



CLUB MEMBERSHIP PLAN

LAST UPDATED: JANUARY 2021

INTRODUCTION TO THE OPPORTUNITY TO BECOME A MEMBER IN THE COACHELLA POLO CLUB

MEMBERSHIP OPPORTUNITY

This Club Membership Plan offers persons an opportunity to acquire a non-equity Membership in The Coachella Polo Club (aka “The Polo Club” or the “**Club**”).

CLUB FACILITIES

The “**Club Facilities**” include the following: a clubhouse facility, including grounds, a fitness center, one or more swimming pools, meeting rooms, dining room and cafe, function rooms, parking areas, and tennis & pickle ball courts.

CATEGORIES OF MEMBERSHIP

The following categories of Membership are currently offered by the Club:

- Social Membership
- Community Membership
- Honorary Membership
- Designate Membership
- Sports Membership
- Any and all current, discontinued and future Membership categories collectively and individually referred to as “**Memberships**”

Each category of Membership entitles the Member to use the Club Facilities in accordance with the terms and conditions of this Club Membership Plan. Ancillary memberships may also be made available from time to time as provided in this Club Membership Plan. The Club may add or discontinue categories of Membership from time to time.

FOLLOW THESE PROCEDURES TO APPLY FOR MEMBERSHIP PRIVILEGES

Persons who desire to obtain a Membership should deliver to the Club a completed and signed Membership Application (“**Membership Application**”), which are subject to approval by the Club.

MEMBERSHIP OFFICE AVAILABLE TO ANSWER INQUIRIES

Should you have any questions concerning this Club Membership Plan or the Membership opportunities available in the Club, please contact the Membership Office.

RELY ONLY ON INFORMATION IN THE MEMBERSHIP PACKAGE

THIS MEMBERSHIP PACKAGE INCLUDES THE INTRODUCTION, GENERAL DESCRIPTION OF CLUB MEMBERSHIP PLAN, THE CLUB MEMBERSHIP FEE SCHEDULES, AND THE CLUB RULES & REGULATIONS.

NO PERSON HAS BEEN AUTHORIZED BY THE CLUB TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION NOT CONTAINED IN THIS MEMBERSHIP PACKAGE AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE CLUB. IN THE EVENT OF A CONFLICT AMONG THE DOCUMENTS CONTAINED IN THE MEMBERSHIP PACKAGE, AND OTHER PRINTED MATERIALS OR ORAL REPRESENTATIONS, THE GENERAL DESCRIPTION OF CLUB MEMBERSHIP PLAN SHALL GOVERN AND CONTROL.

MEMBERSHIPS IN THE CLUB ARE PROVIDED ONLY FOR RECREATIONAL PURPOSES

MEMBERSHIPS AT THE CLUB ARE BEING PROVIDED EXCLUSIVELY FOR THE PURPOSE OF PERMITTING PERSONS RECEIVING A MEMBERSHIP TO OBTAIN ACCESS TO LIMITED RECREATIONAL USE OF THE CLUB FACILITIES. MEMBERSHIPS SHOULD NOT BE VIEWED OR ACQUIRED AS AN INVESTMENT AND NO PERSON PURCHASING A MEMBERSHIP SHOULD EXPECT TO DERIVE ANY ECONOMIC PROFITS, FINANCIAL BENEFITS OR OTHER TANGIBLE OR INTANGIBLE BENEFIT FROM MEMBERSHIP IN THE CLUB. THE CLUB IS OWNED AND OPERATED PRIVATELY. MEMBERSHIP IN THE CLUB DOES NOT CONVEY ANY INTEREST, OWNERSHIP, EQUITY OR PROPERTY RIGHTS. MEMBERSHIP DOES NOT CONVEY ANY VOTING RIGHTS, ANY MANAGEMENT RIGHTS, OR ANY VESTED INTEREST OR RIGHTS IN THE CLUB, THE CLUB OWNER, THE CLUB MANAGER, THE CLUB MEMBERSHIP PLAN OR THE CLUB FACILITIES.

MAKE YOUR OWN EVALUATION OF THE MERITS OF BECOMING A MEMBER

NO FEDERAL, STATE OR GOVERNMENTAL AUTHORITY AND NO INDEPENDENT CLUB INDUSTRY REVIEWER HAS PASSED UPON OR ENDORSED THE MERITS OF THIS CLUB MEMBERSHIP PLAN.

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GENERAL DESCRIPTION OF CLUB MEMBERSHIP PLAN

THE CLUB WILL IMPLEMENT THIS CLUB MEMBERSHIP PLAN

The Club Owner proposes to implement this Club Membership Plan for the issuance of non-equity Memberships, pursuant to which Members and their respective families and guests, and non-Members will be permitted to use the Club Facilities as described below.

DESCRIPTION OF THE CLUB FACILITIES

The “**Club Facilities**” include the following: a clubhouse facility, including grounds, a fitness center, one or more swimming pools, meeting rooms, dining room and cafe, function rooms, parking areas, and tennis & pickle ball courts.

THE CLUB FACILITIES ARE SUBJECT TO CHANGE AT ANY TIME AT THE CLUB OWNER'S SOLE AND ABSOLUTE DISCRETION.

OWNERSHIP OF THE CLUB FACILITIES

THE CLUB FACILITIES ARE PRIVATELY OWNED BY THE CLUB OWNER. MEMBERSHIP IN THE CLUB DOES NOT CONVEY ANY INTEREST, OWNERSHIP, EQUITY OR PROPERTY RIGHTS IN THE CLUB OR CLUB FACILITIES. MEMBERSHIP DOES NOT CONVEY ANY VOTING RIGHTS, ANY MANAGEMENT RIGHTS, OR ANY VESTED INTEREST OR RIGHTS IN THE CLUB, THE CLUB OWNER, THE CLUB MANAGER, AND THE PROVISIONS OF THE CLUB MEMBERSHIP PLAN OR THE CLUB FACILITIES.

DESCRIPTION OF MEMBERSHIP

CATEGORIES OF MEMBERSHIP OFFERED IN THE CLUB

The following categories of Membership are currently offered by the Club:

- Social Membership
- Community Membership
- Honorary Membership
- Designate Membership
- Sports Membership
- Any and all current, discontinued and future Membership categories collectively and individually referred to as “**Memberships**”

Each category of Membership entitles the Member to use the Club Facilities in accordance with the terms and conditions of this Club Membership Plan. Ancillary memberships may also be made available from time to time as provided in this Club Membership Plan. The Club may add or discontinue categories of Membership from time to time.

Each Membership in the Club is a non-equity limited non-exclusive revocable license to use the Club Facilities pursuant to the terms of the Club Membership Plan, and does not entitle the Member to any equity or ownership interest in the Club or the Club Facilities, does not entitle any Member the right to vote on any Club matters, and does not grant any Member vested rights in the Club or Club Facilities.

DESCRIPTION OF MEMBERSHIP PRIVILEGES

Each person who acquires a Membership in the Club will be entitled, during the duration of the Membership, to use the Club Facilities in accordance with his or her category of Membership, the terms and conditions of this Club Membership Plan and the then applicable Club Membership Fee Schedules. The Club reserves the right in its sole and absolute discretion and without prior notice to modify the Club Membership Fee Schedules at any time and from time to time. The Club may issue Memberships in the following categories, each having special privileges and benefits, which may be modified by the Club Owner in its sole and absolute discretion at any time and from time to time. The Membership privileges currently associated with each category of Membership in the Club will be as follows:

SOCIAL MEMBERSHIP

Each person who acquires a Social Membership in the Club ("**Social Member**") shall be entitled to the Special Provisions as outlined in Exhibit "A," as amended from time to time.

COMMUNITY MEMBERSHIP

An entity which acquires a Community Membership in the Club ("**Community Member**") under the Community Membership will be entitled to the Special Provisions as outlined in Exhibit "B," as amended from time to time.

HONORARY MEMBERSHIP

Each person who acquires an Honorary Membership in the Club ("**Honorary Member**") will be entitled to the Special Provisions as outlined in Exhibit "C," as amended from time to time.

DESIGNATE MEMBERSHIP

Each person who acquires a Designate Membership in the Club ("**Designate Member**") will be entitled to the Special Provisions as outlined in Exhibit "D," as amended from time to time.

SPORTS MEMBERSHIP

Each person who acquires a Sports Membership in the Club ("**Sports Member**") will be entitled to the Special Provisions as outlined in Exhibit "E," as amended from time to time.

THE CLUB MAY ESTABLISH RULES AND REGULATIONS REGARDING USE OF THE CLUB FACILITIES

In order to match the changing needs and desires of the Club, the Club Owner reserves the right, in its sole and absolute discretion, at any time and from time to time, to modify or change the existing categories of Membership, add additional Membership categories, modify Membership privileges, modify advance sign-up privileges, the right to use the Club Facilities and the guest privileges and adopt and amend from time to time rules, regulations, policies, guidelines, or systems governing use of, access to or reservation of the Club Facilities and Member relations ("**Rules and Regulations**"). The Club Owner reserves the right to make exceptions to or grant waivers from any provisions of the Rules and Regulations based on hardship or other reason as the Club Owner determines in its discretion, provided such exceptions or waivers shall not act as precedent for other Member's requests or provide any vested rights to a Member to the same exception or waiver.

LIMIT ON THE NUMBER OF MEMBERSHIPS

The Club Owner intends to limit the total number of Memberships permitted to be issued in the Club and to limit the total number of Memberships permitted to be issued in each category. The initial limits for each category of Membership are set forth on Exhibits A-E. These limits shall be determined and amended by the Club from time to time, and at any time, in its sole and absolute discretion.

FAMILY PRIVILEGES

USE OF THE CLUB FACILITIES BY FAMILY MEMBERS

A Member's Immediate Family Members will be entitled to use the Club Facilities in accordance with the Member's category of Membership without the payment of additional fees. A Member's Extended Family Members may use the Club Facilities in accordance with the Member's category of Membership upon payment of preferred fees.

GUEST PRIVILEGES

USE OF THE CLUB FACILITIES BY A GUEST OF A MEMBER

Members will be entitled to have accompanied and unaccompanied guests use the Club Facilities in accordance with the Member's category of Membership and the Rules and Regulations of the Club. The Club may limit the number of guests and the number of times a guest may use the Club Facilities during each Membership year.

The Member will be responsible for the payment of charges incurred but not paid by his or her guests within the customary billing and collection procedures of the Club, including any applicable guest fees established by the Club from time to time. Members will be responsible for the conduct and deportment of their guests and any losses, damages and liabilities caused or resulting from the conduct and deportment of their guests.

CLUB INITIATION FEE

CLUB INITIATION FEE REQUIRED TO ACQUIRE A MEMBERSHIP

Each person/entity that acquires a Membership in the Club must pay a Club Initiation Fee to the Club in the amount in effect at the time of issuance of the Membership. The Club will determine the amount of the required Club Initiation Fee from time to time. The Club may from time to time in its discretion provide certain Membership applicants options for payment of Club Initiation Fees, which options may be revised or discontinued without notice. Not all Membership applicants may be eligible for such payment options.

TAX CONSEQUENCES OF ACQUIRING A MEMBERSHIP IN THE CLUB

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 Club Initiation Fees, dues and charges 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 Club Initiation Fees, dues and charges paid to the Club.

ISSUANCE OF MEMBERSHIPS

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MEMBERSHIPS WILL BE MADE AVAILABLE FOR ACQUISITION TO SUCH PERSONS/ENTITIES AS THE CLUB DETERMINES APPROPRIATE FROM TIME TO TIME. THE CLUB MAY, IN ITS SOLE AND ABSOLUTE DISCRETION, LIMIT THE NUMBER OF MEMBERSHIPS AVAILABLE IN THE CLUB OR IN ANY CATEGORY OF MEMBERSHIP AS THE CLUB DETERMINES APPROPRIATE FROM TIME TO TIME. ACCORDINGLY, A PERSON'S ABILITY TO ACQUIRE A MEMBERSHIP SHALL BE SUBJECT TO THE CLUB'S SOLE AND ABSOLUTE DISCRETION AND AVAILABILITY FROM TIME TO TIME.

RESERVED MEMBERSHIPS

ALL OF THE UN-ISSUED MEMBERSHIPS WILL BE RESERVED BY THE CLUB AND WILL NOT BE CONSIDERED TO BE AVAILABLE MEMBERSHIPS IN THE CLUB. THE CLUB MAY NOT BE COMPELLED TO ISSUE A RESERVED MEMBERSHIP. THE CLUB

MAY ISSUE A RESERVED MEMBERSHIP TO ANY PERSON/ENTITY WHOM THE CLUB, IN ITS SOLE AND ABSOLUTE DISCRETION, DETERMINES APPROPRIATE FROM TIME TO TIME.

USE OF MEMBERSHIP PRIVILEGES PRIOR TO CLOSING ON PROPERTY PURCHASE

The Club Owner may, in its sole and absolute discretion, allow a contract purchaser to temporarily enjoy membership privileges prior to the closing on his or her residential unit or lot, provided such contract purchaser has made application to the Club for a membership and has been approved for membership by the Club regardless of accepting an Initiation Fee incentive to be paid at property closing. Prior to such use, the person may be required to pay such temporary Membership dues, fees and other charges established by the Club Owner from time to time for contract purchasers. In the event the contract purchaser does not close on the residential unit or lot, the Club Owner will terminate the temporary membership privileges and may, but shall not be obligated to, return to the person any unused portion of any dues and charges paid by the person in advance. In the event the contract purchaser closes on the residential unit or lot, the contract purchaser shall complete all membership application requirements within 10 days of closing on the residential unit or lot.

RESIGNATION, TRANSFER AND RE-ISSUANCE OF MEMBERSHIPS

Memberships are not transferable or saleable, other than through the Club.

Members who desire to resign their Memberships must give the Club written notice that their Membership is being resigned. Members shall continue to have dues responsibilities and access to the Club as defined in their category of membership through the end of that calendar year in all situations except as provided with the transfer of the membership to a new owner of the Member's home.

A Member may withdraw the resignation notice at any time prior to the end of the calendar year by providing written notice to the Club and paying a Membership re-instatement fee.

A Member who submits a written request for resignation of his Membership to the Club shall continue to enjoy all privileges as set forth in the Club Membership Plan and shall be obligated to continue to pay all dues, fees and other charges associated with the resigned Membership through the end of the calendar year. The Member's Membership rights to use the Club Facilities terminate at the end of the calendar year

Each Member acknowledges that the Member has no right to a refund of the Club Initiation Fee paid by the Member. As stated above, each Member agrees and acknowledges that it is not acquiring a Membership for investment purposes and that it has no expectation that it will ever receive any consideration from the Club as a result of resignation of its Membership.

A Member who is selling his residential unit or lot may arrange for the purchaser of his home to acquire his Membership in the Club. The procedure for such a transfer shall be as follows:

- (a) The selling Member must be in good financial standing with the club,
- (b) The selling Member must submit a request for transfer prior to the closing of the sale of the residential unit or lot,
- (c) The purchaser must apply and be accepted for Membership prior to closing on the residential unit or lot,
- (d) The selling Member must pay the Membership Transfer Fee, which shall be equal to 15% of the initiation fee at the time of the transfer not to be less than 15% of the initiation fee originally paid before any incentive offered, and
- (e) The re-issuance of the Membership shall be processed to occur on the date of closing on the sale of the residential unit or lot.

Re-issuance of a Membership to a new Member does not waive or release any outstanding and accrued debts or obligations of the resigned Member to the Club.

RECLASSIFICATION OF MEMBERSHIP CATEGORY

In the event a Social Member seeks to be re-classified as a Designate Member (and is qualified to do so based on the requirements of that category of membership), the Member may apply with the Club to do so. Upon re-classification, the Member shall have the rights and obligations attendant to the re-classified Membership category.

TRANSFER OF MEMBERSHIP UPON THE MEMBER'S DEATH

Upon the death of a Member without a spouse or legal partner having Membership privileges, the Member, and the Member's Estate, the Trustee of a Member's Trust, or other legal successor or representative authorized to act on behalf of the deceased Member, as applicable (collectively, the "Member's Representative") shall be deemed to have submitted a written request for resignation as of the date of death, in which event the Club will process the request as provided under "Resignation, Transfer and Re-Issuance of Memberships" above.

In the case of death of a Member with a spouse or legal partner having Membership privileges, unless the Club is provided written notice of resignation within sixty (60) days of the date of death, the Club will transfer the Membership automatically to the spouse or legal partner. This transfer shall require no Transfer Fee or Initiation Fee.

Upon the simultaneous death of a Member and a spouse or legal partner having Membership privileges, the Member and the Member's Representative shall be deemed to have submitted a written request for resignation as of the date of death, in

which event the Club will process the request as provided under “Resignation, Transfer and Re-Issuance of Memberships” above.

Except as expressly set forth above, a Membership and Membership privileges shall not transfer or be assigned by automatic operation of law, inheritance, devise or otherwise to any third party, including a Member’s children, upon death of a Member.

Notwithstanding the date of death of a Member, Annual Dues for the Membership shall be due and owing for the Club year in which the Member’s death occurs without proration or refund.

SEPARATION, DIVORCE AND REMARRIAGE

In the event that spouses or legal partners having Membership privileges are separated or divorced by order of a court or legally enforceable separation agreement, retention of the Membership will be held by the spouse or legal partner who is awarded the Membership in the court order or separation agreement, and said spouse or legal partner shall then be deemed the Member in connection with that Membership, with the other spouse or legal partner then not having any Membership privileges or any other rights with respect to the Membership. In the event the court order or separation agreement does not award Membership to one or the other spouse or legal partner, then the Membership shall be terminated, and neither spouse or legal partner shall have any rights with respect to the Membership, nor shall either spouse or legal partner be entitled to refund of any Club Initiation Fee, Member Charges or Special Use Fees.

The above notwithstanding, the Club Owner reserves the right, in its sole and absolute discretion, not to transfer the Membership if the Club Owner, in its sole and absolute discretion, is uncertain as to which spouse or legal partner is lawfully entitled to the Membership, in which event the Club Owner may determine that the Membership is terminated as provided above, or may determine to maintain the status quo until legal entitlement can be resolved to the satisfaction of the Club Owner. Until a determination is made by the Club Owner, each spouse or legal partner will be responsible, jointly and severally, for the payment of all Member Charges and Special Use Fees in connection with the Membership, and both will be eligible to use and enjoy the Club Facilities in accordance with their Membership privileges so long as all Member Charges and Special Use Fees are paid and current for the Membership. The Club Owner retains the right, in its sole and absolute discretion, to grant temporary exceptions to the above Membership privilege provisions during the pendency of legal entitlement determination.

If the Club Owner, in its sole and absolute discretion, is still uncertain as to which spouse or legal partner is legally entitled to the Membership after six months from the date of written notice to the Club Owner of the separation or divorce, the Club Owner may deem and determine that the Member has voluntarily submitted a request for resignation.

If a Member remarries or obtains a new legal partner, the Member must notify the Club of such change within 90 days of taking up residence. No guest privileges are available to such spouse or legal partner until notification is made. If the new spouse is already a member of the Club, then one Membership may be submitted for resignation.

The above provisions shall apply to members of an Association that holds a Community Membership to the extent member rights are affected.

MEMBERSHIP MAY NOT BE PLEDGED EXCEPT FOR PURCHASE MONEY OBLIGATIONS

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, which shall require the prior written consent of the Club.

ACKNOWLEDGMENT OF MEMBERSHIP RIGHTS

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MEMBERSHIP IN THE CLUB PERMITS THE MEMBER THE LIMITED RIGHT TO USE THE CLUB FACILITIES IN ACCORDANCE WITH THIS CLUB MEMBERSHIP PLAN. MEMBERSHIP IN THE CLUB IS NOT AN INVESTMENT IN THE CLUB OR ITS FACILITIES AND DOES NOT PROVIDE THE MEMBER WITH EQUITY OR OWNERSHIP INTEREST OR ANY VESTED OR PRESCRIPTIVE RIGHT OR EASEMENT IN OR TO USE THE CLUB OR ITS FACILITIES. MEMBERS WILL NOT BE ENTITLED TO VOTE OR PARTICIPATE IN THE MANAGEMENT OF THE CLUB. EACH MEMBER APPROVED FOR MEMBERSHIP IN THE CLUB AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THIS CLUB MEMBERSHIP PLAN AND IRREVOCABLY AGREES TO FULLY SUBSTITUTE THE MEMBERSHIP PRIVILEGES ACQUIRED PURSUANT TO THIS CLUB MEMBERSHIP PLAN, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, FOR ANY PRESENT OR PRIOR RIGHTS IN OR TO USE THE CLUB FACILITIES. THE CLUB RESERVES THE RIGHT, IN ITS SOLE AND ABSOLUTE DISCRETION, TO RESERVE MEMBERSHIPS, TO TERMINATE OR MODIFY THIS CLUB MEMBERSHIP PLAN, TO DISCONTINUE OPERATION OF ANY OR ALL OF THE CLUB FACILITIES, TO ADD OR DELETE CLUB PROPERTIES, TO ISSUE OR TERMINATE ANY CATEGORY OF MEMBERSHIP, TO INCREASE OR DECREASE THE NUMBER OF MEMBERSHIPS IN THE CLUB, TO CONVERT THE CLUB INTO A MEMBER-OWNED CLUB, AND TO MAKE ANY OTHER CHANGES IN THE TERMS AND CONDITIONS OF THE MEMBERSHIP OR THE CLUB FACILITIES AVAILABLE FOR USE BY MEMBERS.

DISCIPLINE

Members are responsible for their own conduct and for the conduct of their Immediate Family Members, Extended Family members and guests. Any Member whose conduct or whose family's or guests' conduct shall be deemed by the Club to be likely to endanger the welfare, safety, harmony or good reputation of the Club or its Members or otherwise improper, may be reprimanded, fined, suspended or have

its Membership terminated. The Club shall be the sole judge of what constitutes improper conduct, but will include without limitation:

- (i) failure to meet eligibility for Membership,
- (ii) submitting false information on the Membership Application,
- (iii) allowing his or her Membership card to be used by a non-Member,
- (iv) failure to pay the required Member Charges or Special Use Fees or any outstanding balance on the Member's Club account in a proper and timely manner,
- (v) failure to abide by the Rules and Regulations as set forth herein and as established by the Club from time to time,
- (vi) harassing or abusing other Members, Immediate Family Members, Extended Family Members, guests, Club personnel, employees or vendors, or
- (vii) acting in a manner incompatible with the standard of conduct of the existing Membership or in a manner which would likely injure the reputation of the Members or the Club.

Any Member accused of improper conduct shall be notified of such proposed action and shall be given an opportunity to be heard by the Club to show cause why he or she should not be disciplined. If such Member desires to be heard, the Club shall set a time and date (not less than ten days thereafter) for such hearing. While such complaint is being considered by the Club, the Member may be allowed to enjoy the privileges of his or her Membership in the Club, unless determined otherwise by the Club in its sole and absolute discretion. Notwithstanding the foregoing, the Club may, without notice and without a hearing, immediately suspend a Member's use privileges and terminate a Member for failure to pay in a proper and timely manner Member Charges, Special Use Fees or any other amounts owed to the Club.

The Club may restrict or suspend a Member, and/or Immediate Family Member, and/or Extended Family Member and/or guests from some or all the privileges of the Club for such time period as the Club deems appropriate. Dues and other obligations shall accrue during such suspension and shall be paid in full before reinstatement of full privileges. No Member may on account of any restriction, suspension or termination for disciplinary reasons be entitled to any refund of any Club Initiation Fee, Member Charges, Special Use Fees or any other fees or charges.

MEMBERSHIP

A MEMBERSHIP APPLICATION MUST BE MAILED OR DELIVERED TO THE CLUB

Each person who desires a Membership in the Club must mail or deliver to the Club a fully completed and signed Membership Application.

REVIEW OF MEMBERSHIP APPLICATION

The Club shall determine from time to time in its sole discretion the Club Memberships that may be available for application by a prospective member. Each person who applies for a Membership in the Club will be subject to the approval of the Club. After receiving the Membership Application, the Club will determine whether the applicant has satisfied the relevant conditions of Membership as determined by the Club in its sole and absolute discretion. The Club shall determine, in its sole and absolute discretion, all questions concerning admission and eligibility. Specific decisions shall not be taken as precedent that direct or limit future decisions.

The Club shall not discriminate in any manner against any Member, Immediate Family Member, Extended Family member or guest of a Member, or prospective Member on account of any bias prohibited by law. However, the Club may decide on an individual basis what Membership categories may be made available for application by a prospective member. The Club reserves the right to make exceptions to or grant waivers from any provisions of the Membership Application process based on hardship or other reason as the Club deems reasonable, provided such exceptions or waivers shall not act as precedent for other Member's applications or provide any vested rights to a Member or prospective member to the same exception or waiver.

Upon acceptance to Membership, the Club will complete a Membership Orientation with the accepted Members. In the event the Membership Application is not acted upon favorably, the applicant will receive a refund, without interest, of one hundred percent of any Club Initiation Fee paid by the applicant to the Club less a Membership processing fee, and all of the applicant's rights and privileges to use the Club Facilities will cease immediately (exempting any incentives offered toward the Club Initiation Fees).

Each Member acquiring a Membership under the Club Membership Plan agrees to be bound by the terms and conditions of the Club Membership Plan, as amended from time to time by the Club in its sole and absolute discretion without the requirement of previous notice by the Club. No Member has any vested contract or property rights under the Club Membership Plan or any other representation, whether oral or written.

MEMBERSHIPS IN MULTIPLE NAMES

The Club, in its discretion, may permit a membership to be held jointly or in multiple names. If a Membership is jointly owned or held, the joint owners shall, upon

acceptance for Membership, designate one of the joint owners who shall have the exclusive power to exercise, or direct the exercise of, all privileges attendant to the membership and shall be deemed the Member for purposes of this Membership Plan. The identity of the Primary Designated Member may not be changed during the term of Membership, unless otherwise contemplated herein. The Club may rely upon the direction of the Primary Designated Member on all matters related to the membership and may disregard any other or contrary directions related to the membership. Unless the non-designated joint owner is also an Immediate Family Member or an Extended Family Member, the non-designated joint owner shall not have any Membership privileges. Upon death of the designated joint owner Member, the non-designated joint owners shall not succeed to the rights of the deceased Member or have any rights to or ownership in the Membership, except to the extent of a spouse or legal partner with Membership privileges as provided under "Transfer of Membership upon the Member's Death" above.

If a Membership in Multiple Names desires Club access for designees beyond the Primary Designated Member, an additional three designees may be offered the right to use the Club and its amenities through the Designate Membership category. As is defined in Exhibit D, dues, fee, and charges may be arranged to be paid directly by the individual designees, however any non-payment responsibility will be held joint and severally with the Primary Designated Member. All agreements regarding Memberships in Multiple Names will be reviewed by the Club on an annual basis and may be adjusted as the Club sees fit.

DUES, FEES AND CHARGES

THE MEMBERSHIP YEAR OF THE CLUB IS JANUARY 1 TO DECEMBER 31

The Club's Membership year will constitute the twelve-month period commencing January 1 and ending on December 31, unless otherwise established by the Club from time to time.

THE CLUB REQUIRES ALL MEMBERS TO MAINTAIN A VALID DEBIT/ACH AND CREDIT CARD ON FILE

In order to efficiently execute the payment of dues, fees, and charges, the Club requires that all Members maintain a valid debit/ACH and credit card on file with the Club. Furthermore, the Club reserves the right to determine that the debit/ACH or credit card on file is the sole acceptable payment method for any or all Members.

CLUB MEMBERSHIP FEE SCHEDULES

The Club will determine, from time to time, the amount of Annual Dues and other fees and charges, including food and beverage minimums, tipping charges, valet charges, and other charges applicable to all Members in a Membership category (collectively, "**Member Charges**") to be paid by Members each year. The Club may also determine, from time to time, Member discounts and benefits (collectively, "**Benefits**") available to any Membership category. The Club reserves the right to establish different

Member Charges and Benefits for each Membership category based on different methodologies in the Club's sole and absolute discretion, provided that the Member Charges and Benefits for a Membership category shall not act as precedent for other Members in other Membership categories or provide any vested rights to a Member or prospective Member to the same Member Charges or Benefits amounts or methodologies. Member Charges and Benefits shall be set forth in the Club Membership Fee Schedules published by the Club, which are subject to change by the Club from time to time without prior notice. All Member Charges and Benefits are subject to payment of applicable sales tax.

If a Member, or Immediate Family Members, Extended Family Member or guests do anything which increases the cost of maintaining or operating the Club, or cause damage to any part of the Club Property, Club Owner may levy additional Member Charges against the Member in the amount necessary to pay such increased cost or repair such damage.

Club Owner will determine, from time to time, specific service and/or use fees and charges ("**Special Use Fees**"), for which one or more Members (but less than all Members) are subject, Including food and beverage charges, equipment and merchandise charges, locker rentals, tennis court fees, cabana fees, lodging fees, use of special services, rental of facilities, catering, and tickets for shows, special events, or performances held in the Club Facilities, and the use of vending machines, video arcade machines and entertainment devices. Special Use Fees shall be payable at such time or time(s) as determined by Club Owner. For those programs or events, if any, for which tickets are sold, Club Owner shall adopt such Rules and Regulations as to entitlement of the tickets as Club Owner deems necessary. All Special Use Fees are subject to payment of applicable sales tax. The Special Use Fees shall be set forth in the Club Membership Fee Schedules published by the Club, which are subject to change by the Club from time to time without prior notice.

ANNUAL DUES WILL BE PAYABLE ON AN ANNUAL BASIS

Annual Dues shall be due and payable on or before the beginning of the Membership year. Monthly, quarterly or other installment payment options may be made available at the sole and absolute discretion of the Club, with all such payments due prior to the first day of the applicable month and subject to an administrative fee. The Club reserves the right to establish different Annual Dues for each Membership category based on different methodologies in the Club's sole and absolute discretion, provided that the Annual Dues for a Membership category shall not act as precedent for other Members in other Membership categories or provide any vested rights to a Member or prospective member to the same Annual Dues amount or methodology. The failure of any Member to pay Annual Dues or any other Member Charges or Special Use Fees within the prescribed time period shall constitute grounds for disciplinary action and exercise of available legal remedies by the Club.

TAXES

Members shall pay all applicable sales, use or similar taxes and transfer fees and charges now or hereafter imposed on the Club Initiation Fees, Member Charges, Special Use Fees, and other applicable fees and charges to Club Owner. All such applicable sales, use or similar taxes and transfer fees and charges shall be included in the charges billed to the Members by Club Owner.

MEMBERSHIP CARDS MAY BE ISSUED FOR USE OF THE CLUB FACILITIES AND SERVICES

In order to preserve a proper Club atmosphere for the Members and to protect the integrity of Members' rights, the Club may determine to issue Membership cards to the Members and members of an Association holding a Community Membership, as well as other eligible Immediate Family Members. At such time, access to the Club Facilities will require use of a Membership card. All Membership card charges will be invoiced to and payable by the Members and the members of the Association with a Membership Card on a monthly basis. Membership cards do not confer any contract rights on a Member but are solely an indication of Membership.

CLUB OPERATIONS

MANAGEMENT AND CONTROL OF THE CLUB

The Club shall be under the complete supervision and control of Club Owner unless the Club Owner appoints a third party as Club Manager, in which event Club Manager shall have such supervision and control rights as granted by Club Owner to Club Manager. The Club Owner may terminate any or all Club Memberships in its sole and absolute discretion without cause at any time and from time to time. Upon termination of a Membership by the Club, the Club shall refund, without interest, the Club Initiation Fee paid by the Member to the Club and a pro rata portion of any pre-paid Member Charges (exempting any incentives offered toward the Club Initiation Fees); except in the event of a disciplinary termination or termination for failure to pay outstanding obligations to the Club, in which event no refund of any kind will be paid to the Member.

BOARD OF GOVERNORS

The Club may, but is not obligated to, establish an advisory Board of Governors whose purpose includes fostering good relations between the Members and the Club, providing the Members with input on programs, plans and activities of the Club, and advising on the Club's policies and Rules and Regulations. The Board of Governors shall have no duty or power to negotiate or otherwise act on behalf of the Club, its management or the Members of the Club, and shall serve only in an advisory capacity to the Club. The Club will have the final authority on all matters concerning the Club Facilities and the Members of the Club.

COMMITTEES

The Club may, but is not obligated to, establish advisory committees. These committees will consist of Members of the Club who will be appointed by the Club and who may be removed by the Club. These committees may meet on a regular basis to provide Member input into activities, events and programs related to their areas of interest. No other committees or associations may be established unless designated by the Club. Committees will have no duty or power to act on behalf of the Club, its management or the Members of the Club, **and shall serve only in an advisory capacity to the Club**. The Club will have the final authority on all matters concerning the Club Facilities and the Members of the Club.

OPERATING AND CAPITAL ASSESSMENTS

NO OPERATING OR CAPITAL ASSESSMENTS

Members will not be subject to any operating or capital assessments. With the exception of Club Initiation Fees, Member Charges, Special Use Fees, late fees, taxes, interest and penalties, and other fees and charges identified in this Club Membership Plan, Members will not be subject to assessment for the costs of operating the Club Facilities. In addition, Members will not be subject to any capital assessment for the costs of constructing the Club Facilities. The Club Owner and/or its affiliates will be responsible for all operations of the Club and will be entitled to retain all surplus revenues and profits from the operation of the Club.

Club Owner shall have no duty to account to the Members for any Club Initiation Fees, Member Charges or Special Use Fees, which shall be the sole property of Club Owner.

TRANSFER OF CLUB OR CLUB FACILITIES

SALE TO THIRD PARTY

The Club Owner may sell, encumber, transfer or convey the Club or any or all of the Club Facilities to any person or entity in its sole and absolute discretion at any time, and from time to time (the “**Third Party Transfer**”). A Third-Party Transfer shall not require the consent or approval of any Club Member.

SALE TO AFFILIATES OF CLUB

The Club Owner may sell or otherwise transfer the Club or any of the Club Facilities to any one or more of its affiliates at its sole and absolute discretion at any time (an “**Affiliate Transfer**”). An Affiliate Transfer shall not require the consent or approval of any Club Member. The affiliates of the Club shall include any of Club’s owners, and their successors, assigns, partners, directors, officers, employees and shareholders.

SALE OF THE CLUB TO THE MEMBERS

The Club Owner shall have the option, but not the obligation, to convert the Club to an “equity” club or similar arrangement whereby the Members, or an entity owned or controlled by the Members, become the owner or operator, or both, of the Club’s facilities (the “**Equity Conversion**”). The Club Owner shall provide Members written notice of its intent to exercise an Equity Conversion. Equity memberships will be offered in accordance with an Equity Membership Plan and related documents. The Equity Membership Plan and related documents (“**Equity Membership Documents**”) will be prepared by the Club Owner and provided to the Members. Upon closing of an Equity Conversion, the terms of the Equity Membership Documents shall supersede and replace the terms of this Club Membership Plan. The Members may elect to participate in the Equity Conversion in accordance with the Equity Membership Documents. With respect to a potential Community Membership, if a Member elects not to pay the required equity conversion payment in accordance with the Equity Membership Documents, and Club Owner closes on the Equity Conversion, then the equity members of the Club may elect to terminate the Community Membership without refund of Club Initiation Fees, Member Charges or Special Use Fees. Equity membership may constitute an ownership interest in a nonprofit corporation to which the Club Property will be conveyed prior to the Equity Conversion. The Equity Membership Documents may provide for a turnover date different from the closing date of the Equity Conversion, such that the Club Owner retains the right to appoint Club Board Members until the turnover date.

Notwithstanding the foregoing, if a sufficient number of non-equity Members do not pay the required equity conversion payment within ninety (90) days of the date on which equity memberships are first offered, as determined by Club Owner, Club Owner may rescind the Equity Conversion and terminate the Equity Membership Plan and continue to operate the Club in accordance with the Club Provisions and the Club Membership Plan.

The Club Owner shall under no circumstances be obligated to offer to sell any or all of the Club Facilities to the Members, or a group thereof, or convert the Club to an “equity” club or similar arrangement whereby the Members, or an entity owned or controlled by the Members, become the owner or operator, or both, of the Club’s facilities. The purchase price of the Club Facilities, if any is established, or the purchase price of a membership in any such equity club will be established by the Club Owner in its sole and absolute discretion.

TERMINATION RIGHTS OF CLUB OWNER; INTERRUPTION OF SERVICE

The Club Owner, and its successors and assigns, may terminate the Club Membership Plan and/or may terminate or recall any or all Club Memberships in its sole and absolute discretion at any time and from time to time. Upon termination of the Club Membership Plan, and with respect to potential Community Membership(s) with Association, the Club Owner shall refund to the then existing Club Members the Club Initiation Fees paid by the Club

Members to the Club, without interest, together with a pro rata portion of any pre-paid Member Charges and Special Use Fees paid to the Club (exempting any incentives offered toward the Club Initiation Fees). Except as provided above with respect to termination for disciplinary reasons or failure to pay outstanding debts to the Club, upon termination or recall of a Club Membership, and with respect to potential Community Membership(s) with Associations, the Club Owner shall refund to the then existing Club Member the Club Initiation Fee paid by the Club Member to the Club, without interest, together with a pro rata portion of any pre-paid Member Charges and Special Use Fees paid to the Club (exempting any incentives offered toward the Club Initiation Fees).

If the Club Owner elects to undertake an equity conversion of the Club, and a Club Member elects not to pay the required equity conversion payment in accordance with the Equity Membership Documents, and Club Owner closes on the Equity Conversion, and with respect to potential Community Membership(s), the equity members of the Club may elect to terminate such Club Member's Membership without refund of any Club Initiation Fees.

The Club Owner shall not be liable for, or to, the Members, and the Members assume and release the Club Owner from all risks that may occur by reason of, any condition or occurrence, including damage to the Club Facilities on account of casualty, water or the bursting or leaking of any pipes or waste water about the Club Property, or from any act of negligence or acts or omissions of any person or entity, or from fire, or tornado, or other act of God, or from any cause, claim, damage, accident or obligation whatsoever relating to or arising out of the Club Plan, Membership in the Club or use of the Club Facilities. No Member shall be entitled to terminate the Club Membership Plan and there shall be no abatement in payment of Member Charges during casualty or reconstruction unless substantially all portions of the Club Facilities are not available for use during casualty or reconstruction. In that event, Member Charges with respect to use of the unavailable Club Facilities will be abated for any time such Club Facilities are not available for use after the initial sixty (60) days of closure.

OTHER MEMBERSHIPS AND PRIVILEGES IN THE CLUB

RESORT GUEST MEMBERSHIPS MAY BE ISSUED ON AN ANNUAL, SEASONAL OR RECALLABLE BASIS

The Club may, in its sole and absolute discretion, issue memberships to Resort Guests on an annual, seasonal, resort stay or recallable basis as determined by the Club from time to time, with such privileges as determined by the Club from time to time.

CORPORATE MEMBERSHIPS AND FOUNDERS MEMBERSHIPS

The Club Owner may issue Corporation Memberships and/or Founders Memberships and Sports Memberships in the Club to such persons and entities as the Club Owner determines appropriate from time to time. All such Memberships will be in addition to all other Memberships and will be available on such individualized terms and conditions as may be determined by the Club Owner from time to time.

RECIPROCAL CLUB PRIVILEGES

The Club Owner may determine from time to time to provide reciprocal Club use rights to members of other clubs and organizations ("**Reciprocal Guests**"). Such reciprocal use rights shall be on such terms and conditions as may be determined by the Club from time to time and may be withdrawn at any time without notice to the Club Members.

NON-MEMBER USE

The Club Owner will permit the general public, Resort Guests, Reciprocal Guests and corporate groups ("**Non-Members**") to use the Club Facilities on such terms and conditions as the Club Owner determines appropriate. The Club Owner may permit charitable events, social events and corporate outings on the Club Facilities from time to time. The Club Owner reserves the right to eliminate or restrict use of the Club Facilities by Non-Members in its sole and absolute discretion.

THE CLUB OWNER MAY USE THE CLUB FACILITIES FOR MARKETING AND PROMOTIONAL PURPOSES

The Club Owner will have the right to designate other persons, including officers, directors, partners, employees, vendors 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 Owner. The Club Owner reserves the right, in its sole and absolute discretion, to restrict or otherwise reserve the Club Facilities for maintenance, Non-Member use, tournament, charitable events, social events, corporate outings and other special events from time to time.

THE CLUB OWNER MAY USE THE CLUB FACILITIES FOR COMMERCIAL BUSINESS PURPOSES

It is anticipated that portions of the Club Property may include retail and commercial space ("**Commercial Space**") as Club Owner may deem appropriate in Club Owner's sole and absolute discretion. Club Owner may permit Members to access any Commercial Space located within the Club Property at Club Owner's sole and absolute discretion. Club Owner may grant leases, franchises, licenses or concessions to commercial concerns on all or part of the Club Property including the Commercial Space ("**Commercial User**"). Club Owner shall have no duty to account to the Members for any rents, fees or payments from Commercial User(s) or other third parties for the right to occupy and/or lease such Commercial Space; all of such rents, fees and payments, if any, shall be the sole property of Club Owner and shall not offset or reduce the Member Charges or Special Use Fees payable by Members except as may be provided in the Club Provisions.

INTERPRETATIONS/QUESTIONS

In the event that there is any ambiguity or question (collectively, a "**Query**") regarding, resulting from, arising out of or in way related to the Club, Membership in the Club, use of Club Facilities, Club operations, the provisions of the Club

Membership Plan, the Club Provisions, Rules and Regulations, or any portion of the Membership Package, such Query shall first be submitted to the Club Owner for resolution. If the Club Owner, in its sole and absolute discretion, obtains legal, tax or accounting advice or assistance in (i) replying to a Query or (ii) in reviewing any documentation, legal opinion or other information submitted to the Club Owner by or on behalf of a Member, the Member shall reimburse the Club for its expense in obtaining such advice or assistance. Before obtaining any such advice or assistance, the Club Owner shall notify the Member of its intention to do so, and the Member shall not be obligated to reimburse the Club Owner for its expense thereof if the Member, within fifteen days after the Club's notification, withdraws his/her request for an interpretation or exception or withdraws any documentation, legal opinion or other information submitted to the Club Owner. Club Owner's interpretation of the Club Membership Plan, Club Provisions, Rules and Regulations, and any portion of the Membership Package and its resolution of any Query shall be conclusive and binding on the Members. Therefore, and in order to ensure that the Members abide by Club Owner's determination, in the event that any Member disputes the Club Owner's interpretation and resolution and thereafter initiates a dispute resolution proceeding as provided below, such Member shall bear all legal expenses of both the Member and the Club Owner, including all attorney's fees, paraprofessional fees and costs at trial and upon appeal, regardless of the outcome of such proceedings or which party prevails. If State law would determine that this provision is unenforceable or would require a reciprocal application for a prevailing party, then, in that event, each party to a dispute will bear its own attorney's fees, paraprofessional fees and costs. To maintain the harmony of the Club and enjoyment of the Club by all Members not submitting a Claim, the Club Owner and each Member agree that neither will bring a class action against the other or any other action on behalf of or against any other Member not submitting a claim.

MANDATORY DISPUTE RESOLUTION

Any controversy, dispute, or claim (collectively "**Dispute**") regarding, resulting from, arising out of or in way related to the Club, Membership in the Club, use of Club Facilities, Club operations, the provisions of the Club Membership Plan and Rules and Regulations, any portion of the Membership Package, or the Club Owner's response to a Query, shall be governed by the mandatory dispute resolution procedures set forth below.

Notice. In the event that Club Owner or a Member, or Non-Member has a Dispute, it shall notify the applicable party (the "**Notified Party**") in writing of the claim, which writing shall describe the nature of the claim and any proposed remedy (the "**Dispute Notice**").

Preliminary Meeting. Within a reasonable period after receipt of the Dispute Notice, which period shall not exceed sixty (60) days, the Notified Party and the claimant shall meet at the Club Facilities to discuss the Dispute. The parties shall negotiate to resolve the Dispute.

Mediation. If the parties to the Dispute fail to resolve the Dispute by negotiation within ninety (90) days after delivery of the Dispute Notice, the matter shall be submitted to mediation pursuant to the Mediation Rules of the American Arbitration Association applicable to Club disputes (except as such procedures are modified by these provisions or such other mediation service selected by the Notified Party). The claimant who delivered the Dispute Notice shall have until one hundred twenty (120) days after the date of delivery of the Dispute Notice to submit the Dispute to mediation. If the claimant who delivered the Dispute Notice fails to timely submit the Dispute to mediation, then the Dispute of the Person who delivered the Dispute Notice shall be deemed waived and abandoned and all applicable parties shall be relieved and released from any and all liability relating to the Dispute. No person shall serve as a mediator in any dispute in which the person has any financial or personal interest in the result of the mediation, except by the written consent of all parties. Prior to accepting any appointment, the prospective mediator shall disclose any circumstances likely to create a presumption of bias or to prevent a prompt commencement of the mediation process. No litigation or other action shall be commenced against the Notified Party or any applicable party without complying with the procedures described above.

(i) Position Memoranda; Pre-Mediation Conference. Within ten (10) days of the selection of the mediator, each party shall submit a brief memorandum setting forth its position with regard to the issues that need to be resolved. The mediator shall have the right to schedule a pre-mediation conference and all parties shall attend unless otherwise agreed. The mediation shall be commenced within ten (10) days following the submittal of the memoranda and shall be concluded within fifteen (15) days from the commencement of the mediation unless the parties mutually agree to extend the mediation period. The mediation shall be held in the Club Facilities or such other place as is mutually acceptable by the parties.

(ii) Conduct of Mediation. The mediator has discretion to conduct the mediation in the manner in which the mediator believes is most appropriate for reaching a settlement of the Dispute, consistent with the mediation rules applicable to the Dispute. The mediator is authorized to conduct joint and separate meetings with the parties and to make oral and written recommendations for settlement. Whenever necessary, the mediator may also obtain expert advice concerning technical aspects of the Dispute, provided the parties agree and assume the expenses of obtaining such advice. The mediator does not have the authority to impose a settlement on the parties.

(iii) Exclusion Agreement. Any admissions, offers of compromise or settlement negotiations or communications at the mediation shall be excluded in any subsequent dispute resolution forum.

(iv) Parties Permitted at Sessions. Persons other than the parties, the representatives and the mediator may attend mediation sessions only with the permission of both parties and the consent of the mediator. Confidential information

disclosed to a mediator by the parties or by witnesses in the course of the mediation shall be confidential. There shall be no stenographic record of the mediation process.

(v) Mediation Expenses. All expenses of the mediation, Including the fees and costs charged by the mediator and the expenses of any witnesses or the cost of any proof or expert advice produced at the direct request of the mediator, shall be borne equally by the parties unless they agree otherwise. Each party to the mediation shall bear its own attorneys' fees and costs in connection with such mediation.

Arbitration. Should mediation not be successful in resolving any Dispute, then the claimant who delivered the Dispute Notice shall have ninety (90) days after the date of termination of the mediation to submit the Dispute to binding arbitration. If timely submitted, such Dispute shall be resolved by binding arbitration in accordance with the Arbitration Rules of the American Arbitration Association applicable to Club disputes. If the claimant who delivered the Dispute Notice fails to timely submit the claim to arbitration within the ninety (90) day period, then the Dispute of the claimant who delivered the Dispute Notice shall be deemed waived and abandoned and all applicable parties shall be relieved and released from any and all liability relating to the Dispute. A claimant with any Dispute may only submit such Dispute in arbitration on such Person's own behalf. No claimant may submit a Dispute in arbitration as a representative or member of a class and no Dispute may be arbitrated as a class action. All parties and any claimant submitting a Claim Notice (collectively, the "**Bound Parties**"), agree that all Disputes that are not resolved by negotiation or mediation shall be resolved exclusively by arbitration conducted in accordance with this subsection, and waive the right to have the Dispute resolved by a court, Including the right to file or participate in a legal action as the representative or member of a class or in any other representative capacity. The parties shall cooperate in good faith to attempt to cause all necessary and appropriate parties to be included in the arbitration proceeding. Except as provided in this subsection, the arbitrator shall have the authority to try all issues, whether of fact or law.

(i) Place. The proceedings shall be heard in the Club Facilities.

(ii) Arbitrator. A single arbitrator shall be selected in accordance with the rules of the American Arbitration Association from panels maintained by the Association with experience in relevant club matters. The arbitrator shall not have any relationship to the parties or interest in the Project. The parties to the Dispute shall meet to select the arbitrator within ten (10) days after service of the demand for arbitration on all respondents named therein.

(iii) Commencement and Timing of Proceeding. The arbitrator shall promptly commence the proceeding at the earliest convenient date considering all the facts and circumstances and shall conduct the proceeding without undue delay.

(iv) Pre-hearing Conferences. The arbitrator may require one or more pre-hearing conferences.

(v) Discovery. The parties shall be entitled only to limited discovery, consisting of the exchange between the parties of only the following matters: (a) witness lists; (b) expert witness designations; (c) expert witness reports; (d) exhibits; (e) a maximum of two depositions per party, and (g) hearing briefs. Any other discovery shall be permitted by the arbitrator upon a showing of extenuating circumstances with the direction to the arbitrator that the granting of additional discovery is discouraged by the parties. The arbitrator shall oversee discovery and may enforce all discovery orders in the same manner as any trial court judge.

(vi) Motions. The arbitrator shall have the power to hear and dispose of motions, Including motions to dismiss, motions for judgment on the pleadings and summary judgment motions, in the same manner as a trial court judge, except the arbitrator shall also have the power to adjudicate summarily issues of fact or law Including the availability of remedies, whether or not the issue adjudicated could dispose of an entire cause of action or defense.

(vii) Arbitration Award. Unless otherwise agreed by the parties, the arbitrator shall render a written arbitration award within thirty (30) days after conclusion of the arbitration hearing. The arbitrator's award may be enforced as provided for in the Uniform Arbitration Act, A.R.S. § 12-1501, et seq., or such similar law governing enforcement of awards in a trial court as is applicable in the jurisdiction in which the arbitration is held, or, as applicable, pursuant to the Federal Arbitration Act (Title 9 of the United States Code).

(viii) Arbitration Expenses. All expenses of the arbitration, Including the fees and costs charged by the arbitrator and the expenses of any witnesses or the cost of any proof or expert advice produced at the direct request of the arbitrator, shall be borne equally by the parties unless they agree otherwise. Each party to the arbitration shall bear its own attorneys' fees and costs in connection with such arbitration.

ASSUMPTION OF RISK AND INDEMNIFICATION

EACH MEMBER, PRIMARY MEMBER, SECONDARY MEMBER, IMMEDIATE FAMILY MEMBER, EXTENDED FAMILY MEMBER AND GUEST, RESORT GUEST, RECIPROCAL GUEST AND NON-MEMBER AGREES (COLLECTIVELY, "INDEMNIFYING PARTIES"), TO THE GREATEST EXTENT PROVIDED BY LAW, TO INDEMNIFY AND HOLD HARMLESS CLUB OWNER AND CLUB MANAGER, THEIR RESPECTIVE OFFICERS, PARTNERS, OWNERS, AGENTS, EMPLOYEES, AFFILIATES, DIRECTORS AND ATTORNEYS, AND CLUB COMMITTEE MEMBERS (COLLECTIVELY, "INDEMNIFIED PARTIES") FOR, FROM AND AGAINST ALL ACTIONS, INJURY, CLAIMS, LOSS, LIABILITY, DAMAGES, COSTS AND EXPENSES OF ANY KIND OR NATURE WHATSOEVER ("LOSSES") INCURRED BY OR ASSERTED AGAINST ANY OF THE INDEMNIFIED PARTIES FROM AND AFTER THE DATE HEREOF, WHETHER DIRECT, INDIRECT, OR CONSEQUENTIAL, AS A RESULT OF, ARISING OUT OF, OR IN ANY WAY RELATED TO MEMBERSHIP IN THE CLUB, THE USE OF THE CLUB AND CLUB FACILITIES BY THE INDEMNIFYING PARTIES, THE USE OF THE CLUB BY THIRD

PARTIES, IMMEDIATE FAMILY MEMBERS, EXTENDED FAMILY MEMBERS AND THEIR GUESTS, OR THE INTERPRETATION OF THE CLUB PROVISIONS, THE CLUB MEMBERSHIP PLAN, THE RULES AND REGULATIONS AND/OR ANY PORTION OF THE CLUB MEMBERSHIP PACKAGE, AND/OR FOR, FROM AND AGAINST ANY ACT OR OMISSION OF THE CLUB OR OF ANY OF THE INDEMNIFIED PARTIES, BUT EXCLUDING, AS TO ANY INDEMNIFIED PARTY, LOSSES CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNIFIED PARTY. LOSSES SHALL INCLUDE THE DEDUCTIBLE PAYABLE UNDER ANY OF THE CLUB'S INSURANCE POLICIES.

IN ADDITION TO AND NOT IN LIMITATION OF THE FOREGOING, EACH OF THE INDEMNIFYING PARTIES WHO, IN ANY MANNER, MAKES USE OF OR ACCEPTS THE USE OF ANY APPARATUS, APPLIANCE, FACILITY, PRIVILEGE OR SERVICE WHATSOEVER OWNED, LEASED, LICENSED OR OPERATED BY THE CLUB, OR WHO ENGAGES IN ANY CONTEST, GAME, FUNCTION, EXERCISE, COMPETITION, CLASS, OR OTHER ACTIVITY OR SERVICE OPERATED, ARRANGED OR SPONSORED BY THE CLUB, EITHER ON OR OFF OF THE CLUB FACILITIES (COLLECTIVELY, "CLUB ACTIVITIES"), SHALL DO SO AT THEIR OWN RISK. EACH OF THE INDEMNIFYING PARTIES SHALL RELEASE AND HOLD HARMLESS EACH OF THE INDEMNIFIED PARTIES FROM ANY AND ALL LOSSES, WHETHER DIRECT, INDIRECT OR CONSEQUENTIAL, AS A RESULT OF, ARISING OUT OF, OR IN ANY WAY RELATED TO CLUB ACTIVITIES.

THE TERMS OF THIS SECTION SHALL SURVIVE TERMINATION OF THE CLUB MEMBERSHIP PLAN, THE CLUB PROVISIONS AND MEMBERSHIP IN THE CLUB.

DEFINITIONS

In addition to the terms defined elsewhere in this Club Membership Plan, the following terms shall have the meanings specified below:

"Annual Dues" shall mean the annual dues paid by a Member to Club Owner for the purpose of obtaining access to limited recreational use of the Club Facilities.

"Association" shall mean a Community Association acquiring a Community Membership, its successors and assigns; the property owners association governing the Community.

"Club" shall mean the Club Property, subject to additions and deletions made by Club Owner from time to time as provided in the Club Plan. The Club may be comprised of one or more parcels of land, which may or may not be connected or adjacent to one another.

"Club Facilities" shall mean the improvements and tangible and intangible personal property which Club Owner shall have constructed and/or made available to Members pursuant to the Club Plan. THE CLUB FACILITIES ARE SUBJECT TO CHANGE AT ANY TIME AT CLUB OWNER'S SOLE AND ABSOLUTE DISCRETION.

“Club Initiation Fees” shall mean the fees to be paid by the Members to the Club to enable the Members to acquire Memberships from the Club.

“Club Manager” shall mean the entity operating and managing the Club, at any time, together with its officers, owners, members, employees and agents. The Club Owner or any of its affiliates may be Club Manager. The Club Owner reserves the right to designate the Club Manager in Club Owner’s sole and absolute discretion.

“Club Membership” or **“Membership”** shall mean the non-exclusive license rights provided to a Member pursuant to the Club Membership Plan.

“Club Membership Plan” or **“Club Plan”** shall mean the Club Membership Plan, together with all amendments and modifications thereto as made by Club Owner from time to time in its discretion.

“Club Owner” shall mean the owner of the Club Property and any of its designees, successors and assigns who receive a written assignment of all or some of the rights of Club Owner hereunder. Such assignment need not be recorded in the Public Records in order to be effective. In the event of such a partial assignment, the assignee shall not be deemed Club Owner but may exercise such rights of Club Owner specifically assigned to it. Any such assignment may be made on a non-exclusive basis. Club Owner may change from time to time. Notwithstanding that Club Owner and the Declarant may be the same party, affiliates or related parties from time to time, each Member acknowledges that Club Owner and Declarant shall not be considered being one and the same party, and neither of them shall be considered the agent or partner of the other. At all times, Club Owner and Declarant shall be considered separate and viewed in their separate capacities. No act or failure to act by Declarant shall at any time be considered an act of Club Owner and shall not serve as the basis for any excuse, justification, waiver or indulgence to the Members with regard to their prompt, full, complete and continuous performance of their obligations and covenants hereunder.

“Club Property” shall mean the Club Real Property and the Club Facilities.

“Club Provisions” shall mean that certain Declaration of Covenants, Conditions, Restrictions and Easements, recorded in the Public Records, as it shall be amended or modified or supplemented from time to time.

“Club Real Property” shall initially mean the real property described on Exhibit 1 attached hereto and made a part hereof. THE CLUB REAL PROPERTY IS SUBJECT TO CHANGE AT ANY TIME AT CLUB OWNER’S SOLE AND ABSOLUTE DISCRETION. Club Property shall include any real property designated by Club Owner as part of the Club Property by amendment to the Club Membership Plan, which amendment shall not require the approval or consent of the Members.

“Extended Family Members” shall mean the parents, children who do not fall within the definition of Immediate Family Member, grandparents and grandchildren of the member and spouse and the spouses of such extended family members, and siblings of the Immediate Family Member(s).

“Immediate Family Members” shall mean the spouse of an individual Member and all children twenty-four (24) years and younger of either the Member or the Member’s spouse. If a Member is unmarried, the Member may designate one other person who is living with such Member on a permanent basis in the residence in addition to children of the Member as an adult Immediate Family Member.

“Including” shall mean including, but not limited to.

“Member” shall mean each person or entity that Club Owner issues Club Memberships to from time to time, on such terms and conditions as determined in the sole and absolute discretion of Club Owner. For purposes of a Community Membership, the Association and each member of the Association shall be deemed Members of the Club for purposes of the Membership Plan, subject to the provisions of Exhibit B.

EXHIBIT 1

LEGAL DESCRIPTION OF THE INITIAL CLUB REAL PROPERTY

PRIVATE CLUB COMMON LOTS

LETTERED LOTS P, Q, S, U, W, Z "AA" THROUGH "EE" "OO THROUGH UU" OF AMENDED TRACT NO. 33004-1 IN THE CITY OF INDIO, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 439 PAGES 57 THROUGH 72 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.



EXHIBIT "A"

Special Provisions Pertaining to Social Members

PRIVILEGES OF SOCIAL MEMBERSHIP	A Social Membership shall entitle the Member to use all Club Facilities subject to availability and in some cases special fees which may be established for classes, clinics, or special events.
AVAILABILITY	Social Memberships are available to any person.
INITIATION FEE	Social Memberships require an Initiation Fee as defined in Exhibit "F", the Club Fee Schedule.
ANNUAL DUES	Social Members are required to pay annual dues as defined in Exhibit "F", the Club Fee Schedule.
TRANSFERABILITY	So long as the Social Member is in good financial stead at the time of the sale of a Social Member's residence, a Social Membership may be transferred by the Member to a future buyer of the Member's residence. There is a transfer fee paid to the club at the time of the transfer. This transfer fee is equal to 15% of the initiation fee at the time of the transfer not to be less than 15% of the initiation fee originally paid.
RESIGNATION	A Social Member may resign from the Club by providing written notice, subject to the provisions for resignation in the Club Membership Plan. The Social Member will continue to have access and the dues responsibility through the end of that calendar year.
LIMITS ON SOCIAL MEMBERSHIPS	The initial limit on Memberships shall be 1,000 members, including possible members of an Association included in Community Membership(s).

The provisions included on this Exhibit are part of the Club Membership Plan. Social Members should consult the body of the Club Membership Plan in addition to this Exhibit for the terms and conditions of Membership in the Club.

EXHIBIT "B"

Special Provisions Pertaining to Community Members

PRIVILEGES OF COMMUNITY MEMBERS

If implemented, Community Membership(s) include derivative membership use rights for every owner in the Community that is a member of the Association acquiring a Community Membership. Community Membership(s) shall provide, at a minimum, non-exclusive limited, revocable license rights for every member of the Association to use the Club Facilities, equivalent to the level of Social Members, together with such additional privileges as may be granted by Club Owner from time to time. The Association shall act as the agent for each of the members of the Association with respect to the Community Membership and make all decisions with respect to the Community Membership under the Club Membership Plan. Members of the Association shall have no rights independent of the rights provided under the Community Membership and Community Membership Agreement. All disputes by a member of the Association relating to or arising out of the Club Membership Plan or use of the Club Facilities shall be prosecuted or defended solely by the Association on behalf of the member of the Association. No member of an Association may bring a dispute resolution procedure against the Club but must petition the Association to bring any disputes the member of the Association may have. Any awards against the Club shall be paid to the Association, which shall be responsible for allocating any award among the members of the Association. Any awards against the Association or any member of the Association, shall be payable to the Club by the Association, with the Association allocating the costs of the award among its members in its discretion.

MEMBERS CHARGES FOR COMMUNITY MEMBERS

If implemented, an Association's Community Member Club Initiation Fees and Member Charges shall be determined as set forth in the Community Membership Agreement to be entered into with the Club.

INITIATION FEE

Each member of the Association with a Community Membership shall be responsible for an Initiation Fee no greater than that of the Social Membership unless otherwise specified in the Community Membership Agreement.

ANNUAL DUES

The Association will be charged Annual Dues equal to the Annual Dues payable by a Social Member multiplied by the number of members of the Association, unless otherwise specified in the Community Membership Agreement.

LIMITS ON MEMBERS

There is no current limit on the number of Community Memberships.

The provisions included on this Exhibit are part of the Club Membership Plan. Community Members and members of each Association that acquires a Community Membership should consult the body of the Club Membership Plan in addition to this Exhibit for the terms and conditions of Membership in the Club.

EXHIBIT "C"

Special Provisions Pertaining to Honorary Members

**PRIVILEGES
OF HONORARY
MEMBERSHIP**

The Privileges for each Honorary Membership shall be set forth by the Club in a Terms and Conditions Addendum on a Member-by-Member basis. Privileges may be revised by the Club in its discretion from time to time. The Terms and Conditions Addendum may vary for each Honorary Membership.

INITIATION FEE

As determined by the Club

ANNUAL DUES

As determined by the Club

AVAILABILITY

Honorary Memberships may be issued to any person or position at the Club's sole discretion.

CONVERSION

An Honorary Membership may not convert to any other Membership category without permission from the Club.

**REVOCATION/
RESIGNATION**

The Club may revoke the Honorary Membership at any time in the discretion of the Club. Upon revocation or resignation, an Honorary Membership shall not be entitled to any payment from the Club.

**LIMITS ON
HONORARY
MEMBERSHIPS**

The initial limit on Honorary Memberships is 25 members.

The provisions included on this Exhibit are part of the Club Membership Plan. Honorary Members should consult the body of the Club Membership Plan in addition to this Exhibit for the terms and conditions of Membership in the Club.

EXHIBIT "D"

Special Provisions Pertaining to Designate Members

PRIVILEGES OF DESIGNATE MEMBERSHIP

A Designate Membership shall entitle up to three additional owners of a residence also owned by a Social Member (or a member of an Association under a Community Membership) use of the Club Facilities with access roughly equivalent to that of the Social Membership.

AVAILABILITY

Designate Memberships are available only to those who are joint or multiple owners of a single residence or homesite. Designate Memberships are only available to up to three additional owners of a home in which the primary owner is already a Social Member in good standing.

INITIATION FEE

Each Designate Member shall be responsible for an Initiation Fee equal to 10% of the Initiation Fee required for the Social Membership.

ANNUAL DUES

Each Designate Member shall pay annual dues at a minimum of one-half of the annual dues applicable to a Social Member.

CONVERSION

Upon change of ownership structure in the residence in which the primary Social Member and Designate Members are co-owners, a Designate Member may upgrade to the Social Membership with the payment of the Transfer Fee. This transfer fee is equal to 15% of the initiation fee at the time of the transfer not to be less than 15% of the initiation fee originally paid (exempting any incentives offered toward the Club Initiation Fees).

RESIGNATION

A Designate Member may resign in the same fashion as is defined for the Social Membership.

LIMITS ON DESIGNATE MEMBERSHIPS

The initial limit on Designate Memberships is 75 members.

The provisions included on this Exhibit are part of the Club Membership Plan. Designate Members should consult the body of the Club Membership Plan in addition to this Exhibit for the terms and conditions of Membership in the Club.

EXHIBIT “E”

Special Provisions Pertaining to Sports Members

PRIVILEGES OF SPORTS MEMBERSHIP

A Sports Membership shall entitle the Sports Member use of the Club Facilities with access roughly equivalent to that of the Social Membership. A Sports Member does not have the right to transfer the membership to a person acquiring the Sports Member’s residence.

AVAILABILITY

Sports Memberships are only available while the total number of members of the Club is 350 or less, including all categories. Sports Memberships are not available to any person residing within the Trilogy at The Polo Club community.

INITIATION FEE

The Sports Membership Initiation Fee is non-refundable and non-transferable.

ANNUAL DUES

Each Sports Member shall pay annual dues equal to those of a Social Member.

RECALLABILITY

Sports Members may be recalled at the discretion of the club. The recalls shall occur on a first in, last out basis unless otherwise determined by the Club. Upon recall, Sports Members are eligible for a full refund of the Initiation Fee originally paid to the club.

RESIGNATION

A Sports Member may resign the Club with written notice at any time, subject to the provisions for resignation in the Club Membership Plan. The Sports Member will continue to have access and the dues responsibility through the end of that calendar year.

CONVERSION

A Sports Member may convert to a Social Membership by paying the Initiation Fee for the Social Membership at that time. Any payment made for the Initiation Fee of the Sports Membership would be credited against this amount.

LIMITS ON SPORTS MEMBERSHIPS

The initial limit on Sports Memberships shall be 350 members.

The provisions included on this Exhibit are part of the Club Membership Plan. Sports Members should consult the body of the Club Membership Plan in addition to this Exhibit for the terms and conditions of Membership in the Club.

EXHIBIT "F"

CLUB MEMBERSHIP FEE SCHEDULE

Initiation Fees

The Social Membership Initiation Fee is currently \$12,500.

The Sports Membership Initiation Fee is currently \$1,000.

If executed, any potential Community Membership Initiation Fee would be specified in the Community Membership Agreement.

Incentives

A \$5,625 incentive towards the purchase of the Social Membership is available for new home purchasers within Trilogy at The Polo Club. The end date of the incentive availability is at the sole discretion of the Club.

Initiation Fee incentives may be made available from time to time and with varying parameters to those choosing the Sports Membership.

Annual Dues

The Social and Sports Memberships Annual Dues are \$2,040. It is expected that these dues will be collected monthly, and that they may increase over the course of time.

Fitness Class & Private Training Fees

Participating Members may be charged fees for instructional classes Including yoga, Pilates, spin, and the like. These class fees are expected to be available via a combination of a la carte, multi-class, monthly and/or annual packages.

Participating Members may be charged fees for private training.

Food & Beverage Minimum

The Club may, but does not expect to implement, a food & beverage minimum.

Membership Reinstatement Fee

Membership Reinstatement Fee is 25% of the current Club Initiation Fee.

Guest Access & Fees

Guest use fees for those not included in the Membership are defined below. Guest fees are required for use of all courts, fitness areas, pool areas, and specific-use rooms. Guest fees are not required for visitors in the Grand Living Room or dining areas.

- **Guest Rate, Extended Family:** \$5 daily pass per Guest and that's Guest's Immediate Family Members
- **Guest Rate, All other guests:** \$10 daily pass per Guest and that's Guest's Immediate Family Members

For additional information on Guest Fees see the Guest Use Policy & FAQ's.

Renter Access & Fees

Membership privileges may be transferred to long-term renters (30 days or more) with the payment of an Assignment Fee equal to one month's Dues.

For additional information on Renter Fees see the Renter Use Policy & FAQ's.

ALL FEES, CHARGES AND DUES ARE SUBJECT TO CHANGE AT ANY TIME AND FROM TIME TO TIME IN ACCORDANCE WITH THE CLUB MEMBERSHIP PLAN.