



MEMBERSHIP PLAN

THE CLUBS AT ST. JAMES

MEMBERSHIP PLAN OVERVIEW

Mission Statement

It is our desire and intent to provide Members and their guests a premier golf and country club experience and environment at The Clubs at St. James. Practices and policies have been established by the Club which are designed to promote a quality club experience for all Members, and superior club and golf course operations.

Club Description

The Clubs at St. James (the "Club") is a golf and country club, located in the St. James Plantation residential community featuring exceptional golf, tennis, swimming, fitness and social facilities, including a private golf course and certain other member-only facilities. The Club previously operated as four separate clubs, Founders Club, Members Club, Players Club and Reserve Club ("Predecessor Clubs"), but now operates as a single unified club in order to provide its Members with a wide variety of recreational and social opportunities.

Membership Categories

The Club offers Signature Membership and Introductory St. James Membership to owners of Qualifying Properties in St. James Plantation and such other residential communities designated by the Club Owner from time to time (collectively, the "Community").

Signature Members may elect Golf, Sport or Social privileges and dues options, subject to availability as described in this Membership Plan. Signature Membership provides privileges at Founders Club, Members Club, Players Club, and Reserve Club Facilities, subject to the dues option selected. Signature Memberships are offered on both a Refundable and Non-Refundable basis. Members who acquire a Refundable Membership will pay a refundable membership deposit ("Membership Deposit") and Members who acquire a Non-Refundable Membership will pay a non-refundable initiation fee ("Initiation Fee") to join the Club.

Golf and Sport privileges and dues options are not available to Introductory St. James Members. Introductory St. James Memberships are offered only on a Non-Refundable basis.

Certain members of the Predecessor Club are Home Course Members; certain members of the Club who acquired their memberships on or before June 30, 2010 are Premier Members; and the first transferees of certain early Members of Founders Club and Members Club are eligible for Premier Membership and Home Course Membership, the privileges of which are described in Appendix 3 to Membership Plan.

There are other Memberships and use privileges as described in this Membership Plan. The use privileges associated with each category of Membership are more fully described in this Membership Plan.

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 to Signature Members and Introductory St. James Members. A brief description of some of these benefits follows and they are described in greater detail in this Membership Plan:

- **Preferred Pricing.** Signature Members and Introductory St. James Members currently receive the following preferred pricing:
 - 10% discount off food and beverage purchases, compared to 5% discount for other Members (discounts for all members exclude alcoholic beverages and catered and Club hosted events);
 - 25% off pro shop soft goods merchandise purchases (compared to 20% for other Members);
 - 15% off pro shop hard goods merchandise purchases (compared to 10% for other Members);
 - 20% off guest greens fees for adult children (i.e. children who are not Immediate Family members), grandchildren, great-grandchildren, parents and grandparents of the Signature Golf Member (if family dues are paid); and
 - \$2 off golf cart rental fees for Signature Golf Members.
- **Refundable Membership Deposit.** The Membership Deposit paid for a Refundable Membership is refunded to the Member after the transfer of the Member's Qualifying Property and reissuance of the Refundable Membership to the transferee or, in certain other events, in such amounts as described in this Membership Plan. Non-Refundable Members will not be entitled to a refund of their Initiation Fee.
- **Immediate Family Privileges Options.** Golf Members may elect family golf, family golf/sport or single privileges and dues.
- **Reissuance of Membership to Subsequent Property Owner.** Memberships are not transferable but may be reissued through the Club to the transferee of a Member's Qualifying Property in the Community.
- **No Assessments.** Members are not subject to either operating or capital assessments.
- **Lessee Privileges.** Lessees of a Member's residence in the Community for three (3) months or more may enjoy membership privileges in the Club.

- **Club Newsletter.** Members will receive a periodic newsletter containing information about events and activities at the Club and other items of interest.
- **Website.** The Club's website located at www.theclubsatstjames.com provides Members with access to important up to date club information.

Carefully Review All Membership Documents

Every person who desires to obtain a Membership or owns or purchases a Qualifying Property within the Community should carefully read this Membership Plan and all of the referenced documents and should seek professional advice to evaluate these documents.

RELY ONLY ON INFORMATION IN THIS MEMBERSHIP PLAN

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS NOT CONTAINED IN THIS MEMBERSHIP PLAN AND THE REFERENCED DOCUMENTS AND, IF GIVEN OR MADE, SUCH INFORMATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE CLUB. IN THE EVENT OF A CONFLICT BETWEEN THE TERMS OF MEMBERSHIP CONTAINED IN THE MEMBERSHIP PLAN, RULES AND REGULATIONS AND CLUB MEMBERSHIP APPLICATION AND AGREEMENT AND OTHER PRINTED MATERIALS, THE MEMBERSHIP PLAN, RULES AND REGULATIONS AND CLUB MEMBERSHIP APPLICATION AND AGREEMENT SHALL GOVERN.

MEMBERSHIPS ARE OFFERED ONLY FOR RECREATIONAL PURPOSES

MEMBERSHIPS AT THE CLUB ARE BEING OFFERED EXCLUSIVELY FOR THE PURPOSE OF PERMITTING MEMBERS THE RECREATIONAL USE OF THE CLUB FACILITIES. MEMBERSHIPS SHOULD NOT BE VIEWED AS AN INVESTMENT AND NO MEMBER SHOULD EXPECT TO DERIVE ANY ECONOMIC PROFITS FROM MEMBERSHIP AT THE CLUB.

NO FEDERAL OR STATE AUTHORITY HAS PASSED UPON OR ENDORSED THE MERITS OF THIS MEMBERSHIP PLAN.

Application Procedure

Each person who desires to become a Member must mail or deliver to the Membership Director a fully completed and signed Club Membership Application and Agreement (referred to herein as "membership application" or "application"), along with a check for the required Membership Deposit or Initiation Fee, as applicable, and processing fee and Activation Fee, if applicable, as set forth in Section IIB hereof, within thirty (30) days of closing. In the event the application is not acted upon favorably, any Membership Deposit or Initiation Fee, as applicable, paid by the applicant will be promptly refunded.

Membership Director Available to Answer Questions

All inquiries regarding Membership in the Club or this Membership Plan and referenced documents should be directed to the Membership Director at: 3779 Members Club Blvd., Southport, North Carolina or by calling (910) 477-8500 x1004. You may call or visit the Membership Office. Please call in advance for an appointment. You may also visit the Club's website at www.theclubsatstjames.com.

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Amended and Restated February 1, 2018

MEMBERSHIP PLAN FOR THE CLUBS AT ST. JAMES

February 1, 2018

I. GENERAL.

A. The Club.

The Club is located in the development known as St. James Plantation, which is in the Town of St. James, Brunswick County, North Carolina.

B. Club Facilities.

Members, their families and guests will enjoy the following exceptional recreational facilities ("Club Facilities"):

1. Founders Club Facilities.

Founders Club facilities include an 18-hole Championship golf course designed by PB Dye. Amenities include a golf shop, golf practice facility, outdoor junior Olympic size pool, pub, tennis pro shop, and six Har-Tru tennis courts.

2. Members Club Facilities.

Members Club features a 27-hole golf course designed by three-time US Open champion Hale Irwin (first 18 holes), and Tim Cate (9-hole addition). The spacious clubhouse boasts a golf shop, grille, and ballroom. Members Athletic Club includes a state-of-the-art fitness center with Cybex Eagle equipment and free weights, an indoor pool, aerobics/yoga/Pilates room, steam room, sauna and private massage rooms. Adjacent to Members Athletic Club are two Har-Tru tennis courts.

3. Players Club Facilities.

Players Club is home to an 18-hole course designed by noted local architect Tim Cate. The clubhouse boasts a golf shop, grille, sunroom, and private meeting rooms. The golf practice facility is adjacent to the clubhouse. Players Club Sports Center, located in Regency Park, includes an outdoor pool and state-of-the-art fitness center with Cybex Eagle equipment. Adjacent to Players Club Sports Center are two Har-Tru tennis courts. A unique feature of this club is its croquet lawn.

4. Reserve Club Facilities.

Reserve Club features a championship 18-hole golf course and golf practice facility created by Nicklaus Design. The spacious LEED certified clubhouse boasts a golf shop, bar, dining rooms, wine room, private dining rooms, an outdoor fire pit lounge area and a screened dining porch. SeaSide Club includes an outdoor swimming pool with poolside bar and

grill, three Har-Tru tennis courts and a state-of-the-art Wellness Center with Life Fitness cardio and aerobic equipment, circuit training equipment, three studios for aerobic classes, free weights, therapy rooms, and sauna and locker facilities.

Additional Club Facilities may be developed from time to time in the discretion of the Club Owners. The Club Owners may change, close or discontinue certain of the Club Facilities from time to time for maintenance, repairs or other purposes.

C. Ownership and Operation of the Club.

Founders Club Facilities, Members Club Facilities, Players Club Facilities, and Reserve Club Facilities are currently owned and operated by Troon St. James, LLC, a Delaware limited liability company ("Club Owner").

D. Membership Plan; Rules and Regulations.

The Membership Plan was effective as of January 1, 2005 and as amended and restated May 1, 2008, January 1, 2010, January 1, 2012, December 1, 2014, and February 1, 2018 superseded the Membership Plans for Founders Club, Members Club, Players Club and Reserve Club. All Membership privileges are subject to this Membership Plan and the Rules and Regulations of the Club, and by acceptance of a Membership, Members agree to be bound by this Membership Plan and the Rules and Regulations. **The Club Owner reserves the right, in its sole discretion and without prior notice, to modify, amend, waive or terminate provisions of this Membership Plan and the Rules and Regulations.** Certain provisions applicable only to Members who joined Founders Club before January 1, 1999 and Members who joined Members Club before October 1, 1997 (collectively "Early Members") and Members of the Predecessor Clubs who did not convert their Memberships to Signature Membership during their applicable Initial Offering Period and the first transferees of certain Early Members of Founders Club and Members Club who were eligible for a Premier Membership or Home Course Membership are set forth in Appendices to this Membership Plan.

II. MEMBERSHIP IN A CLUB.

A. Nature of Membership.

Membership in the Club constitutes a nonexclusive, revocable license to use the Club Facilities. The privileges available to a Member are based on the category of Membership and dues option selected by the Member, as hereinafter described. Membership does not give the Member a vested or prescriptive right or easement to use any Club Facilities. Membership in the Club does not provide an equity or ownership interest in the Club, any Club Facilities, or any Club Owner.

B. Membership Requirements.

1. Qualifying Property.

Eligibility for Signature Membership is limited to owners of Qualifying Properties, as determined by the Club Owner. Eligibility for Introductory St. James Membership

is limited to Initial Purchasers (as hereinafter defined) of Qualifying Properties, as determined by the Club Owner. As used in this Membership Plan, the specific property within the Community in which a Member or prospective Member owns a fee simple interest is referred to as the Member's "Qualifying Property."

2. Membership Deposit or Initiation Fee.

A person desiring to become a Refundable Member of the Club shall pay to the Club Owner a Membership Deposit in an amount determined by the Club Owner from time to time for each category of Refundable Membership. A person desiring to become a Non-Refundable Member of the Club shall pay to the Club Owner an Initiation Fee in an amount determined by the Club Owner from time to time for each category of Non-Refundable Membership. The amount of the Membership Deposit or Initiation Fee is subject to change; except that the owner of a Qualifying Property who signs a membership application and pays the required Membership Deposit or Initiation Fee and Activation Fee (if applicable pursuant to Section IIB(4) and (5) hereof), when due, shall be required to pay the Membership Deposit or Initiation Fee in effect at the time of application regardless of any increase before the expiration of the Member's Activation Fee Waiver Period. Without limiting the generality of the foregoing, the Club may establish different amounts of Membership Deposit or Initiation Fee or different payment programs, which vary depending on categories of Qualifying Property purchaser. The Club Owner may use a Membership Deposit or Initiation Fee for any purpose determined appropriate by the Club Owner. The Membership Deposit paid for a Refundable Membership by or on behalf of the Member will be refunded to the Member, without interest, thirty years from the date of acceptance thereof by the Club Owner or, the Membership Deposit paid for a Refundable Membership by or on behalf of the Member will be refunded in the amount, and subject to certain conditions as hereinafter described, after the reissuance of the Membership. The Initiation Fee paid for a Non-Refundable Membership by or on the behalf of the Member will not be refundable to the Non-Refundable Member in any amount. A Signature Member may convert a Non-Refundable Membership to a Refundable Membership, in the Club's sole discretion, and if the Club permits a Member to convert a Non-Refundable Membership to a Refundable Membership, the Member shall be required to pay to the Club Owner the difference between the Membership Deposit then charged for Signature Membership and the Initiation Fee actually paid for Signature Membership. A Signature Member may not convert a Refundable Membership to a Non-Refundable Membership, unless otherwise determined by the Club Owner in its sole discretion.

3. Application, Activation Fee and Processing Fee; Approval Required.

A prospective Member shall also submit a completed membership application, pay a nonrefundable Activation Fee, if applicable, in an amount determined by the Club Owner from time to time and pay a nonrefundable processing fee in an amount determined by the Club Owner from time to time within thirty (30) days of closing on the Qualifying Property. The Club Owner currently waives the nonrefundable processing fee for initial purchasers of Qualifying Properties from the Developer ("Initial Purchasers"). In reviewing a prospective Member's application, the Club Owner may conduct a credit check and references may be required. The Club Owner may deny approval of a membership application. If the application is not acted upon favorably, any Membership Deposit or Initiation Fee paid by the applicant will be promptly refunded.

4. Inactive Status.

Upon initial application for Signature Membership and payment of a full or partial Membership Deposit or Initiation Fee, the applicant may choose inactive status. An inactive Member does not select a dues option, pays no dues or fees other than the Membership Deposit and application processing fee, and is not entitled to any privileges of Membership. Upon activation of a Membership, a nonrefundable Activation Fee shall apply, except as set forth in Section IIB5 of this Membership Plan. Certain dues options are subject to availability at the time of activation. Except as hereinafter provided, the amount of the Activation Fee is subject to change up to the time of activation. A Member is not permitted to elect inactive status after he or she has activated the Membership. An Introductory St. James Member must activate his or her Introductory St. James Membership within thirty (30) days after acquiring title to the Qualifying Property.

5. Activation Fee Waiver.

For the initial activation of a Membership by an Initial Purchaser of a Qualifying Property, there is an Activation Fee Waiver Period during which the Member may activate the Membership without payment of an Activation Fee, as set forth in the Member's membership application or addendum thereto. If an Initial Purchaser does not initially activate the Membership and transfers the Qualifying Property to a transferee who acquires the Membership prior to the end of the Activation Fee Waiver Period, the balance of the transferor's Activation Fee Waiver Period transfers to the transferee, such that the transferee may choose inactive status and then subsequently activate the Membership prior to the end of the Activation Fee Waiver Period without paying an Activation Fee. Once a Membership has been activated, any transferees of the Qualifying Property to whom the Membership is reissued who activate the Membership within thirty (30) days after acquiring title to the Qualifying Property shall not be required to pay an Activation Fee. If a Member activates the Membership during the Activation Fee Waiver Period, the amount of the required Membership Deposit or Initiation Fee shall not change from the amount set forth in the membership application.

6. Annual Dues; Other Fees and Charges.

In order to use the Club Facilities, a Member must select a dues option from those described in Section IID below and pay the applicable annual dues as established by the Club Owner from time to time. Dues for all categories of Membership are payable monthly, in advance, unless otherwise determined by the Club Owner. Dues may vary depending on factors determined by the Club Owner. A Member is also required to pay all applicable user fees, guest fees, food and beverage minimums, late fees and other fees and charges as established by the Club Owner from time to time. The current dues, fees and charges for use of the Club Facilities are indicated on the Schedule of Annual Dues and Fees. The amount of dues, fees and other charges is subject to change from time to time by the Club Owner.

7. Availability of Membership After Closing.

If an initial property purchaser of a Qualifying Property does not apply for a Membership by submitting a completed membership application and nonrefundable processing

fee, if any, within thirty (30) days of the closing of the purchase of the Qualifying Property, the availability of a Membership for such property purchaser and the subsequent owners of such Qualifying Property shall be at the sole discretion of the Club, notwithstanding that there is no maximum number of memberships permitted to be issued. The Club may not be compelled to sell an unissued Membership. An unissued Membership that is not acquired by an initial property purchaser within the thirty (30) day period may be reserved by the Club for future property purchasers.

C. Categories of Membership.

This Membership Plan provides for two categories of Membership for owners of Qualifying Property: Signature Membership and Introductory St. James Membership (Introductory St. James Membership limited to Initial Purchasers). The status of the Membership as active or inactive at the time of the decedent's death shall remain in effect and, if inactive, the provisions of this Membership Plan relating to activation shall apply. The Club Owner may establish other categories of Membership from time to time, with such use privileges and subject to such conditions as the Club Owner shall determine.

1. Signature Membership.

Signature Membership provides privileges at all the Club Facilities, including Founders Club, Members Club, Players Club and Reserve Club Facilities, subject to the dues option selected. Signature Members may elect Golf, Sport or Social privileges and dues options, subject to availability, as described in Section IID below.

2. Introductory St. James Membership.

Introductory St. James Members have the same privileges and benefits as Signature Members who elect Social privileges.

3. Change in Membership Categories.

A Signature Member may not downgrade to a lower category of Membership, unless otherwise determined by the Club Owner.

An Introductory St. James Member may upgrade to Signature Membership, in the Club Owner's discretion, upon payment to the Club Owner of the difference between the Membership Deposit or Initiation Fee, as applicable, then charged for Signature Membership and the Initiation Fee actually paid for Introductory St. James Membership. An Introductory St. James Member may not convert an Introductory St. James Membership to another category.

D. Membership Privileges and Signature Member Dues Options.

Signature Members may elect among Golf, Sport and Social privileges, as described below in this section, and pay the corresponding dues for each option, subject to the Club Owner's right to limit the number of Members who elect Golf and/or Sport privileges, as described below. The Club Owner may establish other dues options from time to time, with such use privileges and subject to such conditions as the Club Owner shall determine. The advance

sign-up privilege for golf starting times for each dues option are set forth in the Schedule of Annual Dues and Fees and are subject to change.

1. Golf Membership.

Signature Members who elect to have Golf privileges and pay Golf dues ("Golf Members") may use all of the Club Facilities corresponding to their membership category. Golf Members do not pay greens fees for use of the golf courses but are required to pay golf cart rental fees. Golf Members do not pay court fees for use of a tennis court. The Club Owner may reserve a certain number of golf starting times for use by others. The Club Owner reserves the right to limit the number of Golf Members, such that the availability of the Golf privileges in any membership year for Members who had not elected Golf privileges in the previous membership year is not guaranteed. In the event that a limit is established, the Club Owner may reserve some Golf Memberships for Initial Purchasers and the Club Owner may maintain a waiting list but shall not be required to do so.

2. Sport Membership.

Signature Members who elect to have Sport privileges and pay Sport dues ("Sport Members") may use all the tennis, fitness, swimming and social facilities corresponding to their membership category. Sport Members do not pay court fees for use of a tennis court. In addition, Sport Members may play golf at Founders Club, Members Club and Players Club golf courses upon payment of reduced greens fees and full golf cart rental fees, subject to limitations set forth in the Schedule of Annual Dues and Fees, as amended from time to time. Sport Members have no golf privileges at Reserve Club golf course. The Club Owner reserves the right to limit the number of Sport Members, such that the availability of the Sport privileges in any membership year for Members who had not elected Sport privileges in the previous membership year is not guaranteed. In the event that a limit is established, the Club Owner may reserve some Sport Memberships for Initial Purchasers and the Club Owner may maintain a waiting list but shall not be required to do so.

3. Social Membership.

Signature Members who elect to have Social privileges and pay Social dues ("Social Members") may use all the fitness, swimming and social facilities corresponding to their membership category. Social Members may not use the tennis facilities. Social Members may play golf at Founders Club, Members Club, and Players Club golf courses upon payment of reduced greens fees and full golf cart rental fees, subject to limitations set forth in the Schedule of Annual Dues and Fees, as amended from time to time. Social Members have no golf privileges at The Reserve Club golf course.

4. Change of Dues Option.

A dues option selected by a Signature Member shall continue to be the dues option for such Member, without the requirement of annual renewal, until changed in accordance with this provision. An active Golf, Sport or Social Signature Member may change to another dues option, subject to availability in the case of Golf and Sport dues options in the event the Club Owner determines to limit the number of Members who may have such privileges. If the desired

category is not available at the time of a requested change, the Club Owner may maintain a waiting list but shall not be required to do so. Unless otherwise agreed by the Club Owner, a change to another dues option must be made as of the first day of a calendar year upon written notice by the Signature Member to the Club Owner by December 1 prior to the beginning of the calendar year.

5. Non-Resident Dues.

The Club offers reduced dues to Members whose principal residence is not in the Community, as determined by the Club Owner from time to time, or to Members who own more than one Qualifying Property in the Community and hold more than one Membership with respect to their additional Memberships after the first Membership. A Member is eligible for non-resident dues for any membership year up to five years (60 months) from the date the Member activates the Membership or as otherwise determined by the Club Owner with respect to new purchasers after such determination. This limitation of five years of non-resident dues shall not apply to owners of more than one Qualifying Property with respect to their additional Memberships.

6. Senior Dues.

The Club reserves the right, in its sole discretion, to allow members over a certain age who satisfy criteria established by the Club from time to time to pay reduced dues as established by the Club, and if the Club does implement such senior member program, the Club may thereafter, modify or terminate the program.

E. Family Membership and Single Membership.

1. Family Membership or Single Membership Designation.

Any Signature Golf Member, regardless of marital status or membership category, may elect to have his or her Membership designated as a Family Membership, Family Golf/Sport or Single Membership for Club use and dues purposes. Members shall designate such status at the time of application for Membership or by subsequent written request to the Club Owner. If the Membership is held in the names of both spouses of a married couple, both spouses must consent to have the Membership designated as a Single Membership. Unless otherwise agreed by the Club Owner, a change in the Family Membership, Family Golf/Sport, or Single Membership designation must be made as of the first day of a calendar year by written notice to the Club Owner by December 1 prior to the beginning of the calendar year, and in the case of a change from Family Membership or Family Golf/Sport to Single Membership of a married Member, with the consent of both spouses. If a Membership is designated as a Single Membership, no Immediate Family of the Golf Member shall have any privileges to use the Club Facilities except as a guest, subject to all limitations and fees applicable to guest use. If a Signature Golf Membership is designated as a Family Golf/Sport Membership, the spouse and children of the Golf Member shall have sport and social privileges to use the Club Facilities. In no event will the Club Owner become involved in disputes between family members over the designation by a Member of Family Membership, Family Golf/Sport Membership or Single Membership status. In the event of any dispute, the Club Owner may suspend all privileges associated with the Membership until the Club Owner receives evidence satisfactory to it of the resolution of such

dispute. The Golf Member must continue to pay dues, and other applicable fees and charges during any such suspension period. A Signature Golf Member may elect a Family Membership, Family Golf/Sport Membership or a Single Membership for one dues option only. For example, a Golf Member may not elect to pay Single Golf dues and Family Social dues. All other dues categories (e.g. Sport and Social) and Introductory St. James Membership will be a Family Membership designation only.

2. Immediate Family.

The Immediate Family of a Member includes the spouse of the Member, and any unmarried children under the age of twenty-four (24) who (i) reside in the home of the Member or (ii) are attending school on a full-time basis or serving in the military. Immediate Family may use the Club Facilities in accordance with the Member's category and status of Membership, subject to the Rules and Regulations of the Club. The Member shall be responsible for all charges incurred by such Member's family that remain unpaid after the customary billing period of the Club, and for the deportment of and any damage caused by such Member's family. If required by the Club Owner, a Member shall maintain a list of Immediate Family on file with the Club Owner.

3. Privileges for Individual Living with Member.

A Member living together with another individual in the same household as a family unit on a permanent basis may designate the other individual on a membership year basis to use the Club Facilities as an Immediate Family member, in which case, the Membership will be treated as a Family Membership or Family Golf/Sport Membership, as designated by the Member. The total number of adults who may have membership privileges under a Family Membership or Family Golf/Sport Membership is limited to two adults per Membership. The Member and the designated user shall be individually and jointly responsible for the payment of all charges and fees incurred by the designated user. The Club reserves the right to establish such fees and other rules and require the Member and designated user to submit such information as the Club deems appropriate.

F. Holder of Membership; Lessees.

1. Membership Can Be Held By a Married Couple or Individual.

If a Qualifying Property is owned by a married couple as tenants by the entirety, then at the request of such owners the Membership associated with that Qualifying Property will be issued in the names of both spouses, whereupon both spouses shall be and remain jointly and severally responsible for all dues, fees, charges and other amounts applicable to the Membership or incurred by either spouse, their family members or guests. Otherwise, Memberships will be issued only in the name of one individual and if a Qualifying Property is co-owned, the co-owners must designate one of the owners as the holder of the Membership. In that situation, the Member may from time to time designate one of the other co-owners as the Designated User to have the privileges of the Membership, and the Designated User may be changed from time to time on a calendar year basis upon written notice by the Member to the Club Owner by December 1 prior to the beginning of the calendar year and payment of a nonrefundable

processing fee. The other co-owners will be treated as guests of the Designated User and shall be subject to the provisions of this Membership Plan and the Rules and Regulations of the Club regarding guests, including applicable guest fees and charges.

2. Membership Can Be Held By a Corporation, Trust or Other Entity.

If a Qualifying Property is owned by a corporation, partnership, limited liability company, trust or other entity, the owning entity may submit an application for Membership and, if approved by the Club Owner, the Membership will be issued in the name of such entity. The owning entity Member must designate one individual as the Designated User to have the privileges of the Membership. The Designated User must be an officer, director, shareholder, partner or member of the entity. The owning entity Member may change the Designated User from time to time on a calendar year basis upon written notice by the Member to the Club Owner by December 1 prior to the beginning of the calendar year and payment of a nonrefundable processing fee.

3. Lessee of Member's Qualifying Property.

A Member may designate an individual lessee of such Member's Qualifying Property as the Designated User of the Membership; provided that the lease must be in writing and must have a minimum term of three (3) months. Only one such designation per Qualifying Property may be in effect at any time and a Member shall only be allowed to designate two such lessees as Designated User per Membership year. A lessee designated as the Designated User may use the Club Facilities only in accordance with the Member's category and status of Membership and payment of applicable dues, fees and other charges. A Designated User lessee is not eligible for non-resident dues. During the period when a lessee is the Designated User of the Membership, the Member has no privileges to use the Club Facilities with respect to such Membership but shall continue to be responsible for all dues. The Member shall also be responsible for all charges incurred by such Member's lessees that remain unpaid after the customary billing period of the Club, and for the department of and any damage caused by such lessees. The Club shall not be required to take any legal action to collect unpaid charges from a lessee before billing and seeking to collect such charges from the Member.

G. Guests.

Guests may use the Club Facilities in accordance with the category of Membership held by the sponsoring Member, subject to the Rules and Regulations of the Club relating to guests and upon payment of any applicable fees and charges. Limitations on guests may be implemented and modified from time to time by the Club Owner. The number of times a particular guest may use the facilities or any particular facility provided at the Club during any period of time and the number of guests a Member may sponsor at any time may be limited. In particular, guest use by non Member owners of property within the Community may be limited or prohibited. The sponsoring Member is responsible for any charges incurred by such Member's guests, and the sponsoring Member is responsible for the department of and any damage caused by such guests.

H. Transfer of Membership; Refund of Membership Deposit for Refundable Membership.

1. Memberships Not Transferable.

A Member may not sell, assign or otherwise transfer a Membership or any privileges of Membership, except in certain limited circumstances (see below under Special Rules Regarding Separated, Divorced and Deceased Members). Any attempt to sell, assign or otherwise transfer a Membership, whether voluntarily, involuntarily or by operation of law, which is not in accordance with this Membership Plan shall be null and void and no person or entity may obtain a Membership except as provided herein.

2. Reissuance of Membership Upon Transfer of Qualifying Property; Refund of Membership Deposit.

In the event that a Member sells or otherwise transfers a Qualifying Property, the selling or transferring Member shall be deemed to have resigned. A resigned Refundable Membership shall be reissued to the transferee of the Qualifying Property upon receipt and acceptance by the Club Owner of a membership application from the transferee for a Refundable or Non-Refundable Membership, along with the required Membership Deposit or Initiation Fee and a nonrefundable processing fee. Except as set forth in this Section II(H)(2), the transferor Member of a Refundable Membership shall receive a refund in the amount of 80% of the Membership Deposit actually paid to the Club Owner by or on behalf of such transferor Member, without interest and subject to offset for unpaid dues and charges, upon the reissuance of the Refundable Membership to a transferee (whether the initial transfer of the Qualifying Property or any future transfer), which shall be deemed to have occurred only after receipt by the Club Owner from the transferee of a new Membership Deposit or Initiation Fee in an amount equal to the full amount of the Membership Deposit or Initiation Fee due from the transferee, unless the transferor or Member was a Predecessor Club Member as of December 31, 2004 (in which case the amount of refund payable to such transferor Member shall be as set forth in Appendix 3). The 20% of the Membership Deposit that is not refunded to the transferor Member shall be retained by the Club as a transfer fee. If the transferee Member does not activate his or her Membership within thirty (30) days of the closing, the transferor Member shall receive a refund in the amount set forth above upon receipt by the Club Owner from the transferee of an amount equal to the full amount of the Membership Deposit or Initiation Fee due from the transferee. In the event the Refundable Membership is not reissued, and the Membership Deposit is not refunded to the transferor Member in accordance with this provision, 100% of the Membership Deposit actually paid to the Club Owner by or on behalf of such transferor Member shall be refunded to the transferor Member upon the expiration of thirty (30) years from the date of acceptance of the transferor Member's Membership Deposit by the Club Owner. The transferor Member of a Non-Refundable Membership shall not receive any refund of the Initiation Fee actually paid to the Club Owner by or on behalf of the transferor Member whether or not the transferee applies for the Membership in the Club. Notwithstanding any provision herein to the contrary, if the transferee of the Qualifying Property is related to or affiliated with the transferor Member of a Refundable Membership, as determined by the Club Owner in its sole discretion, the Club Owner shall pay at the time of reissuance of the Membership, the refund of 80% of the Membership Deposit actually paid by or on behalf of the transferor Member only to the extent of the amount of Membership Deposit or

Initiation Fee actually paid by the transferee. The Club Owner will refund to the transferor Member the balance of the 80% of the Membership Deposit actually paid by or on behalf of the transferor Member upon the earlier of (i) the sale of the Qualifying Property to an unrelated, unaffiliated transferee and receipt and acceptance by the Club Owner of a membership application from the transferee for a Refundable or Non-Refundable Membership, along with a Membership Deposit or Initiation Fee at least equal to the balance owed to the transferor Member, or (ii) expiration of thirty (30) years from the date of acceptance of the transferor Member's Membership Deposit by the Club Owner.

3. Requirements for Reissuance of Membership to Transferee of Qualifying Property.

(a) Upon the acquisition of a Qualifying Property, the transferee may apply for Refundable or Non-Refundable Membership in the Club by submitting a membership application and a nonrefundable processing fee to the Club Owner, along with a new Membership Deposit or Initiation Fee, as applicable. In reviewing a prospective Member's application, the Club Owner may conduct a credit check and references may be required. The Club Owner may deny approval of a membership application. If the application is not acted upon favorably, any Membership Deposit or Initiation Fee paid by the applicant will be promptly refunded.

(b) Unless there is an Activation Fee Waiver Period remaining from the transferor of a Refundable Membership, which is transferred to the transferee pursuant this Membership Plan or as otherwise agreed by the Club Owner, if the transferee does not pay the full amount of the applicable Membership Deposit or Initiation Fee and activate the Refundable Membership within thirty (30) days after closing on the acquisition of the Qualifying Property and thereafter applies for Refundable Membership, then the transferee will be required to pay the balance of the applicable Membership Deposit for Refundable Membership or Initiation Fee for Non-Refundable Membership in effect for new Members at the time of later application and activation and then applicable Application Fee. For purposes of the refund of a Membership Deposit for the acquisition of a Refundable Membership, the thirty (30) year period shall begin on the date of receipt by the Club Owner of any portion of such Membership Deposit.

(c) The transferee of the Qualifying Property will not be required to pay an Activation Fee if the Membership of the former owner of the Qualifying Property was active at the time of the transfer and the transferee activates the Membership within thirty (30) days after acquiring title to the Qualifying Property. In order to activate the Membership, the transferee of the Qualifying Property will be required to pay a nonrefundable Activation Fee in an amount determined by the Club Owner from time to time, if: (i) the Membership of the former owner of the Qualifying Property had never been activated and the transferee does not activate the Membership within the Activation Fee Waiver Period applicable to the Qualifying Property; or (ii) the Membership of the former owner was active at the time of such transfer but the transferee does not activate the Membership within thirty (30) days after acquiring title to the Qualifying Property; or (iii) the Membership of the former owner of the Qualifying Property had never been activated and the Activation Fee Waiver Period had expired prior to the time of the transfer of the Qualifying Property. Also, the categories of Membership and Golf and Sport dues options are subject to availability at the time of activation.

4. Procedure for Reissuance of Membership to Transferee of Qualifying Property.

If a Member intends to sell or otherwise transfer the Qualifying Property associated with a Membership and the buyer desires to apply for Membership, the procedure set forth below shall be followed, unless otherwise determined by the Club Owner, to facilitate the reissuance of the transferor's Membership to the transferee of the Qualifying Property and the refund of the transferor Member's Membership Deposit, in the case of Refundable Membership, in the amount set forth in Section IIH2 of this Membership Plan.

(a) Upon closing of the sale or transfer, the transferor Member shall submit to the Club Owner a copy of the recorded deed or other satisfactory evidence that the Qualifying Property has been conveyed.

(b) The transferee of the Qualifying Property shall submit to the Club Owner a completed application for Membership, a nonrefundable processing fee, and a full Membership Deposit for Refundable Membership or Initiation Fee for Non-Refundable Membership, or in the case of a transferee that does not activate the Refundable Membership within thirty (30) days of closing on the Qualifying Property, a partial Membership Deposit, in an amount equal to or greater than the amount of Membership Deposit to be refunded by the Club Owner to the transferor Member if transferor Member has a Refundable Membership.

Upon completion of steps (a) and (b), and subject to acceptance of the transferee's application, the Club Owner will pay any refund due to the transferor Member if transferor Member has a Refundable Membership. The provisions of this Membership Plan relating to any unpaid balance of the Membership Deposit and activation of the Membership shall apply to the transferee.

5. Lender Provisions.

(a) A Member may not pledge, grant a security interest in, or otherwise use a Membership as collateral for a loan or any other obligation, except in connection with financing the payment of the Membership Deposit for Refundable Membership or Initiation Fee for Non-Refundable Membership that is offered by the Club Owner, or with the consent of the Club Owner, a lender.

(b) In the event of a completed foreclosure by the lender of a first deed of trust or mortgage on a Qualifying Property owned by a Refundable Member, the provisions in this Membership Plan for reissuance of the Refundable Membership to the transferee of a Qualifying Property and refund of Membership Deposit to the transferor Member shall apply to the transferee from the lender in foreclosure, such that the lender and transferor Member may arrange for reissuance of the Refundable Membership to the purchaser in the foreclosure sale, which shall trigger the refund of the applicable amount of the Membership Deposit to the transferor Member.

6. Special Rules Regarding Separated, Divorced and Deceased Members.

(a) In the event of the separation (legal or otherwise) of a married couple who own a Qualifying Property as tenants by the entirety and hold a Membership associated with that Qualifying Property in the names of both spouses, the Membership shall continue to be held in the names of both spouses and both spouses shall continue to be jointly and severally responsible for all dues, fees, charges and other amounts applicable to the Membership or incurred by either spouse, their family members and guests.

(b) In the event of the separation (legal or otherwise) of a married Member who is the sole holder of a Membership, such Member's spouse shall continue to have the privileges of Immediate Family, unless it is a Golf Membership and is held as a Single Membership or until the Member gives written notice to the Club Owner of his or her election to convert the Membership to a Single Membership.

(c) In the event of the divorce of a married couple who own a Qualifying Property as tenants by the entirety and hold a Membership associated with that Qualifying Property in the names of both spouses, the Membership shall continue to be held in the names of both former spouses until the entire interest of one of the former spouses in the Qualifying Property is transferred to the other former spouse, whereupon the Membership and the Member's rights with respect to any Membership Deposit, in the case of a Refundable Membership, shall be deemed transferred to the former spouse who continues to own the Qualifying Property. In the event of such transfer, the status of the Membership as active or inactive immediately prior to the transfer shall remain in effect and, if inactive, the provisions of this Membership Plan relating to activation shall apply. Until the Club Owner receives written notice of the transfer of one former spouse's entire interest in the Qualifying Property to the other former spouse, each of the former spouses shall continue to have the privileges of Membership and to be jointly and severally responsible for all dues, fees, charges and other amounts applicable to the Membership or incurred by either of them, their family members and guests. If the Qualifying Property is sold or transferred to a third party, the provisions of this Membership Plan relating to the sale or transfer of a Qualifying Property shall apply at the time of such sale or transfer.

(d) In the event of the divorce of a married Member who is the sole holder of a Membership, if that Member continues to own the Qualifying Property associated with the Membership, then such Member's former spouse shall cease to have the privileges of Immediate Family, but the Member shall be responsible for all fees, charges and other amounts incurred by the former spouse and the former spouse's family members and guests prior to the time that the Club Owner receives written notice of the divorce. If the divorced Member's entire interest in the Qualifying Property is transferred to the former spouse of the Member, then the Membership and the Member's rights with respect to any Membership Deposit, in the case of a Refundable Membership, shall be deemed transferred to the former spouse who owns the Qualifying Property. In the event of such transfer, the status of the Membership as active or inactive immediately prior to the transfer shall remain in effect and, if inactive, the provisions of this Membership Plan relating to activation shall apply. Until the Club Owner receives written notice of the transfer of the Member's entire interest in the Qualifying Property to the former spouse of the Member, the Member shall continue to have the privileges of Membership and to be responsible for all dues, fees, charges and other amounts applicable to the Membership or incurred by either of them, their family members and guests. If the Qualifying Property is sold

or transferred to a third party, the provisions of this Membership Plan relating to the sale or transfer of a Qualifying Property shall apply at the time of such sale or transfer.

(e) In the event of the death of one spouse of a married couple who own a Qualifying Property and hold a Membership associated with that Qualifying Property in the name of either or both spouses, if title to the Qualifying Property passes to or remains with the surviving spouse then all rights of the decedent with respect to the Membership and any Membership Deposit, in the case of a Refundable Membership, shall be deemed transferred to the surviving spouse. The status of the Membership as active or inactive at the time of the decedent's death shall remain in effect and, if inactive, the provisions of this Membership Plan relating to activation shall apply. When the surviving spouse sells or transfers the Qualifying Property, the provisions of this Membership Plan relating to the sale or transfer of a Qualifying Property shall apply at the time of such sale or transfer.

(f) Except under the circumstances described in paragraph (e) above, in the event of the death of a Member, the Member shall be deemed to have resigned effective on the date of death. When the Qualifying Property is sold or transferred after the death of the Member, the provisions of this Membership Plan relating to reissuance of the resigned Membership to the transferee of the Qualifying Property shall apply at the time of such sale or transfer. In the case of a Refundable Membership, the Membership Deposit refund of the deceased Member shall be paid to the estate of the deceased Member or to the person entitled to such refund as set forth in an order of a court with jurisdiction over the estate (i) in the same manner and amount as if the Member had transferred the Qualifying Property and the Membership been reissued to the transferee (see Sections IIH2, 3 and 4 of the Membership Plan), and (ii) if not reissued to the transferee of the Qualifying Property after thirty (30) years of acceptance by the Club Owner of the deceased Member's Membership Deposit.

(g) In no event will the Club Owner become involved in any dispute between separated or divorced spouses, or any dispute involving the surviving spouse, executor, administrator or personal representative or any devisee or heir of a deceased Member. In the case of any such dispute, the Club Owner may at any time suspend all of the privileges associated with the Membership in question until the Club Owner receives evidence satisfactory to it of the resolution of such dispute. All dues and other applicable fees and charges must continue to be paid during any suspension period.

7. Voluntary Resignation of Membership.

A Member may voluntarily resign upon written notice to the Club Owner and payment in full of all outstanding dues, fees, charges and other amounts owed to the Club Owner. Such a resignation shall become effective at the end of the calendar year in which the Club Owner receives the written notice, provided such written notice is received by the Membership Office no later than December 1. No prorations or refunds shall be made for any dues, fees or charges paid by a Member prior to the date of resignation. A Member who resigns a Refundable Membership shall not receive a Membership Deposit refund until such refund is otherwise due pursuant to this Membership Plan (i.e. after reissuance of Refundable Membership to the transferee of the Qualifying Property or after thirty (30) years of acceptance by the Club

Owner of the resigned Refundable Member's Membership Deposit. A Non-Refundable Member who resigns shall not be entitled to a refund of his or her Initiation Fee in any amount.

8. Suspension or Termination for Cause.

A Membership may be suspended or terminated, and the Member expelled from the Club for nonpayment of dues, fees, charges, or other amounts, or for other cause as provided in the Rules and Regulations of the Club or as determined by the Club Owner. A Member must continue to pay all dues during any suspension and until the end of the calendar year in the case of a termination of Membership. In the case of a Member whose Refundable Membership is suspended or terminated, the Member shall not receive a Membership Deposit refund until such refund is otherwise due pursuant to this Membership Plan (i.e. after reissuance of Refundable Membership to the transferee of the Qualifying Property or after thirty (30) years of acceptance by the Club Owner of the Member's Membership Deposit.

9. Refund of Membership Deposit for Refundable Membership Subject to Offset for Outstanding Dues, Fees and Charges.

Any refund of a Membership Deposit for Refundable Membership pursuant to this Membership Plan shall be offset and reduced by any outstanding dues, fees, charges, or other amounts owed by the transferor Member to the Club Owner. Members who paid an Initiation Fee for a Non-Refundable Membership are not entitled to a refund of the Initiation Fee in any amount at any time.

10. Tax Considerations.

The Club Owner makes no representations and expresses no opinion regarding the tax consequences of obtaining a Membership and in the case of a Refundable Membership, paying a Membership Deposit and subsequently receiving a refund of such Membership Deposit, without interest. Members are subject to all applicable tax laws, as existing from time to time. Members should consult their own tax advisers with respect to any tax consequences associated with the Membership and in the case of Refundable Memberships, the Membership Deposit.

III. ADVISORY COMMITTEE.

The Club Owner has established an Advisory Committee to serve as a liaison between the Club Owner and the Members of the Club, and to provide meaningful advice on policies and procedures related to Club membership or the member experience. Members of the Advisory Committee are selected through a four-step process where a call for nominations is announced. At the close of this period, nominees are reviewed by the Advisory Chair and the senior Club Management. Candidates are then selected from the nominees for targeted interviews by the Advisory Chair, Committee Chairs and the Club General Manager or designee. After interviews are conducted, nominees are reviewed, and all candidates are notified of their outcome. The Advisory Committee has no duty or power to negotiate or otherwise act on behalf of the Club, the Club Owner, management, or the Members of the Club, and will serve only in an advisory capacity as determined by the Club Owner. Members of the Club are encouraged to make suggestions and express concerns through the Advisory Committee.

IV. OTHER MEMBERSHIPS AND USE PRIVILEGES.

A. Associate Membership.

The Club may offer recallable Associate Memberships to persons who do not own a Qualifying Property in the Community, on such terms and conditions determined by the Club Owner from time to time.

B. Honorary Membership.

The Club may offer Honorary Memberships to such persons as the Club Owner determines, upon such terms and conditions determined by the Club Owner from time to time. Honorary Members may not be required to pay a Membership Deposit, Initiation Fee, or dues. Honorary Memberships are in addition to and shall not count against any limits on the number of Memberships or dues options.

C. Lifetime Membership.

The Club may offer Lifetime Memberships to shareholders, partners, members, officers, directors or managers of the Club Owner and such persons as the Club Owner determines, upon such terms and conditions determined by the Club Owner from time to time. Lifetime Members may not be required to pay a Membership Deposit, Initiation Fee, or dues. Lifetime Memberships are in addition to and shall not count against any limits on the number of Memberships or dues options.

D. Use of Reserve Club Golf Course by Other Persons.

Reserve Club golf course is reserved for Signature Golf Members, Home Course Members of Reserve Club and their accompanied guests. Notwithstanding the foregoing, the Club may have twelve (12) "club guests" (as defined below) per day play Reserve Club golf course, the Club Owner may permit play on the golf course for purposes of promoting and marketing real estate in the Community and Memberships in the Club, upon such terms and conditions determined by the Club, and the Club Owner may sponsor or permit promotional and other special events, including golf tournaments and charitable events, upon such terms and conditions as the Club Owner shall determine. "Club guests" are persons whose use of the golf course is arranged by Club management, the Club Owners, or the Head Golf Professional. In addition, the Club may allow Signature Golf Members to have limited unaccompanied guest privileges in accordance with the Rules and Regulations.

E. Use of the Other Club Facilities by Non-Members.

The Club Owner may designate employees, agents, and other persons to use any or all of the Club Facilities, upon such terms and conditions as the Club Owner shall determine. The Club Owner may permit use of the Club Facilities by the general public and by groups, except as set forth above in Section IVD of this Membership Plan, and the Club Owner may sponsor or permit promotional and other special events, including golf tournaments and charitable events, upon such terms and conditions as the Club Owner shall determine. The Club Owner has the right to promote the Club and the Community in advertisements and promotional materials by making

reference to the Club and the availability of Memberships. The Club Owner, in its sole discretion, may restrict or otherwise reserve in advance the Club Facilities or any portion thereof for maintenance and special events from time to time. Non-member property owners shall have no right or privilege to use the Club Facilities but may use the Club Facilities if and to the extent that the general public may use such facilities. The Club Owner may in its discretion permit inactive Members to use the Club Facilities, other than The Reserve Club Facilities, on such terms as determined by the Club Owners from time to time.

V. CHANGE OF CLUB FACILITIES.

The Club Owner may discontinue operation of any Club Facilities and change such facilities from time to time. The Club Owner may close certain facilities from time to time for maintenance, repairs and other purposes deemed necessary by the Club Owner. Membership does not create any presumption that the any facilities or services available at the Club will continue to be available in their current condition or manner. The obligation to pay dues is not dependent on the availability of any facilities or the frequency of use. If the construction or operation of any facility is limited or prevented by any cause not reasonably within the control of the Club Owner, the Club Owner shall be excused and released from performance, and discharged from any liability, to the extent that performance is limited or prevented by such occurrence. The Club Owner may, in its sole discretion, expand the Club Facilities or add additional facilities either on or off-site, as it determines appropriate from time to time, including additional golf facilities. The Club Owner may, in its discretion, allow all Members to use the additional Club Facilities, increase dues for all Members or certain categories of Membership to pay the additional costs associated with the additional Club Facilities, or give Members the option to use the Club Facilities upon payment of an additional Membership Deposit, Initiation Fee and/or additional membership dues.

VI. OPERATION OF CLUB AND CLUB FACILITIES.

The Club Owner has the exclusive authority to accept Members, establish Membership Deposits, Initiation Fees, dues, fees, and charges, establish rules and policies relating to the Club Facilities and the use thereof, and control the management and affairs of the Club. The Club Owner may retain a management firm to manage and operate the Club and may delegate such power and authority and assign such rights and remedies as the Club Owner determines in its discretion.

VII. MODIFICATION OF MEMBERSHIP PLAN.

All Membership privileges are subject to this Membership Plan and the Rules and Regulations of the Club, as modified or amended from time to time. The Club Owner reserves the right, from time to time and in its sole discretion, to modify, amend or waive the provisions of this Membership Plan and the Rules and Regulations with respect to the Club. Without limiting the foregoing, the Club Owner may modify the categories and privileges of Membership, establish different categories of Membership, establish and modify rules governing access, sign up privileges, starting times and other matters with respect to the Club Facilities, convert the Club to a member-owned club on such terms and conditions determined by the Club Owner, and amend the description of the properties that may be a Qualifying Property; provided that the Club Owner shall not have the right to defer the date of repayment of any Membership Deposit associated with

a Refundable Membership beyond the date determined pursuant to this Membership Plan as in effect at the time of receipt of such Membership Deposit by a Club Owner. Members shall be bound by any changes to this Membership Plan and the Rules and Regulations. The Club Owner may change the services provided to Members, and the hours of operation of the Club Facilities without prior notice. The Club is not owned or operated by the Members and Members do not have a right to vote on any matters.

VIII. TERMINATION OF MEMBERSHIP PLAN.

The Club Owner shall have the right, in its sole discretion, to terminate this Membership Plan or terminate a membership category at any time. In the event of such termination, the Club Owner shall refund, without interest and subject to offset for unpaid charges, 100% of all Membership Deposits applicable to the affected Refundable Memberships, and a prorated portion of any dues received by the Club Owner for any period after the date of termination, whereupon all rights of persons or entities other than the Club Owner to use such Club Facilities shall terminate.

IX. SALE OR TRANSFER OF CLUB FACILITIES.

Each Club Owner reserves the right, in its sole discretion, to sell, lease or otherwise transfer all or any portion of the Club Facilities owned by such Club Owner to any person or entity, upon such terms and conditions as such Club Owner may determine, subject to the Members' rights set forth in Section X of this Membership Plan. Upon a sale or other transfer of all or a portion of the Club Facilities by one of the Club Owners, such Club Owner may assign to the transferee the rights and obligations of the Club Owner under this Membership Plan. In the event the transferee of the Club Facilities assumes such assigned obligations, such Club Owner shall be released from all such assigned obligations, including the obligation to refund Membership Deposits. In the event of a sale of the Club Facilities, the buyer shall take title subject to the terms and provisions of the then existing Membership Plan. A sale or other transfer of the Club Facilities shall not void any Membership, nor shall it provide any Member with a right to receive an early refund of a Membership Deposit, unless this Membership Plan is terminated as described above. All rights and privileges of Members under this Membership Plan, the Rules and Regulations and the Club Membership Application and Agreement, are subordinate to the lien of any mortgage encumbering the Club Facilities from time to time.

X. OPTION OF MEMBERS TO PURCHASE THE FOUNDERS CLUB.

The Club Owner has designated certain Qualifying Properties as Founders Club neighborhood properties (collectively, the "Founders Club Neighborhood"). At such time as there are four hundred and eighty-five (485) active Members who pay Golf Member dues and reside in The Founders Club Neighborhood ("Golf Members in Founders Club Neighborhood"), the Club Owner will give the Golf Members in Founders Club Neighborhood the opportunity to purchase The Founders Club Facilities at the then current fair market value, subject to the right of first refusal of Troon Golf, L.L.C. Upon notice from the Club Owner that the Club has such number of Golf Members in Founders Club Neighborhood, the Golf Members in Founders Club Neighborhood shall have a period of sixty (60) days to give written notice to the Club Owner of their intent to purchase Founders Club Facilities, subject to the right of first refusal of Troon Golf,

L.L.C. In the event that the Golf Members in Founders Club Neighborhood do not give written notice of their intent to purchase within such sixty (60) day period, or in the event that the Golf Members in Founders Club Neighborhood give such notice but the transaction has not closed within four (4) months after the Club Owner receives such notice from the Golf Members in Founders Club Neighborhood, then in either event the option rights provided for herein shall expire and shall be of no further force or effect.

XI. NO ASSESSMENT AGAINST MEMBERS.

Members will only pay membership dues, fees and other charges established from time to time. Members will not be subject to any liability for capital or operating assessments for the costs and expenses of ownership or operation of the Club or the Club Facilities. The Club Owner will pay all operating deficits incurred in the operation of the Club Facilities and will retain all operating revenues resulting from operation of the Club Facilities. Annual increases in dues shall not be deemed an assessment for purposes of this provision. Dues may only be increased once per year unless a new facility is opened during the year.

XII. ASSUMPTION OF RISK.

EACH MEMBER SHALL BE RESPONSIBLE FOR THE CONDUCT OF SUCH MEMBER, HIS OR HER SPOUSE, FAMILY AND GUESTS WHEN USING ANY CLUB FACILITIES AND SHALL BE RESPONSIBLE TO THE CLUB OWNERS FOR ALL DAMAGES AND INJURIES CAUSED BY AND FOR ALL CHARGES INCURRED BY THE MEMBER OR ANY SUCH PERSON. ALL PERSONS USE THE CLUB FACILITIES AT THEIR OWN RISK. GOLF, FITNESS, TENNIS, SWIMMING AND OTHER SPORT ACTIVITIES ARE INHERENTLY DANGEROUS AND INJURIES MAY RESULT FROM USING THE CLUB FACILITIES, OPERATING OR RIDING IN A GOLF CART, BEING STRUCK BY A GOLF BALL OR OTHER OBJECT, BY OTHER ACTIVITIES INCIDENTAL TO USE OF THE CLUB FACILITIES OR EQUIPMENT, OR FROM PARTICIPATING IN EVENTS OR OTHER ACTIVITIES. MEMBERS ASSUME ALL SUCH RISKS FOR THEMSELVES, THEIR FAMILY AND GUESTS, AND WAIVE, RELEASE AND HOLD HARMLESS FOR THEMSELVES, THEIR FAMILY AND GUESTS, ALL CLAIMS AND CAUSES OF ACTION THAT ANY OF THEM MAY HAVE AGAINST ANY CLUB OWNER OR ANY DEVELOPER, CONSULTANT, ARCHITECT, DESIGNER OR CONTRACTOR INVOLVED WITH ANY CLUB, OR ANY OF THEIR RESPECTIVE MANAGERS, DIRECTORS, OFFICERS, SHAREHOLDERS, PARTNERS, MEMBERS, EMPLOYEES, AFFILIATES, REPRESENTATIVES AND AGENTS (COLLECTIVELY, "RELEASED PARTIES"), ARISING OUT OF INJURIES OR PROPERTY DAMAGE WHICH ANY MEMBER, FAMILY MEMBER OR GUEST OF MEMBER MAY SUSTAIN UPON OR AS A RESULT OF USE OF ANY CLUB FACILITIES OR EQUIPMENT OR AT ANY EVENT OR ACTIVITY, WHETHER DUE TO NEGLIGENCE OR OTHERWISE, OF SUCH MEMBER OR ANY OF SUCH MEMBER'S FAMILY OR GUESTS, OR ANY RELEASED PARTY.

XIII. ACKNOWLEDGMENT OF MEMBERSHIP CONDITIONS.

MEMBERSHIP IN THE CLUB CONSTITUTES A NONEXCLUSIVE, REVOCABLE LICENSE TO USE THE CLUB FACILITIES IN ACCORDANCE WITH THE CATEGORY OF

MEMBERSHIP AND DUES OPTION SELECTED BY THE MEMBER. ALL MEMBERSHIP PRIVILEGES ARE SUBJECT TO THIS MEMBERSHIP PLAN AND THE RULES AND REGULATIONS OF THE CLUB, WHICH MAY BE MODIFIED, AMENDED, WAIVED OR TERMINATED AT ANY TIME AND FROM TIME TO TIME BY THE CLUB OWNER, IN ITS SOLE DISCRETION AND WITHOUT PRIOR NOTICE. MEMBERSHIP IN THE CLUB DOES NOT GIVE THE MEMBER A VESTED OR PRESCRIPTIVE RIGHT OR EASEMENT TO USE ANY CLUB FACILITIES. MEMBERSHIP IN THE CLUB DOES NOT PROVIDE AN EQUITY OR OWNERSHIP INTEREST IN ANY CLUB, ANY CLUB FACILITIES OR THE CLUB OWNER. MEMBERS DO NOT HAVE ANY INTEREST IN THE INCOME OF ANY CLUB, ANY CLUB FACILITIES OR ANY CLUB OWNER, AND DO NOT HAVE THE RIGHT TO RECEIVE ANY OF THE ASSETS OF ANY CLUB OR ANY CLUB OWNER IF THE CLUB OR CLUB OWNER IS DISSOLVED OR IF ANY OR ALL OF THE CLUB FACILITIES ARE SOLD, LEASED OR OTHERWISE TRANSFERRED. IN NO EVENT SHALL A MEMBER BE REPAYED MORE THAN THE ACTUAL MEMBERSHIP DEPOSIT FOR REFUNDABLE MEMBERSHIP THAT SUCH MEMBER PAID TO THE CLUB OWNER. THIS MEMBERSHIP PLAN HAS NOT BEEN REVIEWED OR ENDORSED BY ANY GOVERNMENTAL AUTHORITY. ANYONE WHO DESIRES TO OBTAIN A MEMBERSHIP IN THE CLUB SHOULD CAREFULLY READ ALL OF THIS MEMBERSHIP PLAN AND OTHER REFERENCED DOCUMENTS AND SHOULD CONSIDER SEEKING PROFESSIONAL LEGAL AND FINANCIAL ADVICE IN EVALUATING THESE DOCUMENTS. NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION NOT CONTAINED IN SUCH DOCUMENTS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY ANY CLUB OR ANY CLUB OWNER.

APPENDIX 1 TO MEMBERSHIP PLAN

Special Provisions Applicable to Pre-1999 Members of The Founders Club

The following exceptions to certain provisions of this Membership Plan apply to the Membership associated with the Qualifying Property of a Member of the Founders Club who owned that Qualifying Property prior to January 1999 (a "Pre-1999 Founder Member") and to the first transferee of that Qualifying Property from the Pre-1999 Founder Member:

(a) The Pre-1999 Founder Member shall not be subject to the Activation Fee provisions of this Membership Plan. However, a Pre-1999 Founder Member who converts the Membership to Signature Membership was required to activate the Membership prior to the date for opening of Reserve Club golf course, set forth in a written notice from the Club Owner to Members.

(b) The first transferee of that Qualifying Property from the Pre-1999 Founder Member is eligible for a Home Course Membership, Premier Membership or Signature Membership, regardless of the membership category of the transferor Pre-1999 Founder Member. The first transferee of that Qualifying Property from the Pre-1999 Founder Member shall not be required to pay a Membership Deposit in order to become a Home Course Member or a Premier Member and shall not be subject to the Activation Fee provisions of this Membership Plan; except that if the Pre-1999 Founder Member purchased that Qualifying Property between May 1 and December 31 of 1998 (when the developer paid \$5,000 of the \$7,500 initiation fee in effect at that time), the first transferee will be required to pay a partial Membership Deposit in the amount of \$2,500 in order to become a Home Course Member or a Premier Member. In any event, the first transferee shall be required to pay a nonrefundable processing fee and shall be subject to all other provisions of this Membership Plan, as the same may be amended from time to time. Also, any dues, fees or other amounts owing from the Pre-1999 Founder Member to the Club Owner must be paid before the Club Owner will issue a Membership to the first transferee. The first transferee of the Qualifying Property from a Pre-1999 Founder Member shall be required to pay the full amount of the then applicable Membership Deposit, less a credit in the amount of \$5,000, to become a Signature Member.

The foregoing exceptions exist solely for the benefit of Pre-1999 Founder Members. For purposes of these exceptions, in the event of the transfer of a Membership to the surviving spouse, devisee or heir of a deceased Pre-1999 Founder Member pursuant to Section II.H.6 of this Membership Plan, the surviving spouse, devisee or heir shall be deemed to be a Pre-1999 Founder Member.

All future transferees of the Qualifying Property after the first transferee will be required to pay the full amount of the then applicable Membership Deposit in order to become a Member and will be subject to all of the provisions of this Membership Plan, as the same may be amended from time to time.

APPENDIX 2 TO MEMBERSHIP PLAN

Special Provisions Applicable to Pre-October 1997 Members of The Members Club

The following exceptions to certain provisions of this Membership Plan apply to the Membership associated with the Qualifying Property of a Member of The Members Club who owned that Qualifying Property prior to October 1997 (a "Pre-October 1997 Members Club Member") and to the first transferee of that Qualifying Property from the Pre-October 1997 Members Club Member:

(a) The first transferee of that Qualifying Property from the Pre-October 1997 Members Club Member is eligible for a Home Course Membership, Premier Membership or Signature Membership, regardless of the membership category, of the transferor Pre-October 1997 Members Club Members.

(b) A Pre-October 1997 Members Club Member may elect, upon the sale or other transfer of the Qualifying Property, to transfer such Member's rights with respect to the \$5,000 Membership Deposit paid when such Member purchased that Qualifying Property to the first transferee of that Qualifying Property from such Pre-October 1997 Members Club Member.

(c) If such election is made, the Pre-October 1997 Members Club Member shall not receive a refund of the Membership Deposit and the first transferee shall not be required to pay a new Membership Deposit to become a Home Course Member or a Premier Member of the Club. The first transferee shall be required to pay a nonrefundable processing fee and shall be subject to all other provisions of this Membership Plan, as the same may be amended from time to time, including the Activation Fee provisions. Also, any dues, fees or other amounts owing from the Pre-October 1997 Members Club Member to the Club Owner must be paid before the Club Owner will issue a Membership to the first transferee. Upon a future sale or other transfer of the Qualifying Property by the first transferee and receipt by the Club Owner from the future transferee of a full or partial Membership Deposit in an amount equal to or greater than \$5,000 the first transferee will receive a refund of the \$5,000 Membership Deposit transferred to the first transferee from the Pre-October 1997 Members Club Member. The first transferee of the Qualifying Property from a Pre-October 1997 Members Club Member who receives a transfer of the Pre-October 1997 Members Club Member's rights with respect to the \$5,000 Membership Deposit shall be required to pay to become a Signature Member the amount of the then applicable Membership Deposit, less \$5,000.

The foregoing exceptions exist solely for the benefit of Pre-October 1997 Members Club Member. For purposes of these exceptions, in the event of the transfer of a Membership to the surviving spouse, devisee or heir of a deceased Pre-October 1997 Members Club Member pursuant to Section II.H.6 of this Membership Plan, the surviving spouse, devisee or heir shall be deemed to be a Pre-October 1997 Members Club Member.

All future transferees of the Qualifying Property after the first transferee will be required to pay the full amount of the then applicable Membership Deposit in order to become a Member and will be subject to all of the provisions of this Membership Plan, as the same may be amended from time to time.

APPENDIX 3 TO MEMBERSHIP PLAN

Special Provisions Applicable to Premier Members; Home Club Members/Members of Predecessor Club

The following provisions govern Premier Membership, Home Course Membership and certain Memberships issued in Predecessor Club. The Membership Plan shall also govern Premier Memberships, Home Course Memberships and Memberships issued in Predecessor Clubs to the extent not governed by this Appendix 3.

If the Membership Plan and this Appendix 3 conflict in any way, this Appendix 3 shall govern.

(a) Predecessor Club Member 2005 Offering.

Members in the Predecessor Clubs as of December 31, 2004, including Members who had not activated their Memberships and whose Activation Fee Waiver Periods had not expired ("Predecessor Club Members") were eligible for Home Course Membership until March 31, 2005 ("Initial Offering Period"). Predecessor Club Members who did not deliver to the Club an executed Election to Convert to Signature Membership during the Initial Offering Period, automatically became Members in the Club as follows: (i) Golf Members who did not pay additional dues for Premier Member privileges in 2004 became Home Course Members with full golf course privileges at the golf course corresponding to their current Predecessor Club; (ii) Golf Members who did pay additional dues for Premier Member privileges in 2004 became Premier Members with Golf privileges; and (iii) Athletic (Tennis) Members or Social Members became Premier Members, with Tennis or Social privileges, respectively. Predecessor Club Members who were inactive Members as of the end of the Initial Offering Period are not assigned a membership category until they activate their memberships. A Predecessor Club Member who did not convert to Signature Membership during the Initial Offering Period may acquire a Signature Membership after the Initial Offering Period solely in the discretion of the Club Owner in accordance with the provision for upgrade of Membership set forth in Sections (b)(v) and (c)(iv) of this Appendix 3.

(b) Premier Membership.

i. Eligibility. Eligibility for Premier Membership is limited to (i) Predecessor Club Members who automatically became Premier Members as set forth in Section (a) of this Appendix 3; (ii) owners of Qualifying Properties in The Reserve neighborhoods who purchased or executed a contract to purchase the Qualifying Property before January 1, 2005, and did not elect to convert to Signature Membership prior to March 31, 2005, as determined by the Club Owner; and (iii) owners of Qualifying Properties outside of The Reserve and Woodlands Park neighborhoods, as determined by the Club Owner, who acquired their Premier Memberships on or before June 30, 2010.

ii. Benefits. Premier Members currently receive the following benefits:

- Refundable Membership Deposit. The Membership Deposit paid for a Premier Membership is refunded to the Member after the transfer of the Member's Qualifying Property and reissuance of the Membership to the transferee

as a Signature Membership or, in certain other events, in such amounts as described in the Membership Plan.

- Immediate Family Privileges Options. Golf Members may elect family golf, family golf/sport or single privileges and dues.
- Reissuance of Membership to Subsequent Property Owner. Memberships are not transferable but may be reissued through the Club as a Signature Membership to the transferee of a Member's Qualifying Property in the Community.
- No Assessments. Members are not subject to either operating or capital assessments.
- Lessee Privileges. Lessees of a Member's residence in the Community for three (3) months or more may enjoy membership privileges in the Club.
- Club Newsletter. Members will receive a periodic newsletter containing information about events and activities at the Club and other items of interest.
- Website. The Club's website located at www.theclubsatstjames.com provides Members with access to important up to date club information.

iii. Membership Privileges. Premier Membership provides privileges at Founders Club, Members Club, and Players Club Facilities, subject to the dues option selected. Premier Members may elect among Golf, Sport and Social privileges, as described in the Membership Plan, and pay the corresponding dues for each option, subject to the Club Owner's right to limit the number of Members who elect Golf and/or Sport privileges, as described in the Membership Plan. The Club Owner may establish other dues options from time to time, with such use privileges and subject to such conditions as the Club Owner shall determine.

iv. Membership Deposit. A person who is eligible to acquire a Premier Membership and desires to become a Premier Member shall pay to the Club Owner a Membership Deposit in an amount determined by the Club Owner from time to time. Premier Memberships are Refundable Memberships. The provisions governing Refundable Memberships, Membership Deposits and refund of Membership Deposits set forth in the Membership Plan govern Premier Memberships, except as set forth herein.

v. Change in Membership Categories. A Premier Member may upgrade to Signature Membership, in the Club Owner's discretion, upon payment to the Club Owner of the difference between the Membership Deposit or Initiation Fee, as applicable, then charged for Signature Membership and the Membership Deposit actually paid for Premier Membership (excluding any non-refundable initiation fee paid). A Premier Member may not convert his or her Premier Membership to Introductory St. James Membership.

vi. Family/Single Designation. Any Premier Golf Member, regardless of marital status or membership category, may elect to have his or her Membership designated as a Family Membership, Family Golf/Sport or Single Membership for Club use and dues purposes. If a Premier Golf Membership is designated as a Family Golf/Sport Membership, the spouse and children of the Golf Member shall have sport and social privileges to use the Club Facilities. A Premier Golf Member may elect a Family Membership, Family Golf/Sport Membership or a Single Membership for one dues option only. For example, a Golf Member may not elect to pay Single Golf dues and Family Social dues. All other dues categories (e.g. Sport and Social) will be a Family Membership designation only.

vii. Reissuance of Membership Upon Transfer of Qualifying Property. A resigned Premier Membership shall be reissued to the transferee of the Qualifying Property as a Refundable or Nonrefundable Signature Membership upon receipt and acceptance by the Club Owner of a membership application from the transferee for a Refundable or Non-Refundable Signature Membership, along with the required Membership Deposit or Initiation Fee and a nonrefundable processing fee. A Premier Membership shall not be available to the transferee of the Qualifying Property except as set forth in Appendix 1 or Appendix 2 of the Membership Plan.

(c) Home Course Membership.

viii. Eligibility. Eligibility for Home Course Membership is limited to (i) Predecessor Club Members in accordance with paragraph (a) above, and (ii) the First Transferees of Early Members, as described in the Appendices attached to this Membership Plan. An owner of a Qualifying Property who has allowed his or her Activation Fee Waiver Period to expire without activation of Membership is not eligible for Home Course Membership.

ix. Membership Privileges. Home Course Membership provides full golf privileges at either Founders Club golf course, Members Club golf course, Players Club golf course, or Reserve Club golf course, whichever golf course is designated for the Qualifying Property owned by the Member. For example, if a Home Course Member owns a Qualifying Property for which Founders Club golf course is the designated golf course, the Home Course Member will have full golf privileges at Founders Club golf course only, but not the other golf courses. Home Course Members do not pay greens fees for use of their home course but are required to pay golf cart rental fees. The Club Owner may reserve a certain number of golf starting times for use by others. In addition, Home Course Members of Founders Club golf course, Members Club golf course or Players Club golf course may play golf at the other golf courses, excluding Reserve Club golf course, upon payment of reduced greens fees and full golf cart rental fees. Home Course Members of the Founders Club golf course, the Members Club golf course or the Players Club golf course have no golf privileges at Reserve Club golf course. Reserve Club Home Course Members may play golf at the other golf courses upon payment of reduced greens fee and full golf cart fees. Home Course Members have advance sign-up privilege for golf starting times at the golf courses other than their home course in accordance with the Schedule of Annual Dues and Fees. In addition, Home Course Members of Founders Club golf course, Members Club golf course or Players Club golf course have access to all of the tennis, fitness, swimming and clubhouse facilities of Founders Club, Members Club and Players Club, regardless of the home course designation for the Member. Reserve Club Home Course Members do not have access to Founders Club, Members Club or Players Club tennis, fitness, swimming and clubhouse facilities,

except such Members will have access to such facilities prior to the completion of the corresponding Reserve Club facilities. Home Course Members do not pay court fees for use of a tennis court.

x. Benefits. Home Course Members currently receive the same benefits as Premier Members described in Section (b)(ii) of this Appendix 3, except Home Course Members are not eligible for family golf/sport dues and privileges.

xi. Change in Membership Categories. A Home Course Member may upgrade to Signature Membership, in the Club Owner's discretion, upon payment to the Club Owner of the difference between the Membership Deposit or Initiation Fee, as applicable, then charged for Signature Membership and the Membership Deposit actually paid for Home Course Membership (excluding any non-refundable initiation fee paid.) A Home Course Member may change the Home Course Membership to Premier Membership, without any payment of an additional Membership Deposit. A Premier Member may not downgrade to Home Course Membership, unless otherwise determined by the Club. As an exception to the above, a Predecessor Club Member who did not elect Signature Membership during the Initial Offering Period, may change the Premier Membership to a Home Course Membership or change a Home Course Membership to a Premier Membership on an annual basis without the payment of an additional Membership Deposit. A Home Course Member may not convert his or her Home Course Membership to Introductory St. James Membership.

xii. Family/Single Designation. Notwithstanding any provision herein, a Home Course Member may not elect the Family Golf/Sport designation. A Home Course Member, regardless of marital status, may elect to have his or her Membership designated as a Family or Single Membership for Club use and dues purposes.

(d) Reissuance of Membership Upon Transfer of Qualifying Property; Refund of Membership Deposit.

xiii. Predecessor Club Member. If the transferor Member was a Predecessor Club Member as of December 31, 2004, the transferor Member shall receive a refund in the amount of the Membership Deposit actually paid to the Club Owner by or on behalf of such transferor Member, without interest and subject to offset for unpaid dues and charges, upon the reissuance of the Membership to a transferee (whether the initial transfer of the Qualifying Property or any future transfer), which shall be deemed to have occurred only after receipt by the Club Owner from a transferee of a new Membership Deposit or Initiation Fee in an amount equal to the full amount of the Membership Deposit or Initiation Fee due from the transferee. Notwithstanding any provision herein to the contrary, if the transferee of the Qualifying Property is related to or affiliated with the transferor Member of a Refundable Membership, as determined by the Club Owner in its sole discretion, the Club Owner shall pay at the time of reissuance of the Membership, the refund of the Membership Deposit actually paid by or on behalf of the transferor Member only to the extent of the amount of Membership Deposit or Initiation Fee actually paid by the transferee. The Club Owner will refund to the transferor Member the balance of the Membership Deposit actually paid by or on behalf of the transferor Member upon the earlier of (i) the sale of the Qualifying Property to an unrelated, unaffiliated transferee and receipt and acceptance by the Club Owner of a membership application from the transferee for a Refundable or Non-Refundable

Membership, along with a Membership Deposit or Initiation Fee at least equal to the balance owed to the transferor Member, or (ii) the expiration of thirty (30) years from the date of acceptance of the transferor Member's Membership Deposit by the Club Owner.

xiv. Home Course Member. If the transferor Member holds a Home Course Membership, and the transferee of the Qualifying Property desires a Signature Membership, the resigned Home Course Membership may be reissued as a Signature Membership, provided the transferee applies for Signature Membership and is accepted by the Club Owner.