reserve Summit Memberships for selected properties within the Community.

Q: What happens if I, as an initial purchaser of property in the Community, do not timely apply for and acquire a Summit Membership in the Club?

A: If you do not apply for and acquire a Summit Membership within the period specified above, you and any subsequent purchaser of your property in the Community may acquire a Summit Membership at a later date only if one is available and not otherwise reserved by the Club, and only upon payment of the initiation fee which is in effect at the time the membership is acquired.

Q: What do I have to pay for a membership in the Club?

A: Prospective members who desire a non-refundable membership are required to pay an initiation fee in an amount determined by the Club for a membership in the desired category. Prospective members who desire a refundable membership are required to pay a refundable membership deposit in an amount determined by the Club for a membership in the category in question.

Q: Can I arrange to have my membership transferred to the subsequent purchaser of my residence or home site in the Community?

A: Yes. Those members who own a residence or homesite in the Community will be permitted to arrange through the Club for the transfer of their membership to the subsequent purchaser of their residence or home site. The subsequent purchaser must be approved for membership and pay the then required initiation fee or membership deposit, as the case may be.

The ability to arrange for the transfer of your membership to the purchaser of your property is an important attribute of membership because, even if there are no memberships available for issuance in the Club at the time, the subsequent purchaser can nonetheless obtain the your membership through the Club provided the purchaser is approved for membership.

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

A: No. 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 prior to conversion of the Club to an equity member-owned club. The Company will pay all operating deficits incurred in the operation of the Club Facilities and will be entitled to all operating revenues resulting from operation of the Club Facilities unless and until the Club is converted to an equity club.

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

A: The membership plan documents provide that Pine Canyon Club can be converted to an equity member-owned club at the discretion of the Company. In an equity member-owned club, the members ultimately vote on matters affecting the club and manage and control the operation of the club and the club's facilities. However, control of the equity club will be retained by the Owner until all equity memberships are sold, or earlier in the discretion of the Owner if the equity club is operating without a deficit.

In the event that a satisfactory number of equity memberships has not been acquired following the initial offering period (defined as not less than 60 days after the date equity memberships are first offered), the Owner, in its sole discretion, may rescind the equity conversion and terminate the equity membership plan.

Q: If Pine Canyon Club is converted to an equity member-owned club, what will my rights be as an existing member?

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

Q: What amount will I have to pay for an equity membership if Pine Canyon Club is converted to an equity club?

A: The amount of the payment and general terms relating to the conversion will be included in the Membership Application and Agreement signed by each member. The Membership Plan also contains provisions relating to an equity conversion.

Q: If I elect to become an equity member, will I be entitled to a refund upon resignation and reissuance of my equity membership?

A: Equity members shall be entitled to receive an amount equal to the greater of (i) eighty percent (80%) of the then current membership contribution for the category in question, or (ii) the amount paid for the equity membership (including the credit for the initiation fee or membership deposit previously paid), but not to exceed the then current membership contribution for the category in question, upon resignation and reissuance of the equity membership.

Q: If I choose not to become an equity member, may I continue my membership privileges in the Club?

A: Yes. Existing members at the time of the conversion may continue their membership privileges as non-equity members. However, their memberships are subject to being recalled on a last-in, first-recalled basis in order to issue an equity membership without exceeding the limit on the number of memberships permitted in the equity club or due to reduced membership limits. In the event the subsequent purchaser of a member's

residence or home site in the Community desires to use the Club Facilities or not, the subsequent purchaser must acquire an equity membership to do so.

Q: How do I become a member?

A: To become a member of the Club, you must submit to the Club a fully completed and signed Membership Application and Agreement. After receiving the Membership Application and Agreement, the Club will determine whether or not the applicant is approved for membership. Upon approval of the Membership Application and Agreement, membership related documents must be submitted along with a check for the initiation fee or membership deposit payable.

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 home site in the Pine Canyon community or a membership in Pine Canyon Club. The complete Membership Plan and other membership documents are available upon request at the Membership Office. For more information please call 928-779-5800.