

**BROOKSIDE COUNTRY CLUB**

**MEMBERSHIP PLAN**

dated, for reference purposes only,  
as of July 22, 2008

Brookside Country Club  
(a California nonprofit mutual benefit corporation)  
3603 St. Andrews Drive  
Stockton, CA 95219  
Phone (209) 956-6200  
Fax (209) 956-8440

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### SCHEDULES

A-1	FULL GOLF CHARTER EQUITY MEMBERSHIP INTERESTS (CLASS A-1)
A-2	SOCIAL CHARTER EQUITY MEMBERSHIP INTERESTS (CLASS A-2)
B-1	FULL GOLF EQUITY MEMBERSHIP INTERESTS (CLASS B-1)
B-3	FULL GOLF NONRESIDENT EQUITY MEMBERSHIP INTEREST (CLASS B-3)
C-1	FULL GOLF ROLLOVER NON-EQUITY MEMBERSHIP INTERESTS (CLASS C-1)
C-2	SPORTS SOCIAL ROLLOVER NON-EQUITY MEMBERSHIP INTERESTS (CLASS C-2)
C-3	SOCIAL SWIM/TENNIS ROLLOVER NON-EQUITY MEMBERSHIP INTERESTS (CLASS C-3)
D-1	SPORTS SOCIAL NON-ROLLOVER NON-EQUITY MEMBERSHIP INTERESTS (CLASS D-1)
D-2	SOCIAL NON-ROLLOVER NON-EQUITY MEMBERSHIP INTERESTS (CLASS D-2)
D-3	JUNIOR NON-ROLLOVER NON-EQUITY MEMBERSHIP INTERESTS (CLASS D-3)
D-4	FULL GOLF NON-ROLLOVER NON-EQUITY MEMBERSHIP INTERESTS (CLASS D-4)
E-1	FULL GOLF SENIOR EMERITUS EQUITY MEMBERSHIP INTERESTS (CLASS E-1)
E-2	LIMITED GOLF SENIOR EMERITUS EQUITY MEMBERSHIP INTERESTS (CLASS E-2)

**ARTICLE 1. DEFINITIONS**

As used in this Plan, the following terms shall have the meanings set forth below:

- 1.1 **Articles** means the Articles of Incorporation of the Club as filed with the California Secretary of State on July 19, 2000, and amended on November 14, 2007, and as amended or restated from time to time thereafter.
- 1.2 **Bylaws** means the Bylaws of the Club as adopted by the Board, and as amended or restated from time to time thereafter.
- 1.3 **Board** means the Board of Directors of the Club, as constituted from time to time.
- 1.4 **Class** means any class of Membership Interests issued by the Club from time to time. The Classes of Membership Interests shall be A-1, A-2, B-1, B-3, C-1, C-2, C-3, D-1, D-2, D-3, D-4, E-1 and E-2 as described herein.
- 1.5 **Club** means the California non-profit mutual benefit corporation organized under the name "Brookside Country Club" for the purpose of operating the Club Facilities.
- 1.6 **Club Facilities** means the country club facilities commonly known as the "Brookside Country Club" located at 3603 St. Andrews Drive, Stockton, California, and consisting of, but not limited to, an eighteen hole golf course, a driving range, a practice putting green, six tennis courts, swimming pool and pool house, and an approximately 20,000 square foot clubhouse including dining facilities, a mixed grill, a lounge, separate men's and women's locker rooms and a golf shop.
- 1.7 **Delinquency Rate of Interest** means the rate of interest established by the Board from time to time, but not more than the maximum rate allowed by applicable law.
- 1.8 **Designated Primary User** means, with respect to each Membership Interest with golf privileges, either the Member or a member of his/her immediate family who has been designated as the Designated Primary User under Section 13.3, below.
- 1.9 **Distributable Dissolution Proceeds** means, in the event of any dissolution of the Club (whether on the sale or other disposition of the Club Facilities or otherwise), the net proceeds (if any), after payment of all debts and liabilities of the Club available for distribution in accordance with the provisions of this Plan and after payment to the Class C-1 and C-2 Members the Refundable Portions of the Initiation Fees of such Members.
- 1.10 **Eligible Persons** means Persons meeting the eligibility standards for membership in the Club, as established and modified by the Board from time to time. The eligibility standards for membership in the Club are set forth in Article 5 entitled "Membership Eligibility."
- 1.11 **Golf Assessment** means an assessment made under this Plan against the Class A-1, Class B-1, B-3 and D-1 Membership Interests to pay the current or anticipated costs (including capital and non-capital costs, financing costs, and the like) that relate primarily to any or all of:
- (a) the repair, replacement, improvement, expansion or development of the Club's golfing facilities, including, without limitation, the golf course, the greens, the golf course irrigation systems, golf course machinery or equipment, the driving range, the practice putting green and the like; or
  - (b) the payment of operating deficits relating to the Club's golfing facilities; or
  - (c) the establishment of a reserve or sinking fund to pay for any of the foregoing items in the future.
- 1.12 **Members.**
- (a) **Charter Equity Members** means holders of Membership Interests of the following Classes:

Class A-1	Full Golf Charter Equity Membership Interests
Class A-2	Social Charter Equity Membership Interests
  - (b) **Non-Charter Equity Members** means holders of Membership Interests of the following Classes:

Class B-1	Full Golf Equity Membership Interests
Class B-3	Full Golf Non-Resident Equity Membership Interests
  - (c) **Rollover Non-Equity Members** means holders of Membership Interests of the following Classes:

Class C-1	Full Golf Rollover Non-Equity Membership Interests
Class C-2	Sports Social Rollover Non-Equity Membership Interests
Class C-3	Social Swim/Tennis Rollover Non-Equity Membership Interests

- (d) **Non-Rollover Non-Equity Members** means holders of Membership Interests of the following Classes:

Class D-1	Sports Social Non-Rollover Non-Equity Membership Interests
Class D-2	Social Non-Rollover Non-Equity Membership Interests
Class D-3	Junior Non-Rollover Non-Equity Membership Interests
Class D-4	Full Golf Non-Rollover Non-Equity Membership Interests

- (e) **Senior Emeritus Equity Members** means holders of Membership Interests of the following Classes:

Class E-1	Full Golf Senior Emeritus Equity Membership Interests
Class E-2	Limited Golf Senior Emeritus Equity Membership Interests

- (f) **Equity Members** means Charter Equity Members (Classes A-1 and A-2), Non-Charter Equity Members (Classes B-1 and B-3) and Senior Emeritus Equity Members (Classes E-1 and E-2).  
 (g) **Non-Equity Members** means all Members who are not Equity Members.  
 (h) **Members** means, at any given time, all of the Equity Members and Non-Equity Members at such time; provided, however, that Non-Equity Members shall not be “members” and shall not have the rights of “members” as such term is defined in Section 5056 of the NCL.

- 1.13 **Membership Indebtedness** means, when used with reference to a particular Member, all unpaid fees, assessments, dues, applicable taxes, house accounts, debts incurred, assessments, interest, fines, and penalties, and any other items of account properly billed by the Club to such Member.
- 1.14 **Membership Interest** means the interest in the Club held by a Member.
- 1.15 **Membership Year** means the 12-month period commencing on January 1 and ending on the subsequent December 31.
- 1.16 **NCL** means the Nonprofit Corporation Law as set forth in Section 5000 et. seq. of the California Corporations Code.
- 1.17 **Non-Refundable Portion of the Initiation Fee** means, with respect to any Rollover Non-Equity Member, that portion (if any) of the Initiation Fee assigned to the Club by such Member which would not have been refundable by the Original Owner to such Member had such Member voluntarily resigned such Member’s membership interest issued by the Original Owner prior to the closing of the Club Acquisition. The Non-Refundable Portion of the Initiation Fee of each Rollover Non-Equity Member shall be reflected on such Member’s Application for Membership in the Club.
- 1.18 **Original Owner** means Brookside Country Club Associates, a California limited partnership, the first owner of the Club Facilities.
- 1.19 **Plan** means this Brookside Country Club Membership Plan, as amended or restated from time to time.
- 1.20 **Refundable Portion of the Initiation Fee** means, with respect to any Rollover Non-Equity Member, that portion (if any) of the Initiation Fee assigned to the Club by such Member which would have been refundable by the Original Owner to such Member had such Member voluntarily resigned such Member’s membership interest issued by the Original Owner prior to the closing of the Club Acquisition. The Refundable Portion of the Initiation Fee of each Rollover Non-Equity Member shall be reflected on such Member’s Application for Membership in the Club.
- 1.21 **Resale Price** means, with respect to any Equity Membership Interest at any given time, the then-current initiation fee payable by new Members who acquire an Equity Membership Interest of that Class of Equity Membership Interest (or that Class of Equity Membership Interest into which such Equity Membership is converted upon any sale, or in the case of Class E-1 or E-2 the then current initiation fee payable by new Members who acquire an Equity Membership Interest in the Class of such Senior Emeritus Member prior to their conversion to Class E-1 or E-2) as determined by the Board from time to time. If, at the time of a proposed sale of an Equity Membership Interest, there is no current initiation fee established for payment by new Members who acquire an Equity Membership Interest of that Class of Equity Membership Interest (or that Class of Equity Membership Interest into which such Equity Membership is converted upon any sale), the Resale Price shall be as established by the Board in good faith taking into account the following factors:
- (a) the then-current demand for Membership Interests of such Class;
  - (b) the Board’s good faith estimate of the then-current value of the Club Facilities;
  - (c) the then-current initiation fees for comparable equity membership interests in golf and country clubs in the area; and

- (d) such other factors as the Board deems appropriate.
- 1.22 **Revocable Trust** means a revocable inter vivos trust established for the benefit of the grantor and his/her Spouse (if any).
- 1.23 **Rules** mean the Rules and Regulations of the Club, as amended or restated from time to time.
- 1.24 **Social Assessment** means an assessment made under this Plan against the Class A-1, Class A-2, Class B-1, Class B-3, and Class D-1 Membership Interests to pay the current or anticipated costs (including capital and non-capital costs, financing costs, and the like) that relate primarily to any or all of:
- (a) the repair, replacement, improvement, expansion or development of the Club's social facilities, including, without limitation, the clubhouse, swimming pool, pool house, locker rooms, dining facilities, tennis courts, parking facilities and the like; or
  - (b) the payment of operating deficits relating to the Club's social (non-golf) facilities; or
  - (c) the retirement of indebtedness incurred by the Club as part of the Club Acquisition or otherwise; or
  - (d) the repurchase of Equity Membership Interests; or
  - (e) the establishment of a reserve or sinking fund to pay for any of the foregoing items in the future.
- 1.25 **Spouse** means, with respect to any Member, his or her spouse under a marriage legally recognized under the laws of the State of California.

<b>ARTICLE 2. SUMMARY OF THE PLAN</b>
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- 2.1 **Membership Opportunity.** This Club shall offer to Eligible Persons an opportunity to become either Equity Members or Non-Equity Members of the Club. The Club is a California nonprofit mutual benefit corporation which will operate the Club Facilities as a private country club. Each Member is entitled to use the Club Facilities in accordance with this Plan and the Club's Articles, Bylaws and Rules.
- 2.2 **No Governmental Recommendation.** No state or federal authority has passed upon or endorsed the merits of this Plan. Membership Interests will be offered only to Eligible Persons who are residents of the State of California and otherwise meet the eligibility standards set forth in this Plan.
- THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF MEMBERSHIP INTERESTS OR CLASS A OPTIONS.**
- 2.3 **Summary Only.** THIS IS A SUMMARY OF THE PLAN AND IS QUALIFIED BY THE DEFINITIVE INFORMATION SET FORTH IN THIS PLAN.
- 2.4 **Use of the Club Facilities.** Use of the Club Facilities is available to Members of the Club and their guests, and others permitted by the Club from time to time.
- 2.5 **Application Procedure.** Persons who desire to be Members in the Club must comply with the following requirements:
- (a) Fully complete and execute an Application for Membership; and
  - (b) Deliver or mail to:
    - Brookside Country Club
    - Attn: Membership Committee
    - 3603 St. Andrews Drive
    - Stockton, CA 95219
- the completed and signed Application for Membership, along with the payment of any amounts due, to Brookside Country Club.
- Should you have any questions concerning the Membership opportunities available at Brookside Country Club or this Plan, please contact the Director of Membership Sales at Brookside Country Club. You may call or visit the Director of Membership Sales at 3603 St. Andrews Drive, Stockton, CA 95219, telephone number (209) 956-6200.
- 2.6 **Professional Advice.** EVERY PERSON WHO DESIRES TO PURCHASE A MEMBERSHIP INTEREST SHOULD CAREFULLY READ THIS ENTIRE PLAN AND SHOULD CONSIDER SEEKING PROFESSIONAL LEGAL, TAX AND FINANCIAL ADVICE TO EVALUATE THE SAME.
- 2.7 **No Other Representations, Etc.** NO PERSON IS AUTHORIZED TO MAKE ANY REPRESENTATIONS OR TO PROVIDE ANY INFORMATION WITH REGARD TO THE CLUB, THE MEMBERSHIP INTERESTS OR THE CLASS A OPTIONS CONTRARY OR IN ADDITION TO THE INFORMATION CONTAINED IN THIS PLAN

OR INCLUDED IN THE APPLICATION DOCUMENTS PROVIDED TO PROSPECTIVE MEMBERS BY THE CLUB.

**ARTICLE 3. CATEGORIES OF MEMBERSHIP INTERESTS**

**EQUITY AND NON-EQUITY MEMBERSHIP INTERESTS ARE BEING OFFERED EXCLUSIVELY FOR THE PURPOSE OF PERMITTING PERSONS TO OBTAIN RECREATIONAL USE OF THE CLUB FACILITIES. MEMBERSHIP INTERESTS SHOULD NOT BE VIEWED OR ACQUIRED AS AN ECONOMIC INVESTMENT AND NO PERSON PURCHASING A MEMBERSHIP INTEREST SHOULD EXPECT TO DERIVE ANY ECONOMIC PROFITS OR BENEFITS FROM THE MEMBERSHIP INTEREST.**

**3.1 Types of Membership Interests.** The Club is offering the following types of Membership Interests:

		CLASS	DESCRIPTIVE NAME OF MEMBERSHIP INTEREST
EQUITY MEMBERS	CHARTER	A-1	Full Golf Charter Equity Membership Interests
		A-2	Social Charter Equity Membership Interests
	NON-CHARTER	B-1	Full Golf Equity Membership Interests
		B-3	Full Golf Non-Resident Equity Membership Interests
	SENIOR EMERITUS	E-1	Full Golf Senior Emeritus Equity Membership Interests
		E-2	Limited Golf Senior Emeritus Equity Membership Interests

		CLASS	DESCRIPTIVE NAME OF MEMBERSHIP INTEREST
NON-EQUITY MEMBERS	ROLLOVER	C-1	Full Golf Rollover Non-Equity Membership Interests
		C-2	Sports Social Rollover Non-Equity Membership Interests
		C-3	Social Swim/Tennis Rollover Non-Equity Membership Interests
	NON-ROLLOVER	D-1	Sports Social Non-Rollover Non-Equity Membership Interests
		D-2	Social Non-Rollover Non-Equity Membership Interests
		D-3	Junior Non-Rollover Non-Equity Membership Interests
		D-4	Full Golf Non-Rollover Non-Equity Membership Interests

**3.2 Statutory Members.**

- (a) **Equity Members.** Only the Equity Members will be “members” within the meaning of Section 5056 of the NCL and will have the rights of “members” within the meaning of Section 5056 of the NCL.
- (b) **Non-Equity Members.** Non-Equity Members will not be “members” within the meaning of Section 5056 of the NCL and will not have the rights of “members” within the meaning of Section 5056 of the NCL. Non-Equity Members shall not be shareholders of the Club and shall not have any of the rights typically associated with the status of a shareholder.

**3.3 Membership Certificates.**

- (a) **Equity Members.** Only the Equity Members may be issued membership certificates to evidence their Equity Membership Interests in the Club.
- (b) **Non-Equity Members.** Non-Equity Members will not be issued membership certificates by the Club.

**3.4 Rights, Preferences, Privileges and Obligations.** The rights, preferences, privileges and obligations of the various Classes of Membership Interests are as set forth in the following schedules, each of which is incorporated herein by this reference in its entirety:

- Schedule A-1 Full Golf Charter Equity Membership Interests (Class A-1)
- Schedule A-2 Social Charter Equity Membership Interests (Class A-2)
- Schedule B-1 Full Golf Equity Membership Interests (Class B-1)
- Schedule B-3 Full Golf Non-Resident Equity Membership Interests (Class B-3)
- Schedule C-1 Full Golf Rollover Non-Equity Membership Interests (Class C-1)
- Schedule C-2 Sports Social Rollover Non-Equity Membership Interests (Class C-2)
- Schedule C-3 Social Swim Tennis Rollover Non-Equity Membership Interests (Class C-3)
- Schedule D-1 Sports Social Non-Rollover Non-Equity Membership Interests (Class D-1)
- Schedule D-2 Social Non-Rollover Non-Equity Membership Interests (Class D-2)

- Schedule D-3 Junior Non-Rollover Non-Equity Membership Interests (Class D-3)
- Schedule D-4 Full Golf Non-Rollover Non-Equity Membership Interests (Class D-4)
- Schedule E-1 Full Golf Senior Emeritus Equity Membership Interests (Class E-1)
- Schedule E-2 Limited Golf Senior Emeritus Equity Membership Interests (Class E-2)

- 3.5 **Reserved Rights.** Subject to the requirements for approval of holders of a majority of the Equity Membership Interests (see Article 17, entitled “Voting”), the Club reserves the right, from time to time:
- (a) to change the categories or privileges of Membership Interests which are available including, without limitation, the addition of different categories of Membership Interests;
  - (b) to modify playing privileges for each category of Membership Interests and to establish rules governing access, sign-up privileges and starting times with respect to the golf course, tennis courts and the other recreational facilities of the Club;
  - (c) to terminate and redeem any or all of the Membership Interests at any time, with or without cause;
  - (d) to modify this Plan and the Rules;
  - (e) to discontinue operation of any or all of the Club Facilities;
  - (f) to sell or otherwise dispose of the Club Facilities in any manner whatsoever and to any Person whomsoever; and
  - (g) to make any other changes in the terms and conditions of Membership.
- 3.6 **Use by Others.** The Club shall have the right to designate and permit other Persons to use any or all of the Club Facilities upon such terms and conditions as are determined from time to time by the Board, including, without limitation, Persons who are employees of the Club, Persons who are potential Members and Persons who are involved in special events held by or at the Club. Use of the Club Facilities may be restricted or reserved from time to time by the Club.
- 3.7 **Determination of Initiation Fees.** Subject to the limitations set forth elsewhere in this Plan, the Board shall have authority to determine, from time to time, the initiation fees payable by new Members for their Membership Interests. In reaching such determination, the Board shall consider:
- (a) the then-current demand for Membership Interests of such Class;
  - (b) the Board’s good faith estimate of the then-current value of the Club Facilities;
  - (c) the then-current initiation fees for comparable equity membership interests in golf and country clubs in the area; and
  - (d) such other factors as the Board deems appropriate.

**ARTICLE 4. LIMITATION ON NUMBER OF MEMBERSHIP INTERESTS**

- 4.1 **Full Golf Memberships.** The aggregate number of issued and outstanding:
- (a) Full Golf Charter Equity Membership Interests (Class A-1),
  - (b) Full Golf Equity Membership Interests (Class B-1),
  - (c) Full Golf Non-Resident Equity Membership Interests (Class B-3),
  - (d) Full Golf Rollover Non-Equity Membership Interests (Class C-1),
  - (e) Junior Non-Rollover Non-Equity Membership Interests (Class D-3), and
  - (f) Full Golf Non-Rollover Non-Equity Membership Interests (Class D-4)
- shall not at any time exceed four hundred ninety five (495) Membership Interests.
- 4.2 **Social Memberships.** The aggregate number of issued and outstanding:
- (a) Social Charter Equity Membership Interests (Class A-2),
  - (b) Social Swim Tennis Rollover Non-Equity Membership Interests (Class C-3), and
  - (c) Social Non-Rollover Non-Equity Membership Interests (Class D-2),
- shall not at any time exceed three hundred (300) Membership Interests.
- 4.3 **Classes C-2 and D-1.** The aggregate number of issued and outstanding:
- (a) Sports Social Rollover Non-Equity Membership Interests (Class C-2), and
  - (b) Sports Social Non-Rollover Non-Equity Membership Interests (Class D-1),

shall not at any time exceed seventy five (75) Membership Interests.

- 4.4 **Class D-3.** The aggregate number of issued and outstanding Junior Non-Rollover Non-Equity Membership Interests (Class D-3) shall not at any time exceed ten (10) Membership Interests.
- 4.5 **Classes E-1 and E-2.** The aggregate number of issued and outstanding Senior Emeritus Equity Membership Interests shall not at any time exceed twenty five (25) Membership Interests.
- 4.6 **Class B-3.** The aggregate number of issued and outstanding Full Golf Non-Resident Equity Membership Interests (Class B-3) shall not at any time exceed 25 Membership Interests.

#### ARTICLE 5. MEMBERSHIP ELIGIBILITY.

- 5.1 **Membership Interests.** The Club will sell Membership Interests only to:
- (a) an individual (i.e., a natural person) who can demonstrate that his/her principal residence is located in the State of California; or
  - (b) a Revocable Trust if the trustees and current income beneficiaries are residents of the State of California.
- 5.2 **Financial Capacity.** The Club will sell Membership Interests only to qualifying Persons who can make the representations regarding financial suitability set forth in the Application for Membership, as amended from time to time.
- 5.3 **Application for Membership.** All applicants must complete and execute an Application for Membership and deliver it to the Club, along with payment of the required Membership Initiation Fee, dues and any other information or payments requested from time to time by the Club. Applications for Membership are available at the Club's Membership office. Completed Applications for Membership will be reviewed and acted upon in the sole and absolute discretion of the Board (or a Membership Committee to be established by the Board).
- 5.4 **Acceptance or Rejection by the Club.** The Club reserves the right to accept or reject any Application for Membership in the Club's sole and absolute discretion. If the applicant is accepted by the Board (or the Membership Committee), the Club will send the applicant notification of acceptance and a Membership card for the applicant and all of the members of the applicant's family who are designated to have charge privileges. The applicant will not be entitled to use the Club Facilities as a Member or enjoy any of the privileges of Membership until notification of acceptance from the Club. An applicant whose application is not acted upon favorably by the Club will have any payment made to the Club returned without interest thereon.
- 5.5 **Membership Initiation Fees.** Applicants for Memberships shall pay a Membership Initiation Fee in an amount and manner determined from time to time by the Club in its sole and absolute discretion. The Membership Initiation Fee shall be payable in the manner set forth in the Application for Membership. Each Member will receive a copy of his/her Application for Membership signed by the Club. Membership Initiation Fees are not transferable and are redeemable and/or refundable only in accordance with this Plan, the Bylaws, the Rules and the Application for Membership. The Club shall have the right to make use of Initiation Fees for any purpose the Board deems appropriate.
- 5.6 **Non-Discrimination.** The Club shall not discriminate against any person on the basis of race, color, creed, national origin or gender.
- 5.7 **Tax Exempt Status.** This Plan may be amended by the Board to make changes necessary to enable the Club to qualify for, and maintain such qualification, as a tax-exempt entity under Section 501(c)(7) of the Internal Revenue Code and Section 23701(g) of the California Revenue and Taxation Code.

#### ARTICLE 6. REVOCABLE TRUSTS.

In the case of any Membership Interest which is acquired by a Revocable Trust or subsequently transferred to a Revocable Trust:

- (a) A grantor (i.e., a husband or wife) of the Revocable Trust identified by the Trustee(s) of the Revocable Trust shall be considered as the Member and Designated User for purposes of the Membership rights, privileges and obligations.
- (b) If the Membership Interest acquired by a Revocable Trust is a Non-Equity Membership Interest (i.e., Class C-1, C-2, D-1, D-2, D-3 or D-4), the Membership Interest shall terminate on the death of the Designated User and his/her Spouse.



## ARTICLE 7. DUES.

- 7.1 **Establishment of Dues.** At any time and from time to time, the Board shall determine the amount of the monthly dues, charges and fees to be payable by Members of each class of Membership.
- 7.2 **Payable Monthly.** Membership dues will be payable on a monthly basis on or before the 25<sup>th</sup> day of the month to which such dues relate. The failure to pay the dues when due shall be a material breach of the Bylaws, this Membership Plan and the Membership Interest.
- 7.3 **Payment by Credit Card.**
- (a) The Club shall require each Member to establish and maintain with the Club a valid and active credit card account against which all Membership Indebtedness of that Member (and his/her children and guests) may be billed on a monthly basis if such Membership Indebtedness is not paid when due.
  - (b) The Club may establish a procedure for automatically charging a Member's monthly dues and other charges and fees against a credit card account of such Member. If the Club establishes such a procedure, the Club may require each Member to execute and deliver to the Club appropriate instructions and authorizations for automatically charging such Member's monthly dues and other charges and fees against a credit card account provided by such Member.
- 7.4 **Prorated Dues.** Persons who are accepted for Membership during the middle of a month shall only be required to pay pro rata dues based on the number of days left in that month.
- 7.5 **Initial Dues.** The dues (as modified from time to time) shall be set forth on the Club's Schedule of Fees.
- 7.6 **No Abatement.** Except as provided below in the case of a deceased Equity Member, the payment of dues will not be abated for any reason including, without limitation, extended absences from the community or disability.
- 7.7 **Suspension of Dues for Deceased Equity Members.** In the event that:
- (a) an Equity Member dies with no surviving Spouse and without leaving his/her Equity Membership Interest to not more than one lineal descendant (of age 18 or greater) of the deceased Equity Member; and
  - (b) the executor of the estate (or other legal representative) of the deceased Equity Member requests that the Equity Membership Interest of the deceased Equity Member be sold,
- then the obligation to pay dues and the Membership privileges associated with that Equity Membership Interest shall be suspended until such time as the Equity Membership Interest is sold as provided in this Plan.
- 7.8 **No Refund.** Upon termination of a Membership there shall be no refund of dues.
- 7.9 **Interest.** Any dues not paid by within ten (10) days of the date it becomes due shall thereafter bear interest at the Delinquency Rate of Interest until paid in full.
- 7.10 **Failure to Pay.** In the event that any Member fails to pay the dues for his/her Membership for any month within ten (10) days of the date it becomes dues, the Board may, in its discretion, in addition to any other rights or remedies the Board may have at law or equity or as set forth in the Bylaws, may suspend the Membership privileges of such Member until such time as all such Member's delinquent dues and all accrued interest are paid in full. Such suspension right shall be in addition to, and not in lieu of, any other rights available to the Club under this Plan, the Bylaws or applicable law.

## ARTICLE 8. ASSESSMENTS.

- 8.1 **Golf Assessments.** Golf Assessments shall be payable in equal shares by the holders of each of the following classes of Equity Membership Interests, other than Class D-1 Membership Interests, who will be assessed 65% of the assessed amount on Classes A-1, B-1 and B-3:
- (a) Full Golf Charter Equity Membership Interests (Class A-1);
  - (b) Full Golf Equity Membership Interests (Class B-1);
  - (c) Full Golf Non-Resident Equity Membership Interests (Class B-3); and
  - (d) Sport Social Non-Rollover Non-Equity Membership Interests (Class D-1).

8.2 **Social Assessments.** Social Assessments shall be payable in equal shares by the holders of each of the following classes of Equity Membership Interests, other than Class D-1 Membership Interests, who will be assessed 65% of the assessed amount on Classes A-1, A-2, B-1 and B-3:

- (a) Full Golf Charter Equity Membership Interests (Class A-1);
- (b) Social Charter Equity Membership Interests (Class A-2);
- (c) Full Golf Equity Membership Interests (Class B-1);
- (d) Full Golf Non-Resident Equity Membership Interests (Class B-3); and
- (e) Sport Social Non-Rollover Non-Equity Membership Interests (Class D-1).

8.3 **Declaration of Golf Assessments.** Golf Assessments and/or Social Assessments may be declared at any time, and from time to time.

8.4 **Approval Requirements for Golf Assessments.** Golf Assessments shall require approval as follows:

Amount of Assessment for each Assessable Member of a Golf Assessment	Approval Requirements
Not greater than three (3) times the then-current monthly dues payable by a Full Golf Equity Member	1. <u>Board</u> – Approved by a majority of the Directors. 2. <u>Assessable Members</u> – No approval required.
Greater than three (3) times the then-current monthly dues payable by a Full Golf Equity Member	1. <u>Board</u> – Approved by a majority of the Directors; and 2. <u>Assessable Members</u> – Approved by holders of a majority of the issued and outstanding assessable Membership Interests (Classes A-1, B-1, B-3, and D-1) voting together as a single class.

8.5 **Approval Requirements for Social Assessments.** Social Assessments shall require approval as follows:

Amount of Assessment for each Assessable Member of a Social Assessment	Approval Requirements
Not greater than three (3) times the then-current monthly dues payable by a Full Golf Equity Member	1. <u>Board</u> – Approved by a majority of the Directors. 2. <u>Assessable Members</u> – No approval required.
Greater than three (3) times the then-current monthly dues payable by a Full Golf Equity Member	1. <u>Board</u> – Approved by a majority of the Directors; and 2. <u>Assessable Members</u> – Approved by holders of a majority of the issued and outstanding assessable Membership Interests (Classes A-1, A-2, B-1, B-3, and D-1), voting together as a single class.

8.6 **Payment of Assessments.**

- (a) **Golf Assessments.** Each Member whose Membership Interest is assessable for a Golf Assessment shall pay his/her portion of a Golf Assessment in full within thirty (30) days of the date of the declaration of that Golf Assessment; provided, however, that, if the resolution adopting that Golf Assessment provides for payment at another time or in installments (with or without interest, as determined by the Board), each such Member may elect to pay his/her portion of that Golf Assessment on the terms specified in such resolution or in a lump-sum payment due when the first installment is due and payable; provided, however, that, upon any sale or transfer of such an Equity Membership Interest (other than on death or divorce to a Spouse, former Spouse or lineal descendant as permitted under this Plan), the entire deferred assessment shall become immediately due and payable and shall be paid in full prior to the consummation of any such sale or transfer (or out of the net proceeds of any such sale or transfer).
- (b) **Social Assessments.** Each Member whose Membership Interest is assessable for a Social Assessment shall pay his/her portion of a Social Assessment in full within thirty (30) days of the date of the declaration of that Social Assessment; provided, however, that, if the resolution adopting that Social Assessment provides for payment at another time or in installments (with or without interest, as

determined by the Board), each such Member may elect to pay his/her portion of that Social Assessment on the terms specified in such resolution or in a lump-sum payment due when the first installment is due and payable; provided, however, that, upon any sale or transfer of such an Equity Membership Interest (other than on death or divorce to a Spouse, former Spouse or lineal descendant as permitted under this Plan), the entire deferred assessment shall become immediately due and payable and shall be paid in full prior to the consummation of any such sale or transfer (or out of the net proceeds of any such sale or transfer).

- 8.7 **No Abatement.** The payment of assessments will not be abated for any reason including, without limitation, extended absences from the community or disability.
- 8.8 **No Refund.** Upon termination of a Membership there shall be no refund of assessments.
- 8.9 **Interest.** Any assessment not paid by the date due shall thereafter bear interest at the Delinquency Rate of Interest until paid in full.
- 8.10 **Failure to Pay.** The failure to pay any assessment, when due, shall be a material breach of the Bylaws, this Membership Plan, and the Membership Interest. In the event that any Member fails to pay any assessment against his/her Membership Interest by the date due, the Board may, in its discretion, suspend the Membership privileges of such Member until such time as such assessment and all accrued interest are paid in full. Such suspension right shall be in addition to, and not in lieu of, any other rights available to the Club under this Plan, the Bylaws or applicable law.

#### ARTICLE 9. OPERATION OF THE CLUB.

The Club or its agents will manage and operate the Club Facilities. The Club may retain a club manager or management company from time to time, in its sole and absolute discretion. The Board may, in its discretion, amend this Plan and the Rules governing use of the Club Facilities. All Members and guests must comply with this Plan and the Rules in effect from time to time.

#### ARTICLE 10. SUBORDINATION.

Each Member's rights as a Member of the Club (including, without limitation, any rights to receive Distributable Dissolution Proceeds) shall be subordinate and junior in right and priority to the rights of all creditors of the Club, including, without limitation, the rights of lenders providing financing to the Club. Each Member shall execute and deliver to the Club (for redelivery to any lender(s) to the Club) such subordination agreements as the Board may require from time to time to evidence the subordination set forth above.

#### ARTICLE 11. MEMBERSHIP LIABILITY.

Each Member shall be legally and financially responsible for his/her acts or omissions as well as those of the Member's immediate family, guests or other Person entitled to spousal benefits as provided herein. When a Membership is issued in the name of more than one Person, each Person shall be jointly and severally liable for all dues, fees and other charges and liabilities associated with such Membership. If a Membership is issued in the name of both Spouses, notice to the Club of termination of marriage or cohabitation shall not discharge either Spouse from liability for subsequent dues, fees and other charges and liabilities unless the notice is coupled with the resignation of both of the Spouses.

#### ARTICLE 12. TAX CONSEQUENCES.

Applicants for Membership should consult with their own tax advisor with respect to the tax consequences of purchasing a Membership Interest.

#### ARTICLE 13. PRIVILEGES OF FAMILY MEMBERS AND GUESTS.

- 13.1 **Family Members.** A Member's immediate family shall include the Member and the Member's Spouse and the unmarried children of each Spouse under the age of twenty-three living at home or attending school on a full-time basis.
- 13.2 **Extended Privileges.** The Member's immediate family members will be entitled to use the Club Facilities with the same privileges as the Member; provided, however, that:

- (a) sign-ups for golf tee-times shall be made only by the Member, whether for use by the Member or such Member's Spouse or children; and
- (b) only one privately owned golf-cart per Member will be permitted, subject to the Rules applicable to use of privately owned golf carts.

**13.3 Designated Primary Users.**

- (a) Each Membership Interest with golf privileges will have one Designated Primary User who will be entitled to play golf during any times which are designated by the Club as "primary" playing times.
- (b) On a form approved by the Club, each Member shall designate one individual as the "Designated Primary User" of the Membership Interest. Only one Designated Primary User may be designated for a Membership at any given time. The Designated Primary User shall be either the Member or a member of the Member's immediate family.
- (c) All other members of the Member's immediate family will be alternate designees and will have the same golf privileges as the Designated Primary User except that only the Designated Primary User may play golf during primary playing times.
- (d) The purpose of having a Designated Primary User is to enable the Club to better control golf play during busy prime-time periods by allowing only one tee time per Membership during these primary playing times.
- (e) During non-primary playing times, two golf tee times may be reserved for each Membership with golf privileges (i.e., a husband and wife may each obtain a separate tee time).
- (f) A Member shall be permitted to change the identity of the Designated Primary User upon payment of the required redesignation fee (as determined by the Board from time to time) and upon the approval of the new Designated Primary Use by the Board (or the Membership Committee).
- (g) The Club reserves the right to place a limit on the number of times the Designated Primary User of a Membership Interest may be changed during any Membership Year.

**13.4 Guests.** A Member is permitted to have guests use the Club Facilities in accordance with the provisions of the Rules applicable to guests. The Board may limit the number of times that any non-Member may play golf on the Club's golf course or use the swim and tennis facilities. Until changed by action of the Board, no non-Member may play golf on the Club's golf course or play tennis on the tennis courts (whether as the guest of a Member or under reciprocal playing rights) more than six (6) times in the aggregate in any Membership Year, excluding any Club sponsored tournaments or events.

**ARTICLE 14. EXCHANGE OF PLAYING PRIVILEGES.**

Members may arrange through the Club to exchange their Membership privileges with those of a Member in a different Membership category. The Club must approve the exchange of the Membership privileges and the exchanging Members must pay all of their respective dues and charges related to the exchanged Memberships. The exchange of Membership privileges will be effective for only one Membership Year and will not affect the exchanging Members' right to their underlying Memberships or their obligations for their Memberships, including, without limitation, the duty to pay dues, assessments, charges, fees and the like. A Member may exchange his/her Membership privileges for only two Membership Years out of any five consecutive Membership Year period and may not exchange his/her Membership privileges in any two consecutive Membership Years.

**ARTICLE 15. NO INTERIM DISTRIBUTIONS.**

By reason of Section 7411 of the NCL, the Club is not permitted to make any distributions to Members other than upon dissolution of the Club.

**ARTICLE 16. DISSOLUTION PROCEEDS.**

**16.1 Perpetual Restricted Use.** The Club Facilities are subject to a recorded use restriction which will require that the Club Facilities be dedicated "exclusively for the continued operation of the Club, in perpetuity, as a private golf, tennis and swim club."

**16.2 No Anticipated Sale.** The Club has no expectation of ever selling the Club Facilities.

- 16.3 **No Anticipated Dissolution Proceeds.** Given the Club's intention not to sell the Club Facilities and the perpetual restrictions on the use of the Club Facilities, Members should not anticipate that there will ever be any sale, liquidation or dissolution proceeds to be divided among the Equity Members.
- 16.4 **Non-Equity Members.** NON-EQUITY MEMBERS SHALL HAVE NO RIGHT TO PARTICIPATE IN, OR RECEIVE, ANY PORTION OF THE DISTRIBUTABLE DISSOLUTION PROCEEDS; **PROVIDED, HOWEVER, THAT UPON THE DISSOLUTION OF THE CLUB, THE CLUB SHALL PAY TO EACH CLASS C-1 AND C-2 MEMBER THE REFUNDABLE PORTION OF THE INITIATION FEE OF SUCH MEMBER.**
- 16.5 **Distribution to Equity Members.** In the event of any dissolution of the Club (whether on the sale or other disposition of the Club Facilities by the Club or otherwise), the Distributable Dissolution Proceeds will be distributed in equal shares to the Equity Members.
- 16.6 **Offset of Membership Indebtedness.** The Club shall be entitled to deduct the Membership Indebtedness of an Equity Member from his/her share of the Distributable Dissolution Proceeds.

#### ARTICLE 17. VOTING.

- 17.1 **Voting Rights.** Only Equity Members shall have a vote, with the exception of Senior Emeritus Members of Class E-1 and E-2, both of which shall not have the right to vote on any matter. All Members shall vote as a single class on each matter on which such Members are entitled to vote in accordance with the Articles, the Bylaws this Plan or the provisions of the California Corporations Code, including, without limitation, the election of directors of the Club; provided, however, that:
- (a) Only Full Golf Charter Equity Members (Class A-1), Full Golf Equity Members (Class B-1), and Full Golf Non-Resident Equity Members (Class B-3) shall have the right to vote on Golf Assessments. (See Article 8, entitled "Assessments").
  - (b) Only Full Golf Charter Equity Members (Class A-1), Social Charter Equity Members (Class A-2), Full Golf Equity Members (Class B-1) and Full Golf Non-Resident Equity Members (Class B-3) shall have the right to vote on Social Assessments. (See Article 8, entitled "Assessments").
- 17.2 **One Vote Each.** Each Member shall have the right to cast one vote on each issue as to which he/she is entitled to vote.
- 17.3 **Non-Equity Members.** NON-EQUITY MEMBERS SHALL NOT BE "MEMBERS" AS SUCH TERM IS DEFINED IN SECTION 5056 OF THE NCL AND SHALL HAVE **NO VOTING RIGHTS**, (OTHER THAN AS MAY BE REQUIRED BY THE PROVISIONS OF THE NCL).
- 17.4 **Class Voting by Equity Members.** This Plan, the Articles or the Bylaws may be amended:
- (a) by the Board, or
  - (b) by the Equity Members;
- provided, however, that the vote of the holders of a majority of the Membership Interests of a particular Class of Equity Membership Interests shall also be required for such amendment if such amendment would:
- (i) Materially and adversely affect the rights, privileges, preferences, restrictions or conditions of that Class as to voting, dissolution, redemption, or transfer in a manner different than such action affects another Class;
  - (ii) Materially and adversely affect such Class as to voting, dissolution, redemption, or transfer by changing the rights, privileges, preferences, restrictions or conditions of another Class;
  - (iii) Increase or decrease the number of Membership Interests authorized for such Class;
  - (iv) Increase the number of Memberships Interests authorized for another Class of Equity Membership Interests;
  - (v) Effect an exchange, reclassification or cancellation of all or part of the Membership Interests of such Class; or
  - (vi) Authorize a new class of Equity Membership Interests.

#### ARTICLE 18. UPGRADE OF MEMBERSHIP INTERESTS.

- 18.1 **Right to Upgrade.** If a Member desires to upgrade to a higher Class of Membership Interest, the Member must make application to the Club and receive approval of the requested change. Upon approval by the Club

and notification that the desired category of Membership Interest is available, Member shall pay to the Club the amount due in connection with such upgrade as indicated in the appropriate Schedule attached hereto.

- 18.2 **Waiting Lists.** The Club will maintain a waiting list for Full Golf Equity Membership Interests (Class B-1);
- 18.3 **Priorities Among Members Waiting to Upgrade.** The priority of Members on the waiting lists for upgrading to Full Golf Equity Membership Interests (Class B-1), shall be as follows:
- (i) Full Golf Senior Emeritus Equity Members (Class E-1) shall have the first priority.
  - (ii) Limited Golf Senior Emeritus Equity Members (Class E-2) shall have the second priority.
  - (iii) Full Golf Non-Resident Equity Members (Class B-3) shall have the third priority.
  - (iv) Full Golf Rollover Non-Equity Members (Class C-1) shall have the fourth priority.
  - (v) Sports Social Rollover Non-Equity Members (Class C-2) shall have the fifth priority.
  - (vi) Full Golf Non-Rollover Non-Equity Members (Class D-4) shall have the sixth priority.
  - (vii) Junior Non-Rollover Non-Equity Members (Class D-3) shall have the seventh priority.
  - (viii) Social Swim/Tennis Rollover Non-Equity Members (Class C-3) shall have the eighth priority.
  - (ix) Sports Social Non-Rollover Non-Equity Members (Class D-1) shall have the ninth priority.
  - (x) Social Non-Rollover Non-Equity Members (Class D-2) shall have the tenth priority.
- 18.4 **First Come, First Served.** Members of the same Class who are on the waiting list for upgrading their Membership Interests shall be placed on the waiting list on a first-come, first-served basis.
- 18.5 **No Conversion to Classes C-1, C-2, C-3, D-1, D-2, D-3 or D-4.** No Member shall have the right to convert or upgrade to Membership Interests of Class C-1, C-2, C-3, D-1, D-2, D-3 or D-4.

## **ARTICLE 19. TRANSFER OF MEMBERSHIP INTERESTS.**

- 19.1 **Transfer of Membership Interests.** Memberships Interests are not transferable or assignable except as provided in this Plan.
- 19.2 **Non-Equity Membership Interests.** Non-Equity Membership Interests are not transferable or assignable except to a Spouse or, incident to a divorce, a former Spouse of the transferring Member as permitted by this Plan.
- 19.3 **Transfers through the Club Only.**
- (a) Equity Members may transfer their Membership Interests only to or through the Club and must give the Club written notice that their Memberships Interests are available for the Club to repurchase or for sale to third parties. A transferring Equity Member must also deliver to the Club signed instructions and authorization to sell by which the Equity Member instructs and directs the Club to sell his/her Equity Membership Interest in accordance with this Plan and the Bylaws.
  - (b) The transfer or assignment of a Membership Interest by a Member to the Spouse or, incident to a divorce, to a former Spouse of such Member shall be made on the books and records of the Club upon presentation of documentation for the transfer in a form approved by the Board, including, as appropriate, divorce decrees, marital property settlement agreements and the like.
  - (c) The transfer or assignment of a Membership Interest by a Member, upon death, to not more than one lineal descendant (of age 18 or greater) of such Member shall be made on the books and records of the Club upon presentation of documentation for the transfer in a form approved by the Board, including, as appropriate, death certificates, copies of wills or other testamentary or intestacy transfer documents and the like.
  - (d) The sale of the Equity Membership Interest of any Equity Member shall be made through the Club at the then-current Resale Price for such Equity Membership Interests; provided, however, that the transferring Member may instruct the Club to sell his/her Equity Membership Interest for a lesser amount, but, in such a case, the Transfer Fee payable by such transferring Equity Member (if applicable) shall be computed and paid based on a sale at the full Resale Price.
- 19.4 **Seller Waiting Lists.**

- (a) The Club shall maintain waiting lists of Equity Members of each Class of Membership Interests who desire to sell their Equity Membership Interests.
- (b) Equity Members shall be placed on the appropriate sellers' waiting lists on a first come, first served basis; provided, however, that Equity Membership Interests of deceased Equity Members whose dues paying obligation has been suspended as provided in Article 7, entitled "Dues" shall be placed at the top of the applicable seller's waiting list.
- (c) An Equity Member on a sellers' waiting list will be required to pay dues, assessments and other charges until the Equity Membership Interest is sold; provided, however, that, as provided in Article 7, entitled "Dues", the obligation to pay dues with respect to the Equity Membership Interest of a deceased Equity Member shall be suspended while on the sellers' waiting list.
- (d) Each such Equity Member will be able to continue to use the Club Facilities until the Membership Interest is sold, provided that such Member continues to pay the Membership dues, assessments and other charges; provided, however, that, as provided in Article 7, entitled "Dues", the Membership privileges with respect to the Equity Membership Interest of a deceased Equity Member shall be suspended during the period that the corresponding dues paying obligation has been suspended.

**19.5 Buyer Waiting Lists.** The Club shall maintain waiting lists of potential purchasers of Membership Interests as follows:

- (a) A waiting list for purchasers of Full Golf Equity Membership Interests (Class B-1);
- (b) A waiting list for purchasers of Full Golf Non-Resident Equity Membership Interests (Class B-3);
- (c) A waiting list for purchasers of Senior Emeritus Equity Memberships (Classes E-1 or E-2);

Persons shall be placed on the buyers' waiting lists on a first come, first served basis; provided, however, that current Members who desire to upgrade their Membership Interests shall be entitled to a priority over Persons who are not currently Members of the Club. As provided in the Bylaws, Persons on the waiting list may, at the discretion of the Board, have limited rights to use the Club Facilities.

**19.6 Automatic Conversion of Full Golf Charter Equity Memberships on Sale or Transfer.** Each Full Golf Charter Equity Membership (Class A-1) shall be automatically converted to a Full Golf Equity Membership (Class B-1) upon sale or transfer to any Person other than a Spouse or, incident to a divorce, a former Spouse of the transferring Member.

**19.7 Conversion of Social Charter Equity Memberships on Sale or Transfer.** Each Social Charter Equity Membership (Class A-2) shall be automatically converted to a Social Non-Equity Membership (Class D-2) upon sale or transfer to any Person other than a Spouse or, incident to a divorce, a former Spouse of the owning Member.

**19.8 Alternating Sales of Full Golf Equity Membership Interests (Class B-1).**

- (a) While the Club holds Full Golf Equity Membership Interests (Class B-1) for sale and issuance, the Club shall be entitled to sell one of the Club's unissued Full Golf Equity Membership Interests (Class B-1) before arranging for the sale, from the seller's waiting list, of Full-Golf Charter Equity Membership Interests (Class A-1) or Senior Emeritus Equity Membership Interest (Classes E-1 or E-2) for such Senior Emeritus Members who held a Full Golf Charter Equity Membership Interest prior to their conversion to a Senior Emeritus Membership Interest. Such Membership Interests so sold shall be converted into Full Golf Equity Membership Interests (Class B-1). This is sometimes referred to as a 1:1 replacement ratio, while there is a Full Golf Charter Equity waiting list, for every two sales, one may be from the Full Golf Charter Equity waiting list.
- (b) While the Club holds Full Golf Equity Membership Interests (Class B-1) for sale and issuance, the Club shall be entitled to sell two of the Club's unissued Full Golf Equity Membership Interests (Class B-1) before arranging for the sale of a Full-Golf Equity Membership Interest (Class B-1) or Senior Emeritus Equity Membership Interest (Classes E-1 or E-2) from the waiting list of Equity Members desiring to sell their interests. This is sometimes referred to as a 2:1 replacement ratio. For every three sales of Full Golf Equity Memberships (Class B-1), one may be from the Equity waiting list.

**19.9 Priority of Sellers.** The priority of Members on the sellers' waiting lists of sales of Full Golf Equity Memberships shall be as follows:

- (a) Full Golf Charter Equity Members (Class A-1) and Senior Emeritus Equity Members who were Full Golf Charter Equity Members prior to conversion to Senior Emeritus Members, whose interests are to be converted into Full Golf Equity Membership Interests (Class B-1), shall have the first priority.

- (b) Full Golf Equity Members (Class B-1) and Senior Emeritus Equity Members who were Full Golf Equity Members prior to conversion to Senior Emeritus Members shall have the second priority.

- 19.10 **Accrued Dues, Assessments and Other Charges.** No sale or transfer of a Membership Interest shall be consummated unless prior thereto, or simultaneously therewith, all Membership Indebtedness of the transferring Member is paid in full.
- 19.11 **Net Proceeds to Selling Member.** The net proceeds from the sale of a Membership Interest of an Equity Member (after payment of any Transfer Fee and all Membership Indebtedness) shall be paid to the transferring Member (or the legal representatives of a deceased Member).

**ARTICLE 20. DEATH OR DIVORCE OF A MEMBER.**

- 20.1 **Death of a Full Golf Charter Equity Member (Class A-1).** In the event of the death of an Full Golf Charter Equity Member, the Full Golf Charter Equity Membership Interest (Class A-1) shall pass either:
- (a) to the surviving Spouse of the deceased Member, in which case the Membership Interest shall retain its character as a Class A-1 Membership Interest; or
  - (b) to not more than one lineal descendant (of age 18 or greater) of the deceased Member, in which case the Membership Interest shall be automatically converted into a Full Golf Equity Membership Interest (Class B-1).
- 20.2 **Death of a Social Charter Equity Member (Class A-2).** In the event of the death of a Social Charter Equity Member, the Social Charter Equity Membership Interest (Class A-2) shall pass either:
- (a) to the surviving Spouse of the deceased Member, in which case the Membership Interest shall retain its character as a Class A-2 Membership Interest; or
  - (b) if there is no surviving Spouse, such Membership Interest shall automatically terminate and the Club shall pay to the executor (or other legal representative) of the estate of the deceased Member an amount equal to the Initiation Fee of a Full Golf Charter Equity Member at the date of death of such Deceased Member.
- 20.3 **Death of a Full Golf Equity Member (Class B-1).** In the event of the death of a Full Golf Equity Member, the Full Golf Equity Membership Interest (Class B-1) shall pass either:
- (a) to the surviving Spouse of the deceased Member; or
  - (b) to not more than one lineal descendant (of age 18 or greater) of the deceased Member;
- and, in either such case, the Membership Interest retain its character as a Class B-1 Membership Interest.
- 20.4 **Death of a Rollover Non-Equity Member (Class C-1, C-2, or C-3).** In the event of the death of a Non-Equity Member holding a Class C-1, C-2, or C-3 Membership Interest, the Non-Equity Membership Interest shall either:
- (a) pass to the surviving Spouse of the deceased Member; or
  - (b) if there is no surviving Spouse, such Non-Equity Membership Interest shall automatically terminate and the Club shall pay to the executor (or other legal representative) of the estate of the deceased Member an amount equal to the Refundable Portion of the Initiation Fee of the Deceased Member.
- 20.5 **Death of a Non-Rollover Non-Equity Member (Class D-1, D-2, D-3, or D-4).** In the event of the death of a Non-Equity Member holding a Class D-1, D-2, D-3, or D-4 Membership Interest, the Non-Equity Membership Interest shall either:
- (a) pass to the surviving Spouse of the deceased Member; or
  - (b) if there is no surviving Spouse, such Non-Equity Membership Interest shall automatically terminate without any payment by the Club of any kind.
- 20.6 **Death of a Senior Emeritus Equity Member (Class E-1 or E-2).** In the event of the death of a Senior Emeritus Equity Member holding a Class E-1 or E-2 Membership Interest, the Equity Membership Interest shall pass either:
- (a) to the surviving Spouse, of the deceased Member; in which case the Membership Interest shall retain its character as a Class E-1 or E-2 Membership Interest, as the case may be; or
  - (b) to not more than one lineal descendant (of age 18 or greater) of the deceased Member, and, in either such case, the Membership Interest shall be automatically converted into a Full Golf Equity Membership Interest (Class B-1).



20.7 **Divorce or Separation.** In the event of the divorce or separation of a married Member, the Membership Interest, including all of its rights and benefits shall vest in the Spouse awarded the Membership Interest by a written separation or marital property agreement, or a decree of divorce.

**ARTICLE 21. TERMINATION OF MEMBERSHIP INTERESTS.**

21.1 **Equity Membership Interests.** Each Equity Membership Interest will terminate upon the first to occur of the following:

- (a) in the event of a Membership Interest owned by an individual Person, upon the death of both the Member and the Member’s Spouse, unless the interest is transferred to not more than one lineal descendant (of age 18 or greater) of the Member as provided in this Plan; or
- (b) upon the liquidation and dissolution of the Club; or
- (c) upon the redemption or termination, pursuant to the Bylaws, of the Membership Interest by the Club.

21.2 **Non-Equity Membership Interests.** Each Non-Equity Membership Interest will terminate upon the first to occur of the following:

- (a) in the event of a Membership Interest owned by an individual Person, upon the death of both the Member and the Member’s Spouse; or
- (b) upon the liquidation and dissolution of the Club; or
- (c) upon the surrender or redemption or termination of the Membership Interest by the Club; or
- (d) in the case of the a Class D-3 Junior Non-Rollover Non-Equity Membership Interest upon the Member’s reaching the age of 30.

**ARTICLE 22. EXERCISE OF REDEMPTION RIGHTS.**

22.1 **Members with Full Golf Privileges.** When and as the Club elects to exercises its rights to require that Members with full golf privileges (i.e., Classes C-1, D-3 and D-4) convert or sell their Membership Interests, the Club shall exercise such rights in the following order of priority:

First	Full Golf Rollover Non-Equity Members (Class C-1)
Second	Junior Non-Rollover Non-Equity Members (Class D-3)
Third	Full Golf Non-Rollover Non-Equity Members (Class D-4)

Among the Members of a particular Class of Membership Interests, such right shall be exercised by the Club on a “last in, first out” basis. For purposes of applying the foregoing sentence, a Member holding Class C-1 Membership Interest will be given credit for the time period he/she held his/her membership interest issued by the Original Owner.

22.2 **Class C-2 and D-1 Sports Social Non-Equity Members.** When and as the Club elects to exercises its rights to require that Class C-2 and Class D-1 Members convert or sell their Membership Interests, the Club shall exercise such rights in the following order of priority:

First	Sports Social Non-Rollover Non-Equity Members (Class D-1)
Second	Sports Social Rollover Non-Equity Members (Class C-2)

Among the Members of a particular Class of Membership Interests, such right shall be exercised by the Club on a “last in, first out” basis. For purposes of applying the foregoing sentence, a Member holding Class C-2 Membership Interest will be given credit for the time period he/she held his/her membership interest issued by the Original Owner.

**22.3 Class A-2, C-3 and D-2 Members.** When and as the Club elects to exercise its rights to require that Class A-2, Class C-3 and D-2 Members convert or sell their Membership Interests, the Club shall exercise such rights in the following order of priority:

First	Social Non-Rollover Non-Equity Members (Class D-2)
Second	Social Swim/Tennis Rollover Non-Equity Members (Class C-3)
Third	Social Charter Equity Members (Class A-2)

**Among the Members of a particular Class of Membership Interests, such right shall be exercised by the Club on a “last in, first out” basis.**

**ARTICLE 23. RECIPROCAL USE PRIVILEGES.**

The Club may make reciprocal use arrangements with other private clubs from time to time to enable Members to use the facilities available at other clubs. The Board may set limits on the number of times each Membership Year that a non-Member may make use of reciprocity privileges at the Club’s golf course. Until changed by action of the Board, a non-Member may make use of reciprocity privileges at the Club’s golf course not more than six (6) times in any Membership Year. The Board may limit the number of times that any non-Member may play golf on the Club’s golf course. Until changed by action of the Board, no non-Member may play golf on the Club’s golf course (whether as the guest of a Member or under reciprocal playing rights) more than six (6) times in the aggregate in any Membership Year, excluding any Club sponsored tournaments or events.

**ARTICLE 24. OFFSET RIGHTS.**

Whenever any amount is due and payable by the Club to any Member (or to the heirs, descendants or other legal representatives of a deceased Member) for any reason whatsoever, the Club shall have the right to offset against the amount due and payable by the Club any and all Membership Indebtedness of such Member.

**ARTICLE 25. LIMITED EXTENSION OF SPOUSAL BENEFITS.**

The rights of a Spouse under this Plan, the Bylaws and the Rules (other than the rights to be a transferee of the Membership Interest of such Member upon death or otherwise) may be extended to a Person:

- (a) who is designated by an unmarried Member as the Person to whom the benefits of a Spouse are to be extended under this Article;
- (b) who lives on a permanent basis in such Member’s household; and
- (c) who is approved for such benefits by the Membership Committee.

A Member may change such designated Person not more frequently than once each Membership Year upon submission of notice to the Club and payment of a “redesignation fee” in an amount to be determined by the Board from time to time.

**SCHEDULE A-1**

**FULL GOLF CHARTER EQUITY MEMBERSHIP INTERESTS  
(CLASS A-1)**

- 1) **Offering**. Full Golf Charter Equity Membership Interests (Class A-1) will be offered to only those converting their Social Charter Equity Membership Interests into Full Golf Charter Equity Membership Interests.
- 2) **Membership Certificates**. Each Full Golf Charter Equity Membership Interest shall be evidenced by a membership certificate for one Series A-1 Membership Interest.
- 3) **Initiation Fee**. From time to time, the Board will determine the Initiation Fee to be paid by Persons admitted as Full Golf Equity Members. The amount of the Initiation Fee will be fixed to reflect the Board's estimation of the current value of such interests from time to time.
- 4) **Dues**. The monthly dues may be increased or decreased by action of the Board at any time and from time to time. (See Article 7, entitled "Dues".)
- 5) **Assessments**. Full Golf Charter Equity Members shall be subject to Golf Assessments and Social Assessments at any time and from time to time, as and to the extent provided in Article 8, entitled "Assessments".
- 6) **Golf Facilities**. Subject to availability, Full Golf Charter Equity Members shall be entitled to the use of the golf facilities of the Club and shall have a ten-day sign-up privilege to reserve golf starting times. Full Golf Charter Equity Members shall not be required to pay greens fees, but shall be required to pay golf cart fees.
- 7) **Tennis, Swimming and Social Facilities**. Subject to availability, Full Golf Charter Equity Members shall be entitled to the use of the tennis, swimming and social facilities of the Club and shall have a four-day sign-up privilege to reserve tennis court times. Full Golf Charter Equity Members shall not be required to pay tennis court fees.
- 8) **Transfer Fees**. A Full Golf Charter Equity Member shall not be required to pay the Club any Transfer Fee in connection with any transfer of his/her Full Golf Charter Equity Membership Interest. (See Article 19, entitled "Transfer of Membership Interests".)
- 9) **Replacement Ratio**. The transfer of the interest of a Full Golf Charter Equity Member shall be subject to a 1:1 replacement ratio. (See Article 19, entitled "Transfer of Membership Interests".)
- 10) **Voting Rights**. A Full Golf Charter Equity Member shall be entitled to membership voting rights. (See Article 17, entitled "Voting".)
- 11) **Equity Participation-Distributable Dissolution Proceeds**. A Full Golf Charter Equity Member shall be entitled to participation in the Distributable Dissolution Proceeds (if any) as provided in Article 16, entitled "Dissolution Proceeds".
- 12) **Member's Conversion Rights**. Not applicable.
- 13) **Club's Redemption or Conversion Rights**. Not applicable.

SCHEDULE A-2

SOCIAL CHARTER EQUITY MEMBERSHIP INTERESTS  
(CLASS A-2)

- 1) **Offering.** Social Charter Equity Membership Interests (Class A-2) are no longer being offered.
- 2) **Membership Certificates.** Each Social Charter Equity Membership Interest shall be evidenced by a membership certificate for one Series A-2 Membership Interest.
- 3) **Initiation Fee.** No fee set.
- 4) **Dues.** The monthly dues may be increased or decreased by action of the Board at any time and from time to time. (See Article 7, entitled “Dues”.)
- 5) **Assessments.** Social Charter Equity Members shall be subject to Social Assessments at any time and from time to time, as and to the extent provided in Article 8, entitled “Assessments”.
- 6) **Golf Facilities.** Subject to availability, Social Charter Equity Members shall be entitled to play golf six times per Membership Year, with a two-day sign-up privilege, upon the payment of required greens fees and golf cart fees. Unused golf privileges will not be carried over to the next Membership Year. Social Charter Equity Members will not have golf privileges on Wednesday afternoons, Saturdays, Sundays or holidays.
- 7) **Tennis, Swimming and Social Facilities.** Subject to availability, Social Charter Equity Members shall be entitled to the use of the tennis, swimming and social facilities of the Club and shall have a four-day sign-up privilege to obtain tennis court times. Social Charter Equity Members shall not be required to pay tennis court fees.
- 8) **Transfer Fees.** A Social Charter Equity Member shall not be required to pay the Club any Transfer Fee in connection with any transfer of his/her Social Charter Equity Membership Interest. (See Article 19, entitled “Transfer of Membership Interests”.)
- 9) **Voting Rights.** A Social Charter Equity Member shall be entitled to membership voting rights. (See Article 17, entitled “Voting”.)
- 10) **Equity Participation-Distributable Dissolution Proceeds.** A Social Charter Equity Member shall be entitled to participation in the Distributable Dissolution Proceeds (if any) as provided in Article 16, entitled “Dissolution Proceeds”.
- 11) **Member’s Conversion Rights.** Subject to availability, a Social Charter Equity Member shall be entitled to convert his/her Social Charter Equity Membership Interest into a Full Golf Charter Equity Membership Interest (Class A-1) at no additional charge to the Member; **other than payment of an amount equal to the aggregate Golf Assessments (if any) that would have been payable by such Member had he/she been a Full Golf Charter Equity Member from the date of the closing of the Club Acquisition.** (See Article 18, entitled “Upgrade of Membership Interests”.)
- 12) **Club’s Redemption or Conversion Rights.** The Club shall have the right to require that a Social Charter Equity Member elect one of the following:
  - a) Subject to availability, to convert his/her Membership Interest into a Full Golf Charter Equity Membership Interest (Class A-1); **provided, however, that, in such a case, such Member shall be required to pay an amount equal to the aggregate Golf Assessments (if any) that would have been payable by such Member had he/she been a Full Golf Charter Equity Member from the date of the closing of the Club Acquisition;** or
  - b) To convert his/her Membership Interest into a Social Swim/Tennis Non-Rollover Non-Equity Membership Interest (Class D-2); **provided, however,** that, if the Member elects to convert his/her Membership Interest into a Social Swim/Tennis Non-Rollover Non-Equity Membership Interest (Class D-2), the Club shall be required to pay to the Member an amount equal to the excess of:
    - i) the then-current Resale Price for a Full Golf Equity Membership Interest (Class B-1), as determined by the Board, over
    - ii) the then-current Initiation Fee for a Social Swim/Tennis Non-Rollover Non-Equity Membership Interest (Class D-2), as determined by the Board.

The Club may establish a reasonable time period (of not less than 10 nor more than 30 days) for the election by a Member under this Section. If the Member fails to make an election within such time period, such Member shall be deemed to have elected to sell his/her Membership Interest as provided above.

**SCHEDULE B-1**

**FULL GOLF EQUITY MEMBERSHIP INTERESTS  
(CLASS B-1)**

- 1) **Offering.** The Club can offer Full Golf Equity Membership Interests to Eligible Persons at any time.
- 2) **Membership Certificates.** Each Full Golf Equity Membership Interest shall be evidenced by a membership certificate for one share of the Club's Series B-1 Membership Interests.
- 3) **Initiation Fee.** From time to time, the Board will determine the Initiation Fee to be paid by Persons admitted as Full Golf Equity Members. The amount of the Initiation Fee will be fixed to reflect the Board's estimation of the current value of such interests from time to time.
- 4) **Dues.** The monthly dues may be increased or decreased by action of the Board at any time and from time to time. (See Article 7, entitled "Dues".)
- 5) **Assessments.** Full Golf Equity Members shall be subject to Golf Assessments and Social Assessments at any time and from time to time as and to the extent provided in Article 8, entitled "Assessments".
- 6) **Golf Facilities.** Subject to availability, Full Golf Equity Members shall be entitled to the use of the golf facilities of the Club and shall have a ten-day sign-up privilege to reserve golf starting times. Full Golf Equity Members shall not be required to pay greens fees, but shall be required to pay golf cart fees.
- 7) **Tennis, Swimming and Social Facilities.** Subject to availability, Full Golf Equity Members shall be entitled to the use of the tennis, swimming and social facilities of the Club and shall have a four-day sign-up privilege to reserve tennis court times. Full Golf Equity Members shall not be required to pay tennis court fees.
- 8) **Transfer Fees.** A Full Golf Equity Member shall be required to pay the Club a Transfer Fee in connection with any transfer of his/her Full Golf Equity Membership Interest. The Transfer Fee for any transfer of the Full Golf Equity Membership Interest will be an amount equal to the product of (i) the then-current Resale Price for the Full Golf Equity Membership Interest and (ii) the applicable percentage set forth below:

<b>Date of Transfer</b>	<b>Applicable Percentage of Resale Price</b>
Prior to the 1 <sup>st</sup> anniversary of the date of the acquisition of the Membership Interest either from the Club or from a prior owner	50%
After the 1 <sup>st</sup> anniversary, but prior to the 2 <sup>nd</sup> anniversary, of the date of the acquisition of the Membership Interest either from the Club or from a prior owner	47%
After the 2 <sup>nd</sup> anniversary, but prior to the 3 <sup>rd</sup> anniversary, of the date of the acquisition of the Membership Interest either from the Club or from a prior owner	44%
After the 3 <sup>rd</sup> anniversary, but prior to the 4 <sup>th</sup> anniversary, of the date of the acquisition of the Membership Interest either from the Club or from a prior owner	41%
After the 4 <sup>th</sup> anniversary, but prior to the 5 <sup>th</sup> anniversary, of the date of the acquisition of the Membership Interest either from the Club or from a prior owner	38%
After the 5 <sup>th</sup> anniversary of the date of the acquisition of the Membership Interest either from the Club or from a prior owner	35%

No Transfer Fee will be charged for any transfer to a Spouse or, incident to a divorce, a former Spouse of a Member or, upon death, to not more than one lineal descendant (of age 18 or greater) of a Member. (See Article 19, entitled "Transfer of Membership Interests".)

- 9) **Replacement Ratio.** The transfer of the interest of a Full Golf Equity Member shall be subject to a 2:1 replacement ratio. (See Article 19, entitled "Transfer of Membership Interests".)
- 10) **Voting Rights.** A Full Golf Equity Member shall be entitled to membership voting rights as provided in Article 17, entitled "Voting".

- 11) **Equity Participation-Distributable Dissolution Proceeds**. A Full Golf Equity Member shall be entitled to participation in the Distributable Dissolution Proceeds (if any) as provided in Article 16, entitled "Dissolution Proceeds".
- 12) **Member's Conversion Rights**. Not applicable.
- 13) **Club's Redemption or Conversion Rights**. Not applicable.

**SCHEDULE B-3**

**FULL GOLF NON-RESIDENT EQUITY MEMBERSHIP INTERESTS  
(CLASS B-3)**

- 1) **Offering.** Full Golf Non-Resident Equity Membership Interests (Class B-3) will only be issued to Eligible Persons whose primary residence is outside San Joaquin County;
- 2) **Membership Certificates.** Each Full Golf Non-Resident Equity Membership Interest shall be evidenced by a membership certificate for one Series B-3 Membership Interest.
- 3) **Initiation Fee.** From time to time, the Board will determine the Initiation Fee to be paid by Persons admitted as Full Golf Non-Resident Equity Members. The amount of the Initiation Fee will be fixed to reflect the Board's estimation of the current value of such interests from time to time.
- 4) **Dues.** The monthly dues may be increased or decreased by action of the Board at any time and from time to time. (See Article 7, entitled "Dues".)
- 5) **Assessments.** Full Golf Non-Resident Equity Members shall be subject to Golf and Social Assessments at any time and from time to time, as and to the extent provided in Article 8, entitled "Assessments".
- 6) **Golf Facilities.** Subject to availability, Full Golf Non-Resident Equity Members shall be entitled to the use of the golf facilities of the Club and shall have a ten-day sign-up privilege to reserve golf starting times. Full Golf Non-Resident Equity Members shall not be required to pay greens fees, but shall be required to pay golf cart fees.
- 7) **Tennis, Swimming and Social Facilities.** Subject to availability, Full Golf Non-Resident Equity Members shall be entitled to the use of the tennis, swimming and social facilities of the Club and shall have a four-day sign-up privilege to obtain tennis court times. Full Golf Non-Resident Equity Members shall not be required to pay tennis court fees.
  - a) **Transfer Fees.** A Full Golf Non-Resident Equity Member shall be required to pay the Club a Transfer Fee in connection with any transfer of his/her Membership Interest. The Transfer Fee for any transfer of the Membership Interest will an amount equal to the product of (i) the then-current Resale Price for the Full Golf Non-resident Equity Membership Interest and (ii) the applicable percentage set forth below:

<b>Date of Transfer</b>	<b>Applicable Percentage of Resale Price</b>
Prior to the 1 <sup>st</sup> anniversary of the date of the acquisition of the Membership Interest either from the Club or from a prior owner	50%
After the 1 <sup>st</sup> anniversary, but prior to the 2 <sup>nd</sup> anniversary, of the date of the acquisition of the Membership Interest either from the Club or from a prior owner	47%
After the 2 <sup>nd</sup> anniversary, but prior to the 3 <sup>rd</sup> anniversary, of the date of the acquisition of the Membership Interest either from the Club or from a prior owner	44%
After the 3 <sup>rd</sup> anniversary, but prior to the 4 <sup>th</sup> anniversary, of the date of the acquisition of the Membership Interest either from the Club or from a prior owner	41%
After the 4 <sup>th</sup> anniversary, but prior to the 5 <sup>th</sup> anniversary, of the date of the acquisition of the Membership Interest either from the Club or from a prior owner	38%
After the 5 <sup>th</sup> anniversary of the date of the acquisition of the Membership Interest either from the Club or from a prior owner	35%

No Transfer Fee will be charged for any transfer to a Spouse or, incident to a divorce, a former Spouse of a Member or, upon death, to not more than one lineal descendant (of age 18 or greater) of a Member. (See Article 19, entitled "Transfer of Membership Interests".)

- 8) **Replacement Ratio.** The transfer of the interest of a Full Golf Non-Resident Equity Member shall be subject to a 2:1 replacement ratio. (See Article 19, entitled "Transfer of Membership Interests".)
- 9) **Voting Rights.** A Full Golf Non-Resident Equity Member shall be entitled to membership voting rights as provided in Article 17, entitled "Voting".

- 10) **Equity Participation-Distributable Dissolution Proceeds**. A Full Golf Non-Resident Equity Member shall be entitled to participation in the Distributable Dissolution Proceeds (if any) as provided in Article 16, entitled "Dissolution Proceeds".
- 11) **Member's Conversion Rights**. Subject to availability, a Full Golf Non-Resident Equity Member shall be entitled to convert his/her Full Golf Non-Resident Equity Membership Interest into a Full Golf Equity Membership Interest (Class B-1) upon payment of the excess (if any) of the then-current Initiation Fee for a Full Golf Equity Membership Interest over the amount of the initiation fee paid by the transferring member at the time they obtained their Full Golf Non-Resident Equity Membership Interest. (See Article 18, entitled "Upgrade of Membership Interests".)
- 12) **Club's Redemption or Conversion Rights**. The Club shall have the right to require that a Full Golf Non-Resident Equity Member elect to one of the following:
  - a) Subject to availability, to convert his/her Membership Interest into a Full Golf Equity Membership Interest (Class B-1); or
  - b) To sell his/her Membership Interest to the Club (or its assignee) for an amount equal to the then-current Resale Price for a Full Golf Non-Resident Equity Membership Interest (Class B-1), as determined by the Board.

The Club may establish a reasonable time period (of not less than 10 nor more than 30 days) for the election by a Member under this Section. If the Member fails to make an election within such time period, such Member shall be deemed to have elected to sell his/her Membership Interest as provided above.



**SCHEDULE C-1**

**FULL GOLF ROLLOVER NON-EQUITY MEMBERSHIP INTERESTS  
(CLASS C-1)**

- 1) **Offering.** Full Golf Rollover Non-Equity Membership Interests were offered only through the Rollover Cut-Off Time and only to persons who owned “full golf membership interests” issued by the Original Owner. This Membership is not longer offered for sale or conversion.
- 2) **No Membership Certificates.** Full Golf Rollover Non-Equity Membership Interests shall not be evidenced by membership certificates of the Club. Holders of Full Golf Rollover Non-Equity Membership Interests shall not be “members” of the Club (as such term is used in Section 5056 of the NCL) and shall have only a revocable license to use the Club Facilities as provided in this Plan and the Club’s Articles, Bylaws and Rules.
- 3) **Initiation Fee.** A Full Golf Rollover Non-Equity Member will be required to assign to the Club his/her rights to receive a refund of the initiation fee he/she paid to the Original Owner.<sup>1</sup> Such amount shall constitute the Initiation Fee of such Full Golf Rollover Non-Equity Member.
- 4) **Dues.** The dues may be increased or decreased by action of the Board at any time and from time to time. (See Article 7, entitled “Dues”.)
- 5) **Assessments.** Full Golf Rollover Non-Equity Members shall not be subject to assessments.
- 6) **Golf Facilities.** Subject to availability, Full Golf Rollover Non-Equity Members shall be entitled to the use of the golf facilities of the Club and shall have a seven-day sign-up privilege to reserve golf starting times. Full Golf Rollover Non-Equity Members shall not be required to pay greens fees, but shall be required to pay golf cart fees.
- 7) **Tennis, Swimming and Social Facilities.** Subject to availability, Full Golf Rollover Non-Equity Members shall be entitled to the use of the tennis, swimming and social facilities of the Club and shall have a four-day sign-up privilege to reserve tennis court times. Full Golf Rollover Non-Equity Members shall not be required to pay tennis court fees.
- 8) **Limited Right to Transfer.** A Full Golf Rollover Non-Equity Membership Interest shall not be transferable other than to a Spouse or, incident to a divorce, a former Spouse of the Member. No Transfer Fee shall be payable in connection with any such transfer to a Spouse or, incident to a divorce, a former Spouse of the Member.
- 9) **Death.** Upon the death of the Member and his/her Spouse, the Full Golf Rollover Non-Equity Membership Interest shall terminate and the Club shall pay to the estate or legal representative of the deceased Member an amount equal to the Refundable Portion of the Initiation Fee of such Member.
- 10) **Surrender of Membership Interest.** In the event that a holder of a Full Golf Non-Equity Membership Interest notifies the Club that he/she is surrendering his/her Membership Interest, then:
  - a) such Membership Interest shall immediately terminate; and
  - b) the Club shall pay to such holder an amount equal to the Refundable Portion of the Initiation Fee of such Member; provided, however, that the Club may, at its discretion, defer such payment, without interest, until a date not later than 90 days after the date of surrender by such Member.In no event shall such a Member be entitled to a refund of the Non-Refundable Portion of the Initiation Fee of such Member.
- 11) **Replacement Ratio.** Not Applicable.
- 12) **No Voting Rights.** A Full Golf Rollover Non-Equity Member shall have no voting rights.
- 13) **No Equity Participation.** A Full Golf Rollover Non-Equity Member shall not be entitled to participate in the Distributable Dissolution Proceeds; provided, however, that, upon the dissolution of the Club, the Club shall pay to such a Member the Refundable Portion of the Initiation Fee of such Member. (See Article 16, entitled “Dissolution Proceeds”.)
- 14) **Member’s Conversion Rights.** Subject to availability, a Full Golf Rollover Non-Equity Member shall be entitled to convert his/her Membership Interest into a Full Golf Equity Membership Interest (Class B-1) upon payment of the excess (if any) of the then-current Initiation Fee for a Full Golf Equity Membership Interest over the Refundable Portion of the Initiation Fee of such Member.

<sup>1</sup> The assigned amount to be credited toward the Initiation Fee of any such Person shall be reflected in the Application for Membership of such Person.

- 15) **Club's Redemption or Conversion Rights.** The Club shall have the right to require that a Full Golf Rollover Non-Equity Member elect one of the following:
- a) Subject to availability, to convert his/her Membership Interest into Full Golf Equity Membership Interest (Class B-1); provided, however, that, if the Member elects to convert into a Full Golf Equity Membership Interest (Class B-1), the Member shall pay to the Club the excess (if any) of the then-current Initiation Fee for a Full Golf Equity Membership Interest over the Initiation Fee paid (assigned) by such Member for his/her Full Golf Rollover Non-Equity Membership Interest, including both the Refundable Portion and the Non-Refundable Portion of the Initiation Fee of such Member.
  - b) To convert his/her Membership Interest into a Social Non-Rollover Non-Equity Membership Interest (Class D-2); provided, however, that, if the Member elects to convert into a Social Non-Equity Membership Interest (Class D-2), then, the Club or the Member shall pay the other the applicable amounts below:
    - i) If the Initiation Fee of such Member (including both the Refundable and Non-Refundable Portion of the Initiation Fee) exceeds the then-current selling price for a Social Swim/Tennis Non-Rollover Non-Equity Membership Interest (Class D-2), as determined by the Board, then the Club shall pay the excess to the Member.
    - ii) If the then-current selling price for a Social Non-Rollover Non-Equity Membership Interest (Class D-2), as determined by the Board, exceeds the Initiation Fee of such Member (including both the Refundable and Non-Refundable Portion of the Initiation Fee), then the Member shall pay the excess to the Club.
  - c) To sell his/her Membership Interest to the Club (or its assignee) for an amount equal to the Initiation Fee assigned by such Member for his/her Full Golf Rollover Non-Equity Membership Interest, including both the Refundable Portion and the Non-Refundable Portion of the Initiation Fee of such Member.

The Club may establish a reasonable time period (of not less than 10 nor more than 30 days) for the election by a Member under this Section. If the Member fails to make an election within such time period, such Member shall be deemed to have elected to sell his/her Membership Interest as provided above.

**SCHEDULE C-2**

**SPORTS SOCIAL ROLLOVER NON-EQUITY MEMBERSHIP INTERESTS  
(CLASS C-2)**

- 1) **Offering.** Sports Social Rollover Non-Equity Membership Interests were offered only through the Rollover Cut-Off Time and only to persons who owned “sports social membership interests” issued by the Original Owner. This Membership is no longer offered for sale or conversion.
- 2) **No Membership Certificates.** Sports Social Rollover Non-Equity Membership Interests shall not be evidenced by membership certificates of the Club. Holders of Sports Social Rollover Non-Equity Membership Interests shall not be “members” of the Club (as such term is used in Section 5056 of the NCL) and shall have only a revocable license to use the Club Facilities as provided in this Plan and the Club’s Articles, Bylaws and Rules.
- 3) **Initiation Fee.** A Sports Social Rollover Non-Equity Member will be required to assign to the Club his/her rights to receive a refund of the initiation fee he/she paid to the Original Owner.<sup>2</sup> Such amount shall constitute the Initiation Fee of such Sports Social Rollover Non-Equity Member.
- 4) **Dues.** The monthly dues may be increased or decreased by action of the Board from time to time.
- 5) **Assessments.** Social Rollover Non-Equity Members shall not be subject to assessments.
- 6) **Golf Facilities.** Subject to availability, Sports Social Rollover Non-Equity Members shall be entitled to the use of the golf facilities and shall have a four-day sign-up privilege to reserve golf starting times. Sports Social Rollover Non-Equity Members will not have golf privileges on Wednesday afternoons, Saturdays, Sundays or holidays. Sports Social Rollover Non-Equity Members shall not be required to pay greens fees, but shall be required to pay golf cart fees.
- 7) **Tennis, Swimming and Social Facilities.** Subject to availability, Sports Social Rollover Non-Equity Members shall be entitled to the use of the tennis, swimming and social facilities of the Club and shall have a four-day sign-up privilege to obtain tennis court times and shall not be required to pay tennis court fees.
- 8) **Limited Right to Transfer.** A Sports Social Rollover Non-Equity Membership Interest shall not be transferable other than to a Spouse or, incident to a divorce, a former Spouse of the Member. No Transfer Fee shall be payable in connection with any such transfer to a Spouse or, incident to a divorce, a former Spouse of the Member.
- 9) **Death.** Upon the death of the Member and his/her Spouse, the Sports Social Rollover Non-Equity Membership Interest shall terminate and the Club shall pay to the estate or legal representative of the deceased Member an amount equal to the Refundable Portion of the Initiation Fee of such Member.
- 10) **Surrender of Membership Interest.** In the event that a holder of a Sports Social Rollover Non-Equity Membership Interest notifies the Club that he/she is surrendering his/her Membership Interest, then:
  - a) such Membership Interest shall immediately terminate; and
  - b) the Club shall pay to such holder an amount equal to the Refundable Portion of the Initiation Fee of such Member; provided, however, that the Club may, at its discretion, defer such payment, without interest, until a date not later than 90 days after the date of surrender by such Member..In no event shall such a Member be entitled to a refund of the Non-Refundable Portion of the Initiation Fee of such Member.
- 11) **Replacement Ratio.** Not applicable.
- 12) **No Voting Rights.** A Sports Social Rollover Non-Equity Member shall have no voting rights.
- 13) **No Equity Participation.** A Sports Social Rollover Non-Equity Member shall not be entitled to participate in the Distributable Dissolution Proceeds; provided, however, that, upon the dissolution of the Club, the Club shall pay to such a Member the Refundable Portion of the Initiation Fee of such Member. (See Article 16, entitled “Dissolution Proceeds”.)
- 14) **Member’s Conversion Rights.** Subject to availability a Sports Social Rollover Non-Equity Member shall be entitled to convert his/her Membership Interest into a Full Golf Equity Membership Interest (Class B-1) upon payment of the excess (if any) of the then-current Initiation Fee for a Full Golf Equity Membership Interest over the Refundable Portion of the Initiation Fee of such Member.

<sup>2</sup> The assigned amount to be credited toward the Initiation Fee of any such Person shall be reflected in the Application for Membership of such Person.

- 15) **Club's Redemption or Conversion Rights.** The Club shall have the right to require that a Sports Social Rollover Non-Equity Member elect one of the following:
- a) Subject to availability, to convert his/her Membership Interest into Full Golf Equity Membership Interest (Class B-1); provided, however, that, if the Member elects to convert into a Full Golf Equity Membership Interest (Class B-1), the Member shall pay to the Club the excess (if any) of the then-current Initiation Fee for a Full Golf Equity Membership Interest over the Initiation Fee paid (assigned) by such Member for his/her Sports Social Rollover Non-Equity Membership Interest, including both the Refundable Portion and the Non-Refundable Portion of the Initiation Fee of such Member.
  - b) To convert his/her Membership Interest into a Social Non-Rollover Non-Equity Membership Interest (Class D-2); provided, however, that, if the Member elects to convert into a Social Non-Equity Membership Interest (Class D-2), then, the Club or the Member shall pay the other the applicable amounts below:
    - i) If the Initiation Fee of such Member (including both the Refundable and Non-Refundable Portion of the Initiation Fee) exceeds the then-current selling price for a Social Non-Rollover Non-Equity Membership Interest (Class D-2), as determined by the Board, then the Club shall pay the excess to the Member.
    - ii) If the then-current selling price for a Social Non-Rollover Non-Equity Membership Interest (Class D-2), as determined by the Board, exceeds the Initiation Fee of such Member (including both the Refundable and Non-Refundable Portion of the Initiation Fee), then the Member shall pay the excess to the Club.
  - c) To sell his/her Membership Interest to the Club (or its assignee) for an amount equal to the Initiation Fee assigned by such Member for his/her Sports Social Rollover Non-Equity Membership Interest, including both the Refundable Portion and the Non-Refundable Portion of the Initiation Fee of such Member.

The Club may establish a reasonable time period (of not less than 10 nor more than 30 days) for the election by a Member under this Section. If the Member fails to make an election within such time period, such Member shall be deemed to have elected to sell his/her Membership Interest as provided above.

SCHEDULE C-3

SOCIAL SWIM/TENNIS ROLLOVER NON-EQUITY MEMBERSHIP INTERESTS  
(CLASS C-3).

- 1) **Offering.** Social Swim/Tennis Rollover Non-Equity Membership Interests were offered only through the Rollover Cut-Off Time and only to persons who own “social swim/tennis membership interests” issued by the Original Owner. This Membership is no longer offered for sale or conversion.
- 2) **No Membership Certificates.** Social Swim/Tennis Rollover Non-Equity Membership Interests shall not be evidenced by membership certificates of the Club. Holders of Social Swim/Tennis Rollover Non-Equity Membership Interests shall not be “members” of the Club (as such term is used in Section 5056 of the NCL) and shall have only a revocable license to use the Club Facilities as provided in this Plan and the Club’s Articles, Bylaws and Rules.
- 3) **Initiation Fee.** A Social Swim/Tennis Rollover Non-Equity Member will be required to assign to the Club his/her rights to receive a refund of the initiation fee he/she paid to the Original Owner.<sup>3</sup> Such amount shall constitute the Initiation Fee of such Full Golf Rollover Non-Equity Member.
- 4) **Dues.** The monthly dues may be increased or decreased by action of the Board from time to time.
- 5) **Assessments.** Social Swim/Tennis Rollover Non-Equity Members shall not be subject to assessments.
- 6) **Golf Facilities.** Subject to availability, Social Swim/Tennis Rollover Non-Equity Members shall be entitled to play golf six times per Membership Year, with a two-day sign-up privilege, upon the payment of required greens fees and golf cart fees. Unused golf privileges will not be carried over to the next Membership Year. Social Swim/Tennis Rollover Non-Equity Members will not have golf privileges on Wednesday afternoons, Saturdays, Sundays or holidays.
- 7) **Tennis, Swimming and Social Facilities.** Subject to availability, Social Swim/Tennis Rollover Non-Equity Members shall be entitled to the use of the tennis, swimming and social facilities of the Club and shall have a four-day sign-up privilege to obtain tennis court times and shall not be required to pay tennis court fees.
- 8) **Limited Right to Transfer.** A Social Swim/Tennis Rollover Non-Equity Membership Interest shall not be transferable other than to a Spouse or, incident to a divorce, a former Spouse of the Member. No Transfer Fee shall be payable in connection with any such transfer to a Spouse or, incident to a divorce, a former Spouse of the Member.
- 9) **Death.** Upon the death of the Member and his/her Spouse, the Social Swim/Tennis Rollover Non-Equity Membership Interest shall terminate and the Club shall pay to the estate or legal representative of the deceased Member an amount equal to the Refundable Portion of the Initiation Fee of such Member.
- 10) **Surrender of Membership Interest.** In the event that a holder of a Social Swim/Tennis Rollover Non-Equity Membership Interest notifies the Club that he/she is surrendering his/her Membership Interest, then:
  - a) such Membership Interest shall immediately terminate; and
  - b) the Club shall pay to such holder an amount equal to the Refundable Portion of the Initiation Fee of such Member; provided, however, that the Club may, at its discretion, defer such payment, without interest, until a date not later than 90 days after the date of surrender by such Member.In no event shall such a Member be entitled to a refund of the Non-Refundable Portion of the Initiation Fee of such Member.
- 11) **Replacement Ratio.** Not applicable.
- 12) **No Voting Rights.** A Social Swim/Tennis Rollover Non-Equity Member shall have no voting rights.
- 13) **No Equity Participation.** A Social Swim/Tennis Rollover Non-Equity Member shall not be entitled to participate in the Distributable Dissolution Proceeds; provided, however, that, upon the dissolution of the Club, the Club shall pay to such a Member the Refundable Portion of the Initiation Fee of such Member. (See Article 16, entitled “Dissolution Proceeds”.)
- 14) **Member’s Conversion Rights.** Subject to availability a Social Swim/Tennis Rollover Non-Equity Member shall be entitled to convert his/her Membership Interest into a Full Golf Equity Membership Interest (Class B-1) upon

<sup>3</sup> The assigned amount to be credited toward the Initiation Fee of any such Person shall be reflected in the Application for Membership of such Person.

payment of the excess (if any) of the then-current Initiation Fee for a Full Golf Equity Membership Interest over the Refundable Portion of the Initiation Fee of such Member.

- 15) **Club's Redemption or Conversion Rights.** The Club shall have the right to require that a Social Swim/Tennis Rollover Non-Equity Member elect:
- a) Subject to availability, to convert his/her Membership Interest into Full Golf Equity Membership Interest (Class B-1); provided, however, that, if the Member elects to convert into a Full Golf Equity Membership Interest (Class B-1), the Member shall pay to the Club the excess (if any) of the then-current Initiation Fee for a Full Golf Equity Membership Interest over the Initiation Fee paid (assigned) by such Member for his/her Social Swim/Tennis Rollover Non-Equity Membership Interest, including both the Refundable Portion and the Non-Refundable Portion of the Initiation Fee of such Member.
  - b) To convert his/her Membership Interest into a Social Swim/Tennis Non-Rollover Non-Equity Membership Interest (Class D-2); provided, however, that, if the Member elects to convert into a Social Swim/Tennis Non-Equity Membership Interest (Class D-2), then, the Club or the Member shall pay the other the applicable amounts below:
    - iii) If the Initiation Fee of such Member (including both the Refundable and Non-Refundable Portion of the Initiation Fee) exceeds the then-current selling price for a Social Swim/Tennis Non-Rollover Non-Equity Membership Interest (Class D-2), as determined by the Board, then the Club shall pay the excess to the Member.
    - iv) If the then-current selling price for a Social Swim/Tennis Non-Rollover Non-Equity Membership Interest (Class D-2), as determined by the Board, exceeds the Initiation Fee of such Member (including both the Refundable and Non-Refundable Portion of the Initiation Fee), then the Member shall pay the excess to the Club.
  - c) To sell his/her Membership Interest to the Club (or its assignee) for an amount equal to the Initiation Fee assigned by such Member for his/her Social Swim/Tennis Rollover Non-Equity Membership Interest, including both the Refundable Portion and the Non-Refundable Portion of the Initiation Fee of such Member.

The Club may establish a reasonable time period (of not less than 10 nor more than 30 days) for the election by a Member under this Section. If the Member fails to make an election within such time period, such Member shall be deemed to have elected to sell his/her Membership Interest as provided above.

**SCHEDULE D-1**

**SPORTS SOCIAL NON-ROLLOVER NON-EQUITY MEMBERSHIP INTERESTS  
(CLASS D-1)**

- 1) **Offering.** The Club may offer Sports Social Non-Rollover Non-Equity Membership Interests at any time at the election of the Board.
- 2) **No Membership Certificates.** Sports Social Non-Rollover Non-Equity Membership Interests shall not be evidenced by membership certificates of the Club. Holders of Sports Social Non-Rollover Non-Equity Membership Interests shall not be “members” of the Club (as such term is used in Section 5056 of the NCL) and shall have only a revocable license to use the Club Facilities as provided in this Plan and the Club’s Articles, Bylaws and Rules.
- 3) **Initiation Fee.** A Sports Social Non-Rollover Non-Equity Member will be required to pay to the Club a non-refundable Initiation Fee in an amount determined from time to time by the Board. The Initiation Fee for a Sports Social Non-Rollover Non-Equity Membership Interest shall be as determined by the Board from time to time.
- 4) **Dues.** The monthly dues may be increased or decreased by action of the Board from time to time.
- 5) **Assessments.** Sports Social Non-Rollover Non-Equity Members shall be subject to Golf Assessments and Social Assessments at 65% of the amount assessed for Equity Members at any time and from time to time, as and to the extent provided in Article 8, entitled “Assessments”.
- 6) **Golf Facilities.** Subject to availability, Sports Social Non-Rollover Non-Equity Members shall be entitled to the use of the golf facilities and shall have a four-day sign-up privilege to reserve golf starting times. Sports Social Non-Rollover Non-Equity Members will not have golf privileges on Wednesday afternoons, Saturdays, Sundays or holidays. Sports Social Non-Rollover Non-Equity Members shall not be required to pay greens fees, but shall be required to pay golf cart fees.
- 7) **Tennis, Swimming and Social Facilities.** Subject to availability, Sports Social Non-Rollover Non-Equity Members shall be entitled to the use of the tennis, swimming and social facilities of the Club and shall have a four-day sign-up privilege to obtain tennis court times and shall not be required to pay tennis court fees.
- 8) **Limited Right to Transfer.** A Sports Social Non-Rollover Non-Equity Membership Interest shall not be transferable other than to a Spouse or, incident to a divorce, a former Spouse of the Member. No Transfer Fee shall be payable in connection with any such transfer to a Spouse or, incident to a divorce, a former Spouse of the Member. Upon the death of the Member and his/her Spouse, the Sports Social Non-Rollover Non-Equity Membership Interest shall terminate.
- 9) **Replacement Ratio.** Not applicable.
- 10) **No Voting Rights.** A Sports Social Non-Rollover Non-Equity Member shall have no voting rights.
- 11) **No Equity Participation.** A Sports Social Non-Rollover Non-Equity Member shall not be entitled to participate in the Distributable Dissolution Proceeds. (See Article 16, entitled “Dissolution Proceeds”.)
- 12) **Member’s Conversion Rights.** Subject to availability a Sports Social Non-Rollover Non-Equity Member shall be entitled to convert his/her Membership Interest into a Full Golf Equity Membership Interest (Class B-1) upon payment of the then-current Initiation Fee for a Full Golf Equity Membership Interest.
- 13) **Club’s Redemption or Conversion Rights.** The Club shall have the right to require that a Sports Social Non-Rollover Non-Equity Member elect:
  - a) Subject to availability, to convert his/her Membership Interest into Full Golf Equity Membership Interest (Class B-1) upon the payment of the then current Initiation Fee for a Full Golf Equity Membership Interest (Class B-1), provided, however, that, if the Member elects to convert into a Full Golf Equity Membership Interest (Class B-1), within two years of such Member acquiring its Class D-1 Membership Interest, the Initiation Fee paid by such Member for the Class D-1 Membership Interest shall be credited against the Initiation Fee for the Class B-1 Membership Interest.
  - b) To convert his/her Membership Interest into a Social Non-Rollover Non-Equity Membership (Class D-2); provided, however, that, if the Member elects to convert into a Social Non-Equity Membership Interest (Class D-2), then, the Club or the Member shall pay the other the applicable amounts below:
    - i) If the Initiation Fee paid by such Member for his/her Sports Social Non-Rollover Non-Equity Membership Interest exceeds the then-current selling price for a Social Non-Rollover Non-Equity Membership Interest (Class D-2), as determined by the Board, then the Club shall pay the excess to the Member.

- ii) If the then-current selling price for a Social Non-Rollover Non-Equity Membership Interest (Class D-2), as determined by the Board, exceeds the Initiation Fee of such Member, then the Member shall pay the excess to the Club.
- c) To sell his/her Membership Interest to the Club (or its assignee) for an amount equal to the Initiation Fee paid by such Member to the Club for his/her Sports Social Non-Rollover Non-Equity Membership Interest.

The Club may establish a reasonable time period (of not less than 10 nor more than 30 days) for the election by a Member under this Section. If the Member fails to make an election within such time period, such Member shall be deemed to have elected to sell his/her Membership Interest as provided above.



**SCHEDULE D-2**

**SOCIAL NON-ROLLOVER NON-EQUITY MEMBERSHIP INTERESTS  
(CLASS D-2)**

- 1) **Offering.** Social Non-Rollover Non-Equity Membership Interests may be offered to Eligible Persons at any time.
- 2) **No Membership Certificates.** Social Non-Rollover Non-Equity Membership Interests shall not be evidenced by membership certificates of the Club. Holders of Social Non-Rollover Non-Equity Membership Interests shall not be “members” of the Club (as such term is used in Section 5056 of the NCL) and shall have only a revocable license to use the Club Facilities as provided in this Plan and the Club’s Articles, Bylaws and Rules.
- 14) **Initiation Fee.** A Social Non-Rollover Non-Equity Member will be required to pay to the Club a non-refundable Initiation Fee in an amount determined from time to time by the Board. Until changed by Action of the Board, the Initiation Fee for a Sports Social Non-Rollover Non-Equity Member shall be \$500.
- 3) **Dues.** The monthly dues may be increased or decreased by action of the Board from time to time.
- 4) **Assessments.** Social Non-Rollover Non-Equity Members shall not be subject to assessments.
- 5) **Golf Facilities.** Subject to availability, Social Non-Rollover Non-Equity Members shall be entitled to play golf six times per Membership Year, with a two-day sign-up privilege, upon the payment of required greens fees and golf cart fees. Unused golf privileges will not be carried over to the next Membership Year. Social Non-Rollover Non-Equity Members will not have golf privileges on Wednesday afternoons, Saturdays, Sundays or holidays.
- 6) **Tennis, Swimming and Social Facilities.** Subject to availability, Social Non-Rollover Non-Equity Members shall be entitled to the use of the tennis, swimming and social facilities of the Club and shall have a four-day sign-up privilege to obtain tennis court times and shall not be required to pay tennis court fees.
- 7) **Limited Right to Transfer.** A Social Non-Rollover Non-Equity Membership Interest shall not be transferable other than to a Spouse or, incident to a divorce, a former Spouse of the Member. No Transfer Fee shall be payable in connection with any such transfer to a Spouse or, incident to a divorce, a former Spouse of the Member. Upon the death of the Member and his/her Spouse, the Social Swim/Tennis Non-Rollover Non-Equity Membership Interest shall terminate.
- 8) **Replacement Ratio.** Not applicable.
- 9) **No Voting Rights.** A Social Non-Rollover Non-Equity Member shall have no voting rights.
- 10) **No Equity Participation.** A Social Non-Rollover Non-Equity Member shall not be entitled to participate in the Distributable Dissolution Proceeds. (See Article 16, entitled “Dissolution Proceeds”.)
- 11) **Member’s Conversion Rights.** Subject to availability a Social Non-Rollover Non-Equity Member shall be entitled to convert his/her Membership Interest into a Full Golf Equity Membership Interest (Class B-1) upon payment of the then-current Initiation Fee for a Full Golf Equity Membership Interest.
- 12) **Club’s Redemption or Conversion Rights.** The Club shall have the right to require that a Social Non-Rollover Non-Equity Member elect one of the following:
  - a) Subject to availability, to convert his/her Membership Interest into Full Golf Equity Membership Interest (Class B-1); provided, however, that, if the Member elects to convert into a Full Golf Equity Membership Interest (Class B-1), the Member shall pay to the Club the excess (if any) of the then-current Initiation Fee for a Full Golf Equity Membership Interest over the Initiation Fee paid by such Member for his/her Social Non-Rollover Non-Equity Membership Interest.
  - b) To sell his/her Membership Interest to the Club (or its assignee) for an amount equal to the Initiation Fee paid by such Member to the Club for his/her Social Non-Rollover Non-Equity Membership Interest.

The Club may establish a reasonable time period (of not less than 10 nor more than 30 days) for the election by a Member under this Section. If the Member fails to make an election within such time period, such Member shall be deemed to have elected to sell his/her Membership Interest as provided above.

**SCHEDULE D-3**

**JUNIOR NON-ROLLOVER NON-EQUITY MEMBERSHIP INTERESTS  
(CLASS D-3)**

- 1) **Offering.** Junior Non-Rollover Non-Equity Membership Interests may be offered at any time to Persons meeting the following requirements:
  - a) A Junior Non-Rollover Non-Equity Member must be the son or daughter of a current Equity Member in good standing.
  - b) A Junior Non-Rollover Non-Equity Member must be more than 23 years of age and less than 30 years of age.
  - c) A Junior Non-Rollover Non-Equity Member must be an Eligible Person.
- 2) **No Membership Certificates.** Junior Non-Rollover Non-Equity Membership Interests shall not be evidenced by membership certificates of the Club. Holders of Junior Non-Rollover Non-Equity Membership Interests shall not be “members” of the Club (as such term is used in Section 5056 of the NCL) and shall have only a revocable license to use the Club Facilities as provided in this Plan and the Club’s Articles, Bylaws and Rules.
- 15) **Initiation Fee.** A Junior Non-Rollover Non-Equity Member will be required to pay to the Club a non-refundable Initiation Fee in an amount determined from time to time by the Board. Until changed by Action of the Board, the Initiation Fee for a Junior Non-Rollover Non-Equity Member shall be \$1,000.
- 3) **Dues.** The monthly dues may be increased or decreased by action of the Board from time to time.
- 4) **Assessments.** Junior Non-Rollover Non-Equity Members shall not be subject to assessments.
- 5) **Golf Facilities.** Subject to availability, Junior Non-Rollover Non-Equity Members shall be entitled to the use of the golf facilities of the Club and shall have a seven-day sign-up privilege to reserve golf starting times. Junior Non-Rollover Non-Equity Members shall not be required to pay greens fees, but shall be required to pay golf cart fees.
- 6) **Tennis, Swimming and Social Facilities.** Subject to availability, Junior Non-Rollover Non-Equity Members shall be entitled to the use of the tennis, swimming and social facilities of the Club and shall have a four-day sign-up privilege to reserve tennis court times. Junior Non-Rollover Non-Equity Members shall not be required to pay tennis court fees.
- 7) **Limited Right to Transfer.** A Junior Non-Rollover Non-Equity Membership Interest shall not be transferable other than to a Spouse or, incident to a divorce, a former Spouse of the Member who is more than 23 years of age and less than 30 years of age. No Transfer Fee shall be payable in connection with any such transfer to a Spouse or, incident to a divorce, a former Spouse of the Member. Upon the death of the Member and his/her Spouse, the Junior Non-Rollover Non-Equity Membership Interest shall terminate.
- 8) **Termination at Age 30.** A Junior Non-Rollover Non-Equity Membership Interest shall terminate upon the date that the Member reaches the age of 30; provided, however, that if:
  - a) prior to such date, such Junior Non-Rollover Non-Equity Member submits an application for the purchase of a Full Golf Equity Membership Interest (Class B-1), and
  - b) at such date, there is no Full Golf Equity Membership Interest (Class B-1) available for purchase by such Junior Non-Rollover Non-Equity Member,then, notwithstanding the termination of such Member’s Membership Interest, such Member shall thereafter have rights to use the Club Facilities equal to those of a Class C-1 Full Golf Rollover Non-Equity Member if, and only if:
  - i) such Member pays to the Club a refundable deposit in an amount equal to the then current Initiation Fee for Class B-1 Full Golf Equity Membership Interests;
  - ii) such Member commences and continues paying to the Club, on a monthly basis, a non-refundable monthly user fee in an amount equal to the then-current monthly dues for a Class B-1 Full Golf Equity Member; and
  - iii) such Member pays all other charges and fees due the Club from time to time.Such extended privileges shall continue in effect until such time as a Full Golf Equity Membership Interest (Class B-1) becomes available for purchase by such Junior Rollover Non-Equity Member.
- 9) **Replacement Ratio.** Not applicable.
- 10) **No Voting Rights.** A Junior Non-Rollover Non-Equity Member shall have no voting rights.

- 11) **No Equity Participation.** A Junior Non-Rollover Non-Equity Member shall not be entitled to participate in the Distributable Dissolution Proceeds. (See Article 16, entitled "Dissolution Proceeds".)
- 12) **Member's Conversion Rights.** Subject to availability a Junior Non-Rollover Non-Equity Member shall be entitled to convert his/her Membership Interest into a Full Golf Equity Membership Interest (Class B-1) upon payment of the then-current Initiation Fee for a Full Golf Equity Membership Interest.
- 13) **Club's Redemption or Conversion Rights.** The Club shall have the right to require that a Junior Non-Rollover Non-Equity Member elect:
  - a) Subject to availability, to convert his/her Membership Interest into Full Golf Equity Membership Interest (Class B-1); provided, however, that, if the Member elects to convert into a Full Golf Equity Membership Interest (Class B-1), the Member shall pay to the Club the excess (if any) of the then-current Initiation Fee for a Full Golf Equity Membership Interest over the Initiation Fee paid by such Member for his/her Junior Non-Rollover Non-Equity Membership Interest.
  - b) To sell his/her Membership Interest to the Club (or its assignee) for an amount equal to the Initiation Fee paid by such Member to the Club for his/her Junior Non-Rollover Non-Equity Membership Interest.

The Club may establish a reasonable time period (of not less than 10 nor more than 30 days) for the election by a Member under this Section. If the Member fails to make an election within such time period, such Member shall be deemed to have elected to sell his/her Membership Interest as provided above.

**SCHEDULE D-4**

**FULL GOLF NON-ROLLOVER NON-EQUITY MEMBERSHIP INTERESTS  
(CLASS D-4)**

**Offering.** The Club may offer Full Golf Non-Rollover Non-Equity Membership Interests at any time at the election of the Board. At the present time the Club is not issuing any of these Membership Interests.

- 16) **No Membership Certificates.** Full Golf Non-Rollover Non-Equity Membership Interests shall not be evidenced by membership certificates of the Club. Holders of Full Golf Non-Rollover Non-Equity Membership Interests shall not be “members” of the Club (as such term is used in Section 5056 of the NCL) and shall have only a revocable license to use the Club Facilities as provided in this Plan and the Club’s Articles, Bylaws and Rules.
- 17) **Initiation Fee.** A Full Golf Non-Rollover Non-Equity Member will be required to pay to the Club a non-refundable Initiation Fee in an amount determined from time to time by the Board. The Initiation Fee for a Full Golf Non-Rollover Non-Equity Membership Interest shall be as determined by the Board from time to time.
- 18) **Dues.** The monthly dues may be increased or decreased by action of the Board from time to time.
- 19) **Assessments.** Full Golf Non-Rollover Non-Equity Members shall not be subject to assessments.
- 20) **Golf Facilities.** Subject to availability, Full Golf Non-Rollover Non-Equity Members shall be entitled to the use of the golf facilities and shall have a ten-day sign-up privilege to reserve golf starting times. Full Golf Non-Rollover Non-Equity Members shall not be required to pay greens fees, but shall be required to pay golf cart fees.
- 21) **Tennis, Swimming and Social Facilities.** Subject to availability, Sports Social Non-Rollover Non-Equity Members shall be entitled to the use of the tennis, swimming and social facilities of the Club and shall have a four-day sign-up privilege to obtain tennis court times and shall not be required to pay tennis court fees.
- 22) **Limited Right to Transfer.** A Full Golf Non-Rollover Non-Equity Membership Interest shall not be transferable other than to a Spouse or, incident to a divorce, a former Spouse of the Member. No Transfer Fee shall be payable in connection with any such transfer to a Spouse or, incident to a divorce, a former Spouse of the Member. Upon the death of the Member and his/her Spouse, the Full Golf Non-Rollover Non-Equity Membership Interest shall terminate.
- 23) **Replacement Ratio.** Not applicable.
- 24) **No Voting Rights.** A Full Golf Non-Rollover Non-Equity Member shall have no voting rights, other than to vote on any golf or social assessment.
- 25) **No Equity Participation.** A Full Golf Non-Rollover Non-Equity Member shall not be entitled to participate in the Distributable Dissolution Proceeds. (See Article 16, entitled “Dissolution Proceeds”.)
- 26) **Member’s Conversion Rights.** Subject to availability, a Full Golf Non-Rollover Non-Equity Member shall be entitled to convert his/her Membership Interest into a Full Golf Equity Membership Interest (Class B-1) at no additional charge to the Member, other than payment of an amount equal to the aggregate Golf and Social Assessments (if any) that would have been payable by such Member had he/she been a Full Golf Equity Member from the date which he/she first acquired their Full Golf Non-Rollover Non-Equity Membership Interest.
- 27) **Club’s Redemption or Conversion Rights.** The Club shall have the right to require that a Full Golf Non-Rollover Non-Equity Member elect:
  - a) Subject to availability, to convert his/her Membership Interest into Full Golf Equity Membership Interest (Class B-1).
  - b) To convert his/her Membership Interest into a Social Swim/Tennis Non-Rollover Non-Equity Membership (Class D-2); provided, however, that, if the Member elects to convert into a Social Swim/Tennis Non-Equity Membership Interest (Class D-2), then, the Club or the Member shall pay the other the applicable amounts below:
    - i) If the Initiation Fee paid by such Member for his/her Full Golf Non-Rollover Non-Equity Membership Interest exceeds the then-current selling price for a Social Swim/Tennis Non-Rollover Non-Equity Membership Interest (Class D-2), as determined by the Board, then the Club shall pay the excess to the Member.
    - ii) If the then-current selling price for a Social Non-Rollover Non-Equity Membership Interest (Class D-2), as determined by the Board, exceeds the Initiation Fee of such Member, then the Member shall pay the excess to the Club.
  - c) To sell his/her Membership Interest to the Club (or its assignee) for an amount equal to the Initiation Fee paid by such Member to the Club for his/her Full Golf Non-Rollover Non-Equity Membership Interest.

The Club may establish a reasonable time period (of not less than 10 nor more than 30 days) for the election by a Member under this Section. If the Member fails to make an election within such time period, such Member shall be deemed to have elected to sell his/her Membership Interest as provided above.

- 28 **Termination:** A Full Golf Non-Rollover Non-Equity Membership Interest will terminate on the earlier of the following to occur:
- a. Termination pursuant to Article 21 Termination; or
  - b. December 31, 2012.

**SCHEDULE E-1**

**FULL GOLF SENIOR EMERITUS EQUITY MEMBERSHIP INTERESTS  
(CLASS E-1)**

- 1) **Offering.** The Club may offer Full Golf Senior Emeritus Equity Membership Interests only to current Full Golf Equity Members, provided that such Members have been Class A-1 or B-1 Members of the Club for five continuous years and are at least 70 years old.
- 2) **Membership Certificates.** Full Golf Senior Emeritus Equity Membership Interests shall be evidenced by a membership certificate.
- 3) **Initiation Fee.** The Members prior initiation fee will be credited to the initiation fee.
- 4) **Dues.** The dues for Full Golf Senior Emeritus Equity Members are equal to the monthly dues in effect for Full Golf Equity Members at the time the Member becomes a Full Golf Senior Emeritus Equity Member. Once the initial dues amount is set for a Class E-1 Member, it remains fixed for so long as such Member continues to be a Full Golf Senior Emeritus Equity Member.
- 5) **Assessments.** Full Golf Senior Emeritus Equity Members shall not be subject to Golf Assessments or Social Assessments.
- 6) **Golf Facilities.** Subject to availability, Full Golf Senior Emeritus Equity Members shall be entitled to the use of the golf facilities of the Club and shall have a ten-day sign-up privilege to reserve golf starting times. Full Golf Equity Members shall not be required to pay greens fees, but shall be required to pay golf cart fees.
- 7) **Tennis, Swimming and Social Facilities.** Subject to availability, Full Golf Senior Emeritus Equity Members shall be entitled to the use of the tennis, swimming and social facilities of the Club and shall have a four-day sign-up privilege to reserve tennis court times. Full Golf Senior Emeritus Equity Members shall not be required to pay tennis court fees.
- 8) **Transfer Fees.** A Full Golf Senior Emeritus Equity Member who held a Full Golf Charter Membership prior to conversion to a Senior Emeritus Member shall not be required to pay the Club any Transfer Fee in connection with any transfer of his/her Full Golf Senior Emeritus Equity Membership Interest.  
A Full Golf Senior Emeritus Equity Member who held a Full Golf Non-Charter Equity Membership prior to conversion to a Senior Emeritus Member shall be required to pay the Club a Transfer Fee in connection with any transfer of his/her Full Golf Senior Emeritus Equity Membership Interest. The Transfer Fee for any transfer of the Full Golf Senior Emeritus Equity Membership Interest who held a Full Golf Non-charter Membership Interest will be an amount equal to the greater of:
  - a) An amount as may be determined by the Board from time to time; or
  - b) 35% of the then-current Resale Price for a Full Golf Equity Membership Interest.No Transfer Fee will be charged for any transfer to a Spouse or, incident to a divorce, a former Spouse of a Member or, upon death, to not more than one lineal descendant (of age 18 or greater) of a Member. (See Article 19, entitled "Transfer of Membership Interests".)
- 9) **Replacement Ratio.** The transfer of the interest of a Senior Emeritus Member who held a Full Golf Charter Equity Membership shall be subject to a 1:1 replacement ratio. (See Article 19, entitled "Transfer of Membership Interests".) The transfer of the interest of a Senior Emeritus Member who held a Full Golf Non-Charter Equity Membership shall be subject to a 2:1 replacement ratio. (See Article 19, entitled "Transfer of Membership Interests".)
- 10) **Voting Rights.** A Full Golf Senior Emeritus Equity Member shall not be entitled to membership voting rights as provided in Article 17, entitled "Voting".
- 11) **Equity Participation-Distributable Dissolution Proceeds.** A Full Golf Senior Emeritus Equity Member shall be entitled to participation in the Distributable Dissolution Proceeds (if any) as provided in Article 16, entitled "Dissolution Proceeds".
- 12) **Member's Conversion Rights.** Subject to availability, a Full Golf Senior Emeritus Equity Member shall be entitled to convert his/her Membership Interest into a Full Golf Equity Membership Interest (Class B-1) at no additional charge to the Member, other than payment of an amount equal to the aggregate Golf and Social Assessments (if any) that would have been payable by such Member had he/she been a Full Golf Equity Member from the date which he/she first acquired their Full Golf Senior Emeritus Equity Membership Interest.

- 13) **Club's Redemption or Conversion Rights.** A Full Golf Senior Emeritus Equity Member shall have the right to convert his/her Full Golf Senior Emeritus Equity Membership to a Limited Golf Senior Emeritus Equity Membership (Class E-2) at no additional charge to the Member provided he/she has not had a Limited Golf Senior Emeritus Equity Membership Interest within the immediate past two years.

SCHEDULE E-2

**LIMITED GOLF SENIOR EMERITUS EQUITY MEMBERSHIP INTERESTS  
(CLASS E-2)**

- 1) **Offering.** The Club may offer Limited Golf Senior Emeritus Equity Membership Interests only to current Full Golf Equity Members, provided that such Members have been Class A-1 or B-1 Members of the Club for five continuous years and are at least 70 years old.
- 2) **No Membership Certificates.** Limited Golf Senior Emeritus Equity Membership Interests shall be evidenced by a membership certificate.
- 3) **Initiation Fee.** The Members prior initiation fee will be credited to the initiation fee.
- 4) **Dues.** The dues for Limited Golf Senior Emeritus Equity Members are equal to the monthly dues in effect for Sports Social Non-Rollover Non-Equity Members from time to time.
- 5) **Assessments.** Limited Golf Senior Emeritus Equity Members shall not be subject to Golf Assessments or Social Assessments.
- 6) **Golf Facilities.** Subject to availability, Limited Golf Senior Emeritus Equity Members shall be entitled to the use of the golf facilities and shall have a four-day sign-up privilege to reserve golf starting times. Limited Golf Senior Emeritus Equity Members will not have golf privileges on Wednesday afternoons, Saturdays, Sundays or holidays. Limited Golf Senior Emeritus Equity Members shall not be required to pay greens fees, but shall be required to pay golf cart fees.
- 7) **Tennis, Swimming and Social Facilities.** Subject to availability, Limited Golf Senior Emeritus Equity Members shall be entitled to the use of the tennis, swimming and social facilities of the Club and shall have a four-day sign-up privilege to reserve tennis court times. Limited Golf Senior Emeritus Equity Members shall not be required to pay tennis court fees.
- 8) **Transfer Fees.** A Limited Golf Senior Emeritus Equity Member who held a Full Golf Charter Membership prior to conversion to Senior Emeritus Member shall not be required to pay the Club any Transfer Fee in connection with any transfer of his/her Limited Golf Senior Emeritus Equity Membership Interest.  
A Limited Golf Senior Emeritus Equity Member who held a Full Golf Non-Charter Equity Membership prior to conversion to a Senior Emeritus Member shall be required to pay the Club a Transfer Fee in connection with any transfer of his/her Limited Golf Senior Emeritus Equity Membership Interest. The Transfer Fee for any transfer of the Limited Golf Senior Emeritus Equity Membership Interest who held a Full Golf Non-charter Membership Interest will be an amount equal to the greater of:
  - a) An amount as may be determined by the Board from time to time; or
  - b) 35% of the then-current Resale Price for a Full Golf Equity Membership Interest.No Transfer Fee will be charged for any transfer to a Spouse or, incident to a divorce, a former Spouse of a Member or, upon death, to not more than one lineal descendant (of age 18 or greater) of a Member. (See Article 19, entitled "Transfer of Membership Interests".)
- 9) **Replacement Ratio.** The transfer of the interest of a Senior Emeritus Member who held a Full Golf Charter Equity Membership shall be subject to a 1:1 replacement ratio. (See Article 19, entitled "Transfer of Membership Interests".) The transfer of the interest of a Senior Emeritus Member who held a Full Golf Non-Charter Equity Membership shall be subject to a 2:1 replacement ratio. (See Article 19, entitled "Transfer of Membership Interests".)
- 10) **Voting Rights.** A Limited Golf Senior Emeritus Equity Member shall not be entitled to membership voting rights as provided in Article 17, entitled "Voting".
- 11) **Equity Participation-Distributable Dissolution Proceeds.** A Limited Golf Senior Emeritus Equity Member shall be entitled to participation in the Distributable Dissolution Proceeds (if any) as provided in Article 16, entitled "Dissolution Proceeds".
- 12) **Member's Conversion Rights.** Subject to availability, a Limited Golf Senior Emeritus Equity Member shall be entitled to convert his/her Membership Interest into a Full Golf Equity Membership Interest (Class B-1) at no additional charge to the Member, other than payment of an amount equal to the aggregate Golf and Social Assessments (if any) that would have been payable by such Member had he/she been a Full Golf Equity Member from the date which he/she first acquired their Limited Golf Senior Emeritus Equity Membership Interest.



- 13) **Club's Redemption or Conversion Rights**. A Limited Golf Senior Emeritus Equity Member shall have the right to convert his/her Limited Golf Senior Emeritus Equity Membership to a Full Golf Senior Emeritus Equity Membership (Class E-1) at no additional charge to the Member provided he/she has not had a Full Golf Senior Emeritus Equity Membership Interest within the immediate past two years.