
CROWN COLONY GOLF & COUNTRY CLUB, INC.

MEMBERSHIP PLAN

February 9, 2012

MEMBERSHIP PLAN OVERVIEW

Membership Opportunity

This Membership Plan, including exhibits (referred to herein as the “Membership Documents”), offers you an opportunity to acquire a membership in Crown Colony Golf & Country Club, Inc. (referred to herein as the “Club”). The Club is an equity membership club which operates and offers access to certain golf and social facilities located in Lee County, Florida all of which are located within the Crown Colony residential community (the “Community”).

Membership Categories and Privileges

Each “Equity Membership” represents an ownership interest in the Club. Holders of Equity Memberships (“Equity Members”), as described herein, are entitled to vote on matters submitted to the Equity Members for a vote in accordance with the Membership Documents. Equity Members are entitled to use the Club Facilities referred to hereafter in accordance with the privileges granted by his or her membership described herein. The Club is offering three (3) categories of Equity Memberships: Golf Memberships, Sports Memberships and Social Memberships.

The Club may also offer non-proprietary memberships as provided in this Membership Plan. Non-proprietary memberships and Equity Memberships are sometimes referred to herein as “memberships” and persons acquiring Equity Memberships or non-proprietary memberships are sometimes referred to herein as “members”.

Special Membership Benefits

In addition to exceptional Club Facilities and an extensive array of programs and activities for members and their families, membership in the Club currently offers a number of attractive benefits, including:

- **Refundable Membership Contribution.** Equity Members are generally entitled to a refund of a membership contribution based on the average Membership Contribution paid to the Club for the three memberships of the same category sold by the Club immediately prior to the member qualifying for the refund, including the amount paid to the Club by the successor member who replaces the resigned Equity Member, or the price paid by the purchaser of the membership on sale of residence, as provided for in the Membership Documents and Membership Purchase Agreement.
- **Transferability of Memberships.** Memberships are transferable through the Club to the subsequent purchaser of a member’s home regardless of whether all memberships have been issued and such transfers are not subject to the buyers’ or resigned members’ waiting lists described herein.
- **Control of Club Operations and Policies.** Equity Members will be entitled to elect the members of the Board of Governors which governs the Club.

- **Transfer to Family Members.** Equity Members are generally entitled to transfer such membership to an immediate family member or spouse thereof.
- **Ownership Interest in Club.** Each Equity Member has an ownership interest in the Club and is entitled to vote on matters affecting the Club in accordance with the Membership Documents.
- **Immediate Family Privileges.** All memberships are family memberships. A member and the member's spouse or significant other, and unmarried children (or grandchildren or other children for which the member has legal custody) who are under the age of 23 and who are living at home with the member, attending school on a full-time basis or actively serving in the military are entitled to membership privileges without having to pay additional membership dues, subject to the Club's right to restrict access to such immediate family members during primary playing times or for certain golf or other functions.
- **Extended Family Privileges.** The parents, grandparents, grandchildren, great grandchildren and children who do not fall within the definition of immediate family of the member and the member's spouse or significant other may also be entitled to use the Club Facilities upon payment of any applicable user fees established by the Club.
- **Use of Club Facilities by Lessee.** An Equity Member may arrange for a lessee of such member's home to enjoy lessee privileges, subject to the approval of the Club.
- **Inheritability.** Upon the death of a member, the membership can be transferred to the member's spouse or legatee, as described further in the Membership Documents.
- **Club Communications.** Members will be provided with information and announcements about events and activities at the Club and other items of interest through periodic mailings and a website.

The Club reserves the right to change or eliminate certain membership benefits from time to time.

Carefully Review All Documents

This Membership Plan is a summary of the membership opportunities offered by the Club and is qualified by the definitive information set forth in the attached or referenced exhibits. Every person who desires to purchase a membership in the Club, or owns or purchases a home within the Community, should carefully read this Membership Plan and all of the attached or referenced exhibits and should consider seeking professional advice to evaluate these documents. Please refer to the Bylaws for the meanings of terms that are not defined in this Membership Plan.

Application Procedures

Persons who desire to apply for membership in the Club must comply with all of the following requirements:

- A. Fully complete and execute the Membership Purchase Agreement.
- B. Deliver or mail to the Membership Office at the Club: (i) the completed and executed Membership Purchase Agreement, and (ii) a check in U.S. funds for the amount required in the Membership Purchase Agreement.

Membership Office Available to Answer Inquiries

Should you have any questions concerning the membership opportunities available at the Club or this Membership Plan, please contact the Membership Office at 8851 Crown Colony Boulevard, Fort Myers, FL 33908 or by telephone at (239) 590-9044.

Rely Only on the Written Information Provided

NO PERSON IS AUTHORIZED TO MAKE ANY REPRESENTATIONS OR TO PROVIDE ANY INFORMATION WITH REGARD TO THE CLUB OR THE MEMBERSHIPS IN THE CLUB CONTRARY OR IN ADDITION TO THE INFORMATION CONTAINED IN THESE MEMBERSHIP DOCUMENTS. IF ANY SUCH REPRESENTATIONS ARE MADE OR INFORMATION PROVIDED, SUCH REPRESENTATIONS OR INFORMATION SHOULD NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE CLUB. IN THE EVENT OF A CONFLICT BETWEEN THE TERMS OF MEMBERSHIP CONTAINED IN THESE MEMBERSHIP DOCUMENTS, THE MEMBERSHIP PURCHASE AGREEMENT AND ANY OTHER PRINTED MATERIALS, THE MEMBERSHIP DOCUMENTS AND MEMBERSHIP PURCHASE AGREEMENT SHALL GOVERN.

Memberships Offered only for Recreational Purposes

MEMBERSHIPS ARE BEING OFFERED EXCLUSIVELY FOR THE PURPOSE OF PERMITTING PERSONS ACQUIRING A MEMBERSHIP TO OBTAIN RECREATIONAL USE OF THE CLUB FACILITIES. MEMBERSHIPS SHOULD NOT BE VIEWED OR ACQUIRED AS AN INVESTMENT AND PERSONS PURCHASING A MEMBERSHIP SHOULD NOT EXPECT TO DERIVE ANY ECONOMIC PROFITS FROM MEMBERSHIP IN THE CLUB.

NO FEDERAL, STATE OR OTHER GOVERNMENTAL AUTHORITY HAS PASSED UPON OR ENDORSED THE MERITS OF THESE MEMBERSHIP DOCUMENTS.

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I. CLUB PURPOSE AND FACILITIES

A. Purpose of Club

The Club has been organized to acquire, own and thereafter operate the Club Facilities referred to below for the pleasure, recreation and benefit of its members, their family members and guests.

B. Club Facilities

The facilities of the Club, referred to in the Membership Plan as the “Club Facilities”, consist of the following:

- an eighteen (18) hole golf course designed by Ron Garl;
- golf practice facilities including a golf practice range, target greens, and a practice putting green;
- a snack shop that is conveniently located between #1 and #10 tees; and
- a clubhouse offering dining facilities and lounge, private dining rooms, a meeting/conference room, golf shop, men’s and women’s locker room facilities, men’s and women’s card room, administrative offices and patio/deck areas.

The eighteen (18) hole golf course, golf practice facilities, snack shop, golf shop and the men’s and women’s locker room facilities located in the clubhouse are sometimes hereinafter collectively referred to as the “Golf Facilities” and the clubhouse (excluding the men’s and women’s locker room and golf shop facilities) is sometimes hereinafter referred to as the “Social Facilities”.

C. Ownership of Club Facilities

The Club Facilities were developed by Centex Homes, a Nevada general partnership (referred to herein as the “Company”). The Company has transferred to the Club all of its right, title and interest in the Club Facilities, including the land upon which the Club Facilities were constructed, in accordance with the terms and conditions of an Agreement for Purchase and Sale of Property by and between Centex Homes and the Club and CC Transition, Inc. a Florida not-for-profit corporation, dated March 8, 2010 (the “Purchase and Sale Agreement”). The date on which the Club acquired all of the Company’s right, title and interest in the Club Facilities shall be referred to herein as the “Closing Date”.

II. CATEGORIES AND NUMBER OF EQUITY MEMBERSHIPS

Three (3) categories of Equity Membership are available in the Club: Golf Memberships, Sports Memberships and Social Memberships. The maximum number of Equity Memberships which the Club is permitted to issue in each category of membership is as follows:

<u>Category</u>	<u>No. of Memberships</u>
Golf Membership	375
Sports Membership	100
Social Membership	200

Non-Equity Memberships (as defined hereinafter) shall count against the maximum number of Equity Memberships which may be issued in a corresponding category provided that Non-Equity Social Memberships which are not required to pay dues shall not be counted against the limitation on the number of Social Memberships which are entitled to be offered in the Club.

III. ELIGIBILITY

A. Offering of Memberships

Equity Memberships may be offered to residents and non-residents of the Community. All members, whether residents or non-residents, must apply for and be approved for membership in the Club. Equity Memberships may be titled in the name of an individual or bona fide entity (as provided herein).

B. Availability of Equity Memberships to Members of Non-Equity Club

The Company previously offered the right to use the Club Facilities pursuant to a non-equity membership program implemented by the Company. The Club has provided members of the non-equity club known as “Crown Colony Golf & Country Club” (the “Non-Equity Club”) the opportunity to acquire Equity Memberships in the Club during an initial offering period beginning on the Closing Date and ending 45 days thereafter (the “Initial Offering Period”). The members of the Non-Equity Club are referred to herein as “Non-Equity Members.” During the Initial Offering Period, Non-Equity Members who were current in the payment of all amounts owed to the Company and its affiliates for (i) member installments due on or before January 31, 2010, and (ii) dues, fees and charges due on or before the Closing Date, were entitled to acquire Equity Memberships in the Club in the same category of membership as they had in the Non-Equity Club without payment of any additional amount beyond the amount of the membership deposit originally required to be paid by the Non-Equity Member for his or her Non-Equity Membership. Such Non-Equity Member received full credit for all membership deposits previously paid to the Company toward the membership contribution for the Equity Membership. Any Non-Equity Members who executed promissory notes for the payment of all or a portion of the membership deposit for their Non-Equity Membership shall be required to pay any installments due after January 31, 2010 to the Club, as and when due, and such amounts will be credited toward the membership contribution for such member’s Equity Membership. Non-Equity Members who acquire Equity Memberships during the Initial Offering Period shall be referred to herein as “Charter Members.”

Notwithstanding anything to the contrary contained in this Section III.B., Non-Equity Members with Social Memberships that do not require the payment of annual dues must begin paying annual dues if such members elect to acquire an Equity Membership.

Non-Equity Members who did not acquire Equity Memberships in the Club during the Initial Offering Period may only acquire Equity Memberships on terms and conditions determined by the Club from time to time. There is no guarantee of availability of Equity Memberships or the cost to convert to Equity Membership after the Initial Offering Period. However, the Membership Deposit previously paid by the Non-Equity Member to the Company or the Club in respect of the Non-Equity Membership will be credited toward the membership contribution charged by the Club for the Equity Membership. Non-Equity Members who do not convert to Equity Membership may continue membership in the Club pursuant to the terms and conditions of the Non-Equity Club's Plan for the Offering of Equity Memberships, dated April 2004, as amended by the First Amendment to Plan for the Offering of Equity Memberships, dated effective April 9, 2010, and as further amended from time to time in the future (the "Non-Equity Plan"), and the Non-Equity Member's Membership Agreement; however, such Non-Equity Members may have their Non-Equity Memberships recalled at any time in the sole discretion of the Club. A recallable Non-Equity Member shall be entitled to a refund of the membership deposit paid for the Non-Equity Membership within thirty (30) days of the date of recall.

C. Reserved Memberships

The Club has retained the absolute right at all times to reserve any unsold memberships which it may hold for sale. Reserved memberships are not considered to be available memberships, and the Club may not be compelled to sell such memberships. The Club may issue a reserved membership to any person whom the Club determines appropriate from time to time.

D. Upgrade of Membership

Equity Members will, at all times, have the right to upgrade to a higher category of Equity Membership, subject to the Equity Membership being available and not reserved and subject to any waiting list for the higher category of Equity Membership. The upgrading Equity Member must pay the difference, if any, between the membership contribution previously paid by the upgrading Equity Member for his or her Equity Membership (including any amounts paid to the Non-Equity Club as a membership deposit) and the then current membership contribution for the new category of Equity Membership, plus prorated dues.

E. Downgrade of Membership

Members (other than surviving spouses of deceased Equity Members as provided in Section VI.D or qualifying on the Priority List as provided in Section VI.M.) may not downgrade to a lower category of Equity Membership as a matter of right. Downgrades may be allowed by the Board of Governors in the sole and absolute discretion of the Board of Governors on terms and conditions determined by the Board of Governors.

F. Waiting Lists for Equity Membership

If a person desires to acquire an Equity Membership in a particular category of Equity Membership and an Equity Membership is not available in that category, the Club will establish a waiting list for that particular category of Equity Membership. If an Equity Membership in the

category thereafter becomes available, the Equity Membership will be offered to persons on the waiting list in accordance with the following order of priorities:

First, to Charter Members who desire to upgrade to a higher category of Equity Membership;

Second, to all other Equity Members who desire to upgrade to a higher category of Equity Membership;

Third, to property owners in the Community who are approved and who are not Equity Members of the Club; and

Fourth, to all other persons who are approved and desire an Equity Membership in the Club.

G. Memberships May Be Held in the Name of a Company or Other Bona Fide Legal Entity

For the convenience of members, a membership may be held in the name of a partnership, limited liability company, company, trust or other form of multiple ownership (collectively, the “entity”). The entity must designate one (1) adult who will have the right to use the membership as the “Corporate Designee.” The Corporate Designee shall have the same privileges to use the Club Facilities and pay the same fees and charges as a member in the same category of membership. The immediately family of the Corporate Designee may use the Club Facilities on the same basis as immediate family of member in the same category of membership. The Corporate Designee must submit a Membership Application and the entity and the Corporate Designee will be subject to the approval of the Club. The Corporate Designee must be a bona fide director, officer, partner, shareholder or employee of the entity, or a trustee, beneficiary or settlor if the membership is held in the name of a trust, and must pay any required dues, fees and charges. The Corporate Designee of an Equity Membership shall be entitled to exercise the voting and other privileges of the Equity Membership. No person other than the Corporate Designee and his or her immediate family will be entitled to simultaneously use the membership. The Club may establish from time to time the rules governing the Corporate Designee, including rules regarding whether the Corporate Designee may be changed and the amount of any fee for such change. The entity member and the Corporate Designee shall be jointly and severally liable for the payment of all dues, fees, charges, assessments, and other amounts owed to the Club.

IV. MEMBERSHIP PRIVILEGES

A. Golf Membership

Upon the payment of all applicable dues, fees and charges, a Golf Member will be entitled to use all of the Club Facilities. Golf Members may reserve golf starting times fourteen (14) days prior to the date of play and shall have first priority sign-up for Club events, lockers and bag storage. Golf Members will not be required to pay greens fees for use of the Golf Facilities, but will be required to pay golf cart fees. Golf Members will be required to pay all other applicable fees for goods and services purchased at the Club.

B. Sports Membership

Upon the payment of all applicable dues, fees and charges, a Sports Member will be entitled to use the Club Facilities, subject to the limitations contained in this Section IV.B. Sports Members will be entitled to use the golf course four (4) times per month during January, February, March and April (all uses of the golf course, including tournaments, group events and regular golf play shall count toward this limit) and on an unlimited basis during the remaining months of the year. Sports Members will have second priority behind Golf Members for sign-up for Club events, lockers and bag storage. Sports Members shall pay a preferred member greens fee and a cart fee when playing golf and all other applicable fees and charges for goods and services purchased at the Club. Sports Members may reserve golf starting times three (3) days in advance of the date of play and may only use the golf practice facilities before or after a round of golf or in connection with a golf lesson.

C. Social Membership

Upon the payment of all applicable fees and charges, a Social Member will be entitled to enjoy the Social Facilities of the Club. Social Members will be entitled to use the golf course one (1) time per month (all uses of the golf course, including tournaments, group events and regular golf play shall count toward this limit). Social Members will have third priority behind Golf Members and Sports Members for sign-up for Club events, lockers and bag storage. Social Members shall pay a preferred member greens fee and a cart fee when playing golf and all other applicable fees and charges for goods and services purchased at the Club. Social Members may reserve golf starting times three (3) days in advance of the date of play and shall have the right to sponsor up to three (3) guests to accompany the Social Member upon payment of preferred member guest fees. Social Members may only use the golf practice facilities before or after a round of golf or in connection with a golf lesson.

D. Club May Establish Rules Regarding Use of Club Facilities

In order to provide for the orderly administration of the Club and the utmost enjoyment of the Club Facilities by all members, the Club reserves the right, from time to time, to modify the privileges of membership in the Club, including but not limited to, establishing rules governing access, sign-up privileges and starting times with respect to the golf course and any other Club Facilities.

E. Membership Voting Rights

On all matters to be voted on by members of the Club, except for capital assessments, Equity Golf Members will be entitled to six (6) votes per membership certificate, Equity Sports Members will be entitled to three (3) votes per membership certificate and Equity Social Members will be entitled to one (1) vote per membership certificate. The Club is not entitled to vote the memberships which it holds for sale on matters submitted to the vote of the Equity Members.

F. Use of Club Facilities by Immediate Family and Designated Users

A member's immediate family will be entitled to use the Club Facilities in accordance with the member's category of membership. A member's immediate family will include the member's spouse or Significant Other (as described below) and their unmarried children (or grandchildren or other children for which the member has legal custody) who are under the age of twenty-three (23) and who are living at home with the member, attending school on a full-time basis or actively serving in the military. The Club reserves the right to restrict access by immediate family members during primary playing times and during certain golf and non-golf events as determined by the Club.

Only unmarried members may designate a Significant Other who will have membership privileges. A "Significant Other" must be (i) approved by the Club, (ii) designated in the Membership Purchase Agreement or in a separate agreement with the Club, and (iii) an adult who is not related to the member and resides together with the member as a single household unit in a single residence. Such a designation may be permitted in the Club's discretion, upon application, approval and payment of any applicable fees. Each member may have only one (1) Significant Other and a Significant Other may be changed only once during any Membership Year. The Club may terminate the privileges of any or all Significant Others in its sole and absolute discretion.

G. Use of Club Facilities by Extended Family

The Club reserves the right from time to time, to permit the extended family of a member or the member's spouse or Significant Other, as applicable, to use the membership privileges upon payment of such fees as may be established by the Club. The extended family shall include the parents, grandparents, adult children, grandchildren and great grandchildren of both the member and the member's spouse or Significant Other. The Club may modify or terminate this privilege and establish such rules with respect thereto as it may determine from time to time.

H. Use of Club Facilities by Guests

Members may invite guests to use the facilities of the Club upon payment of the applicable guest charges. Guest use shall be in compliance with the Rules and Regulations and Bylaws of the Club, which may include, without limitation, restrictions on the number of times a particular guest may use all or a portion of the Club Facilities during each Membership Year, the total number of guests a member can sponsor during any Membership Year or portion thereof and a requirement that guests of a member be accompanied by the member. The Club reserves the right, through action by the Board of Governors, to establish guest policies from time to time. The member will be responsible for the payment of charges incurred but not paid by his or her guests, including any applicable guest fees established by the Club from time to time. Members will also be responsible for the deportment of and any damages caused by their guests.

I. Use of Club Facilities by Lessee of an Equity Member

An Equity Member who leases his or her home for a period of at least one (1) month may arrange for the lessee of his or her home to enjoy lessee privileges, subject to the approval of the Club. An Equity Member may designate up to three (3) lessees for privileges each Membership

Year. An Equity Member who leases his or her home in the Community must do so in accordance with the Rules and Regulations of the Crown Colony Community Association, Inc. An Equity Membership must be acquired for each home for which the Equity Member desires a lessee to be able to use the Club Facilities. The lessee must (i) submit an Application for Lessee Privileges, (ii) be approved by the Club and (iii) pay the required administrative fee established by the Club from time to time. The Equity Member agrees to provide a copy of the lease agreement and such documentation as may be requested from time to time by the Club which demonstrates the existence of a bona fide leasing arrangement. During the period when a lessee is the designated user of the Equity Membership, the lessee shall have the same use rights as the lessor member and the lessor member will not have any membership privileges (except voting rights) but will continue to be obligated to pay dues and assessments with respect to his or her Equity Membership. The Equity Member will be responsible for the department of the lessee and for all charges incurred by the lessee which are not paid in accordance with the customary billing and collection procedures of the Club. The Club may establish other rules relating to the use of the Club Facilities by lessees from time to time.

V. MEMBERSHIP CONTRIBUTION

A. Membership Contributions

Persons desiring to become Equity Members of the Club must pay the membership contribution as set forth in the Membership Purchase Agreement.

B. Setting of Membership Contribution

The membership contribution for memberships in the Club will be fixed by the Board of Governors of the Club from time to time at any level it deems appropriate in its sole discretion. The membership contribution for memberships which are available for reissuance by the Club will be equal to the membership contribution set by the Club for unissued memberships.

C. Payment of Membership Contribution

The membership contribution shall be paid in accordance with the Membership Purchase Agreement.

VI. TRANSFER OF MEMBERSHIP

A. Transfer of Membership to Club

Equity Members may resign or otherwise transfer their memberships only to the Club. Equity Members who desire to resign their memberships in the Club must be in good standing and must give the Club sixty (60) days' written notice of their desire to resign the membership. The Club will maintain a list of persons who desire to acquire membership in the Club and a resigned members' waiting list of members who want the Club to reissue their Equity Membership. Resignations are irrevocable once submitted to the Club absent approval by the Board of Governors, in its sole and absolute discretion. Notwithstanding the above, for a period of thirty (30) days after the Closing Date and ninety (90) days after establishment of the initial Priority List as provided in Section VI.M. hereof, an Equity Member shall have the right to

remove the resigned membership from the resigned list by notification in writing to the Board of Governors.

Dues paying Non-Equity Memberships may be resigned and transferred as provided in the Non-Equity Plan. However, replacement memberships must be Equity Memberships. Any Non-Equity Memberships resigned prior to the Closing Date will maintain their priority on the resigned members' waiting list, provided that memberships resigned due to the death of an Equity Member will be given priority on the resigned members' waiting list as described hereinafter.

B. Resigned Members' Waiting List

Upon the effective date of an Equity Member's resignation, the resigned membership will be placed on a list by category of membership to be reissued on a first-resigned, first-reissued basis (subject to Section VI. D. below in the case of the death of an Equity Member), as follows, unless the member arranges for the subsequent purchaser of his or her home to acquire the membership:

1. Prior to the Initial Issuance of All Memberships in a Category

Until such time as the Club has issued three hundred (300)¹ Golf Memberships (including both Equity Memberships and Non-Equity Memberships), every third Golf Membership issued (excluding any Golf Memberships issued in connection with an upgrade from a lower category of membership) will be a resigned Golf Membership from the resigned members' waiting list and the other two memberships will be unissued Golf Memberships (provided if there is a Golf Membership on the Priority List, one of such memberships shall be from the Priority List). After the issuance of the 300th ² Golf Membership in the Club, and until three hundred seventy-five (375) Golf Memberships have been issued in the Club, every other Golf Membership issued (excluding any Golf Memberships issued in connection with an upgrade from a lower category of membership) will be a resigned Golf Membership from the resigned members' waiting list.

Prior to the initial issuance of all of the Equity Memberships in a particular category of membership, other than Golf Memberships, every third membership in that category (excluding any Sports Memberships issued in connection with an upgrade from a Social Membership and any Sports Memberships or Social Memberships issued in connection with a downgrade of membership category in accordance with Section VI.D.3) will be a resigned membership from the waiting list, provided there is a resigned membership on the waiting list. The other two (2) memberships will be unissued Equity Memberships in that category (provided if there is

¹ Subject to increase up to 375 in the discretion of the Board of Governors

² Subject to increase up to 375 in the discretion of the Board of Governors

a membership in that category on the Priority List, one of such memberships shall be from the Priority List).

2. After the Initial Issuance of All Memberships in a Category

After the initial issuance of all of the Equity Memberships in a particular category, every Equity Membership issued in that category will be a resigned Equity Membership from the waiting list.

The issuance of Equity Memberships to Charter Members during the Initial Offering Period or later conversions from Non-Equity Memberships (other than annual memberships) to Equity Memberships shall not be treated as membership sales for purposes of the resigned members' waiting list or Priority List and no members on the resigned members' waiting list or Priority List shall be entitled to a refund as a result of such conversions from Non-Equity to Equity Membership.

Resigned Non-Equity Members will be placed on the same resigned members' waiting list as Equity Memberships in the same category.

There is no guarantee that a membership will ever be reissued, or reissued within a specified time period, because reissuance is dependent upon another person desiring an Equity Membership and the Club's approval of the prospective member. The Club may, in its sole discretion, but is not required to, repurchase a resigned membership prior to another individual acquiring the resigned membership as provided hereafter.

C. Transfer Upon Sale of Home

The holder of an Equity Membership who resigns from the Club upon the sale of his or her home (other than an Equity Member who has made the election mentioned in Section VI. E. 1(b)(ii), below) may arrange for the Club to reissue the member's Equity Membership to the subsequent purchaser of the home who is approved for membership in the Club, regardless of whether all of the Equity Memberships have been issued and regardless of whether there are any resigned memberships on the resigned members' waiting list. The Equity Membership is not required to be made available to persons on any waiting list to acquire Equity Memberships. The reissuance of the Equity Membership to a subsequent purchaser does not count as a membership sale for purposes of the resigned members' waiting list or Priority List and no members on the resigned members' waiting list or Priority List shall be entitled to a refund as a result of such reissuance. The subsequent purchaser desiring the resigned Equity Membership will be required to submit an application for membership and a Membership Purchase Agreement and must be approved for Equity Membership. The Club will expeditiously review the materials submitted and make a determination after receipt of all requested information by the Club, whether or not to approve the subsequent purchaser for Equity Membership. The Club has no obligation to approve a subsequent purchaser for Equity Membership. If a resigning Equity Member does not so arrange for the subsequent purchaser to be issued his or her Equity Membership, the resigned Equity Membership will be placed on the waiting list for reissuance. The subsequent purchaser must acquire the Equity Membership within sixty (60) days of the real estate closing.

In the event the subsequent purchaser of an Equity Member's home elects a lower category of Equity Membership which requires the payment of a membership contribution less than that paid by the resigning Equity Member, then the resigning Equity Member may elect to either (i) place his or her resigned Equity Membership on the resigned members' waiting list, or (ii) receive the amount of the membership contribution paid by the subsequent purchaser of his or her home for the lower category of Equity Membership in full satisfaction of the refund owed to the resigned Equity Member.

D. Transfer Upon Death / Transfer to Family Members

1. Upon the death of an Equity Member (other than an Equity Member who has made the election mentioned in Section VI.E.1(b)(ii) below), the Equity Membership automatically passes to the surviving spouse, if any, and the surviving spouse by written request to the Board of Governors within 90 days after the Equity Member's death, shall select from the following options:
 - (a) The surviving spouse may elect to continue to be an Equity Member in the same category of Equity Membership. In the event that the surviving spouse fails to make an election, the surviving spouse shall be deemed to have elected this option.
 - (b) The surviving spouse may elect to upgrade the Equity Membership to a higher category of Equity Membership by paying the appropriate additional membership contribution, if any, and dues for the higher Equity Membership category.
 - (c) The surviving spouse may elect to downgrade the Equity Membership to Equity Sports Membership or Equity Social Membership, if available. Upon such election, prepaid dues shall not be refunded, future dues shall be at the newly selected category of Equity Membership, and if the Equity Membership is in good standing, it shall be placed on the resigned members' waiting list in the preferred position set forth in this subsection D of Section VI, and the refund paid to the surviving spouse upon reissuance shall be reduced by the amount of the membership contribution being charged for the selected category of Equity Membership at the time of the downgrade. Dues will continue to accrue at the rate of dues for the original Equity Membership until the original Equity Membership is reissued, up to a maximum of twenty-four (24) months after the last day of the month in which the date of death of the original Equity Member occurred. The accrued dues (less a credit for dues actually paid during such period) will further reduce the amount of the refund to the surviving spouse upon reissuance of the original Equity Membership.

- (d) The surviving spouse may elect to resign the Equity Membership (and if the Equity Membership is in good standing, go to the preferred position set forth in this subsection D of Section VI) with no further obligation to pay dues, however, dues up to a maximum of twenty-four (24) additional months from the last day of the month in which the date of death of the original Equity Member occurred shall accrue until the resigned Equity Membership is reissued, and reduce the amount of the refund due the surviving spouse.

If the deceased Equity Member is not survived by a spouse, the legatee or heir of the Equity Member, if eligible for Equity Membership and approved by the Board of Governors, shall have the right to acquire the deceased Equity Member's Equity Membership without the payment of any additional membership contribution. Notwithstanding the above, if the deceased Equity Member was obligated under an agreement with the Club to contribute additional equity funds, those funds will be required to be paid. In this event, the legatee or heir shall be required to notify the Club in writing of his or her desire to acquire the deceased Equity Member's Equity Membership in the Club and submit an application. However, the legatee or heir must submit a Membership Purchase Agreement no later than ninety (90) days after the date of the Equity Member's death and pay all unpaid charges and assessments for the intervening period between the date of the Equity Member's death and the date of acceptance for Equity Membership, in addition to dues and all other applicable charges.

If the legatee or heir fails to apply for a membership within ninety (90) days after acquiring the right to possession of the membership certificate, the membership shall be deemed resigned, dues shall continue to accrue and the resigned membership shall be reissued in the same fashion as any other resigned membership; provided that, if the deceased Equity Member was in good standing (i.e., current in the payment of all obligations to the Club and not subject to disciplinary action) at the time of death, the resigned membership will be given a preferred position on the resigned members' waiting list. If at the time of resignation due to death, there are no memberships on the resigned members' waiting list due to the death of an Equity Member, then the resigned membership will be placed in the sixth position on the resigned members' waiting list, or the last position on the resigned members' waiting list if fewer than six (6) members are on the resigned members' waiting list at that time. If at the time of resignation due to the death of an Equity Member, there are memberships on the resigned members' waiting list similarly resigned due to the death of the Equity Member, then the resigned membership will be placed in the second position behind the membership most recently resigned due to the death of the Equity Member.

Upon reissuance of an Equity Membership resigned due to the death of an Equity Member, the Club shall pay the estate of the deceased Equity Member, upon payment of the membership contribution in full by the successor Equity Member, the amount due as provided herein upon a transfer of an Equity Membership less any unpaid charges, assessments and dues.

2. Upon the death of an Equity Member who has made the election mentioned in Section VI.E.1(b)(ii) below, the Equity Membership automatically passes to the surviving spouse, if any, and if no surviving spouse to the legatee or heir of the Equity Member, who, if eligible for Equity Membership and approved the Board of Governors, shall elect to (a) acquire the deceased Member's Equity Membership or (b) have the membership treated as resigned with no further obligation to pay dues, and receive no refund of prepaid dues, by written request to the Board of Governors within ninety (90) days after the Equity Member's death.
3. An Equity Member in good standing shall have the right to temporarily transfer the Equity Member's membership to the Equity Member's spouse for a period of time not less than 3 years. Such Equity Member may permanently transfer the Equity Member's membership to the Equity Member's spouse, child, spouse of a child, grandchild, spouse of a grandchild or Significant Other subject to approval of the Club. The Board of Governors will promulgate rules applicable to the method of requesting/effecting the foregoing transfers, required documentation, timing and similar matters. After the transfer (or, in the case of a temporary transfer to the Equity Member's spouse, during the period of such temporary transfer) the transferor will no longer be entitled to any refund from the Club after resignation or to any other rights or to use the Club except as provided in this Membership Plan and any refund of the Membership Contribution paid for the membership shall be paid to the transferee based upon the Membership Plan as it exists at the time of resignation or as amended thereafter from time to time.

No payment of any transfer fee or membership contribution shall be required in connection with the transfer. However, if the transferor desires to remain a member of the Club, the transferor shall pay a fee equal to the Equity Membership Contribution required for the desired category of membership (with no right to any refund after resignation) and have all other rights and responsibilities of membership in that category. Thereafter, the transferor, upon serving the Club with 60 days written notice, shall have the right to further downgrade (in which case the transferor will be responsible for dues for the downgraded category of membership) or resign without any further obligation to pay dues.

E. Refund Upon Transfer of Membership

1. The holder of an Equity Membership which has been resigned (other than an Equity Member who has made the election mentioned in Section VI.E.1(b)(ii) below or resigned pursuant to Section VI.M. below, is entitled to a refund after the Equity Membership has been reissued by the Club. Upon reissuance of the membership, the amount to be refunded shall be as provided herein, as follows:
 - (a) For Charter Members and for Non-Equity Members who acquire their Equity Memberships after the Initial Offering Period the amount of the refund shall be equal to the average Membership Contribution paid to the Club for the three memberships of the same category sold by the Club immediately prior to the Equity Member qualifying for the refund, including the amount paid to the Club by the successor Equity Member who replaces the resigned Equity Member; provided however that in the event that the resignation occurs upon the sale of the Equity Member's home as provided in Article VI.C above, the amount to be refunded shall be equal to the amount paid to the Club by the purchaser of the home for the purchaser's membership in the Club, subject to the ability of the selling/resigning Equity Member to elect to place his or her resigned membership on the Resigned Member's waiting list as provided in Article VI.C above, in which case the normal rules applicable to the determination of the amount of the refund will apply.
 - (b) For Equity Golf, Equity Sports and Equity Social Members who were not previously dues paying Non-Equity Members, such Equity Members will elect at the time of acquiring their Equity Membership to either:
 - (i) receive an amount equal to the Average Membership Contribution paid to the Club for the three memberships of the same category sold by the Club immediately prior to the Equity Member qualifying for the refund, including the amount paid to the Club by the successor Equity Member who replaces the resigned Equity Member; provided however that in the event that the resignation occurs upon the sale of the Equity Member's home as provided in Article VI. C above, the amount to be refunded shall be equal to the amount paid to the Club by the purchaser of the home for the purchaser's membership in the Club, subject to the ability of the selling/resigning Equity Member to elect to place his or her resigned membership on the Resigned Member's waiting list as provided in Article VI.C

above, in which case the normal rules applicable to the determination of the amount of the refund will apply; or

(ii) to be responsible for dues for one full Membership Year after the year in which the resignation is effective and not receive any refund of the resigned Equity Member's membership contribution as provided in item (b)(i) above. Dues for the final Membership Year of the Equity Member's Equity Membership will be billed and paid in the normal fashion. Equity Members making the election mentioned in this item (b)(ii) will be entitled to continue to use the Club Facilities after resignation during the period mentioned in item (b)(ii), as long as dues and other amounts payable with respect to the Membership continue to be paid and the Equity Member complies with all the applicable rules and regulations of the Club. After the end of the period mentioned in item (b)(ii), the Equity Membership will terminate. When the Equity Membership terminates, the Equity Membership will be treated as a previously unissued Equity Membership for purposes of Item VI.B. above.

(c) Resigned Members on the waiting list in positions 1 through 10 on February 9, 2012 (the Effective Date of this provision) and who are currently in good standing and in the future continue to meet their obligations to the Club while on the Resignation List, will be entitled to receive a percentage of the Membership Contribution paid for their membership if that percentage amount is greater than the amount calculated as mentioned in paragraph E.1 (a) or (b) above. The percentage amounts applicable to such resigned memberships for their respective positions on the resigned list as of February 9, 2012 will be as follows:

Position	Percentage Amount
1.	100%
2.	90%
3.	80%
4.	70%
5.	60%
6.	50%
7.	40%

- 8. 30%
- 9. 20%
- 10. 10%

- (d) In the case of a partially refundable membership or a membership with an option concerning refundability, the amount and timing of the refund will be determined in accordance with the rules applicable to such memberships.
- (e) The Club will have 60 days after the conditions requiring payment of the refund are fulfilled in which to make payment.

- 2. Those Equity Members who elect to resign or downgrade as provided in Section VI.M below will not be entitled to any refund of their Membership Contribution unless their membership is reissued to a purchaser of their home prior to the effective date of the resignation or downgrade.
- 3. The provisions of the foregoing sections E.1(a) (b) and (c) notwithstanding, in the event that an Equity Member has entered into a contract for the sale of the Member's home prior to February 9, 2012 and the purchaser of the home also acquires the reissued membership of the Equity Member in accordance with the requirements of Paragraph VI.C. above, the reimbursement due the Equity Member shall be based upon the Membership Plan as it was in effect prior to February 9, 2012.
- 4. Any excess of the membership contribution paid by the successor Equity Member over and the amount refunded to the resigning Equity Member will be retained by the Club.

F. Deduction of Amounts Owed to the Club or the Company

The Club will deduct from the amount to be paid to the resigning Equity Member any amount which the resigning Equity Member owes to the Club or the Company.

G. Continuing Dues Obligation

An Equity Member (other than an Equity Member who has made the election mentioned in item VI.E.1(b)(ii) or a surviving spouse making the election as provided in item VI.D.3 or 4 above) who has resigned will continue to be obligated to pay all dues, fees, charges and assessments associated with the Equity Membership being resigned until the resigned Equity Membership is reissued by the Club and may continue using the Club Facilities so long as the dues and other sums owed to the Club are timely paid.

H. Dues Refund

If a membership is reissued during a Membership Year, the resigned Equity Member will be entitled to a refund of a pro rata portion of any dues paid in advance for the remainder of the Membership Year in which the reissuance occurs beginning with the first full month after the membership is reissued.

I. Future Eligibility of Refunded Members for Membership in the Club

Neither an Equity Member nor a Non-Equity Member who has resigned from the Club and received a refund of all or a portion of such member's membership contribution or membership deposit, as the case may be, after the Closing Date, may reapply or apply for Equity Membership within thirty-six (36) months of the date of receipt of the refund of such membership contribution or membership deposit except as provided below, unless such member agrees to pay the greater of: (i) the membership contribution being charged at the time of application or reapplication for the desired category of Equity Membership; or (ii) the membership deposit or membership contribution previously refunded to such member; except an Equity or Non-Equity Golf or Equity or Non-Equity Sports Member in good standing who has resigned from the Club and received a refund of such member's membership contribution or membership deposit, may reapply or apply for Equity Social Membership pursuant to Article VI.E.1(b)(i) or (ii) within such thirty-six (36) month period and, if admitted, shall pay the then current Equity Social Membership contribution. After such thirty-six (36) month period, such member may apply or reapply for Equity Membership and, if admitted, shall pay the then current membership contribution. Notwithstanding the foregoing an Equity Member or Non-Equity Member who has resigned after February 9, 2012 and receives a refund equal to the average amount paid by the three new members immediately preceding qualification for the refund, or, in connection with the sale of the member's residence, receives a refund equal to the amount paid by the purchaser thereof, may apply at any time for Golf, Sports or Social membership and agrees to pay the then current Equity Contribution for that category of Equity Membership.

J. Membership may be Repurchased by Club

The Club may, but is not obligated to repurchase a membership under any circumstances. If the Club, in its sole discretion, elects to repurchase a membership, then it may do so in its sole discretion on terms and conditions mutually agreeable to the member and the Club and the resigned membership shall retain its position on the resigned members' waiting list if so listed or shall be added to the end of the resigned members' waiting list if not already on such list. The Club shall be entitled to all the proceeds for reissuance of such membership. Additionally, the Club may enter into agreements to reduce the amount of the membership contribution refund with individual Equity Members on terms that are acceptable to individual Equity Members. Such repurchase or reduction in the membership contribution refund shall not count as a membership sale for purposes of the resigned members' waiting list and no members on the resigned members' waiting list shall be entitled to a refund as a result of such repurchase or reduction.

K. Legal Separation or Divorce

In the event of the divorce or separation of a married member, the membership, including all of its rights and benefits, will vest in the spouse awarded the membership by an agreement of separation or a decree of divorce. Until the award of the membership and written notice thereof is provided to the Club, the member may continue to enjoy membership privileges and, unless otherwise notified in writing by the member, the spouse may continue to enjoy membership privileges (except voting rights) so long as dues, fees, charges and assessments are timely paid and if not timely paid, all use rights and charge privileges shall be denied to both spouses. The Club reserves the right, in its sole discretion, not to transfer the membership to either spouse if the Club, in its sole discretion, is unable to determine the person who is lawfully entitled to receive the membership. In the case of divorce or separation, if the Club has been unable to determine which spouse is legally entitled to the membership within six (6) months after the date of the divorce decree, the membership shall automatically be deemed resigned, the membership shall be placed last on the resigned members' waiting list and, upon reissuance of the resigned membership, the refund, less any outstanding dues, fees, assessments or other charges, will be paid to the individual who executed the Membership Purchase Agreement as the member.

L. Amendment of Section VI

Notwithstanding anything to the contrary contained herein or in the Bylaws, the provisions of this Section VI may not be amended without the approval of: (i) a majority of all of the members of the Board of Governors, and (ii) a majority of the votes cast by the Equity Members entitled to vote, in person or by proxy, at any duly called and constituted annual or special meeting of the Equity Members at which a quorum of Equity Members is present either in person or by proxy.

M. Limited Right to Downgrade or Resign

A limited number of Members may resign or downgrade their membership to a lower category of membership as follows:

1. All members in good standing shall receive notice from the Club (the "Option Notice"), which notice shall be sent within 30 days or less from February 9, 2012, and shall have the right during an option period (the "Option Period") of 30 days from the date of the Option Notice to submit to the Club a Membership Modification Agreement on a form approved by the Board of Governors accepting the terms of this procedure along with payment of an amount equal to two times the then current annual dues plus sales tax calculated from the ending date of the Option Period less any amount already prepaid.
2. After the end of the initial Option Period, a lottery will be held to establish the positions for the ten places on the priority list (the "Priority List"). The lottery and Priority List shall be available to both Equity Members and Non-Equity Members, provided both Equity Members and Non-Equity members have approved this or a similar provision to both the

Equity and Non-Equity Membership Plans. If either the Equity Members or Non-Equity Members fail to approve this or a similar provision, the Priority List shall only be available to the Membership Plan which approved this or a similar provision. In the event that more than ten members exercise this right those members not placed on the Priority List will have their payments returned and will not have established any priority or right to be placed on the Priority List in the future.

3. Those members whose memberships are initially or at any time placed on the Priority List shall immediately donate their Equity Contribution reimbursement rights to the Club and waive any claim whatsoever for their Equity Contribution reimbursement except for the transfer of their membership in conjunction with the sale of their residence per paragraph C above. If their membership is then currently listed on the Membership Resignation List pursuant to B above, it shall be removed from that list. No member on the Priority List shall have the right to place their membership on the Membership Resignation List. All members shall have a 90 day period of time after the initial Priority List is established to remove their membership from the Resignation List.
4. On the date of the drawing for the lottery, an initial base number (the “Base Number”) of members in good standing for each category (Golf, Sports, & Social) shall be established. The Base Number shall be increased by one for each three members sold in the respective category after one member resigns via the Resignation List and one member qualifies under 5 below. Once qualified, memberships will no longer be counted towards the Base Number.
5. For each group of three Equity memberships sold in each category, the Membership in the highest position on the Priority List that has not yet qualified for the right to downgrade or resign (in two years from the date placed on the Priority List) will qualify, provided that the number of memberships in good standing in that category shall exceed the then current Base Number by one not counting the membership resigned through the Resignation List and the membership qualifying under the Priority Plan.
6. The Club will provide written notice to a member upon qualification. Within 30 days of the date of the sending of the notice that a member qualifies, that member shall have the right, without paying any new Equity Contribution, to downgrade to a lower category of membership or resign their membership, subject to having been on the Priority List for two years. If a member fails to advise the Club in writing of the option selected, the member will automatically be downgraded to the next lower level. Any member who downgrades under this program shall in the future have the right to further downgrade or resign by providing the Club with 60 days

advance written notice. Downgraded memberships shall not count as a new membership for purposes of the Resignation List or Priority List.

7. At the end of the first year following the establishment of the initial Option Period, and annually thereafter, 30 day Option Periods shall be established to allow sufficient memberships to be added to the Priority List to increase the total memberships on the Priority List to not more than ten.
8. In the event that all memberships on the Priority List have not qualified for downgrade or resignation at the end of the two years following the end of the Option Period in which the membership was placed on the Priority List, the Members whose memberships remain on the Priority List until such time as the membership qualifies for downgrade or resignation will continue to have all of the rights of membership and obligations of membership as follows:

Pay monthly dues based on the then current annual rate

Meet a prorated requirement of restaurant minimums

Pay operating assessments

Pay capital assessments except those for future projects

Upon termination, all assessments will end. If a member downgrades, assessments will be paid at the amount charged for the new category of membership. Once the two year period has expired and at the end of the month in which a membership qualifies, the member shall have the right to downgrade or resign.

9. Regardless of the number of memberships sold, any memberships placed on the initial or subsequent Priority List which do not qualify at the end of the two year period may, at the discretion of the Board of Governors, be allowed to downgrade or resign at the end of the two year period, provided that the then current number of Golf Members in good standing will, at a minimum, equal the initial Base Number after the memberships are downgraded or resigned. If the Board of Governors exercises its discretion, no additional memberships will qualify until sufficient additional memberships are sold so that the Base Number is increased to the level it would have been had the Board of Governors not exercised its discretion.
10. If after the initial Option Period less than ten members have elected to place their memberships on the Priority List, or at the end of any subsequent Option Period the total number of memberships offered to be added is insufficient to increase the total to ten, any Equity Member in good standing may elect to be added to the Priority List up to the maximum number by submitting a Membership Modification Agreement

and prepaying two years dues based on the then current annual dues prorated for any prepayment. Receipt by the Club of the Membership Modification Agreement and the payment due shall establish the priority for adding members to the Priority List except during the Option Period. Any member added to the list in this fashion shall not have the right to downgrade or resign until two years from the date added to the list or when the appropriate level of memberships is reached, whichever is later. The number of memberships added to the list after each Option Period shall be limited to the extent that the total number of memberships on the list would not exceed ten had the additional memberships been placed on the list during the previous Option Period.

11. Separate Priority Lists and Base Number for Sports and Social members shall also be determined in the same manner. The Sports Priority List and the Social Priority List shall each be limited to two memberships. Sports members shall be eligible to downgrade to Social memberships.
12. At any time the Golf Memberships in good standing shall be less than the initial Base Number, the Board of Governors shall have the right to suspend the use of the Priority List until the Base Number of Golf Members again reaches the initial Base Number.”

VII. OTHER MEMBERSHIPS AND USE PRIVILEGES

In addition to the Golf, Sports and Social Memberships, additional memberships and use privileges specified below are permitted in the Club.

A. Non-Proprietary Memberships

1. The Club has the right, in the discretion of the Board of Governors, to issue non-proprietary, non-transferable, recallable associate and/or annual golf, sports and/or social memberships. Such memberships will entitle the member to use the Club Facilities designated by the Board of Governors and may be offered to persons who do not own property in the Community, as well as those who own property in the Community. The total number of non-proprietary memberships with full golfing privileges, Equity Golf Memberships and Non-Equity Golf Memberships outstanding at the beginning of any membership year will never exceed the maximum number of Golf Memberships which may be issued in the Club. However, the issuance of a Non-Proprietary Membership will not count as the issuance of an Equity Membership under Section VI hereof unless the Board of Governors determines otherwise.
2. The Club has the right, in the discretion of the Board of Governors, to issue non or partially refundable Equity or Non-Equity Memberships or memberships providing for various options regarding refundability.

B. Club's Right to Hold Special Events

The Club shall have the right to hold tournaments, outings and other special events at the Club Facilities from time to time on such terms as it shall determine.

C. Reciprocal Privileges

The Club may enter into agreements for reciprocal use privileges and other arrangements with other clubs and resorts, as the Club determines appropriate from time to time in its sole discretion. The Club reserves the right to eliminate reciprocal play in its sole and absolute discretion.

VIII. MEMBERSHIP PROCEDURES

A. Application Process

Persons interested in acquiring a membership in the Club must submit a fully completed Membership Purchase Agreement and a check in U.S. funds for the required membership contribution via mail or personal delivery to the Membership Office.

B. Review of Application

After the Club has received the required materials, a determination will be made whether the candidate has satisfied the relevant conditions of membership. The determination of whether a candidate is approved for membership is made in accordance with the Bylaws. If the Membership Purchase Agreement is not acted upon favorably, the candidate's payment will be returned without any interest thereon within ten (10) days. The Club is under no obligation to give any reason for denying a candidate, unless otherwise required under law. All membership invitations are extended without regard to race, color, religion, gender or national origin.

C. Members' Rights to Use the Club Facilities Governed by Membership Documents

Members of the Club agree to be bound by the terms and conditions of these Membership Documents, as amended from time to time and irrevocably agree to substitute fully the membership privileges acquired pursuant to these Membership Documents for any present or prior rights or privileges in or to use the Club Facilities.

IX. DUES, FEES, CHARGES AND ASSESSMENTS

A. Membership Year

The Club's "Membership Year" will constitute the twelve (12) month period commencing on January 1 and ending on December 31.

B. Dues, Fees and Charges

Dues will be payable annually in advance, unless otherwise determined by the Board of Governors. At a meeting of the Board of Governors of the Club no less than thirty (30) days prior to the end of each Membership Year, the Board of Governors will set the dues and annual fees to be charged in advance to members and guests for the ensuing Membership Year. New Equity Members will be required to pay dues pro rata on the basis of the number of months remaining in the Membership Year, including the month of acceptance. Daily use fees and other charges may be set by the Board of Governors from time to time. Dues and fees for Equity Members may be different from dues and fees for Non-Equity Members.

C. Operating and Capital Assessments

Members shall be subject to operating assessments as determined by the Board of Governors, as provided in the By-Laws. Members will also be subject to a One Time Capital Assessment and to other capital assessments, also as provided in the By-Laws.

X. OPERATION OF CLUB

A. Governance of Club

The Board of Governors shall govern the operation of the Club and its facilities. The government and administration of the affairs and property of the Club will be in accordance with the terms and conditions of this Membership Plan, the Club's Articles of Incorporation, Bylaws and Rules and Regulations.

B. Election of Board of Governors

After the Closing Date, all governors must be Equity Members of the Club. The election of governors shall be conducted as provided in the Bylaws.

C. Club Operations

The Club will manage and operate the Club Facilities. The Club reserves the right to engage a professional management company to operate the Club Facilities.

D. Capital Reserve Account

Each year in the Club's budget, a reserve for capital repairs and replacements will be established by the Board of Governors. Initially, the Club will budget four percent (4%) of the gross operating revenues for the Club as capital reserve each year; however, the Board of Governors, in its sole discretion, may amend the amount allocated to the capital reserve account from time to time.

XI. MODIFICATION OF MEMBERSHIP PLAN

A. General

Subject to the limitations on amendment contained in Section VI.L. hereof, this Section XI and the Purchase and Sale Agreement, this Membership Plan may be altered, amended, or repealed by a majority vote of all of the members of the Board of Governors.

XII. AMENDMENT OF ARTICLE XI

Notwithstanding anything to the contrary contained herein, Section XI may not be amended without the approval of: (i) a majority of all of the members of the Board of Governors, (ii) a majority of the votes cast by the Equity Members entitled to vote, in person or by proxy, at any duly called and constituted annual or special meeting of the Equity Members at which a quorum of Equity Members is present either in person or by proxy.

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