

## **EXTENDED VACATION MEMBERSHIP AGREEMENT FOR VERDE VALLEY PRESERVE**

Extended Vacation Membership Agreement made this \_\_\_\_ day of \_\_\_\_\_, 2008, between Thousand Trails, LP., a Delaware corporation (“Trails”), and the member or members signing below (collectively, “Members”), who agree as follows:

**1. Membership.** Members acknowledge that the benefits of this Agreement are only available to members of Trails with full system access, a gold membership, zone membership or regional membership who are current in the payment of their membership fees and annual dues. Members represent that they are members of Trails with full system access, a gold membership, zone membership or regional membership, and that they are current in the payment of their membership fees and annual dues. During the term of this Agreement, Members shall remain current in the timely payment of their membership fees and annual dues.

**2. Site.** During the term of this Agreement, Members shall have the right to use **Site No. \_\_\_\_\_** (the “Site”) in the extended vacation area of Trails’ Verde Valley Preserve (the “Preserve”) on the terms set forth herein. The Site is identified on the Site Map attached hereto as Exhibit A and incorporated herein by this reference. Members shall have the right to maintain one recreational vehicle owned by Members (“Members’ RV”) on the Site. The term “recreational vehicle” means motor homes, travel trailers, 5th wheel trailers, and ANSI (American National Standards Industry) recreational park model trailers which (a) contain no more than 400 square feet of gross area measured at maximum horizontal projections, (b) are not longer than 40 feet, (c) are not wider than 12 feet in fully extended condition including slide-outs, if any, and (d) are not higher than 13.5 feet (including roof mounted equipment) measured from the surface upon which the vehicle stands. The term “recreational vehicle” does not include truck campers, cab-over campers, tent trailers, pop-up trailers, tents, buses, vans, or converted buses or vans. All recreational vehicles must be new models or be approved in advance by Trails.

**3. Occupancy of Members’ RV.** Notwithstanding a longer term under this Agreement, Members shall only occupy Members’ RV on the Site for a maximum of 180 days each year during periods when the Preserve is open for normal member use. Members’ shall use the Site for recreational purposes only, and Members shall not use the Site as a permanent residence. To monitor this 180-day limitation, Members shall be required to sign-in and sign-out at the Ranger Station each time they arrive at or leave the Preserve. The number of persons occupying Members’ RV on the Site at any one time shall not exceed two (2). Members may have guests at the Site in accordance with Trails’ Member Rules. During times when Members are not permitted to occupy Members’ RV on the Site, Members may store their RV on the Site unoccupied or Members may remove their RV from the Site and leave the Site vacant. Members shall not be allowed to access the Site during periods when the Preserve is closed to members.

**4. Annual Fee.** During the term of this Agreement, Members shall pay Trails \$ \$ 00.00 per year, plus applicable taxes, in advance. The annual fee for the first year shall be paid in full on the date of this Agreement, and the annual fee for each succeeding year during the term hereof shall be paid in full on or before the first day of each succeeding year.

**4.1** A late fee of \$5.00 per day shall be added to any payment that is not made within 6 days after its due date, unless previous arrangements have been made between Trails and Members. A charge of \$25 shall be made for each check that is not honored by the bank. All payments are to be made to Trails at the Preserve.

**4.2** The amount of the annual fee may be increased for each renewal term, commencing with the first renewal term, by the percentage increase in the Consumer Price Index since the commencement date of the initial three-year term or the applicable renewal term, as the case may be; provided that for the first renewal term, the amount of this increase shall not exceed five percent (5%). Consumer Price Index means the consumer price index for all urban consumers for the Phoenix Metropolitan Area as reported by the United States Department of Labor, Bureau of Labor Statistics. Trails shall give Members written notice of any increase prior to the commencement date of the applicable renewal term.

**5. Security Deposit.** Trails hereby acknowledges receipt from Members of a security deposit in the amount of \$ N/A to secure Members' performance of their obligations under this Agreement. This deposit will be refunded to Members no later than 30 days after the expiration or sooner termination of this Agreement and Members removal of their RV and other property from the Site, unless Trails gives written notice to Members stating that all or part of the deposit is being withheld as a reasonable sum to compensate Trails for (a) Members' default in the performance of their obligations under this Agreement, or (b) repairing damages to the Site caused by Members or their family, children or guests. Trails will provide Members with an itemized list of any amounts withheld from the security deposit within 14 days after termination of this Agreement and delivery of possession of the Site by Members.

**6. Term.** The term of this Agreement shall begin on the date of this Agreement and continue for a period of three (3) years, unless sooner terminated as provided in Section 14 below. After this initial 3-year term, Members may, at their option, extend the term of this Agreement for up to seven (7) additional periods of one-year each ("renewal terms" herein) by giving Trails written notice of Members' desire to extend the term at least 60 days prior to the expiration of the initial 3-year term or renewal term, as the case may be. Notwithstanding the foregoing, this Agreement shall terminate no later than

---

**7. Members' Obligations.** During the term of this Agreement, Members agree to each of the following:

**7.1** Members shall comply with the Rules and Regulations for Trails' Extended Vacation Program, which are attached to this Agreement as Exhibit B and incorporated herein by this reference (the "Rules and Regulations"). Trails shall have the right, in its sole discretion, to add to, modify, or delete Rules and Regulations upon 30 days advance written notice to Members.

**7.2** Members shall comply with Trails' Member Rules and the directions of the Preserve Manager and Preserve Staff. Trails shall have the right, in its sole discretion, to add to, modify, or delete Member Rules. Members' acknowledge receiving a copy of Trails' Member Rules.

**7.3** Members shall keep the Site in a clean and sanitary condition, and keep the area around the Site neat and free of garbage, refuse or waste. The Preserve Manager shall have sole discretion to determine the appropriateness of the appearance of the Site, and Members shall comply with directions of the Preserve Manager regarding the appearance of the Site.

**7.4** Members shall connect Members' RV to the electric, water, and sewer connections for the Site designated by Trails. Members shall not make any alteration to the electric, water, and sewer connections provided by Trails. Members shall refrain from discharging wastewater or sewage in any manner except into the waste water/sewer connection designated by Trails.

**7.5** Members shall comply with all laws and regulations governing the use and maintenance of the Site.

**7.6** Members shall obtain and maintain adequate physical damage insurance covering loss of or damage to Members' RV and other property on the Site in the amount of the full replacement cost of such property, and Members shall obtain and maintain comprehensive general liability insurance with limits of liability of not less than \$100,000 per occurrence and \$500,000 combined single limit (which insurance will not limit Members' responsibility to indemnify and hold Trails harmless under Section 15 below). Members' shall provide Trails with proof of such insurance coverage prior to using the Site.

**7.7** Members shall perform all of Members' obligations under the terms of this Agreement.

**7.8** Members shall not assign this Agreement, rent the Site, or allow anyone else to use the Site without the prior written consent of Trails (which may be withheld by Trails in its sole discretion).

**7.9** Members shall not intentionally or negligently destroy, deface, damage, impair, or remove any part of the Site, any appurtenances thereto, or any facilities or fixtures relating thereto, and Members shall not permit any member of Member's family or any guest or other person acting under his or her control to do so.

**7.10** Members shall not permit a nuisance or common waste.

**8. Improvements.** Except as set forth below, Members shall not make any improvements or alterations to the Site without the prior approval of Trails, which may be withheld by Trails in its sole discretion.

**8.1** Any proposed improvements to the Site must be requested in writing and a drawing must be submitted to Trails for approval. No work shall commence without Trails' consent and written approval, which may be withheld by Trails in its sole discretion. All improvements and/or alterations to the Site made under this Section 8.1 shall become the property of Trails at the expiration or sooner termination of this Agreement.

**8.2** With prior written approval from Trails, which Trails shall not unreasonably withhold, Members may, at their own expense:

(a) Add skirting around the base of Members' RV, provided that the skirting meets the criteria set forth in the Rules and Regulations.

(b) Add an awning and screen room to Members' RV, provided that the awning and screen room meet the criteria set forth in the Rules and Regulations.

(c) Add a storage shed to the Site, provided that the storage shed is not attached to the ground and meets the criteria set forth in the Rules and Regulations.

Upon the expiration or sooner termination of this Agreement, Members shall remove, at their own expense, any skirting, porch or sunroom, and/or storage shed placed on the Site by Members pursuant to this Section 8.2.

**9. Utilities.** Trails shall provide recreational vehicle hook-ups at the Site for sewer, water, and 50-amp electrical service. Members will not be charged for sewer and water. Members shall pay Trails for all electrical power used by Members. The amount of electrical power used by Members shall be determined by a separate meter for the Site. Trails shall provide a location for Members to dispose of common household trash. Members shall pay for all other utilities, including without limitation telephone service, cable TV, Internet connections, propane, and waste or trash removal in excess of common household trash. Trails shall not be responsible for any disruption in service resulting from causes beyond Trails' reasonable control.

**10. Taxes.**

**10.1** Trails shall pay all real property taxes applicable to the Site during the term of this Agreement.

**10.2** Members shall pay prior to delinquency all taxes assessed against and levied upon Members' RV and other property located on the Site or elsewhere. Members shall cause their RV and other property to be assessed and billed separately from the Site and other real property of Trails.

**10.2** If Members' RV or other property is assessed with the Site or other real property of Trails, Members shall pay Trails the taxes attributable to Members' property within ten (10) days after receipt of a written statement setting forth the taxes applicable to Members' property.

**11. Access.** Trails reserves the right of access to the Site at any time for the purposes of inspection, repairs, maintenance or improvements, communicating with Members, or any other lawful purpose. However, this provision shall not be construed to impose any duty on Trails to inspect the Site or make repairs.

**12. Surrender of Site.** Upon the expiration or sooner termination of this Agreement, Members shall immediately quit and surrender the Site to Trails, and Members shall remove their RV and other property from the Site. The Site shall be returned to Trails in the same condition as received by Members, except for reasonable wear and tear, and Members shall be responsible for any restoration or repair that is necessary to return the Site to such condition.

**13. Holding Over.** If Members remain in possession of the Site beyond the expiration of the term of this Agreement, with the written consent of Trails (which may be withheld by Trails in its sole discretion), Members shall remain bound by all of the covenants and agreements herein, except that the term shall be from month-to-month, with the annual fee prorated accordingly.

**14. Default and Remedies.**

**14.1** The following events shall be events of default under this Agreement:

- (a) Members' failure to pay the annual fee required by Section 4 in a timely manner.
- (b) Members' failure to remain current in the timely payment of their membership fees and annual dues.

(c) Members' failure to comply with applicable law, the Rules and Regulations, Trails' Member Rules, or the directions of the Preserve Manager and Preserve Staff.

(d) Members' failure to perform any of their other obligations under the terms of this Agreement.

**14.2** In the event of a default by Members, Trails shall be entitled to all remedies provided in this Agreement, including without limitation the right to terminate this Agreement and pursue all other remedies that are provided by law or equity. In the event of a default by Members, Trails shall have the right to immediately terminate this Agreement by giving written notice of termination to Members. In such event, this Agreement shall terminate on the day designated in the notice of termination and without regard to the expiration of the period for which the annual fee is to be paid. If apportionment of the annual fee is necessary, the annual fee will be prorated by dividing the annual fee by the number of days in the year.

**14.3** If Members RV or other property on the Site is abandoned by Members, Trails shall have the right either to (1) remove Members' RV and other property from the Site to a storage facility, or (2) sell Members' RV and other property in a commercially reasonable manner as permitted by law and may deduct from the sales proceeds the costs reasonably incurred by Trails in connection with such sale. Members shall pay, upon demand, all costs and expenses incurred by Trails in moving or storing Members' RV or other property.

**15. Indemnification.** Trails is not liable for injury to any person, or for loss or damage to any property (including Members' property) occurring in or about the Site from any cause whatsoever. Members agrees to jointly and severally indemnify Trails against and hold Trails harmless from any and all loss, damage, liability and expense (including reasonable attorneys fees and other costs incurred in connection with defending any claim) resulting from any actual or alleged injury to any person or from any actual or alleged loss of or damage to any property (including Members' property) arising out of the use of the Site by Members, or caused by or resulting from any act or omission of any third party (including criminal acts) or any act or omission of Trails' occurring in or about the Site, unless due to Trails' gross negligence or willful misconduct. The indemnification provided for in this Section 15 shall survive the expiration or sooner termination of this Agreement.

**16. Damage by Casualty.** In the event the Site is damaged or destroyed by fire, the elements, or other casualty, this Agreement shall terminate immediately, and Members' sole remedy shall be to receive the proceeds from the insurance policies maintained by Members pursuant to Section 7.6 above.

**17. Time of Essence.** Time is of the essence of this Agreement and all provisions in which performance is a factor.

**18. Benefit.** The covenants and conditions herein contained, subject to provisions as to assignment, shall apply to and bind the heirs, successors, executors, administrators and assignees of the parties hereto.

**19. Notices.** All notices to be given hereunder shall be in writing and delivered personally, sent by electronic transmission, or mailed by prepaid certified or registered U.S. mail, return receipt requested, to a party at its address set forth on page 9 hereof or to such other address as the party shall specify by written notice so given, and shall be deemed to have been given as of the date so delivered, transmitted, or mailed.

**20. Nature of Interest.** This Agreement constitutes a contractual license to use the Site on the terms and conditions set forth herein. This Agreement does not convey any interest in, is not secured by, and does not entitle you to any recourse against any real property of Trails.

**21. Entire Agreement.** This Agreement contains the entire agreement between the parties with respect to the use of the Site by Members, and it supersedes and replaces all prior agreements, written or oral. Each of the parties hereto acknowledges that no other party, nor any agent or attorney of any other party, has made any promise, representation, or warranty whatsoever, express or implied, not contained in this Agreement concerning the subject hereof, to induce them to execute this Agreement, and acknowledges that they have not executed this Agreement upon any such promise, representation, or warranty not contained herein. No language or provision contained in this Agreement shall be interpreted either for or against any party by virtue of the fact that any party or any party's attorney drafted such language or provision.

**22. Arbitration.** Any dispute or claim arising out of this Agreement shall be settled by binding arbitration in accordance with the provisions of the Federal Arbitration Act (99 U.S.C. Section 1 et seq.) and the rules of the American Arbitration Association. Arbitration proceedings shall be commenced by the delivery by either party to the other of written notice demanding arbitration. The controversy or claim shall be decided by a single arbitrator. If the parties are unable to agree upon an arbitrator within 20 days, the parties shall ask the American Arbitration Association to provide a list of three arbitrators. Each party shall, within 10 days of receipt of such list, strike one arbitrator, and the person remaining on the list shall serve as the arbitrator. Any arbitration hearing shall be held in Cottonwood, Arizona, unless the parties agree otherwise. Any award rendered by arbitration shall be final and binding on the parties and judgment thereon may be entered by any court of competent jurisdiction.

**23. Attorneys Fees.** In the event either party commences arbitration or litigation to enforce or declare the meaning of any provision of this Agreement, the prevailing party in such action shall be entitled to an award of its reasonable attorneys fees and costs.

**24. Governing Law; Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona. In the event of any action brought to enforce or declare the meaning of this Agreement, venue shall be in Yavapai County, Arizona, and the parties hereby agree to the jurisdiction of the courts in Yavapai County, Arizona.

**The following right of cancellation applies only to this agreement and if you exercise the right of cancellation, your original membership contract shall continue in full force and effect.**

#### **NOTICE TO PURCHASER**

**YOU ARE ENTITLED TO A COPY OF THIS CONTRACT AT THE TIME YOU SIGN IT.**

**YOU MAY CANCEL THIS CONTRACT AT ANY TIME, IF A RESIDENT OF THIS STATE, BEFORE MIDNIGHT OF THE THIRD BUSINESS DAY OR IF A NONRESIDENT OF THIS STATE BEFORE MINDNIGHT OF THE SEVENTH CALENDAR DAY AFTER RECEIVING A SIGNED COPY OF THIS CONTRACT. IF YOU CHOOSE TO CANCEL THIS CONTRACT, YOU MUST EITHER:**

- 1. SEND A SIGNED AND DATED WRITTEN NOTICE OF CANCELLATION BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED.**
- 2. PERSONALLY DELIVER A SIGNED AND DATED WRITTEN NOTICE OF CANCELLATION TO: THOUSAND TRAILS, INC., PO BOX 1779, HIGHWAY 260, MILE POST 211, COTTONWOOD, ARIZONA 86326.**

**IF YOU CANCEL THIS CONTRACT WITHIN THE TIME PERIODS SET FORTH ABOVE, YOU ARE ENTITLED TO A FULL REFUND OF YOUR MONEY. IF THE LAST DAY FOR GIVING NOTICE FALLS ON A SUNDAY OR HOLIDAY, NOTICE IS TIMELY GIVEN IF IT IS MAILED OR DELIVERED AS SPECIFIED ON THE NEXT BUSINESS DAY. REFUNDS MUST BE MADE WITHIN THIRTY DAYS OF RECEIPT OF THE CANCELLATION NOTICE BY THE CAMPGROUND OPERATOR.**

**(Signatures on Next Page)**

Executed on the day and year first above written.

**Thousand Trails, LP**  
6400 Thousand Trails Rd #16  
Highway 260, Mile Post 211  
Cottonwood, AZ 86326  
Telephone: (520) 634-8158  
Fax: (928) 567-6542

By Scott Woolley  
Its Manager

**Members**

\_\_\_\_\_  
(Signature of Member)

\_\_\_\_\_  
(Print name of Member)

\_\_\_\_\_  
(Signature of Member's Spouse)

\_\_\_\_\_  
(Print name of Member's Spouse)

Members' Address:  
\_\_\_\_\_  
\_\_\_\_\_

Members' Telephone Number:  
\_\_\_\_\_

Members E-Mail:  
\_\_\_\_\_