MEMBERSHIP PLAN

Effective Date – JANUARY 1, 2014
THE CLUB AT KINGSMILL
MEMBERSHIP PLAN OVERVIEW

MEMBERSHIP OPPORTUNITY

This Membership Plan (the “Membership Plan”) describes the membership opportunities in The Club at Kingsmill, located within the Kingsmill on the James residential, resort and club community (the “Community”) along the James River in Williamsburg, Virginia. Membership in The Club at Kingsmill provides access to outstanding golf, tennis, spa, fitness, swimming, beach, marina and social facilities, as more fully described hereinafter.

Two primary categories of non-equity membership are being offered in the Club (as said term is defined hereinafter): Full Golf Membership and Sports Membership. A limited number of Corporate Memberships can also be issued in the Club. The holder of a membership in the Club is hereinafter referred to as a “Member.”

SPECIAL MEMBERSHIP BENEFITS

Membership in the Club provides a number of attractive benefits. A brief description of some of these current benefits follows and they are described in greater detail in this Membership Plan, which provisions shall control (capitalized terms in quotations below in this Special Membership Benefits paragraph shall have the meaning ascribed to them hereinafter in this Membership Plan):

- **Refundable Membership Deposit.** One hundred percent (100%) of the “Membership Deposit” paid by a new Member for a membership will be refunded to the Member following resignation and reissuance of the membership or on the 30-year anniversary of the date the membership is issued.

- **Transferability of Membership to Subsequent Purchaser of Member’s Property.** A membership is transferable to the subsequent purchaser of the Member’s residence or home site in the Community or any other community designated by the Club as an affiliated club community, through reciprocal arrangement or otherwise (each a “Designated Community”). This allows a Member to receive his or her refund upon the sale of the property without having to place the membership on the resigned resale waiting list referred to hereinafter.

- **Immediate Family Privileges.** A Member’s “Immediate Family Members” are entitled to the same use privileges as the Member without having to pay additional membership dues.

- **Extended Family Privileges.** A Member’s “Extended Family Members” are entitled to use the “Club Facilities” in accordance with the Member’s use privileges, upon payment of preferred fees.

- **Preferred Pricing Discount.** Members are entitled to a preferred pricing discount on a variety of services and products as described hereinafter.
- **Lessee Privileges.** Lessees of a Member’s residence within the Community or in a Designated Community can enjoy privileges at the Club.

- **No Assessments.** Members are not subject to either operating or capital assessments by the Club.

- **Legacy Transfer.** Members may request a transfer of the membership through the Club to the Member’s spouse, adult child or adult grandchild without the payment of any additional Membership Deposit or other membership fee (on a one-time basis).

- **Inheritability.** Upon the death of a Member, the membership can be transferred to the surviving spouse, if any, or to an heir or legatee without the payment of any additional Membership Deposit or other membership fee (on a one-time basis).

**Carefully Review All Membership Documents**

Every applicant for membership 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, THE CLUB AT KINGSMILL RULES AND REGULATIONS (“RULES AND REGULATIONS”) AND MEMBERSHIP AGREEMENT (REFERRED TO HEREINAFTER), ON THE ONE HAND, AND OTHER PRINTED MATERIALS, ON THE OTHER HAND, THE MEMBERSHIP PLAN, RULES AND REGULATIONS AND MEMBERSHIP AGREEMENT SHALL GOVERN.

**Memberships are Offered Only for Recreational Purposes**

MEMBERSHIPS IN 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 IN THE CLUB.

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

**Procedure for Acquiring a Membership**

Each person or Entity that desires to become a Member of the Club must submit a Membership Agreement to the Membership Office, together with payment of the
required Membership Deposit. In the event a Membership Agreement is not acted upon favorably, the Membership Deposit will be fully refunded, without interest. Additional information in this regard is provided hereinafter.

**Amendment and Restatement of Current Membership Plan**

This Membership Plan amends, restates and supersedes in its entirety any prior membership plan, bylaws or similar instrument governing memberships in the Club, as any of the same may have been amended, modified or supplemented.

**Membership Office Available to Answer Inquiries**

All inquiries regarding membership in the Club or this Membership Plan and referenced documents should be directed to the Membership Director at the Membership Office located at 1010 Kingsmill Road, Williamsburg, Virginia 23185; telephone - (757) 258-1630; and e-mail at membership@kingsmill.com. You may visit, call or write to the Membership Office. An appointment is recommended in the case of a visit.
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SECTION I    MEMBERSHIP FEATURES AND FACILITIES

INTRODUCTION

The Membership Plan, Rules and Regulations and Membership Agreement set forth the rights, privileges and obligations of membership in the Club. The Club reserves the right to amend, modify or supplement the Membership Plan and Rules and Regulations in its discretion.

CLUB FACILITIES

The Club offers the following “Club Facilities:”

Golf Facilities, including:

• The River Course, championship 18-hole golf course, designed by Pete Dye;
• The Plantation Course, 18-hole championship golf course, designed by Arnold Palmer;
• The Woods Course, 18-hole championship golf course, designed by Tom Clark and Curtis Strange;
• Driving range and practice putting green at the River Course and the Plantation Course;
• Driving range at the Woods Course;
• Golf pro shop, locker rooms and storage facilities at the River Course and Plantation Course clubhouse;
• Golf Instruction; and
• Golf pro shop at the Woods Golf House.

Tennis Facilities, including:

• 15 tennis courts consisting of:
  • 2 Deco-Turf all-weather courts
  • 13 Vel-Play composition courts (2 of which are lighted for night play);
• Tennis Instruction;
• League play;
• Bike rental;
• Tennis pro shop; and
• Locker facilities.

Sports Facilities, including:

• Cardiovascular fitness facilities;
• Circuit strength training and free-weight equipment;
• Indoor and outdoor swimming facilities:
  • Indoor pool with whirlpool;
  • Outdoor recreational swimming pools, including the seasonal River Pool;
• Aerobic studio and classes;
• Personal training;
• Sauna, steam room and whirlpool;
• Game room;
• Locker facilities; and
• Children’s day camp and related facilities.

The Spa at Kingsmill, including:
• Full service spa (full day and half day packages available).

Social Facilities, including:
• Bray Dining Room;
• Eagles;
• Riverview Room;
• The Mill;
• Casual dining and bar service at the River Pool;
• James Landing Grille; and
• The Grill at the Woods Golf House.

Marina Facilities, including:
• Boat slips and slip rentals;
• Marina Shop;
• Boat ramp; and
• Other rentals (jet skis, pontoon boats, kayaks, paddle boats, paddle boards, etc.).

Beach Facilities, including:
• Beach access; and
• Beach chair and umbrella service (currently planned).

The Club currently plans to make the following improvements to the Club Facilities:
• The Sports Center will remodeling with new “Members-only” fitness facilities and equipment, as well as “Members-only” locker rooms with new finishes throughout;
• The Riverview Room in the clubhouse serving the River and Plantation Courses will be renovated with a new outside deck;
• An extensive short game practice facility and enhanced driving range will be added at the Woods Course;
• The Woods Golf House will be enlarged and renovated, featuring an expanded casual mixed grill and patio areas; and
• A boardwalk with fishing stations will be constructed from the marina to the River Pool.
**Additional Club Facilities**

The Club may, in its discretion, expand, modify, or remove any of the Club Facilities or add additional facilities either on or off-site, as it determines appropriate from time to time. The Club is under no obligation whatsoever to expand or modify the Club Facilities or add facilities thereto. Further, the Club may add facilities that are not part of the Club Facilities or that are not available to Members. If the Club Facilities are expanded or additional facilities are added, the Club shall have the right to charge an additional Membership Deposit or Initiation Fee (as defined hereinafter) or other membership fee to those Members who desire to use the expanded or additional facility(ies), and/or increase the number of memberships permitted to be issued and outstanding.

**Activities and Events**

The Club is committed to sponsoring activities and events that are appealing to Members, their Immediate and Extended Family Members and guests. Accordingly, the Club may sponsor enrichment, cultural and educational programs and activities for all ages. A monthly calendar of activities and events will be made available to the membership of the Club.

**Shuttle Service**

Members, their family members and guests shall have the right to use the shuttle service which is made available to Kingsmill Guests (as said term is defined hereinafter). Such use shall be made on a complimentary basis.

**Interactive Web Site and Newsletter**

The Club at Kingsmill web site, www.kingsmill.com, enables Members to obtain up-to-date Club information and to make reservations to use Club Facilities and services. An e-newsletter containing Club news and other items of interest will be disseminated periodically to all Members requesting receipt thereof. In addition, a Club newsletter may be published from time to time.

**Preferred Pricing**

Members will receive a preferred pricing discount on food and beverage purchases, spa treatments and services and other selected items at the Club Facilities. The specific items to which the preferred pricing discount applies and the amounts of the discount are included on a Schedule of Preferred Pricing Discounts published by the Club from time to time. The preferred pricing discount does not apply to banquets, special events or catered parties, or at members-only facilities. In order to receive the preferred pricing discount, Members must charge applicable items to their respective club accounts.

**Ownership and Operation of Club Facilities**

Xanterra Kingsmill, LLC, a Delaware limited liability company (the “Company”), owns and operates the Club Facilities. Where this Membership Plan refers to the “Club” making a decision or otherwise taking action, the reference shall be deemed to be to the
Company and/or its designees doing business as the Club. Other references to the “Club” herein shall mean The Club at Kingsmill.

SECTION II  MEMBERSHIP CATEGORIES AND PRIVILEGES

MEMBERSHIP CATEGORIES

The Club is currently offering memberships in two primary categories as follows: Full Golf Membership and Sports Membership. The use privileges associated with these categories are more fully described below. A limited number of Corporate Memberships are also available in the Club. The Club offers certain other memberships and use privileges as described in the “Other Memberships and Use Privileges” Section of this Membership Plan.

DESCRIPTION OF MEMBERSHIP PRIVILEGES

A Member will be entitled to use the Club Facilities in accordance with the Member’s category of membership and the terms and conditions of this Membership Plan and the Rules and Regulations, each as amended, modified or supplemented by the Club from time to time. All use privileges are subject to availability and to the payment of applicable dues, fees and charges. The membership privileges currently associated with each category of membership are as follows:

Full Golf Membership

Full Golf Members are entitled to use all of the Club Facilities. Full Golf Members are not required to pay greens fees for use of the golf courses, but are required to pay golf cart fees when playing golf. These Members may walk the golf courses at designated times. Range balls are complimentary. Full Golf Members are also not required to pay court fees for use of the tennis courts or fees to access the spa or fitness facilities. Full Golf Members are entitled to reserve golf starting times and tennis court times seven days in advance.

Sports Membership

Sports Members are entitled to use all of the Club Facilities, subject to the provisions below. Sports Members are not permitted to play golf on the Woods Course, except as the guest of a Full Golf Member subject to guest rules, regulations and policies. Sports Members are required to pay a greens fee and cart fee for use of the River Course and the Plantation Course and shall be entitled to complimentary range balls in connection with any round of play. Sports Members are entitled to reserve golf starting times two days in advance, but are not permitted to play before 11:00 A.M., except as the guest of a Full Golf Member or unless authorized by the Vice President of Golf and Club Operations or the Golf Professional. Sports Members are not permitted to use the golf practice facilities unless they are playing a round of golf. Sports Members can reserve tennis court times seven days in advance. These Members are not required to pay court fees for use of the tennis courts or fees to access the spa or fitness facilities.
Corporate Membership

Full Golf and Sports Memberships are available as Corporate Memberships in the Club. The holder of a Corporate Membership in the Club (a “Corporate Member”) can designate up to three individuals as the designated users under the Corporate Membership (each, a “Designee”), who are subject to approval by the Club. There must be at least one active Designee under the Corporate Membership at all times. Each Designee must be a bona fide director, officer, partner, shareholder, member, manager or employee of the Corporate Member unless otherwise determined by the Club and must pay all required dues, fees and charges. The Corporate Member may request to change a given Designee in accordance with rules, regulations and procedures established by the Club and upon payment of the then current re-designation fee as set by the Club. The Corporate Member and each given Designee under the Corporate Membership will be jointly and severally responsible for any unpaid dues, fees and other charges incurred by the Designee in question. Unless otherwise indicated or the context requires an interpretation to the contrary, the Designee under a membership held by a Corporate Member shall be considered a Member for purposes of this Membership Plan and the Rules and Regulations. Each Designee under a Corporate Membership shall have the same use privileges as a Member in the corresponding individual category, including privileges for Immediate Family Members and Extended Family Members, as well as guest privileges.

Upgrade of Membership

Sports Members and Social Members (referred to hereinafter) may upgrade to a higher category of membership, if a membership in the higher category is then available and not reserved. In order to upgrade, the Member shall provide written notice to the Club and shall be obligated to pay to the Club the difference between the Membership Deposit then charged for a membership in the higher category and the Membership Deposit or Initiation Fee previously paid by the Member for the membership in the lower category. A Member desiring to upgrade shall also execute and deliver such documents as the Club shall require in this regard. The upgrade of a membership shall not be considered to be the sale of a membership for purposes of the “Transfer of Membership” Section hereinafter.

Downgrade of Membership

Full Golf Members may downgrade to a Sports Membership effective at the beginning of a Membership Year (as said term is defined hereinafter) upon written request made to the Club prior to the end of the current Membership Year. The obligation to pay dues and fees with respect to the Full Golf Membership shall terminate at the end of the Membership Year in which the request is made, whereupon the Member shall commence paying the applicable dues and fees with respect to the Sports Membership. No refund of the Membership Deposit paid for the Full Golf Membership or any portion thereof, shall be payable to the downgrading Member in connection with the downgrade. The Member shall execute and deliver such documents as the Club shall require in this regard. The downgrade of a membership shall not constitute a sale of a Sports Membership for purposes of the “Transfer of Membership” Section hereinafter.
MEMBERS-ONLY FACILITIES

The Woods Course and Woods Golf House are available for use by Full Golf Members, their Immediate Family Members, Extended Family Members and guests only. Sports and Social Members may be guests of Full Golf Members, subject to the provisions of this Membership Plan regarding Sports Member and Social Member guest access. Further, in the event that there are more than 375 active Full Golf Memberships outstanding, a portion of the tee times on either the River Course or the Plantation Course (generally on a rotating basis) according approximately to the number of active Full Golf Memberships outstanding in excess of 375, will be available for use only by Full Golf Members and their Immediate and Extended Family Members and their guests. Tee times on the River Course or the Plantation Course, as the case may be, not reserved by these individuals by two days in advance of the day of play, will be made available to Sports Members and Kingsmill Guests. The foregoing is subject to the provisions of the “Kingsmill Guests” and “Promotional Use and Tournament or Group Play” paragraphs hereinafter.

Additionally, the Riverview Room and outdoor deck area at the clubhouse serving the River and Plantation Courses, as well as the fitness facilities and locker rooms designated as such at the Sports Center, will be for use by Members, their family members and guests only.

RULES AND POLICIES

In order to enhance the recreational and social pleasure of Members, their Immediate and Extended Family Members and guests, the Company reserves the right to establish, amend or modify rules, regulations, policies, guidelines, or systems governing use, access or reservation of the Club Facilities or services provided by the Club.

SECTION III FAMILY AND GUEST PRIVILEGES

IMMEDIATE FAMILY PRIVILEGES

The Member’s spouse or Significant Other (as defined below) and the children of either spouse or Significant Other who are unmarried and under the age of 23 and who are attending school or serving in the military, all of whom are herein defined as “Immediate Family Members,” are entitled to use the Club Facilities on the same basis as the Member.

PRIVILEGES FOR INDIVIDUAL LIVING WITH A MEMBER

A Member living together with another individual (“Significant Other”) in the same household as a family unit may designate the Significant Other on a Membership Year basis to use the Club Facilities as an Immediate Family Member. A Member may only designate one Significant Other. The Member and the Significant Other shall be individually and jointly responsible for the payment of all charges and fees incurred by the Significant Other. The Club reserves the right to require such forms and establish
such fees and other rules it deems appropriate with respect to access by a Significant Other.

The Significant Other may be changed only one time per Membership Year with the payment of a re-designation fee, as determined by the Club.

Extended Family Privileges

The “Extended Family Members” (herein defined as children of the Member, the Member’s spouse or the Member’s Significant Other who do not qualify as Immediate Family Members, parents and grandchildren of the Member and Member’s spouse or Significant Other, and the spouses or Significant Others of such family members, other than those individuals who reside in the Williamsburg area), are entitled to use the Club Facilities in accordance with the Member’s privileges upon the payment of special Extended Family Member fees established by the Club. An Extended Family Member must be accompanied by the Member or an Immediate Family Member when playing golf unless authorized by the Vice President of Golf and Club Operations or Golf Professional. Further, the Club reserves the right to restrict access by Extended Family Members to the Club Facilities at times designated by the Club.

Guest Privileges

Members may have guests use the Club Facilities in accordance with the Member’s category of membership. Usage by guests is subject to the provisions of the Rules and Regulations and the guest policies in effect from time to time, which may include, without limitation, restrictions on the number of times a particular guest may use all or a portion of the Club Facilities and the number of guests a Member can sponsor on any given day, or during a Membership Year or portion thereof, as well as the payment of applicable guest fees. Members can sponsor both accompanied and unaccompanied guests to use the Club Facilities, subject to guest rules, regulations and policies.

Primary Playing Times

Although each membership has family and guest privileges, the Club may establish primary playing times during which golf play by Immediate Family Members other than spouses and Significant Others, Extended Family Members and, in the Club’s discretion guests, may be restricted, to better handle golf play during peak play periods. The Club may designate times when only Members and their spouses or Significant Others and, in the Club’s discretion guests, may play golf notwithstanding any provision herein. Entry into Club tournaments may also be restricted.

Certain Responsibilities of a Member

Each Member shall be responsible for the payment of all charges and fees incurred by, and the actions and conduct of, the Member’s Immediate Family Members, Extended Family Members and guests. When a membership is issued in the name of more than one person, each person will be jointly and severally responsible for all of the obligations associated with the membership.
SECTION IV LESSEE PRIVILEGES

Lessee Membership Privileges

A Full Golf Member or Sports Member who leases his, her or its residence in the Community or in a Designated Community for a period of one year or longer may designate the lessee of the residence as the beneficial user of the membership, subject to the approval of the Club. The lessee must submit an Application for Lessee Privileges, must be approved by the Club, and must pay the required administrative fee established by the Club from time to time. During the period when a lessee is the designated user of the membership, the lessor Member shall pay their own separate monthly dues if they wish to continue to use the Club Facilities. The lessor Member will at all times be responsible to the Club for the lessee’s membership dues (and the additional dues if elected), as well as all fees and charges incurred by the lessee which are not paid within the customary billing and collection procedures of the Club. The lessor Member will be responsible for the actions and conduct of the lessee and his or her family members and guests. In the case of an owner having multiple residences, a Full Golf or Sports Membership must be associated with each residence with respect to which a lessee is exercising membership privileges pursuant to this paragraph.

SECTION V NUMBER OF MEMBERSHIPS

Limit on Number of Memberships

The maximum number of Full Golf Memberships that can be issued and outstanding is 750. The maximum number of Sports Memberships that can be issued and outstanding shall be determined from time to time by the Club in its discretion. Each Designee under a Corporate Membership counts as one membership against the limit on the number of memberships permitted in the category in question. Based upon usage and play patterns, the maximum number of Full Golf Memberships may be increased by up to 50 in the Club’s discretion. The Club may also further limit the number of Full Golf Memberships which are issued and outstanding.

SECTION VI OFFERING OF MEMBERSHIPS

Offering of Memberships

Memberships will be offered to such persons and entities as are determined by the Club and who are approved for membership in the Club, including without limitation, individuals who do not own property within the Community or a Designated Community. Membership in the Club by persons who do not own property within the Community or a Designated Community shall be by invitation only. Full Golf Memberships held by individuals who do not own property in the Community or a Designated Community may be subject to recall by the Club upon refund of the Membership Deposit paid, less any amounts owed to the Club.
INITIAL PURCHASERS OF A RESIDENCE OR HOME SITE

Each initial retail purchaser of a residence or home site in the Community or a Designated Community from the master developer of the Community or the Designated Community or its designee (“Initial Purchaser”) shall have the right to acquire a membership in the Club, subject to availability, provided that the Club approves the purchaser for membership and the purchaser pays the required Membership Deposit. OWNERSHIP OF A RESIDENCE OR HOME SITE IN THE COMMUNITY OR A DESIGNATED COMMUNITY DOES NOT ASSURE AVAILABILITY OF A MEMBERSHIP IN THE CLUB, DOES NOT GIVE ANY VESTED RIGHT OR EASEMENT, PRESCRIPTIVE OR OTHERWISE, TO USE THE CLUB FACILITIES, AND DOES NOT GRANT ANY OWNERSHIP OR MEMBERSHIP INTEREST IN THE CLUB OR THE CLUB FACILITIES.

RESERVED MEMBERSHIPS

All of the unissued memberships will be reserved by the Club and reserved memberships are not considered to be available. The Club may not be compelled to sell a reserved membership. The Club may issue a reserved membership to any person or Entity (as said term is hereinafter defined) that the Club, in its discretion, determines appropriate from time to time, including persons or entities who do not own a residence or home site in the Community or a Designated Community and who are approved for membership.

MEMBERSHIP waiting LIST

If a person or entity desires to acquire a membership in a particular category and a membership is not available in that category, the Club will establish a waiting list. Resigned memberships that are not reissued to the subsequent purchaser of a resigned Member’s residence or home site in the Community or in a Designated Community or are redeemed by the Club, as hereinafter provided, will be offered to persons on the waiting list in accordance with the following order of priorities:

First, to Sports Members who desire to upgrade to a Full Golf Membership;

Second, to property owners in the Community who are not Members of the Club;

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

Fourth, to all other persons or entities who desire a membership in the Club.

Notwithstanding the foregoing, the Club reserves the right to make exceptions to the waiting list policy and priorities in its discretion.
MULTIPLE OWNERS OF PROPERTY

In the event a residence or home site is owned by more than one person (excluding spouses) or entity, only one owner is eligible to obtain a Full Golf Membership, subject to availability, unless otherwise determined by the Club in its discretion on a case by case basis.

MEMBERSHIP HELD IN NAME OF LEGAL ENTITY

For the convenience of Members, a membership may be held in the name of a partnership, corporation, limited liability company, trust or other form of multiple ownership (each, an “Entity”). The Entity must designate one individual who will have the right to use the membership (a “Designated User”). The Designated User must be a bona fide director, officer, partner, shareholder, member or employee of the Entity, or a beneficiary or settlor if the membership is held in the name of a trust, and must pay the required dues, fees and charges, for which the Entity shall also be responsible. The Designated User must submit a Membership Agreement and will be subject to the approval of the Club. The Designated User cannot be changed, except in the event of the death of the Designated User, in which case the new Designated User can be the spouse or an heir or legatee of the decedent or a beneficiary of the trust in the event the membership is held in the name of a trust, subject to approval by the Club. The Club may establish from time to time the rules governing the Designated User of a membership. Unless otherwise indicated or the context requires an interpretation to the contrary, the Designated User under a membership held by an Entity shall be considered a Member for purposes of this Membership Plan and the Rules and Regulations.

EXISTING MEMBERS AND RESIDENTS©

CONVERSION TO NEW CATEGORIES

Holders of a membership in the Club (other than holders of Social Memberships and Honorary Memberships) who have not resigned as of the Effective Date of this Membership Plan (“Existing Members”), will have their memberships converted into one of the new categories of membership offered by the Club, either Full Golf Membership or Sports Membership, effective as of the Effective Date. Outstanding Platinum Memberships, Gold Memberships and Invitational Golf Memberships are hereby converted to Full Golf Memberships. Outstanding Silver/Bronze Memberships, Silver Memberships and Bronze Memberships are hereby converted to Sports Memberships. Holders of Annual Memberships will have their membership converted to either a Full Golf Membership or a Sports Membership based on the type of dues they are currently paying. Notwithstanding the foregoing, Existing Members will have the opportunity during a limited time period ending on November 30, 2013 (the “Limited Offering Period”), to upgrade or downgrade their membership effective as of the Effective Date. In order to upgrade to a Full Golf Membership, an Existing Member will be required to pay an amount equal to the difference between the discounted Membership Deposit required for a Full Golf Membership and the Membership Deposit
or the non-refundable initiation fee ("Initiation Fee") paid for their existing membership (references herein to Membership Deposit as relates to Existing Members, shall mean the membership deposit they previously paid for their membership). The dues applicable to a Full Golf Membership must also be paid starting on the Effective Date. In order to downgrade, no additional Membership Deposit or other membership fee is required to be paid. The dues applicable to the lower category of membership must be paid starting on the Effective Date. The downgrade to a Social Membership will only be permitted during the Limited Offering Period. In order to upgrade or downgrade, an Existing Member must execute and deliver to the Club a Membership Agreement in the form provided by the Club, along with the required payment, if any, during the Limited Offering Period. Following the Limited Offering Period, all unissued Full Golf Memberships will be reserved by the Club, generally for issuance to new property purchasers in the Community.

Notwithstanding anything to the contrary contained herein, the Full Golf Membership of an Existing Member who previously held an Invitational Golf Membership and who does not own property in the Community or a Designated Community may be subject to being recalled by the Club in order for the Club to be able to issue a Full Golf Membership to a purchaser of new property in the Community without exceeding the limit on Full Golf Memberships. If recalled, such Full Golf Memberships will be recalled on a last-in, first-out basis. Upon having the membership recalled, the Member in question will be entitled to a refund of the Membership Deposit or Initiation Fee paid for the membership, less any amounts owed to the Club, within 60 days of the effective date of the recall.

SOCIAL MEMBERSHIPS

Outstanding Social Memberships which are not resigned or upgraded prior to the Effective Date remain as such, subject to the terms and conditions of this Membership Plan, as amended, modified or supplemented from time to time. Social Members are entitled to use the Club’s spa, beach, River Pool, boardwalk upon completion and marina facilities, as well as the Club’s restaurants and other social facilities. They can also participate in programs social activities sponsored by the Club. Social Members can only use the other Club Facilities as the guest of a Member who has access thereto, subject to the Club’s guest rules, regulations and policies. No new Social Memberships will be issued in the Club, except to existing property owners within the Community who acquire a Social Membership during the Limited Offering Period and only Family Social Memberships will be available. Individual Social Members are able to continue on, however, no Immediate or Extended Family Member privileges will apply.

INDIVIDUAL AND FAMILY DUES

All Full Golf Memberships and Sports Memberships are family memberships. With respect to those Existing Members who are converted to Full Golf Members or Sports Members and who hold an individual membership as of the Effective Date of this Membership Plan, ("Individual Golf and Sports Members"), although the memberships of Individual Golf and Sports Members are being converted to family memberships pursuant to the terms hereof, the resulting increase in dues will be phased in
approximately evenly over a three-year period such that for the 2016 Membership Year the dues will be the same and only family dues will be charged commencing at that time, subject to the provisions below. Notwithstanding the phase-in of dues as provided above, Individual Golf and Sports Members will be entitled to full Immediate Family Member and Extended Family Member privileges hereunder from and after the Effective Date.

In addition, with respect to those Individual Golf and Sports Members who qualify as “single members,” (i.e., there is no spouse, Significant Other or any children or grandchildren residing with the Individual Golf or Sports Member), they shall be entitled to a twenty percent (20%) discount off of the dues payable by Individual Golf and Sports Members for the Membership Years 2014 and 2015 and off of the family dues rate starting with the 2016 Membership Year and thereafter. Those Individual Golf and Sports Members who qualify as “single members” as aforesaid, must make a written request to the Club representing such status in order to qualify for the single discount.

With respect to those Existing Members who are Social Members and who hold individual memberships as of the Effective Date of this Membership Plan, they may continue as individual Social Members, however no Immediate Family or Extended Family privileges will be available to such Members.

HONORARY MEMBERS

Existing Honorary Members will continue to enjoy the privileges associated with their respective Honorary Memberships.

REFUNDS

In the case of an Existing Member who paid a Membership Deposit for their membership, notwithstanding the provisions of the “Transfer Through Resale Waiting List” paragraph in the “Transfer of Membership” Section hereafter, refundable memberships held by Existing Members which have been resigned as of the Effective Date, will be refunded on a one out of every two memberships sold basis as provided below. These resigned memberships will be placed on separate resale waiting lists according to the category of membership held by the Existing Member as follows: resigned Platinum, Gold and Invitational Golf Memberships will be placed on one resale waiting list and resigned Silver/Bronze, Silver, Bronze and Social Memberships will be placed on another resale waiting list. The issuance of Full Golf Memberships by the Club will result in the refunding of the Existing Members holding Platinum, Gold and Invitational Golf Memberships on the one out of every two memberships sold basis mentioned above. The issuance of Sports Memberships by the Club will result in the refunding of the Existing Members holding Silver/Bronze, Silver, Bronze and Social Memberships on the one out of every two memberships sold basis. Resigned memberships which are reissued to the subsequent real estate purchaser of a residence or a home site from a Member pursuant to the provisions of the “Transfer Upon Sale of Residence or Home Site” paragraph in the “Transfer of Membership” Section or pursuant to this “Existing Members and Residents” paragraph shall count as a membership sold for the purposes hereof. In addition, membership upgrades by
Existing Members involving the payment of a Membership Deposit, as well as the issuance of Full Golf Memberships to Existing Residents (as said term is defined hereinafter) during the Limited Offering Period as provided for below, shall count as sales of memberships for purposes of the resale waiting lists and the Club’s refund obligation provided for above. Downgrades of memberships by Existing Members shall not count as sales of memberships for purposes of the resale waiting lists and the Club’s refund obligation provided for previously. Further, the refundable memberships of Existing Members that have been resigned as of the Effective Date of this Membership Plan will be placed on the appropriate resale waiting list in chronological order according to the effective date of resignation.

Existing Members who have paid a Membership Deposit and who have not resigned as of the Effective Date, are entitled to receive a refund of the Membership Deposit paid, less any amounts owed to the Club, following resignation and reissuance of the membership in accordance with the provisions of the “Transfer Through Resale Waiting List” paragraph hereafter. The refund is payable within 60 days of the reissuance of the membership. Existing Members who have paid a Membership Deposit and who choose not to resign prior to the Effective Date of this Membership Plan are also entitled to receive a refund of the amount of the Membership Deposit paid, less any amounts owed to the Club, on the thirtieth anniversary of the Effective Date. If an Existing Member who receives a refund on the thirtieth anniversary of the Effective Date of this Membership Plan desires to continue his, her or its membership, the Existing Member must pay a new Membership Deposit in the same amount as the Membership Deposit that was previously paid and refunded. Any Existing Member who chooses to stay on as a Member after the thirtieth anniversary as aforesaid, shall not be counted against the limit on the number of memberships permitted in the Club.

An Existing Member who holds a Full Golf Membership, Sports Membership or Social Membership, owns property in the Community and has paid a Membership Deposit, is entitled to a refund of the Membership Deposit paid following the sale of such property in the event that: (1) the property within the Community in question was listed for sale with the real estate brokerage company designated by the Club at the time of the sale; and (2) the purchaser of such property was approved for membership and acquired either a Full Golf Membership or a Sports Membership. In the case of an Existing Member who holds a Full Golf Membership or Sports Membership and who has remained a Member in good standing for a period of at least three consecutive years from the Effective Date of this Membership Plan in addition to satisfying the aforesaid requirements specified in (1) and (2) above, the amount of the refund shall be $7,500 if that amount exceeds the Membership Deposit that was paid. In the case of a Social Member who satisfies the same requirements, the amount of the refund shall be $3,000 if that amount exceeds the Membership Deposit that was paid.

With respect to an Existing Member who holds a Full Golf Membership, Sports Membership or Social Membership, owns property in the Community, and has paid an Initiation Fee or nothing for the membership, the Existing Member is entitled to a special refund right following the sale of such property in the event that: (x) the property in the Community in question was listed for sale with the real estate brokerage company
designated by the Club at the time of the sale; (y) the purchaser of such property was approved for membership and acquired either a Full Golf or Sports Membership; and (z) the Existing Member has remained a Member in good standing for a period of at least three consecutive years from the Effective Date of this Membership Plan. The amount of the refund is equal to the greater (i) of the amount of the Initiation Fee paid or (ii) $7,500 in the case of a Full Golf or Sports Member and $3,000 in the case of a Social Member.

The refund due in all cases involving a resale purchaser will be paid within 60 days after the issuance of the Full Golf or Sports Membership by the Club to the resale purchaser. The Club shall have the right to deduct any amounts owed by the Member to the Club.

LEGACY TRANSFER RIGHT

An Existing Member has the right to request the transfer of his or her membership to the Member’s spouse, or to an adult child or adult grandchild who is approved for membership. On a one-time basis no additional Membership Deposit, Initiation Fee or other membership fee need be paid for the transfer to a spouse or to an adult child or adult grandchild. Any further transfer of the membership shall require the payment of a transfer fee or other payment as determined by the Club. The club account of the Member seeking the transfer must be paid in full as a condition of the transfer. The transfer of the membership to a spouse or an adult child or adult grandchild pursuant to this provision shall not be subject to any waiting lists. The Club may charge an administrative fee in connection with the transfer of the membership pursuant hereto.

TRANSFER UPON DEATH

In the case of the death of an Existing Member, the membership will be transferred to the Member’s surviving spouse without the payment of any additional Membership Deposit, Initiation Fee or other membership fee. If there is no surviving spouse or the surviving spouse does not desire to continue the membership privileges, the membership can be transferred to an heir or legatee of the Member who is approved for membership. On a one-time basis, no additional Membership Deposit, Initiation Fee or other membership fee need be paid for a transfer to an heir or legatee. Any further transfer to an heir or legatee shall require the payment of a transfer fee determined by the Club. The club account of the deceased Member must be paid in full as a condition of the transfer. In the event there is no surviving spouse or heir or legatee who wants to continue the membership privileges or who is approved for membership, the membership will be deemed to have been resigned, with no further obligation for dues, fees or other charges, except for those that have accrued. In the case of a refundable membership, the membership will be placed on the appropriate resale waiting list and the refund owed shall, when payable, be paid to the estate of the deceased Member.

OFFERING TO RESIDENT NON-MEMBERS

Residents of the Community (“Existing Residents”) can, during the Limited Offering Period, acquire a Full Golf Membership, a Sports Membership or a Social Membership (Family only). A discounted Membership Deposit must be paid for a Full Golf Membership during the Limited Offering Period. No Membership Deposit or other membership fee will be charged for a Sports or Social Membership during the Limited
Offering Period. In order to acquire a membership, an Existing Resident must execute and deliver to the Club a Membership Agreement in the form provided by the Club, along with the required payment, if any, during the Limited Offering Period.

Existing Residents who acquire a Sports or Social Membership without the payment of a Membership Deposit or other joining fee during the Limited Offering Period are entitled to a special refund right following the sale of such property in the event that: (x) the property in the Community was listed for sale with the real estate brokerage company designated by the Club at the time of the sale; (y) the purchaser of such property was approved for membership and acquired either a Full Golf or Sports Membership; and (z) they have remained a Member in good standing for a period of at least three consecutive years from the Effective Date of this Membership Plan. The amount of the refund is $7,500 in the case of a Sports Member and $3,000 in the case of a Social Member. The refund due will be paid within 60 days after the issuance of the Full Golf or Sports Membership by the Club to the resale purchaser. The Club shall have the right to deduct any amounts owed by the Member to the Club. Existing Residents who acquire a Full Golf Membership during the Limited Offering Period will, instead of this special refund right, be entitled to a refund of the Membership Deposit they pay in accordance with the terms of their Membership Agreement.

CONTROLLING TERMS

The terms and conditions of this “Existing Members and Residents” paragraph shall control over any contrary or inconsistent provisions elsewhere in this Membership Plan as relates to either Existing Members or to Existing Residents who acquire a membership during the Limited Offering Period. Furthermore, references in this Membership Plan to “Membership Agreement” shall, with respect to Existing Members, mean the membership application, agreement or other similar document executed by the Existing Member upon joining the Club pursuant to which the membership in question was issued, except in the case where an Existing Member upgrades or downgrades his or her membership, in which event the references to “Membership Agreement” shall refer to the new Membership Agreement submitted to the Club as provided hereinabove.

SECTION VII  MEMBERSHIP DEPOSIT

PAYMENT REQUIRED TO BE ADMITTED AS A MEMBER

Each prospective Member who desires to acquire a membership will be required to pay a membership admission payment called a membership deposit (“Membership Deposit”) in effect for such category at the time the membership is to be acquired, except as otherwise herein provided or determined by the Club. Prospective Corporate Members will be required to pay either a Membership Deposit or a non-refundable membership fee, as determined by the Club. The amount of the Membership Deposit or membership fee, as the case may be, shall be determined by the Club from time to time.
Refund of Membership Deposit

The Membership Deposit paid by a Member will be refunded, without interest, by the Club to the Member within 60 days after the reissuance of the resigned membership by the Club to a new Member in accordance with the “Transfer of Membership” Section of this Membership Plan. Notwithstanding the foregoing provision, the Membership Deposit paid by a Member will be refunded, without interest, on that date which is the 30-year anniversary of the date the membership held by the Member was issued by the Club, provided that the Member is member in good standing on such date.

The Company’s obligation to refund the Membership Deposit to the Member shall be evidenced by the Membership Agreement, which shall control in the case of a conflict with the terms and conditions of this Membership Plan.

In the event a dispute arises between two or more parties as to who is entitled to the refund of the Membership Deposit, the Club may file an interpleader action or similar type action and thereby deposit the refund amount into the registry of a court of competent jurisdiction for the court to determine who is entitled to the refund without recourse to the Club. The Club shall be entitled to reimbursement of reasonable attorneys’ fees and costs for filing such interpleader action.

Member May Continue Membership at End of 30 Years

Provided a Member who has paid a Membership Deposit is in good standing at that date which is the 30-year anniversary of the date the Member’s membership was issued, such Member shall have the right to renew his, her or its membership for an additional 30 years by making a new deposit in an amount equal to such Member’s original Membership Deposit. Such renewal deposit thereafter shall be the Membership Deposit of such Member. Further, any Member who continues to be a Member for 30 years after the date the membership was issued, shall not count toward the limit or the maximum number of memberships which can be issued and outstanding in the Club.

Deduction of Amounts Owed to Club

The Club will deduct from any amount to be refunded to a Member any amount that the Member owes the Club.

Tax Consequences of Acquiring Membership

The Club makes no representations and expresses no opinions regarding the federal, state or local income tax consequences of acquiring a membership or with respect to any Membership Deposits paid to the Club. All persons acquire their membership subject to all applicable tax laws, as the same may be amended from time to time. Accordingly, Members should consult with their own tax advisors with respect to the tax consequences of any Membership Deposits.
Special Economic Arrangements

The Club reserves the right to make special economic arrangements with prospective Members or current Members without offering the same terms and conditions to other prospective Members or current Members, including, but not limited to, providing special discounts or waivers, financing or other incentives to attract or retain Members, all as the Club deems to be appropriate in its discretion.

Section VIII Resignation; Transfer of Membership

Resignation

Members who desire to resign their membership must give the Club written notice to that effect. Resignation of a Member is irrevocable, unless otherwise determined by the Club. No resignation of a non-refundable membership shall become effective unless and until all amounts owed to the Club have been paid in full.

Transfer of Membership Through the Club

Members who hold refundable memberships may resign and transfer their memberships only through the Club. A Member may not transfer or sell his, her or its membership to any person or Entity.

Transfer Upon Sale of Residence or Home Site®

A Full Golf or Sports Member who sells or otherwise transfers his, her or its residence or home site in the Community or a Designated Community may arrange with the Club for the reissuance of his, her or its membership to the subsequent purchaser or transferee of the subject residence or home site, regardless of whether all of the memberships in the category in question have been issued and are outstanding, provided the property in question is listed with the real estate brokerage company designated by the Club at the time of the close of escrow on the residence or home site. The subsequent purchaser or transferee desiring the resigned membership will be required to submit a Membership Agreement as provided for hereinafter no less than 15 days prior to the close of escrow on the residence or home site, and if approved for membership, must pay to the Club the Membership Deposit which is then in effect for the category in question unless otherwise determined by the Club. The subsequent purchaser or transferee must acquire the membership at the time of the real estate closing.

Transfer to New Property

If a Member who is a property owner in the Community or a Designated Community purchases another residence or home site from the master developer of the Community or a Designated Community or its approved designee, the membership can be transferred to the new residence or home site.

Transfer Through Resale Waiting List

A refundable membership which is resigned after the Effective Date will be placed on a resale waiting list by category of membership and will be reissued on a first-resigned,
first-reissued basis as follows, unless the Member arranges for the subsequent purchaser of his, her or its residence or home site in the Community or a Designated Community to acquire his, her or its membership, subject to the provisions hereinabove:

(a) Prior to the initial sale of all memberships within a membership category, every fourth membership issued in that category (1 in 4) will be a resigned membership from the resale waiting list, provided there is a resigned membership on the resale waiting list. The other three memberships sold will be from unissued memberships (including memberships reacquired by or which otherwise revert back to the Club). This procedure allows the reissuance of resigned memberships and payment of the refund to the resigned Member prior to the initial issuance of all memberships in the category in question.

(b) After the initial sale of all memberships within a membership category, each membership sold in that category will be a resigned membership from the resale waiting list.

Notwithstanding the foregoing, resigned refundable Social Memberships will be placed on the Sports Membership resale waiting list and will be reissued as Sports Memberships.

There is no guarantee that a membership at the head of the resale waiting list will ever be reissued, or reissued within a specified time period, because reissuance is dependent upon another person desiring a membership in the category in question and the Club’s approval of the applicant. The provisions of this “Transfer Through Resale Waiting List” paragraph are subject to the rights of Existing Members who have resigned their memberships prior to the Effective Date, as provided in the “Existing Members and Residents” paragraph hereinabove.

**TRANSFER DURING MEMBER’S LIFETIME**

A Full Golf or Sports Member has the right to request the transfer of his or her membership to the Member’s spouse, or to an adult child or adult grandchild who is approved for membership. On a one-time basis, no additional Membership Deposit need be paid for the transfer to a spouse or to an adult child or adult grandchild. Any further transfer of the membership to a spouse or to an adult child or adult grandchild pursuant to this provision shall require the payment provided for hereinafter. In order to effectuate the one-time transfer to an adult child or adult grandchild pursuant to this provision, the Member shall resign the membership and the Club shall pay to the Member the Membership Deposit previously paid by the Member for the membership. The adult child or adult grandchild will then purchase the membership from the Club upon payment of the Membership Deposit which was previously paid by the Member. In the case of the second or any further transfer of the membership to a spouse or to an adult child or adult grandchild, the then current Membership Deposit or the Membership Deposit previously paid for the membership, whichever is greater, must be paid. The payments described immediately above shall occur simultaneously. A new 30-year period for refund of the Membership Deposit shall commence for an adult child
or adult grandchild upon issuance of the membership to an adult child or adult grandchild and in the case of any second or further transfer of a membership to a spouse. The club account of the Member seeking the transfer must be paid in full as a condition thereto. The transfer of the membership to a spouse or an adult child or adult grandchild shall not be subject to any waiting lists. The Club may charge an administrative fee in connection with the transfer of the membership pursuant to this provision.

**Transfer Upon Death**

Upon the death of a Full Golf or Sports Member, the membership will be transferred to the Member’s surviving spouse without the payment of any additional Membership Deposit. If there is no surviving spouse, or the surviving spouse does not desire to continue the membership privileges, the membership can be transferred to an heir or legatee of the deceased Member who is approved for membership. On a one-time basis, no additional Membership Deposit need be paid for a transfer to an heir or legatee. Any further transfer of the membership to an heir or legatee pursuant to this provision shall require the payment provided for hereinafter. The club account of the deceased Member must be paid in full as a condition to the transfer. The transfer of the membership to a spouse or to an heir or legatee shall not be subject to any waiting lists. In the event there is no surviving spouse or heir or legatee who wants to continue the membership privileges or who is approved for membership, the membership will be deemed to have been resigned, with no further obligation for dues, fees or other charges, except for those that have accrued. The membership will be placed on the appropriate resale waiting list and the refund owed, when payable, shall be paid to the estate of the deceased Member.

In the event the membership is to be transferred to an heir or legatee of the deceased Member, the deceased Member’s estate shall resign the membership to the Club. The Club will repay to the estate the Membership Deposit that was previously paid by the deceased Member. In the case of the one-time transfer to an heir or legatee, the heir or legatee will then acquire the membership from the Club upon payment of the Membership Deposit that was previously paid by the deceased Member. In the case of the second or any further transfer of the membership to an heir or legatee, the then current Membership Deposit or the Membership Deposit previously paid by the deceased Member, whichever is greater, must be paid. The payments described immediately above shall occur simultaneously. In either such case, a new 30-year period for refund of the Membership Deposit shall commence for the heir or legatee upon issuance of the membership to the heir or legatee.

**Redemption of Memberships Under Other Circumstances**

The Club is not obligated to redeem a refundable membership under any circumstances, other than the circumstances specifically described in this Membership Plan. The Club may redeem a resigned refundable membership on terms agreed to by the Club and the Member. Any membership so redeemed shall be added to the Club’s reserved memberships. If the Club redeems a membership on terms agreed to by the Club and a Member, no other Member shall have the right to compel the Club to redeem his, her or its membership on such terms or any other terms.
LEGAL SEPARATION OR DIVORCE OF MARRIED MEMBERS

In the event of the divorce or separation of spouses having membership privileges, the membership, including all of its rights and benefits, will vest in the spouse awarded the membership by a decree of divorce, or if the separation is pursuant to agreement under the laws of a state where legal separation is so permitted, then title to the membership will vest in the spouse whom the spouses agree in writing is entitled to the membership. In the event the membership is awarded to a spouse in whose name the membership is not held individually or jointly, such person must be approved by the Club to have membership privileges, and pay any legal costs and expenses incurred by the Club associated with the transfer of the membership. The Club may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine, may assume the validity and accuracy of any statement or assertion, and the Club will have no liability for transferring the membership to one of the spouses in reliance on such writing or instrument. Until the award of the membership and written notice thereof is provided to the Club, both spouses will be jointly and severally liable for all dues and charges and may both continue to enjoy membership privileges so long as such amounts are timely paid. If the Club is unable to determine in its discretion which spouse is legally entitled to the membership within six months after the date of the divorce decree, the Club may, in its discretion: (i) not transfer the membership to either spouse, and deem the membership to be resigned; or (ii) request its counsel to advise the Club on the question, and/or file an action in a court that the Club’s counsel determines appropriate to determine lawful entitlement; and the spouses shall jointly be liable to the Club and shall reimburse the Club on demand for all of the Club's legal fees and costs related to any such request of counsel or filing of an action.

SECTION IX DUES, FEES AND CHARGES

PAYMENT OF DUES, FEES AND CHARGES

The Club will determine the dues, fees and charges for each category of membership to be payable by Members from time to time in its discretion. Dues shall be payable on a monthly basis in advance, unless otherwise determined by the Club from time to time. The dues, and selected fees and charges for use of the Club Facilities, are indicated on the current Schedule of Dues, Fees and Charges. The amount of dues, fees and charges is subject to change from time to time by the Club.

The Club will not charge a food and beverage minimum.

Payment of dues by Members is a continuing obligation of membership, which is not dependent upon the availability of all of the Club Facilities or the frequency of use. Repair, maintenance and/or construction or remodeling of any of the Club Facilities and/or other occurrence or event (including, without limitation, acts of God, natural disasters, pestilence, weather, disease, other unanticipated cause, requirements imposed by governmental authorities or business operations), whether within or beyond the control of the Club, may make it necessary for the Club to change the hours of use, or to restrict the use of one or more of the Club Facilities, or portions thereof, or to close the
Club temporarily. Dues shall not be reduced or suspended during the time when the Club Facilities, in whole or in part, are not available.

A Member may apply to the Club for a leave of absence upon a minimum of 60 days’ prior written notice to the Club. The Member shall submit in writing the reason for requesting such leave, as well as the length of the leave of absence, which will be for a minimum period of 12 months. The Club shall determine, in its sole discretion, whether to grant the Member’s request depending upon the particular facts and circumstances and the nature of the Member’s hardship. During the leave of absence, a Member will be required to pay one-half (1/2) of the applicable dues in accordance with the Member’s category of membership and neither the Member nor the Member’s family members or guests shall be entitled to use the Club Facilities during the period of the leave of absence.

**No Assessments Against Members**

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 Facilities. The Club will pay all operating deficits incurred in the operation of the Club Facilities and will be entitled to receive all revenues resulting from ownership and operation of the Club Facilities. Increases in dues, fees or charges shall not be deemed an assessment for purposes of this provision.

**Membership Year**

The Club’s membership year (the “Membership Year”) will constitute the 12-month period commencing January 1 and ending December 31, unless otherwise established by the Club from time to time.

**Payment of Dues by Resigned Member**

A resigned Member who holds a refundable membership shall be obligated to continue to pay dues, fees and other charges associated with the resigned membership until the sooner to occur of (i) reissue of the membership by the Club to a new Member or (ii) six months following the effective date of resignation. A resigned Member shall be permitted to use the Club Facilities during this period as long as the dues, and applicable fees and charges continue to be paid by the resigned Member. In the event that there are any amounts owing to the Club by a resigned Member which are past due, the Club reserves the right, without notice to the Member, to move the resigned membership to the end of the resale waiting list until such amounts have been paid in full. If a membership has been moved to the end of the resale waiting list and the Member subsequently brings his or her account at the Club current, the membership will then begin to move back up the resale waiting list from the end as resigned memberships are reissued in accordance with the provision hereinabove pertaining to reissuance of resigned memberships, unless otherwise determined by the Club. A resigned Member who holds a non-refundable membership shall be obligated to pay dues for a period of six months following the effective date of resignation and shall be permitted to use the Club Facilities provided the required dues and applicable fees and charges are paid on a timely basis.
PRORATED DUES AND FEES UPON REISSUANCE OF THE MEMBERSHIP

If a resigned refundable membership is reissued to a new Member during a Membership Year, the resigned Member shall be entitled to a refund of a pro rata portion of any dues and other fees paid in advance for which services have yet to be rendered.

SECTION X    MEMBERSHIP PROCESS

APPLICATION PROCEDURE

Each person or Entity who desires to become a Member must mail or deliver to the Membership Office a full-completed and signed Membership Application and Agreement (“Membership Agreement”) in a form provided by the Club. The required Membership Deposit or membership fee, as the case may be, must also be paid in conjunction with submission of the Membership Agreement.

REVIEW OF MEMBERSHIP AGREEMENT

All applicants desiring a membership must be approved by the Club. The Club may require an interview with the Membership Director, and/or other designees of the Club. After receiving the Membership Agreement, the Club will determine in its discretion whether the applicant has satisfied the relevant conditions of membership. In the event the Membership Agreement is not acted upon favorably, the applicant will receive a refund of any amount previously paid, without interest.

RIGHTS GOVERNED BY MEMBERSHIP PLAN

Members of the Club agree to be bound by the terms and conditions of this Membership Plan and the Rules and Regulations, as amended, modified or supplemented from time to time by the Club, and irrevocably agree to fully substitute the membership privileges acquired pursuant thereto for any present or prior rights or privileges in or to use the Club Facilities. By becoming a member of the Club, each Member shall have acknowledged that the rights acquired by such Member are contract rights, including, a license, which is revocable, to use the Club Facilities in accordance with this Membership Plan and the Rules and Regulations, as the same may be amended, modified or supplemented from time to time by the Club, so long as the Member remains a member of the Club. As such, the Club will not owe any fiduciary duty or other special duty to any Member.

SECTION XI    OTHER MEMBERSHIPS AND USE PRIVILEGES

HONORARY MEMBERSHIPS

The Club may issue a limited number of Honorary Memberships to such persons or companies as the Club determines from time to time. These Honorary Memberships will be available on such terms and conditions and afford such rights and privileges as the Club determines appropriate. Honorary Memberships may be renewed or terminated at the Club’s discretion and will not count toward any membership limit, subject to the provisions of the Membership Agreement with respect to any given
Honorary Membership. Each Entity issued an Honorary Membership may designate from time to time one user of the membership, who must complete and submit a Membership Agreement in the form determined by the Club.

Company Memberships

The Club may issue a limited number of Company Memberships to such persons as the Club determines from time to time. These Company Memberships will be available on such terms and conditions and afford such rights and privileges as the Club determines appropriate. Company Memberships may be renewed or terminated at the Club’s discretion and will not count toward any membership limit.

Reciprocal Privileges

The Club may, in its discretion, enter into reciprocal use privileges and access agreements with other clubs and resorts, as the Club determines appropriate from time to time.

Kingsmill Guests

The Club will permit guests staying at the lodging accommodations owned, operated and/or designated by the Club from time to time (“Kingsmill Guests”), to use designated Club Facilities on such terms and conditions as the Club determines appropriate (other than the Woods Course and Woods Golf House, which are reserved for Full Golf Members only). Tee times on the River Course or the Plantation Course will be made available to Kingsmill Guests on a rotating basis depending on the number of Full Golf Memberships and related Full Golf Member reservations. The Club may, from time to time, allocate certain reservation priorities and/or tee times for Kingsmill Guests and schedule group play, including shotgun starts at the same time on the Plantation and River Courses.

Promotional Use and Tournament or Group Play

The Club will have the right to designate other persons who will not count toward membership limits, including, without limitation, officers, directors, partners, managers, members, shareholders, employees and designees of the Club and its affiliates and their guests, to use the Club Facilities upon such terms and conditions as may be determined from time to time by the Club. The Club will also have the right to permit prospective Members and purchasers of residences or home sites in the Community or a Designated Community to use the Club Facilities on such terms and conditions as the Club may determine from time to time. The Club reserves the right, in its discretion, to restrict use of or to otherwise reserve in advance the Club Facilities for maintenance, tournament or group play, outings, receptions and other special events from time to time (provided that only tournaments and maintenance will restrict access by Members to the Woods Course and Woods Golf House in accordance with the terms hereof).
SECTION XII  CLUB OPERATIONS

MANAGEMENT AND OPERATION

The Club is the owner of the Club Facilities. As a result, the Club and its designees are solely responsible for the governance and administration of the Club, the Club Facilities and will have the exclusive authority to accept Members, establish Membership Deposits, dues, fees and charges, promulgate rules and regulations and control the management and affairs of the Club and the Club Facilities. The Club and its designees manage and operate the Club Facilities in a manner comparable at all times to that of other first class resort clubs with comparable facilities. The Club reserves the right to engage one or more professional management companies to manage and operate the Club and the Club Facilities and/or other matters pertaining to the Club and to delegate its authority to any such management company.

ADVISORY BOARD

The Club has established an “Advisory Board” comprised of Members whose purpose includes fostering good relations between the Members and management of the Club, providing the Club with input on programs, plans and activities of the Club, and advising on its policies and rules and regulations. The Advisory Board currently consists of 10 members. Five of the members of the Advisory Board are the persons who hold the following positions from time to time: the President of the Men’s Golf Association, the President of the Ladies 18-Hole Golf Association, the President of the Ladies 9-Hole Golf Association, the President of the Tennis Association and a representative of the Sports Committee referred to below chosen by that committee. The remaining five members of the Advisory Board are appointed by the Club for terms determined by the Club. The management of the Club shall meet with the Advisory Board on a periodic basis to discuss the operation of the Club Facilities. The Advisory Board shall have no duty or power to negotiate or otherwise act on behalf of the Club, management, the Club or the Members, and shall serve only in an advisory capacity. Management will have the final authority on all matters concerning the Club Facilities and the Members of the Club.

CLUB COMMITTEES

The Club has established a Golf Advisory Committee, a Tennis Advisory Committee, and a Sports Advisory Committee. These committees are addressed more particularly in the Rules and Regulations. The Club may form such other committees as may be determined by it. Each of the committees will act only in an advisory capacity and will not have any duty or authority to act on behalf of the Club, management or the Members.

SECTION XIII  GENERAL PROVISIONS

PROTECTION OF MEMBERSHIP PRIVILEGES

In the event that the Club ever sells the Club Facilities, it will disclose the existence of this Membership Plan, as amended, modified or supplemented from time to time, to the
purchaser and will require the purchaser to acquire title subject to the terms and conditions of this Membership Plan, as amended, modified or supplemented from time to time. Furthermore, the Club agrees to disclose the Membership Plan, as amended, modified or supplemented from time to time, to any prospective lender, and will request recognition by the prospective lender of the Membership Plan, as amended, modified or supplemented from time to time.

**Members’ Acknowledgment**

Membership in the Club permits the Member to use the Club Facilities in accordance with this Membership Plan and the Rules and Regulations. Members are not entitled to vote on any matters or otherwise become involved in the management or operation of the Club or the Club Facilities. Membership in the Club is not an investment in the Club or the Club Facilities and does not give a Member a vested or prescriptive right or easement to use the Club Facilities. Membership in the Club does not provide a Member with an equity or ownership interest or any other property interest in the Club or the Club Facilities. A Member acquires only a revocable license to use the Club Facilities in accordance with the terms and conditions of the Membership Plan, the Rules and Regulations and the Membership Agreement, as the same may be amended, modified or supplemented from time to time. All rights and privileges of Members under the Membership Plan, Rules and Regulations and Membership Agreement are subordinate to the lien of any mortgage or deed of trust encumbering the Club Facilities from time to time.

The Club reserves the right, in its discretion, to amend, modify, supplement or terminate this Membership Plan and the Rules and Regulations, to reserve memberships, to add, issue, modify, or discontinue the offering of any type, category or class of membership or dues category or classification, to convert the Club into a member-owned club and to make any other changes in the terms and conditions of membership or in the Club Facilities available for use by Members. In the event the Membership Plan is terminated (which terminates all memberships in the Club), the Club will refund to all Members who hold a refundable membership, the amount of the refund that would be payable upon resignation and reissuance of the membership pursuant to the “Transfer Through Resale Waiting List” paragraph above, less any amounts owed to the Club, within 30 days after the effective date of the termination.

The Club, for itself and on behalf of its respective successors and assigns, reserves the right to sell, merge, assign, convey, transfer or otherwise dispose of any or all of its right, title and interest in the Club Facilities to any party or parties. Upon any such sale, merger, assignment, conveyance, transfer or other disposition of all right, title and interest of the Club in the Club Facilities, the transferring party shall be relieved of and released from any and all obligations hereunder, under the Rules and Regulations and each Membership Agreement then in effect, provided however, the purchaser or the surviving company acquires such right, title and interest subject to the terms and conditions of the Membership Plan, the Rules and Regulations and Membership Agreements then in effect.
**No Pledge of Memberships**

A Member may not pledge or hypothecate the membership except to the extent the lien or security interest is incurred as a result of obtaining the membership privileges.

**The Club’s Discretion**

With respect to any determination, approval, decision or judgment of the Club hereunder or under the Rules and Regulations, such determination, approval, decision or judgment shall, except as otherwise expressly set forth in the Membership Plan or Rules and Regulations, as the case may be, be within the sole and absolute discretion of the Club and shall be final. All uses of the word “discretion” in this Membership Plan or the Rules and Regulations shall mean sole and absolute discretion.

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