

Exhibit 2

NEW CLUBCO MEMBERSHIP PLAN



**THE CLIFFS CLUBS**

**MASTER MEMBERSHIP PLAN**

**EFFECTIVE DATE: AUGUST \_\_, 2012**

## THE CLIFFS CLUBS

### MASTER MEMBERSHIP PLAN

#### PROLOGUE

#### PURPOSE OF THIS MEMBERSHIP PLAN

This Master Membership Plan for the Cliffs Clubs detailed herein (the "Membership Plan"), the applicable rules and regulations of the Cliffs Clubs from time to time adopted by the Club Operator (the "Rules and Regulations"), and the applicable Application and Membership Agreement (the "Application and Membership Agreement"), and together with the Membership Plan and the Rules and Regulations being collectively referred to herein as the "Membership Documents"), together offer persons ("Property Owners") who own property ("Property") in the Cliffs at Glassy, Cliffs Valley, Cliffs Valley North, Cliffs at Keowee Falls North, Cliffs at Keowee Vineyards, Cliffs at Keowee Falls South, Cliffs at Walnut Cove, Cliffs at Keowee Springs, Cliffs at Mountain Park and Cliffs at High Carolina (sometimes hereinafter referred to, individually, as a "Cliffs Community" and, collectively, as the "Cliffs Communities") and others, as determined by the Club Operator, an opportunity to obtain membership privileges at one or more of the golf and country club facilities operated under the banner, "Cliffs Clubs."

Cliffs Club at Glassy, Cliffs Club at Valley, Cliffs Club at Walnut Cove, Cliffs Club at Mountain Park, Cliffs Club at Keowee Vineyards, Cliffs Club at Keowee Falls, and Cliffs Club at Keowee Springs are sometimes hereinafter referred to, individually, as a "Cliffs Club" and, collectively, as the "Cliffs Clubs". The Cliffs Clubs will initially be operated by Cliffs Club Partners, LLC, a Delaware limited liability company ("Cliffs Club Partners"), or one or more of its affiliates (together, the "Club Operator") for the use and benefit of the Members of the Cliffs Clubs and any others accorded use and access privileges at the Cliffs Clubs. When used herein, the term "Home Club" with respect to a Member who owns only one (1) Property in the Cliffs Communities refers to the Cliffs Club that is located in or adjacent to and serving the Cliffs Community where such Member's Property is located; provided, however, that unless and until a new club is created within The Cliffs at High Carolina community and is included as a Cliffs Club under this Membership Plan, a Member who owns a Property within The Cliffs at High Carolina may, at the time of submitting his or her Application and Membership Agreement, select which of the Cliffs Clubs will serve as the Home Club with respect to the Membership associated with such Property. If and when a new club is created within The Cliffs at High Carolina community and is included as a Cliffs Club under this Membership Plan, such Member owning a Property within such Community will have the opportunity to select such new club as the Member's Home Club. A Member who owns multiple Properties within the Cliffs Communities and has multiple Memberships associated with such Properties, will be permitted to designate one of their Memberships, which must be the highest category of Membership held by such Member, as their primary membership (the "Primary Membership"), and the Home Club for such Member will be the Cliffs Club associated with the Primary Membership. With respect to any Member who is not a Property Owner, the Club Operator shall have the discretion to determine which of the Cliffs Clubs will be the Home Club for such Member.

Each Membership permits the Member, in exchange for a non-refundable Initiation Fee, periodic dues and product charges and service fees, to use such of the recreational, dining and social facilities of the Home Club as are accorded use privileges pursuant to the Member's Membership category and the product and service offerings at the facility. In addition, a Home Club Member may also enjoy reciprocal usage privileges of the amenities and facilities of the other Cliffs Clubs, as are specifically granted for the Member's Membership category by and outlined in this Membership Plan. Membership at the Cliffs Clubs also provides the Member with a membership at The Cliffs Members Club, a non-profit corporation organized under the laws of the State of South Carolina, which provides additional food and beverage privileges. The Club Operator may, in its discretion, limit certain categories and/or sub-categories of Memberships to those persons who qualify as Non-Resident Members. To qualify as a "Non-Resident Member," (1) neither the Member nor any member of such Member's immediate family may own a residence, or lease or reside at a residence (other than on a transient basis), located within a Cliffs Community or within a 125 mile radius from the nearest Cliffs Club, and (2) such Member must have executed and delivered to the Club Operator a Non-Resident Member Addendum to the Member's Application and Membership Agreement, in a form provided by the Club Operator. The Club Operator shall have the discretion to determine whether the lease or use of a residence is on a transient basis for all purposes under the Membership Documents.

#### **OWNERSHIP AND USE OF THE CLUB FACILITIES**

Each Home Club's facilities are operated through the club management services division or an affiliate of the Club Operator. These facilities may include a range of amenities specific to each Home Club, which may include, without limitation, a golf course and related practice facilities, as well as tennis, swimming, fitness, wellness, dining and other recreational facilities and amenities which may be available for use by Members according to the access and use rights conferred by a Member's Membership category under this Membership Plan. When used herein, the term "Club Facilities" shall mean and include all of the facilities that are available for use by the Members at the Cliffs Clubs. The Club Facilities will initially be owned by affiliates of Cliffs Club Partners.

The membership privileges of access and use of the Club Facilities are granted by a non-exclusive, revocable license. By acquiring a Membership at any of the Cliffs Clubs, the Member does not acquire any ownership interest in the applicable Home Club, in any of the Cliffs Clubs, in any of the Club Facilities or in the Club Operator. By the same token, a Member will not be subject to special capital assessments, operating assessments or any deficit-funding requirement, which remain the sole responsibility of the Cliffs Clubs.

The Club Operator reserves the right to add, change, alter, remove and otherwise modify the Club Facilities that may be provided at the Cliffs Clubs from time to time and, therefore, the number, size, scope and nature of the Club Facilities are subject to change at the sole discretion of the Club Operator. Membership does not create any presumption that the Club Facilities or the services that may be available at the Club from time to time will continue to be available in their current state or condition. The Club Operator shall have the right to delegate, transfer or otherwise assign any or all of its rights and responsibilities for the management and operation of the Club Facilities to such persons and on such terms and conditions as the Club Operator may determine appropriate from time to time. The Club Operator may also retain a professional management firm to manage and operate the day-to-day affairs of the Club Facilities.

### **MEMBERSHIP PRIVILEGES**

Membership in a Home Club is an opportunity to belong to a recreational, dining, golf, tennis and social club with use of facilities across all of the Cliffs Clubs, based upon the applicable Membership category. Certain Membership categories are only guaranteed to be made available to persons purchasing Property from a Developer within the Cliffs Communities for a limited period of time, commencing with the individual's closing on the Property, and is only guaranteed to be made available to a resale purchaser of Property if the resale seller in Good Standing holds a Membership category that confers such guaranteed availability, as more particularly provided in this Membership Plan. Each individual Member and Member Designee of an entity-owned or multiple-owner Membership (each, a "Primary Member") is permitted certain privileges to use the Club Facilities in accordance with the Membership Documents and the Membership category acquired, as the same may exist from time to time. For purposes of this Membership Plan, the term "Developer" shall mean and include only those developers of Property located within the Cliffs Communities that are approved by the Club Operator in its sole discretion, and a Member is in "Good Standing" if the Member's accounts with the Cliffs Clubs are current and the Member has not been suspended.

### **MEMBERSHIP OFFICE IS AVAILABLE TO ANSWER INQUIRIES**

Should there be any questions concerning this Membership Plan or the membership opportunities at the Cliffs Clubs, please contact the Membership Office. The Membership Office for the Cliffs Clubs is located at the address listed on the Application and Membership Agreement form.

### **FOLLOW THESE PROCEDURES TO MAKE APPLICATION FOR MEMBERSHIP PRIVILEGES**

Eligible applicants are extended an opportunity to acquire a Membership in a Home Club. Eligible applicants for certain Membership categories must comply with the following requirements:

- Complete and sign the required Application and Membership Agreement form;
- Mail or deliver to the Membership Office the completed and signed required forms and a check in the amount of the applicable Initiation Fee.

Eligibility for Membership is described in this Membership Plan and the applicable Application and Membership Agreement, including any applicable addenda thereto.

### **RELY ONLY ON INFORMATION IN THE MEMBERSHIP PLAN**

No one is authorized to give any information or make any representation to an applicant not contained in the Membership Documents, and if anyone has given any information or made any representation or promise that doesn't appear in the Membership Documents, the applicant may not rely upon it as having been authorized by the Club Operator or the Cliffs Clubs.

Membership is being offered exclusively for the purpose of permitting persons obtaining membership privileges to use the Club Facilities of the Home Club, as outlined in this

Membership Plan. Membership privileges should not be viewed or obtained as an investment, and no one obtaining membership privileges at the Cliffs Clubs should expect to derive any economic benefits or profits from such Membership.

The Club Operator makes no representations and expresses no opinions regarding the federal or state income tax consequences of obtaining a Membership at the Club and payment of the non-refundable Initiation Fee. All Members obtain their membership privileges subject to all applicable tax laws, as they may exist from time to time. The Club shall charge to each Member and each Member shall pay any and all taxes or assessments imposed by the United States Government, the applicable state or any political subdivision thereof, or any other governmental agency, on any Initiation Fee, dues or other fees and charges paid or payable by the Member.

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## THE CLIFFS CLUBS

### MEMBERSHIP PLAN

#### INTRODUCTION

1. Membership Opportunity. Each Home Club offers an applicant an opportunity to become a Member of a recreational, dining and social club. The privilege to use the Club Facilities of the Home Club is available to Members, immediate family members of Members, guests of Members, and other persons to the extent permitted by this Membership Plan. The Prologue preceding the Table of Contents hereof shall be included as a part of this Membership Plan and all such provisions preceding the Table of Contents are hereby incorporated into this Membership Plan by this reference.

2. Home Club's Reserved Right to Convert to Equity Club. The Club Operator reserves the right, but not the obligation, to convert any or all of the Home Clubs to an equity membership form of ownership. The Club Operator makes no commitments or promises to the current membership except for the future invitation to all Members in Good Standing, at the time of conversion, the equal opportunity to acquire an equity membership on such terms and conditions and payment of such additional fees as may be specified at that time.

3. Club Facilities. The facilities of the Cliffs Clubs are referred to collectively as the "Club Facilities," which may include a range of amenities specific to each Home Club such as golf, tennis, swimming, fitness and wellness, spa, dining and other recreational amenities located within the Cliffs Communities, which are made available for use by the Members under this Membership Plan.

#### MEMBERSHIP CATEGORIES

4. Memberships – Memberships issued at the Cliffs Clubs are referred to herein, individually, as a "Membership" and, collectively, as the "Memberships," and the holder of a Membership is referred to herein as a "Member." A description of the types of Membership categories currently being offered and their privileges are set forth in this Section 4 below. Purchasers of Property within the Cliffs Communities will apply to the Club Operator for membership in the Cliffs Club associated with the Cliffs Community where their Property is located.

The privileges of a Membership are subject to this Membership Plan and the Rules and Regulations, as they may be amended from time to time, and the applicable Application and Membership Agreement. Members agree to be bound by the terms and conditions of this Membership Plan and the Rules and Regulations, as such may be amended from time to time. Members agree to fully substitute any prior rights to use the Club Facilities with the membership privileges obtained pursuant to this Membership Plan. The Club Operator may obtain a loan from time to time and use the Club Facilities as security and collateral for repayment of any such loan and, therefore, all rights and privileges of Members pursuant to the Membership Documents are subordinate to the lien of any mortgage or deed of trust encumbering the Club Facilities from time to time.

The Rules and Regulations, including the services provided to Members and the hours of operation of the Club Facilities or any portion thereof, may be changed by the Club Operator without notice, in its sole discretion. In order to provide for the orderly administration of the Club Facilities, the Club Operator reserves the right, from time to time, to establish and promulgate new rules and/or modify existing rules governing the Club Facilities and the advance sign-up privileges with respect to the golf and other facilities provided at the Club. Upon approval by the Club of a prospective Member's Application and Membership Agreement, the payment of the applicable membership Initiation Fee, dues and other applicable fees and charges, and compliance with the Rules and Regulations established by the Club Operator, Members obtain the following use privileges:

4.1 Golf Membership – A Golf Membership allows a Member and the Member's immediate family, as defined in Section 10 of this Membership Plan, to have access to all Club Facilities, subject to the terms and conditions set forth in the Membership Documents. A Member holding a Golf Membership is sometimes referred to herein as a "Golf Member."

The following sub-categories of Golf Membership, having the golf privileges described below, are currently being offered by the Cliffs Clubs:

<u>Sub-Category:</u>	<u>Description of Golf Privileges:</u>
<b>Full Golf</b>	No stated annual cap on the number of rounds of golf at either the applicable Home Club or the other Cliffs Clubs. No greens fees will be charged at the applicable Home Club or any other Cliffs Clubs for Members and their immediate family. No charge for cart fees up to 20 rounds for Primary Member or equivalent discount if Annual Cart Program is purchased. Priority Tournament access pursuant to rules established by Club Operator from time to time. Priority tee times on weekends and holidays.
<b>Home Golf</b>	No stated annual cap on the number of rounds of golf at either the applicable Home Club or the other Cliffs Clubs. No greens fees will be charged at the applicable Home Club for Members and their immediate family. Greens fees will be charged for Members and their immediate family at the other Cliffs Clubs pursuant to the schedule of fees and charges as established by the Club Operator from time to time. Priority Tournament access pursuant to rules established by Club Operator from time to time. Priority tee times on weekends and holidays.

**Non-Resident Golf**

No stated annual cap on the number of rounds of golf at either the applicable Home Club or the other Cliffs Clubs. Greens fees will be charged for Members and their immediate family at the applicable Home Club and at the other Cliffs Clubs pursuant to the schedule of fees and charges as established by the Club Operator from time to time. Limited Tournament access pursuant to rules established by Club Operator from time to time. Priority tee times on weekends and holidays.

This sub-category of Membership is available only for Non-Resident Members.

All Golf Members will have 30 days advanced booking privileges at their applicable Home Club courses and 7 days advanced booking privileges at the other Cliffs Clubs' courses.

A Golf Membership may be available to Property Owners in all of the Cliffs Communities who apply for and are accepted for membership at their Home Club. To be guaranteed acceptance and issuance of a Golf Membership, a Property Owner must apply to the Club Operator for membership and pay the applicable non-refundable Initiation Fee either (i) in the case of a purchase of Property from a Developer, within thirty (30) days following the closing of such Property, or (ii) in the case of a purchase of Property in a resale transaction from a Golf Member in Good Standing, at the closing of such resale transaction. **Purchasing a Property from a Golf Member that has a Golf Membership associated with such Property in Good Standing, and arranging for the reissuance of such Golf Membership through the Club Operator to a resale purchaser, is the only means provided for a Property purchaser in a resale transaction to be guaranteed the ability to obtain a Golf Membership.**

4.2 Sports Membership – A Sports Membership allows a Member and the Member's immediate family as defined in Section 10 of this Membership Plan, to have access to all Club Facilities, subject to the terms and conditions set forth in the Membership Documents. A Member holding a Sports Membership is sometimes referred to herein as a "Sports Member."

The following sub-categories of Sports Membership, having the golf privileges described below, are currently being offered at the Cliffs Clubs:

**Sub-Category:**

**Description of Golf Privileges:**

**Full Sports**

Golf privileges are limited to ten (10) rounds per calendar year at their Home Club's golf course and five (5) rounds per calendar year at each of the other Cliffs Clubs' golf courses through the payment of appropriate greens fees and other use fees as established by the Club Operator from time to time. Rounds per calendar year applies to those played by the Primary Member and immediate family, but one tee time will count as one round even though there is more than one person playing that round. Rounds played by paying guests are not deducted from the allotted number of rounds. Restricted Tournament access pursuant to rules established by Club Operator from time to time.

### **Non-Resident Sports**

Golf privileges are limited to six (6) rounds per calendar year at their Home Club's golf course and two (2) rounds per calendar year at each of the other Cliffs Clubs' golf courses through the payment of appropriate greens fees and other use fees as established by the Club Operator from time to time. Rounds per calendar year applies to those played by the Primary Member and immediate family, but one tee time will count as one round even though there is more than one person playing that round. Rounds played by paying guests are not deducted from the allotted number of rounds. Restricted Tournament access pursuant to rules established by Club Operator from time to time.

This sub-category of Membership is available only for Non-Resident Members.

All Sports Members will have 3 days advanced booking privileges at their applicable Home Club courses and at the other Cliffs Clubs' courses, subject to the restrictions applicable to Sports Members. Sports Members will not be permitted to participate in golf tournaments, unless otherwise approved by the Club Operator. Sports Members will not have access to golf courses before noon on weekends and holidays and the Club Operator may, from time to time, establish additional restrictions on golf privileges of Sports Members.

A Sports Membership may be available to Property Owners in all of the Cliffs Communities who apply for and are accepted for membership at their Home Club. To be guaranteed acceptance and issuance of a Sports Membership, a Property Owner must apply to the Club Operator for membership and pay the applicable non-refundable Initiation Fee either (i) in the case of a purchase of Property from a Developer, within thirty (30) days following the closing of such Property, or (ii) in the case of a purchase of Property in a resale transaction from a Sports Member in Good Standing, at the closing of such resale transaction. **Purchasing a Property from a Member that has a Sports Membership or higher category of Membership associated with such Property in Good Standing, and arranging for the issuance of a Sports Membership through the Club Operator to a resale purchaser, is the only means provided for a Property purchaser in a resale transaction to be guaranteed the ability to obtain a Sports Membership.**

4.3 Wellness Membership - A Wellness Membership allows a Member and the Member's immediate family, as defined in Section 10 of this Membership Plan, to have access to the Club Facilities other than golf courses or golf practice facilities, subject to the terms of the Membership Documents.

A Wellness Membership may be available to Property Owners in all of the Cliffs Communities who apply for and are accepted for membership at their Home Club. To be guaranteed acceptance and issuance of a Wellness Membership, a Property Owner must apply to the Club Operator for membership and pay the applicable non-refundable Initiation Fee either (i) in the case of a purchase of Property from a Developer, within thirty (30) days following the closing of such Property, or (ii) in the case of a purchase of Property in a resale transaction from a Wellness Member in Good Standing, at the closing of such resale transaction. **Purchasing a Property from a Member that has a Wellness Membership or higher category of Membership associated with such Property in Good Standing, and arranging for the**

**issuance of a Wellness Membership through the Club Operator to a resale purchaser, is the only means provided for a Property purchaser in a resale transaction to be guaranteed the ability to obtain a Wellness Membership.**

4.4 Social Membership - A Social Membership allows a Member and the Member's immediate family, as defined in Section 10 of this Membership Plan, to have access only to the dining facilities at the Cliffs Clubs, subject to the terms of the Membership Documents. Social Members are also eligible to participate in social events (other than Golf, Sports or Wellness related events), such as bridge club and speaker forums, as determined by the Club Operator.

A Social Membership may be available to Property Owners in all of the Cliffs Communities who apply for and are accepted for membership at their Home Club. To be guaranteed acceptance and issuance of a Social Membership, a Property Owner must apply to the Club Operator for membership and pay the applicable non-refundable Initiation Fee either (i) in the case of a purchase of Property from a Developer, within thirty (30) days following the closing of such Property, or (ii) in the case of a purchase of Property in a resale transaction from a Social Member in Good Standing, at the closing of such resale transaction. **Purchasing a Property from a Member that has a Social Membership or higher category of Membership associated with such Property in Good Standing, and arranging for the issuance of a Social Membership through the Club Operator to a resale purchaser, is the only means provided for a Property purchaser in a resale transaction to be guaranteed the ability to obtain a Social Membership.**

4.5 Cliffs Residence Club Membership - A Cliffs Residence Club Membership allows a Member and the Member's immediate family, as defined in Section 10 of this Membership Plan, to have access to all Club Facilities while in residence. A Cliffs Residence Club Member must have a confirmed reservation at the Residence Club and be physically present in order to have access to all Club Facilities and privileges. A Cliffs Residence Club Membership may be available to Cliffs Residence Club owners who apply for and are accepted for membership at their Home Club. To be guaranteed acceptance and issuance of a Cliffs Residence Club Membership, a Cliffs Residence Club property owner must apply to the Club Operator for membership and pay the applicable non-refundable Initiation Fee either (i) in the case of a purchaser of a Cliffs Residence Club property from a Developer, within thirty (30) days following the closing of such property, or (ii) in the case of a purchaser of a Cliffs Residence Club property in a resale transaction from an active Cliffs Residence Club Member in Good Standing, at the closing of such resale transaction. Resignation by a Cliffs Residence Club Member and re-issuance of the resigned Cliffs Residence Club Membership to a resale purchaser is the only means provided for a Cliffs Residence Club property purchaser in a resale transaction to be guaranteed the ability to obtain a Cliffs Residence Club Membership.

4.6 Corporate Membership - A Corporate Membership may be available to any corporation, partnership, or other legal entity, at the discretion of the Cliffs Clubs. The "Corporate Member Designee" program allows a Member Designee and additional Designees as determined by the Club Operator to have access to designated club facilities and golf courses. The entity holding the Corporate Membership may change the Member Designees from time to time as provided for in this Membership Plan. The number of Corporate Memberships is limited at all times as determined by the Club Operator in its sole discretion. The Club Operator reserves the right to provide additional course access to Corporate Memberships under modified membership programs and special use requests.

4.7 Honorary Membership – In addition to the Memberships described in this Membership Plan, the Cliffs Clubs may issue a limited number of Honorary Memberships to persons designated by the Club Operator from time to time. These Honorary Memberships are in addition to all other memberships to be issued at the Club. Honorary Memberships shall be available on terms and conditions and allowed such privileges as shall be established by the Club Operator. The users of these Honorary Memberships may be recalled and otherwise changed at any time by the Club Operator, in the Club Operator's sole discretion.

4.8 Recallable and Temporary Membership - The Cliffs Clubs has the plenary right to offer Memberships at any Home Club to persons who do not own Property within the Cliffs Communities, having such access and privileges as determined by the Club Operator in its sole discretion. The Club Operator currently anticipates that Memberships issued to such persons who do not own Property within the Cliffs Communities will be issued either on a temporary basis or will be recallable by the Club Operator, as determined by the Club Operator in its sole discretion. The Club Operator may, in its sole discretion, issue any of the categories and sub-categories of Memberships offered by the Club as recallable Memberships.

4.9 Additional Membership Benefits and Programs – The Club Operator may, in its sole discretion, implement such programs from time to time to address tenured Members, multiple generations and extended family privileges or other programs, and said programs will be subject to change from time to time in the sole discretion of the Club Operator.

4.10 Marina Membership Privileges – Marina Membership entitles the Member and his/her family to unlimited use of the marina facilities located within The Cliffs at Keowee Vineyards Community, The Cliffs at Keowee Falls South Community, The Cliffs at Keowee Falls North Community, and The Cliffs at Keowee Springs Community. Marina Membership privileges include use of the boat access ramps, club-owned wet slips and any other general marina services. Use of wet slips, boat storage facilities and marina services provided by a dockmaster are available at additional fees. Marina Membership is included with Golf Memberships and Sports Memberships at the following Home Clubs: The Cliffs at Keowee Vineyards Golf & Country Club; The Cliffs at Keowee Falls Golf & Country Club; and The Cliffs at Keowee Springs Golf & Country Club. Members at other Home Clubs may be offered from time to time marina privileges set forth above as "add on" privileges, subject to availability and through the payment of the applicable membership fees and additional dues and charges.

#### **MEMBERSHIP LIMITATIONS**

5. Right To Reserve Memberships - The Club Operator may, in the exercise of its absolute discretion, reserve Memberships for sale to future purchasers of the Developers' inventory of Property located within the Cliffs Communities. Memberships that are reserved will not be considered to be available Memberships, and the Cliffs Clubs may not be compelled to issue them. In the event Memberships are not available, a priority waiting list will be established for each Membership category at a Home Club, provided that any purchaser of Property from a Developer will be given higher priority on such list.

6. Number of Memberships - The maximum number of Memberships available in each category of Membership is not limited at this time to a specific number per Home Club, but the Club Operator is committed to a maximum number of Memberships that will accommodate Member utilization and protect the Members' usage of his/her Home Club. In the event that any maximum on the number of Memberships is instituted by the Club Operator and there is not a

sufficient number of Memberships to be issued to purchasers of Property in the Cliffs Communities, then, notwithstanding anything in the Membership Documents to the contrary, purchasers of Property from a Developer will be given a higher priority on any waiting lists established for the purchase of a Membership.

7. Resale Property - A purchaser of a Property in a Cliffs Community pursuant to a resale transaction (i.e., seller is not a Developer) will have the opportunity to become a Member of the applicable Home Club only if the seller has a Membership associated with that Property which is in Good Standing at the time of closing of the purchase of such Property by the new purchaser. The purchaser of such Property in a resale transaction would be provided with the opportunity to acquire the same or lower category or sub-category of Membership associated with such Property as was held by the selling Member immediately prior to the sale. However, the purchaser of such Property may also elect to obtain a higher category of Membership, subject to availability.

8. Right to Change Membership Category Privileges - The Club Operator has the plenary power to create a class of Membership other than those specified, and may subdivide any or every Membership category into reasonable sub-categories. When a limit in a certain Membership category is determined, the Club Operator will advise the Members of the limit so established. The Club Operator reserves the right to modify playing privileges and reservation policies for each category of Membership at a Home Club, in order to provide the utmost enjoyment and services for all Members at the Home Club. In addition, the Club Operator reserves the right to change, decrease or increase Membership roster limitations previously estimated or established for a Home Club.

#### **RECIPROCITY -- USE PRIVILEGES**

9. Use Reciprocity - Certain Membership categories at an applicable Home Club have reciprocal access of Club Facilities located at the other Cliffs Clubs. Reciprocity and the scope of privileges subject to reciprocity are subject to change from time to time as determined by the Club Operator in its sole discretion.

9.1 Golf Reciprocity - Golf Members, Corporate Members (to the extent applicable), Sports Members, and Cliffs Residence Club Members (while in residence) enjoy reciprocal golf privileges at all Cliffs Club golf courses, subject to the terms of the Membership Documents. Reciprocal golf privileges are provided for the Member and the Member's immediate family, as defined in Section 10 of this Membership Plan.

9.2 Non-Golf Related Reciprocity - Golf Members, Corporate Members, Sports Members, Wellness Members and Cliffs Residence Club Members (while in residence) enjoy access to the clubhouses, tennis, swimming, fitness and wellness, spa and other non-golf recreational amenities at the other Cliffs Clubs' facilities, subject to the terms of the Membership Documents. Social Members will have limited access to only those areas of the Club Facilities (including those at the applicable Home Club and those at the other Cliffs Clubs) that comprise the dining facilities and such other areas designated by the Club Operator from time to time.

#### **MEMBERSHIP FAMILY PRIVILEGES**

10. Definition of Immediate Family and Selection of Designated Adult - A Membership (other than a Corporate Membership) permits the Primary Member and his/her



immediate family to all of the privileges of the Membership category obtained, subject to the right of the Club Operator to deny such privileges to any person upon the request of the Primary Member or for violation of the Membership Documents. The term "immediate family" shall include the Primary Member and one Designated Adult and the children of the Primary Member and/or the Designated Adult who are each 23 years of age or younger and either (1) maintain the same principal residence as the Primary Member, or (2) are serving in the armed forces or attending school on a full-time basis. The Club Operator may, from time to time, require proof of residency of any Designated Adult or children 23 years of age and younger and/or other information reasonably necessary to verify that such individual is either living at the same principal residence as the Primary Member, attending school on a full-time basis or in the military.

The "Designated Adult" with respect to a Primary Member may be either (a) the Primary Member's spouse, or (b) any person unrelated to the Primary Member who is 18 years of age or older and who is living in the Primary Member's household (at the same principal residence) as a part of the family unit on a full-time basis. The Primary Member shall identify in writing to the Membership Office the person who the Primary Member wishes to designate as the Designated Adult for such Primary Member's Membership, and the Club Operator may require the Primary Member and/or such person being designated by the Primary Member to execute a written instrument in a form provided by the Club Operator as a condition to recognizing such designated person as the Designated Adult of the Primary Member. There shall be only one Designated Adult at a time per Membership; provided, however, a Primary Member may change the Designated Adult by written notice to the Membership Office, upon payment of such reasonable administrative fees as may be established by the Cliffs Clubs from time to time and subject to the right of the Club Operator to impose reasonable limitations on the frequency of such changes. If a Designated Adult other than a spouse ceases to maintain the same principal residence as the Primary Member, such person shall cease to qualify as a Designated Adult and the Club Operator may deny access and use privileges to such person; provided, the Primary Member shall remain responsible for all actions and charges of such person unless and until the Membership Office receives written notice from the Primary Member to cancel such person's status as the Designated Adult, and then only as to charges arising following receipt of such written notice, all previously incurred charges remaining the obligation of the Primary Member. From time to time as determined in the discretion of the Club Operator, the Cliffs Clubs may offer some extended family privilege programs, which are always subject to availability, and said programs will be subject to change in the sole discretion of the Club Operator based on the total number of outstanding Memberships and Member usage factors.

#### **MEMBERSHIP FEES, DUES AND CHARGE PRIVILEGES**

11. Initiation Fee - Each Member acquiring a Membership at any of the Cliffs Clubs will be required to pay a non-refundable initiation fee ("Initiation Fee") in an amount determined by the Club Operator from time to time. The Initiation Fee paid for a Membership is non-refundable. The amount of the Initiation Fee and the manner of payment of the Initiation Fee shall be established by the Club Operator from time to time, and is further described in the Member's Application and Membership Agreement. The Initiation Fee to be paid for a Membership will be the applicable Initiation Fee in effect for that category of Membership on the date the applicant submits the Application and Membership Agreement to the Club. However, the Club Operator reserves the right, in the Club Operator's sole discretion, to discount or waive all or part of the required Initiation Fee, whether to implement a promotional campaign, an amnesty program for non-Member Property Owners or otherwise. Except as otherwise

expressly provided in a Member's applicable Application and Membership Agreement, the required Initiation Fee for a Membership shall be due in full at the time the Application and Membership Agreement is submitted to the Club.

12. Dues, Fees and Charges - All categories of Membership require the payment of periodic dues, fees and other charges, as established by the Club Operator from time to time, in order to obtain and maintain membership privileges at the Cliffs Clubs and shall not be considered an operating assessment or capital assessment. Periodic dues are charged for the basic privileges accorded a Member by the Membership category acquired. Payment of dues does not cover purchases and charges for products and services offered at a Club Facility ordered by a Member, for example, merchandise, food and beverage, greens and cart fees, guest, locker, bag storage and tournament fees, and miscellaneous service and rental fees. The frequency of periodic dues and the amount of dues per Membership category and sub-category is determined by the Club Operator, who has the sole authority and discretion to modify and change dues amounts and payment schedules upon determination by the Club Operator. All dues billed are due and payable upon receipt. The payment of dues will not be abated for any reason, including, without limitation, any extended absences of the Member from the area, or any temporary disability preventing the Member's use of the Club Facilities. The Club may, but shall not be obligated, to offer dues levels that require the payment of greens fees and other usage fees for certain Membership categories. Certain dues levels may have some restricted privilege as they relate to access to Club Facilities, advance tee times, and reciprocal golf at the golf courses, contingent upon their particular Membership category and sub-category privileges. Dues levels and amounts are subject to change from time to time at the sole discretion of the Club Operator. A Member who owns multiple Properties within the Cliffs Communities and has multiple Memberships associated with such Properties, will be permitted to designate one of their Memberships as their Primary Membership. The Primary Membership must be the highest category of Membership held by such Member for which full dues will be charged, and all other Memberships held by such Member will be assessed dues at the rate charged for the lowest category of Membership.

As of the effective date of this Membership Plan, there are Cliffs Clubs that do not have a full complement of golf, clubhouse and wellness amenities completed and open for Member use. Accordingly, if the Member's Home Club is either The Cliffs at Mountain Park Golf & Country Club or The Cliffs at Keowee Springs Golf & Country Club, the Member will initially pay dues in accordance with the terms and conditions set forth below with respect to such Home Club:

12.1 *The Cliffs at Mountain Park* – If a Member is a Golf Member or a Sports Member, then such Member will be required to pay only 50% of the dues otherwise applicable for the Member's level of Membership until the golf course at the Home Club opens, and will be required to pay 100% of the dues applicable for the Member's level of Membership following the opening of the golf course at the Home Club. If a Member is a Wellness Member, then such Member will be required to pay only 50% of the dues otherwise applicable for the Member's level of Membership until the wellness facility at the Home Club opens, and will be required to pay 100% of the dues applicable for the Member's level of Membership following the opening of the wellness facility at the Home Club. If a Member is a Social Member, such Member will pay 100% of the dues applicable for the Member's level of Membership. All Members will also be required to pay all other applicable fees and charges. The provisions of this Section 12.1 shall be applicable only if the Member's Home Club is The Cliffs at Mountain Park Golf & Country Club.

12.2 *The Cliffs at Keowee Springs* – If the Member is a Wellness Member, then such Member will be required to pay only 50% of the dues otherwise applicable for the Member's level of Membership until the wellness facility at the Home Club opens, and will be required to pay 100% of the dues applicable for the Member's level of Membership following the opening of the wellness facility at the Home Club. All other Members will pay 100% of the dues applicable for their respective level of Membership Member. All Members will also be required to pay all other applicable fees and charges. The provisions of this Section 12.2 shall be applicable only if the Member's Home Club is The Cliffs at Keowee Springs Golf & Country Club.

13. Food and Beverage Minimum - All categories of Membership require participation in the Food and Beverage Minimum program as established by the Club Operator and may be modified from time to time in the Club Operator's sole discretion.

#### **MEMBERSHIP CARDS, CHARGE PRIVILEGES AND ACCOUNTS**

14. Membership Cards - Each Member shall be assigned a membership account number, evidenced by the issuance of a membership card imprinted with the Member's name and account number. Additionally, a Cliffs Community may issue automobile identification decals, which must be displayed at all times. Membership cards or other evidence of use and access privileges issued by the Club should be presented, and/or displayed when using any Club Facilities or making club charges, and upon request of Cliffs Clubs' management. A lost or stolen card must be reported in writing to Cliffs Clubs' management immediately following discovery of its lost or stolen status. A Member is responsible for all charges on his/her account until the Cliffs Clubs receives written notification that the card is lost or stolen and then only as to charges arising following receipt of such written notice, all previously incurred charges remaining the sole obligation of the Member. The Member will be issued a new account number and membership card in this event. Members may be charged an administrative fee for the re-issuance of a card.

15. Charge Privileges and Service Charges - Members are entitled to charge privileges for merchandise, food and beverage, greens and cart fees, guest and tournament fees, and miscellaneous service and rental fees, so long as the Membership is in Good Standing. A service charge, in the amount determined from time to time by the Club Operator, will be added for any food and beverage sales.

16. Accounts - A Member is fully responsible for the Member's Club account, as further described in Section 17 of this Membership Plan.

#### **MEMBERS' FINANCIAL RESPONSIBILITIES/INDEBTEDNESS**

17. Members' Financial Responsibilities; Delinquent Accounts – Each Member shall be responsible for the performance and prompt discharge of all obligations and indebtedness to the Cliffs Clubs imposed upon, or incurred by the Member, members of his/her family, and his/her guests. The Club Operator, in the exercise of absolute discretion, may expel, suspend, fine, or otherwise limit the use of any Club Facilities for any Member, who fails or neglects to promptly discharge or fulfill his indebtedness to the Club Operator. The Club Operator reserves the right to require Members to provide a credit card, check or cash deposit as security for payment of a Club account. A Member's Club account, which is billed monthly, will include monthly dues owed, and club charges. A Member is required to maintain two valid credit cards

on file with the Cliffs Clubs and any balance not paid on or before the 15<sup>th</sup> day of the billing month will be charged to such credit cards. Any balance on the Member's Club account not received by the last day of the billing month will be subject to a late fee equal to 1.5% per month (but not to exceed the maximum rate permitted by law) of the outstanding balance owed. If payment is not received within the last day of the billing month, a Member's account will be deemed delinquent, and the Club may temporarily suspend all charge and use privileges. If the Club Operator elects to charge a Member's credit card on file for any amounts due by the Member, the Club Operator will assess and collect a convenience fee equal to a percentage of the amount being charged as set by the Club Operator from time to time, which percentage is currently set at 3% for Visa and MasterCard and 4% for American Express. If payment of a delinquent account is not received within thirty (30) days of the date of delinquent notification and billing, the Club Operator reserves the right to continue temporary suspension until the delinquent Club account is settled, and paid in full. If payment of a delinquent account is not received within sixty (60) days of the date of delinquent notification and billing, the Club Operator reserves the right to continue temporary suspension until the delinquent Member pays to the Club Operator a reinstatement fee equal to the sum of (a) all outstanding dues, fees and other charges accrued to date, (b) all attorney costs and expenses incurred in pursuing collection of such delinquent account, and (c) an administrative fee as established by the Club Operator from time to time. Continued delinquency for a period of one-hundred eighty (180) days from the date of billing may result in formal expulsion, revocation or termination of the Membership. This process is at the sole discretion and authority of the Cliffs Clubs' management. The Club Operator reserves the right to take whatever action it deems necessary to collect in full the amount owed on delinquent Members' Club accounts. If the Club Operator engages an attorney to collect a past-due Club account, the delinquent Member will be liable for all attorney costs and expenses incurred in pursuing collection, including, but not limited to, costs and expenses of non-judicial processes, as well as court fees and costs through all appeal levels. If payment of the delinquent account, including the payment of the reinstatement fee referenced above, is received in full prior to the official revocation or termination of the Membership, the Member may be reinstated as a Member in Good Standing.

**TRANSFER, CHANGE OF MEMBER DESIGNEE,  
RESIGNATION OR REVOCATION OF MEMBERSHIP**

18. Transfers Prohibited: Membership Resignation Only - A Member may not transfer his/her Membership to any person, including a purchaser of the Member's Property located within a Cliffs Community in a resale transaction. Such prohibited transfer includes a prohibition upon any sale, pledge, hypothecation, assignment, transfer or encumbrance of a Membership except in accordance with this Membership Plan. A Member may resign the Membership and the Club Operator may reissue the Membership as a Membership in accordance with the following provisions:

- A. Upon the sale of Property in a resale transaction by a Member in Good Standing, such selling Member may resign the Member's Membership and arrange through the Club Operator to have the Member's Membership reissued to the resale purchaser at the closing of said Property. The resale purchaser must first, however, apply and be approved by the Club Operator for membership.
- B. Upon the sale of Property in a resale transaction by a Member (or former Member) who does not have a Membership associated with that Property

in Good Standing, the purchaser of such Member's (or former Member's) Property may acquire a Membership at the Cliffs Clubs only if: (i) the seller of such Property pays to the Club Operator a reactivation fee equal to the sum of the amount of unpaid dues, fees and other charges that are owed to the Club Operator by such selling Member (or former Member), plus the amount of dues that would have accrued on such selling Member's (or former Member's) Membership at the applicable level of dues in order to have kept such Membership in Good Standing and (ii) the Purchaser pays the applicable Initiation Fee then being charged for the category and sub-category of Membership being acquired. As used in this Section 18.B, "former Member" means a person who previously acquired a Membership at the Cliffs Clubs pursuant to the terms of this Membership Plan, as such may be amended from time to time, and whose Membership associated with the subject Property has been subsequently resigned or terminated.

- C. A Member whose Membership is not to be reissued to a resale purchaser of such Member's Property may tender their resignation to the applicable Cliffs Club. In the event such Membership is not resigned by such selling Member, the Membership of such selling Member shall become recallable at any time as determined in the sole discretion of the Club Operator.
- D. A formal written letter of resignation and/or a membership addendum, which outlines the resignation and reissuance (if applicable), must be processed before the resignation is finalized. A Member may resign only upon delivery of such written notice of resignation to the Membership Office at least six (6) months in advance of the intended date of resignation, unless the Member is selling such Member's Property (with which the Membership is associated), in which event the Member shall provide notice at least sixty (60) days in advance of the intended date of resignation. Unless otherwise approved by the Club Operator, the resignation of such Member will only become effective if such Member is in Good Standing at the time of providing notice of resignation and remains in Good Standing at all times until the intended effective date of resignation.
- E. Resigning Members must return their membership card(s), and return any locker key(s) before the resignation will become effective.
- F. To the extent that any Property Owner is required, by the terms of a declaration or any other covenant encumbering their Property, to acquire and maintain a Membership at one of the Cliffs Clubs, then such Property Owner will not be permitted to resign or deactivate their Membership associated with such Property.
- G. A Member who sells his/her Property within a Cliffs Community, does not arrange with the Club Operator for the reissuance of such Member's Membership to the purchaser of his/her Property, and purchases another Property in the same Cliffs Community within thirty (30) days following the closing of such sale may retain the Membership and have such

Membership associated with the newly acquired Property, as long as the Membership is active and in Good Standing.

19. Change of Membership Designee - Corporate Memberships and Memberships owned by more than one Property Owner may have appointed designees. The designees may be changed as described below.

19.1 Corporate Membership - Corporate Memberships may change the Corporate Member Designee(s) to another individual in the company only once per calendar year. The change from one designee to another must be made by the company and acknowledged and approved by the Club Operator in writing. The company may be required to pay an administrative fee for such Member Designee change, as determined by the Club Operator at the time the change is requested. All Club account balances of the previous Corporate Member Designee's account must be paid in full prior to the change to another designee becoming effective. All membership cards and locker keys in the possession of the former Corporate Member Designee must be returned prior to the finalization of the membership designee change. Corporate Memberships may not change the Corporate Member Designee to another individual outside the company for which the Corporate Membership is issued.

19.2 Multiple-Owner Property - Multiple owners of a Property, whether as tenants in common or otherwise as determined by the Club Operator, who collectively own a Membership, must select one (1) of such owners as the Member Designee. Such multiple Property Owners may change the one (1) Member Designee to another co-owner of the Property only once per calendar year. An administrative fee determined by the Club Operator may be charged at the time of a Member Designee change. All club account balances of the current Property Owner Member Designee must be paid in full before the Club Operator processes the request for change of Member Designee. All membership cards and locker keys in the possession of the former Member Designee must be returned prior to the finalization of the change in Member Designee. The Member Designee being changed must surrender his/her membership card. A new account number will be assigned to the new Member Designee and a new membership card issued. A multiple Property Owner Membership may not change the Member Designee to an individual without an ownership interest in the multiple owner Property.

20. Revocation of Membership; No Refund Due - Notwithstanding anything in the Membership Documents to the contrary, a Membership that is revoked or terminated due to default in payment or other disciplinary action shall not be entitled to any refund for any dues, club credits, fees or other charges paid by the revoked, expelled or terminated Member.

#### **UPGRADES/DOWNGRADES/LEAVE OF ABSENCE**

21. Upgrades - Members may upgrade to a higher category or sub-category of Membership in accordance with this Section 21, provided that the desired category/sub-category of Membership is then available and not reserved. In order to upgrade to a different category of Membership, the Member shall pay to the Club Operator the difference between the Initiation Fee then being charged for desired category of Membership and the Initiation Fee then being charged for the category of Membership currently held by the upgrading Member. When upgrading to a higher category of Membership, an upgrading Member may select any sub-category of Membership within that category of Membership for which the Member is qualified. If a Member holding a Non-Resident Golf Membership or Non-Resident Sports Membership ceases to qualify as a Non-Resident Member, such Member shall automatically upgrade to the

next highest level of Membership within their category, as provided in the applicable Non-Resident Member Addendum. The Club Operator reserves the right to modify the terms and conditions for allowing Members to upgrade, as the Club Operator determines in its sole discretion.

22. Downgrades - Except as otherwise expressly provided in a Member's applicable Application and Membership Agreement or as otherwise provided below in this Section 22, a Member may only downgrade a Membership as provided in Section 24 hereof in the event of the death of a Primary Member. The Club Operator may permit a Member to downgrade such Member's Membership category in a hardship situation deemed appropriate by the Club Operator, in its sole discretion. The Club Operator has the sole authority to deal with hardship situations in any manner it deems appropriate and no action that may be taken by the Club Operator in such hardship situations shall create precedent for similar or future circumstances.

23. Leave of Absence - A Member in Good Standing may make a request for a leave of absence for good reason, which request may be approved by the Club Operator in its discretion. If a leave of absence is granted by the Club Operator, the Member's Membership will be deactivated for a period not to exceed two (2) years, during which the Member shall not have access to the Club Facilities or any membership privileges. The Club Operator may, within its sole discretion, reduce or eliminate dues during such period of deactivation. The Club Operator shall have no obligation to grant any leave of absence hereunder, any such leave of absence being determined in the sole and absolute discretion of the Club Operator.

#### **DEATH/DIVORCE OF MEMBER**

24. Death of a Member - Upon the death of a Member, the Designated Adult of the deceased Member, or a child of the deceased Member who is eighteen (18) years or older, is eligible to have the deceased Member's Membership reissued in the name of such survivor, provided that such survivor is or becomes the owner of the Property that is associated with the deceased Member's Membership. Re-issuance of the deceased Member's Membership is subject to compliance with the Will of the deceased, and must be communicated in writing to the Membership Office by the legal representative of the estate. The Club Operator may require proof of the survivor's entitlement to re-issuance. Upon the reissuance of such deceased Member's Membership, the dues applicable to such deceased Member's Membership shall be suspended for up to six (6) months during which time the qualified survivor may utilize the membership privileges associated with such Membership. A transferee of the Membership pursuant to this provision may elect, at any time during the twelve (12) month period following the deceased Member's death, to downgrade the transferred Membership to any category or sub-category of Membership then being offered at the Cliffs Clubs without regard to the limitations set forth in Section 22 hereof or in any other Membership Document. In the event the deceased Member's legal representative of the estate communicates that the Membership is not to be reissued to a survivor, as above provided, the representative shall also provide written notification of resignation. In the event the legal representative of a deceased Member fails to provide written notice of a survivor entitled to membership re-issuance or that the Membership is resigned, the Club Operator may, on its own and following written notice to the estate of the deceased Member declare the Membership resigned and recalled.

25. Divorce of a Member - In the event that a Member who is a Property Owner is divorced, the Membership will automatically pass to the spouse retaining ownership of the Property; provided, however, that if the other spouse is awarded occupancy of the residence

located upon the Property, the use rights shall (during the term of the occupancy) belong to the occupying spouse. However the Membership will at all times belong to the spouse owning the Property, and both spouses will be responsible for all dues and other fees and charges related to the Membership unless otherwise provided by court order or agreement. If there is any legal proceeding (including but not limited to, legal separation, divorce, or bankruptcy) which involves a dispute or claim about the ownership of a Membership, the Club Operator shall be entitled to rely on the Application and Membership Agreement and the person (or persons) listed on the Application and Membership Agreement to confirm the identity of the Primary Member, and, to the extent permitted by law, the Club Operator shall have the right to suspend the membership privileges associated with such Membership until the matter has been resolved. The Club Operator will not be obligated to rely on the Application and Membership Agreement if the Club Operator believes there are other factors that are more relevant to determining the identity of the Primary Member. Once there is an award of membership (by either fully executed settlement agreement or final judicial order) the Club Operator will comply with the award. Nevertheless, both spouses shall be jointly and severally liable for all dues, fees and other charges incurred up until the day the award is entered.

26. Rights of a Deceased or Divorced Successor - In all respects, the membership rights of a deceased or divorced Member will only be reissued to a person otherwise eligible for the deceased or divorced Member's Membership category. In the event that a request is made that a Membership of a deceased or divorced Member be reissued to an individual who does not qualify for that particular category of Membership, the request will be denied, and said Membership considered resigned (for instance if the Designated Adult does not succeed to ownership of the Property with respect to which the Membership was issued). Other options which the Club may, but shall not be required to, offer under these circumstances include an upgrade or downgrade of Membership category, based on availability, eligibility requirements and payment of any appropriate fees. The Club Operator also reserves the right, but shall have no obligation to, reclassify a Membership, but not the privileges or obligation appurtenant thereto, to take into account underlying Property ownership change instituted for estate planning purposes, and upon written request for and consideration and presentation of such documentation and legal opinions as may be requested by the Club Operator as a condition of any such reclassification.

#### MEMBERSHIP YEAR

27. Membership Year - The membership year of each Home Club shall begin January 1st and end the following December 31st. All Membership categories shall comply with this membership year schedule.

#### GUESTS

28. Guest Privileges - Members may have limited guest privileges in accordance with this Membership Plan and the Rules and Regulations and upon payment of applicable guest fees established by the Club Operator from time to time. The Club Operator, in its sole discretion, may limit, deny or revoke guest privileges of any Member and limit the number of times any particular individual guest may use the Club Facilities or any particular facility provided through the Cliffs Clubs during a specific period of time and limit the number of guests a Member may sponsor at any particular time. The Cliffs Clubs may charge higher guest fees for unaccompanied guests (if permitted by the Club Operator) and require that guests be accompanied by a sponsoring Member when using certain facilities provided at the Cliffs Clubs,



when using the facilities during certain times of the day, when using the facilities during certain days of the week or when using the facilities during certain times of the year. Sponsoring Members are responsible for the payment of all fees and charges unpaid by their guests and for the conduct of their guests. The following provisions outline the escorted or unescorted privileges afforded Day Guests, Corporate and Executive Guests, Family Guests, Houseguests, and Residence Club Guests, which may be modified by the Club Operator from time to time in the Club Operator's sole discretion.

28.1 Member Day Guests - A day guest of the Member is required to be accompanied by the Member, unless otherwise permitted by the Cliffs Clubs. A day guest may use the Club Facility under and in accordance with the following provisions:

- A. A day guest may not use the golf facilities, tennis, swimming and other recreational facilities of the Cliffs Clubs more than six (6) times during a membership year.
- B. A day guest's use is further restricted as to the number of times of use, as it relates to the same individual being a day guest of more than one Member during the same calendar year.
- C. A Member will be responsible for guest fees for the Member's day guest, as determined by the Cliffs Clubs. Payment may be processed through charges to the Member's account, or through credit card. Day guest fees may apply to use of all Club Facilities including the golf courses, tennis courts, swimming pools and other social and recreational activities, as determined by the Cliffs Clubs. A Member must personally call the applicable Cliffs Club and make dining reservations or reserve tee times for any unescorted guests and authorize charge privileges or indicate to the Cliffs Club staff that the guest will be solely responsible for the guest's charges while visiting the Club unescorted by the Member.
- D. Day guests will be entitled to use the Club Facilities only in accordance with the privileges of membership as provided for by the sponsoring Member's category of Membership.
- E. The sponsoring Member shall be responsible for all charges incurred by the day guest.
- F. A sponsoring Member shall be responsible for the conduct and appearance of his day guest, and shall, at the request of the Cliffs Clubs, require the day guest to leave the Cliffs Club premises if the day guest is determined by the Club Operator or Cliffs Club management to be in violation of the rules and regulations.
- G. Day guests must register with the Home Club personally upon arrival and may be required to carry a temporary membership card issued by the Cliffs Clubs.
- H. Day guest usage and fee policies apply to all membership categories as set forth in the Rules and Regulations, which may be modified from time to time at the sole discretion of the Club Operator.

28.2 Corporate Guests - Corporate Member Designees are extended the privilege of hosting day guests at the Club according to the following guidelines:

- A. A Corporate Membership does not allow for unlimited use of the Club Facilities by all individuals who are employed by the company or business.
- B. Corporate Member Designees must pre-register their day guests with the Home Club.
- C. Corporate Member Designees must personally call and reserve tee times for any unescorted guests and authorize charge privileges or indicate to the Club staff that the guest will be solely responsible for the guest's charges while visiting the Cliffs Clubs unescorted by the Member.
- D. The "local" day guest rules above apply equally to the number of times per year that a Corporate Designee's day guest may be sponsored.
- E. The maximum number of unescorted day guests of a Corporate and Executive Designee is limited at all times. Cliffs Club management reserves the right to make exceptions. At all times, unescorted guest tee times are subject to availability. The Home Club's on-site manager shall have the right to deny privileges to any unescorted guest.

28.3 Family Guests - From time to time, the Cliffs Clubs may offer preferential guest fee rates for family members of the Member. These guest fee rates apply to family members playing with the Member and include adult children and their spouses and children, parents, and grandparents.

28.4 House Guests - Family members of a Member, and friends staying within the home of a Member located within a Cliffs Community, are not subject to the Member Day Guest rules outlined in Section 28.1.A above; provided, however, that the Club Operator shall have the discretion to determine in its reasonable judgment whether such house guest privileges are being abused.

28.5 Lessees - A lessee of a Property Owner's home shall not be permitted use rights or privileges under the Property Owner's Membership, and shall be required to obtain a separate temporary membership from the Club Operator, subject to availability and approval by the Club Operator. If the Property Owner leases his/her Property through the rental program of the Club Operator's designated affiliate, then the lessee may also obtain certain membership privileges through such rental program.

28.6 Residence Club Guests - An "Escorted Guest" shall be defined as any guest who resides with a Residence Club Member during their stay in residence. An "Unescorted Guest" shall be defined as any guest who resides in a Residence Club property without the Residence Club Member being present. Guests of a Residence Club Member may use the Club Facilities under and in accordance with the following provisions:

- A. Residence Club Members shall be responsible for the conduct and appearance of their guests, and shall, at the request of the Cliffs Clubs,

require the guest to leave the Club premises if the guest is determined by the Club to be in violation of the rules and regulations.

- B. Residence Club Members must pre-register Unescorted Guests in writing at least fourteen (14) days prior to their arrival date.
- C. Unescorted Guests shall be permitted to use the Residence Club Member's Home Club Facilities only and will be responsible for any charges and fees incurred. Any unpaid charges or fees of an Unescorted Guest will be charged to the sponsoring Residence Club Member's account.
- D. Escorted Guests are permitted to use non Cliffs Home Club Facilities only while in the presence of the sponsoring Residence Club Member.
- E. Residence Club Members will be responsible for any Escorted Guest fees for the Member's guest, as determined by the Cliffs Clubs. Payment may be processed through charges to the Member's account, or through a credit card. Escorted Guest fees may apply to use all club facilities including the golf courses, tennis courts, swimming pools and other social and recreational activities, as determined by the Cliffs Clubs.
- F. Exchange Guests of Residence Club Members shall be permitted to use the Member's Home Club Facilities only and will be solely responsible for any charges and fees incurred during their use of the Home Club.

29. Other Guest Usage And Privileges - The Cliffs Clubs may grant use and access privileges to persons other than Members at any or all facilities of the Cliffs Clubs. Such other designated users may include, but shall not be limited to, persons who are employed by the Cliffs Clubs, a Developer and their exclusive sales broker, prospective purchasers of Property, resort guests and other non-members subject to compliance with strict guidelines, schedules and fee structures as determined by the Club Operator. The Club Operator may permit persons to use the Club Facilities for special outings and events, according to guidelines, schedules and fee structures established by the Club Operator.

#### **DISCIPLINE OF MEMBERS**

30. Reasons for Discipline - A Member, or any of his/her family or guests may be subject to disciplinary action by the Cliffs Clubs for any of the following reasons, or any other action deemed by the Club Operator to be "Conduct unbecoming a Member of the Cliffs Clubs:"

- A. Submission of false information on the Application and Membership Agreement or application for guest privileges.
- B. Permitting a membership card or club account to be used by anyone other than the designated Member, or as otherwise allowed in accordance with this Membership Plan.
- C. Non-payment of any fees, dues, charges and other indebtedness due and owing the Cliffs Clubs within the time required.

- D. Exhibiting conduct that is prejudicial to the good order, harmony, reputation, health, safety, morals or general welfare of the Club Operator, Cliffs Clubs, or its Members and their families, as determined solely by the Club Operator.
- E. Exhibiting conduct that is disruptive, abusive, incompatible with, or offensive or disagreeable to the Members of the Club, their families and guests, as determined solely by the Club Operator.
- F. Displaying conduct which, in the sole and absolute discretion and opinion of the Club Operator, is abusive to management or staff or an affiliate's employees.
- G. Exhibiting behavior which is considered lewd or vulgar, including the excessive use of profane language, or which constitutes or evidences habitual or repeated drunkenness, or use of drugs or controlled substances, as determined solely by the Club Operator.
- H. Solicitations of any kind, including but not limited to, mail, telephone or email, made by use of the published membership directory or the Cliffs Clubs' websites.
- I. The violation of any rules and regulations of the Cliffs Clubs, including, without limitation, this Membership Plan, the Rules and Regulations and other rules and regulations promulgated by a Cliffs Clubs, at any time governing Member conduct and use of Club Facilities or other Cliffs Clubs property.
- J. The Club Operator, taking into account the nature and gravity of the conduct involved may, in its sole and absolute discretion, reprimand, place on probation, suspend, expel or refuse to renew the Membership of any Member who is in violation of the offense.
- K. The Cliffs Clubs may restrict, suspend, or terminate any Member's right to use any or all of the Cliffs Clubs' facilities at the discretion of the Cliffs Clubs.
- L. A Member who is suspended or terminated due to disciplinary action, is not entitled to any refunds of Initiation Fees, dues, or credits of any kind and is liable for full payment of outstanding club account balances.
- M. A Member, who is temporarily suspended from use of Club Facilities, is liable for payment of monthly dues and other charges in a proper and timely matter. The temporarily suspended Member cannot be reinstated as a Member in Good Standing, until all outstanding account balances are paid in full and as otherwise provided in this Membership Plan.
- N. In the event a Membership is permanently terminated by the Club Operator, constituting an involuntary resignation, the Member waives all rights to any guaranteed Membership re-issuance in accordance with this Membership Plan.

- O. A permanently suspended former Member shall not, under any circumstances, be entitled to consideration for membership application in the future, and may be prohibited from being admitted to use Club Facilities under any circumstances, including as a day guest.

**PERSONAL INJURY AND LOSS OR DESTRUCTION OF PROPERTY**

31. Member Responsibilities and Indemnities - Each Member, as a condition of membership, and each guest as a condition of invitation to the Club Facilities, assumes sole responsibility for his/her personal property and acknowledges and understands the following:

- A. Neither the Club Operator nor club staff are responsible for any loss or damage to any private property used or stored on the premises of the Cliffs Clubs, whether in lockers or elsewhere.
- B. Any personal property left in, or on Club property, for more than six (6) months, without payment due for any applicable storage facilities, will be sold by the Club Operator, with or without notice, at a public or private sale, or may be otherwise disposed of, and the proceeds, if any, shall be retained by the Club Operator.
- C. No person shall remove, or rearrange any property or fixtures belonging to the Club Operator or Cliffs Clubs to a different location or position, without proper authorization from the Cliffs Clubs' management.
- D. All Members are liable for any property damage or personal injury at the Club Facilities, whether during normal usage, or at any activity or function which is sponsored by the Cliffs Clubs, if such damage or injury is caused in whole or in part by the Member, his/her family, or guests. The cost of such damage shall be charged to the Member's account. Persons responsible for any damage are subject to suspension or termination for the refusal to make restitution therefore.
- E. All Members, guests, and other persons who in any manner, make use, or accept use of any apparatus, appliance, facility, or privilege or service provided by the Club Operator or the Cliffs Clubs, or who engages in any contest, game, function, exercise, competition, or other activity operated, organized, arranged or sponsored by the Club Operator or the Cliffs Clubs, shall do so at his/her own risk, and shall hold the Club Operator, the Cliffs Clubs, and its management, employees, principals, affiliates, directors, representatives and agents (collectively, the "Club Indemnified Parties") harmless from any and all loss, cost, claim, injury, damage or liability sustained or incurred by him/her resulting therefrom, or from any act or omission, including the negligence, of the Club Operator or any of the other Club Indemnified Parties.
- F. Should any party bound by the Membership Documents bring suit against the Club Operator or any of the Club Indemnified Parties in connection with any event operated, organized, arranged or sponsored by the Club Operator or the Cliffs Clubs or any other claim or matter in connection with membership in any of the Cliffs Clubs, and fail to obtain judgment therein

against such Club Indemnified Parties, said party shall be liable to the Club Operator and the Club Indemnified Parties for all costs and expenses incurred by the action in the defense of such suit.

#### **TRANSFER OF CLUB OR CLUB FACILITIES**

32. Sale of Club to a Third Party - The Club Operator reserves on behalf of itself, its successors, successors-in-title to the Club Facilities, and assigns, the right, in its sole discretion, to sell, convey or otherwise transfer ownership of the Cliffs Clubs or any of the Club Facilities to any entity whatsoever, subject to the rights of Members set forth in this Membership Plan. In the event the Club Operator sells some or all of the Club Facilities to a third party, the Club Operator may assign its rights and obligations under the Membership Documents to the subsequent purchaser, and, upon the assumption of the obligations under the Membership Documents by such purchaser, the Club Operator shall be released from all liability under the Membership Documents that such purchaser has agreed to assume.

33. Sale of Club to Members - The Club Operator, on behalf of itself, its successors, successors-in-title to Club Facilities, and assigns, hereby reserves the right to, but shall be under no obligation to, offer to sell any or all of the Club Facilities to the Members, or a group thereof, or convert, in whole or in part, the Cliffs Clubs to an "equity" club or similar arrangement whereby the Members, or an entity owned or controlled by the Members, becomes the owner or operator, or both, of the Club Facilities. The acquisition price of the Club Facilities, if any is established, or the Club Operator, acting either alone or in conjunction with the entity group the Members may select to represent themselves, will establish the acquisition price of a membership in any such "equity" club. In the event the Club Operator converts the Club Facilities to an equity member-owned club, the Club Operator may assign its rights and obligations under the Membership Documents to the subsequent purchaser, in which event the Club Operator shall be released from all liability under the Membership Documents.

34. Dissolution of the Club - The Club Operator hereby reserves the right, on behalf of itself, its successors, successors-in-title to the Club Facilities, and assigns to terminate all Memberships and proceed to dissolve the Cliffs Clubs, without liability, at any time upon sixty (60) days' prior written notice to all Members, and upon such termination the Members shall be entitled to a refund of any prepaid dues, and each Member shall be entitled to a prorated refund of the Initiation Fee paid by such Member based upon an amortization of such Initiation Fee over a five-year period commencing upon the issuance of their Membership.

#### **MODIFICATION AND INTERPRETATION**

The Club Operator reserves the right to amend and modify the Membership Plan and the Rules and Regulations in any manner it deems appropriate, except as otherwise provided in this paragraph below. Notwithstanding the foregoing, the Membership Plan may not be amended by the Club Operator to require the Members of a particular Cliffs Club to fund any capital assessments or operating assessments without first obtaining the approval of a majority of the Members (at such Cliffs Club) in Good Standing within the category of Membership that would be subject to such assessment, with each such Member being entitled to one (1) vote per Membership. Unissued and resigned Memberships will not be counted for purposes of such voting. Any amendments to the Membership Plan shall become effective no earlier than the date that is thirty (30) days after notice of such amendment has been provided to the Members, which notice may be provided by e-mail and/or posting of the amendment to the Cliffs Clubs

website. Notwithstanding anything in this Membership Plan to the contrary, if the proposed amendment to the Membership Plan is materially adverse to the Members or to any category of Members, then after notice of such amendment has been provided to the Members, a Member who is materially adversely affected by such proposed amendment may elect to resign at any time prior to the effective date of such amendment and any such election to resign that is timely made will become effective immediately prior to the effective date of such amendment. To the extent there are any conflicts or ambiguities in the terms of the Membership Documents, the Club Operator shall have the sole authority to interpret the Membership Documents and its decision shall be conclusive and final.

#### **HOME CLUB BOARD**

35. Home Club Board - The Club Operator will establish a procedure whereby the Members of each Home Club in Good Standing will be given the opportunity to elect Members of their own Home Club, who are in Good Standing, to serve on a Home Club Board. The Home Club Boards for the respective Cliffs Clubs will serve in an advisory capacity only, and will have no duty or power to act on behalf of the Club Operator, the Home Club or the Home Club's Members, whether individually, or collectively.

36. Home Club Board Meetings With Club Management - The Club Operator' will designate the General Manager, Head Golf Professional, Director of Golf, Head Superintendent, and members of Senior Management, or any one or a committee of them, to meet with the Home Club Boards to discuss the operation of the Club Facilities of the applicable Home Club. Such meetings with the Home Club Boards will be scheduled from time to time but efforts will be taken to schedule such meetings no less frequently than quarterly.

#### **REPRESENTATION ON CLIFFS CLUB PARTNERS BOARD**

Cliffs Club Partners will have a seven (7) member Board of which two (2) seats will be reserved for two Members of the Cliffs Clubs at-large who are in Good Standing (the "Member Board Seats"). The Member Board Seats will be filled by election of all of the Members of the Cliffs Clubs who are in Good Standing. Provided that the Prior Club Notes are still in existence and outstanding, one of such seats shall be filled by a Member in Good Standing who is a holder of a Prior Club Note who obtains the most votes and the other seat shall be filled by a Member in Good Standing who is not a holder of a Prior Club Note who obtains the most votes. For purposes of this paragraph, the term "Prior Club Notes" shall mean promissory notes issued by the prior owner of the Club Facilities (who filed for bankruptcy) to certain of its club members.

## GLOSSARY OF DEFINED TERMS

Application and Membership Agreement .....	i	immediate family.....	8
Cliffs Club .....	i	Initiation Fee.....	8
Cliffs Club Partners .....	i	Member.....	1
Cliffs Clubs .....	i	Member Board Seats.....	22
Cliffs Communities .....	i	Membership.....	1
Cliffs Community .....	i	Membership Documents .....	i
Club Facilities.....	1	Membership Plan .....	i
Club Indemnified Parties .....	20	Memberships.....	1
Club Operator .....	i	Non-Resident Member .....	ii
Conduct unbecoming a Member of the Cliffs Clubs .....	18	Primary Member.....	iii
Corporate Member Designee .....	5	Primary Membership.....	i
Designated Adult .....	8	Prior Club Notes .....	22
Developer .....	iii	Property .....	i
Escorted Guest.....	17	Property Owners.....	i
Golf Member .....	2	Rules and Regulations .....	i
Good Standing.....	iii	Sports Member .....	3
Home Club.....	i	Unescorted Guest .....	17





**THE CLIFFS CLUBS**  
**RULES AND REGULATIONS**

## THE CLIFFS CLUBS

### RULES AND REGULATIONS

It is the intent of the Club Operator to establish Rules and Regulations for the mutual enjoyment of the Club Facilities by all the Club's Members and their guests, subject to the terms of the Membership Documents.

The obligation of enforcing these Rules and Regulations for the good of all Members is placed primarily in the hands of a carefully selected and trained staff whose principal responsibility is to provide courtesies, comforts, and services to which you, as a Member of the Club, are entitled.

It is further the responsibility of the membership of each Cliffs Club to know these Rules and Regulations and to cooperate in their enforcement. A Member of any other Cliffs Club utilizing the Club Facilities of the Club shall be required to follow the applicable Rules and Regulations in place for each such Club.

For purposes of these Rules and Regulations, "Club" will refer to any one of the Home Clubs as defined in this Membership Plan. Any capitalized terms used herein which are not otherwise defined herein shall have the meaning ascribed to such terms in The Cliffs Clubs Master Membership Plan, as such may be amended from time to time.

#### SECTION I. GENERAL CLUB RULES

- A. HOURS OF OPERATION - The hours of operation of the Club, and any or all of the Club's facilities will be established, posted and published by the Club, and may be adjusted seasonably or otherwise, as member usage and other conditions may require.
- B. DRESS STANDARDS - Members of the Club and their families and guests shall at all times be in attire appropriate for the area of the Club in which they are located. The term "appropriate attire" shall mean and be defined as clean, presentable clothing in good condition and not to be offensive to other Members of the Club. The Club Operator and Club management shall have the authority to determine what constitutes "inappropriate attire", and may request anyone who is in violation of this provision to leave the Club premises, or particular area of the Club.

Shirts and shoes are required at all times on the Club premises. Bathing suits may be worn only in the designated pool areas.

Exceptions to the standard dress code or additional dress requirements will be published and posted for notification.

Denim is permitted in select locations within each Clubhouse as described below:

Glassy Clubhouse – Bar, Patio and Grill  
Valley Clubhouse – Bar and Patio  
Keowee Vineyards Clubhouse – Bar and Patio  
Keowee Falls Clubhouse – Bar and Patio  
Keowee Springs Turnhouse – Turnhouse  
Walnut Cove – Bar and Patio

Denim is not allowed in the dining room areas or on the golf courses. The Cliffs Valley Bar is defined as the dining area nearest the bar and in front of the stone archways. Jeans are defined as denim of any color, and/or any shorts or pants of denim material that are riveted and of a western cut and style.

Casual attire is permitted in locations other than the Clubhouse and Golf Course, i.e. Wellness Centers. Gentlemen are requested to remove hats and keep their shirt tails tucked in inside the Clubhouse.

Children under the age of 16 are permitted to wear cargo shorts. The Club's definition of cargo shorts excludes shorts with billowing pockets, frayed edges, holes, multiple pockets and pockets that are stitched on the exterior of the shorts.

- C. ALCOHOLIC BEVERAGES - All Members acknowledge, agree and understand that at all times, the Member, his/her family and guests, and all employees of the Club will comply with the applicable laws, rules and regulations, concerning the possession, sale, distribution and consumption of alcoholic beverages, according to the laws of the state of the applicable facility's location.
- D. FOOD AND BEVERAGE - All food and beverage consumed at the Club Facilities shall be furnished by the Club. Employees of the Club are not permitted to deliver any food and beverage outside areas designated by the Club.
- E. SOLICITATION - Except as expressly permitted by the Club, no commercial advertisements shall be posted, or circulated in the Club or on the Club's website, nor solicitations of any kind be made at the Club Facilities, or on Club stationery. Other than as permitted by the Club, no petition shall be organized, solicited, circulated or posted at the Club Facilities. No solicitations of any kind, including but not limited to, mail, telephone or email, shall be made by use of the published membership directory or any other membership information.
- F. EMPLOYEES – The Club Operator and Club management have the sole authority with respect to matters of staff and employee discipline. Accordingly, a Member, his/her family or guest shall not be permitted to reprimand, discipline or abuse, whether verbally or otherwise, any staff member of the Club. Complaints regarding the conduct or mannerisms of any staff member should be reported to the Club Operator or Club management immediately.

Members, their family or guests shall not interfere in the administration or performance of employees' duties. Employees may not be sent from the

premises for personal errands or business of the Members. Members, their family or guests may not request special personal services or favors from employees.

- G. ENTERTAINMENT - No performance by entertainers will be permitted at the Club Facilities without permission of the Club.
- H. VEHICLES/PARKING - Vehicles must be parked in such areas as designated by the Club. Vehicles should not be parked on grass lawns, at the front entrance or delivery areas of the Club, or any place that interferes with the normal flow of traffic, unless the Club grants special permission. Unlicensed vehicles are not permitted on Club property without the permission of the Club. In particular, GEM and/or NEV cars are low speed vehicles pursuant to South Carolina law and not a form of golf cart, and require proof of insurance, permit from the South Carolina Department of Transportation, a License Tag, and operation by a licensed driver.
- I. COMPLAINTS - All complaints concerning the normal operations of the Club, its employees and other matters must be directed to the appropriate senior manager. All complaints concerning a manager should be made in writing, to the General Manager, or appropriate designated officer of the Club Operator, specifying the particular offense or concerns, and signed and dated by the complainant.
- J. PETS - Dogs and other pets (with the exception of service animals) are not permitted at the Club Facilities, except under special circumstances, or where authorized by the Club. When dogs are permitted on Club property, they must be leashed.
- K. FIREWORKS - Fireworks of any type are not permitted anywhere on Club property, or adjacent areas, unless a fireworks display or exhibit is organized and conducted by the Club.
- L. OFF-LIMIT AREAS - Members, their families or guests, are not permitted in the kitchen and service areas of the Club, or in certain maintenance areas located on Club property.
- M. GROUP FUNCTION - Use of the Club Facilities may be restricted or reserved by the Club or General Manager for special group functions and activities. All group functions must be reserved in accordance with reservations and usage policies, and through the Club management.
- N. AUTHORITY - The Club personnel has full authority to enforce all rules and regulations, and any infractions will be reported to the Club Operator or Club management. All rules and regulations are subject to amendment or modification at the sole discretion of Club Operator.
- O. SMOKING - In recognition of the health, safety and comfort benefits of smoke-free air and the responsibility to provide and maintain an optimally healthy

environment for our Members, Associates and Guests, the Cliffs Clubs does not permit smoking within any Club Facility or adjacent to a Club dining venue.

## **SECTION II. AUTOMOBILE AND BOAT DECALS**

Access onto the property of the Club will be granted upon obtaining a decal or appropriate guest pass from the Public Safety office, and may be subject to additional rules of the applicable Property Owners' Association. Proof of vehicle registration is required for a permanent automobile decal. Vehicles must be registered in the name of the Member or eligible family members.

## **SECTION III. SERVICE CHARGES AND TAXES**

A standard service charge is added to all food and beverage purchases, and for services provided according to the schedules as determined by the Club Operator. As of the effective date of the Membership Plan, the standard service charge is 18% for food and beverage purchases, and is 20% for catering services, which amounts may be modified from time to time by the Club Operator. The Club is required to add state sales tax to food and beverage totals including service charges. The Club is required to charge state sales tax on all purchases. A state admissions tax may be required on all guest and greens fees.

## **SECTION IV. MAILING ADDRESSES**

Each Member shall be responsible for filing his/her correct and current mailing address and e-mail address, and any changes, with the Club in written form. All notices and statements from the Club will be sent to the address on file. Failure to receive such billings and notices on time, does not justify the excuse for late payment to the Club.

## **SECTION V. CLUB SERVICES AND ACTIVITIES**

- A. The Club provides a variety of social, cultural and recreational events in which Members are entitled to participate, except in the event of a private party function, not considered open to all Members, or an event sponsored for or by guests. All Membership functions will be published in the Club bulletin, newsletters or web page.
- B. Certain events at the Club may have limited reservations available. Reservations will be required for most events, and are accepted on a first-come basis by the appropriate personnel in charge of reservations.
- C. Reservations made by a Member for accommodations, meals, festivities, etc. may be charged to the Member making the reservation regardless of whether the reservation was used; unless it was cancelled not less than 24 hours prior, or as noted for Special Functions, prior to the date for which it was scheduled.
- D. Use of the Club for private parties and functions is encouraged, providing these events do not interfere with the normal operation of the Club, or with the services

regularly available to all Members. Private parties are not permitted without prior approval from the General Manager. The Member who reserves a private party is held responsible for the conduct of the guests, for all charges incurred by the guests, and any damage caused by the guests. The Club may require a security deposit prior to the function and may charge a cancellation fee if the reservation is cancelled or if the party does not attend.

## **SECTION VI. CHILDREN**

Children under the age of sixteen (16) years old, are not allowed in the Members' locker rooms and must be accompanied and supervised by an adult when using the Club's facilities. Children under the applicable drinking age are not allowed in any bar area, unless accompanied by an adult. Children under the age of sixteen (16) are allowed to use the golf course and other Club recreational facilities only at the discretion of the Club management and when accompanied by an adult. Children are not allowed to play on the golf course and cart paths. Children under the age of twelve (12) are not permitted in the fitness areas and must be accompanied by the Member when using the locker facilities and steam rooms.

## **SECTION VII. GOLF RULES**

To preserve the freedom and to maximize the enjoyment of all Members of the Club, their families and guests in their use and enjoyment of the golf courses, golf practice facilities, and other golf-related equipment and amenities, the Club has the sole responsibility and authority to enforce certain rules and regulations. Members of the Club and all staff members are to report any violations to the General Manager who has the authority to enforce and discipline offenders. Members of the Club shall have no authority to enforce the rules and regulations, and are not requested to do so. Persons using the golf course and other golf facilities do so at their own risk. The following rules and regulations shall be in effect, and are subject to change from time to time:

### **A. STARTING TIMES**

All players must have a designated starting time assigned prior to commencement of play. All players must register in the golf shop before each round of play. All play will start from the 1<sup>st</sup> tee unless otherwise directed by the golf shop personnel. Starting is not permitted on any other hole, by anyone, unless so directed by the golf shop personnel. Registration is required ten (10) minutes prior to the reserved tee time. Members should present their membership card upon registering. Twosomes and singles will be grouped with other players, if available, and by decision of the golf shop personnel. Twosomes have no priority over foursomes, regarding play through, or dictating speed of play.

### **B. CANCELLATIONS**

It is necessary to cancel your reserved tee time as soon as possible. Members repeatedly failing to use reserved tee times without giving sufficient notice to the golf

shop, may be billed the retail value of such times, and shall be subject to denial of future reservation privileges.

C. RAIN CHECK POLICY

When inclement weather prevails and causes termination of play, as determined by the golf shop personnel, a credit for all, or a portion of that day's greens fees and cart fees may be given. Credit will only be issued on that day of play, and it is the responsibility of the player to apply for a rain check from the golf shop. No play is allowed during dangerous weather conditions as determined by the golf shop personnel.

D. CONTROL/RULES OF PLAY

The use of and play on the golf courses shall at all times be subject to the control of the Club's Head Golf Professional and his/her designated assistants. The Golf Course Superintendent in consultation with the Head Golf Professional shall determine when weather and other conditions dictate the closing of portions, or the entire course; or the prohibition of, or imposition of limitations upon the use of golf carts. Player Assistants may be on duty to help regulate play and to enforce golf cart regulations, and have the full authority vested in them by Club management to enforce all rules and regulations, speed of play and course etiquette. "Course closed", and "hole closed" signs are to be adhered to without exception. Practice is not allowed on the golf courses. The practice ranges and practice greens should be used for practice. Range balls provided by the golf shop are only to be used on the practice ranges. A player cannot hit his own shag balls. The United States Golf Association rules shall govern all play, except when modified by local rules. Players should play to pace, or invite the following group through, should they fall one clear hole behind the group in front of them. If a group stops at the turn, and allows the following group to overtake, and pass them, the group stopping at the turn shall forfeit its place and must return to the 1<sup>st</sup> tee and continue play in the next available tee time.

E. GOLF COURSE ETIQUETTE

All players are expected to observe customary golf course etiquette including, but not limited to: raking bunkers, replacing divots, repairing ball marks, proper disposal of litter, abstention from use of loud or abusive language, proper attire, and basic safety regarding timing of shots. All players must be ready to make their shot when it is their turn, and should play out of turn, if doing so will contribute significantly to the progress of their group. When the play of a hole has been completed, players should immediately leave the green. Scoring for the hole can be done while others in the group are playing at the next tee. Players searching for a lost ball should allow others to play through. A player should ensure that, when dropping bags or the flagstick, no damage is done to the green. A player should ensure that any turf that is cut or displaced by him/her is replaced and/or repaired.

To ensure the enjoyment of all Members, it is important that groups play to the Cliffs Clubs' established pace of 4 hours and 15 minutes.

If a group is not playing to pace or has fallen out of position, they will first be asked to regain their position on the golf course. If a group fails to do so, they will then be asked by a Golf Professional to increase their pace and regain their position on the golf course and be warned that failing to do so could result in letting trailing groups play through or picking up and moving to the proper position on the golf course.

If a group is approached a third time and still has not regained their position on the golf course, they could be asked to let a following group play through or pick up and move to their proper position on the golf course.

#### F. HANDICAPS

Handicaps are computed under the supervision of the Head Golf Professional in accordance with current USGA recommendations. Accurate records are to be kept of scores turned in and recorded for all applicable rounds played.

#### G. EQUIPMENT

All players must have a golf bag, a set of golf clubs, and wear appropriate golf shoes, as established by the Head Golf Professional and posted in the golf shop, when on the golf course. Two or more players may not play out of the same bag, or otherwise with a single set of clubs.

#### H. DRESS CODE

All players must be appropriately attired on the golf courses and at the practice facilities at all times. Members are responsible for informing their family members and guests of the proper dress code prior to their visiting the Club. Anyone not complying with the dress code may be asked to change his attire before gaining access to the course, or be asked to leave the premises due to lack of cooperation with the rules and regulations regarding appropriate attire.

The following are considered appropriate dress code regulations:

**MEN** - Shirts with a regular collar or mock turtleneck collar and sleeves, slacks or golf shorts. Shirt tails must be tucked in at all times. No tank tops, t-shirts, cut-offs, cargo shorts or pants, sweat pants, bathing suits, jeans or athletic shorts are permitted. Gentlemen are requested to keep shirt tails tucked in at all times and remove hats inside the Clubhouse.

**WOMEN** - Dresses, skirts, slacks, golf shorts, and golf shirts (collar or mock turtleneck) and blouses. No tank tops, t-shirts, bathing suits, sweat pants, athletic shorts, jeans or short shorts are permitted.

#### I. GOLF TEE TIMES

Golf Shop personnel will assign the tee times upon Member request and is based upon availability. Golf Shop personnel have the sole authority to reserve tee times for