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# **HAMPTON HALL CLUB**

## **PLAN FOR THE OFFERING OF MEMBERSHIPS**

### **A. INTRODUCTION**

#### **MEMBERSHIP OPPORTUNITY**

Hampton Hall Club is offering an opportunity to be an equity member of a golf, tennis, swimming, exercise and social-oriented club. Pursuant to this Plan for the Offering of Memberships, and the Declaration Of Covenants, Conditions And Restrictions For Hampton Hall Club, as the same may be amended from time to time (the "Declaration"), the privilege of using the facilities provided at Hampton Hall Club is available to members of the Club, the immediate family of members of the Club, guests of members and other persons permitted by the Club from time to time.

### **B. CLUB FACILITIES**

#### **DESCRIPTION OF THE CLUB FACILITIES**

The facilities currently planned at Hampton Hall Club, subject to obtaining all required governmental approvals and permits, include the following:

- \* an eighteen-hole golf course designed by Pete Dye;
- \* golf practice facilities including a practice range and putting green;
- \* a golf clubhouse offering grille facilities, men's and women's locker room facilities, a golf shop, golf cart storage facilities, administrative offices and patio/deck areas;
- \* a clubhouse offering dining facilities, a bar/lounge, function rooms, administrative offices and patio/deck areas;
- \* a Sports Center offering exercise facilities and aerobics areas, an indoor swimming pool, and a small cafe;
- \* a basketball court, bocci, and outdoor play areas;
- \* 6 tennis courts;
- \* an outdoor swimming pool; and
- \* common areas including private roadways, ponds, entrance features, and landscaped areas.

The eighteen-hole golf course, golf practice facilities and golf clubhouse described above are hereinafter sometimes referred to collectively as the "Golf Facilities." The clubhouse, Sports Center, basketball court, and other outdoor play areas, tennis courts, outdoor swimming pool and the common areas described above are hereinafter sometimes referred to collectively as the "Club Facilities." The Golf Facilities and Club Facilities are sometimes referred to collectively as the "Facilities."

In order to assure the continued viability of Hampton Hall Club, the Facilities will be constructed in phases. Construction of the eighteen-hole golf course has commenced.

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If the construction or operation of any of the Facilities is prevented in whole or in part at any time by any law, rule, regulation, order or other action adopted or taken by any federal, state or local governmental authority or by any acts of God, fire or other casualty, floods, droughts, storms, explosions, accidents, epidemics, war, civil disorders, acts of terrorism, strikes or other labor difficulties, shortages or failure of supply of materials, labor, fuel, power, equipment, supplies or transportation, or by any other cause not reasonably within the control of the Club or Company, whether or not specifically mentioned herein, the Club and Company shall be excused, discharged and released from performance to the extent that the performance or obligation is so limited or prevented by such occurrence without liability of any kind.

### **THE CLUB MAY PROVIDE ADDITIONAL FACILITIES**

The Club reserves the right, but has no obligation, to modify the facilities provided at the Club and to provide additional facilities at Hampton Hall Club, including but not limited to, additional holes of golf. However, the Club has not committed to any additional facilities and there is no assurance that any additional facilities will be provided at Hampton Hall Club.

### **C. MEMBERSHIP PRIVILEGES**

#### **TWO CLASSIFICATIONS OF EQUITY MEMBERSHIP PRIVILEGES ARE INITIALLY AVAILABLE AT HAMPTON HALL CLUB**

The Club will initially make available two classifications of equity membership known as "Golf Memberships" and "Club Memberships." As an equity membership, Golf Memberships and Club Memberships represent an equity ownership interest in the Club. The Golf Memberships and Club Memberships are hereinafter sometimes collectively referred to as the "Memberships." A person who obtains a Golf Membership is sometimes hereinafter referred to as a "Golf Member" or collectively as "Golf Members", a person who obtains a Club Membership is sometimes hereinafter referred to as a "Club Member" or collectively as "Club Members" and a person who obtains a Membership is sometimes hereinafter referred to as a "Member" or collectively as "Members."

Owners of residences or homesites in the Hampton Hall residential community ("Hampton Hall") must purchase a Club Membership. In addition, such owners must maintain at least a Club Membership at the Club in good standing until the closing of the sale or other transfer of their residence or homesite in Hampton Hall to another owner.

All persons acquiring a Golf Membership must also purchase a Club Membership and accordingly all Golf Members are also Club Members.

#### **ADDITIONAL CLASSIFICATIONS OF MEMBERSHIP MAY BE MADE AVAILABLE BY THE CLUB**

The Club may issue other classifications of membership, including but not limited to "Founder Memberships" as discussed in Section L hereinafter and "Invitational Golf Memberships" and "Sports Memberships" as described in Exhibit A attached hereto and incorporated herein, as amended by the Club from time to time. If additional classifications of membership are made available, the Club will establish the use privileges of the additional membership classifications, the number of memberships

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available and the membership fee, dues, fees and assessments, dining minimums (if any) and other charges to be paid for these additional classifications of membership.

**USE OF THE FACILITIES BY THE MEMBER'S IMMEDIATE FAMILY**

Club Memberships at Hampton Hall Club shall be issued in the name of the individual identified as the member in the Club Member Information Profile and Golf Memberships shall be issued in the name of the party identified as the member in the Application for Golf Membership Privileges. Only the identified member shall have voting privileges as described herein. For residents of Hampton Hall, the individual applying for the Club Membership must be an owner of the Hampton Hall residence or homesite. As discussed below, the Club may allow a Golf Membership to be held in the name of an entity from time to time but the entity, as owner of the Golf Membership, shall designate one person as the member and designee of the Golf Membership and Club Membership use privileges.

A Membership allows the member identified in the Club Member Information Profile or Application for Golf Membership Privileges, as applicable, and his or her immediate family members (as defined below) to use the facilities in accordance with the terms of the classification of membership selected and upon payment of the required membership fee and applicable dues, fees and assessments, dining minimums (if any) and other charges. The immediate family members shall include the spouse or significant other (as defined in the Rules and Regulations) of the member who is living in the member's home, and their unmarried children who are under the age of twenty-three and either living in the member's home or attending school on a full-time basis.

The Club may allow other members of the Member's family, including but not limited to, children of the Member who do not fall within the definition of immediate family members described above and grandchildren of the Member and spouse, to use the swimming pool and exercise facilities on a limited basis from time to time without the payment of additional dues or other fees and compliance with the rules established by the Club.

**MEMBERS OF THE CLUB ARE NOT SUBJECT TO ASSESSMENTS FOR OPERATING DEFICITS PRIOR TO THE TURNOVER DATE**

Members are not subject to any assessments for operating deficits incurred in the operation of the Facilities prior to the Turnover Date (as hereinafter defined). As a result, the Company shall fund any operating deficits incurred in the operation of the Facilities and shall retain all operating surplus resulting from operation of the Facilities prior to the Turnover Date.

The payment of dues, fees and assessments, dining minimums (if any), state taxes, service charges and other personal charges that the Club may establish from time to time is required for Members to obtain and maintain membership privileges at Hampton Hall Club and is not considered an operating assessment.

The payment of assessments by Members in connection with the Facilities shall be governed by the provisions of the Declaration.

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## **MAXIMUM NUMBER OF MEMBERSHIPS AVAILABLE AT HAMPTON HALL CLUB**

In order to provide continued enjoyment of the Golf Facilities, the maximum number of outstanding dues-paying Golf Memberships (excluding Founder Memberships and Sports Memberships, if established by the Club, which will not count against the limitation described herein) is limited to four hundred thirty-eight. In the event additional holes of golf are added to the Golf Facilities at the Club, whether on or off-site, then the Club shall have the right to increase the maximum number of outstanding dues-paying Golf Memberships in its sole discretion for each additional nine holes of golf added to the Golf Facilities at the Club.

Although the maximum number of Club Memberships is not initially limited, the Club reserves the right to limit the number of these memberships from time to time.

## **MEMBERS OBTAIN SPECIFIC MEMBERSHIP PRIVILEGES**

All membership privileges are subject to this Membership Plan and the Declaration. Upon submittal of the Club Member Information Profile or approval by the Club, payment of the applicable membership fee, dues, fees and assessments, dining minimums (if applicable) and other charges and compliance with the Rules and Regulations established by the Club, Members obtain the following use privileges.

### **GOLF MEMBERSHIP PRIVILEGES**

A Golf Membership allows the member to use all of the Golf Facilities provided at Hampton Hall Club and to attend club-sponsored golf events held at the Club. Golf Members shall not be charged green fees for use of the golf facilities, but shall pay the applicable golf cart fees (or annual trail fees in lieu thereof, if applicable, for privately-owned golf carts) established by the Club. Golf Members shall have such advance sign-up privileges to reserve golf starting times as established by the Club. Accompanied guests of Golf Members receive preferred guest fees for use of the Golf Facilities as established by the Club.

In addition, since Golf Members must also obtain a Club Membership a Golf Member shall also have all of the privileges described below for a Club Membership.

The Club initially intends to only offer Golf Memberships to persons who own a residence or homesite in Hampton Hall but the Club reserves the right at any time in its sole discretion to offer Golf Memberships to persons who do not own a residence or homesite in Hampton Hall. Except as otherwise allowed by the Club, Golf Members who are residents of Hampton Hall may have a privately-owned golf cart if purchased through the Club and subject to the additional requirements of the Rules and Regulations of the Club and payment of the prevailing annual trail fee. Any Golf Member who is a resident of Hampton Hall must resign his/her/its Golf Membership upon the sale or other transfer of his/her/its residence or homesite at Hampton Hall except as otherwise specifically permitted under this Membership Plan or by the Club.

### **GOLF MEMBERSHIPS MAY BE HELD IN THE NAME OF AN ENTITY**

The Club may allow a Golf Membership to be held in the name of an entity from time to time but the entity, as the actual member and owner of the Golf Membership, shall

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designate one person as the member and designee of the Golf Membership use privileges. Immediate family members of the designee (as defined above) may also use the facilities in accordance with the privileges of the particular designee. The designee of the membership use privileges must submit an Application for Use Privileges and be approved by the Club. The company shall be responsible for the payment of the required membership fees and both the entity and the designee of the membership use privileges shall be jointly and severally liable for the payment of all dues, fees and assessments, dining minimum (if any) and other charges incurred by a particular designee, immediate family members and their guests, with such charges being a lien on any residence or homesite in Hampton Hall owned by the entity in accordance with the Declaration. The designee shall have the same use privileges and shall pay the same dues, fees and assessments, dining minimums (if any) and other charges as any Golf Member.

The entity may not change the designee of the membership use privileges more than once every twelve months. The new designee must be approved by the Club and the payment of a non-refundable change of designee fee established by the Club may be required to change a designee. The Club reserves the right to establish additional rules regarding a Golf Membership held by an entity and may limit the number of entities that obtain a Golf Membership from time to time.

The Company may reduce or waive for any period of time or otherwise exempt certain Builders (as defined in the Declaration) from the payment of a membership fee, dues, fees and/or assessments for a Golf Membership until such time as a residence is completed and transferred to the retail purchaser.

**GOLF MEMBERS MAY ASSIGN THEIR MEMBERSHIP USE PRIVILEGES TO ANOTHER USER UPON APPROVAL OF THE CLUB**

The Club may allow a Golf Member in good standing to designate one person as the beneficial user of the Golf Membership and Club Membership use privileges upon the prior approval of the Club and subject to all rules as may be established by the Club from time to time. Immediate family members of the designee may also use the facilities in accordance with the privileges of the particular designee. The designee must submit an application to the Club, pay a non-refundable designee administrative fee to the Club as may be established by the Club and be approved prior to use of any of the Facilities. Applications submitted by designees shall be evaluated on the same basis as any other application submitted by a prospective Golf Member. Upon approval of the Club, the designee of the member's use privileges must comply with all rules established by the Club and is allowed during such designated term, the same use privileges to use the Facilities provided at the Club as the Golf Member and shall be required to pay the same fees, dining minimums (if any) and charges as the Golf Member. The Golf Member shall retain voting privileges and shall be responsible for all charges incurred by their designee which remain unpaid after the customary billing and collection procedure of the Club and for the conduct of the designee. The Golf Member shall have no privileges to use the Facilities of the Club during the period that such designee is using the Facilities and shall be required to continue paying the applicable dues and assessments associated with their particular Golf Membership and Club Membership. The Club reserves the right to establish other rules relating to the use of the Facilities by designees from time to time. Both the member and the designee of the membership use privileges shall be jointly and severally liable for the payment of all dues, fees and assessments, dining minimum (if any) and other charges incurred by a particular designee, immediate family members

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and their guests, with such charges being a lien on any residence or homesite in Hampton Hall owned by the member in accordance with the Declaration.

The member may not change the designee of the membership use privileges more than once every twelve months. The new designee must be approved by the Club and the payment of a non-refundable transfer fee established by the Club may be required to change a designee. The Club reserves the right to establish additional rules regarding a Golf Member designating a user of his/her membership use privileges from time to time.

### **CLUB MAY DESIGNATE PRIMARY PLAYING TIMES ON THE GOLF FACILITIES**

In order to better control golf play during peak playing times on the golf course, the Club may designate certain times on the golf course as “primary playing times.” During times designated by the Club as primary playing times, only one golf starting time may be reserved per Golf Membership. The Club also reserves the right to establish other rules during primary playing times.

### **CLUB MEMBERSHIP PRIVILEGES**

A Club Membership allows the member to use all of the Club Facilities provided at Hampton Hall Club and attend club-sponsored non-golf events held at the Club.

Except as otherwise permitted hereunder, Club Members may not use the Golf Facilities except as a guest of a Golf Member and payment of the required guest fees and compliance with the rules established by the Club from time to time. Subject to certain conditions as may be established by the Club from time to time, Club Members may be permitted to use the grille facilities at the golf clubhouse when such facilities are available.

The Club initially intends to only offer Club Memberships to persons who own a residence or homesite in Hampton Hall but the Club reserves the right at any time in its sole discretion to offer Club Memberships to persons who do not own a residence or homesite in Hampton Hall. Except as otherwise allowed by the Club, Club Members who are residents of Hampton Hall may have a privately-owned golf cart (although such golf carts may not have access to the Golf Facilities except as specifically allowed in the Rules and Regulations of the Club) if purchased through the Club and subject to the Rules and Regulations of the Club and payment of any prevailing annual trail fee. Any Club Member who is a resident of Hampton Hall must resign his/her Club Membership upon the sale or other transfer of his/her residence or homesite at Hampton Hall except as otherwise permitted by the Club.

The Company may reduce or waive for any period of time or otherwise exempt certain Builders from the payment of a membership fee, dues, fees and/or assessments for a Club Membership until such time as a residence is completed and transferred to the retail purchaser.

### **THE CLUB MAY CHANGE RULES REGARDING THE USE OF THE FACILITIES**

In order to provide for the orderly administration of the Club and the utmost playing pleasure for all members, the Club reserves the right, from time to time, to establish different classifications of membership and promulgate new rules and/or modify existing

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rules governing access, sign-up privileges and starting times with respect to the golf, tennis and other recreational facilities provided at the Club.

## **GUEST PRIVILEGES**

Members and designees may have guests use the Facilities in accordance with the Rules and Regulations established by the Club. The number of times a particular guest may use the Facilities or any particular facility provided at Hampton Hall Club during any particular period of time and the number of guests a member or designee may sponsor at any particular time may be limited. Sponsoring members and designees are responsible for the payment of all fees and charges unpaid by their guests.

## **USE OF MEMBERSHIP PRIVILEGES BY TENANTS**

**General Use Privileges Of Tenants.** Each tenant who leases a residence in Hampton Hall in accordance with the terms of the Declaration must submit an application for membership use privileges to the Club prior to commencement of the lease term and pay to the Club a non-refundable tenant administrative fee upon submitting the application. Applications submitted by tenants shall be evaluated on the same basis as any other application submitted by a prospective Golf Member. Upon approval of the Club, the tenant shall have the same privileges to use the Club Facilities as any Club Member and shall be required to pay the fees and other charges as set forth below during the term of his/her lease. Tenants must comply with all rules as may be established by the Club from time to time.

**If Lessor Is A Golf Member And Club Member.** In the event the owner of the residence in Hampton Hall being leased (the lessor member) is a Golf Member, then such member may elect to either: (i) retain his/her Golf Membership and Club Membership (in which event the lessee shall have the opportunity to use the Club Facilities as described above but shall not have privileges to use the Golf Facilities) and continue to have access to the Facilities upon payment of the required dues, fees, assessments and dining minimums (if any) and other charges; or (ii) designate the tenant of his/her residence in Hampton Hall as the beneficial user of the Golf Membership and Club Membership in accordance with the rules established by the Club from time to time (in this event the lessor member will no longer have any privileges to use the Golf Facilities or Club Facilities by virtue of his/her Golf Membership and Club Membership during the term of the lease). A Golf Member who leases his/her residence in Hampton Hall is not permitted to retain his/her Golf Membership and simply designate the tenant as the beneficial user of the Club Membership.

If the Golf Member elects to retain his/her Golf Membership and Club Membership as set forth in subsection (i) above, such member shall retain voting privileges and shall be required to continue paying the applicable dues, fees, assessments, dining minimums (if any) and other charges associated with his/her Golf Membership and Club Membership. The tenant in such case shall be required to pay a Club Facilities use fee as established by the Club (in lieu of the Club Member Assessment as defined in the Declaration) and shall be required to otherwise pay the same fees and other charges as any other Club Member. The member shall be responsible for the Club Facilities use fee and all fees and charges incurred by his/her tenant which remain unpaid after the customary billing and collection procedure of the Club and for the conduct of the tenant.

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A tenant who is designated as the beneficial user of a Golf Member's use privileges as described in subsection (ii) above must comply with all rules established by the Club and is allowed during such lease term, the same use privileges to use the Golf Facilities and Club Facilities provided at the Club as the lessor member who owns the residence in Hampton Hall being leased and shall be required to pay the same fees, dining minimums (if any) and other charges paid by other Golf Members and Club Members (excluding the Club Member Assessment and Golf Member Assessment as defined in the Declaration). The lessor member shall continue paying the applicable dues and assessments associated with their particular Golf Membership and Club Membership, shall retain voting privileges and shall be responsible for all fees and charges incurred by his/her tenant which remain unpaid after the customary billing and collection procedure of the Club and for the conduct of the tenant. Unless the lessor member retains his/her Golf Membership and Club Membership as described in subsection (i) above, then such lessor member shall have no privileges to use the Facilities during the period that such tenant is the designee of the Golf Membership and Club Membership. In addition, the member who owns the residence in Hampton Hall and the tenant must comply with all requirements of the Declaration. The Club reserves the right to establish other rules relating to the use of the Facilities by tenants from time to time.

**If Lessor Is A Club Member (Not A Golf Member)**. In the event the owner of the residence in Hampton Hall being leased (the lessor member) is a Club Member (and not a Golf Member), then the tenant shall not have any privileges to use the Golf Facilities and such lessor member may elect to either: (i) retain his/her Club Membership and continue to have access to the Club Facilities upon payment of the required dues, fees, assessments and dining minimums (if any) and other charges; or (ii) designate the tenant of his/her residence in Hampton Hall as the beneficial user of the Club Membership (in this event the lessor member will no longer have any privileges to use the Club Facilities by virtue of his/her Club Membership during the term of the lease).

If the Club Member elects to retain his/her Club Membership as set forth in subsection (i) above, such member shall retain voting privileges and shall be required to continue paying the applicable dues, fees, assessments and dining minimums (if any) and other charges associated with his/her Club Membership. The tenant in such case shall be required to pay a Club Facilities use fee as established by the Club (in lieu of the Club Member Assessment as defined in the Declaration) and shall be required to otherwise pay the same fees, dining minimums (if any) and other charges as any other Club Member. The member shall be responsible for the Club Facilities use fee and all fees and charges incurred by his/her tenant which remain unpaid after the customary billing and collection procedure of the Club and for the conduct of the tenant.

A lessor member who elects not to retain his/her Club Membership shall have no privileges to use the Club Facilities during the period of the lease. The member shall be required to pay the dues associated with his/her Club Membership during the term of the lease, shall retain voting privileges and shall be responsible for all charges incurred by his/her tenant which remain unpaid after the customary billing and collection procedure of the Club and for the conduct of the tenant. In addition, the member who owns the residence in Hampton Hall and the tenant must comply with all requirements of the Declaration. The Club reserves the right to establish other rules relating to the use of the Club Facilities by tenants from time to time.



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**Company May Develop Projects That Allow For Leases Of Less Than Six Months.**

The Company and its affiliates may develop projects within Hampton Hall for which leases of less than six months are allowed. The tenants of such projects shall have the right to use the Facilities at the Club on such basis as is established by the Club, which rights shall continue to apply after the Turnover Date and may not be changed without the prior written consent of the Company.

**D. ELIGIBILITY FOR MEMBERSHIP PRIVILEGES**

**ELIGIBILITY FOR MEMBERSHIP PRIVILEGES**

Golf Memberships are available by invitation only.

Golf Memberships to the extent available will be offered to initial retail purchasers of residences or homesites in Hampton Hall who are approved for membership. ALL PURCHASERS OF RESIDENCES OR HOMESITES AT HAMPTON HALL ACKNOWLEDGE THAT GOLF MEMBERSHIPS ARE LIMITED AND THAT THERE ARE FEWER GOLF MEMBERSHIPS THAN THERE ARE HOMESITES IN HAMPTON HALL AND ACCORDINGLY, THERE MAY NOT BE A GOLF MEMBERSHIP FOR EACH OWNER AT HAMPTON HALL.

Persons who purchase a residence or homesite in Hampton Hall and do not desire to purchase a Golf Membership must purchase a Club Membership and must submit the Club Member Information Profile to the Club as described below. Persons who purchase a residence or homesite in Hampton Hall and only desire a Club Membership are not subject to the approval of the Club. Each prospective member for a Golf Membership must submit an Application for Golf Membership Privileges and Golf Membership Agreement, be approved for the Golf Membership and pay any required membership fee to the Club prior to obtaining a Golf Membership.

**OWNERS OF RESIDENCES OR HOMESITES IN HAMPTON HALL MUST PURCHASE A CLUB MEMBERSHIP**

All property owners in Hampton Hall (excluding the Company) must purchase a Club Membership at the closing of the purchase of the residence or homesite in Hampton Hall for the prevailing membership fee; provided, however, the Company may exempt from this requirement certain builders who purchase homesites to build residences in Hampton Hall for sale to retail purchasers in the ordinary course of business with the retail purchaser from such builder being required to purchase the Club Membership. Each purchaser of a residence or homesite in Hampton Hall, excluding exempted builders as aforementioned, must submit a Club Member Information Profile (if only a Club Membership is desired) at the time of executing a purchase agreement to purchase a residence or homesite in Hampton Hall. The purchaser must maintain a Club Membership at all times while a residence or homesite is owned in Hampton Hall. As a Club Member, the purchaser shall have the privileges described above and shall pay the dues, fees and assessments, dining minimums (if any) and other charges established by the Club from time to time. Furthermore, the owner of a residence or homesite in Hampton Hall shall not be permitted to resign or otherwise terminate the Club Membership and shall be required to pay such dues, fees and assessments, dining minimums (if any) and other charges associated with a Club Membership until the

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closing of the sale or other transfer of his or her residence or homesite in Hampton Hall to another owner.

A Club Membership shall automatically terminate upon the closing of the sale of the member's residence or homesite in Hampton Hall and the purchaser of such residence or homesite in Hampton Hall must obtain a Club Membership and pay to the Club the required non-refundable membership fee.

**INITIAL PURCHASERS OF RESIDENCES OR HOMESITES IN HAMPTON HALL SHALL HAVE UNTIL SIXTY DAYS AFTER THE CLOSING OF THEIR RESIDENTIAL PURCHASE TO PURCHASE AN AVAILABLE GOLF MEMBERSHIP**

Initial retail purchasers of previously unsold residences or homesites in Hampton Hall will have an opportunity to apply for and purchase an available Golf Membership (if any Golf Memberships are made available by the Club) for each residence or homesite purchased in Hampton Hall until sixty days after the closing of the purchase of their residence or homesite in Hampton Hall. Only one Golf Membership may be acquired for each residence or homesite purchased unless such limitation is waived by the Club in its sole discretion. The number of available Golf Memberships is limited. The membership fee to be paid for a Golf Membership will be the prevailing membership fee on the date that the Membership Director receives the Application for Golf Membership Privileges and Golf Membership Agreement from the applicant.

Purchasers of previously sold residences or homesites in Hampton Hall shall have no opportunity to obtain a Golf Membership at the Club except through the waiting list described below or as described in the section entitled "Golf Members Who Own A Residence Or Homesite In Hampton Hall May Arrange For The Subsequent Purchaser To Make Application For Their Golf Membership Privileges" below.

**RESERVED MEMBERSHIPS ARE NOT CONSIDERED AVAILABLE**

The Club has retained the absolute right to reserve Golf Memberships for sale to future initial retail purchasers of previously unsold residences or homesites in Hampton Hall. The Club may also reserve memberships for sale to any other party designated by the Club in its sole discretion. Reserved memberships are not considered as available memberships and the Club may not be compelled to issue a reserved membership. Available Golf Memberships not obtained by initial retail purchasers of previously unsold residences or homesites in Hampton Hall on or before sixty days after the closing of their purchase may be reserved by the Club for future sale or offered for sale by the Club as available memberships to any person designated by the Club, including persons who do not own a residence or homesite in Hampton Hall.

**INITIAL PURCHASERS WHO DO NOT PURCHASE A GOLF MEMBERSHIP PRIOR TO SIXTY DAYS AFTER THE CLOSING OF THEIR RESIDENTIAL PURCHASE MAY PURCHASE A GOLF MEMBERSHIP AT A LATER DATE ONLY IF AVAILABLE AND NOT RESERVED**

Initial retail purchasers of previously unsold residences or homesites in Hampton Hall who do not purchase an available Golf Membership on or before sixty days after the closing of the purchase of their residence or homesite in Hampton Hall, and the subsequent purchasers of residences or homesites in Hampton Hall from persons who

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are not Golf Members, may thereafter purchase a Golf Membership only if available. Therefore, after the sixty day period immediately following the closing on the purchase of a previously unsold residence or homesite in Hampton Hall, there can be no guarantee or assurance that a Golf Membership will ever subsequently be available and neither the initial retail purchaser nor any subsequent purchaser of the residence or homesite in Hampton Hall, will have any continuing opportunity to obtain such Golf Membership. IF AN INITIAL PURCHASER OF A PREVIOUSLY UNSOLD RESIDENCE OR HOMESITE IN HAMPTON HALL DOES NOT PURCHASE AN AVAILABLE GOLF MEMBERSHIP ON OR BEFORE SIXTY DAYS AFTER THE CLOSING OF THE PURCHASE OF THEIR RESIDENCE OR HOMESITE IN HAMPTON HALL, THERE IS NO GUARANTEE OR ASSURANCE THAT SUCH GOLF MEMBERSHIP WILL BE AVAILABLE AT A LATER DATE.

**THE CLUB WILL MAINTAIN A WAITING LIST OF PERSONS DESIRING GOLF MEMBERSHIP PRIVILEGES IF MEMBERSHIPS ARE NOT AVAILABLE**

There is no assurance that a Golf Membership will be available at the time of application. If a Golf Membership is not available at the time of application, the Club will maintain a waiting list consisting of applicants who have submitted an Application for Golf Membership Privileges and Golf Membership Agreement to the Club. Those initial purchasers of previously unsold residences or homesites in Hampton Hall who were not able to purchase a Golf Membership prior to the expiration of the sixty days after the closing of their purchase because a Golf Membership was not available at such time and therefore were placed on the Club's waiting list for such Golf Membership, shall have first priority and shall be placed on the waiting list for an available Golf Membership ahead of all other persons, including other members of the Club desiring to purchase a Golf Membership. Other members of the Club desiring to purchase a Golf Membership shall have second priority. If allowed by the Club, those other persons who are not members of the Club shall have third priority on a waiting list for an available Golf Membership. However, once persons have been placed on a waiting list in the order described above then within each particular priority set forth above, those persons who have obtained the highest classification of membership (i.e., Sports Members, if established, will have priority over Club Members) shall have the greater priority for an available Golf Membership.

**USE OF MEMBERSHIP PRIVILEGES PRIOR TO CLOSING ON PROPERTY PURCHASE**

The initial retail purchaser of a previously unsold residence or homesite in Hampton Hall who has either submitted a Club Member Information Profile or Application for Golf Membership Privileges and Golf Membership Agreement for an available Golf Membership may request to activate their membership use privileges prior to actually closing on the purchase of the residence or homesite. The Club, in its sole discretion, may permit, upon approval of the member and payment of the required membership fee, dues, fees, assessments and dining minimums (if any) and other charges to the Club, such purchaser to activate the membership privileges and use the facilities prior to actually closing on the purchase of the residence or homesite in Hampton Hall. However, the continuation of membership privileges at Hampton Hall Club is conditional upon closing on the purchase of the property in Hampton Hall. In the event the purchaser does not close on the purchase of the residence or homesite or it does not appear that such purchaser is actually going to close on the purchase (in the sole discretion of the Club), then the Club may recall the membership and terminate membership privileges, in which event the actual membership fee previously paid to the Club by the purchaser and any

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unused dues, fees, dining minimums (if any) and other charges paid in advance will be refunded, without interest.

#### **E. MEMBERSHIP FEE**

##### **PERSONS DESIRING A MEMBERSHIP SHALL PAY A MEMBERSHIP FEE TO THE CLUB TO OBTAIN MEMBERSHIP PRIVILEGES**

To obtain a Golf Membership at Hampton Hall Club, the applicant shall pay a Golf Membership fee to the Club and to obtain a Club Membership at Hampton Hall Club a non-refundable Club Membership fee shall be paid to the Club, plus all applicable taxes. Those persons who desire only a Club Membership shall be required to pay a non-refundable membership fee to the Club, plus all applicable taxes, at the time of closing of their residence or homesite in Hampton Hall. The amount of the membership fee and the manner of payment of the membership fee shall be established by the Club from time to time, and is further described in the member's Club Member Information Profile, Application for Golf Membership Privileges or Golf Membership Agreement.

The failure to pay all amounts of the membership fee when due will be cause for suspension and/or termination of the membership use privileges at the Club without refund of any membership fee or any other dues, fees, assessments and dining minimums (if any) and other charges previously paid.

##### **MEMBERSHIP FEES RECEIVED FROM THE INITIAL ISSUANCE OF GOLF MEMBERSHIPS WILL INITIALLY BE HELD IN AN ESCROW ACCOUNT**

Prior to the commencement of the grow-in phase of the golf course, all membership fees received from the initial issuance of Golf Memberships shall be deposited in an escrow account with a bank or escrow company licensed to do business in the State of South Carolina (the "Escrow Agent"). Upon receipt of notice from the Company that the grow-in phase of the golf course has commenced, the Escrow Agent shall disburse from the escrow account by check or wire transfer to the Company eighty percent of the membership fees paid with respect to Golf Memberships and any interest earned thereon. The amount disbursed by the Escrow Agent to the Company may be used by the Company in any manner as determined in the Company's sole discretion. After the grow-in phase of the golf course has commenced, twenty percent of the membership fees received from the initial issuance of Golf Memberships shall be deposited and retained in the escrow account and released by the Escrow Agent (along with any interest earned thereon) by check or wire transfer to the Company, upon receipt by the Escrow Agent of written notice from the Company that the golf clubhouse (as described above) has been completed. The amount disbursed by the Escrow Agent to the Company may be used by the Company in any manner as determined in the Company's sole discretion.

The membership fee paid for Club Memberships shall not be deposited in the escrow account, but rather shall be paid directly to the Company. The membership fees paid to the Company for Club Memberships may be used by the Company in any manner as determined in the Company's sole discretion.

In lieu of depositing the membership fees paid for Golf Memberships in an escrow account, the Company reserves the right to post an Adequate Assurance In Lieu Of Escrow Funds (as hereinafter defined). "Adequate Assurance In Lieu Of Escrow Funds"

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shall mean a letter of credit, performance completion bond or other guarantee from a party with financial resources sufficient to refund any membership fees released to the Company from the escrow account prior to the commencement of the grow-in phase of the golf course and/or the completion of the golf clubhouse, as the case may be. At such time as the Company provides written notice to the Escrow Agent that there is Adequate Assurance In Lieu Of Escrow Funds for the escrowed funds to be held until commencement of the grow-in phase of the golf course and/or completion of the golf clubhouse, as applicable, the Escrow Agent shall disburse from the escrow account by check or wire transfer to the Company the membership fees paid for Golf Memberships and any interest earned thereon. The amount disbursed by the Escrow Agent to the Company may be used by the Company in any manner as determined in the Company's sole discretion.

#### **F. APPLICATION FOR GOLF MEMBERSHIP PRIVILEGES**

##### **AN APPLICATION FOR GOLF MEMBERSHIP PRIVILEGES AND GOLF MEMBERSHIP AGREEMENT MUST BE DELIVERED TO THE MEMBERSHIP DIRECTOR**

Those persons who desire to purchase a Golf Membership must submit to the Membership Director at Hampton Hall Club a fully completed and signed Application for Golf Membership Privileges, Golf Membership Agreement and the required membership fee then due.

Those persons who desire only a Club Membership must submit to the Membership Director at Hampton Hall Club a fully completed and signed Club Member Information Profile and the required non-refundable membership fee then due.

##### **REVIEW OF APPLICATION FOR GOLF MEMBERSHIP PRIVILEGES**

The Club shall evaluate the Applications for Golf Membership Privileges. However, any Golf Memberships remaining to be initially issued after the Turnover Date require only the approval of the Company (not the Club). After receiving the Application for Golf Membership Privileges and the required membership fee, a determination will be made whether the applicant has satisfied the relevant conditions of Golf Membership. All applicants will be evaluated on the basis of their interest in Hampton Hall Club, their financial responsibility, and their compatibility with other members at Hampton Hall Club. However, in no event shall membership criteria, as determined and implemented by the Club, discriminate in any manner against any person in violation of applicable law.

If the applicant has satisfied the conditions for Golf Membership, the applicant will be notified in writing that the Application for Golf Membership Privileges has been acted upon favorably. However, if it is determined that the applicant has not satisfied the conditions for Golf Membership and the Application for Golf Membership Privileges is not acted upon favorably, the Club shall refund to the applicant the actual membership fee previously paid to the Club, without interest.

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**THE PRIVILEGES OF MEMBERS TO USE THE FACILITIES ARE GOVERNED ONLY BY THIS MEMBERSHIP PLAN AND THE DECLARATION**

All Members agree to be bound by the terms and conditions of this Membership Plan and the Declaration, as such documents may be amended from time to time. All Members also agree to fully substitute the membership privileges obtained pursuant to this Membership Plan and the Declaration for any present or prior rights in or to use the Facilities of the Club and agree to release and indemnify the Club for any and all damages and injuries resulting from use of the Facilities provided at the Club as further set forth in the Rules and Regulations. IN THE EVENT OF ANY AMBIGUITY OR INCONSISTENCY BETWEEN THIS MEMBERSHIP PLAN AND THE DECLARATION, THE PROVISIONS OF THE DECLARATION SHALL CONTROL.

**MEMBERSHIP PRIVILEGES MAY ONLY BE USED AS COLLATERAL UPON APPROVAL**

Golf Members at Hampton Hall Club may not use the Golf Membership, the membership privileges or any amount to be refunded by the Club as collateral or any other security for a loan except to the extent the lien or security interest is granted as a result of obtaining the Golf Membership and it is approved in advance by the Club. Any lender that uses the Golf Membership as collateral or any other security for a loan must take physical possession of the membership certificate issued to the member by the Club and in the event of foreclosure on such Golf Membership and the lender obtaining ownership of such membership then no dues, fees, assessments and dining minimums (if any) and other charges shall be due on such membership (and the lender will not have any membership use privileges) by such lender until such time as such membership is reissued by the Club. All such lenders must place such memberships on the resigned membership list.

Club Memberships may not be encumbered except for normal financing on the member's residence or homesite.

**G. TRANSFER OF MEMBERSHIP PRIVILEGES**

**TRANSFER OF GOLF MEMBERSHIPS ONLY TO THE CLUB**

Golf Members may not sell, transfer, or otherwise assign their Golf Memberships except to the Club in accordance with the provisions of this Membership Plan or as otherwise specifically allowed under this Membership Plan. Golf Members who desire to resign their membership privileges must give the Club sixty days prior written notice of their intention to resign membership privileges. The resignation of membership privileges will become effective upon the expiration of the sixty-day notice period and payment of the membership fee and all dues, fees, assessments and dining minimums (if any) and other charges in full to the Club. Memberships that have been resigned will only be reissued by the Club in accordance with the procedures set forth in this Membership Plan and the Declaration. Any attempt to transfer or reassign a membership at Hampton Hall Club, either voluntarily, involuntarily or by operation of law, which is not in accordance with this Membership Plan shall be null and void and no person or entity may obtain a membership except as provided herein.

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Golf Members who own a residence or homesite in Hampton Hall may resign their Golf Membership and receive a refund as further described below, provided that, such owner shall always remain a Club Member at Hampton Hall Club as long as such member owns a residence or homesite in Hampton Hall. The member remains liable for the payment of all dues, fees, assessments and dining minimums (if any) and other charges associated with the resigned Golf Membership until such time as the Golf Membership is reissued and the resigned Golf Member shall retain privileges to use the Golf Facilities until such Golf Membership is reissued by the Club. Thereafter, such resigned member shall pay all required dues, fees, assessments and dining minimums and other charges associated with the Club Membership.

The Club may allow, from time to time, Golf Members who own a residence or homesite in Hampton Hall to retain their Golf Membership upon the sale or other transfer of their residence or homesite in Hampton Hall. If permitted, the Club shall establish such rules as it may deem appropriate from time to time.

#### **CLUB MEMBERS MAY NOT RESIGN MEMBERSHIP PRIVILEGES**

Club Members who own a residence or homesite in Hampton Hall may not resign their Club Membership and are required to maintain the Club Membership in good standing at all times and to pay to the Club all required dues, fees, assessments and dining minimums (if any) and other charges associated with the Club Membership until the closing of the sale or other transfer of the member's residence or homesite in Hampton Hall to another owner. Therefore, Club Memberships at the Club are not transferable and terminate without refund of any amount upon the closing of the sale or other transfer of the residence or homesite in Hampton Hall to another owner or on such earlier date as is otherwise set forth in this Membership Plan.

The purchaser of such residence or homesite is required to purchase a Club Membership at the closing of the residence or homesite by paying the prevailing membership fee.

#### **THE CLUB SHALL MAINTAIN A RESIGNED GOLF MEMBERSHIP LIST**

A resigned golf membership list will be maintained by the Club for resigned Golf Memberships. Once the resignation of Golf Membership privileges becomes effective, the resigned Golf Membership will be placed on the resigned golf membership list in the order of resignation on a first-come, first-served basis. In order to be placed on the resigned golf membership list, the resignation of Golf Membership privileges must be effective and the member must have paid the required membership fee and all dues, fees, assessments and dining minimums (if any) and other charges in full. Resigned Golf Members who have been placed on the resigned golf membership list must continue to pay the required dues, fees, assessments and dining minimums (if any) and other charges as they become due and failure to do so may result in being removed from the resigned golf membership list and suspension of golf membership privileges and shall subject such member to all other remedies available to the Club with respect to defaulting members. Once placed on the resigned golf membership list, the resigned Golf Member will not be permitted to rescind the resignation of Golf Membership privileges and the resigned Golf Membership must be reissued by the Club at the time the Golf Membership has rotated to the top of the resigned golf membership list as described below. Golf Memberships that have been placed on a resigned golf membership list will

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be reissued by the Club to persons who desire a Golf Membership as further described herein.

Resigned Golf Memberships may be reissued by the Club as Golf Memberships or as any other available golfing membership category established by the Club.

There is no guarantee that the Club will reissue any resigned Golf Membership or that the resigned member will be able to recover any portion of the membership fee previously paid for his/her Golf Membership.

#### **REISSUANCE OF RESIGNED GOLF MEMBERSHIPS BY THE CLUB**

Until the initial issuance of all of the Golf Memberships permitted to be issued at Hampton Hall Club, every fourth Golf Membership offered for sale at the Club will be from the list of resigned Golf Memberships, if any. In such event, every fourth Golf Membership offered for sale will be the re-issuance of the resigned Golf Membership on the resigned golf membership list maintained by the Club which has rotated to the top of such resigned golf membership list, provided a resigned Golf Membership is on the resigned golf membership list at that time.

Every three Golf Memberships offered for sale by the Club will be issued from the Club's unissued Golf Memberships to the extent available (and, if not available, then from the resigned golf membership list to the extent available); provided, however, if there are no resigned Golf Memberships on the resigned golf membership list, then all Golf Memberships issued will be issued from the Club's unissued Golf Memberships. If at any time the Club has no available Golf Memberships for initial issuance, then every Golf Membership available for issuance will be from the resigned golf membership list maintained by the Club in the order in which such resigned memberships have rotated to the top of the resigned golf membership list. At such time as the Club again has available unissued Golf Memberships, then once again only every fourth Golf Membership offered by the Club will be from the resigned golf membership list. Once all Golf Memberships permitted to be issued have been initially issued by the Club, all available Golf Memberships will be from the resigned golf membership list in the order that such resigned Golf Memberships have rotated to the top of the resigned golf membership list.

#### **GOLF MEMBERS WHO OWN A RESIDENCE OR HOMESITE IN HAMPTON HALL MAY ARRANGE FOR THE SUBSEQUENT PURCHASER TO MAKE APPLICATION FOR THEIR GOLF MEMBERSHIP PRIVILEGES**

Every Golf Member who owns a residence or homesite at Hampton Hall must resign such Golf Membership upon the sale or other transfer (except those transfers specifically excluded from such rule pursuant to this Membership Plan) of such residence or homesite. As an exception to the rules described above for the reissuance of a resigned Golf Membership, Golf Members who own a residence or homesite in Hampton Hall, have the opportunity for the thirty-day period immediately following the closing of the sale of their residence or homesite in Hampton Hall to arrange for the Club to reissue the resigned member's Golf Membership to the purchaser of their residence or homesite in Hampton Hall. Golf Members shall have this opportunity even though all of the unissued Golf Memberships have not been issued by the Club and even though a resigned golf membership list or a waiting list of persons desiring to obtain a Golf Membership has



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been established. In order for the subsequent purchaser of the residence or homesite in Hampton Hall to be eligible to apply for the resigned member's Golf Membership, the resigned member must have paid to the Club the membership fee and all of the dues, fees, assessments and dining minimums (if any) and other charges in full by the time of transfer. The purchaser must submit an Application for Golf Membership Privileges and Golf Membership Agreement, be approved for membership and pay to the Club the membership fee charged by the Club at that time. The reissuance of a resigned Golf Membership to the subsequent purchaser, as described herein, is excluded from and is not included in determining when every fourth Golf Membership or every Golf Membership has been issued.

Since owners of residences and homesites in Hampton Hall must purchase a Club Membership (with the exception of Builders exempted by the Club or the Company), every subsequent owner of a Club Member's residence or homesite in Hampton Hall must purchase a Club Membership at the closing of such residence or homesite.

If a Golf Member resigns from the Club and is either not selling his/her/its residence or homesite in Hampton Hall or does not arrange for the purchaser of their residence or homesite to acquire their Golf Membership within the thirty-day period immediately following the closing of the sale of their residence or homesite, then their Golf Membership shall be placed on the resigned golf membership list described above for reissuance by the Club and there is no guarantee that the Club will reissue the Golf Membership or that the resigned member will be able to recover any portion of the membership fee previously paid for his/her Golf Membership.

**DUES, FEES AND OTHER CHARGES PAID IN ADVANCE WILL BE REFUNDED WHEN A RESIGNED GOLF MEMBERSHIP IS REISSUED BY THE CLUB**

The Club shall refund to the resigned Golf Member any unused dues, fees, dining minimums (if any) and other charges paid in advance beginning with the first full month after the resigned Golf Membership is reissued by the Club to a new member. The Club shall also refund to a resigned Club Member any unused dues, fees, dining minimums (if any) and other charges paid in advance beginning with the first full month after the closing of the sale of such Club Member's residence or homesite in Hampton Hall to another owner.

**TRANSFER OF MEMBERSHIP PRIVILEGES UPON THE DEATH OF A MEMBER AT HAMPTON HALL CLUB**

Upon the death of a Golf Member or Club Member at Hampton Hall Club who owns a residence or homesite in Hampton Hall, the membership shall be transferred to the member's surviving spouse, if any, provided the surviving spouse is already an owner of the residence or homesite in Hampton Hall or becomes the owner of such residence or homesite under the applicable will or intestacy laws, without the payment of any additional membership fee. If the deceased member is not survived by a spouse or the surviving spouse is not already an owner of the deceased member's residence or homesite in Hampton Hall or will not be the owner of such residence or homesite under the applicable will or intestacy laws, then the heir of the deceased member's residence or homesite in Hampton Hall may continue with the deceased member's membership upon payment of any non-refundable administrative fee established by the Club for the transfer but without the payment of any additional membership fee, subject only to the

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approval of the Club and the payment by the estate of the deceased member or the heir of all outstanding amounts owed to the Club (including but not limited to all dues, fees, assessments and other charges associated with the deceased member's membership for the intervening time between the date of the member's death and the date of the approved application of the heir). The continuation of a deceased member's Golf Membership by a surviving spouse or an heir of the deceased member's residence or homesite is not subject to or eligible for a Transfer Payment by the Club but the opportunity to be paid the Transfer Payment upon the subsequent reissuance of the Golf Membership by the Club in connection with a resignation or transfer of the residence or homesite as further described herein shall be transferred to the surviving spouse or heir that continues with the Golf Membership.

Upon the death of a designee of a company-owned Golf Membership then the company that owns the membership may designate another designee to use the membership privileges upon payment of any non-refundable administrative fee established by the Club but without the payment of any prevailing fee applicable to a change of designee (such change of designee under normal circumstances only being allowed once a year).

#### **LEGAL SEPARATION OR DIVORCE OF MARRIED MEMBERS**

In the event a Golf Member or Club Member who owns a residence or homesite in Hampton Hall is legally separated or divorced, the Golf Membership and Club Membership at the Club shall vest in the spouse awarded the residence or homesite in Hampton Hall. In the event a member does not own a residence or homesite in Hampton Hall, then title to the membership, including all rights and benefits given to the holder thereof, shall continue and vest in the spouse awarded the membership in a written separation agreement or final divorce decree. The Club must receive written notice designating the person who is entitled to continue with the privileges of membership immediately after the divorce or legal separation is final. Until written notice has been provided to the Club, each spouse shall remain jointly and severally responsible for the payment of all dues, fees, assessments and dining minimums (if any) and other charges associated with such membership. The legally separated spouse or former spouse, as the case may be, who does not continue with the membership shall no longer have any use privileges at Hampton Hall Club. The Club will not be involved in any dispute and reserves the right to suspend all membership privileges in the event of disagreement over which spouse retains the membership privileges. No Transfer Payment will be applicable or available upon the transfer of a Golf Membership to a spouse as a result of the legal separation or divorce of a member but the opportunity to be paid the Transfer Payment upon the subsequent reissuance of the Golf Membership by the Club as further described herein shall be transferred to the spouse that continues with the Golf Membership.

#### **MEMBERS MAY TAKE THEIR GOLF MEMBERSHIPS WITH THEM TO ANOTHER RESIDENCE OR HOMESITE IN HAMPTON HALL**

Golf Members who own a residence or homesite in Hampton Hall may take their Golf Memberships with them to another residence or homesite they own in Hampton Hall. If a member desires to take the Golf Membership to a residence or homesite which is being sold by another Golf Member, the prior written approval of both members to the transfer must be delivered to the Club on such forms as may be provided by the Club from time to time.

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## **H. PAYMENT OF A TRANSFER PAYMENT TO A RESIGNED GOLF MEMBER**

### **RESIGNED GOLF MEMBERS SHALL BE PAID A TRANSFER PAYMENT BY THE CLUB UPON REISSUANCE OF THE RESIGNED GOLF MEMBERSHIP BY THE CLUB**

The Club shall pay a Transfer Payment (as defined below) to a resigned Golf Member within thirty days after the resigned Golf Membership is reissued by the Club to a successor member (excluding the transfer of a membership to a surviving spouse or an heir upon the death of a Golf Member or the transfer of a membership to a spouse upon the legal separation or divorce of a Golf Member), who has been approved for the Golf Membership and has paid the prevailing membership fee in full to the Club. The amount of the Transfer Payment to be paid by the Club to a resigned Golf Member upon the reissuance of a resigned Golf Membership shall be set forth in such member's Golf Membership Agreement (the "Transfer Payment").

In order for a resigned Golf Member to be paid a Transfer Payment, the membership fee and all dues, fees, assessments and dining minimums (if any) and other charges must be paid in full. However, the Club shall have the right to offset and to deduct from the Transfer Payment any and all amounts owed to the Club by the resigned Golf Member.

The difference, if any, between the membership fee paid to the Club by the new member for the reissued Golf Membership and the amount of the Transfer Payment paid to the resigned Golf Member shall be retained by the Club and paid to the Company.

### **MEMBERSHIP FEE PAID BY CLUB MEMBERS IS NOT REFUNDABLE**

A Club Membership may not be resigned and shall terminate without refund of any amount upon the closing of the sale or other transfer of their residence or homesite in Hampton Hall to another owner (which new owner shall be required to purchase a Club Membership at the prevailing membership fee at the closing of the residence or homesite).

The membership fee paid for a Club Membership is not refundable under any circumstances.

### **THE CLUB MAY CHANGE AMOUNT AND TIMING FOR PAYMENT OF THE TRANSFER PAYMENT FOR REISSUED GOLF MEMBERSHIPS**

The Club may change the amount of the Transfer Payment to be paid to resigned Golf Members and the terms of payment of the Transfer Payment for reissued Golf Memberships at Hampton Hall Club including the reissuance of any category of golfing memberships as may be established by the Club. Any such change will not affect, in any way, the members of the Club who have obtained a Golf Membership prior to the time the change takes effect.

### **IN CASES OF HARDSHIP, THE CLUB MAY PAY THE TRANSFER PAYMENT AT AN EARLIER DATE**

The Club is not obligated to reissue a resigned Golf Membership or pay the Transfer payment or any portion thereof under any circumstances other than those described

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above. However, the Club may pay the Transfer Payment or some portion thereof prior to reissuance of a resigned Golf Membership, waive or otherwise suspend dues for a limited period of time or take any other action it deems appropriate, in hardship situations deemed appropriate by the Club, in its sole discretion.

## **I. DUES, FEES AND CHARGES**

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

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

### **DUES, FEES AND CHARGES ESTABLISHED BY THE CLUB**

The amount of dues, fees, dining minimums, if any, and other charges to be paid by each member at Hampton Hall Club from time to time will be established and increased as set forth in the Declaration.

The obligation to pay dues is not dependent on the availability of all the Facilities or the frequency of use. Repair and maintenance of the Facilities and/or other occurrences may make it necessary for the Club to change hours of use or restrict the use of the Facilities or to close certain of the Facilities temporarily. The Club will not reduce or suspend dues during the time when the Facilities, in whole or in part, are not available.

### **DUES SHALL BE PAYABLE IN ADVANCE ON A QUARTERLY BASIS**

Dues shall be payable in advance, on or before the first day of each quarter during the membership year, unless otherwise established by the Club. While dues will be initially billed on a quarterly basis until changed by the Club, dining charges and other fees and charges incurred at the Club may be billed on a monthly basis as determined by the Club and in such event shall be payable by the twentieth day of each month. The dues, fees, dining minimums (if any) and other charges of the Club are subject to change from time to time in the sole discretion of the Club.

Monthly statements reflecting all activity including all fees and charges incurred by the member and all payments received by the Club from the member will be closed on the last day of each month and will normally be mailed to the members of the Club within five days. All statements are due and payable upon receipt and in no event later than the twentieth day of the month in which the statement was mailed. A late charge and/or interest may be added to all outstanding balances in accordance with the Rules and Regulations if the statement is not paid by the twentieth day. In addition, the Club reserves the right to place any member whose account is not paid in full by the applicable date on a cash-only basis for any or all services and merchandise otherwise provided for credit at any time. In addition, the Club will have all rights to place a lien on a Member's residence or homesite in Hampton Hall to the fullest extent permitted by applicable law for non-payment of any membership fee, dues, fees, assessments and dining minimums (if any) and other charges owed to the Club.

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**PAYMENT OF DUES BY MEMBERS**

Golf Members who have resigned his/her Golf Membership shall continue to be responsible for dues, fees, assessments and dining minimums (if any) and other charges associated with their resigned Golf Membership until the reissuance of the resigned Golf Membership by the Club. The resigned Golf Member shall be permitted to use the Club Facilities as long as such dues, fees, assessments and dining minimums (if any) and other charges continue to be paid.

Club Members shall pay dues, fees, assessments and dining minimums (if any) and other charges until the closing of the sale or other transfer of their residence or homesite in Hampton Hall to another owner. A Club Member shall be permitted to use the Club Facilities as long as such dues, fees, assessments and dining minimums (if any) and other charges continue to be paid.

**SUSPENSION AND/OR TERMINATION OF MEMBERSHIP PRIVILEGES FOR NON-PAYMENT OF DUES, FEES AND ASSESSMENTS, DINING MINIMUMS (IF ANY) AND OTHER CHARGES**

The failure of any member of the Club to timely pay dues, fees, assessments and dining minimums (if any) and other charges by the twentieth day of the month and the failure to pay all amounts of the membership fee when due shall constitute grounds for suspension and/or termination of membership privileges at the Club and shall entitle the Club to exercise any other rights available to the Club under this Membership Plan and/or the Declaration, including the right to exercise the lien rights of the Club against the residence or homesite of the Member in default. Club Memberships owned by persons who own a residence or homesite in Hampton Hall may be suspended (but not terminated) for causes deemed appropriate by the Club and Golf Memberships may be suspended and/or terminated for causes deemed appropriate by the Club. Suspended members shall lose their right to vote and shall not have access to any of the Facilities except for rights of ingress and egress over the roads in Hampton Hall to their residence or homesite in Hampton Hall. Upon suspension of a Membership held by a person who owns a residence or homesite in Hampton Hall, the dues obligation of a Membership, both Club and, as applicable, a Golf Membership, shall continue to accrue and be due and payable upon the closing of the sale or other transfer of such individual's residence or homesite in Hampton Hall to another owner. In the event a Golf Membership is suspended, the Club may elect in its discretion to place the Golf Membership on the resigned golf membership list and to have such member forfeit the Transfer Payment when the Golf Membership is reissued.

**MEMBERS ARE NOT SUBJECT TO CAPITAL ASSESSMENTS UNLESS APPROVED BY THE MEMBERS**

Prior to the Turnover Date, there will be no assessments for capital expenditures to the Facilities unless such capital assessment is approved by the Company, the Board of Directors of the Club, a majority of the members of the Advisory Board of Governors (as described below) and sixty percent of all of the members in each classification of membership that would be required to pay such capital assessment. After the Turnover Date, there will be no assessments for capital expenditures to the Facilities except as set forth in the Declaration.

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**FINANCIAL RESPONSIBILITY FOR MEMBERSHIP AT HAMPTON HALL CLUB**

Each Member and designee at Hampton Hall Club shall be responsible for the conduct of his or her immediate family members and their guests when using the Facilities and shall be directly and fully responsible to the Club for all damages and injuries caused by and for all charges incurred by his or her spouse, immediate family members and their guests.

**AMENDMENT OF THIS MEMBERSHIP PLAN**

This Membership Plan may only be amended as set forth in the Declaration.

**J. CLUB OPERATIONS****MANAGEMENT AND CONTROL OF THE CLUB FACILITIES AND OPERATION OF THE CLUB**

The Board of Directors of the Club (the Full Board or Golf Board, as applicable) will manage and operate the Facilities as set forth in the Declaration. The Club may retain a professional management firm to manage the day-to-day affairs of the Facilities. Until the Turnover Date, the Board of Directors will consist of three members who shall be appointed by the Company and who need not be Members. After the Turnover Date, the Board of Directors shall be expanded to seven members with at least three members being Golf Members and all members of the Board being required to be Members of the Club. After the Turnover Date, only those members of the Board who are Golf Members may vote on any matters relating to the Golf Facilities. If an even number of Golf Members are elected to the Board, then the Golf Member director who received the fewest number of votes may not vote on matters relating to the Golf Facilities so that there will always be an odd number of directors who are Golf Members voting on matters relating to the Golf Facilities.

As to matters relating to Club Facilities, all members of the Board shall vote on such matters.

The Club has the right to cause the Club to lease any or all of the equipment, including but not limited to, golf carts, maintenance equipment, exercise equipment, and office and computer equipment, to be used in connection with the operation of the Facilities and the Club will accept and satisfy any and all such obligations in accordance with the terms and conditions of the leases after the Turnover Date.

**VOTING PRIVILEGES**

Voting privileges of Members are set forth in the Declaration.

**K. ADVISORY BOARD OF GOVERNORS****ADVISORY BOARD OF GOVERNORS COMPOSED OF MEMBERS SHALL ACT AS A LIAISON**

Prior to the Turnover Date, the Club may establish an Advisory Board of Governors whose purpose includes fostering good relations between the members of the Club and

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management of the Facilities and providing member input on programs and activities provided at Hampton Hall Club. If established, the Advisory Board of Governors will be composed of Members appointed by the Club from time to time. Members of the Advisory Board of Governors shall serve at the pleasure of the Club and shall serve staggered terms established by the Club.

The Advisory Board of Governors will have no duty or power to negotiate or otherwise act on behalf of the Club, its management or the members of the Club and will serve only in an advisory capacity as a liaison between members of the Club and management of the Facilities, except as otherwise set forth herein.

### **THE GENERAL ROLE AND RESPONSIBILITY OF THE ADVISORY BOARD OF GOVERNORS**

In general, the role and responsibility of the Advisory Board of Governors include the following:

- \* To develop, preserve and enhance the Club's membership roster,
- \* To advise on modifications to the Rules and Regulations,
- \* To advise on questions of conduct, mode of dress and other related disciplinary matters,
- \* To advise on the needs and interests of the membership,
- \* To advise management of the Facilities in the establishment of Club committees and the responsibilities of each Club committee,
- \* To advise management of the Facilities in the organization of member events and programs at Hampton Hall Club, and
- \* To participate in and attend Club events and programs for the membership.

### **THE ADVISORY BOARD OF GOVERNORS MEETS WITH MANAGEMENT OF THE FACILITIES ON A REGULAR BASIS**

Management of the Facilities will meet with the Advisory Board of Governors regularly to discuss the operation of the Facilities. The members of Hampton Hall Club are encouraged to utilize the Advisory Board of Governors by voicing their suggestions and concerns through such Advisory Board of Governors.

## **L. OTHER MEMBERSHIPS AND USE PRIVILEGES**

### **USE OF THE FACILITIES BY CLUB GUESTS**

The Club may allow use of the Facilities (except any areas that may be designated as member-only) by non-member users from time to time upon payment of any required use fees and compliance with the rules established by the Club.

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**USE OF THE GOLF FACILITIES BY PERSONS WHO OWN A RESIDENCE OR HOMESITE IN HAMPTON HALL WHO ARE NOT GOLF MEMBERS**

The Club, in the sole discretion of its Board of Directors, may allocate up to four golf tee times per day for Club Members (who are not Golf Members) who own a residence or homesite in Hampton Hall and their guests. These users must pay the applicable greens fees and golf cart fees and comply with all rules as may be established by the Club from time to time. If this privilege is extended to Club Members who are not Golf Members, the right of any one particular Club Member to utilize such right shall be limited to twice a year.

**FOUNDER MEMBERSHIPS**

The Company shall have the irrevocable and unchangeable right to designate up to twelve Founder Members who shall have all of the privileges of Golf Membership and Club Membership, including accessibility with guests to the Club and the facilities of the Club and shall be subject to all Club rules and regulations but who shall not be obligated to pay any membership fees, annual or special assessments, dues or fees, including, but not limited to, greens fees, golf cart fees, or guest greens fees or cart fees, or any other type of user fee, activity fees, but shall pay charges incurred for food, beverages, golf shop merchandise and special Club events such as tournaments and/or special events. Founder Memberships are in addition to the number of Golf Memberships permitted to be issued at the Club and are not included in the maximum number of outstanding dues-paying Golf Memberships. Provided, however, that subsequent to the Turnover Date, the non-obligation for guest green fees and guest cart fees shall be limited to the equivalent of two foursomes per month for each such Founder Member. Founder Memberships are expressly non-revocable and non-changeable by the Club during the lifetime of the Founder Member and the lifetime of his/her surviving spouse. Upon the death of a Founder Member, his or her surviving spouse shall continue to be considered a Founder Member until his or her death; provided, however the deceased Founder Member may elect instead to bequest his/her Founder Membership to his/her child. In the event of such a bequest, the surviving spouse shall no longer have any membership rights and such child shall then be deemed the Founder Member and shall have all rights of any other Founder Member with the exception that no further bequest of such Founder Membership is allowed. Under no circumstances will there be more than twelve Founder Members as described herein. The immediate family members of the Founder Member shall be entitled to use the facilities of the Club without payment of any greens fees, golf cart fees, or guest greens fees or cart fees, or any other type of user fees or activity fees, but shall pay charges incurred for food, beverages, merchandise, and other similar charges, and special Club events such as tournaments and/or special events. Immediate family members shall include the spouse or significant other (as defined in the Club Rules and Regulations) of the member who is living in the member's home, and their unmarried children who are under the age of twenty-three and either living in the member's home or attending school on a full-time basis. Said Founder Members shall be designated in writing by the Company to the Club prior to the earlier of (i) January 1, 2013 or (ii) twelve months after the Turnover Date. Neither this Membership Plan nor the Declaration may be amended or modified in any manner which is adverse to the rights and privileges of the Founder Members as set forth herein unless the amendment or modification is approved by a vote or written consent of the Founder Members who are affected.



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**PROMOTIONAL USE OF THE CLUB FACILITIES, TOURNAMENT PLAY, SPECIAL EVENTS AND GROUP OUTINGS**

The Club and the Company have the right to designate persons to use any or all of the Facilities, including the golf and tennis facilities, for any purpose and upon such terms and conditions as are established from time to time by the Club. The persons designated to use the Facilities may include, without limitation, persons who are prospective members at Hampton Hall Club, persons who are prospective purchasers of residences or homesites in Hampton Hall, persons who are involved in special events held at Hampton Hall Club and employees of the Club, the Company, and its affiliates. The persons designated by the Club and the Company are subject solely to approval by the Club and the Company.

The Club shall have the right at any time to hold promotional and other special events, including golf tournaments and group outings, and to promote Hampton Hall and Hampton Hall Club in advertisements and promotional materials by making reference to Hampton Hall Club and the availability of Memberships. The Club and the Company reserve the right, in their sole discretion, to restrict or otherwise reserve in advance the Facilities or any portion thereof, including but not limited to, the golf, tennis, golf clubhouse and clubhouse facilities, for maintenance, tournaments, group outings and other special events from time to time.

**USE OF OTHER CLUB FACILITIES**

The Club reserves the right to enter into reciprocal use arrangements with other clubs, including but not limited to, other clubs owned, controlled or managed by the Company or its affiliates, which would allow members at Hampton Hall Club to use the facilities at other clubs and the members at other clubs to use the Facilities provided at Hampton Hall Club. The terms of such use and the fees to be paid for the reciprocal use privileges will be established by the Club from time to time. The reciprocal use privileges may be terminated at any time in the sole discretion of the Club.

**M. TRANSFER OF FACILITIES AND TURNOVER DATE**

The Company has or will transfer to the Club all of its right, title and interest in the facilities currently under construction and the land upon which the remaining facilities will be constructed and has agreed to fund the cost of completing the facilities and will cause the remaining facilities to be constructed and provide the necessary equipment for the facilities. All of the facilities have been or will be conveyed to the Club in their "where is, as is" condition by special warranty deed.

Prior to the transfer by the Company of any of the Facilities to the Club, the Club and its Members shall be responsible for the maintenance and upkeep of all Facilities, notwithstanding the fact that title has not yet been conveyed to the Club. Upon transfer of title of the Facilities or any portion thereof to the Club, the Club shall have the sole responsibility of maintenance, repair, and governing of the Facilities. The transfer of the Facilities shall be in accordance with the Declaration.

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**THE CLUB WILL MAINTAIN THE FACILITIES IN GOOD WORKING ORDER**

Upon completion of the Facilities, the Facilities will be maintained by the Club at the Club's sole cost and expense in good working order, ordinary wear and tear excepted. The Club is responsible for any extraordinary repairs and for any capital improvements to the Facilities.

**THE CLUB WILL ACCEPT THE FACILITIES IN THEIR AS IS CONDITION**

THE CLUB ACCEPTS THE FACILITIES WHEN CONVEYED IN THEIR "WHERE IS, AS IS" CONDITION, SUBJECT TO THE INSPECTIONS DESCRIBED BELOW. NEITHER THE COMPANY NOR THE CLUB MAKE ANY REPRESENTATIONS CONCERNING THE EXTENT, DESIGN, FITNESS, CONDITION, CONSTRUCTION, ACCURACY, COMPLETENESS, LOCATION, ADEQUACY OF THE SIZE OR CAPACITY IN RELATION TO THE UTILIZATION OR THE FUTURE ECONOMIC PERFORMANCE OR OPERATION OF, OR THE MATERIAL, FURNITURE OR EQUIPMENT WHICH HAS BEEN OR WILL BE USED IN, THE FACILITIES, EXCEPT AS SPECIFICALLY DESCRIBED IN THIS MEMBERSHIP PLAN.

**CONSIDERATION FOR THE FACILITIES**

The Club has conveyed to the Company for one dollar and the obligation as hereinafter provided to turn over the Facilities all membership rights in the Club. The Company shall own and shall be entitled to receive (i) the membership fees for all Golf Memberships initially issued by the Club, whether issued prior to or after the Turnover Date, (ii) the membership fees for all Club Memberships initially issued by the Club, whether issued prior to or after the Turnover Date, (iii) any fees paid for any other memberships issued by the Club prior to the Turnover Date, (iv) any monies retained by the Club from the reissuance of resigned Golf Memberships prior to the Turnover Date, and (v) all dues, fees, assessments and dining minimums (if any) and other charges paid to the Club prior to the Turnover Date. Until the Turnover Date, the Company may require all membership fees, dues, fees, dining minimums (if any), assessments and other monies due from Members to be paid in the name of the Company instead of the Club but if paid to the Club, such funds shall be immediately turned over to the Company by the Club. All membership fees paid to the Company shall belong to the Company and may be utilized by the Company in any manner whatsoever, in its sole discretion.

In addition, the Club shall pay to the Company on the Turnover Date the book value of all supplies, inventories, and other items held for resale which are on hand as of the Turnover Date and are related to the operation of the Facilities.

The Club may be required to obtain a working capital loan in order to fund the purchase of the supplies, inventories and other items of the Club, including the prepayment of existing contracts on the Turnover Date.

**TURNOVER OF MANAGEMENT AND CONTROL OF THE FACILITIES TO THE MEMBERS**

The turnover of management and control of the Club and the Facilities to the Members (the "Turnover Date") shall occur within sixty days after the first of the following events to occur: (a) the expiration of twenty-five years from the date of recording of the Declaration;

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(b) the date as of which both ninety-five percent of the Golf Memberships available in the Club have been issued and ninety-five percent of the Homesites (as defined in the Declaration) which may be developed on the Property (as defined in the Declaration) and on the Additional Property (as defined in the Declaration) shall have been conveyed, by either the Declarant (as defined in the Declaration) excluding sales to Builders, or by a Builder who purchased the Homesite from Declarant, to an individual owner or owners for residential use or occupancy; or (c) the surrender by the Declarant of the authority to appoint and remove members of the Board of Directors of the Club by an express amendment to the Declaration executed by the Declarant and recorded in the Office of the Beaufort County Register of Deeds; provided, however, Declarant may not surrender the authority to appoint and remove members of the Board of Directors of the Club until such time that Declarant has sold Homesites and/or Golf Memberships totaling at least seventy percent of the cumulative total of all Homesites and Golf Memberships available for sale.

**ADDITIONAL CLASSIFICATIONS OF MEMBERSHIP MAY BE MADE AVAILABLE BY THE CLUB**

The Club, in its sole discretion, may issue other classifications of membership, including but not limited to, an Invitational Golf Membership, Invitational Social Membership and an exercise-oriented membership. If additional classifications of membership are made available, the Club will establish the use privileges of the additional membership classifications, the number of memberships available and the membership fee, dues, fees, assessments and dining minimums (if any) and other charges to be paid for these additional classifications of membership.

Such additional golf membership categories may include but shall not be limited to the following:

**INVITATIONAL GOLF MEMBERSHIPS**

An Invitational Golf Membership (that would be included in the maximum number of outstanding dues-paying Golf Memberships), which may in the sole discretion of the Club be available only to persons who do not own a residence or homesite in Hampton Hall, allows the member to use all of the Golf Facilities and the Club Facilities provided at Hampton Hall Club and to attend club-sponsored events held at the Club upon payment of any required membership fee and all applicable dues, fees, dining minimums (if any) and other charges. An Invitational Golf Member must purchase a Club Membership at the time of acquiring the Invitational Golf Membership. Invitational Golf Members shall not be charged green fees for use of the Golf Facilities, but shall pay the applicable golf cart fees established by the Club. Invitational Golf Members shall not be allowed to use privately-owned golf carts unless otherwise specifically allowed by the Club in writing. Invitational Golf Members shall have such advance sign-up privileges to reserve golf starting times as may be established by the Club. Accompanied guests of Invitational Golf Members shall pay prevailing preferred guest fees for use of the Golf Facilities. Invitational Golf Memberships are recallable by the Club. The Club may recall the Invitational Golf Memberships at any time, in the sole discretion of the Club, upon sixty days prior written notice to the applicable member. Invitational Golf Memberships shall be recalled by the Club on a last-in, first-recalled basis. Upon recall of a particular Invitational Golf Membership, all use privileges shall terminate and dues of the recalled member shall terminate upon expiration of the sixty-day notice period and the Club shall repay to the recalled member the amount set forth in such member's Application for Invitational Golf Membership. While members of the Club, Invitational Golf Members shall not be entitled to vote as a member and shall not be subject to any Special Assessments or Golf Special Assessments (as defined in the Declaration).

**SPORTS MEMBERSHIPS**

A Sports Membership would permit a member who owns a residence or homesite at Hampton Hall to use the Golf Facilities on a limited basis as established by the Club from time to time upon payment of any required membership fee and all applicable dues, fees, assessments and dining minimums (if any) and other charges. Sports Memberships will not count against the maximum allowed Golf Memberships of 438. Sports Members may use the Golf Facilities on a limited basis during high season as determined by the

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Club upon payment of the required green fees and golf cart fees as determined by the Club. Sports Memberships permit the use of the Golf Facilities on such basis during low season as determined by the Club without the payment of green fees but with the payment of golf cart fees. Sports Members may only use the practice range, putting green and golf clubhouse when the member is actually playing a round of golf. Sports Members shall always have a lesser advance sign-up privilege to reserve golf starting times than Golf Members. The Club reserves the right to modify and restrict access to the golf facilities by Sports Members during certain times of the day and certain days of the week from time to time. Sports Members will not be allowed to own and use private golf carts except as specifically allowed by the Club. Sports Members do not qualify as Golf Members and are not subject to assessments as Golf Members.