



FREQUENTLY ASKED QUESTIONS

Prepared September 4, 2017

Cimarron Mountain Club ("CMC") will own and operate a private mountain club for the recreation, pleasure and benefit of its Members. Memberships in the Club are offered exclusively to permit Members the social and 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 in the Club.

CMC's mission is to enrich the lives of its Members by providing a unique mountain experience, with other recreational and social activities, that fosters friendship and fellowship within a private, Member-owned setting.

The concepts herein maximize wilderness preservation, deep powder snow, and camaraderie, while optimizing operating efficiencies. They are the most current thoughts of CMC's initial Members and multiple consultants. It is important to note: (i) while the initial Members have owned and operated CMC lands and facilities for more than a decade, nothing like CMC exists, and therefore there are no direct comparisons to study and model; (ii) the concepts are fluid and will be optimized based on Member feedback; and (iii) the concepts are presented in summary and general format and should not be relied upon as a substitute for thoroughly reviewing and understanding the purchase agreements and Club documents.

What is the vision for Cimarron Mountain Club?

Cimarron Mountain Club (“CMC”) is an enduring legacy of alpine life, sport and family. It is a modern wilderness refuge and offers the best of big mountain sport enjoyed in an intimate and natural setting. This is a sanctuary for adventurous families with open hearts bound by the commitment to preserve the character and beauty of these San Juan Mountains.

What is CMC?

CMC is a small club on a very big mountain, including 1,750 private wilderness acres. CMC will be shared by just 15¹ Members and their families and friends. This is a completely private area where no one competes for powder or mountain bike trails, and the snowcats and side-by-sides can be fired up for a host of adventures, any time of day.

While skiing is far from the whole story, it's a big one, with 1,610 vertical and more skiable terrain than Aspen Mountain. Winter activities include skiing untracked, deep powder for days after a storm, snowshoeing, cross country skiing, fat tire biking, steam rooms, a pool and hot tub, fitness center, and boundless wilderness experiences. The summers are equally impressive and provide access to thousands of acres of private, public and wilderness lands, streams and rivers, including the Gold Medal Gunnison River, 15 stocked ponds and a 20-acre mountain lake on property, a planned three-mile singletrack mountain bike loop, and many more experiences brought to life by CMC's Mountain Hosts.

The Club accommodations will include a highly-appointed Lodge at the confluence of the ski runs, six Lodge guestrooms and three four-bedroom Club Cabins. Members will also be deeded a cabin site on which to build their own cabin in time, if they desire.

This unique wilderness outpost will feature:

- > Near limitless recreational activities, managed by the CMC Mountain Hosts.
- > Wonder, adventure, and if you choose, wilderness education.
- > Access to thousands of acres of private lands, wilderness, streams and rivers, including the majestic and world-renowned Gunnison Gorge.
- > 1,000 acres of private skiing terrain and 950 additional skiable acres on adjacent public lands.
- > 200 square miles of heli-skiing in the High San Juan Mountains with pickups directly at CMC.
- > World-class fly fishing, big game hunting, trap shooting, and 15 stocked on-property ponds.
- > A 20-acre mountain lake for fishing, canoeing, kayaking and stand-up paddle boarding.
- > Miles of trails for cross country skiing, snowshoeing, fat tire e-bike riding, mountain biking and hiking.
- > Sledding and tubing hills in the winter.

¹ Mark Mance, Northview Hotels and Resorts' Founding Partner, has entered into an option agreement to join CMC and acquire a cabin site within five years of the launch of the Club, which is anticipated to be April 2018. If exercised, Mr. Mance would (i) be the 16th Member, (ii) choose a cabin site after all 15 of the Founding Members have selected their own, (iii) pay any and all applicable county application and platting costs, (iv) pay any and all costs to upgrade the Club's infrastructure necessary to accommodate the additional cabin site, and (v) pay to the Club a price for Club initiation and purchase of his cabin site equal to the price paid by the Founding Members, including any upfront capital costs, increased by 4% per year.

- > World-class rock climbing in the summer, with third party guides.
- > Thirty miles of groomed snowmobile trails deep into the adjacent National Forest and skirting the spectacular Uncompahgre Wilderness Area, with numerous peaks above 13,000 feet.
- > Vibrant and carefully developed kids programs.
- > Member-only accommodations in the CMC Lodge and Club Cabins.
- > A culinary team inspired by locally harvested and sourced ingredients.

Travel planning and property management services provided by the CMC Staff. In short, CMC will be a year-round, welcomed retreat for the Members and their families and friends.

What are the Club facilities?

The Club facilities include:

- > 1,750 acres of privately owned land, surrounded by thousands of additional acres of undevelopable public and National Forest lands.
- > 2,800 square-foot, four-bedroom cabin (the Caretaker's Cabin) at the entrance to CMC, which is proposed to be used as Staff housing.
- > 4,500 square-foot, six-bedroom custom log cabin in Eagles Rest, approximately 1.5 miles from the entrance to CMC, which is proposed to be sold by the Club in time, as approved by the Members.
- > A small cabin below Washboard Rock, which is proposed to be used as Staff housing.
- > 3,600 square-foot equipment barn adjacent to the Caretaker's Cabin.
- > 60+ ski runs have been carved and gladed. Their layout and development were guided by Mike Larson, the founder of International Alpine Design who helped sculpt 200 runs at Vail and its 500-acre Blue Sky Basin.

By the start of the 2018/2019 winter season, weather permitting:

- > **Three four-bedroom Club Cabins** with inspiring views will be just a short walk from The Lodge. Each Club Cabin will feature two master suites and two additional bedrooms (each with en-suite bathrooms), living and dining areas, and comfortable outdoor living areas that are heated at night and in winter by outdoor fire pits and fireplaces. During the Club's first operating year and prior to the completion of The Lodge, one of the three four-bedroom Club Cabins is proposed to serve as the Club Lodge.
- > A new **mid-mountain Barn** will house CMC's snowcats, groomer cats, side-by-sides, four-wheelers, and additional toys, as well as Staff accommodations.
- > **Two new Manager Cabins** will be built a quarter-mile from the Upper Club (core Lodge and Cabin area).
- > **High-speed internet with VOIP** will be added to cover the Upper Club.
- > A **Warming Hut** will be located on the shores of High Park Lake, the Club's 20-acre high-mountain lake. The Warming Hut will be a heated destination for winter hikers and cross-country skiers to stop in, to warm up and to have a bit of hot cocoa. In summer, it will be outfitted with fishing tackle and rods, with canoes, kayaks and SUPs located nearby.

By the start of the 2019 summer season, weather permitting:

- > A new 3-mile singletrack mountain bike loop will be added.

By the start of the 2019/2020 winter season, weather permitting:

- > **The Lodge**, with approximately 14,000 square feet including six guestrooms, will be located at the confluence of the ski runs on the Upper Club. It will feature grand views of the surrounding wilderness, multiple seating and dining areas, bar, game and kids areas, fitness, steam and massage rooms, outdoor pool, hot tub, ice skating pond and fire pit. For those in smaller parties, The Lodge Guestrooms will be the perfect retreat.

How has this opportunity been made possible?

Throughout the 1990s and early 2000's, Jim Aronstein, a retired natural-resources lawyer from Denver (and buoyant powder hound), and his wife, Patsy, searched high and low through the western mountain ranges for what could be the world's only, intimate private wilderness club with skiable terrain to rival the best. Jim and Patsy identified more than a dozen potential sites, located in six Rocky Mountain states and provinces, and visited every one. In the end, just one met all their criteria – Cimarron Mountain Club.

Jim and Patsy purchased the land in 2004 and in 2012 invited some close friends, Kim and Gail Koehn, to join them as the initial Members. A few years ago, they started thinking about sharing it with a handful of others. They called upon some friends to flesh out the ideas. John Norton, a classmate of Jim's at Dartmouth College and the former second-in-command at Aspen Skiing Co. and boss of Crested Butte Mountain Resort, was the first to visit and was determined to dissuade his friend from investing too heavily in a private ski area. Instead, he was blown away. John then invited Johnnie Stevens, the former COO of Telluride Ski Resort, Andy Daly, the former President of Vail Resorts and mayor of the town of Vail, and Bill Kane, the former planner for Aspen Skiing Co. and longtime principal of planning outfit Design Workshop, who now serves on the Colorado Parks and Wildlife Commission. These ski industry heavyweights have been serving as an informal Board of Advisors and have contributed significantly to the unique vision for this little club on a big mountain. In 2016, Jim was introduced to Northview Hotels and Resorts ("NVHR"), a leading owner/operator of unique, independent hotels and clubs throughout the US, including Madeline Hotel and Residences in Telluride. NVHR has helped refine the capital improvements and operating plan for the Club. The concept is simple and highly unique: preserve the powder and protect the wilderness.

Who will be able to enjoy CMC?

CMC will operate exclusively for the enjoyment of the Members and their accompanied Guests.

Will CMC operate year-round?

CMC will operate during three seasons each year:

- > 17-week winter season, from mid-December through the first week in April.
- > 14-week summer season, from mid-June through the third week in September.
- > A hunting season, from late-September until mid-November, during which CMC will accommodate one Member and their hunting party on property at a time. The available time will be allocated on a lottery basis each year. It is also proposed to allow bow hunting on portions of the property during the September hunting season.

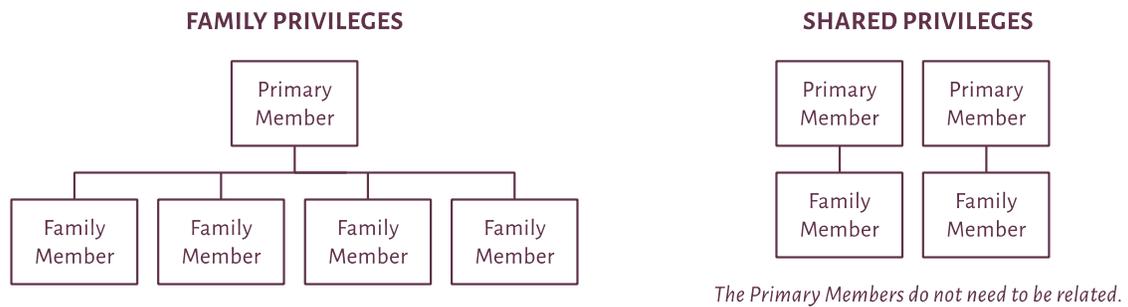
The season lengths could vary based on mountain/snow conditions and input from the Members and Staff.

What is the Membership opportunity?

15 Members will equally share CMC – encompassing more skiable terrain than Aspen Mountain and some of the best skiing in North America. Members will also own a private site on which to build their own cabin, if they so desire. Three of the 15 Memberships are committed, including CMC’s two initial Members and Park Shaper, whose company is providing a loan to the Club to see it through its organizational and planning stage and who hopes to become a Member of the Club when it formally launches in 2018.

Will there be different membership types?

There will be a single class of Membership with two types of use privileges.



Family Members may include the Primary Member’s spouse or significant other, children and grandchildren.

Where is CMC?

Tucked away in southwest Colorado’s San Juan Mountains, between Telluride and Crested Butte, are 1,750 private wilderness acres in the Cimarron Range. Surrounded by National Forest and public lands, and just south of the Black Canyon of the Gunnison National Park, CMC is home to some of the most inspired wilderness experiences in the Country.

Driving: 45 minutes (35.3 miles) east of Montrose, CO, two hours (82.1 miles) southwest of Crested Butte, CO, and two hours and 20 minutes (98.9 miles) northeast of Telluride, CO. Helicopter: 10 minutes from the Montrose Airport, 16 minutes from Telluride, CO, and 25 minutes from Crested Butte, CO.

How accessible is CMC?

CMC is just 45 minutes from the Montrose, CO Airport. Private aircraft services are available, as well as non-stop, commercial flights from major cities throughout the United States.

2017 MONTROSE, CO NON-STOP COMMERCIAL SERVICE		
Year Round	Winter Season (Dec – Mar)	Summer Season (Jun – Aug)
Denver	Atlanta	
Dallas	Chicago	Chicago
	Houston	Houston
	LaGuardia	
	Los Angeles	
	Newark	
	Phoenix	Phoenix
	San Francisco	

What are the mountain stats?

CMC’s vertical rise is 1,610 feet (base 9,820’ and summit 11,430’) and there are currently 60+ runs over 1,000 private acres of skiable terrain, and 950 skiable acres on adjacent public lands. The terrain is a diverse mix of beginner, intermediate and advanced trails, with an emphasis on steep and deep powder runs. Here, it will be entirely possible for Members and their Guests to ski untracked powder continuously for numerous days following a storm.

	CMC	Aspen Mountain	Crested Butte	Beaver Creek	Telluride	Yellowstone Club
<i>Avg. Snowfall</i>	350”	300”	300”	236”	309”	n/a
<i>Vertical</i>	1,610’	3,267’	3,062’	3,340’	4,425’	2,700’
<i>Peak</i>	11,430’	11,212’	12,437’	11,440’	12,570’	9,860’
<i>Base</i>	9,820’	7,945’	9,375’	8,100’	8,725’	7,160’
<i>Skiable Acres</i>	1,950	673	1,547	1,832	2,000	2,200
<i>Runs</i>	60+	76	121	149	127	60+
<i>Skiers per Day</i>	19	2,174	n/a	5,708	3,464	761

Sources: National Ski Areas Association and compiled skier visit information from multiple sources. CMC’s annual snowfall has been recorded the last two years and a breakdown of the terrain is available below. Statistics for CMC include terrain on adjacent National Forest and public lands.

What skiing is available or contemplated on CMC’s private lands?

On CMC’s private lands, the skiing is accessible from 15 drop-in points along CMC’s two and a half miles of the Cimarron Ridge. From the highest point at 11,430’, the runs drop 1,610 vertical feet to the Upper Club meadows at 9,820’, and there are approximately 1,000 acres of skiable terrain on these private lands.

Uncompahgre Ski Territory, the southernmost private territory, has 200 acres and 1,375 vertical (11,195' peak). Here you'll find beginner, intermediate and advanced runs, as well as a high-elevation bowl, groomed nightly. **Castle Cirque** Ski Territory, to the north of Uncompahgre, has 400 acres and 1,610 vertical (11,430' peak). This is where you'll find steep and deep powder runs, chutes and extensive glades of spruce, fir, pine and aspen; a series of technical couloirs are just a bit further north. **Washboard** Ski Territory, the northernmost territory (not yet fully improved), has 250 acres and 450 vertical over a half mile. The plan for this area includes a series of wide groomed trails. Families with young children will love this private, secluded area serviced by a private snowcat or side-by-side, depending on the skier group size. Off the backside of the Cimarron Ridge, the **West Face** Ski Territory (not yet fully gladed) has 150 acres and 1,070 vertical (11,350' peak). This area will be open for the first time this winter, allowing access to steep meadows and great tree skiing. In time, it is proposed to extensively glade a significant portion of this terrain for what will be some of the best tree skiing on property.

What skiing is available on the adjacent public lands?

To the south of the CMC private lands are Bureau of Land Management and National Forest lands, encompassing another 950 acres of hike-to terrain². The **Couloirs** Ski Territory, featuring massive spires that tower hundreds of feet overhead, is situated on BLM land and has 350 acres and 1,690 vertical (11,515' peak). The territory extends just over a mile to the south along the Cimarron Ridge from CMC's private property. Here, more advanced skiers ready to skin will find 13 main couloir drainages and approximately 34 starting zones; the first set of couloirs is just a four-minute skin from the southern edge of the Uncompahgre Ski Territory. The **Monument Basin** Ski Territory is situated on Forest Service land to the south of the Couloirs and has over 600 acres of tree skiing and 1,705 vertical (11,620' peak). This ridge extends for more than three miles, which makes for a great day of exploration. All of the terrain found here funnels down to the Club's Warming Hut at High Park Lake.

How many cat skiing days will each Member receive each winter?

Each Membership (Family Use, including up to five Members or Shared Use, including up to four Members) will receive 115 total cat skiing days each winter included in their dues. Additional cat skiing days are proposed to be billed at \$125 for a half day and \$175 for a full day.

What will be the uphill capacity at the start of the Club?

When CMC opens for the winter season in December 2018 it will have one 22-passenger snowcat, one 13-passenger snowcat and one 11-passenger snowcat, for total uphill capacity of 46 passengers. At full occupancy, with eight skiers in each of the three Club Cabins and two skiers in each of the six Lodge Guestrooms, there could be a maximum of 36 skiers on property. Therefore, CMC will have many different ways to pair up groups of skiers based on requests and abilities.

² The National Forest and public lands adjacent to CMC's private ski areas are open for hiking and skiing, among other activities. CMC is working with the authorities to agree upon the most appropriate permits or authorizations, if any, required for CMC's Guides to lead Members and their Guests in these areas.

Will guides be required when skiing?

CMC’s expert guides will initially be required when skiing outside of the groomed Uncompahgre Ski Territory. Over time, as certain Members are certified by the Guides, it is entirely possible they will be allowed to ski all of CMC’s territories on their own, if they prefer.

How will the Club preserve the powder?

The General Manager and Guides will define a plan for each day, and it will be expected that Members and Guests will comply. These plans will take into account existing or approaching storms and the forecasted Member use of the Club. When there’s plenty of snow falling or on the way, the plan will be to tear up the mountain. When snow is not in the forecast, the plan for the day may be to restrict skiing to certain territories to preserve powder conditions for the benefit of the majority of Members.

Are there heli-skiing options from the Club?

Telluride Helitrax, based in Telluride, is available to pick-up and drop-off right at CMC’s Upper Club. Helitrax flies the Eurocopter AS350 B3s, built for high-altitude mountain flying and superior performance in all weather conditions. Its terrain includes 200 square miles of high alpine basins, cirques and summits.

How many nights per year may a Member use the Club Cabins and Lodge Guestrooms?

The table below includes the approximate nights per Member, assuming equal use by all 15 Members.

Accommodations	Winter Season (17 weeks)	Summer Season (14 weeks)	Total
Four-Bedroom Club Cabins	24 nights	20 nights	44 nights
Lodge Guestrooms	47 nights	39 nights	86 nights
Total	71 nights	59 nights	130 nights

How will the Members make Club Cabin reservations?

In Spring 2018, just after the start of the Club, a priority order will be established for each Founding Member per a lottery. In the fall each year, the Members will submit their preferred dates and the Club Staff will make reservations based on the Members’ priorities. To start, each Member, per their priority and preference, will be provided one seven-day reservation in either the winter or summer season. Then, in reverse order, each Member, per their priority and preference, will be provided one seven-day reservation in either the winter or summer season. This will be repeated until each Member has three seven-day reservations in the winter season and two seven-day reservations in the summer season. Members will be allowed to trade priorities and reservations per their own terms. The Member with the first priority in year one will have the last priority in the next year, and so on.

During the 17-week winter season, up to 45 of 51 available weeks could be reserved in advance. During the 14-week summer season, up to 30 of 42 available weeks could be reserved in advance. The Members may reserve these 18 additional weeks throughout the year on a space available basis, up to 14 days in advance of arrival. Each Member will be allowed to have one space available reservation in a Club Cabin on-the-books at one time.

How will the Members make Lodge Guestroom reservations?

Per the same methodology as above, each Member will be provided two five-day reservations in up to two Lodge Guestrooms; one winter and one summer reservation. Following this, the Members will be able to make reservations in The Lodge Guestrooms up to 14 days in advance of arrival, for up to two Lodge Guestrooms at a time. To provide the greatest availability for last-minute use, it is proposed, only CMC's Primary Members will be able to reserve the CMC Lodge Guestrooms.

During the 17-week winter season, up to 15 of 143 available five-days stays could be reserved in advance. During the 14-week summer season, up to 15 of 118 available five-day stays could be reserved in advance. Therefore, 230 additional five-days stays could be reserved on a space available basis by the Primary Members, up to 14 days in advance of their arrival. Each Member will be allowed to have one space available reservation in The Lodge on-the-books at one time.

What transportation options will be available from the Montrose Airport?

All transportation will be arranged by CMC Staff. This may include CMC's vehicles and Staff or its preferred partners. Members arriving at the Club by car will be promptly loaded in the CMC over-snow vehicles and transported to the Upper Club. Members arriving by helicopter will land near The Lodge.

With no paved roads, how will the Members access CMC and all of its amenities?

CMC has more than six miles of high quality gravel roads. In the winter, the roads will be packed and groomed by snowcats, rather than plowed. Transportation in the winter months will be by over-snow vehicles and in the summer by 4x4 vehicles – the Member's or the Club's. CMC's fleet will include passenger snowcats, the dual-tracked Alpina Sherpa snowmobiles with seating for up to 15, one Suburban (seats 8) and one 4x4 passenger van (seats up to 15) outfitted with snow tracks. The Lodge will be centrally located – within walking/snowshoeing distance of the Club Cabins and many Member cabin sites.

What are the proposed staffing levels?

The Leadership Staff will include the General Manager, two Mountain Hosts with a wilderness focus, one Host with a fitness focus, Executive Chef and Cook, Property Operations Manager and Head of Housekeeping. Additional staff, including but not limited to winter ski guides and groomers, guestroom attendants, massage therapists, and servers will be added based on forecast occupancy.

Who will oversee Staff hires and operations?

Northview Hotels and Resorts (“NVHR”), a leading owner/operator of unique, independent hotels and clubs throughout the US, including Madeline Hotel and Residences in Telluride, has been retained by CMC to oversee the Club and the Staff, standards, and operations for at least two years, and up to five years based on the approval of the Members. NVHR will work directly with the Board and General Manager. During the term of service, NVHR’s principals will be provided the opportunity to use and study the Club on a space-available basis at rates comparable to those paid by Guests of Members.

How have CMC’s operations and capital improvements been planned and budgeted?

NVHR has performed extensive due diligence and developed detailed ground-up standards and operating models for CMC, which drive the proposed dues and will be shared with all of the committed Founding Members. NVHR’s Design and Construction Group has overseen the planning and development of the capital improvement projects and budgets and will oversee their construction from the launch of the Club until The Lodge is complete in December 2019, weather permitting.

Who will make up the Club Board?

At the first Annual Meeting of the Members, proposed to take place at the start of 2019, the Founding Members will establish a three-member Board. The Board will elect a President and Secretary, and the Board Members will serve staggered three-year terms. Until the first Annual Meeting, Jim and Kim, CMC’s initial Members, will serve as the Board Members.

As a Member, what are my voting rights?

The Board will make regular operating decisions. The Members will be requested to vote on significant matters, including but not limited to any proposed changes to the Club Bylaws and capital expenditures over \$500,000. Passage of resolutions related to significant matters will require approval by 11 of 15 Members.

What is the initial buy-in?

The proposed buy-in is between \$3.2 and \$3.4 million, which will be finalized based on the final capital improvement estimates. The proceeds will be used to build capital improvements, allow CMC’s initial Members to recoup their investment to date, and pay closing, brokerage and consulting costs.

What is the proposed process to close?

Each prospective Founding Member will complete a short bio/application, which will be presented by Telluride Properties to the Club. Each approved prospective Founding Member will be invited to visit and ski CMC mid-December 2017 through mid-February 2018; return visits will be scheduled mid-February through March. Requests for final deposits will be made starting in mid-February, prior to or at which time the closing and Club Documents will be shared. At the end of March, it is anticipated the closing will take place and CMC will be born.

How soon after the close may we come and enjoy CMC?

CMC will be open for the 2018 summer season with accommodations provided in the Caretaker's Cabin and, based on Member input, the Eagles Rest Cabin. This first summer will primarily be an opportunity for the Founding Members to come enjoy the variety of recreational activities, become familiar with the land, walk the available private cabin sites, and begin to build relationships with the staff.

How were the Member cabin sites identified?

Bill Kane, a principal with Design Workshop out of Aspen, planned the original layout. Each Member cabin site has been identified to maximize privacy and views, yet encourage clustering, minimize development costs, and provide a variety of locations, views, and surroundings. Each Member cabin site is approximately 35-acres, though the Club will retain use easements outside of the building envelopes, as many of the sites include skiable terrain.

How will the Members select their cabin sites?

Twenty-nine total sites have been identified, from which the Founding Members will select 15. Jim, Kim and Park have or will make their selections shortly. The 12 additional Founding Members will make their selections in the order of their commitment/refundable deposit to the Club (e.g., the first Founding Member to make a commitment/refundable deposit to the Club will receive first choice of the cabin sites). The Founding Members will make their cabin site selections at the end of the 2018/19 winter season, or approximately 12 months after closing. This timeline will allow each Founding Member the opportunity to review the available cabin sites during the 2018 summer and 2018/19 winter seasons. After the 15 Founding Members have been deeded their cabin sites, the remaining 14 sites will be transferred back to the Club and remain as open space.

How will the Members know their funds are secure prior to selecting our cabin sites?

The 29 Member cabin sites will be held in a trust with each of the Founding Members named as beneficiaries.

Is there a requirement for Members to build private cabins?

No. Given that the six Lodge guestrooms and three four-bedroom Club Cabins will provide significant accommodations, it is entirely possible some Members may choose not to build a private cabin.

What are the proposed annual dues?

Based upon stabilized club operation projections, the annual dues are projected to be between \$55,000 and \$65,000 annually; the first-year operating expenses (for the period of April through October 2018) will be included in the initial purchase price. The Club dues include Staff salaries and benefits, operating costs, fixed costs (e.g. insurance, real estate taxes) and up to 115 days of cat skiing per Membership. Detailed operating models will be shared with the committed Founding Members.

What is the process if a Member desires to sell their Membership?

Although it is expected the Founding Members will join CMC with the goal of transferring the Membership to their heirs, when a selling Member has identified a buyer and accepted an offer, and the buyer has been approved by the Club, the selling Member will surrender his or her membership to the Club. The Club will then reissue the membership to the buyer at the current initiation fee. The Member's private cabin site/cabin price and closing details will be agreed upon by the selling Member and buyer.