

Dear Future Member:

Greetings from the beautiful Sierra Nevada. Since its opening, Nakoma Golf Resort & Spa has earned accolades for its majestic Dragon golf course and dramatic Frank Lloyd Wright clubhouse. Our company was fortunate enough to purchase this stunning property in 2010, during the depths of the recession, at an advantageous price. Since that time, we have worked diligently to enhance the already superior year-round experience offered at Nakoma.

We are now excited to introduce a new way to own at Nakoma with the goal of passing along the benefits and value we received from our timely acquisition to you.

As soon as we purchased Nakoma, we began researching the best ways to offer real estate ownership and golf membership privileges. We discovered that equity residence clubs<sup>SM</sup> have been enthusiastically embraced at some of the world's most prestigious destinations for more than 20 years. We studied this form of ownership and became convinced that it's a real estate option that fits beautifully at Nakoma. Residence clubs allow busy couples and families to enjoy quality time together without the typical worries, responsibilities, and financial burdens of absentee ownership. It's a sensible, flexible, and carefree way to own real estate. We have further enhanced the appeal and value by incorporating lifetime golf privileges into our residence club.

Consequently, we are pleased to present The Residence Club at Nakoma. If you treasure quality time with your loved ones, desire an elegant vacation home on a spectacular alpine golf course, enjoy pampering hotel service, and want lifetime golf privileges -- all at a once-in-a-lifetime price -- The Residence Club at Nakoma is perfect for you.

This Membership Information Booklet explains how the club operates, why the concept is so compelling, and how you can maximize enjoyment of your new home away from home. We're confident The Residence Club at Nakoma will reward you with the ultimate High Sierra lifestyle and exceed your expectations. It's a beautiful way to live and a smart way to own. We invite you to join us.

Warm regards,

Ryan M. Schoff

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President / The Schomac Group, Inc.

General Partner / Nakoma Golf Resort & Spa

Members of The Residence Olub at Nakoma enjoy
a lifetime of lodging and golf privileges in an awe-inspiring Sierra Nevada
environment. The Club residences reside within the prestigious Nakoma resort

community, adjacent to the highly acclaimed Dragon golf course and its iconic

Frank Lloyd Wright clubhouse. Residence Club members enjoy frequent

and flexible lodging during each of Nakoma's enticing seasons.

Club memberships provide the ultimate High Sierra experience by combining

the advantages of vacation home ownership with resort Amenities and hotel services,

while eliminating the typical worries and responsibilities of absentee ownership.

# Amenities and Services...

The following amenities and services are provided for the enjoyment of Residence Club members and their guests:

Spectacular Alpine Location // Nakoma Golf Resort & Spa is situated less than an hour drive northwest from Truckee/Lake Tahoe. It is surrounded by the majestic Sierra Nevada, nearly 50 lakes, and the scenic Feather River. In addition to superlative golf, members have easy access to an abundance of lake, river and stream fishing, hiking, mountain biking, horseback riding, cross-country skiing, snow shoeing, and a yearround calendar of festivals and special events. The Residence Club at Nakoma also serves as your headquarters for alpine skiing at Northstar, one of Lake Tahoe's pre-eminent ski destinations that is just 45 minutes away. Peace, tranquillity, recreation, and adventure satisfy during every Nakoma season.

Dragon Golf Course // Perched above the wild and scenic Feather River, the Dragon is a true mountain course boasting stunning views from every tee box. Keeping your eye on the ball is a challenge in such an exquisite natural environment. The dramatic mountain vistas are perfectly complemented by the Robin Nelson-designed championship golf course that accommodates all ability levels.

Clubhouse // Residence Club members have access to Nakoma's magnificent clubhouse, designed by Frank Lloyd Wright. This iconic facility houses a reception foyer, full-service restaurant, bar, lounge, spa, exercise facility, golf shop and ski touring center.

Club Residences // The charming Frank Lloyd Wright-inspired Club residences are tucked among the trees bordering the picturesque 10th fairway. Each of the fully furnished and accessorized studio, one-bedroom and two-bedroom residences feature gracious bathrooms, saunas and outdoor hot tubs.

## Clothing and Equipment Storage //

There's no need to bring golf clubs, fishing gear, sports apparel or other vacation items. Leave your clothes and sports equipment at your Residence Club. They will be securely stored until your next worry-free Nakoma vacation. Your equipment and clothes are retrieved by your Club staff after each worry-free visit and placed in your Club residence just prior to your next arrival.

**Bell Service** // Upon arrival, a bellman will take your luggage to your residence and retrieve it when it's time to return home.

Dragon Golf Privileges // Residence Club members (member and spouse) have full lifetime golf privileges at the prestigious Dragon golf course. While in residence, you pay no green fees or cart fees. If you are not in residence, you pay only the cart fee.

**Club Golf Carts** // A golf cart is positioned at each Club residence. The Residence Club cart is your transportation within the resort and on the course.

Nakoma Touring Center // Conveniently located in the Nakoma clubhouse during the winter season, the Touring Center is headquarters for cross-country skiing and snowshoeing. Just outside your Club residence are miles of groomed ski loops that are perfect for the beginner, intermediate and advanced classic or skate skier. Delight in the spectacular mountain views while benefitting from one of the most enjoyable and efficient forms of outdoor exercise. Ski equipment is available for rental or sale and lessons are also offered.

Concierge Service // Your Club concierge will update you on weather conditions, arrange your golf tee times, make your dinner reservations, and take care of any other special needs.

Housekeeping Service // The Residence Club housekeeping staff makes sure your residence is immaculate when you arrive and is ready for the next arriving member after you depart. An optional daily tidy service is available upon request for a fee.

## Pre-Arrival Grocery Shopping Service //

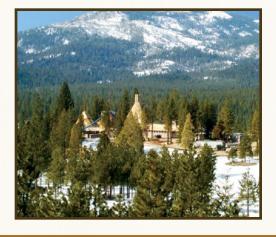
At your request and for a service fee, your favorite foods and beverages will be purchased on your account and placed in your kitchen just prior to your arrival.

The Residence Club Staff // Your attentive Club staff is dedicated to making every visit to Nakoma Golf Resort & Spa fun-filled and worry-free.

#### Elite Alliance Exchange Privileges //

Residence Club membership is your passport to vacation at other luxury residence clubs through the Elite Alliance exchange program.

**THE MASTER ARCHITECT:** Frank Lloyd Wright believed that form and function should merge. Nakoma's iconic clubhouse, with its fabled Wigwam Room restaurant, FLoW Bar & Lounge, and Dragon golf shop, speaks beautifully to this design philosophy.



# Questions and Answers...

#### What is The Residence Club at Nakoma?

The Residence Club at Nakoma is an equity residence club™ providing members shared ownership of charming, fully furnished Frank Lloyd Wright-inspired residences within the prestigious Nakoma resort community. Members lodge in meticulously appointed residences tucked among the trees along the 10th fairway of the highly acclaimed Dragon golf course. The Club staff ensures worry-free ownership and hassle-free vacations.

### As a Club member, do I have golf privileges?

Yes. Residence Club members and their spouses have full golf membership privileges at the prestigious Dragon golf course. While in residence, you pay no green fees or cart fees. A golf cart is stationed at your Club Residence during each Club vacation for use on the course and for intra-resort transportation. If you are not in residence, you and your spouse still have golf privileges and pay only the cart fee.

#### Do Club members own real estate?

Yes. The Club's residential real estate is held by the Residence Club Association for the benefit of the Club members.

#### How many memberships will be sold?

There are only eight Club memberships per every 52 weeks available in each Club residence. Each member enjoys frequent and flexible lodging privileges throughout the year. Current plans call for 42 memberships in Phase I and 32 memberships in Phase II.

## Can more than one family or individual share a single membership?

Yes. Individuals can form legal entities to control a membership. It will be up to the joint members to select a Designated Member who can reserve lodging for that membership in compliance with the Club's reservations policies and enjoy golf privileges.

## Have residence clubs been developed in other prestigious destinations?

Yes. The concept was introduced more than 20 years ago and has been enthusiastically embraced by affluent buyers at premier resorts such as: Aspen, Vail, Telluride, and Steamboat Springs, Colorado; Deer Valley, Utah; Palm Springs, Napa Valley and Lake Tahoe, California; Tucker's Town and Southampton, Bermuda; Los Cabos, Punta Mita and Huatulco, Mexico. There are also residence clubs in Manhattan and Italy. Each of these residence clubs is owned and operated much like The Residence Club at Nakoma. The creator of the residence club concept is part of the Nakoma team.

## What are the advantages of residence club membership?

Residence clubs combine the benefits of vacation home ownership with resort amenity privileges and hotel services. Residence club membership provides generous and flexible vacation use, removes the worries typically associated with absentee ownership, and significantly reduces the financial burden. The Residence Club at Nakoma provides the added benefit of lifetime golf privileges at The Dragon golf course.





WHEN YOU'RE NOT PLAYING GOLF: The highly acclaimed Dragon golf course is the star attraction at Nakoma but Club members also enjoy fine dining, the spa, fitness center, bocce ball, or simply strolling the beautiful grounds via the neighborhood forest trail system.



LAKE AND RIVER FISHING: The only lines you'll see at Nakoma hang from the end of your fishing rod. Residence Club members have easy access to superb fly fishing on the Feather River or they can test their skills at one of the many alpine lakes in Plumas County's famed Lakes Basin.



# **SWEET DREAMS:** The Club residence bedrooms feature Frank Lloyd Wright-inspired design and a full complement of amenities. An invigorating day of activities and crisp mountain night air guarantee a restful sleep and a great start to the next day.



**SPACIOUS MASTER BATHS:** The master bath in your Club residence is the perfect blend of form and function. Whether you're lounging in an opulent bubble bath or showering with the day's first light trickling through stained glass, you will love the experience.

# Questions and Answers Cont'd...

## As a member, how often can I vacation at my Club?

As often as you wish, subject only to the Club's reservations policies and availability. Members have the flexibility of reserving Planned Vacations well in advance and also visiting on a short-notice basis. Each year, members may reserve 21 days of Planned Vacations in advance. This leaves abundant additional occupancy for space available vacations during the year. If all members use their club equally throughout the year, each would enjoy a minimum of three weeks during a typical golf season and a total of six weeks annually. However, there is no limit on use. If some members visit their Club less, others can visit more.

## Is The Residence Club at Nakoma a typical timeshare?

No. Timeshare is typically the right to use only a specific week or weeks and lodging is limited to a specific residence. Residence Club members have access to all Club residences within their membership category (Studio, One-Bedroom, Two-Bedroom), with the right to unlimited use during all seasons, subject to the reservation policies and availability.

## Will Club members always stay in the same residence?

No. To provide the greatest flexibility and availability, members have equal access to all Club residences within their membership category (Studio, One-Bedroom, Two-Bedroom). Requests for specific Club residences will be granted when possible.

## What if the number of members wishing to stay at the Club exceeds the number of residences available?

The Club is designed to equitably allocate vacations when demand for lodging may exceed supply. A rotating priority system ensures all members will have equal access to high-demand dates over the years. This system has proved fair and equitable for more than two decades.

## Can Club members reserve more than one residence during the same time period?

Yes. Because Club members are not restricted to a particular residence, they can reserve more than one residence at any given time, if sufficient residences are available. This is a membership benefit unique to residence clubs that allows Club members to host family reunions, large gatherings of friends, or corporate retreats.

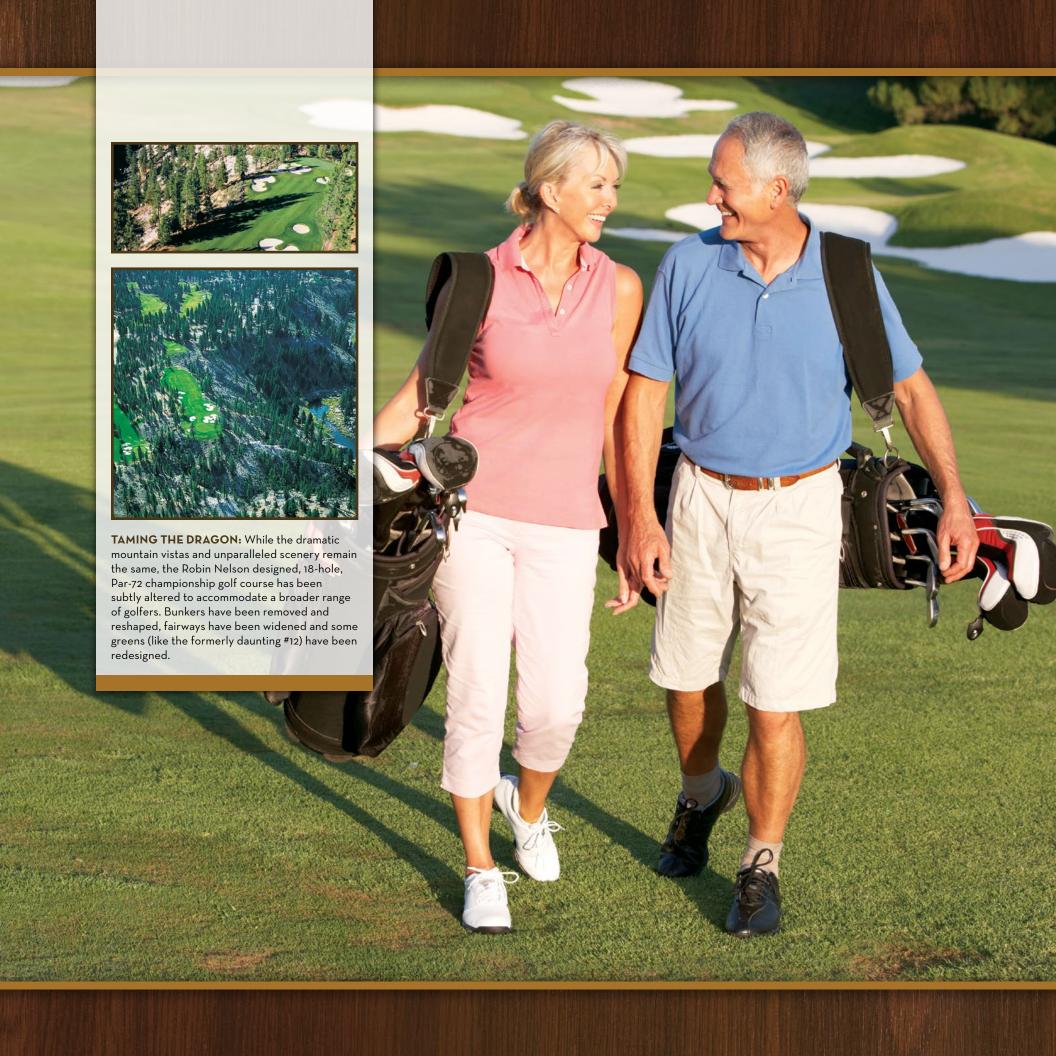
## Can Club members send guests to enjoy Club vacations?

Yes. Members may invite unaccompanied guests to use any of their confirmed Club vacations without a guest fee. Additionally, two unaccompanied guests in residence have full golf privileges during their stay.

## Can Residence Club members rent a portion of their vacation time?

No. The Residence Club has been created for the benefit and enjoyment of members and their guests only.





## Questions and Answers Cont'd...

#### How will I connect to the Internet?

There is high-speed wireless access in every Club residence. Each residence also has DirectTV with a full suite of channels.

### Do members pay annual fees?

Yes. The comprehensive annual fees pay for the professional management and operation of the Club accommodations and for the costs associated with golf privileges. Included in these annual fees are funds for staff salaries, housekeeping, supplies, maintenance, trash removal, legal/accounting, utilities, transportation, management fee, property taxes, golf dues, cart maintenance, reserves for cart replacement, and scheduled replacement of Club residence furnishings and appliances.

## Do members pay any lodging or housekeeping fees when they vacation at their Club?

Members are not required to pay any lodging fees when they vacation at their Club. A post-occupancy cleaning is included in the annual fees. An optional daily tidy service is available upon request for a fee.

## Who establishes the fees and controls the affairs of the Club?

A member-elected Board of Directors establishes budgets and fees on an annual basis.

## Can a Club membership be resold?

Yes. A member's beneficial real estate interest and golf privileges can be sold or transferred by the member, or sold by a licensed real estate agent, subject to the Club documents.

## As a member of The Residence Club at Nakoma, can I exchange lodging privileges with other residence club members?

Yes. Your club has been selected to participate in the Elite Alliance<sup>SM</sup> exchange program (www. EliteAlliance.com). Your complimentary Elite Alliance membership provides exchange privileges with members at a select and expanding family of residence clubs and other resort properties in coveted national and international destinations.

## If I purchase a Residence Club at Nakoma membership, when can I start enjoying the lodging and golf privileges? Immediately.



**SPA AT NAKOMA:** Relaxation is a hallmark of The Residence Club experience. During your Club vacations, indulge yourself with a relaxing massage or scrub, renew your skin with a signature facial, or go for the full head-to-toe treatment.



MORE SOOTHING OPTIONS: Whether it's after a round on the Dragon, before a meal at the Wigwam Room, or following a fitness class, remove any lingering stress in Nakoma's indoor hot tub, heated current-pool, sauna, or steam room. Your Club residence also offers some of these amenities for a more private experience.

# Reservation Privileges

Reservation Privileges for Members of The Residence Club at Nakoma have been designed to ensure that all Residence Club Members have equal access to Club Residences within their Membership Category (Studio, One-Bedroom or Two-Bedroom). Members can use lodging during "Planned Vacations" and on a "Space Available" and "Short Notice" basis. These usage options are described below.

There is no limit on the amount of time a Member can lodge in a Club Residence during the Club Year. Use is subject only to the procedures described below and availability.

These Reservation Privileges have been carefully formulated in an attempt to be fair and equitable to all Members. Each Member's Planned Vacations, Space Available Vacations and Short Notice Vacations will be confirmed for Club Residences within the Member's particular Membership Category (Studio, One-Bedroom or Two-Bedroom). The Residence Club Board of Directors reserves, as permitted in the Declaration, the right to alter these Reservation Privileges from time to time as conditions warrant. Changes that intentionally discriminate against any Membership Category are not permitted. In the event there is a conflict between the Declaration and the Reservation Privileges, the Declaration will control.

**Definitions:** Certain terms and phrases have been defined below to clarify their intended meaning and usage. Throughout the following policies and procedures, these terms and phrases can be identified because they begin with capital letters.

"Accompanied Guest" – Any guest who lodges with a Member in the Member's reserved Club Residence. The total number of persons lodged in a Club Residence cannot exceed the Sleeping Capacity of that Club Residence. No lodging fees are charged for Accompanied Guests.

"Annual Fees" – The fees paid by Members for the professional management, operation and maintenance of all Club Residences and common areas. Included in these fees are funds for staff salaries, supplies, repairs, window washing, trash removal, legal/accounting, utilities, insurance, property taxes, and replacement and/or refurbishing of Club Residences and common areas.

**"Club Residence"** – A residential unit that is available to Members and is owned or partially owned by the Residence Club Association.

"Club Year" – The Club Year begins April 1st and ends March 31st.

"Failed Reservation" - A confirmed reservation for which a Member fails to check in on the reserved date without notice to Residence Club Management at least fourteen (14) days prior to the scheduled check-in date for Planned Vacations, ten (10) days prior to the scheduled check-in date for Space Available Vacations, and not less than twenty-four (24) hours prior to the scheduled check in date for Short Notice Vacations.

"Member" – The owner of a Residence Club at Nakoma Membership, including their spouse and children up to age 23, or the person designated in writing by the Membership (the "Designated Member") to have Membership privileges.

"Membership" – A Residence Club at Nakoma Membership provides an ownership interest in the Club Residences which are owned or partially owned by RCNHA, lodging privileges within a specified type of Club Residence, and Nakoma Golf Resort golf privileges as described in the Residence Club documents. Each Membership must identify one person whose responsibility it is to submit Planned Vacation, Space Available Vacation and Short Notice Vacation requests. For the purposes of this document, Member and Membership are used interchangeably. However, it should be noted that in cases where a Membership is owned by more than one person or family, only the "Designated Member" may submit reservation requests.

"Membership Category" - Either Studio, One-Bedroom or Two-Bedroom.

"Planned Vacations" - Those vacation days that may be reserved prior to the start of the Club Year when a Member can use a Club Residence within his or her particular Membership Category. Members are given the opportunity to reserve three Planned Vacations of up to seven consecutive days each (21 days total) each Club Year. In the event a Member wishes to cancel a Planned Vacation reservation, that request for cancellation must be received by Residence Club Management, in writing, at least 14 days prior to the scheduled arrival in order for the Member to retain the usage rights associated with the canceled Planned Vacation days. If the written cancellation notice is not received by Residence Club Management at least 14 days prior to the scheduled arrival then all of the Planned Vacation days for that Failed Reservation will be forfeited by the Member. Unused

Planned Vacation days may not be carried over to subsequent Club Years.

"Reservation Priority Number" — A Reservation Priority Number is assigned to each Member for each Club Year. This number is used by The Residence Club Management to allocate Planned Vacations for Members when demand exceeds lodging supply. This Reservation Priority Number changes each year, based on the original Membership number (assigned at closing), to equitably allocate Planned Vacations over the years.

"Residence Club Management" – The professional company selected by the Board of Directors to supervise the day-to-day operations of The Residence Club at Nakoma.

"Short Notice Vacations" - In addition to Planned Vacation and Space Available Vacation reservations (described below), each Membership can make one Short Notice Vacation reservation anytime within 15 days of the scheduled arrival date for that Short Notice Vacation. Members can lodge in a Club Residence within their Membership Category during Short Notice Vacations for up to seven days per reservation. If a Member fails to check-in at the Club on the reserved date without notice to Residence Club Management at least 24 hours prior to the scheduled checkin, the Member will be prohibited from making another Short Notice or Space Available reservation for a period of 30 days from the scheduled check-out date of the Failed Reservation.

"Sleeping Capacity" – The maximum number of persons permitted to lodge in a Club Residence. The Sleeping Capacity of a Club Residence is the number of bedrooms times two plus the number of sleeper sofas (if any) times two.

"Space Available Vacations" - In addition to their Planned Vacations and Short Notice Vacations, each Member has unlimited access to and usage of the Club Residences within their Membership Category on a space-available basis. Members can occupy a Club Residence during confirmed Space Available Vacations for periods up to seven consecutive days per reservation. Each Member can have only one Space Available Vacation reservation on the books at a time. If a Member fails to check-in at Residence Club on the reserved date without notice to Residence Club Management at least 10 days prior to scheduled check-in, the Member will be prohibited from making another Space Available or Short Notice reservation for a period of 30 days from the scheduled check-out date of the Failed Reservation.

"The Residence Club at Nakoma" or "Residence Club" — The fractional ownership real estate development at the Nakoma Golf Resort & Spa located in Clio, California.

"Unaccompanied Guest" - Any guest who lodges in a Club Residence without a Member during a Member's confirmed Residence Club vacation. A Member requesting lodging for an Unaccompanied Guest must specify the Unaccompanied Guest's name, address and telephone number in writing at least 14 days prior to the arrival date (unless the reservation was confirmed less than 14 days out) so that Residence Club Management can send a confirmation notice to that Unaccompanied Guest. Unaccompanied Guests are required to pay all incidental charges upon check-out unless the sponsoring Member has arranged payment in advance. The sponsoring Member is responsible for any unpaid charges incurred by their Unaccompanied Guests and is





**STUNNING VISTAS:** Nestled high in the Lost Sierra, Nakoma is surrounded by incredible views and unparalleled natural beauty. Whether you're gazing into the distance from the putting green or enjoying the awe-inspiring scenery on a hike, nature rewards you in every direction.

responsible for any damages to a Club Residence caused by their Unaccompanied Guests. The number of persons lodged with an Unaccompanied Guest in a Club Residence cannot exceed the Sleeping Capacity of that Club Residence.

# Reservations Procedures

Planned Vacations: By November 15th of each year, Members are sent a Planned Vacation reservation form which requests Members to select their Planned Vacation dates for the upcoming Club Year. Residence Club Management will note the Reservation Priority Number for each Member on the Planned Vacation reservation form. If the Member does not receive the Planned Vacation reservation request form by December 1st, the Member should immediately notify Residence Club Management.

Each Member may reserve three Planned Vacations during the Club Year that begins April 1st and ends March 31st.

Each Planned Vacation can be a maximum of seven (7) consecutive days with arrivals and departures occurring on or between Fridays, i.e., each seven-day period begins and ends on Friday. Planned Vacations can be less than seven days if desired with arrivals and departures on or between Fridays. Exceptions to the arrival and departure times will be at the sole discretion of Residence Club Management.

By January 1st of each year, Members must return their completed Planned Vacation reservation request forms to Residence Club Management. It is the Member's responsibility to complete and return the Planned Vacation reservation request form by January 1st to preserve priority rights for the upcoming Club Year. Planned Vacation reservation request forms received after January 1st will be considered on a first-come, first-served basis after the Planned Vacation reservation

request forms that were received in a timely manner have been processed.

After January 1st, Residence Club Management allocates the Planned Vacations in the following manner:

First Planned Vacation – Members are confirmed for a maximum of seven consecutive days based on their requests and their Reservation Priority Numbers. When demand for certain dates exceeds lodging supply, Members with the lowest Reservation Priority Numbers will be confirmed.

Second Planned Vacation — After the First Planned Vacations are confirmed for Members, Members are confirmed for up to seven additional consecutive days. When demand for certain dates exceeds lodging supply, Members with the highest Reservation Priority Numbers will be confirmed.

Third Planned Vacation — After the First and Second Planned Vacations are confirmed for Members, Members are confirmed for up to seven additional consecutive days. When demand for certain dates exceeds lodging supply, Members with the lowest Reservation Priority Numbers will be confirmed.

By January 15th, written confirmation of the Planned Vacations is sent to each Member. Additionally, a reservations calendar will be available indicating the remaining available dates. Members who reserved less than three Planned Vacations will then have the opportunity to make additional

reservation requests after January 15th on a firstcome, first-served basis. These reservations will be made for days shown to be available on the reservations calendar.

After February 1st, Members may make Space Available Reservations for the upcoming Club Year that begins April 1st.

#### Internal Exchange of Planned Vacations -

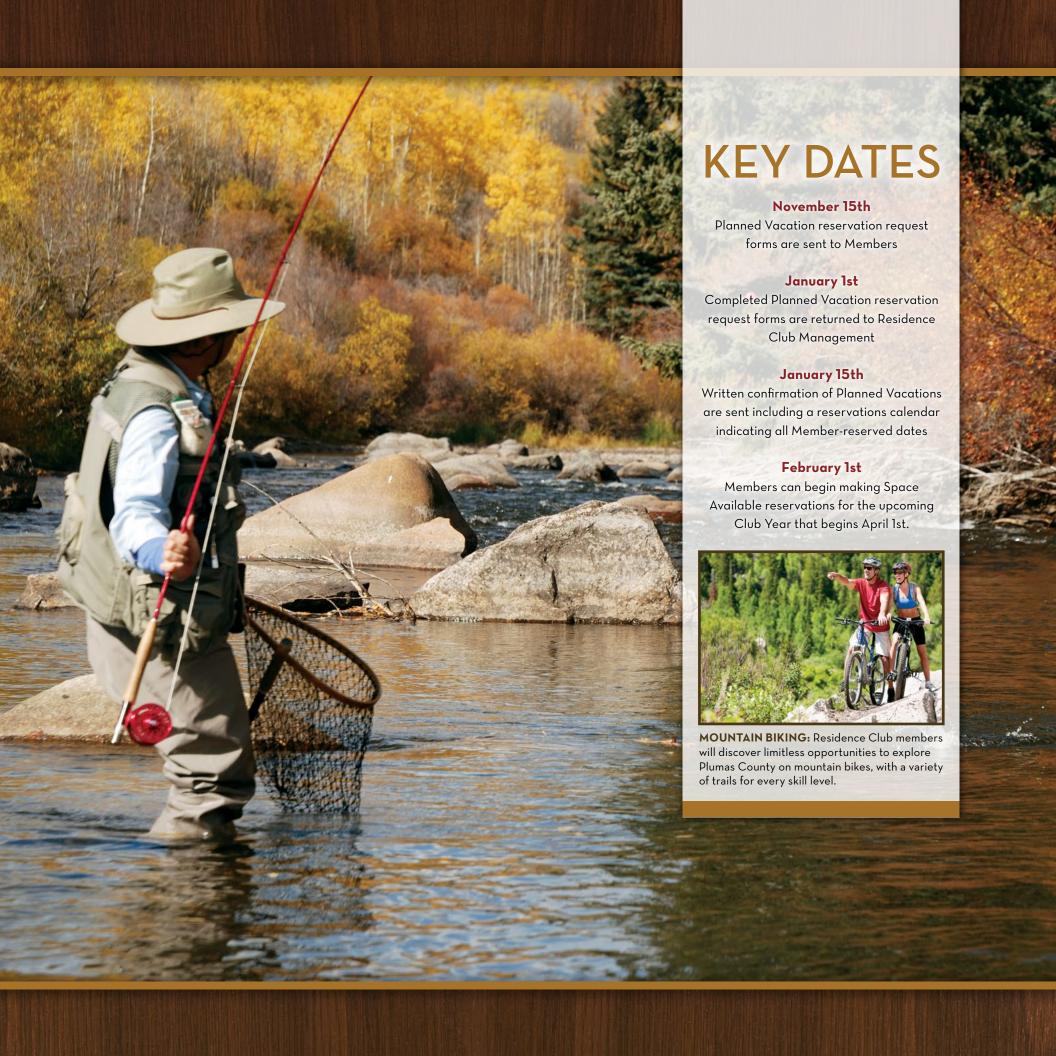
Members may exchange their confirmed Planned Vacations or portions thereof with other Members. After Planned Vacations for Members have been confirmed, Residence Club Management will use its best efforts to facilitate exchanges and exchanges can also be made directly between Members. Written notice of an exchange must be provided to Residence Club Management at least 14 days prior to the arrival date of the Member using the earliest vacation involved in the exchange.

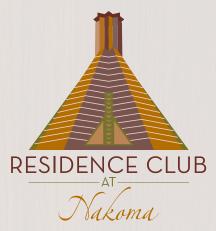
#### **RESERVATION SUMMARY**

There is no limit to the number of days a Member can lodge at The Residence Club at Nakoma, subject to the reservation procedures and availability. Each Residence Club vacation can be up to seven consecutive days in duration.

#### Members can:

- Reserve three Planned Vacations prior to the start of the Club Year.
- Have one Space Available Vacation on the books at a time with no annual limit.
- Have one Short Notice Vacation on the books at a time with no annual limit.





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