

CUMMINGS COVE GOLF & COUNTRY CLUB

MEMBERSHIP PLAN

JANUARY 2006

CUMMINGS COVE GOLF & COUNTRY CLUB

MEMBERSHIP PLAN OVERVIEW

MEMBERSHIP OPPORTUNITY

This Membership Plan describes the membership opportunity at Cummings Cove Golf & Country Club. The Club features golf, tennis, swimming and social facilities within the Cummings Cove residential community in Hendersonville, North Carolina.

MEMBERSHIP CATEGORIES AND PRIVILEGES

The following categories of membership are being offered in the Club: Golf Memberships, Sports Memberships, and Social Memberships. The privileges associated with each category of membership are more fully described in this Membership Plan.

SPECIAL MEMBERSHIP BENEFITS

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

- **Refundable Membership Deposit.** The membership deposit paid for a Golf Membership or Sports Membership is refundable upon member's resignation and reissuance of the membership as provided for in this Membership Plan.
- **Resigned Golf Memberships and Sports Memberships Reissued Prior to Membership Sell-out.** Resigned Golf Members and Sports Members do not have to wait until all new memberships in their respective category have been issued before their membership is reissued, as provided for in this Membership Plan.
- **Transferability of Memberships.** Memberships are transferable through the Club to the subsequent purchaser of a member's residence or homesite in Cummings Cove subject to the terms hereinafter set forth.
- **No Assessments.** Members are responsible only for dues, fees and charges established by the Club from time to time and are not subject to either operating or capital assessments.
- **Immediate Family Privileges.** Upon payment of the family dues, the member's spouse and unmarried children under the age of 23 who are living at home, attending school on a full-time basis, or in the military can enjoy the Club Facilities on the same basis as the member.

- **Inheritability.** Upon the death of a member, the membership can be transferred to his or her spouse or adult child, as described further in this Membership Plan.
- **Lessee Privileges.** Lessees of a member's residence in the Cummings Cove community may enjoy membership privileges in the Club as further described in this Membership Plan.
- **Exchange of Membership Privileges.** Members who would like to exchange their privileges may do so through the Company.
- **Club Newsletter.** Members will receive newsletters containing information about events and activities at the Club and other items of interest to members.

Cummings Cove Company, LLC, hereinafter referred to as "The Company", reserves the right to change or eliminate certain membership benefits from time to time.

AVAILABILITY OF MEMBERSHIPS IS LIMITED

Memberships are limited in number. This limitation is important to ensure our members' enjoyment of the Club's outstanding facilities.

CAREFULLY REVIEW ALL MEMBERSHIP DOCUMENTS

Every person who desires to obtain a membership, or owns or purchases a residence or homesite within Cummings Cove should carefully read this Membership Plan and all of the referenced documents and should seek professional advice to evaluate these documents.

RELY ONLY ON INFORMATION IN THIS MEMBERSHIP PLAN

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

MEMBERSHIPS AT THE CLUB ARE OFFERED ONLY FOR RECREATIONAL PURPOSES

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

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

APPLICATION PROCEDURE

Each person who desires to become a member must mail or deliver to the Membership Director a fully completed and signed Membership Agreement, along with a check for the required membership deposit or initiation fee, as applicable. In the event the application is not approved, the membership deposit or initiation fee will be fully refunded, without interest.

MEMBERSHIP DIRECTOR AVAILABLE TO ANSWER QUESTIONS

All inquiries regarding membership in the Club or this Membership Plan and referenced documents should be directed to the Membership Director at Cummings Cove Golf & Country Club or by calling (828) 891-1512. You may call or visit the Membership Office conveniently located at 20 Cummings Cove Parkway, Hendersonville, North Carolina. No appointment is necessary, although one is recommended.

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CLUB MEMBERSHIP AND FACILITIES

MEMBERSHIP FEATURES

Membership in Cummings Cove Golf & Country Club provides golf, tennis, swimming and social facilities. The terms of membership are described in this Membership Plan, the Rules and Regulations and the Membership Agreement.

CLUB FACILITIES

The "Club Facilities" available to members, their families and guests include the following:

GOLF COURSE

- 18-hole golf course
- Practice putting, chipping and driving areas
- Comfort stations with water and ice machines in 3 locations

CLUBHOUSE

- Lake Ridge Dining Room
- Golfhouse Grill & Lounge
- Covered and open dining decks
- Golf shop and office

SPORTS COMPLEX

- Fitness Center: Comprehensive Cybex weight and Precor cardio equipment; aerobics and exercise classroom; massage therapy room; men's and women's locker rooms with showers
- Tennis courts: Two HydroCourts and one DecoTurf court
- Pool Pavilion: Heated swimming pool, in-ground hot tub, outdoor restrooms and shower

SOCIAL CENTER

- Meeting and card rooms
- Library
- Porch and picnic area with fire pit and outdoor game space.

ADDITIONAL CLUB FACILITIES

The Company may, in its sole discretion, expand the Club Facilities or add additional facilities as it determines appropriate from time to time, either on or off-site; however, the Company has not committed to any expansion or additional facilities. If the Club Facilities are expanded or facilities are added, the number of memberships issued in the Club may be increased.

OWNERSHIP AND OPERATION OF THE CLUB FACILITIES

Cummings Cove Company, LLC, a Florida limited liability company authorized to do business in North Carolina, or an affiliate thereof (the "Company"), owns and operates the Club Facilities.

MEMBERSHIP CATEGORIES AND PRIVILEGES

CATEGORIES OF MEMBERSHIP

In order to provide exclusivity and availability of facilities and services to members, the Company is offering a limited number of Golf, Sports and Social Memberships. The Company may offer certain other memberships and use privileges as described in the "Other Memberships and Use Privileges" provision in this Membership Plan.

DESCRIPTION OF MEMBERSHIP PRIVILEGES

Each person who acquires a membership will be entitled to use the Club Facilities in accordance with his or her category of membership and the terms and conditions of this Membership Plan, and the Rules and Regulations. The membership privileges currently associated with each category of membership are as follows:

GOLF MEMBERSHIP

Golf Members will be entitled to use all of the golf and other facilities of the Club and to attend Club-sponsored events held at the Club Facilities. Golf Members are not charged green fees or court fees for use of the golf facilities and tennis facilities but are required to pay a golf cart fee or trail fee. Golf Members will have a 14-day advance sign-up privilege for tee times.

SPORTS MEMBERSHIP

Sports Members will be entitled to use all of the non-golf facilities of the Club and to attend Club-sponsored events held at the Club Facilities. Sports Members are not charged court fees for use of the tennis facilities. Sports Members may also play golf upon payment of a reduced green fee and full cart fee or trail fee. Sports Members will be limited to 12 golf rounds each membership year including rounds played by family members and guests. Sports Members will be entitled to reserve golf starting times seven days in advance. Sports Members will only be entitled to use the golf practice facilities when playing golf.

SOCIAL MEMBERSHIPS

Social Members will be entitled to use the dining facilities of the Club and to attend Club-sponsored events held at the Club Facilities.

RULES AND POLICIES

To enhance the recreational and social pleasure of members and their guests, the Company reserves the right to establish or modify rules, regulations, policies, guidelines, or systems governing access or reservation of the Club Facilities, which may include restricting the number of rounds Sports Members may play in a given period of time.

EXCHANGE OF MEMBERSHIP PRIVILEGES

Members who do not desire to retain their full membership privileges may arrange through the Company to exchange their membership privileges and respective dues obligations with those of another member in a different membership category upon obtaining the approval of the Company. The right to exchange membership privileges will be on a membership year basis and will not affect the exchanging members' rights or obligations to their underlying membership other than the payment of dues for the membership year in which the exchange occurs. There is no guarantee members will be able to exchange their membership privileges with another member. The Company may charge an administrative fee in connection with an exchange of membership privileges. The Company may discontinue the membership privileges exchange opportunity at any time in its sole discretion.

NUMBER OF MEMBERSHIPS

LIMITED NUMBER OF MEMBERSHIPS

The maximum number of memberships permitted to be issued in the Club will be as follows:

<u>Membership Category</u>	<u>Number of Memberships</u>
Golf Membership	400
Sports Membership	150

The number of Social Memberships will be limited as determined by the Club from time to time provided that, notwithstanding any limitation, a Social Membership will be available to each initial retail purchaser of property in the Community for 30 days after the initial retail purchaser closes on the purchase of a residence or homesite in Cummings Cove.

FAMILY AND GUEST PRIVILEGES

USE OF CLUB FACILITIES BY IMMEDIATE FAMILY

Upon payment of family dues, the immediate family of a member will be entitled to use the Club Facilities on the same basis as the member. A member's immediate family will include the member's spouse and their unmarried children, under the age of 23, living at home, attending school on a full-time basis, or in the military. If individual dues are paid, only the individual member may enjoy privileges under the membership. Sports Memberships and Social Memberships are family memberships and require payment of the family-level dues.

The Company may extend membership privileges to an unmarried individual who lives together with an unmarried member on a full-time basis as a family unit, subject to such policies as are determined by the Company from time to time, provided that the member elects to pay the family-level dues. A member may change the person designated for membership privileges once every two years. The Company reserves the right to modify or terminate the companion member's privileges and the requirements for same at any time in its sole discretion.

The Company reserves the right to adopt a "designated golfer" policy and/or such other policy or policies as it may determine from time to time in its sole discretion in order to ensure member access to tee times during periods of peak use. If the designated golfer policy is adopted, the member will select the member or one immediate family member (if family dues are selected) as the designated golfer who will be entitled to play golf during periods of peak use specified by the Company as being for designated golfers only.

USE OF THE CLUB FACILITIES BY A GUEST OF A MEMBER

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

LESSEE PRIVILEGES

Revised August 1, 2009

A member who leases his or her residence in Cummings Cove may designate the lessee of his or her residence as the beneficial user of the membership, subject to the approval of the Company. The Club may establish minimum periods for such rentals from time to time. Presently, a member may assign membership to a lessee a minimum of thirty days per assignment. The lessee must submit an Application for Lessee Privileges, must be approved by the Company and must pay the required administrative fee established by the Company from time to time. During the period when a lessee is the designated user of the membership, the lessor member will not have any membership privileges but will continue to be obligated to pay dues with respect to the membership. The lessee will have full member privileges according to the lessor's membership agreement with the following exceptions: participation in the Club Championship Tournament, Club Match Play Tournament, Member/Guest Tournament, Member/Member Tournament, Inter-club Tournament(s). The member will be responsible for the deportment of the lessee and for all charges incurred by the lessee which are not paid within the customary billing and collection procedures of the Company.

Member shall be held fully responsible for any and all damages caused by lessee, including damages to the golf cart.

OFFERING OF MEMBERSHIPS

OFFERING OF MEMBERSHIPS

Memberships will be offered to owners and purchasers of residences and homesites in the Cummings Cove community and to such other persons as the Company determines appropriate from time to time, including persons who do not own a residence or homesite in the Cummings Cove community. Memberships may be held in the name of an individual or an entity as described below. The Company may require that memberships acquired by purchasers and owners of residences and homesites in Cummings Cove be acquired in the same name as the ownership of the residence or homesite.

RESERVED MEMBERSHIPS

All of the unissued memberships will be reserved by the Company in its sole discretion and any reserved memberships will not be considered to be available memberships in the Club. The Company may not be compelled to sell a reserved membership. The Company may issue a reserved membership to any person whom the Company, in its sole discretion, determines appropriate from time to time, including persons who do not own a residence or homesite in the Cummings Cove residential community.

INITIAL PURCHASERS OF RESIDENCES OR HOMESITES IN CUMMINGS COVE

Each initial purchaser of a residence or homesite in the Cummings Cove community may acquire a Golf Membership or Sports Membership in the Club at any time within 30 days from the date of closing on the purchase of the residence or homesite, provided there is a Golf Membership or Sports Membership for sale. Memberships are limited in number and will generally be issued on a first-come, first-served basis. Any initial purchaser who does not acquire a membership by the aforesaid date may acquire a membership at a later date only if one is available and not otherwise reserved by the Club and only upon payment of the

membership deposit which is in effect at the time the membership is acquired.

If an initial purchaser of a residence or homesite does not acquire a golf membership or sports membership, if available, during their eligibility period, the desired membership may not be available in the future.

PURCHASERS OF RESIDENCES IN CUMMINGS COVE

It is intended that purchasers of residences and homesites in Cummings Cove on or after December 1, 2005, will be required to acquire and maintain at least a Social Membership in the Club on or before the closing on the purchase of the residence or homesite unless otherwise provided in that certain Restatement and Amendment to Covenants and Restrictions for Cummings Cove, filed in Deed Book 1036, Page 499, of the Henderson County Registry, as amended from time to time.

USE OF MEMBERSHIP PRIVILEGES PRIOR TO CLOSING

The Company may allow the purchaser of a residence or homesite in the Cummings Cove residential community to use the Club Facilities as a member prior to closing on the purchase of the residence or homesite. The person will be required to pay the applicable membership deposit or initiation fee, dues, fees and other charges established by the Company from time to time. In the event the purchaser does not timely close on the residence or homesite, the Company may terminate the membership privileges by returning to the person the membership deposit or initiation fee and the unused portion of any dues, fees and charges paid by the person in advance for the remainder of the membership year. In this event, a membership will thereafter be made available to the person only in the discretion of the Company.

PURCHASERS OF TWO OR MORE RESIDENCES OR HOMESITES

If a person acquires two or more residences or homesites in Cummings Cove, the purchaser should consider acquiring a Golf Membership or Sports Membership for each residence or homesite for which Golf Membership or Sports Membership privileges are desired. At least a

Social Membership must be acquired for each residence or homesite. If the person does not acquire a Golf Membership or Sports Membership for each residence or homesite, the Company will not guarantee that a membership in either category will be available for the residence or homesite at a later date. If a person acquires more than one membership, the person will be responsible for the payment of monthly dues, fees and charges with respect to each membership (unless the Company in its sole discretion waives dues for a period of time) and will not be entitled to any special privileges for the ownership of more than one membership.

MULTIPLE OWNERS OF PROPERTY

In the event a residence or homesite in Cummings Cove is owned by more than one person other than spouses, only one owner may be eligible to obtain a Golf Membership. The additional owner(s) of the property must acquire a Sports Membership or Social Membership in order to use the Club Facilities. Otherwise, the additional owner(s) may only use the Club Facilities as the guest of a member.

UPGRADE OF MEMBERSHIP

Members will at all times have the right to upgrade to a higher category of membership, in the sole discretion of the Company, if a membership in the higher category is then available and not reserved. In order to upgrade, the member shall pay to the Company the difference between the membership deposit or initiation fee previously paid by the member for the lower category of membership and the membership deposit then charged for the higher category of membership. Because of the limited number of Golf Memberships and Sports Memberships and the reservation of these memberships by the Company, it is unlikely that a Social Member will be able to upgrade to a Golf Membership or Sports Membership if one is not acquired during the initial offering period.

WAITING LIST FOR MEMBERSHIP

If a person desires to acquire a membership in a particular category of membership and a membership is not available in that category, the Company will establish a waiting list for that particular category of membership. Resigned memberships that are not reissued to the subsequent purchaser of a resigned member's residence or homesite or not

repurchased by the Company, as hereinafter provided, will be offered to persons on the waiting list in accordance with the following order of priorities:

First, to initial retail purchasers of property in Cummings Cove within 30 days of closing on the purchase of the property;

Second, members who desire to upgrade to a higher category of membership;

Third, to property owners in Cummings Cove who are not members of the Club; and

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

MEMBERSHIP MAY BE HELD IN THE NAME OF LEGAL ENTITY

For the convenience of members, a membership may be held in the name of a corporation, partnership, trust or other form of multiple ownership accepted by the Company in its sole discretion (collectively, the "entity"). The entity must designate one individual who will have the right to use the membership. Upon payment of the family level of dues, the designated user's immediate family may also use the Club Facilities. The designated individual may not be changed, except the entity may change the designated user to the designated user's spouse upon the death of the designated user, subject to approval of the spouse as a designated user. The designated user must submit a Membership Agreement and will be subject to the approval of the Company. The designated user must be a bona fide director, officer, partner, shareholder or employee of the entity, or a beneficiary, trustee or settlor of the entity if the membership is held in the name of a trust, and must pay the required dues and charges. No person other than the designated user and his or her immediate family will be entitled to simultaneously use the membership. The entity and the designated user will be jointly and severally liable for the payment of all dues, fees and other charges incurred by the designated user and his or her immediate family members and guests.

MEMBERSHIP JOINING FEE

MEMBERSHIP JOINING FEE REQUIRED TO ACQUIRE A MEMBERSHIP

Each person who desires to become a member in the Club will be required to pay a refundable membership deposit and/or a non-refundable initiation fee, as determined by the Club from time to time. The membership joining fee shall be payable as provided in the member's Membership Agreement. Membership deposits are not transferable, except as specifically provided in this Membership Plan, and are only refundable in accordance with this Membership Plan, the Rules and Regulations of the Club, and the Membership Agreement. Initiation fees are not refundable under any circumstances.

REFUND OF MEMBERSHIP DEPOSIT

The membership deposit paid by a member will be refunded, without interest, upon the earlier of the following:

- (a) within 30 days after the reissuance of a resigned membership by the Company to a new member; or
- (b) 30 years after the date the membership is issued by the Company.

If a Golf Member or Sports Member resigns prior to the end of the 30-year period, the member will be charged a transfer fee as provided in his or her Membership Agreement and the refund will be paid in accordance with the "Resignation of Memberships" provision in this Membership Plan. Notwithstanding the foregoing, if the membership deposit paid by the incoming member is less than the membership deposit to be refunded to the resigned member, then the resigned member shall receive only the amount equal to the membership deposit paid by the incoming member at the time of reissuance, and the balance of the membership deposit paid by the resigned member will be refunded at the end of the 30-year period.

The Club's obligation to the member shall be evidenced by the Membership Agreement. Each time a membership is issued to a new member, a new 30-year period for refund of the membership deposit begins on the date the membership is issued. The difference between the

amount paid by new members and the amount refunded to resigning members will be retained by the Company.

MEMBER MAY CONTINUE MEMBERSHIP AT END OF 30 YEARS

A member who continues to be a member for 30 years may elect to continue his or her membership at the end of the 30-year period until the member subsequently resigns from the Club by paying the applicable membership dues, fees and charges. Any member who elects to continue his or her membership at the end of the 30-year period will not be counted toward any cap or limit on the total number of members or the number of members in the category in question.

DEDUCTION OF AMOUNTS OWED TO COMPANY

The Company will deduct from the amount to be refunded to the member any amount which the member owes the Company.

TAX CONSEQUENCES OF ACQUIRING A MEMBERSHIP

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

TRANSFER OF MEMBERSHIP

TRANSFER OF MEMBERSHIP TO THE COMPANY

A member may transfer his or her membership only to the Club by resigning the membership and arranging for the Company to reissue the membership. Should a member desire to resign from the Club, the member shall be required to give 30 days prior written notice to the Company. Resignation of a member is irrevocable, unless otherwise determined by the Company.

TRANSFER OF MEMBERSHIP UPON SALE OF RESIDENCE OR HOMESITE

A member who resigns from the Club upon the sale of his or her residence or homesite in the Cummings Cove residential community may arrange, within 30 days from the date of resignation, for the Company to reissue his or her membership to the subsequent purchaser of his or her residence or homesite in Cummings Cove regardless of whether all of the memberships in that category have been issued and regardless of whether there are any resigned memberships on the waiting list. The reissuance is not included in determining when every fourth membership has been issued. The subsequent purchaser desiring the resigned membership will be required to submit a Membership Agreement, will be subject to the approval of the Company and will be required to pay the membership deposit which is then in effect.

In the event the subsequent purchaser of a member's residence or homesite in Cummings Cove elects a category of membership which requires the payment of a membership deposit less than that paid by the resigning member, then the resigning member may elect to either (i) place his or her resigned membership on the waiting list, or (ii) receive the amount of the membership deposit paid by the subsequent purchaser of his or her residence or homesite.

TRANSFER OF GOLF MEMBERSHIPS AND SPORTS MEMBERSHIPS THROUGH WAITING LIST

Resigned Golf Memberships and Sports Memberships will be placed on resale waiting lists and will be reissued on a first-resigned, first-reissued basis as follows, unless the member arranges for the subsequent purchaser of his or her residence or homesite in Cummings Cove to acquire his or her membership:

- (a) Prior to the initial sale of all memberships within a membership category, every fourth membership issued in that category (one in four) will be a resigned membership from the waiting list for that category, provided there is a resigned membership on the waiting list. The other three memberships sold will be from the Company's unissued memberships. This procedure allows the reissuance of

resigned memberships prior to the issuance of all memberships in the Club.

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

There is no guarantee that a membership will ever be reissued within a specified time period because reissuance is dependent upon another person desiring the membership and the Company's approval of the prospective member.

TRANSFER TO NEW PROPERTY WITHIN CUMMINGS COVE

If a member who is a property owner in Cummings Cove purchases another residence or homesite from the Company or its designees in Cummings Cove, the membership can be transferred to the new residence or homesite without the need to resign the membership and purchase a new one. Additionally, the purchaser of the member's property in Cummings Cove can then acquire a reserved membership for the then prevailing membership deposit from the Company, if one is available and the purchaser is approved for membership.

RECALLABILITY OF MEMBERSHIP AFTER SALE OF RESIDENCE OR HOMESITE

If a member sells his or her residence or homesite in Cummings Cove, does not acquire another residence or homesite in Cummings Cove and does not resign from the Club, the Company may recall the membership in question at any time in the sole discretion of the Company. If the membership is recalled, the member will be entitled to a refund of the membership deposit paid to join the Club within 30 days after the membership is recalled.

LEGAL SEPARATION OR DIVORCE

In the event of the divorce or separation of spouses having membership privileges, the membership, including all of its rights and benefits, will vest in the spouse awarded the membership by an agreement of separation or a decree of divorce. Until the award of the membership and written notice thereof is provided to the Company, both spouses will be jointly

and severally liable for all dues and charges and may both continue to enjoy membership privileges so long as such amounts are timely paid. The Company reserves the right, in its sole discretion, not to transfer the membership to either spouse if the Company, in its sole discretion, is unable to determine the person who is lawfully entitled to receive the membership. In the case of divorce, if the Company has been unable to determine which spouse is legally entitled to the membership within six months after the date of the divorce decree, the membership shall automatically be deemed resigned and will be placed on the resigned membership waiting list to be reissued.

TRANSFER OF MEMBERSHIP UPON THE DEATH OF A MEMBER

Upon the death of a member, the surviving spouse, if any, may elect to: (i) continue the membership privileges without having to pay any additional membership deposit or initiation fee; (ii) resign the membership; or (iii) designate one adult child to acquire the membership, subject to the approval of the adult child for membership in the Club, by giving written notice to the Company within 60 days after the death of the member. Failure of the surviving spouse to elect one of said alternatives within the prescribed time period shall be deemed an election to continue the membership privileges. If there is no surviving spouse, and the deceased member has not designated one adult child as the beneficiary of the membership, the children of the member may designate one adult child to acquire the membership subject to the approval of the Company. In the event there is no surviving spouse, or the surviving spouse does not desire to continue the membership privileges, or there is no adult child who wants to continue membership privileges or who is approved for membership in the Club, the membership will be deemed resigned and will be reissued by the Company on the same basis as any other resigned membership, whereupon the membership deposit paid for the membership will be refunded to the estate of the deceased member.

Membership may be transferred only one time to an adult child. Upon the death of the adult child who acquired the membership, the membership shall be deemed resigned. In order to effectuate a transfer to an adult child, the member's estate or surviving spouse, as the case may be, shall resign the membership and the Company shall repay the deceased member's estate the membership deposit previously paid by the deceased member. The deceased member's adult child will then repurchase the

deceased member's membership from the Company at the then current membership deposit or initiation fee. A new 30-year period for the refund of the membership deposit shall commence for the adult child. The transfer of the membership to an adult child shall not be subject to the Club's resigned members' waiting list or buyers' waiting list.

THE COMPANY MAY REPURCHASE MEMBERSHIPS

The Company may, in its sole and absolute discretion, but is not obligated to, repurchase a resigned membership which is not being transferred to the subsequent property purchaser from the resigning member in Cummings Cove on any terms which are mutually agreeable to the Company and the resigned member. Any membership so repurchased shall be added to the Company's reserved memberships.

DUES AND CHARGES

DUES, FEES AND CHARGES

The Company will determine the amount of dues, fees and charges to be payable by members each year. Dues shall be payable monthly in advance, or on such other basis as determined by the Company from time to time. The current dues, fees and charges for use of the Club Facilities are indicated on the Schedule of Dues, Fees and Charges. The amount of dues, fees and other charges is subject to change from time to time by the Company. The Company may offer Golf Members the opportunity to elect family level or individual level dues. Individual level dues will only be available to unmarried Golf Members.

INACTIVE DUES PROGRAM FOR INITIAL RETAIL PURCHASERS

The Company, in its sole discretion, may allow certain purchasers of residences and homesites in Cummings Cove from the Company or its affiliates to elect "inactive dues status" whereby the member would not be obligated to pay any dues, fees and other charges associated with the membership for a period of up to two years, as determined by the Company. The member's inactive dues status will automatically terminate upon: (i) the issuance of a certificate of occupancy for the member's residence in Cummings Cove, or (ii) the Company's receipt of written notice from the member requesting activation of the membership. During

the inactive dues status, the member will have no privileges to use the Club Facilities.

NO ASSESSMENTS AGAINST MEMBERS

Members will pay membership dues, fees and other charges established from time to time by the Company. Members will not be subject to any liability for capital or operating assessments for the costs and expenses of ownership or operation of the Club or the Club Facilities in the non-equity club. The Company will pay all operating deficits incurred in the operation of the Club Facilities and will retain all operating revenues resulting from operation of the Club Facilities.

MEMBERSHIP YEAR OF THE CLUB

The Club's membership year will constitute the 12-month period commencing January 1 and ending December 31, unless otherwise established by the Company from time to time.

PAYMENT OF DUES BY A RESIGNED MEMBER

A resigned member shall be obligated to continue to pay dues, fees and other charges associated with the resigned membership until the earlier of: (i) the reissuance of the membership by the Company, or (ii) the end of the six-month period following the effective date of the resignation. A resigned member shall be permitted to use the Club Facilities as long as the dues, fees and other charges continue to be paid by the resigned member. In the event that there are any amounts owing to the Company by a resigned member which are past due, the Company reserves the right to move the member's resigned membership to the bottom of the reissuance waiting list until such amounts have been paid in full.

PRORATED DUES AND FEES UPON REISSUANCE OF MEMBERSHIP

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

ACKNOWLEDGMENT OF MEMBERSHIP RIGHTS

MEMBER'S ACKNOWLEDGMENT

Membership in the Club permits the member to use the Club Facilities in accordance with this Membership Plan and the Rules and Regulations of the Club. Membership in the Club is not an investment in the Company or the Club Facilities and does not give a member an equity or ownership interest or any other property interest in the Company or the Club Facilities, or a vested or prescriptive right or easement to use the Club Facilities. A member only acquires a revocable license to use the Club Facilities in accordance with the terms and conditions of this Membership Plan and the Rules and Regulations, as the same may be amended from time to time, and the Membership Agreement. All rights and privileges of members under this Membership Plan, the Rules and Regulations and the Membership Agreement, are subordinate to any lien of any mortgage encumbering the Club Facilities from time to time. The Company reserves the right, in its sole discretion, to modify or terminate this Membership Plan and the Rules and Regulations, including without limitation, the use privileges of members, to reserve memberships, to sell, lease, finance or otherwise dispose of the Club Facilities in any manner whatsoever and to any person whomsoever, to add, issue, modify or terminate any type, category or class of membership, to convert the Club into a membership-owned club, and to make any other changes in the terms and conditions of membership or in the Club Facilities available for use by members. Notwithstanding the foregoing, if the Company determines to modify the percentage of the membership deposit refunded to a resigned member, such modification will only apply to members who acquire their memberships after the date of such modification.

In the event of termination of the Membership Plan or termination of a membership category, the Company will refund the membership deposit to the affected member(s) within 60 days. In the event that the Club Facilities are sold and the buyer assumes liability for the repayment of the appropriate membership deposit as provided in the Membership Agreement, the member shall look solely to the new owner for repayment of the membership deposit, and the seller of the Club Facilities shall be released from all liability for the repayment thereof. In the event of a sale of the Club Facilities, the buyer shall take title subject to the terms and provisions of the then existing Membership Plan.

MEMBERSHIP MAY NOT BE PLEDGED

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

MEMBERSHIP PROCEDURES

APPLICATION PROCEDURE

Each person who desires to become a member must mail or deliver to the Membership Director a fully completed and signed Membership Agreement along with a check for the required membership deposit or initiation fee.

REVIEW OF MEMBERSHIP AGREEMENT

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

RIGHTS OF MEMBERS GOVERNED ONLY BY MEMBERSHIP PLAN

If approved for membership in the Club, the member agrees to be bound by the terms and conditions of this Membership Plan and the Rules and Regulations of the Club, as amended from time to time, and irrevocably agrees to fully substitute the membership privileges acquired pursuant to this Membership Plan and Rules and Regulations for any present or prior rights in or to use of the Club Facilities.

OTHER MEMBERSHIPS AND USE PRIVILEGES

SPECIAL GUEST OF CUMMINGS COVE MEMBERSHIPS

A total of 20 Special Guest Memberships may be issued to persons designated by the Company from time to time. These Special Guest Memberships are in addition to all other memberships permitted to be issued in the Club and will be available on such terms and conditions as determined by the Company from time to time. Special Guest Members will not be obligated to pay a membership deposit or dues with respect to their memberships.

RECIPROCAL PRIVILEGES

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

PROMOTIONAL USE, TOURNAMENT PLAY AND OTHER USERS

The Company will have the right to designate other persons who will not count toward membership limits, including, without limitation, officers, directors, partners, shareholders, employees and designees of the Company and its affiliates and their guests to use the Club Facilities upon such terms and conditions as may be determined from time to time by the Company. The Company will also have the right to permit prospective purchasers of residences or homesites in Cummings Cove or memberships in the Club to use the Club Facilities on such terms and conditions as may be determined from time to time by the Company. The Company will reserve the right, in its sole and absolute discretion, to restrict or otherwise reserve in advance the Club Facilities for maintenance, tournament or group play, outings and other special events from time to time.

CLUB GUESTS

The Company may permit use of the Club Facilities by non-members as Club Guests, including groups and members of the public, on such terms and conditions as the Company determines appropriate.

CLUB OPERATIONS

MANAGEMENT, CONTROL AND OPERATION OF THE CLUB

The Company owns the Club Facilities and will manage and operate the Club Facilities. As a result, the Company is solely responsible for the governance and administration of the Club Facilities and the Club and will have the exclusive authority to accept members, set dues, fees and charges, establish rules and regulations and control the management and affairs of the Club Facilities and the Club. The Company also reserves the right to engage a professional management company to operate the Club Facilities.

BOARD OF GOVERNORS

The Company will establish an advisory Board of Governors composed of members whose purpose includes fostering good relations between the members and management of the Club, providing the members with input on programs, plans and activities of the Club, and advising on the Club's policies and rules and regulations. The members of the advisory Board will be appointed by the Company on an annual basis. The management of the Club shall meet with the advisory Board on a periodic basis to discuss the operation of the Club Facilities. The Advisory Board shall have no duty or power to negotiate or otherwise act on behalf of the Club, its management or the members of the Club, and shall serve only in an advisory capacity. The management of the Club will have the final authority on all matters concerning the Club Facilities and the members of the Club.

CLUB COMMITTEES

The Company may, in its sole discretion, establish Golf Committees, Tennis Committees, a Social Committee and other appropriate committees. All of the members of these committees, including the chairperson, will be appointed by the Company for specific terms as determined by the Company from time to time. Each of the committees will act only in an advisory capacity and will not have any duty or authority to act on behalf of the members or the Club.

GENERAL PROVISIONS

MEMBERSHIP OFFICE AVAILABLE TO ANSWER INQUIRIES

If you have any questions concerning this Membership Plan or the membership opportunities available at the Club, please contact the Membership Office.