



## **FREQUENTLY ASKED QUESTIONS**

*Prepared July 5, 2018*

*Cimarron Mountain Club (“CMC”) owns and operates 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 are being 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 lot purchase agreement 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 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 13<sup>1</sup> Members and their families and friends. This is a completely private area where no one competes for powder or secret fishing spots, 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, 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 (with trophy-size cutthroat, rainbow and brook trout), a three-mile single-track mountain bike loop, and many more experiences brought to life by CMC’s Mountain Hosts.

The Club accommodations will include a Lodge at the confluence of the ski runs, four Lodge guestrooms, two two-bedroom plus loft Club Yurts, and one three-bedroom Club Cabin. Members are also deeded a 35-acre 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 (trophy elk, mule deer and black bear), 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.

<sup>1</sup> 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, July 2, 2018. If exercised, Mr. Mance would (i) be the 14<sup>th</sup> Member, (ii) choose a cabin site after all 13 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 original Founding Members, including any upfront capital costs, increased by 4% per year.

- > Sledding and tubing hills in the winter.
- > 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 Lodge, Club Yurts and Club Cabin.
- > A culinary team inspired by locally harvested and sourced ingredients.
- > Travel planning and property management services provided by the CMC Staff.

In short, CMC is 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, three-bedroom Black Bear Cabin at the entrance to CMC.
- > 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 used as Staff housing.
- > 3,600 square-foot equipment barn adjacent to the Club Cabin.
- > 60+ ski runs sculpted by Mike Larson, the founder of International Alpine Design who oversaw the layout of 200 runs at Vail and its 500-acre Blue Sky Basin.
- > Three-mile single track mountain biking loop, which will serve as a snowshoe trail in the winter.
- > Several hiking trails with spectacular views.

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

- > **Two luxury sleeping Yurts** with inspiring views will be just a short walk from the future Lodge location. Each Club Yurt will feature two bedrooms, a sleeping loft, full bathroom, living area, and entry deck.
- > **Kitchen, Dining and Lounge Yurts** joined together by a large, sunny deck will be used prior to construction of the Lodge, after which they will be repurposed as ski and boot rooms and other functions as determined by the Membership.

By the start of the 2019/2020 winter season, weather permitting and based on the Club welcoming its seventh and eighth Member by March 31, 2019:

- > **The Lodge**, with approximately 5,000 square feet including four guestrooms, will be located at the confluence of the ski runs on the Upper Club. It will feature grand views of the surrounding wilderness, lounge and dining areas, bar, outdoor spa and fire pit.
- > 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.
- > **One new Manager Cabins** will be built a quarter-mile from the Upper Club (core Lodge and Cabin area).

- > 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.

### ***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. On July 2, 2018, the vision was realized with the official launch of CMC by six Founding Members families – the Aronstein's and Kohens from Denver, CO, Shapers from Houston, Flaggs from Boulder, Oylers from Beijing, and Batys from Seattle.

### ***Who is able to enjoy CMC?***

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

### ***Does CMC operate year-round?***

CMC operates 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 accommodates one Member and their hunting party on property at a time. The available time is allocated on a lottery basis.

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

***What is the Membership opportunity?***

13 Members will equally share CMC – encompassing more skiable terrain than Aspen Mountain and some of the best skiing in North America. Members also own a private 35-acre site on which to build their own cabin, if they so desire. 6 of the 13 Memberships are committed. Each Family Membership includes a Primary Member and up to four additional Family Members, which 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 is

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 opened for the first time in 2018, 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 terrain<sup>2</sup>. 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).

<sup>2</sup> 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.

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 High Park Lake.

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

Each Membership will receive 125 total cat skiing days each winter included in their dues. Additional cat skiing days are proposed to be billed at \$150 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 23-seat bus cat and one 15-seat bus cat, for total uphill capacity of approximately 30 skiers plus drivers and guides. Once the Club's ninth Member has been welcomed into the Club, the capital plan contemplates the purchase an additional 12-seat bus cat, bringing the total uphill capacity to approximately 38 skiers plus drivers and guides.

***Will guides be required when skiing?***

CMC's expert guides accompany Members and their Guests when skiing outside of the groomed Uncompahgre Ski Territory. Over time, as Members are certified by the Guides, they will be allowed to ski all of CMC's territories without Guides, if they prefer.

***How will the Club preserve the powder?***

The General Manager and Guides define a plan for each day. The plans 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 is usually to tear up the mountain. When snow is not in the forecast, the plan for the day can restrict skiing to certain territories to preserve powder conditions for the benefit of all the 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 Ridge or 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 days may a Member use the Club per year?***

As much as is desired. Each Member is allowed to bring three Family Members or guests on any given day. With 13 Members and 3 guests a piece, there would be 39 total Members and Guests on property, which is right in line with the Club's uphill capacity. Members may request to bring more than 3 guests, and in any



instances where there are more than approximately 39 skiers on property, the Club would simply have some ski in the morning and the others in the afternoon.

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

There is no limit other than ensuring each Member receives equitable use throughout each Club year, if they so desire.

***How do the Members make overnight reservations?***

The Members make Priority Reservations in September for the following Club year (November through October). Members make two seven-night Priority Reservations in both the winter and summer season. The Members may then make one Space Available Reservation for up to a week in either the winter or summer season. And finally, the Members may make Last Minute Reservations up to seven days in advance of the proposed arrival date. For more information regarding overnight reservations, please see the Club Rules.

***What transportation options are available from the Montrose Airport?***

All transportation is arranged by the CMC Staff. Members arriving at the Club by car are promptly transferred into the CMC over-snow vehicles and transported to the Upper Club. Members arriving by helicopter land at the Upper Club.

***With no paved roads, how do 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 are packed and groomed by snowcats, rather than plowed. Transportation in the winter months is by over-snow vehicles and in the summer by 4x4 vehicles – the Member's or the Club's. CMC's fleet includes passenger snowcats, the dual-tracked Alpina Sherpa snowmobiles with seating for up to 15, and one Suburban (seats 8) equipped with snow tracks; in time the Club's fleet will also include 4x4 van outfitted with snow tracks. The Lodge will be centrally located – within walking/snowshoeing distance of the Club Yurts and many Member cabin sites.

***What are the staffing levels?***

The Leadership Staff includes the General Manager, two Mountain Hosts that are also the Club's lead Chefs, one Host with a fitness focus, and the Property Operations Manager. Additional staff, including but not limited to winter ski guides and groomers, guestroom attendants, and servers are added based on forecast occupancy.

***Who oversees 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 works directly with the Board and General Manager. During the

term of service, NVHR's principals have been provided the opportunity to use and study the Club on a space-available basis.

***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 are shared with all committed Members. NVHR's Design and Construction Group has overseen the planning and development of the capital improvement projects and budgets and is overseeing their construction.

***Who makes up the Club Board?***

Currently, Jim and Kim, CMC's initial Members, make up the board. At the first Annual Meeting of the Members, to be convened prior to December 15, 2018, the Members will establish a new three-member Board. The Board will elect a President and Secretary, and the Board Members will serve staggered three-year terms.

***As a Member, what are my voting rights?***

The Board makes regular operating decisions. The Members are requested to vote on significant matters, including but not limited to any proposed changes to the Club Bylaws and capital expenditures over \$40,000 per Member. Passage of resolutions related to significant matters require approval by 75% of the votes cast.

***What is the buy-in?***

The current Membership initiation fee is \$2.825 million; the Founding Members' initiation fee was \$2.625 million.

***What is the process to close?***

Each prospective Member is required to complete a Membership Application, which is presented by Telluride Properties to the Members. Each approved prospective Member is then invited to visit and/or ski CMC. Additional Club Documents and the Lot Purchase Agreement are required to close.

***How soon after the close may I come and enjoy CMC?***

Immediately, based on accommodation availability.

***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 was identified to maximize privacy and views, yet encourage clustering, minimize development, and provide a variety of locations, views, and surroundings. Each Member cabin site is approximately 35-acres, though the Club retains 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 were identified, from which the Founding Members will select 6. Jim, Kim and Park have made their selections. The four additional Founding Members will make their selections no later than April 1, 2019. New Members will make their selections in the order they are welcomed into the Club. After all Members have selected and been deeded their sites, the remaining 14 sites will be transferred back to the Club and remain as open space.

***Is there a requirement for Members to build private cabins?***

No. Given that the four Lodge guestrooms, two Club Yurts and one Club Cabin will provide significant accommodations, it is entirely possible some Members may choose not to build a private cabin.

***What are the annual dues?***

Once stabilized, with 13 Members, the annual dues are estimated to be \$62,000 - \$67,000 per year. 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 same price paid by the surrendering Member and the proceeds of the sale will be returned to the surrendering Member. The Member's private cabin site/cabin price and closing details will be agreed upon by the selling Member and buyer.