

SHARE TRANSFER AGREEMENT

THIS SHARE TRANSFER AGREEMENT (“Agreement”) is made and entered into by and between MeadowCreek Property Owners’ Association, Inc., an Idaho nonprofit corporation (“MCPOA”) and MeadowCreek Resort Association, Inc., an Idaho corporation (“MCRA”), effective as of the date signed by all parties below.

RECITALS

- A. MCPOA desires to purchase the shares of MCRA.
- B. Shares of MCRA are defined and described in the Bylaws of MeadowCreek Resort Association, Inc., dated May 26, 2013, and recorded with the Adams County, Idaho Recorder as Instrument No. 125862 (“MCRA Bylaws”).
- C. There are currently 70 issued and outstanding shares of MCRA, spread among various classes of MCRA shares as follows:
- | | |
|----------|-----------|
| Class A: | 36 Shares |
| Class B: | 34 Shares |
| Class C: | 0 Shares |
| Class D: | 0 Shares |
- There are also 5 Social members.
- A detailed list of MCRA shareholders and Social members, with their names, share class and status is attached at **Exhibit A**.
- D. Of the total outstanding shares of MCRA, 46 of the MCRA Shareholders are also MCPOA members, and 24 of the MCRA Shareholders are not members of MCPOA.
- E. MCRA plans to deliver a document entitled “Surrender of Shares” to each MCRA Shareholder, pursuant to which MCRA will request that each Shareholder surrenders their shares effective as of the Closing Date. Shares of MCRA Shareholders who return an executed “Surrender of Shares” will be referred to herein as “**Surrendered MCRA Shares**”, and Shares of MCRA Shareholders who do not return an executed “Surrender of Shares” will be referred to herein as “**MCRA Shares Not Surrendered**”.
- F. MCRA owns resort real property assets located within MeadowCreek subdivision, including but not limited to a golf course, swimming pool, and other real property described at **Exhibit B (“MCRA Real Property”)**.
- G. In addition to the MCRA Real Property, MCRA owns the assets described at **Exhibit C**, which assets are the balance of the assets owned by MCRA, and include but are not limited to personal property, bank accounts, and intangible assets (“**MCRA Other Assets**”). MCRA Real Property together with MCRA Other Assets shall be referred to collectively as “**MCRA Property**”.
- H. A list of MCRA debts, including long term leases and material contracts, are described at **Exhibit D (“MCRA Debts”)**.

AGREEMENT

NOW THEREFORE, for and in consideration of the mutual covenants and agreements herein set forth, the parties hereto do hereby agree as follows:

1. **Transfer:** Upon and subject to the terms and conditions set forth in this Agreement, MCRA hereby agrees to transfer to MCPOA on the Closing Date, free and clear of all liens, pledges and encumbrances of every kind, character, and description whatsoever, and MCPOA agrees to receive from MCRA on the said date, all Surrendered MCRA Shares.

2. **Consideration:** In consideration of the transfer by MCRA to MCPOA of all Surrendered MCRA Shares, MCPOA agrees to do the following:

A. For a period of not less than seven (7) years after the Closing, MCPOA shall operate the MeadowCreek eighteen-hole golf course and maintain the golf course grounds (which includes: tee boxes, fairways, greens, bunkers, cart paths, improved and un-improved grass areas and all landscaped areas adjacent to the golf course) in substantially the same quality and professional condition as they are in at the time of entering into this Agreement (referred to hereafter as the “**MCPOA Required Maintenance of MCRA Property**”). After the expiration of the aforesaid seven year period, the golf course may not be sold to a third party, nor may it be shut down, without the approval of 2/3 of the MCPOA membership voting pursuant to Section 4.03 of the MCPOA CC&Rs. And,

B. MCRA Members who are not MCPOA Members shall have the option to become Affiliate Members of MCRA, and in such event shall have the following rights, which will be confirmed pursuant to an amendment to the MCRA Bylaws at or prior to Closing:

(i) Affiliate members of the MCRA shall have the same right of access to the non-golf amenities as any MCPOA member. To remain an Affiliate MCRA Member, the Affiliate member must pay annual dues to the MCRA. These dues shall be set annually by the MCRA and will be equivalent to the amount paid by each MCPOA member as part of their annual MCPOA dues used to support resort operations. Currently that cost is \$200 per year and is subject to change over time at the discretion of the MCPOA and MCRA boards.

(ii) Right to purchase golf season passes at the same rate that MCPOA members pay for a golf season pass.

(iii) Right to transfer their Affiliate Membership pursuant to rules to be adopted by the MCRA Board.

C. MCRA Members who are MCPOA Members shall have a right of use of MCRA Property through their MCPOA membership and shall have the right to purchase golf season passes.

D. MCPOA will pay legal fees related to this transaction.

3. **Contingencies:**

A. Not later than November 1, 2021, MCRA shall provide proof that it has received Surrendered MCRA Shares from at least of 66 2/3% of the MCRA Shareholders.

B. Not later than June 30, 2021, the MCPOA members must authorize the MCPOA Board of Directors to comply with the MCRA long term leases described at Exhibit D effective as of Closing, as needed pursuant to Section 4.03 of the Seventh Amended and Restated CC&Rs for MCPOA.

C. Until Closing, MCRA shall operate the MeadowCreek eighteen-hole golf course and maintain the golf course grounds (which includes: tee boxes, fairways, greens, bunkers, cart paths, improved and un-improved grass areas and all landscaped areas adjacent to the golf course) in substantially the same quality and professional condition as they are in at the time of entering into this Agreement.

D. Not later than December 31, 2021, the parties shall agree upon an Amendment to the MCRA Bylaws, to facilitate the purchase of the MCRA Shares by MCPOA. The Amendment shall then be voted on by the MCRA shareholders, with final agreement upon the terms of the Amendment to the MCRA Bylaws not later than June 30, 2021. The Amendment to the MCRA Bylaws will become effective as of Closing. The terms of the Amendment to the MCRA Bylaws will include but not be limited to:

(i) The number of authorized directors will be revised to be between three and seven directors. Two of the directors will be sitting MCPOA Board Members, one of whom will be the MCPOA President.

(ii) The MCRA Board of Directors will annually nominate proposed MCRA Directors, with the final appointment of MCRA Board Members to be made by the MCPOA Board in its discretion.

(iii) An Affiliate Membership, with no voting powers, but with the rights specified at Section 2(B) above, shall be added. This amendment shall also allow for the Board to accept new Affiliate Members, with initiation fee to be determined by the MCRA Board, which new Affiliate Membership shall be non-transferrable.

(iv) MCRA Shares Not Surrendered shall be subject to the dues and assessments structure and terms regarding delinquent assessments in the existing MCRA Bylaws at Sections 5.5 and 5.6. Additionally, Section 5.9(5) shall be amended to authorize the release of all delinquent assessments and liability for Surrendered MCRA Shares that are surrendered on or before November 1, 2021, and to state that any shares not surrendered on or before November 1, 2021 will remain liable for any dues or assessments that are accrued and outstanding on the effective date of the termination.

(v) MCPOA members shall have a right of use of MCPOA Property as determined by the MCPOA Board and shall have the right to purchase golf season passes.

(vi) The provisions of Section 4.03 of the MCPOA CC&Rs shall apply to require a vote of the MCPOA membership prior to the MCRA Board of Directors taking any action subject to those restrictions, which restrictions include the following: long term contracts related to common areas and facilities, capital expenditures, sale of property owned by MCPOA, and prohibition of payments to any board members or officers of MCPOA. As described at Section 2(A) above, such a vote is also required prior to closing the golf course.

4. Closing:

A. Closing: The closing with respect to the transaction provided for in this Agreement shall take place on **December 31, 2021** if all contingencies have been satisfied or waived prior to that date.

B. At Closing, MCRA shall provide to MCPOA all Surrendered MCRA Shares received from MCRA Shareholders as of the date of Closing. At such time, Surrendered MCRA Shares shall be deemed cancelled, and shall be deemed reissued to MCPOA.

C. The Amendment to the MCRA Bylaws as approved pursuant to Section 3(D) above shall become effective as of Closing.

5. Representations and Warranties of MCRA: MCRA hereby represents and warrants to MCPOA that:

A. With respect to the Surrendered MCRA Shares transferred by MCRA to MCPOA hereunder, such shares have been surrendered by the owner of such shares, that such owner of the shares had the full right, power and authority to surrender the shares, and the shares were surrendered free and clear of any liens, encumbrances and claims.

B. MCRA is a corporation duly incorporated and legally existing in good standing under the laws of the State of Idaho; it has full corporate power and authority to carry on its business as now conducted by it; it has all requisite power and authority to enter into this Agreement and all the agreements and documents contemplated hereby to which MCRA is a party, and to carry out and perform all of its obligations under this Agreement and to consummate the transactions contemplated herein; as of the date of this Agreement, there are a total of 70 MCRA shares issued and outstanding; and there are no outstanding warrants, options or rights of any kind to acquire any shares by any third party from MCRA.

C. A complete, itemized list of assets, whether real, personal, tangible or intangible, now owned or leased by MCRA is set forth in **Exhibit A** and **Exhibit B** attached hereto.

D. There is no litigation, governmental proceeding or investigation pending, or to the knowledge of MCRA, threatened, which would adversely affect the business or financial condition of MCRA.

E. MCRA has filed all federal, state and local tax returns required to be filed by the laws of the jurisdiction in which it conducts its operations or owns property, including, but not limited to, those with respect to income, property, withholding, social security and unemployment taxes. All such returns were correct as filed and all taxes due and all additional assessments received prior to the date hereof have been paid.

F. MCRA has good title to all of its assets set forth in **Exhibit B** and **Exhibit C**, free and clear of all liens and encumbrances, except as specified at **Exhibit D**.

G. MCRA has no contract with any of its employees which cannot be terminated without penalty on more than thirty (30) days' notice, or any pension, deferred compensation or profit-sharing plan.

H. MCRA has no debts, long term leases, or material contracts other than those specified at **Exhibit D**.

I. No representation or warranty of MCRA in this Agreement, nor any statement or certificate furnished or to be furnished to MCPOA pursuant hereto, or in connection with the transaction contemplated hereby, contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact necessary to make the statements contained therein not misleading.

J. MCRA will deliver to MCPOA, at Closing, all of its insurance policies currently in force.

6. Representations and Warranties of MCPOA: MCPOA hereby represents and warrants to MCPOA that:

A. MCPOA is a corporation duly incorporated and legally existing in good standing under the laws of the State of Idaho; it has full corporate power and authority to carry on its business as now conducted by it; it has all requisite power and authority to enter into this Agreement and all the agreements and documents contemplated hereby to which MCPOA is a party, and to carry out and perform all of its obligations under this Agreement and to consummate the transactions contemplated herein.

B. MCPOA intends to retain all MCRA real property as part of the resort operations, including greenspace parcels which might have future development potential; however, other than as provided at Section 2(A) above, it is not required to do so. Any future development of any MCRA real property for residential purposes within one hundred feet (100') of adjacent residential property shall require prior written agreement of the owners of such adjacent residential property. THIS CLAUSE IS NOT INTENDED TO PREVENT OR RESTRICT THE FUTURE DEVELOPMENT OF MCRA REAL PROPERTY FOR RESORT RELATED OPERATIONS.

7. Survival of Representations and Warranties: The representations and warranties of the parties set forth in this Agreement shall survive the closing date and shall not be affected by any investigation, verification or approval by any party hereto or by anyone on behalf of any of such parties.

8. Notices: All notices and other communications allowed or required hereunder shall be in writing delivered personally or by certified mail, addressed as follows:

To MCPOA: Attn: Pam McGarry/Office Manager
PO Box 415, New Meadows, ID 83654

To MCRA: Attn: Julie Good/Office Manager
PO Box M, New Meadows, ID 83654

9. MCPOA's Indemnification: MCPOA agrees to indemnify and hold owners of Surrendered MCRA Shares harmless from and against any and all losses, liabilities, expenses, damages or costs (including reasonable attorney's fees) resulting from the assertion against MCRA of any liabilities, obligations or commitments, contingent or otherwise, arising out of the operations of MCRA subsequent to closing.

10. Continuation Pending Closing: MCRA warrants and represents that no debt will be incurred or liens or encumbrances of any kind will be placed against MCRA or any of its assets pending closing, nor will any long-term leases or material contracts be entered into,

without the prior written consent of MCPOA. MCRA agrees to continue the operation of MCRA in the ordinary course of business and not engage in or permit any act which has or might reasonably have any material, adverse change in the financial condition, liabilities, assets, business or prospects of MCRA pending closing.

11. **Counterparts:** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original.

12. **Exhibits Incorporated:** All exhibits hereto are incorporated herein.

13. **Amendments:** This Agreement may not be amended, modified, or changed in any way, except by a written document signed by all of the parties hereto.

14. **Governing Law:** This Agreement shall be construed, interpreted, and applied and the rights and obligations hereunder determined, in accordance with the laws of the State of Idaho.

15. **Further Assurances:** Each of the parties hereto agrees to execute any other documents necessary or appropriate to effectuate the intention of the parties, as expressed in this Agreement.

16. **Time and Waiver:** Time and the prompt performance of each and every obligation of the parties hereto are agreed to be of the essence of this Agreement. Any departure from the conditions and terms of this Agreement, or any delay in the enforcement of the same by either party, shall not operate to waive or be a waiver of the rights of either party to stand upon the strict letter or construction of this Agreement or to require performance in accordance with the express terms set forth herein.

17. **Attorney's Fees:** If either party hereto defaults in any manner or fails to fulfill any and all provisions of this Agreement, and if the nondefaulting party places this Agreement with any attorney to exercise any of the rights of the nondefaulting party upon such default or failure, or if suit be instituted or defended by the nondefaulting party by reason of, under or pertaining to such default or failure, then the nondefaulting party shall be entitled to recover reasonable attorney's fees, costs and expenses from the defaulting party. This paragraph shall be enforceable by the parties notwithstanding any rescission, forfeiture or other termination of this Agreement.

18. **Remedies Cumulative:** Any remedy allowed either party under this Agreement is not exclusive, but rather is cumulative, and either party shall be entitled to seek, upon the other party's default, any other remedy allowed at law or in equity, or allowed by this Agreement.

19. **Severability:** In the case that any one or more of the provisions contained in this Agreement, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.

20. **Successors in Interest:** This Agreement shall be binding upon the successors and assigns, the personal representatives, heirs, administrators, executors, legatees and devisees of the parties hereto.

21. **Constructional Rules:** Where the context so requires, words in any gender shall be deemed to include the other genders, and the singular shall be deemed to include the plural and vice versa. The paragraph headings contained in this Agreement are employed solely as a

matter of convenience, and the same shall not be construed as interpreting, limiting or expanding the contents hereof in any way whatsoever.

22. Preparation of Documents: The parties have retained the law firm of Millemann Pemberton & Holm LLP to prepare this Agreement in accordance with the terms of an engagement letter executed by the parties as of February 19, 2021.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto as of the date set forth by their signatures below.

MCPOA:
MeadowCreek Property Owners'
Association, Inc.

MCRA:
MeadowCreek Resort Association, Inc.

Signature: _____

Signature: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

- Exhibit List:
Exhibit A – MCRA Shareholder List
Exhibit B – MCRA Real Property
Exhibit C – MCRA Other Assets
Exhibit D – MCRA Debts

Exhibit A

MCRA Shareholder List

Exhibit B

MCRA Real Property

Exhibit C

MCRA Other Assets

[List of Golf Maintenance Equipment and personal property attached at prior pages. Supplemental list described below needs to be added.]

*REPLACE THIS PAGE WITH
supplemental list of items that includes the inside
services, such as golf carts, pro shop merchandise etc., to
be Provided by MCRA]*

Exhibit D

MCRA Debts

*[REPLACE THIS PAGE WITH
List of MCRA Debts
To be Provided by MCRA]*