

**GENERAL CLUB RULES & REGULATIONS
DURANGO MOUNTAIN CLUB
(DMMA Members)**

The following rules apply to DMMA Member's use of the DMMA Facilities within the Purgatory Lodge Project. DMMA members are referred to as Members and the facilities are referred to as the Club.

Section 1.01 General Rules

1. The Club and its facilities shall be open on the days and during the hours as established from time to time by Management.
2. Performance by entertainers will be permitted on the property of the Club only with the permission of Management.
3. Alcoholic beverages will only be served or sold in accordance with the laws of the State of Colorado and restrictions of applicable licenses. All alcoholic and other beverages and food consumed or otherwise possessed on the premises of the Club must be purchased from, or furnished by, the Club.
4. No solicitation of any kind shall be permitted on the property of the Club. Except as permitted in writing by the Club, no commercial advertisement shall be posted or circulated in the Club, nor shall solicitation of any kind be made on the Club facilities or upon the Club's stationery.
5. It is contrary to the policy of the Club to have its facilities used for functions or fund raising efforts for the benefit of a political cause, except as specifically permitted by Management. Other than as permitted in writing by the Club, no petition shall be originated, solicited, circulated or posted within the Club facilities.
6. Employees of the Club are not permitted to deliver food or liquor to locations away from the immediate area of the Clubhouse, pool or other designated areas of the Club, except pursuant to catering arrangements made with the Club.
7. No pets are permitted on the Club's premises, except for seeing eye dogs.
8. All complaints, criticisms, or suggestions of any kind relating to any of the operations of the Club should be in writing, signed and addressed to the Club Manager or Management.
9. It is improper for any Member or Guest to abuse any of the Club's employees, verbally or otherwise. No Member or Guest shall reprimand or discipline any employee or send any employee off the premises of the Club for any reason. Any employee not rendering courteous and prompt service should be reported to the Club manager.
10. Members of the Club shall conduct themselves so as not to disturb other Members in any area of the Club. Loud or disruptive behavior may result in the suspension of privileges of the Membership.
11. Violation of any of these rules or conduct in a manner prejudicial to the best interest of the Club will subject the person in violation to disciplinary action.
12. Management of the Club reserves the right to amend or modify these rules when necessary

and will notify the Member of any change. Any change in these General Club Rules will be placed on the appropriate bulletin boards and shall become effective as of the indicated date.

13. No Member, Guest or visitor is allowed in the service areas of the Club.

14. The Club Manager shall be the representative of Management and the Club, and shall have the authority to maintain order on the Club's premises.

15. Management will set the hours of operation of the Club facilities. Management may close the Club facilities for repairs and maintenance at its discretion. Shoulder Season closing periods of approximately six weeks are anticipated.

16. All owners of fractional units shall have use of all Facilities when in residence. Additional usage when not in residence is permitted on a space available basis, in Management's discretion, for all fractional units except one week interval timeshares.

Section 1.02 Loss or Destruction of Property or Instances of Personal Injury

1. Each Member, as a condition of use of the facilities, and each Guest, as a condition of invitation to the premises of the Club, assumes sole responsibility for his/her property. The Club shall not be responsible for any loss or damage to any private property used or stored on the premises of the Club.

2. No person shall remove from the room in which it was placed or from the Club's premises, any property or furniture belonging to the Club without proper authorization. Every Member of the Club shall be liable for any property damage and/or personal injury at the Club or at any activity or function operated, organized, arranged or sponsored by the Club, that is caused by the Member, any Guest of the Member or any family member of the Member. The cost of any damage shall be charged to the Member's account.

3. Any member, guest, or other person who, in any manner makes use of, or accepts the use of, apparatus, appliance, facility, privilege or service whatsoever owned, leased or operated by the Club, or who engages in any competition, game, function, contest, or any other activity operated, organized, arranged or sponsored by the Club, either on or off the Club's premises, shall do so at his or her own risk. All members understand that he or she is solely liable for any injury, damage or liability that may occur, and shall hold the DMMA and its Owners and affiliated entities including, without limitation, DSC/Purgatory, LLC and Durango Pinnacle Partners, L.L.C. and the directors, officers, employees, representatives and agents of the Club and DSC/Purgatory, LLC and Durango Pinnacle Partners, L.L.C. harmless from any and all loss, cost, claim injury, damage or liability sustained or incurred by him or her, resulting therefrom and/or from any act or omission of any director, officer, employee, representative or agent of DSC/Purgatory, LLC or Durango Pinnacle Partners, L.L.C. or the Club. Any members shall have, owe, and perform the same obligation to the Club and DSC/Purgatory, LLC or Durango Pinnacle Partners, L.L.C. and the directors, officers, employees, representatives and agents of the Club and DSC/Purgatory, LLC and Durango Pinnacle Partners, L.L.C. with respect to any such loss, cost, claim injury, damage or liability sustained or incurred by any guest of the member.

Section 1.03 Reservations and Cancellations

Reservations are required for some activities of the Club and are taken on a first-come, first-serve basis by pre-registering with the appropriate personnel of the Club.

Section 1.04 Gratuities

Tipping is permitted by Members of the Club or Guests with respect to parking, bag and locker attendants and wait staff. For tipping suggestions, see the Club Manager.

Section 1.05 Children

Members are responsible at all times for the behavior of their children, grandchildren, and the guests of children, on Club property. Children must behave at all times with due consideration for the comfort and enjoyment of others and in a courteous manner toward the staff. Children twelve (12) and under must be accompanied by an adult at all times, and may be at the facilities only with the permission of the Club manager. Certain areas of the club may be restricted to those members and their guests who are 21 years of age or older.

Section 1.06 Attire

Management reserves the right to establish a dress code for any area of the Club should practices warrant it. Use of the pool and spa areas will require all Members and guests to wear appropriate swim attire.

Section 1.07 Mailing Addresses

Each Member shall be responsible for filing, with the Membership Office of the Club in writing, his or her mailing address and any changes hereto, to which the Member wishes all notices and invoices of the Club to be sent. A Member shall be deemed to have received mailings from the Club ten days after they have been mailed to the address on file with the Club.

Section 1.08 Club Services and Activities

1. The Club desires to encourage the use of the facilities for Members' private parties, on any day or evening provided such use does not interfere with the normal operation of the Club or with the services regularly available to the Members. The hosting Member shall obtain approval from and make reservations with the Club Manager prior to any private party.
2. The Member of the Club sponsoring the private party shall be responsible for any damage caused by the installation of party decor and shall be responsible for removal of all such party decor. The Club reserves the right to charge an appropriate security deposit.
3. A Member holding a private party at the Club assumes full responsibility for the conduct of the Member's Guests in accordance with these rules.

Section 1.09 Guests

1. Guests of Members may be extended Guest privileges subject to applicable Guest fees, charges, and rules and regulations established from time to time by Management. Guest privileges may be denied, withdrawn or revoked at any time for reasons considered sufficient by Management in its sole and absolute discretion.
2. Guests will be entitled to use the facilities of the Club only in accordance with the privileges of the Membership of the sponsoring member upon payment of the applicable Guest fees and

charges.

3. The Club Manager may, at his/her discretion, permit additional Guests on a space available basis and upon payment of a fee established by Management, or may further limit Guest use or the number of permitted Guests during peak periods.

4. Guests must be registered in advance by the sponsoring Member with the Club and must sign the Guest register.

5. The sponsoring Member shall be responsible for all charges incurred by the Guest. The sponsoring member is also responsible for the conduct of a Guest while at the Club. If the manner, deportment or appearance of any Guest is deemed to be unsatisfactory, the sponsoring Member shall at the request of the Club, cause such Guest to leave the premises of the Club.

6. Guests are not permitted to sponsor other Guests.

7. The Club reserves the right to require identification of any Guest.

8. Accompanied Guests may use all Club Facilities, if the Facility has capacity, so long as Members accompany their Guests.

Unaccompanied Guests in residence in a DMMA Member's unit paying the "Member Guest Rate" may use the Designated Facilities, if the Designated Facility has capacity. Unaccompanied Guests do not include renters of units ("Rental Guests").

Rental Guests in residence in a DMMA Member's unit paying the "Rental Guest Fee" may use the Designated Facilities. The Rental Guest Fee must be established in advance between DMMA Member or its property manager and the DMMA, which agreement shall include the obligation for the DMMA Member or its property manager to collect and remit fees to the DMMA on all Rental Guests on a per night/per stay basis, regardless of use of the Facilities. The agreement shall be effective for a minimum of one year. All Rental Guests must sign the Guest register.

9. The Designated Facilities permitted to be used include the day spa and Plaza level Lounge (no access charge) and the pool, hot tub and fitness center (for a fee). DMMA Members must be current on their dues and assessments, including the collection and remittance of the DMMA 4% Sales Assessment on rental units, for Guests to use the Club.

10. The intent of these rules and regulations is to permit legitimate users of DMMA owners' residences to access the Club. It is prohibited for DMMA owners' residences to be utilized improperly for the primary purpose of providing access to the Club.