

CLUB MEMBERSHIP PLAN

PANAMA CITY BEACH RESORT CLUB

NON-EQUITY MEMBERSHIP PLAN

CLUB MEMBERSHIP PLAN OVERVIEW

MISSION STATEMENT

The Panama City Beach Resort Club (the “**Club**”) provides members of the Club (“**Members**”) and their guests a premier resort club experience. The Club's practices and policies are designed to promote a high-quality club experience with outstanding service for all Members.

OVERVIEW

The following is a general overview of the membership plan for the Club and is not intended to extend, expand, or redefine the various elements and requirements as actually defined in detail in the Panama City Beach Resort Club Non-Equity Membership Plan (“**Membership Plan**”). In the event of conflicting information in this Overview, the Membership Plan shall govern. This Overview and the Membership Plan are subject to change.

NON-EQUITY MEMBERSHIP OPPORTUNITY

The Membership Plan is a non-equity membership plan and the plan describes the opportunities for membership in the Club (“**Membership**”). The Club is a resort club, located in Margaritaville Beach Cottage Resort, Panama City Beach, Florida, and features access to, swimming, spa, fitness and social facilities. The Club is a limited liability company that owns or has usage rights of certain recreational facilities as outlined in the Club Documents, and is provided services on a paid fee basis, and has permanent beach access via easements provided to the Club which are used by Members. When context requires, the term “Club” as used herein may mean and refer to the Club Owner (as defined below).

The “**Resort Community**” or “**Resort**” consists of the Property as defined in the Declaration of Covenants and Restrictions for PCB Resort Cottages, recorded at Bay County Official Records Book 4500, Page 1167, as it may be amended or otherwise modified from time to time in accordance with its terms (“**Declaration**”), and such other residential communities designated by the Club Owner. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Declaration.

MEMBERSHIP CATEGORIES

The Club is offering a Resort Club Membership for Residential Dwelling Unit Owners and annual Social Memberships to non-Residential Dwelling Unit Owners. Certain other categories of Membership and other use privileges may be offered, as described in the Other Memberships and Use Privileges section of the Membership Plan. The use privileges associated with each category are more fully described in the Membership Plan.

SPECIAL MEMBERSHIP BENEFITS

As explained in the Membership Plan, the Club currently offers its Members and their families a number of attractive benefits, including:

- Refundable Resort Club Membership Deposit. An amount equal to 100% of the Membership Deposit that was paid by a Resort Club Member will be refunded to the Resort Club Member 30 years after the date the Resort Club Membership is issued by the Club if the Membership is not resigned and reissued within the 30 years. If the Resort Club Membership is resigned and reissued before 30 years, an amount equal to the Membership Deposit, less a 20% Transfer Fee, will be refunded upon resignation and reissuance of the Membership by the Club to a new Member.
- Immediate Family Privileges. A Member, his or her spouse or Significant Life Partner (as defined herein) and their unmarried children or grandchildren under the age of twenty-five (25) living with the Club Member, attending school on a full-time basis, or in the military will be entitled to Membership privileges without having to pay additional Membership dues. Parents over the age of 68 living with or under the primary care of the Member shall be considered part of the Immediate Family Members (as defined below).
- Extended Family Privileges. The parents, adult children, grandparents, grandchildren and great-grandchildren of the Member and the Member's spouse will also be entitled to use the Club Amenities (as defined below) as a guest of the Member upon payment of an Amenities Access Fee if unaccompanied by the Member or the Member's Immediate Family Member. In the Club Manager's sole discretion, the Club Manager shall have the authority to suspend this extended family privilege during special events, temporary construction or repairs, and at times when the facilities or amenities are too busy or at the Resort's capacity restrictions.
- Transferability of Memberships. Resort Club Memberships are transferable through the Club to the subsequent purchaser of a Member's Residential Dwelling Unit in the Resort Community regardless of whether there is anyone on a waiting list to acquire a Membership. "**Residential Dwelling Unit**" or "**Unit**" shall mean a residential unit or residential home on a Lot or Building Site within the Resort Community.
- No Assessments. Members are not subject to operating or capital assessments.

CAREFULLY REVIEW ALL MEMBERSHIP DOCUMENTS

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

RELY ONLY ON INFORMATION IN THIS MEMBERSHIP PLAN

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS NOT CONTAINED IN THIS MEMBERSHIP PLAN OR IN THE OTHER DOCUMENTS REFERRED TO HEREIN, AND, IF ANY SUCH INFORMATION IS GIVEN OR ANY SUCH REPRESENTATIONS ARE MADE, THEN SUCH INFORMATION OR REPRESENTATIONS MAY NOT BE RELIED UPON.

IN THE EVENT OF A CONFLICT BETWEEN THE TERMS OF MEMBERSHIP AS DESCRIBED IN THE MEMBERSHIP PLAN, RULES AND REGULATIONS AND MEMBERSHIP AGREEMENT, AND ANY OTHER INFORMATION OR REPRESENTATION, WHETHER ORAL OR WRITTEN, THE TERMS OF THE MEMBERSHIP AGREEMENT, MEMBERSHIP PLAN, AND RULES AND REGULATIONS SHALL GOVERN, IN THAT ORDER.

MEMBERSHIPS ARE OFFERED ONLY FOR RECREATIONAL PURPOSES

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

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

ADMISSION PROCEDURE

Each person who desires to become a Member must mail or deliver to the Membership Office a fully completed and signed Membership Agreement, along with a check(s) for the required Membership Deposit. In addition, non-resident Social Member applicants must pay a non-refundable Annual Fee and the first month's (or quarterly) dues. Owners of Residential Dwelling Units in the Resort Community are not subject to application and approval for Membership, unless otherwise determined by the Club.

DIRECTOR OF MEMBERSHIP AVAILABE TO ANSWER QUESTIONS

All inquiries regarding Membership in the Club or this Membership Plan and referenced documents should be directed to the Director of Membership at Margaritaville Beach Cottage Resort – Panama City Beach at 13646 Front Beach Road, Panama City Beach, FL 32413 or by calling (850) 880-8850. You may also visit our website at www.margaritavilleresorts.com/margaritaville-beach-cottage-resort-panama-city-beach.

PANAMA CITY BEACH RESORT CLUB

NON-EQUITY MEMBERSHIP PLAN

“Club Membership Plan”

TABLE OF CONTENTS

- I. MEMBERSHIP FEATURES AND FACILITIES
- II. MEMBERSHIP CATEGORIES AND PRIVILEGES
- III. NUMBER OF MEMBERSHIPS
- IV. FAMILY AND GUEST PRIVILEGES
- V. LESSEE PRIVILEGES
- VI. OFFERING OF MEMBERSHIPS
- VII. MEMBERSHIPS DEPOSIT FOR RESTORT CLUB MEMBERSHIP
- VIII. TRANSFER OF MEMBERSHIP
- IX. DUES AND CHARGES
- X. ACKNOWLEDGEMENT OF MEMBERSHIP RIGHTS
- XI. MEMBERSHIP AGREEMENT
- XII. OTHER MEMBERSHIP AND USE PRIVILEGES
- XIII. CLUB OPERATIONS

I. MEMBERSHIP FEATURES AND FACILITIES

INTRODUCTION

This Membership Plan, the Rules and Regulations, and the Membership Agreement set forth the rights and privileges of membership for individuals holding a Membership in the Club (hereinafter referred to as "**Member**" or collectively "**Members**"), and their families and guests to use the Club Amenities of the Club, as defined below.

CLUB AMENITIES

The Panama City Beach Resort Club provides access to a collection of recreational and social amenities and facilities for Members to enjoy with family and friends. Among the planned recreational and social amenities and facilities are:

- Approximately 8,500 sq. ft. Resort Pool with dueling waterslide
- Lazy River
- Event Lawn
- Pickle Ball Court
- Beach Access
- Beach Services

The above listed facilities are referred to as "**Club Amenities**" or "**Amenities**" in this Membership Plan. Any representations regarding size, number or adequacy of facilities may not be relied upon. The Club Owner (as defined herein) reserves the right to make any changes in the Club Amenities available for use by Members, including relocating them and restricting or terminating Member access to the extent permitted by the Declaration.

OWNERSHIP AND OPERATION OF AMENITIES

PCB Resort Club, LLC, a Florida limited liability company (the "**Club Owner**"), currently owns and operates the Club. The Club Owner may contract with third party entities to operate the Club on behalf of the Club Owner from time to time. The Club Owner may select a management company to operate the Club Amenities owned and/or operated by it, pursuant to a management agreement between Club Owner and such management company ("**Club Manager**"); however, in the event a Club Manager is not selected by the Club Owner, the Club Manager of the Club Amenities owned and/or operated by Club Owner shall be the Club Owner. Where this Membership Plan refers to the Club taking action or having certain rights, the Club Owner, its Club Manager or their designees shall be authorized to take any and all such actions and shall have any and all such rights.

ADDITIONAL CLUB AMENITIES

The Club Owner may, in its sole discretion, expand the Club Amenities owned by the Club Owner, or add facilities either on or off-site as it determines appropriate from time to time.

If additional amenities or facilities are added, the Club may extend Membership privileges for the additional facilities to all Members or only to Members of certain categories or may create new Membership categories to which then existing Members may, to the extent available and offered to them, in the Club Owner's sole discretion, upgrade upon payment of an additional Membership Deposit. The Club Owner may, in its sole discretion, increase dues for all Members or certain categories of Membership, or give Members the option to use the Club Amenities upon payment of additional Membership dues or fees. The Club Owner or the Resort Community developer may build recreational facilities or amenities in the Resort Community and elect not to add them to the Club Amenities or provide Members with access to them. The Club Owner may, in its sole discretion, replace Club Amenities and services with other amenities and services should it become necessary or desirable.

II. MEMBERSHIP CATEGORIES AND PRIVILEGES

CATEGORIES OF MEMBERSHIP

The Club is currently offering a Resort Club Membership and an annual Social Membership. The Club may offer other Memberships and use privileges as described in the "Acknowledgment of Membership Rights" (Section X) and "Other Memberships and Use Privileges" (Section XII) provisions in this Membership Plan. The Club may add, change or discontinue offering any category of Membership at any time.

RESORT CLUB MEMBERSHIP

Persons who own a Residential Dwelling Unit in the Resort Community will acquire a Resort Club Membership ("**Resort Club Members**").

SOCIAL MEMBERSHIP

Persons who do not own a Residential Dwelling Unit in the Resort Community may be offered a Social Membership ("**Social Members**").

RULES AND POLICIES

The Club may, from time to time, as the Club may determine in its sole discretion, establish and/or modify or amend rules, regulations, policies, guidelines, and/or systems to govern access to, or reservation of, the use of the Club Amenities by the Members and their guests. In addition, Members are specifically directed to the Section 1(a) of the "Guest Privileges" section of the Rules and Regulations for specific limitation on the number of persons that may use the Club Amenities at one time. Each Member and their guests (no matter the type of guest) shall read and be familiar with all the Rules and Regulations and requirements of Membership. Current copies of the Rules and Regulations may be obtained at the offices of the Club or

online at the Club's website at www.margaritavilleresorts.com/margaritaville-beach-cottage-resort-panama-city-beach.

III. NUMBER OF MEMBERSHIPS

The combined total number of Resort Club Memberships and Social Memberships shall be limited to one hundred sixty-five (165) in the aggregate. Access to and use of each of the Club Amenities shall be equally available to both categories of Membership.

IV. FAMILY AND GUEST PRIVILEGES

IMMEDIATE FAMILY PRIVILEGES

A Member's Immediate Family Members will be entitled to use the Club Amenities on the same basis as the Member. "**Immediate Family Members**" shall mean and include a Club Member's spouse or Significant Life Partner (as defined below) and their unmarried children or grandchildren under the age of twenty-five (25) living with the Club Member, attending school on a full-time basis, or in the military. Parents over the age of sixty-eight (68) living with or under the primary care of the Club Member shall be considered part of the "Immediate Family Members."

PRIVILEGES FOR INDIVIDUAL LIVING WITH MEMBER

An unmarried Member living with another individual in the same household as a family unit on a permanent basis may designate that individual to use the Club Amenities as an Immediate Family Member on a Membership Year basis, upon payment of the required designee fee. Such designee is referred to as a "**Significant Life Partner**." The Member and the Significant Life Partner shall be individually and jointly responsible for the payment of all charges and fees incurred by the designated user. The Club reserves the right to establish such fees and other rules it deems appropriate with respect to Significant Life Partners as the Club may determine from time to time in its sole discretion.

EXTENDED FAMILY PRIVILEGES

The Club reserves the right from time to time, to permit the extended family of a Member to use the Club Amenities as a guest of the Member without accompaniment by the Member or an Immediate Family Member upon payment of an "**Amenities Access Fee**" if unaccompanied by the Member or the Member's Immediate Family Member, as may be established by the Club from time to time in its sole discretion. The extended family shall include the parents, adult children who do not fall within the definition of Immediate Family Members, grandparents, grandchildren and great-grandchildren of the Member and spouse, and the spouses of such family members. The Club may modify or terminate this privilege and establish such rules with respect thereto as it may determine from time to time in its sole discretion. The Member will be responsible for the payment of charges incurred by a Member's extended family, including any applicable daily guest fees established by the Club from time to time.

GUEST PRIVILEGES

In accordance with the Member's Membership privileges, the Rules and Regulations of the Club, and the Club's guest policies, Resort Club Members may arrange for non-renting houseguests (i.e. Unaccompanied Guests and Accompanied Guests as hereinafter defined) to use the Club Amenities. Social Members may arrange for Accompanied Guests to use the Club Amenities.

"Accompanied Guests" shall mean any person(s) accompanied by a Club Member or an Immediate Family Member while such person and the Club Member or an Immediate Family Member are using the Club Amenities. Accompanied Guests shall not include Renters or any person using Club Amenities when the Member or an Immediate Family Member is not physically present.

"Unaccompanied Guest" shall mean any person(s) the Residential Dwelling Unit Owner has granted permission to use the Owner's Unit during a period when the Owner is not physically occupying the Unit. If any form of payment, trade, or consideration is granted to the Unit Owner, either directly or indirectly from the guest then the guest shall not be considered an Unaccompanied Guest.

The Club may limit the number of Accompanied Guests or Unaccompanied Guests and the number of times a particular guest may use the Club Amenities during each Membership Year.

The Member will be responsible for the payment of charges incurred by any guest and/or extended family member including any applicable daily guest fees established by the Club from time to time in accordance with the Rules and Regulations. Members are responsible for the deportment of their guests. All guest fees and charges will be billed on the Member's account; however, the Club may, in its sole discretion, allow for direct payment by a guest of any charges incurred at the Club.

SHORT TERM RENTER FACILITIES USE PRIVILEGES

Resort Club Members may arrange for their unoccupied Residential Dwelling Units in the Resort Community to be rented to Renters (as defined in the Declaration) subject to the restrictions and requirements set forth in the Declaration. Resort Club Members may arrange for their Renters who lease their Residential Dwelling Units for a term of less than twelve (12) consecutive months ("**Short Term Renters**") to use the Club Amenities on payment of a daily access fee ("**Amenities Access Fees**" or "**AAF**") on such terms and conditions as the Club Owner determines from time to time. The Club Owner reserves the right to enter into arrangements with one or more rental management companies permitting the rental management companies to make arrangements for Renter use of the Club on behalf of the Owners who engage them (referred to as the "**Designated Rental Program**"). The Club Owner reserves the right to deny access to and use of the Club and Club Amenities to any Renter who is renting a Residential Dwelling Unit other than through the Designated Rental Program. The Club Owner further reserves the right to limit, restrict or modify Short Term Renter facilities use privileges. The Club may limit the number of people per Residential Dwelling Unit who may use the Club Amenities, including the Member, the Member's family, guests, and Short Term Renters. The Club may also

designate peak periods during which the Member and the Member's family, extended family, and guests will have no Club benefits or privileges when Short Term Renters are renting the Member's Unit.

V. LESSEE PRIVILEGES

A Member who leases his or her Residential Dwelling Unit in the Resort Community for a period of at least twelve (12) consecutive months ("**Long Term Renter**") to the same person may designate the Long Term Renter as the beneficial user of the Membership, subject to the prior approval of the Club Owner in its sole discretion. During the term of the lease, the Member must designate one (1) individual (and Immediate Family Members in accordance with the "Immediate Family Privileges" provision of this Membership Plan) who will have the right to use the Membership. The Long Term Renter must submit an Application for Lessee Privileges, must be approved by the Club Owner, and must pay the required administrative fee established by the Club Owner from time to time. During the period when a Long Term Renter is the designated user of the Membership, the lessor Member will not have any Membership privileges (unless approved by the Club) but will continue to be obligated to pay dues with respect to the Membership. The Member will be responsible for the deportment of the Long Term Renter and for all charges incurred by the Long Term Renter which are not paid by the Long Term Renter within the customary billing and collection procedures of the Club. A Long Term Renter will not be entitled to sponsor houseguests or day guests at the Club without prior written approval of the Club, which may be withheld in Club's sole discretion.

VI. OFFERING OF MEMBERSHIPS

ELIGIBILITY FOR MEMBERSHIP

Resort Club Memberships will be required of Residential Dwelling Unit Owners. Social Memberships will be offered to such other persons as the Club may determine in its sole discretion from time to time. "**Unit Owner**" shall mean an Owner of a Residential Dwelling Unit on a Lot or Building Site within the Resort Community (as defined in the Declaration).

MEMBERSHIP REQUIREMENT FOR RESORT RESIDENCE OWNERS

The Declaration requires each Residential Dwelling Unit Owner to acquire and maintain a Resort Club Membership in the Club. Therefore, each initial and resale purchaser of a Residential Dwelling Unit in the Resort Community must at any time before the closing on the Unit submit a Membership Agreement and pay the applicable Membership Deposit. The Club and all Unit Owners shall be bound by the requirements of the Declaration and any covenants, conditions, and restrictions applicable to their specific development or owner's association.

RESERVED MEMBERSHIPS

The Club will reserve one Resort Club Membership for each Residential Dwelling Unit in the Resort Community. All Social Memberships will be reserved by the Club. The Club shall make a Resort Club Membership available to each Unit Owner and may make Social Memberships available to any person as determined by the Club in its sole discretion.

Reserved Social Memberships shall not be considered available. The Club may not be compelled to make any Social Membership available to any person.

INITIAL PURCHASERS OF RESIDENCES

Each initial purchaser of a Residential Dwelling Unit in the Resort Community is required to have a Resort Club Membership and must at any time prior to the closing on his or her real estate contract, submit a Membership Agreement and pay the required Membership Deposit. Notwithstanding the foregoing, the Club Owner reserves the right to waive the required Membership Deposit for the initial purchasers of the first thirty (30) Residential Dwelling Units constructed in the Resort, which number may be increased or decreased by the Club Owner at the Club Owner's sole discretion. OWNERSHIP OF A RESIDENCE DOES NOT GIVE ANY VESTED RIGHT OR EASEMENT, PRESCRIPTIVE OR OTHERWISE, TO USE THE CLUB AMENITIES WITHOUT ACQUIRING A MEMBERSHIP, AND DOES NOT GRANT ANY OWNERSHIP OR MEMBERSHIP INTEREST IN THE CLUB OR THE CLUB AMENITIES.

MEMBERSHIP PRIVILEGES PRIOR TO CLOSING

The Club may allow the initial purchaser (after the conclusion of the contract rescission period) of a Residential Dwelling Unit in the Resort Community to use the Club Amenities as a Member prior to the closing on his or her Residential Dwelling Unit. The person will be required to pay the applicable Membership Deposit, dues, fees and other charges established by the Club from time to time. In the event the purchaser does not timely close on the Residential Dwelling Unit, the Club may terminate the Membership privileges by returning to the person the Membership Deposit (if applicable) and the unused portion of any dues, fees and charges paid by the person in advance for the remainder of the Membership Year (defined herein). In this event, a Social Membership may thereafter be made available to the person only in the discretion of the Club.

OWNERSHIP OF MULTIPLE RESIDENCES

If a purchaser acquires two (2) or more Residential Dwelling Units in the Resort Community, the purchaser shall be required to acquire and maintain a separate Resort Club Membership for each Residential Dwelling Unit.

MEMBER NAMES

The name on the account of a Resort Club Membership associated with a Residential Dwelling Unit in the Resort Community must be held in the same name of the owner of the Residential Dwelling Unit in the Resort Community as it appears on the title to the Residential Dwelling Unit, unless otherwise determined by the Club.

MULTIPLE OWNERS OF PROPERTY

In the event a Residential Dwelling Unit in the Resort Community is owned by more than one person (other than spouses), only one owner, who is designated by all owners, is eligible to obtain Membership privileges. The additional Unit Owners who are not the designated owner of the Membership may not use the Membership; however, such

additional owners may use the Club Amenities as guests of the designated owner upon payment of applicable guest fees. Decisions of the multiple owners with respect to the Membership, including changes in designation of owner, shall be made only by unanimous written notice to the Club, unless the multiple owners give unanimous written notice to the Club indicating that decisions thereafter made with respect to the Membership shall be made by written notice from a majority of the owners or one of the owners.

The designated owner of the Membership may be changed up to one time per Membership Year upon payment of a re-designation fee; except the owners may change the designated owner to the designated owner's spouse upon the death of the designated owner, without payment of a re-designation fee and without limitation.

MEMBERSHIP HELD IN NAME OF LEGAL ENTITY

For the convenience of Members, a Membership may be held in the name of a limited liability company, corporation, partnership, trust or other form of multiple ownership (collectively, the "**Entity**"). The Entity must designate one individual who will have the right to use the Membership. The designated individual may be changed one time per Membership Year upon thirty (30) days advance written notice and payment of a re-designation fee; except that the Entity may change the designated user to the designated user's spouse upon the death of the designated user, without payment of a re-designation fee and without limitation. The designated user must submit a current Membership Agreement and will be subject to the approval of the Club, in its sole discretion. The designated user must be a bona fide director, officer, partner, shareholder or employee of the Entity, or a beneficiary or settler if the Membership is held in the name of a trust, and must pay the required dues, fees and charges. No person other than the designated user and their Immediate Family Members will be entitled to simultaneously use the Membership. The Club may establish from time to time the rules governing the designated user of a Membership.

VII. MEMBERSHIP DEPOSIT FOR RESORT CLUB MEMBERSHIP

MEMBERSHIP DEPOSIT REQUIRED TO ACQUIRE RESORT CLUB MEMBERSHIP

Except as provided in the Member's Membership Agreement, each person who desires to acquire a Resort Club Membership will be required to pay a Membership Deposit as determined by the Club Owner from time to time in its sole discretion. Membership Deposits are not transferable, except as specifically provided in this Membership Plan, and are refundable only if actually paid by the Member and then only in accordance with this Membership Plan, the Rules and Regulations of the Club, and the Membership Agreement. Although the Club Owner does not currently require Social Members to pay a Membership Deposit or non-refundable initiation fee, the Club Owner reserves the right to do so.

Social Member applicants must pay a non-refundable Annual Fee in addition to the Membership Deposit and monthly or quarterly dues (as applicable).

Club Owner may use Membership Deposits and Annual Fees received in connection with issuance of Memberships for any purpose in its sole discretion, including but not limited to funding construction of unbuilt Amenities.

REFUND OF RESORT CLUB MEMBERSHIP DEPOSIT

The Membership Deposit actually paid by a Resort Club Member, less a 20% Transfer Fee, will be refunded, without interest, within thirty (30) days after the reissuance of the resigned Membership by the Club to a new Member, in accordance with the "Transfer of Membership" provision in this Membership Plan.

The Membership Deposit paid by a Resort Club Member will be refunded, without interest, thirty (30) years after the date the Membership is issued by the Club, unless the Membership is resigned and reissued before such thirty (30) year period.

The Club's obligation to the Member shall be evidenced by the Membership Agreement. Upon the reissuance of a resigned Membership to a new Member, a new thirty (30) year period begins on the date the new Membership is issued. The difference between the amount paid by the new Member and the amount refunded to the resigning Member will be retained by the Club.

MEMBER MAY CONTINUE MEMBERSHIP AT END OF THIRTY YEARS

A Resort Club Member who continues to be a Resort Club Member for thirty (30) years shall remain a Member at the end of the thirty (30) year period, notwithstanding the Membership Deposit Refund, until the Member subsequently resigns from the Club upon the sale of his or her Residential Dwelling Unit.

DEDUCTION OF AMOUNTS OWED TO CLUB

The Club will deduct from the Membership Deposit actually paid by a Resort Club Member any amount which the Member owes the Club.

TAX CONSEQUENCES OF ACQUIRING MEMBERSHIP

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

VIII. TRANSFER OF MEMBERSHIP

TRANSFER OF MEMBERSHIP TO CLUB

A Member may transfer his or her Membership only to the Club by resigning the Membership and arranging for the Club to reissue the Membership. Should a Resort Club Member desire to resign from the Club, the Resort Club Member shall be required

to give prior written notice to the Club and may do so only upon sale of the Member's Residential Dwelling Unit in the Resort Community. Resignation of a Member is irrevocable, unless otherwise determined by the Club. A Member may not transfer or sell his or her Membership to any person or entity.

TRANSFER UPON SALE OF RESIDENCE

A Resort Club Member who resigns from the Club upon the sale of his or her Residential Dwelling Unit in the Resort Community must arrange for the Club to reissue his or her Resort Club Membership to the subsequent purchaser of his or her Unit. Upon sale or transfer of a Unit, all the selling/transferring Member's Club privileges cease.

The resigning Resort Club Member shall be required to pay Membership dues until the reissuance of the Member's Membership to the subsequent purchaser of the Member's Unit. Further, after the reissuance of the Membership to a subsequent purchaser, the resigned Resort Club Member shall receive a refund of the Membership Deposit actually paid by the resigned Member, less any Transfer Fees, pursuant to the "Refund of Resort Club Membership Deposit" section of this Membership Plan.

The subsequent purchaser desiring the resigned Membership is required pursuant to the Declaration to submit a Membership Agreement and pay the Membership Deposit which is then in effect prior to the Residential Dwelling Unit purchase closing.

TRANSFER OF NEW PROEPRTY WITHIN RESORT COMMUNITY

If a Resort Club Member sells his or her Residential Dwelling Unit within the Resort Community and purchases another Unit within the Resort Community within fifteen (15) days of the Residential Dwelling Unit sale, he or she may continue that Membership. The owner of the Residential Dwelling Unit that the Member purchases may arrange for the transfer of the Resort Club Membership to the purchaser of the Member's Residential Dwelling Unit in accordance with the "Transfer Upon Sale of Residence" section above, as if the purchaser had acquired the Residential Dwelling Unit directly from the Unit Owner.

TRANSFER OF MEMBERSHIP UPON DEATH OF MEMBER

Upon the death of a Member, the Membership will be transferred to the Member's surviving spouse without the payment of any additional Membership Deposit. In the case of a Membership held by a Unit Owner, the surviving spouse must own the Residential Dwelling Unit to which the Membership is associated. If the deceased Member owned a Residential Dwelling Unit in the Resort Community and there is no surviving spouse or the surviving spouse does not own the Residential Dwelling Unit, the Membership will be deemed to have been resigned and will be reissued by the Club to the subsequent owner of the Residential Dwelling Unit in accordance with the "Transfer Upon Sale of Residence" section above. If the deceased Member did not own a Residential Dwelling Unit in the Resort Community and there is no surviving spouse, the Membership will be deemed to have been resigned.

As an exception to the general rule, a Resort Club Member has a one-time only right to pass the Membership on to one adult child who inherits the Residential Dwelling Unit in the Resort Community, upon the Member's death, subject to the approval of the Club. In the event the Member exercises the right to pass the Membership to an adult child, the deceased Member's estate shall resign the Membership to the Club. The Club will repay the deceased Member's estate the Membership Deposit previously paid by the deceased Member. The deceased Member's adult child will then acquire the deceased Member's Membership from the Club upon payment of the Membership Deposit previously paid by the deceased Member. The transfer of the Membership to an adult child shall not be subject to any waiting lists.

LEGAL SEPARATION OR DIVORCE OF MARRIED MEMBERS

In the event of the divorce or separation of spouses who hold a Membership, the Membership, including all of its rights and benefits, will vest in the spouse awarded the Residential Dwelling Unit by an agreement of separation or a decree of divorce in the case of Members who own a Residential Dwelling Unit in the Resort Community. In the case of Social Members who do not own a Residential Dwelling Unit in the Resort Community, 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 Residential Dwelling Unit or Social Membership, as the case may be, and written notice thereof is provided to the Club, both spouses will be jointly and severally liable for all dues and charges and both may continue to enjoy Membership privileges so long as such amounts are timely paid. The Club reserves the right, in its sole discretion, not to transfer the Membership to either spouse if the Club, in its sole discretion, is unable to determine the person who is lawfully entitled to receive the Membership, and, in such case, both spouses shall remain jointly and severally liable for all dues and charges.

IX. DUES AND CHARGES

DUES, FEES, AND CHARGES

The Club will determine the amount of dues, fees and charges to be payable by Members each year. Annual dues shall be payable upon a receipt of an invoice, and monthly fees shall be received by the Club on or before the fifteenth of each month, unless otherwise determined by the Club from time to time in its sole discretion. In addition, the Club currently charges Social Members an annual fee ("**Annual Fee**"), which is payable on an annual basis in advance, which shall be in addition to any Membership Deposit and dues. Such Social Member Annual Fee shall not be refunded to the Social Member under any circumstances, including after resignation or death. The current dues, fees and charges for use of the Club Amenities are indicated on the Schedule of Dues and Charges. The amount of dues, fees and other charges is subject to change from time to time by the Club in its sole discretion.

Dues for Resort Club Membership may not increase by more than 7% per year on a cumulative basis. For example, if the Club increases dues by less than 7% in any one year or years, the Club may increase dues in the future by not only 7% over the prior year's dues, but an additional amount reflecting what dues would have been had the Club

increased dues 7% each year. This accumulation shall have 4-year cap. As an exception to the foregoing limit on dues increases, the Club may increase dues by more than 7% for any year in which a Club Amenity is added to the Club. Club and dues for Social Members and other fees such as, but not limited to administrative fees, amenity fees, check-in and check-out fees, application fees, etc. are not subject to these limitations.

Payment of dues by Members is a continuing obligation of Membership which is not suspended due to the closure of any or all of the Club Amenities which result from acts of God, natural disasters, pestilence, weather, fires, the need to replace turf and landscaping on the Club Property due to disease or other unanticipated cause, requirements imposed by governmental authorities and any events beyond the reasonable control of the Club.

If a Member fails to pay any dues, fees and other charges, the Club may suspend the Member's privileges for non-payment in accordance with the Club Rules and Regulations and may take such other remedies including, but not limited to, in the case of a Membership associated with a Residential Dwelling Unit in the Resort Community, placing a lien on the Member's Residential Dwelling Unit in the Resort Community as set forth in the Declaration. The Club retains the right to utilize various collection efforts, including, but not limited to collection agencies and litigation in order to collect on delinquent dues, fees and other charges. The expenses of any such collection efforts shall be charged to the Member that is not in good standing.

All dues, fees and charges are subject to applicable state and local taxes, which shall be paid by the Member.

NO ASSESSMENTS AGAINST MEMBERS

Members will only pay Membership Deposits, dues, fees and other charges established from time to time by the Club, in its sole discretion, and any purchases made by the Member for goods/services received. Except for the payment of dues, 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 Amenities. The Club will pay all operating deficits (if any) incurred in the operation of the Club Amenities and will retain all operating revenues resulting from operation of the Club Amenities. Annual increases in dues shall not be deemed an assessment for purposes of this provision. The Club operating budget and the calculation of the dues may include a reserve for capital replacements and improvements, and this shall not be deemed an assessment for purposes of this provision.

MEMBERSHIP YEAR

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

PAYMENT OF DUES BY RESIGNED MEMBER

A Resort Club Member shall be required to pay dues, fees and other charges associated with the Membership as long as the Member owns such Residential Dwelling Unit. If a

Resort Club 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.

X. ACKNOWLEDGMENT OF MEMBERSHIP RIGHTS

GENERAL

Membership in the Club permits the Member to use the Club Amenities in accordance with this Membership Plan and the Rules and Regulations. Membership in the Club is not an investment in the Club, the Club Owner, or the Club Amenities and does not give a Member a vested or prescriptive right or easement, prescriptive or otherwise, to use the Club Amenities without acquisition and maintenance of a Club Membership, or to retain a Club Membership in the Club without payment of Membership Dues and other Club fees, and charges as applicable. Membership in the Club does not provide a Member with an equity or ownership interest or any other property interest in the Club, the Club Owner, or any other real estate assets. A Member only acquires a revocable license to use the Club Amenities in accordance with the terms and conditions of the 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 the lien of any mortgage which now or hereafter encumbers the Club Amenities from time to time.

The Club Owner reserves the right, in its sole discretion, to modify this Membership Plan and Rules and Regulations, to reserve Memberships, to sell, lease or otherwise dispose of the Club Amenities owned by Club Owner in any manner whatsoever and to any person whomsoever, to add, issue, modify or terminate any type, category of Membership, to discontinue operation of any or all of the Club Amenities, to convert the Club into a member-owned club, and to make any other changes in the terms and conditions of Membership or in the Club Amenities available for use by Members.

In the event that the Club Amenities 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 Amenities shall be released from all liability for the repayment thereof. In the event of a sale of the Club Amenities, the buyer shall take title subject to the terms and provisions of the then existing Membership Plan.

NO PLEDGE OF MEMBERSHIPS

A Member may not pledge or hypothecate the Membership except to the extent the lien or security interest is granted in connection with financing of the purchase of the Membership.

XI. MEMBERSHIP AGREEMENT

ADMISSION PROCEDURE

Each person who desires to become a Member must mail or deliver to the Director of Membership or the Membership office a fully completed and signed Membership Agreement, along with a check for the required Membership Deposit or Annual Fee. Unit Owners are not subject to application and approval for membership, unless otherwise determined by the Club.

REVIEW OF MEMBERSHIP AGREEMENT

All applicants desiring a Social Membership who do not own a Residential Dwelling Unit in the Resort Community must be approved by the Club. The Club may require an interview with the Director of Membership, and/or other designees of the Club. After receiving the Membership Agreement, the Club will determine whether the applicant has satisfied the relevant conditions of Membership.

RIGHTS GOVERNED BY MEMBERSHIP PLAN

Each Member of the Club 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 any Membership Agreement executed by the Member and the Club. Each Member irrevocably agrees that the Membership privileges and benefits provided for in the Membership Plan supersede any and all Membership privileges and benefits with respect to the Club or any Club Amenities that such Member may have previously acquired in any manner whatsoever.

XII. OTHER MEMBERSHIPS AND USE PRIVILEGES

MEMBERSHIPS FOR PRIVATE RESIDENCE CLUB

The Residences in the Resort Community may be developed as a “**Private Residence Club**,” which may include residences in other residential communities or may be part of a system that includes residences in other residential communities. An owner of a Membership in the Private Residence Club may acquire a Membership, with such privileges, terms and conditions as determined by the Club in its sole discretion. In order to accommodate possible different structures, the Club reserves the right to tailor the Membership to the specific structure and modify this provision for the particular project. Memberships for owners in a Private Residence Club may be in addition to other Memberships permitted to be issued in this Membership Plan.

RECIPROCAL PRIVILEGES AND ACCESS ARRANGEMENTS

The Club may, in its sole discretion, enter into reciprocal use privileges and access agreements with other clubs, as the Club determines appropriate from time to time. The Club and/or owners of the other clubs may charge Members of the Club such additional Membership Deposit, dues, fees or charges for use of the facilities of the other clubs and/ or charge members of the other clubs such Membership Deposit, dues, fees or

charges for use of the Club Amenities, as they determine from time to time. The Club shall give the members of the other clubs such privileges as it determines from time to time, and the owners of the other clubs shall give members of the Club such privileges as such owners determine from time to time.

PROMOTIONAL USE

The Club 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 Club and its affiliates and their guests to use the Club Amenities upon such terms and conditions as may be determined from time to time by the Club in its sole discretion. The Club will also have the right to permit prospective Members and purchasers of Residential Dwelling Units in the Resort Community to use the Club Amenities on such terms and conditions as may be determined from time to time by the Club. The Club reserves the right, in its sole discretion, to restrict or to otherwise reserve in advance the Club Amenities for maintenance and special events from time to time.

SHORT TERM RENTERS

The Club Owner may permit Short Term Renters staying in the Residential Dwelling Units of Resort Club Members in good standing to use the Club Amenities upon payment of a daily Amenities Access Fee on such terms and conditions as the Club Owner determines from time to time. The Club Owner reserves the right to deny access to and use of the Club and Club Facilities to any Renter who is renting a Residential Dwelling Unit other than through the Designated Rental Program.

NONMEMBER USAGE

The Club Amenities are for the exclusive use of Members and their families and their guests, except as follows. The Club Owner may permit general public use of the Club Amenities upon payment of a daily fee as determined by the Club Owner in its sole discretion.

XIII. CLUB OPERATIONS

MANAGEMENT AND OPERATION

The Club Owner owns and operates the Club and is solely responsible for the management, operation and administration of the Club and Club Amenities. The Club Owner has the exclusive authority to accept Members, set and waive Membership Deposit amounts, set dues and charges, establish rules and regulations, and control the management and affairs of the Club Amenities. The Club Owner reserves the right to engage a professional management company to manage and operate the Club Amenities as applicable.

ADVISORY BOARD OF GOVERNORS

The Club Owner may establish an Advisory Board of Governors comprised of Members whose purpose includes fostering good relations between the Members and management of the Club, providing the Club with input on programs, plans and activities of the Club, and advising on the Club's policies and rules and regulations. The Club Owner shall appoint the members of the Advisory Board of Governors for such terms as determined by the Club Owner and may remove any member of the Board of Governors at any time in its sole discretion. The management of the Club shall meet with the Advisory Board of Governors on a periodic basis to discuss the operation of the Club Amenities. The Advisory Board of Governors shall have no duty or power to negotiate or otherwise act on behalf of the Club, its management or the Members of the Club, and shall serve only in an advisory capacity. The management of the Club will have the final authority on all matters concerning the Club Amenities, membership in the Advisory Board of Governors, and the Members of the Club.

CLUB COMMITTEES

The Club may establish social committees and other appropriate committees. All of the members of these committees, including the chairperson, will be approved by the Club for specific terms as determined by the Club from time to time. The management of the Club will meet with these committees on a regular basis to discuss Member programs and events at the Club. 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, the Club, or the Club Owner. The management of the Club will have the final authority on all matters concerning the Club Amenities, membership in the club committees and the Members of the Club.

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