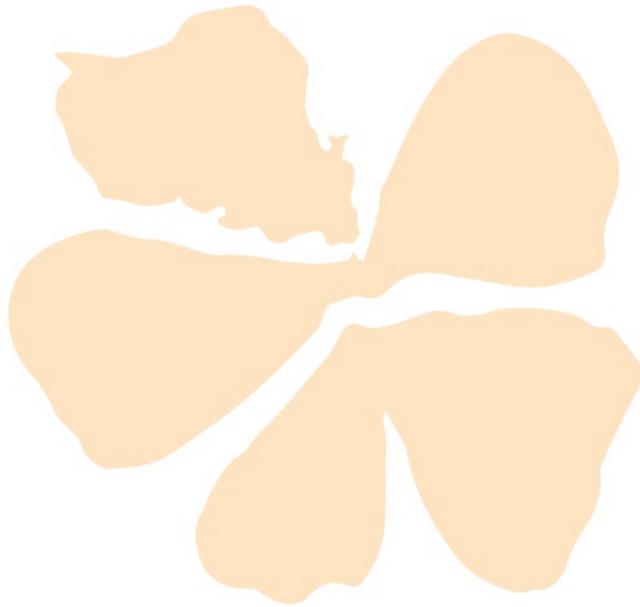


MOHALA



MEMBERSHIP PLAN

MOHALA

MEMBERSHIP PLAN OVERVIEW

MEMBERSHIP OPPORTUNITY

This membership plan (this "Membership Plan") describes the membership opportunities in Mohala. The "Resident Recreation Club Facilities" to be made available by the "Resident Recreation Club" (as said terms are defined hereinafter) include swimming pools, a fitness center, kids club and playground areas, saunas and steam rooms, spa facilities, lounge rooms and areas, kitchen and dining areas, locker rooms and restrooms, all as more particularly described hereinafter. The Resident Recreation Club Facilities are within the 'Ilima Ward Village condominium project located in Kaka'ako, City and County of Honolulu, State of Hawai'i (the "Project").

Non-equity memberships in one primary category, "Mohala Membership", are being offered pursuant to this Membership Plan. The holder of a membership under this Membership Plan is herein referred to as a "Member."

SPECIAL MEMBERSHIP BENEFITS

Membership in Mohala provides a number of attractive benefits. A brief description of some of these current benefits follows and they are described in greater detail in this Membership Plan, which provisions shall control (capitalized terms in quotations below in this Special Membership Benefits subsection shall have the meaning ascribed to them hereinafter in this Membership Plan):

- **Exclusivity.** Membership is by invitation only.
- **Refundable Membership Deposit.** The "Membership Deposit" paid by a Member for a Mohala Membership is refundable on the terms set forth in this Membership Plan.
- **Resigned Memberships Reissued Prior to Membership Sell-Out.** A "Mohala Member" is able to have their membership reissued by the Resident Recreation Club and receive their "Membership Deposit" refund without waiting for all of the new Mohala Memberships to be issued by the Resident Recreation Club.
- **Transferability of Membership to Subsequent Purchaser of Member's Residential Unit.** If a Mohala Member sells or conveys the Member's residential unit in the Project or in the Melia Ward Village condominium project ("Melia Ward Village"), such Member's Mohala Membership may be transferable to the subsequent purchaser of the Member's residential unit as discussed hereinafter.
- **Immediate Family Privileges.** A Member's "Immediate Family Members" are entitled to use privileges without having to pay additional Membership dues.

- **Extended Family Privileges.** A Member's "Extended Family Members" are entitled to special guest privileges as provided for hereinafter.
- **No Operating Assessments.** Members are not subject to operating assessments by the Resident Recreation Club. A capital assessment in connection with a capital improvement proposed by the Members or the Resident Recreation Club can only be imposed based on a vote of the Members.
- **Legacy Feature.** A Mohala Member may request a transfer of their membership through the Resident Recreation Club to the Member's spouse, adult child or adult grandchild, without the payment of any increase in the amount of the Membership Deposit.
- **Inheritability.** Upon the death of a Mohala Member, the membership can be transferred to the surviving spouse, if any, or to an adult child or adult grandchild, without the payment of any increase in the amount of the Membership Deposit.

CAREFULLY REVIEW ALL MEMBERSHIP DOCUMENTS

Every candidate for membership should carefully read this Membership Plan and all of the referenced documents and should seek professional advice to evaluate these documents.

RELY ONLY ON INFORMATION IN THIS MEMBERSHIP PLAN

No person has been authorized to give any information or make any representations not contained in this Membership Plan and the other documents governing membership in Mohala and, if given or made, such information must not be relied upon as having been authorized by the Resident Recreation Club. In the event of a conflict between the terms of membership contained in this Membership Plan, the Mohala Rules and Regulations (as amended, modified or supplemented from time to time, the "Rules and Regulations") and the Membership Agreement (as defined hereinafter), on the one hand, and other printed materials or verbal statements, on the other hand, this Membership Plan, the Rules and Regulations and the Membership Agreement shall govern.

Any decision, determination, approval or the like by the Resident Recreation Club as provided in this Membership Plan, unless otherwise indicated, shall be made in the Resident Recreation Club's sole and absolute discretion and the word "discretion" when used herein shall mean sole and absolute discretion.

MEMBERSHIPS ARE OFFERED FOR RECREATIONAL PURPOSES ONLY

Memberships in Mohala are being offered exclusively for the purpose of permitting Members the recreational use of the Resident Recreation Club Facilities. Memberships should not be viewed as an investment and no Member should expect to derive any economic profits from membership in Mohala.

No federal, state or local authority, or agency or subdivision thereof, has passed upon or endorsed the merits of this Membership Plan or other documents governing membership in Mohala.

MEMBERSHIP IS BY INVITATION ONLY

Membership in Mohala is by invitation only. Candidates for membership must submit a Proposal for Membership in a form provided by the Resident Recreation Club and must be invited by the Resident Recreation Club in order to become a Member. Additional information in this regard is provided hereinafter.

MEMBERSHIP INQUIRIES

All inquiries regarding membership in Mohala or this Membership Plan and referenced documents should be directed to the Resident Recreation Club as follows: via e-mail - membership@mohalahonolulu.com and by telephone - 808-726-2950.



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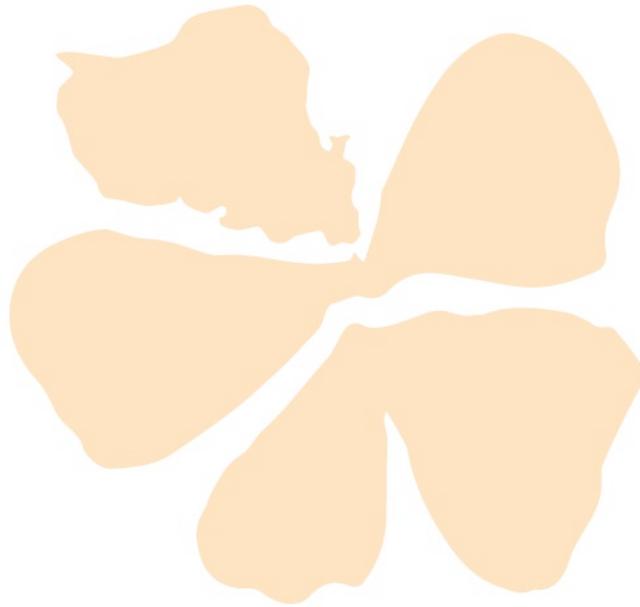
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SECTION I MEMBERSHIP FEATURES AND FACILITIES

INTRODUCTION

This Membership Plan, the Rules and Regulations and the Membership Agreement set forth the rights, privileges and obligations of membership in Mohala. The Resident Recreation Club reserves the right to amend, modify or supplement this Membership Plan and the Rules and Regulations in its discretion.

RESIDENT RECREATION CLUB FACILITIES

The Resident Recreation Club will offer the following "Resident Recreation Club Facilities":

- Swimming pools;
- Fitness center;
- Kids club and playground areas;
- Saunas and steam rooms;
- Spa facilities;
- Lounge rooms and areas;
- Kitchen and dining areas; and
- Locker rooms and restrooms.

ADDITIONAL RESIDENT RECREATION CLUB FACILITIES AND MODIFICATIONS

The Resident Recreation Club may, in its discretion, expand, modify, reprogram or substitute any of the Resident Recreation Club Facilities or add additional facilities either on or off-site, as it determines appropriate from time to time. The Resident Recreation Club is not under any obligation whatsoever to expand or modify the Resident Recreation Club Facilities or add facilities thereto.

Access to additional facilities which are added to the Resident Recreation Club Facilities shall be on such terms as are determined by the Resident Recreation Club, and the Resident Recreation Club may, in its discretion, increase dues for all Members in order to defray the operating costs associated therewith.

OUTDOOR PURSUITS PROGRAM

Members may enjoy the signature recreation concierge "Outdoor Pursuits" program originated by Discovery Land Company, LLC ("Discovery"), which assists

Members, their Immediate and Extended Family Members, and guests, with participation in a wide variety of outdoor adventures.

ACTIVITIES AND EVENTS

The Resident Recreation Club is committed to conducting activities and events that are appealing to Members, their Immediate and Extended Family Members, and guests. Recreational, wellness, enrichment, cultural and educational programs and activities for all ages will be conducted. A calendar of activities and events will be made available to the membership of Mohala.

OWNERSHIP AND OPERATION OF RESIDENT RECREATION CLUB FACILITIES

The Resident Recreation Club Facilities are limited common elements appurtenant to a unit located in the Project that is owned by Block E Ward Village, LLC, a Delaware limited liability company (the "Company"). The Company is the sponsor of the membership program at Mohala and operates the Resident Recreation Club Facilities. Where this Membership Plan refers to the "Resident Recreation Club" making a decision or determination, or otherwise taking action, the reference shall be deemed to be to the Company and/or its designees trading as Mohala.

SECTION II MEMBERSHIP CATEGORIES AND PRIVILEGES

MEMBERSHIP CATEGORIES

The Resident Recreation Club is currently offering memberships in one primary category as follows: Mohala Membership. The use privileges associated with this category are more fully described below. The Resident Recreation Club also offers certain other memberships and use privileges as described in the "Other Memberships and Use Privileges" Section of this Membership Plan.

DESCRIPTION OF MOHALA MEMBERSHIP USE PRIVILEGES

The holder of a Mohala Membership (a "Mohala Member") who is in good standing at Mohala will be entitled to use all of the Resident Recreation Club Facilities in accordance with the Member's category of membership and the terms and conditions of this Membership Plan and the Rules and Regulations, each as amended, modified or supplemented from time to time. All use privileges are subject to availability and to the payment of applicable dues, fees and charges. No separate fees are required to be paid to access the Resident Recreation Club Facilities. Mohala Members will be obligated to pay applicable use/consumption fees and charges while visiting Mohala as determined by the Resident Recreation Club from time to time, such as food and beverage charges, lesson/instruction fees and guest fees.

RULES AND POLICIES

The Resident Recreation Club reserves the right, in its discretion, to establish, amend or modify rules, regulations, policies, guidelines, monitoring rights or systems governing access to or reservation of the Resident Recreation Club

Facilities, including, without limitation, restricting access to specific facilities in order to accommodate group-type activities.

SECTION III NUMBER OF MEMBERSHIPS

LIMIT ON NUMBER OF MEMBERSHIPS

The maximum number of Mohala Memberships which can be issued and outstanding under this Membership Plan is 305. The Resident Recreation Club reserves the right to decrease the maximum number of Mohala Memberships. The Resident Recreation Club shall also have the right, in its discretion, to have fewer outstanding Mohala Memberships than are permitted hereunder.

Notwithstanding the provisions of this subsection, in the event that the Resident Recreation Club either expands one or more of the facilities comprising the Resident Recreation Club Facilities or adds one or more facilities to the Resident Recreation Club Facilities and the Resident Recreation Club makes a determination in good faith that by increasing the maximum number of Mohala Memberships permitted, access to the Resident Recreation Club Facilities by the existing Mohala Members will not be negatively impacted in a material way either at that time or in the future as Mohala Membership levels rise, the Resident Recreation Club shall have the right to increase the maximum permitted number of Mohala Memberships in a reasonable manner.

SECTION IV FAMILY AND GUEST PRIVILEGES

IMMEDIATE FAMILY PRIVILEGES

A Mohala Member's spouse or Significant Other (as defined below) and the children of the Member, the Member's spouse, or Significant Other who are unmarried and under the age of 23, all of whom are herein defined as "Immediate Family Members," are entitled to use the Resident Recreation Club Facilities on the same basis as the Member.

PRIVILEGES FOR INDIVIDUAL LIVING WITH A MEMBER

A Mohala Member living together with another individual ("Significant Other") in the same household as a family unit may designate the Significant Other on a Membership Year (as defined below) basis to use the Resident Recreation Club Facilities as an Immediate Family Member. A Member may designate only one Significant Other at a time. The Member and the Significant Other shall be individually and jointly responsible for the payment of all charges and fees incurred by the Significant Other and the Significant Other's family members who have privileges pursuant to the terms hereof. The Resident Recreation Club reserves the right to require such forms and establish such rules as it deems appropriate with respect to access by a Significant Other.

The Member shall have the right to terminate a Significant Other's status as such. However, a different Significant Other can only be named one time per

Membership Year with the approval of the Resident Recreation Club and the payment of a re-designation fee, if required, as determined by the Resident Recreation Club.

EXTENDED FAMILY PRIVILEGES

Extended Family Members are defined as those individuals having a relationship with the Member who do not qualify as Immediate Family Members, such as adult children, parents, step-parents and grandchildren, and their spouses or Significant Others, as well as such other individuals who are determined by the Resident Recreation Club from time to time to qualify as Extended Family Members for the purposes of this Membership Plan. Extended Family Members are entitled to use the Resident Recreation Club Facilities as a guest without payment of guest fees and without restrictions as to the number of visits to Mohala during a given Membership Year. An Extended Family Member's use of the Resident Recreation Club Facilities and programs must be arranged by the Member with Mohala management as with any guest. Notwithstanding the foregoing sentence, if a Member or spouse/Significant Other is not on-site in the Project or in Melia Ward Village, but is hosting Extended Family Member(s) at their residential unit in the Project or in Melia Ward Village, the Member may temporarily designate to the Resident Recreation Club one specific adult Extended Family Member staying at the Member's residential unit to make reservations to use Resident Recreation Club Facilities for themselves and other Extended Family Members also in residence, or sponsor guests subject to the Resident Recreation Club's rules, regulations and policies relating to Members' guests. The Member shall be obligated to notify the Resident Recreation Club of such an Extended Family Member designation in advance. Notwithstanding any other provision of this Membership Plan, in order to accommodate usage by Members and their Immediate Family Members and other permitted users hereunder, the Resident Recreation Club shall have the right to restrict any access by Extended Family Members to the Resident Recreation Club Facilities, or selected facilities, at certain times as determined by the Resident Recreation Club which may include, but not be limited to, total party size limitations for dining and programs, or other reservations of any kind. The Resident Recreation Club shall have the right to verify the status of an individual as a qualified Extended Family Member and the Member in question shall cooperate with the Resident Recreation Club in this regard.

GUEST PRIVILEGES

Members may have guests use the Resident Recreation Club Facilities in accordance with the Member's use privileges. Usage by guests is subject to the provisions of the Rules and Regulations and the guest policies in effect from time to time, which may include, without limitation, restrictions on the number of times a particular guest may use all or a portion of the Resident Recreation Club Facilities and the number of guests a Member is able to sponsor on any given day, or during a Membership Year or portion thereof, as well as the payment of applicable guest fees.

PRIMARY USE TIMES

Although each Mohala Membership has family and guest privileges, the Resident Recreation Club may establish primary usage times applicable to designated Resident Recreation Club Facilities during which usage by Members or only Members and certain other permitted users under each membership identified by the Resident Recreation Club is allowed in an effort to better accommodate Member usage during periods of peak use.

CERTAIN RESPONSIBILITIES OF A MEMBER

Each Member shall be responsible for the payment of all charges and fees incurred by, and the actions and conduct of, the Member's Immediate Family Members, Extended Family Members and guests.

SECTION V OFFERING OF MEMBERSHIPS

OFFERING OF MEMBERSHIPS

Memberships shall be offered to individuals and entities who are invited for membership. In order to be eligible for invitation for a Mohala Membership, candidates must own a residential unit within the Project or Melia Ward Village. Ownership of a residential unit in the Project or in Melia Ward Village, however, does not assure an invitation for or availability of a membership in Mohala, does not give any right (whether by license, easement or otherwise) to use the Resident Recreation Club Facilities, and does not grant any ownership or membership interest in the Resident Recreation Club or the Resident Recreation Club Facilities, or any right to participate in the management of Mohala. A Mohala Membership shall be issued in the name(s) of the titleholder to the residential unit unless otherwise determined by the Resident Recreation Club in its discretion.

INITIAL PURCHASERS OF RESIDENTIAL UNITS

Each initial purchaser of a residential unit in the Project or Melia Ward Village ("Initial Purchaser") may, at any time until the closing of their purchase of the residential unit, acquire a Mohala Membership, provided that (i) the Resident Recreation Club invites the Initial Purchaser for membership, (ii) the Resident Recreation Club has a Mohala Membership for sale (excluding reserved memberships), (iii) the Initial Purchaser submits a completed Membership Agreement, and (iv) the Initial Purchaser pays the required Membership Deposit. Any Initial Purchaser who does not acquire a Mohala Membership by the date of the closing on the residential unit may acquire a Mohala Membership at a later date subject to availability and compliance with the conditions stated hereinabove.

The number of Mohala Memberships is limited and available Mohala Memberships will generally be issued on a first-come, first-served basis, subject to invitation of the prospective Member by the Resident Recreation Club (and the Resident Recreation Club's right to reserve Mohala Memberships as provided for hereinafter).

MEMBERSHIP PRIVILEGES PRIOR TO CLOSING

The Resident Recreation Club may, in its discretion, allow a pending purchaser of a residential unit in the Project or Melia Ward Village to use the Resident Recreation Club Facilities as a Member prior to the closing on the residential unit in question upon terms and conditions determined by the Resident Recreation Club which may include, without limitation, the issuance of a membership with the payment of the required Membership Deposit. In the event the purchaser does not close on the residential unit in a timely manner, the Resident Recreation Club may terminate the use privileges. Under these circumstances, a membership may thereafter be made available to the would-be purchaser only in the discretion of the Resident Recreation Club. In the case where a Membership Deposit has been paid for a membership and the Resident Recreation Club terminates the use privileges, the membership shall be deemed to have been resigned and shall be placed on the appropriate resale waiting list for reissuance and refunding as provided for hereinafter.

The Resident Recreation Club may, in its discretion, offer specific services and/or equipment for Member use prior to the construction of the Resident Recreation Club Facilities. Mohala Members may contact the General Manager, and/or other Mohala designees during the Project's construction period to schedule appointments for services and/or use of equipment, if being offered at the time. The Resident Recreation Club reserves the right to cancel appointments for the use of services and/or use of equipment based on unavailability for any reason.

OWNERSHIP OF MULTIPLE RESIDENTIAL UNITS

If a person or entity acquires two or more residential units in the Project or Melia Ward Village, the purchaser can acquire a Mohala Membership for each residential unit for which membership privileges are desired, subject to the Resident Recreation Club's right to reserve Mohala Memberships as provided for hereinafter. If the person or entity does not acquire a membership for each residential unit, the Resident Recreation Club will not guarantee that a membership will be available for the residential unit at a later date.

MULTIPLE OWNERS OF A RESIDENTIAL UNIT

In the case where a residential unit in the Project or Melia Ward Village is acquired by more than one person (excluding spouses) or entity, the Resident Recreation Club reserves the right to issue a Mohala Membership to up to three of the owners in the discretion of the Resident Recreation Club, subject to the following terms and conditions, the availability of Mohala Memberships for issuance as determined by the Resident Recreation Club, including, the Resident Recreation Club's right to reserve Mohala Memberships. Each owner who desires a Mohala Membership must own at least one-third (1/3) of the equity interest in the title to the residential unit in question either directly or indirectly. Title may be held through an entity, or via an undivided interest in the residential unit in the case where title is held as joint tenants or tenants in common. The Resident Recreation Club shall receive such documentation as it shall require

concerning the satisfaction of this condition. Each prospective Member must follow the invitation protocol provided for hereinafter and must be invited for membership by the Resident Recreation Club. Subject to being invited for membership, each prospective Member must submit a completed and signed Membership Agreement and pay the required Membership Deposit. In addition to paying the required Membership Deposit, a non-refundable "Partner Property Fee" in an amount determined by the Resident Recreation Club must also be paid by each prospective Member to the Resident Recreation Club at the same time, unless otherwise determined by the Resident Recreation Club. When the residential unit is sold or transferred, each of the memberships associated with the residential unit must be resigned, subject to the provisions of the "Transfer on Purchase of Another Property" subsection hereinafter. If the residential unit is to be acquired by multiple owners, then the memberships can be transferred to and acquired by the owners who desire a membership and who comply with the requirements of this Membership Plan relating to acquisition of a membership by a subsequent real estate purchaser from a Member upon the sale or transfer of a residential unit in the Project or Melia Ward Village. In addition to the payment of the required Membership Deposit, the Partner Property Fee established by the Resident Recreation Club must also be paid by each owner who is acquiring a membership unless otherwise determined by the Resident Recreation Club.

A Mohala Membership that is not being transferred through the Resident Recreation Club to a subsequent residential unit purchaser will be placed on the appropriate resale waiting list for reissuance as provided for hereinafter. Upon resignation of an additional membership issued to one of the multiple owners of a residential unit, notwithstanding anything to the contrary herein, no dues are required to be paid with respect to the membership following the effective date of resignation (except any accrued and unpaid dues), and no further use of the Resident Recreation Facilities shall be permitted after such date. The memberships in the multiple owner scenario, must be acquired in conjunction with the closing of the purchase of the residential unit in the Project or Melia Ward Village, unless otherwise determined by the Resident Recreation Club.

WAITING LIST FOR MEMBERSHIP

If a person or entity desires to acquire a Mohala Membership in Mohala and a Mohala Membership is not available, the Resident Recreation Club will establish a waiting list in chronological order. If a Mohala Membership thereafter becomes available, the membership will be offered to the first person or entity on the waiting list.

Resigned Mohala Memberships that are reissued to subsequent residential unit purchasers in the Project or in Melia Ward Village from Members as provided hereafter are not considered available memberships. Reserved Mohala Memberships are also not considered available memberships. Notwithstanding the foregoing, the Resident Recreation Club reserves the right to make exceptions to the waiting list policy and priorities in its discretion.

MEMBERSHIP HELD IN NAME OF LEGAL ENTITY

For the convenience of Members, a Mohala Membership may be held in the name of a partnership, company, trust or other form of multiple ownership (collectively, the "entity"). The entity must designate one individual who will have the right to use the membership. The designated user must submit a Proposal for Designated User Status and, if invited for designated user status by the Resident Recreation Club, must then submit a completed Membership Agreement. The designated user must be a bona fide director, officer, partner, member or employee of the entity and must own at least a majority of the equity interest in the entity, or in the case of a trust, must own at least a majority of the beneficial interest in or be the settlor of the trust and must pay the required dues, fees and charges for which the entity shall also be responsible. No person other than the designated user and his or her Immediate Family Members and Extended Family Members (subject to the terms hereof) will be entitled to simultaneously use the membership. The designated user cannot be changed, except in the event of the death of the designated user, in which case the new designated user can be the spouse, adult child or adult grandchild of the decedent, subject to invitation by the Resident Recreation Club. In the event that an adult child or adult grandchild of the deceased designated user becomes the successor designated user under the membership, the 30-year term for the refund of the Membership Deposit as provided for hereinafter, will restart with respect to the membership. The Member will execute and deliver such documents as the Resident Recreation Club shall require in this regard. The Resident Recreation Club shall have the right to receive such information as it shall request with respect to an entity in whose name a membership is sought to be issued, as well as a prospective designated user under the membership. In addition, the Resident Recreation Club may establish from time to time the rules governing the designated user of a membership. The designated user shall be considered a Member for purposes of this Membership Plan unless otherwise indicated or the context requires otherwise.

RESERVED MEMBERSHIPS

The Resident Recreation Club has the right to reserve Mohala Memberships for Initial Purchasers of residential units within the Project, or otherwise. Reserved Mohala Memberships are not considered available memberships.

SECTION VI MEMBERSHIP DEPOSIT

PAYMENT REQUIRED TO BE ADMITTED AS A MEMBER

Each prospective Member who desires to acquire a Mohala Membership under this Membership Plan will be required to pay a membership admission payment called a membership deposit ("Membership Deposit"), except as otherwise herein provided or determined by the Resident Recreation Club. The amount of the Membership Deposit and payment terms shall be determined by the Resident Recreation Club from time to time.

MEMBERSHIP TERM

The term of membership in Mohala for Members who pay a Membership Deposit shall be 30 years from the date that the membership in question is issued by the Resident Recreation Club, provided that the Mohala facilities are open, subject to renewal as set forth in the "Membership Deposit Refund at 30 Years and Membership Renewal Option" subsection below, and the other provisions of this Membership Plan.

MEMBERSHIP DEPOSIT REFUND AT 30 YEARS AND MEMBERSHIP RENEWAL OPTION

One hundred percent (100%) of the Membership Deposit paid by a Member shall be refunded, without interest, 30 years after the date the membership is issued by the Resident Recreation Club, in accordance with the terms and conditions of this Membership Plan.

Provided a Member who has paid a Membership Deposit is in good standing at the end of the 30-year period, such Member shall have the right to renew the Member's membership for additional consecutive 5-year terms by paying a new Membership Deposit to the Resident Recreation Club in an amount equal to such Member's original Membership Deposit. Each such new Membership Deposit shall be the Membership Deposit of the Member in question and shall be refunded, without interest, at the end of the 5-year term, subject to the "Refund of Membership Deposit After Membership Resignation by Member" subsection below.

REFUND OF MEMBERSHIP DEPOSIT AFTER MEMBERSHIP RESIGNATION BY MEMBER

A Member who has paid a Membership Deposit and who resigns the membership (subject to the terms hereof) is entitled to a refund in the amount specified below (subject to the deductions contemplated by the "Transfer Fee" and "Deduction of Amounts Owed to Resident Recreation Club" subsections below):

(i) if the then-current amount of the Membership Deposit charged by the Resident Recreation Club for a Mohala Membership at the time of the reissuance of the Member's Mohala Membership is equal to or greater than the Membership Deposit paid by the Member, then the amount of the refund shall be one hundred percent (100%) of the Membership Deposit paid by the Member, without interest; or

(ii) if the then-current amount of the Membership Deposit charged by the Resident Recreation Club for a Mohala Membership at the time of the reissuance of the Member's Mohala Membership is less than the Membership Deposit paid by the Member, then the amount of the refund shall be equal to the then-current Membership Deposit, without interest.

If the amount of the refund is determined according to clause (ii) above, then the Resident Recreation Club will pay to the Member 30 years after the date of the issuance of the Mohala Membership, the difference between the amount of

the Membership Deposit previously paid by the Member and the amount of the refund specified in said clause (ii) (before any deductions).

The payment of the refund due shall be made within 30 days after the reissuance of the resigned membership in accordance with the "Transfer of Membership" Section hereinafter, provided the new incoming Member has paid the required Membership Deposit in full. If the Member receives the refund provided for in this subsection, then there shall be no refund payable pursuant to the "Refund of Membership Deposit at 30 Years and Membership Renewal Option" subsection above.

The Resident Recreation Club's refund obligation to an incoming Member shall be evidenced by the Membership Agreement. Upon the reissuance of a resigned Mohala Membership to a new Member, a new 30-year membership term and term for the refund of the Membership Deposit begins on the date the membership is reissued. The positive difference, if any, between the amount paid by the new Member and the amount refunded to the Member who is leaving Mohala will belong to the Resident Recreation Club.

The Resident Recreation Club reserves the right to change the amount of the refund which is payable to new incoming Mohala Members.

In the event a dispute arises between two or more parties as to who is entitled to the refund of the Membership Deposit, the Resident Recreation Club may file an interpleader action or similar type action and thereby deposit the refund amount into the registry of a court of competent jurisdiction for the court to determine who is entitled to the refund without recourse to the Resident Recreation Club. The Resident Recreation Club shall be entitled to reimbursement of reasonable attorneys' fees and costs for filing such interpleader action.

TRANSFER FEE

The Resident Recreation Club will charge a transfer fee ("Transfer Fee") in connection with the reissuance of a resigned Mohala Membership as herein more particularly provided. The amount of the Transfer Fee to be charged shall be set forth in the Membership Agreement. The Transfer Fee shall be deducted by the Resident Recreation Club from the refund that is owed to a Mohala Member, as provided above.

DEDUCTION OF AMOUNTS OWED TO RESIDENT RECREATION CLUB

The Resident Recreation Club has the right to deduct from any amount to be refunded to a Mohala Member any amounts owed to the Resident Recreation Club or permitted to be deducted pursuant to the terms hereof, the Rules and Regulations or the Membership Agreement, including, without limitation, the Transfer Fee.

TAX CONSEQUENCES OF ACQUIRING A MEMBERSHIP

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

SPECIAL ECONOMIC ARRANGEMENTS

The Resident Recreation Club reserves the right to make special economic arrangements with prospective Members or existing Members without offering the same terms and conditions to other prospective Members or existing Members, including, but not limited to, providing special discounts or waivers, financing or other incentives to attract or retain Members, all as the Resident Recreation Club deems to be appropriate in its discretion.

SECTION VII TRANSFER OF MEMBERSHIP

TRANSFER OF MEMBERSHIP THROUGH THE RESIDENT RECREATION CLUB

Mohala Members may resign and have their memberships transferred only through the Resident Recreation Club, and subject to the terms and conditions hereof. A Member may not transfer or sell the Member's membership to any person or entity.

RESIGNATION

Mohala Members who desire to resign their membership must give the Resident Recreation Club written notice to that effect. Resignation shall be effective upon receipt of the written notice by the Resident Recreation Club. Unless otherwise determined by the Resident Recreation Club, resignation will be effective only if the Member has been in good standing for 180 days prior to the time of the proposed resignation pursuant to the provisions of this subsection. A Mohala Member who has submitted their resignation shall be obligated to continue to pay applicable dues, fees and charges associated with the resigned membership until the membership is reissued as hereinafter more particularly provided. Resignation of a Mohala Member is irrevocable, unless otherwise determined by the Resident Recreation Club.

TRANSFER UPON SALE OF A RESIDENTIAL UNIT

A Mohala Member who has been in good standing for 180 days prior to the time of the proposed transfer pursuant to the provisions of this subsection, and who sells or otherwise transfers the Member's residential unit in the Project or in Melia Ward Village, may arrange with the Resident Recreation Club for the reissuance of the Member's membership to the subsequent purchaser or transferee of the subject residential unit who desires the membership, regardless of whether all of the Mohala Memberships permitted are outstanding.

The subsequent purchaser or transferee desiring the resigned membership will be required to submit a Proposal for Membership as provided for hereinafter and must be invited for membership. The subsequent purchaser or transferee, if invited for membership, must submit a Membership Agreement as also provided for hereinafter and will be required to pay to the Resident Recreation Club the Membership Deposit which is then in effect for a Mohala Membership unless otherwise determined by the Resident Recreation Club. If the subsequent purchaser or transferee is acquiring the selling Member's membership, such acquisition must be completed within seven days of the real estate closing unless the Resident Recreation Club in its discretion, consents to a longer period of time.

TRANSFER ON PURCHASE OF ANOTHER RESIDENTIAL UNIT

If a Member (for purposes of this paragraph, "Buying Member") buys another residential unit in the Project or Melia Ward Village, the Buying Member's Mohala Membership can be transferred to the new residential unit. If the seller of the subject residential unit is a Member (for purposes of this paragraph, "Selling Member"), the Selling Member's Mohala Membership, if not being transferred to another residential unit in the Project or Melia Ward Village, can be reissued to the residential unit purchaser from the Buying Member, if applicable.

TRANSFER THROUGH RESALE WAITING LIST

Subject to the provisions of the "Resignation" subsection above, a resigned Mohala Membership which is not being transferred to a subsequent residential unit purchaser or transferee as provided for in the "Transfer Upon Sale of a Residential Unit" subsection also above, will be placed on a resale waiting list in descending chronological order based on the effective date of the resignation. The Resident Recreation Club may, in its discretion, require the payment of a deposit in an amount determined from time to time by the Resident Recreation Club, in order for the Member's membership to be placed on the resale waiting list following resignation, which deposit may be forfeited in the event the Member desires to cancel the resignation and the Resident Recreation Club permits a cancellation. If the deposit is not forfeited, the amount thereof (without interest) will be refunded to the resigned Member along with the refund due in respect of the Membership Deposit.

With respect to Mohala Memberships in good standing on the resale waiting list, provided they remain continuously in good standing while on the resale waiting list, they will be reissued on a first-resigned, first-reissued basis as follows:

- (a) Prior to the initial issuance of all Mohala Memberships, every fifth Mohala Membership issued (1 in 5) will be a resigned Mohala Membership from the resale waiting list, provided there is a resigned Mohala Membership on the resale waiting list. The other four Mohala Memberships issued will be from the Resident Recreation Club's unissued Mohala Memberships (including Mohala Memberships reacquired by the Resident Recreation Club or which otherwise revert to the Resident Recreation Club). Mohala Memberships which are reissued pursuant to the "Transfer Upon Sale of

a Residential Unit" subsection do not count for purposes of this subsection. This procedure allows the reissuance of resigned Mohala Memberships and payment of the refund to the resigned Member prior to the initial issuance of all Mohala Memberships.

- (b) After the initial issuance of all Mohala Memberships, each Mohala Membership issued (excluding those Mohala Memberships reissued pursuant to the "Transfer Upon Sale of a Residential Unit" subsection above) will be a resigned Mohala Membership from the resale waiting list.

There is no guarantee that Mohala Memberships on the resale waiting list will ever be reissued, or be reissued within a specified time period, because reissuance is dependent upon other persons or entities desiring a Mohala Membership, invitation for membership, payment of the required Membership Deposit, and because of the reissuance procedure.

TRANSFER DURING MEMBER'S LIFETIME

A Mohala Member has the right to request the transfer of the Member's membership to the Member's spouse, or to an adult child or adult grandchild, subject to invitation of the adult child or adult grandchild (and, in the case where the spouse has not previously participated in the invitation process described hereinafter, the spouse) for membership. A Mohala Member may only arrange for the transfer of the membership to a spouse, or to an adult child or adult grandchild if the proposed transferee is a co-owner of or is acquiring the Member's residential unit in the Project or Melia Ward Village, or owns or is acquiring another residential unit in the Project or Melia Ward Village, unless otherwise determined by the Club in its discretion. In order to effectuate the transfer of a membership to a spouse or to an adult child or adult grandchild pursuant to this subsection, the Member shall resign the membership and the Resident Recreation Club shall pay to the Member the Membership Deposit previously paid by the Member for the membership. The spouse, adult child or adult grandchild, as the case may be, will then purchase the membership from the Resident Recreation Club upon payment of the Membership Deposit that was previously paid by the Member. The payments described immediately above shall occur simultaneously. A new 30-year period for refund of the Membership Deposit shall commence for a spouse or an adult child or adult grandchild upon issuance of the membership to the spouse or the adult child or adult grandchild, as the case may be. The transfer of the membership to a spouse or an adult child or adult grandchild shall not be subject to any waiting lists. The Resident Recreation Club may charge an administrative fee not to exceed two percent (2%) of the amount of the Membership Deposit in question in connection with the transfer of the membership pursuant to this subsection to an adult child or adult grandchild. In order to be eligible for a transfer pursuant to the provisions of this subsection, a Member must be in good standing both at the time of the commencement of the Membership Year in question and at the time of the proposed transfer. Prior to effecting the transfer, the Resident Recreation Club shall receive such documentation as it shall require in connection therewith.

TRANSFER UPON DEATH

Upon the death of a Mohala Member, the membership will be transferred to the Member's surviving spouse without the payment of an additional Membership Deposit. The surviving spouse must be invited for membership by the Resident Recreation Club in the case where the spouse has not previously participated in the invitation process. If there is no surviving spouse, or the surviving spouse does not desire to continue the membership privileges, or the spouse is not invited, where applicable, the membership can be transferred to an adult child or adult grandchild who is invited for membership, subject to the terms which follow. The transfer of the Mohala Membership to a spouse or to an adult child or adult grandchild shall not be subject to any waiting lists. The proposed transferee must be a co-owner of, or be acquiring, the Member's residential unit in the Project or Melia Ward Village, or must own or be acquiring another residential unit in the Project or Melia Ward Village, in order to be eligible to receive the membership unless otherwise determined by the Resident Recreation Club in its discretion.

In the event a membership is to be transferred to an adult child or adult grandchild as provided above, the deceased Member's estate shall resign the membership. The Resident Recreation Club will repay to the estate the Membership Deposit that was previously paid by the deceased Member. The adult child or adult grandchild will then acquire the membership from the Resident Recreation Club upon payment of the Membership Deposit that was previously paid by the deceased Member. The payments described immediately above shall occur simultaneously. A new 30-year period for refund of the Membership Deposit shall commence for the adult child or adult grandchild upon issuance of the membership to the adult child or adult grandchild.

In the event there is no surviving spouse or adult child or adult grandchild who wants to continue the membership privileges, or who is invited for membership (if required), or who is eligible to receive the membership, as applicable, the membership will be deemed to have been resigned with no further obligation for dues, fees or other charges, except for those that have accrued. Any refund owed as provided for previously, shall be paid to the estate of the deceased Member within 30 days after reissuance of the resigned membership. In the case where an estate is going to be closed before payment of the refund is made, the estate shall provide written notice to the Resident Recreation Club of the name(s) of the individual(s) and/or entity(ies) to whom the refund shall be paid and provide the mailing address for such individual(s) and/or entity(ies) as a condition to the payment of the refund owed. Such individual(s) and/or entity(ies) shall be responsible for providing the Resident Recreation Club with a current address in order to be eligible to receive the refund due. The deceased Member's account at Mohala must be paid in full in connection with a transfer hereunder. Further, the Resident Recreation Club shall receive such documentation as it shall request in connection with a membership transfer or resignation pursuant to this subsection and shall be entitled to rely on any such information in processing the refund, transfer or resignation without further inquiry.

REDEMPTION OF MEMBERSHIPS UNDER OTHER CIRCUMSTANCES

The Resident Recreation Club is not obligated to redeem a refundable Mohala Membership under any circumstances, other than the circumstances specifically described in this Membership Plan; however, the Resident Recreation Club in its discretion may redeem a resigned refundable Mohala Membership on other terms agreed to by the Resident Recreation Club and the Member. Any Mohala Membership so redeemed may be added to the Resident Recreation Club's reserved Mohala Memberships. If the Resident Recreation Club redeems a Mohala Membership on terms agreed to by the Resident Recreation Club and a Member, no other Member shall have the right to compel the Resident Recreation Club to redeem such Member's Mohala Membership on those terms or any other terms. As more particularly provided in the "Recall Right" subsection hereinafter, the Resident Recreation Club has the right to recall a membership.

SALE OF RESIDENTIAL UNIT

Notwithstanding any other provision contained in this Membership Plan, if a Member sells the Member's residential unit in the Project or Melia Ward Village and does not acquire another residential unit in the Project or Melia Ward Village, then the Mohala Membership associated with the residential unit being sold must be resigned unless otherwise determined by the Resident Recreation Club in its discretion.

LEGAL SEPARATION OR DIVORCE OF MARRIED MEMBERS

In the event a Mohala Member is separated or divorced from his or her spouse, written notice of such fact must be given by the Member to the Resident Recreation Club promptly after such occurrence. In the event of the separation or divorce of spouses, the membership, including all of its rights and benefits, will vest solely in the spouse awarded the residential unit associated with the membership by an agreement of separation or a decree of divorce. The Resident Recreation Club reserves the right to not transfer the membership to either spouse if the Resident Recreation Club, in its discretion, is unable to determine the person who is lawfully entitled to receive the membership. At such time as ownership of the membership has been determined, written notice thereof and the relevant documentation shall be promptly delivered to the Resident Recreation Club. If the disposition of the membership is not determined within one year after a separation or, in the case of a divorce, within the aforesaid one-year period title to the membership has not been addressed in the decree of divorce, the Resident Recreation Club has the right to suspend membership privileges until ownership of the membership has been determined and the Resident Recreation Club has received written notice thereof and the appropriate documentation. The Resident Recreation Club shall also have the right in such case to deem the membership resigned in its discretion. Following a separation or divorce and award of the membership as contemplated hereby, the spouse awarded the membership shall have the right to determine which Immediate Family Members and Extended Family Members will be permitted to use the Resident Recreation Club Facilities under the membership. The Resident Recreation Club will not become involved in any domestic or other

dispute concerning ownership or issuance of a membership under this Membership Plan and does not have any liability or responsibility for resolution of such disputes. If the Resident Recreation Club is uncertain as to who should receive the refund, if any, associated with the membership in question, the Resident Recreation Club in its discretion may file an interpleader action or similar type action, or a request for guidance or determination from a court of competent jurisdiction (and deposit the applicable amount into the registry of the court in question, if applicable), for the court to determine who is entitled to the refund without recourse to the Resident Recreation Club. The Resident Recreation Club also reserves the right to petition the divorce court to determine who is entitled to the refund, if any, at such time as it is payable. The Member shall indemnify and hold the Resident Recreation Club harmless from and against, any and all loss, cost, liability or expense suffered or incurred by the Resident Recreation Club arising out the separation or divorce of a Member, including, without limitation, reasonable attorneys' fees and expenses.

SECTION VIII RESIDENT RECREATION CLUB CHARGES

DUES, FEES, AND CHARGES

The Resident Recreation Club will determine the dues to be payable by Members. Dues shall be payable on an annual basis in advance, unless otherwise determined by the Resident Recreation Club from time to time. The Resident Recreation Club will also determine the fees and charges to be payable in connection with the use of the Resident Recreation Club Facilities and the exercise of membership privileges. Dues, fees and charges are payable in accordance with the provisions of the Rules and Regulations. The dues, and selected fees and charges for use of the Resident Recreation Club Facilities and the exercise of membership privileges, are indicated on the current Schedule of Dues, Fees and Charges. A portion of dues, fees and charges will be used by the Resident Recreation Club for building-related assessments, dues or other costs incurred as the owner of the Resident Recreation Club Facilities. The amount of dues, fees and charges is subject to change from time to time in the Resident Recreation Club's discretion. Dues are anticipated to increase from time to time, and will increase as the Resident Recreation Club Facilities not yet completed are completed and made available to Members, or, in the Resident Recreation Club's discretion, if any facilities are added to the Resident Recreation Club Facilities or any existing facilities are expanded.

Payment of dues by Members is a continuing obligation of membership, which is not dependent upon the availability of all of the Resident Recreation Club Facilities or the Amenities, or frequency of use. Repair, maintenance and/or construction or remodeling of any of the Resident Recreation Club Facilities and/or other occurrence or event (including, without limitation, acts of God, natural disasters, pestilence, weather, disease/epidemic/pandemic, other unanticipated cause or requirements imposed by governmental authorities), whether within or beyond the control of the Resident Recreation Club, may make it necessary for the Resident Recreation Club to change the hours of use, or to restrict the use of one or more of the Resident Recreation Club Facilities or a portion thereof, or to close Mohala or a portion(s) of the Resident

Recreation Club Facilities temporarily. Dues shall not be reduced or suspended during the time when the Resident Recreation Club Facilities, in whole or in part, are temporarily not available.

A Member whose Resident Recreation Club account is delinquent as provided for in the Rules and Regulations, is considered to be not in good standing for the purposes of this Membership Plan, which has ramifications for the Member as set forth herein and, in the Rules and Regulations, including, without limitation, the suspension of membership privileges and the inability to arrange for the transfer of the membership.

NO OPERATING ASSESSMENTS AGAINST MEMBERS

Members will not be subject to any liability for operating assessments for the costs and expenses of operation of the Resident Recreation Club Facilities. The Company will pay all operating deficits incurred in the operation of the Resident Recreation Club Facilities and will be entitled to all revenues resulting from operation of the Resident Recreation Club Facilities. Increases in dues, fees or charges shall not be deemed an assessment for purposes of this subsection.

NO CAPITAL ASSESSMENTS AGAINST MEMBERS WITHOUT APPROVAL

Either the Resident Recreation Club or the Members of Mohala will have the right to propose capital improvements, enhancements and/or additions to the Resident Recreation Club Facilities and an assessment to be imposed to pay for the costs thereof. Any Member-proposed capital project must be approved by the Resident Recreation Club in its discretion. If a proposed capital project and related assessment is approved by the Resident Recreation Club, the proposal shall be submitted to a vote of the Mohala Members. Each Mohala Member eligible to vote shall be entitled to one vote. The vote shall be conducted in accordance with the "Voting Procedure" subsection hereinafter. If two-thirds (2/3rds) or greater of the votes cast are in favor of the proposed capital project and assessment, all Mohala Members will be obligated to pay the assessment and in equal amounts. If the total required assessment amount is not received by the Resident Recreation Club within six months from the voting date, the assessment shall be considered as disapproved at the election of the Resident Recreation Club, and the Resident Recreation Club shall not have any obligation to act on the capital project and related assessment. In this case, Mohala Members who paid the assessment would be entitled to a refund of the amount they paid without interest.

The Mohala operating budget may include, and the calculation of the dues may reflect a reserve for capital repairs, replacements and improvements and this shall not be deemed an assessment for purposes of this subsection. If such a reserve is created, the Club can use the funds in the reserve from time to time for any purpose in its discretion.

MEMBERSHIP YEAR

The membership year for Mohala will constitute the 12-month period commencing January 1 and ending December 31, unless otherwise established by the Resident Recreation Club from time to time (the "Membership Year").

PAYMENT OF DUES BY RESIGNED MEMBER

Except as stated otherwise herein, a resigned Mohala Member shall be obligated to continue to pay dues, and applicable fees and charges (including any assessment, if applicable), with respect to the resigned membership until reissuance of the membership by the Resident Recreation Club to a new Member. The resigned Member shall be permitted to use the Resident Recreation Club Facilities as long as the dues, fees and charges continue to be paid by the resigned Member during the foregoing period. A resigned Member is not permitted to off-set dues, fees and charges owed against the Membership Deposit refund. In the event that there are any amounts owing to the Resident Recreation Club by a resigned Member who holds a refundable Mohala Membership which are past due, the Resident Recreation Club reserves the right, without notice to the Member, to move the resigned membership to the end of the resale waiting list until such amounts have been paid in full. If a membership has been moved to the end of the resale waiting list and the Member subsequently brings the Member's account at Mohala current, the membership will then begin to move up the resale waiting list from the end as resigned memberships are reissued in accordance with the subsection hereinabove pertaining to reissuance of resigned Mohala Memberships on the resale waiting list, unless otherwise determined by the Resident Recreation Club. In this situation, the Resident Recreation Club, in its discretion, can also choose to remove the resigned membership from the resale waiting list until such time as the Member's Resident Recreation Club account has been brought current, at which time, the membership shall be placed at the end of the list.

PRORATED DUES AND FEES UPON REISSUANCE OF THE MEMBERSHIP

If a resigned Mohala Membership is reissued to a new Member during a Membership Year, the Member who has resigned shall be entitled to be repaid a pro rata portion of any dues and other fees paid in advance for which services have yet to be rendered.

SECTION IX MEMBERSHIP PROCESS

INVITATION PROCEDURE

All candidates desiring a Mohala Membership must be invited to become a Member by the Resident Recreation Club. Candidates must deliver a fully-completed (including the appropriate signature(s)) Proposal for Membership in a form provided by the Resident Recreation Club. The Resident Recreation Club may require an interview with the General Manager, and/or other Mohala designees. After receiving the Proposal for Membership and compliance with other invitation protocol, the Resident Recreation Club will determine whether the candidate will or will not be invited for membership.

MEMBERSHIP AGREEMENT

Each person or entity who has been invited for membership must mail or deliver to the attention of the General Manager a fully-completed (including the appropriate signature(s)) membership purchase agreement in a form provided by the Resident Recreation Club ("Membership Agreement"). The required Membership Deposit must also be paid in conjunction with submission of the Membership Agreement in accordance with the terms in the Membership Agreement.

RIGHTS GOVERNED BY MEMBERSHIP PLAN

Members of Mohala agree to be bound by the terms and conditions of this Membership Plan and the Rules and Regulations, as amended, modified or supplemented from time to time and irrevocably agree to fully substitute the membership privileges acquired pursuant thereto for any present or prior rights or privileges in or to use the Resident Recreation Club Facilities. By becoming a member of Mohala, each Member shall have acknowledged that the rights acquired by the Member are contract rights, including, a license, which is revocable, to use the Resident Recreation Club Facilities in accordance with this Membership Plan and the Rules and Regulations, as the same may be amended, modified or supplemented from time to time so long as the Member remains a member of the Resident Recreation Club in good standing. As such, the Resident Recreation Club will not owe any fiduciary duty or other special duty to any Member.

SECTION X OTHER MEMBERSHIPS AND USE PRIVILEGES

HONORARY MEMBERSHIPS

The Resident Recreation Club may issue up to 15 Honorary Memberships to such persons as the Resident Recreation Club determines from time to time. The Resident Recreation Club may increase the maximum number of Honorary Memberships in its discretion. These Honorary Memberships will be available on such terms and conditions and afford such rights and privileges as the Resident Recreation Club determines appropriate. Honorary Memberships may be renewed or terminated at the Resident Recreation Club's discretion and will not count toward any membership limit. Each entity issued an Honorary Membership may designate from time to time one user of the Honorary Membership, who must complete and submit a Membership Agreement in the form provided by the Resident Recreation Club.

CHARTER MEMBERSHIPS

The Resident Recreation Club may issue up to 15 Charter Memberships to such persons as the Resident Recreation Club determines from time to time. The Resident Recreation Club may increase the maximum number of Charter Memberships in its discretion. These Charter Memberships are in addition to all other memberships permitted to be issued in Mohala. Charter Members shall be permitted to use the Resident Recreation Club Facilities on the same basis

as Mohala Members. Charter Members will not pay dues, accompanied guest fees, assessments, but shall be required to pay all other fees and charges incurred at Mohala.

In the event that Mohala is converted to an equity, member-owned resident recreation club, subject to the terms of this subsection, Charter Members will be permitted to continue as non-equity members in the equity resident recreation club. Charter Members will not be required to pay any membership contribution, dues, accompanied guest fees, nor assessments, but shall be required to pay all other fees and charges incurred in connection with the exercise of Charter Membership privileges. Charter Members may purchase retail items and food items (but not including alcoholic beverages) at the employee discounted pricing rate. Charter Memberships shall not entitle the holder thereof to any equity or ownership interest in the equity resident recreation club or the facilities of the equity resident recreation club, or to any voting rights.

Upon the death of a Charter Member, the Charter Membership will automatically pass to the Charter Member's surviving spouse, if any. If the deceased Charter Member is not survived by a spouse, or the spouse does not desire to continue the Charter Membership, the estate of the deceased Charter Member or the spouse, as the case may be, may arrange for the Charter Membership to be transferred one time only to an adult child of the Charter Member who has been invited for Charter Membership. If the Charter Membership is not transferred to a spouse or adult child of the Charter Member as provided for above, the Charter Membership shall be deemed resigned. It is currently the intention of the Resident Recreation Club that except for one transfer of the Charter Membership to a spouse and one transfer of a Charter Membership to an adult child as provided for above, no other transfer of the Charter Membership is permitted without the consent of the Resident Recreation Club, in its discretion; provided that notwithstanding anything in this provision, the Resident Recreation Club may grant exceptions to this restriction on transfer, in its discretion pursuant to the Membership Agreements entered into with Charter Members. The terms of a Charter Membership may not be changed without the prior written consent of the Charter Member in question. A Charter Membership may be subject to recall if so provided in the Membership Agreement with respect thereto.

PROMOTIONAL USE

The Resident Recreation Club will have the right to designate other persons who will not count toward membership limits, including, without limitation, officers, directors, partners, managers, members, shareholders, employees and designees of the Company and its affiliates and their guests, to use the Resident Recreation Club Facilities upon such terms and conditions as may be determined from time to time by the Resident Recreation Club. The Resident Recreation Club will also have the right to permit prospective Members to use the Resident Recreation Club Facilities on such terms and conditions as the Resident Recreation Club may determine from time to time. The Resident Recreation Club reserves the right to restrict use of or to otherwise reserve in

advance the Resident Recreation Club Facilities or portions thereof for maintenance, outings, receptions and other group or special events, including Member-sponsored events, from time to time. Usage of the Resident Recreation Club Facilities pursuant to this subsection will not be inconsistent with the private and exclusive nature of Mohala or materially adversely impact the enjoyment of the Resident Recreation Club Facilities by Members.

SECTION XI RESIDENT RECREATION CLUB OPERATIONS

MANAGEMENT AND OPERATION

The Company has entered into or will enter into a management agreement (as the same may be amended from time to time, the "Management Agreement") with an affiliate of Discovery (the "Management Company") to manage the operation of Mohala and the Resident Recreation Club Facilities. The Company reserves the right to retain another management services provider(s) to manage the operation of Mohala and the Resident Recreation Club Facilities, subject to the terms of the Management Agreement. As a result, the Company and the Management Company and their respective designees are solely responsible for the governance and administration of Mohala and the Resident Recreation Club Facilities and will have the exclusive authority to invite and accept candidates for membership, establish Membership Deposits, dues, fees and charges, and promulgate rules and regulations and control the management and affairs of Mohala.

SECTION XII CONVERSION TO EQUITY MEMBER-OWNED RESIDENT RECREATION CLUB

POSSIBLE EQUITY CONVERSION

The Company reserves the right in its discretion to convert Mohala to an equity, member-owned resident recreation club, but is under no obligation to do so. If the Company elects to convert Mohala to an equity, member-owned resident recreation club, the Company shall give written notice of such fact to the membership. Notwithstanding the foregoing, however, and subject to the following provisions, the equity conversion can only be implemented by the Company after the point in time when either: (i) not less than seventy-five percent (75%) of the original permitted maximum number of Mohala Memberships (i.e., 305) (unless the original permitted maximum number of Mohala Memberships has been formally reduced by the Resident Recreation Club, in which case the new number shall apply) have been initially issued; or (ii) a period of seven years has elapsed from the date that the first Mohala Membership was issued in Mohala.

However, if neither of the foregoing conditions has been satisfied, the equity conversion can nonetheless still be implemented if the Company calls for a Member vote on the proposed equity conversion and at least two-thirds (2/3rds) of the number of votes cast in accordance with the "Voting Procedure" subsection below, are in favor of the equity conversion.

In the case of an equity conversion, all existing Mohala Members will be obligated to convert to equity membership unless otherwise determined by the Company. Equity membership shall constitute an ownership interest in a not-for-profit corporation or other entity type to be formed pursuant to applicable organizational documents to which the Resident Recreation Club Facilities will be conveyed (the "Equity Resident Recreation Club Entity").

For certainty, only the Company may determine whether to convert Mohala to an equity, member-owned resident recreation club, in accordance with the procedures set out herein, and the Members shall have no right to call for such conversion.

GUARANTEED AVAILABILITY OF EQUITY MEMBERSHIP

If and when Mohala is converted to an equity, member-owned resident recreation club, existing Mohala Members will be guaranteed the availability of an equity membership during an initial offering period of not less than 60 days after the date equity memberships are first offered for sale. Any Mohala Member that is obligated to convert to equity membership will automatically convert to an equity membership in the Equity Resident Recreation Club Entity when Mohala is converted to an equity, member-owned resident recreation club with the Member's right to receive a refund of the Membership Deposit canceled. Such Members are obligated to execute and deliver to the Equity Resident Recreation Club Entity a membership agreement relating to the equity membership in the form provided by the Equity Resident Recreation Club Entity, however, the failure to do so shall not affect the conversion to equity membership. Members who are obligated to convert to equity membership, will not be required to pay any conversion premium or additional membership fee or contribution for an equity membership.

VOTING PROCEDURE

The following procedure shall be followed with respect to a vote on whether or not Mohala will be converted to an equity, member-owned resident recreation club in the case where the minimum number of Mohala Memberships have not yet been initially issued or the seven-year period from the issuance of the first Mohala Membership has not elapsed, as provided previously:

(a) The Resident Recreation Club shall send each Mohala Member in good standing a ballot which will permit the Member to vote in favor of or against the conversion, together with copies of the Equity Membership Documents.

(b) Only Mohala Members who have paid the Membership Deposit in full and whose memberships are in good standing, are eligible to vote. Members whose Resident Recreation Club accounts are delinquent and who have not made satisfactory payment arrangements with the Resident Recreation Club are not eligible to vote. Membership voting rights are non-assignable.

(c) Each Mohala Member is entitled to one vote per membership.

(d) A ballot shall be mailed by certified mail, return receipt requested, delivered by overnight courier, or sent by e-mail, to each Mohala Member who is eligible to vote.

(e) All ballots must be received by the Resident Recreation Club within 30 days of delivery of the ballots by the Resident Recreation Club to the Members.

(f) If ballots for at least one-third (1/3rd) of the votes entitled to be cast are received within such 30-day period and at least two-thirds (2/3rds) of the eligible votes that are received are in favor of converting Mohala to an equity, member-owned resident recreation club at the time in question, the Company shall proceed to implement the equity program pursuant to the Equity Membership Documents (as defined below), subject to the other provisions of this section.

EQUITY MEMBERSHIP PLAN DOCUMENTS

Equity memberships will be offered in accordance with an equity membership plan and related documents (including membership agreements, the organizational documents of the Equity Resident Recreation Club Entity and the Resident Recreation Club Transfer Agreement referred to below) prepared by the Company (collectively, the "Equity Membership Documents"). Forms of the Equity Membership Documents will be available for inspection at the membership office concurrently with the Company's determination to convert Mohala to an equity, member-owned resident recreation club, but in any event, prior to any vote on the conversion.

The Equity Membership Documents will provide, in part, for the grant to the Company, its designee(s), and their successors and assigns, of a continuing right (before and after the "Turnover Date" (as defined below), and which right currently exists) to operate a real estate sales office at the Resident Recreation Club Facilities in a location selected by the Company for the initial sale and resale of units in the Project. After the Turnover Date, any change in the location of this office shall be mutually agreed upon by the Company (or, if applicable, its designee(s) and their successors and assigns) and the Equity Resident Recreation Club Entity. The Company, its designee(s), and their successors and assigns shall not be obligated to pay any rent for this space, but, after the Turnover Date, shall be obligated to pay an allocable portion of the utility charges based on the size of the office, and all telephone and internet charges attributable to the operation of the office. So long as the Company, its designee(s), and/or their successors or assigns are using such space, the Equity Resident Recreation Club Entity shall not permit any other real estate brokerage office to operate on the Mohala property. The Company, or its designee(s) or their successors or assigns shall have the right to cancel such occupancy arrangement at any time upon written notice to the Equity Resident Recreation Club Entity.

The Equity Membership Documents will also provide for certain rights and benefits for the Company (including its designee(s) and their successors or

assigns, where appropriate) until at least the initial sale of all of the equity memberships permitted to be issued by the Equity Resident Recreation Club Entity and the initial sale of all of the residential units in the Project and Melia Ward Village. These rights and benefits include, but are not limited to: (i) restrictions on amendments, supplements or modifications to the Equity Membership Documents without the prior written consent of the Company; (ii) changes to the Resident Recreation Club Facilities without the prior written consent of the Company; (iii) absolute control of the price of equity memberships sold by the Company; (iv) the ability of the Company and its designees to entertain prospective membership purchasers at the Resident Recreation Club Facilities as it deems necessary and appropriate; (v) approval of candidates for the memberships held by the Company for sale; (vi) the right of the Company to continue to own and use the Mohala logos, trademarks, service marks, images and the like in connection with its and its affiliates' business activities in the same manner as prior to the equity conversion; (vii) the obligation of the Equity Resident Recreation Club Entity to consent to easements, rights-of-way and the like and to minor modifications to the description of the Mohala property (including the recreational unit and appurtenant limited common elements) in order to enable the Company or its designee(s) and their successors or assigns to complete the residential development and the sale of residential units; (viii) the obligation of the Equity Resident Recreation Club Entity to maintain and operate the Resident Recreation Club Facilities in the same general manner as existed at the time of the equity conversion; and (ix) such other reasonable terms and conditions that the Company may include.

TRANSFER OF RESIDENT RECREATION CLUB FACILITIES AT CONVERSION

The Equity Membership Documents will provide that the Company shall cause its interests (i.e., fee, leasehold and/or other, as the case may be) in all then existing Resident Recreation Club Facilities, including use of such reasonable rights of access as are held by the Company, as well as furniture and equipment owned by the Company and used solely in connection with operation of the Resident Recreation Club Facilities (but excluding that which is used in connection with the marketing and sale of residential units in the Project or Melia Ward Village and memberships at Mohala which the Company, its designees and their successors and assigns deem necessary for marketing and sales operations after the equity conversion), to be transferred to the Equity Resident Recreation Club Entity in their "where is, as is" condition free of monetary liens, but subject to those agreements specified by the Company (including, without limitation, equipment leases entered into in the ordinary course of business) and trade payables, as well as matters of record pertaining to such property. In the alternative, the Company may effect the transfer of its interests in the aforesaid property to the Equity Resident Recreation Club Entity by virtue of a transfer of the membership/equity ownership interests in the Company to the Equity Resident Recreation Club Entity. The sole consideration to be received by the Company for the transfer to the Equity Resident Recreation Club Entity will be the assumption by the Equity Resident Recreation Club Entity of the Company's Membership Deposit refund obligation and proceeds from the initial issuance of equity memberships to individuals and

entities who have not converted from non-equity membership. The Company shall not be required to pay any cash or other consideration for the Equity Resident Recreation Club Entity's assumption of Membership Deposit refund obligation. The Company shall also receive the lesser of book value or fair market value of all inventory and supplies. The Company and its affiliates will retain ownership of all cash and accounts receivable, as of the date of the transfer provided for above (the "Transfer Date"). The transfer of the interests in the subject property as contemplated above shall be pursuant to a "Resident Recreation Club Transfer Agreement" to be entered into by the Company and the Equity Resident Recreation Club Entity, which will be one of the Equity Membership Documents.

The Company shall be responsible for operating deficits and shall be entitled to keep all operating profits until the Turnover Date. The Company shall not be required to create a reserve for the benefit of the Equity Resident Recreation Club Entity or transfer any capital reserve that the Company holds.

GOVERNANCE OF EQUITY RESIDENT RECREATION CLUB

The Equity Resident Recreation Club Entity will be governed by a Board of Directors (or equivalent decision-making group) (herein, the "Board") in accordance with the Equity Membership Documents. After the conversion, the Board will be responsible for the government and administration of the affairs and property of the Equity Resident Recreation Club Entity, set dues, fees and charges for members, establish rules and regulations and, in general, control the management and affairs of the Equity Resident Recreation Club Entity. Until the initial sale of all of the equity memberships held by the Company, the Company shall establish the membership contribution required to be paid for an equity membership in each applicable category of equity membership. Thereafter, the Board shall establish the required membership contribution for equity memberships. The Board will be appointed by the Company until the Turnover Date and elected by the equity members after the Turnover Date in accordance with the Equity Membership Documents.

MANAGEMENT OF EQUITY RESIDENT RECREATION CLUB

It is anticipated that in connection with the conversion of Mohala to an equity resident recreation club, the Company will enter into a management agreement with an affiliate of Discovery (the "Equity Resident Recreation Club Management Company") for the management of the Equity Resident Recreation Club Entity and the equity resident recreation club facilities (the "Equity Resident Recreation Club Management Agreement"). The Equity Resident Recreation Club Management Agreement will have an initial term of 30 years, with renewal terms provided for. However, the Equity Resident Recreation Club Management Agreement can be terminated before the end of the applicable term based upon occurrence of one of the following events: (x) the equity members vote to terminate the Equity Resident Recreation Club Management Agreement by a vote of at least eighty-five percent (85%) of the votes cast at a meeting at which there is a quorum at any time after five years has elapsed from the date that all of the equity memberships have been initially issued; or (y) the Equity Resident Recreation Club Management Company determines to terminate the

Equity Resident Recreation Club Management Agreement prior to the end of the term, or (z) the Equity Resident Recreation Club Management Agreement is otherwise terminated in accordance with its terms.

TURNOVER DATE

Assuming that Mohala has been converted to an equity resident recreation club, the "Turnover Date" shall mean that date specified by the Company, which date shall be within 180 days after the Transfer Date.

The Company shall continue to own and be entitled to sell any of its remaining memberships following the Turnover Date. Commencing on the Turnover Date, the Company shall not be obligated to fund any operating deficits and shall not be entitled to receive any profits resulting from operation of the equity resident recreation club. The Equity Resident Recreation Club Entity shall be responsible for funding operating deficits and shall be entitled to any profit resulting from the operation of the equity resident recreation club. Further, the Company shall not be obligated to pay dues with respect to any unsold memberships which it may hold, nor shall the Company be obligated to pay any operating or capital assessments that are imposed on the equity members with respect to unsold equity memberships held by it at the time of the assessment.

On the Turnover Date, the members of the Board of the Equity Resident Recreation Club Entity appointed by the Company shall resign and the individuals elected by equity members shall become the members of the Board.

The Company is not making any representation or commitment with respect to the ability of the Equity Resident Recreation Club Entity to qualify for tax exempt status, if such status is desired.

INSPECTION PRIOR TO TURNOVER

Immediately prior to the Turnover Date, an inspection will be conducted to determine whether the Equity Resident Recreation Club Entity's facilities are in commercially reasonable good working order, ordinary wear and tear excepted. The inspector will be selected in the discretion of the Company and will be an independent inspector, architect or engineer licensed by the State of Hawaii. Any repairs called for in the inspection reports as necessary for the facility to be in commercially reasonable good working order, ordinary wear and tear excepted, will either (a) be repaired at the Company's sole expense in an expeditious fashion, or (b) be cured by way of the Company funding into a separate capital account of the Equity Resident Recreation Club Entity an amount reasonably determined to cover the cost of the repairs. On the Turnover Date, all equipment of the Equity Resident Recreation Club Entity shall be in commercially reasonable good working order, ordinary wear and tear excepted.

REFUND OF MEMBERSHIP DEPOSIT/CONTRIBUTION

The conversion of Mohala to an equity member-owned resident recreation club would change the terms concerning refund of the Membership Deposit.

With respect to those Members who have converted to equity membership, the amount to be refunded by the Equity Resident Recreation Club Entity upon resignation and reissuance of the equity membership would be the greater of (x) seventy percent (70%) of the then current membership contribution for an equity membership in the applicable equity category, or (y) the amount of the Membership Deposit previously paid, but not to exceed the then current membership contribution for an equity membership in such category. The refund would be paid within 30 days after the reissuance of the membership and the Equity Resident Recreation Club Entity will have the right to deduct from the amount of the refund, any amount that the equity member in question owes to the Equity Resident Recreation Club Entity or to the Company. Each member who wishes to transfer their membership in any way, must be a member in good standing for at least 180 consecutive days prior to the transfer. The Resident Recreation Club's obligation to make a refund in respect of the Membership Deposit paid by these Members would be canceled.

SECTION XIII GENERAL PROVISIONS

PROTECTION OF MEMBERSHIP PRIVILEGES

The Company, for itself and on behalf of its successors and assigns, reserves the right to sell, convey, merge, assign, transfer or otherwise dispose of any or all of its right, title and interest in the Resident Recreation Club Facilities and in, to and under this Membership Plan, the Rules and Regulations and the Membership Agreements then in effect, to any party or parties. In the event that the Company ever sells, conveys, merges, assigns, transfers or otherwise disposes of all of its right, title and interest in the Resident Recreation Club Facilities and in, to and under this Membership Plan, the Rules and Regulations and the Membership Agreements then in effect, it will disclose the existence of this Membership Plan, the Rules and Regulations and the Membership Agreements then in effect, to the transferee and will require the transferee to acquire such interest subject to the terms and conditions of this Membership Plan, the Rules and Regulations and the Membership Agreements then in effect. Upon any such sale, conveyance, merger, assignment, transfer or other disposition of all right, title and interest in the Resident Recreation Club Facilities and in, to and under this Membership Plan, the Rules and Regulations and the Membership Agreements then in effect, the transferring party shall be relieved of and released from any and all obligations hereunder, under the Rules and Regulations and each Membership Agreement then in effect; provided, however, the transferee or the surviving company acquires such right, title and interest subject to the terms and conditions of this Membership Plan, the Rules and Regulations and the Membership Agreements then in effect and assumes the obligations of the transferring party thereunder.

Notwithstanding the foregoing, this subsection will not apply to an equity conversion or to a transferee that is, or that acquires rights with respect to the Resident Recreation Club Facilities from, the holder of a mortgage or deed of trust and/or related security instrument.

MEMBERS' ACKNOWLEDGMENT

Membership in Mohala permits the Member to use the Resident Recreation Club Facilities in accordance with this Membership Plan, the Rules and Regulations and the Membership Agreement. Membership in Mohala is not an investment in the Company, Mohala or the Resident Recreation Club Facilities and does not give a Member a vested or prescriptive right or easement to use the Resident Recreation Club Facilities. Membership in Mohala does not provide a Member with an equity or ownership interest or any other property interest in the Company, Mohala or the Resident Recreation Club Facilities. A Member acquires only a revocable license to use the Resident Recreation Club Facilities in accordance with the terms and conditions of this Membership Plan, the Rules and Regulations and the Membership Agreement, as the same may be amended, modified or supplemented from time to time. Without limiting any of the foregoing, membership in Mohala provides the Member with no right to purchase any of the residential units in the Project or in Melia Ward Village, or any right to reserve or otherwise obtain in any way any right in respect of any real estate within the Project or Melia Ward Village. All rights and privileges of Members under this Membership Plan, the Rules and Regulations and the Membership Agreement are subject and subordinate to the lien of any mortgage or deed of trust or other security instrument encumbering the Resident Recreation Club Facilities from time to time, if any.

The revocable license to use the Resident Recreation Club Facilities acquired by a Member, and the Member's rights to use the Resident Recreation Club Facilities is non-exclusive, and subject to the rights of others to use the Resident Recreation Club Facilities, and the rights and restrictions in favor of governmental authorities, utilities and others that have been entered into or will be entered into in connection with the development of the Resident Recreation Club Facilities and/or the Project by the Company. Information on any rights and restrictions in favor of governmental authorities, utilities and others will be provided to any Member upon written request to the Resident Recreation Club.

The Company reserves the right, in its discretion, to amend, modify or supplement this Membership Plan and the Rules and Regulations, to reserve memberships, to add, issue, modify or discontinue the offering of any type, category or class of membership or dues category or classification, to convert Mohala into an equity, member-owned resident recreation club and to make any other changes in the terms and conditions of membership or in the Resident Recreation Club Facilities or services available to Members.

RECALL RIGHT

If the Resident Recreation Club determines, in its discretion, that the integrity and/or positive atmosphere of Mohala will be diminished or jeopardized by the continued membership of any Member, or in the event the Resident Recreation Club determines in its discretion that it is in the best interests of the Resident Recreation Club to terminate membership in Mohala of any Member for any reason whatsoever, the Resident Recreation Club shall have the unfettered right in its discretion at any time, to recall the membership in question by refunding

the Membership Deposit paid by such Member (a "Recalled Member") plus a prorated portion of the dues paid in advance for the remainder of the Membership Year following the effective date of the recall, less any indebtedness of such Recalled Member to the Resident Recreation Club, within 30 days after the effective date of the recall. The Resident Recreation Club will reserve a Mohala Membership for a subsequent purchaser of the Recalled Member's residential unit with which the recalled membership was associated (subject to the Resident Recreation Club's normal review and invitation/acceptance procedures provided for herein) for a period of two years from the date of such membership recall and at the Membership Deposit amount in effect at the time the membership is acquired. Notwithstanding the foregoing provision concerning the Resident Recreation Club's obligation to reserve a membership for a subsequent residential unit purchaser from a Recalled Member, in the case where the recall is related in any way to the conduct of the Member, or an Immediate or Extended Family Member of the Member, or their guest, which would otherwise result in or actually results in the Resident Recreation Club taking disciplinary action against the Member pursuant to the Rules and Regulations, or in the case where the Member's Resident Recreation Club account is delinquent, the Resident Recreation Club shall not have any obligation to reserve a Mohala Membership for the subsequent purchaser of the Recalled Member's residential unit. The Resident Recreation Club also has the right in its discretion to recall all memberships in Mohala for any reason whatsoever, by refunding the Membership Deposit paid by each affected Member, plus a prorated portion of the dues paid in advance for the remainder of the Membership Year following the effective date of the recall, less any indebtedness of the Member in question to the Resident Recreation Club, within 30 days of the effective date of the recall. The payment by the Resident Recreation Club to any Member of the refund provided for hereinabove shall result in a full release by such Member of any and all liability, claims, demands, actions or causes of action arising out of or related to the recalled membership to the fullest extent permitted by law. These recall provisions shall be broadly interpreted to provide the Resident Recreation Club with the maximum discretion allowed by law to unilaterally make such determinations described above and undertake all actions necessary to carry out the intent set forth herein. The recall right provided for in this subsection shall constitute a separate right of the Resident Recreation Club and nothing herein is intended to change or affect any other provisions in this Membership Plan, including, without limitation, the provisions concerning resignation or termination of this Membership Plan.

TERMINATION OF MEMBERSHIP PLAN

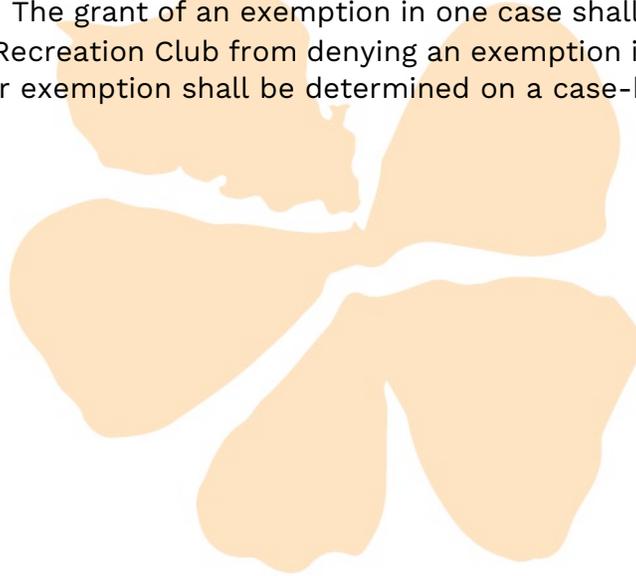
The Resident Recreation Club reserves the right to terminate this Membership Plan in its discretion. If the Resident Recreation Club elects to terminate this Membership Plan, notice to such effect will be given to the membership. In the event of termination of this Membership Plan (which terminates all memberships in Mohala) without a designated replacement plan or replacement memberships, the Resident Recreation Club will not refund the Membership Deposit paid.

NO PLEDGE OF MEMBERSHIPS

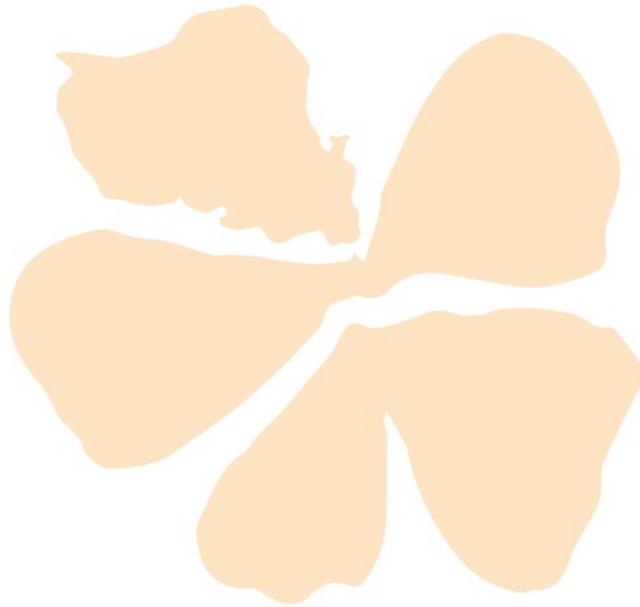
A Member may not pledge or hypothecate the membership except to the extent the lien or security interest is incurred as a result of obtaining the membership privileges and then, only with the prior written approval of the Resident Recreation Club.

EXEMPTIONS TO APPLICATION OF MEMBERSHIP DOCUMENTS

Notwithstanding any other provision of this Membership Plan, the Resident Recreation Club may grant exemptions to the application of this Membership Plan, the Rules and Regulations and/or the Membership Agreement, in appropriate circumstances, as determined by the Resident Recreation Club in its discretion. The grant of an exemption in one case shall not prevent or estop the Resident Recreation Club from denying an exemption in another case. Each application for exemption shall be determined on a case-by-case basis.



MOHALA



RULES AND REGULATIONS

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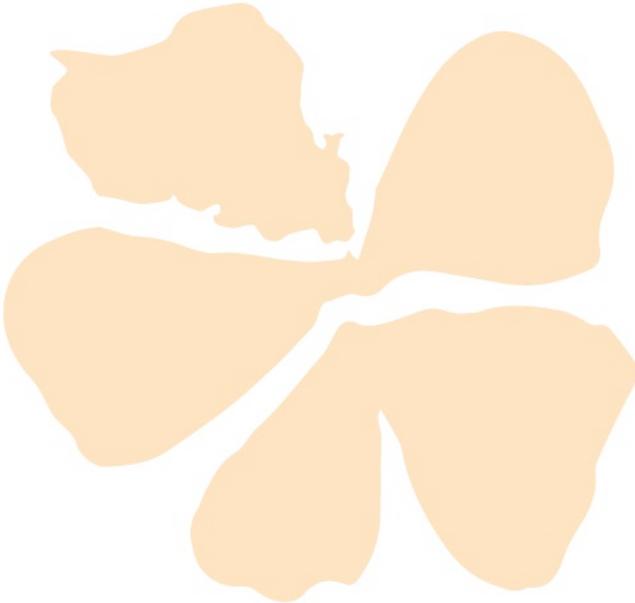
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PREAMBLE

These Rules and Regulations (the "Rules and Regulations") are established by the Resident Recreation Club (all capitalized terms used in these Rules and Regulations and not otherwise defined herein shall have the same meanings as they have in the Membership Plan for Mohala (as amended, modified or supplemented from time to time, the "Membership Plan")) to protect the Resident Recreation Club Facilities, to promote the health, safety, welfare and enjoyment of the Resident Recreation Club Facilities by the Members, their Immediate Family Members and guests, pursuant to the Membership Plan, and provide Members with an enjoyable resident recreation club experience. These Rules and Regulations, in conjunction with the Membership Plan, govern the use of the Resident Recreation Club Facilities by the Members and their Immediate Family Members, and guests, as well as other matters pertaining to membership in Mohala. These Rules and Regulations also govern use of the Resident Recreation Club Facilities by other permitted users thereof. These Rules and Regulations may be amended, modified or supplemented by the Resident Recreation Club from time to time.

GENERAL RESIDENT RECREATION CLUB RULES

1. All Members and Members' Users Bound. Each Member and the designated user under a membership held by an entity (herein a "Designated User") and each person who uses the Resident Recreation Club Facilities or is present on Mohala premises (the "Premises") as an Immediate Family Member, or as a guest under a membership (each of whom including the Member or Designated User unless otherwise indicated or the context requires otherwise, is referred to as a "Member User"), or other permitted user, shall be bound and abide by all of the provisions of these Rules and Regulations, as they may be amended, modified or supplemented from time to time. In addition, each Member shall be responsible under these Rules and Regulations for all of the acts of such Member's Member Users (references herein to "Member" shall be deemed to include each Immediate Family Member of a Member, as well as a Designated User under a membership held by an entity and his or her Immediate Family Members, where applicable, unless otherwise indicated or the context requires otherwise).

2. Hours of Operation. The Resident Recreation Club Facilities shall be open on the days and during the hours as may be established by the Resident Recreation Club, from time to time, and posted. Areas of the Resident Recreation Club Facilities also may be closed for scheduled maintenance and repairs. The Resident Recreation Club reserves the right to restrict use of or to otherwise reserve in advance the Resident Recreation Club Facilities for maintenance, outings, receptions and other group or special events from time to time, including Member-sponsored events.

3. Entertainment and Amplified Sound. Loud or amplified music or speech, as well as performance by entertainers, will be permitted on the Premises only with the permission of the Resident Recreation Club's management personnel (which includes the General Manager) ("Management Personnel").

4. Alcoholic Beverages. Alcoholic beverages will not be served or sold, nor permitted to be consumed, on the Premises in any manner that is prohibited by law. The Resident Recreation Club reserves the right, in its discretion (but does not undertake any obligation), to refuse service to any person, including a Member, who appears to be intoxicated. Staff working at the Resident Recreation Club Facilities will be permitted to deliver food and/or beverages to locations away from the service area in question only with the permission of Management Personnel.

5. Food and Beverage Service. Except as otherwise provided herein, or permitted by the Resident Recreation Club from time to time, the Resident Recreation Club shall be the sole provider of food and beverages at the Premises, and persons shall not be allowed to bring their own food or beverages for consumption at Mohala, except as otherwise provided herein.

6. Advertising. Commercial advertisements shall not be posted or circulated on the Premises, nor shall solicitations of any kind be made on such property or on any stationery or other media containing Mohala's name, without the prior written approval of the Resident Recreation Club in each instance.

7. Member List. The Resident Recreation Club shall maintain an electronic membership register through Mohala's website, which shall identify the Members in each of the categories of membership established from time to time. A Member shall have the right to withhold such Member's name from the membership register. No Member may use the membership register or other membership information for any solicitation or other commercial purpose or otherwise without the Resident Recreation Club's prior written consent.

8. Fundraising and Political Activities; Religious Functions. The Premises, including the Resident Recreation Club Facilities, may not be used for any fundraising or political effort or demonstration for the benefit of any social or political cause, except as the Resident Recreation Club may otherwise approve in writing from time to time. No petitions or similar items shall be originated, solicited, circulated or posted at the Premises without the Resident Recreation Club's prior written approval in each instance. The Premises, including the Resident Recreation Club Facilities, shall not be used for any religious service, gathering or function or similar activities except as the Resident Recreation Club may otherwise approve in writing from time to time.

9. Inappropriate Requests. Members and their Member Users shall not request any illegal or special personal services from staff working at the Premises (whether on duty or off duty) or request the personal use of property or equipment that is not ordinarily made available for use by Members.

10. Pets. No pets (with the exception of recognized service dogs assisting persons with disabilities) are permitted within enclosed Resident Recreation Club Facilities and any related patio areas. To the extent service dogs are permitted within enclosed Resident Recreation Club Facilities, they must be on a leash no longer than six feet in length at full extension. If permitted, Members and their Member Users shall comply with the rules and regulations posted at the designated premises, otherwise published and/or on the Mohala website with respect to pets. Members shall be responsible for all damage caused by a pet brought to the Premises by the

Member or the Member's Member Users. Members and their Member Users shall clean up after their pets.

11. Complaints. All complaints, criticisms or suggestions of any kind relating to any of the operations of the Resident Recreation Club Facilities or Mohala, or staff working at the Premises, must be in writing, signed and addressed to the General Manager or other person designated by the Resident Recreation Club from time to time.

12. Standard of Conduct. All Member Users shall comport themselves in a non-violent, non-aggressive, reasonable manner while present on the Premises. Member Users may not abuse, verbally or otherwise, anyone present on the Premises, including staff working thereat. All persons working at the Premises shall be under the supervision of the Resident Recreation Club or Management Personnel, and no Member User shall reprimand or seek to discipline any worker, nor shall a Member User request a worker to leave the Premises for any reason. Any worker not rendering courteous and prompt service should be reported to Management Personnel immediately.

13. Parking. All vehicles will be required to valet at the Project. Vehicles parked in violation of "No Parking" signs or other parking restrictions may be towed at the expense of the Member in question.

14. Smoking. Smoking is permitted only in designated outdoor areas away from the Project.

15. Weapons; Fireworks. No firearms or other dangerous weapons of any kind are permitted on the Premises at any time unless otherwise approved in advance by Management Personnel. No fireworks are permitted on the Premises, except for organized displays sponsored by the Resident Recreation Club and except as otherwise approved by Management Personnel in writing from time to time.

16. Enforcement. The Resident Recreation Club will designate staff who will have the authority to enforce these Rules and Regulations.

17. Non-Discrimination. The Resident Recreation Club shall not discriminate against any individual because of the individual's race, color, religion, sex, national origin, age, handicap or marital status.

18. Posted Rules. Members and their Member Users shall comply with all posted rules and regulations at the Premises.

19. Cell Phones. Members and their Member Users shall ensure that use of personal communications and entertainment devices (cell phones, iPads, laptops, Bluetooth devices, video game devices, etc.) is not disruptive to fellow Members or their Member Users.

20. Resident Recreation Club Offices. Resident Recreation Club offices and office equipment are for Mohala operations use only and are not available for Member or Member User use. Members and Member Users are respectfully requested to refrain from entering Resident Recreation Club offices or kitchen areas, except by invitation.

21. Violations. Violation of any of these rules or conduct in a manner prejudicial to the best interests of the Resident Recreation Club or its affiliates, will subject the person in violation to disciplinary action by the Resident Recreation Club in accordance with these Rules and Regulations.

22. No Contraband. No Member User or any other permitted user shall purchase, use, ingest, possess or distribute illegal drugs or other substances, or attempt to do any of the same, while on the Premises.

23. Special Needs. If a Member User who is going to be visiting Mohala has special needs which can reasonably be accommodated, the Member User must advise Management Personnel in writing with reasonable advance notice so that the appropriate preparations can be made for such Member User's specific needs. The Member will be notified if there is an inability to accommodate all or part of the special needs of which the Resident Recreation Club has been notified.

24. Trademarks, etc. Members shall not use the name, logos, colors, trademarks, service marks, photographs, trade dress or other identifying features of Mohala without obtaining the specific prior written approval of the Resident Recreation Club. Members hereby expressly recognize that Mohala marks are the valid, unique and exclusive property of the Company and its affiliates. Members may not produce or create or authorize others to produce or create the Mohala name, logos or other identifying items for any purpose whatsoever, including, but not limited to, in any communications, marketing, advertising or other promotional materials (including, without limitation, brochures, flyers, invitations, e-mail messages, and the like), without the Resident Recreation Club's prior written consent.

25. Resident Recreation Club's Discretion. Any reference herein to a right, decision or permission being reserved to the Resident Recreation Club shall mean that such right, decision or permission may be exercised, made, granted or withheld, as the case may be, in the Resident Recreation Club's sole and absolute discretion, unless otherwise expressly stated. Further, use of the term "discretion" herein shall mean sole and absolute discretion.

MEMBERSHIP CARDS

1. Issuance of Cards. The Resident Recreation Club may issue a membership card or other type of membership credential to each Member, and to selected Immediate Family Members of the Member. Membership cards or other membership credentials, if issued, may be necessary for entry into the Resident Recreation Club Facilities and/or to open and close tabs, as determined by the Resident Recreation Club from time to time.

2. Lost Membership Cards. If a membership card or other type of membership credential is lost or stolen, the Resident Recreation Club must be notified immediately. The Member's Resident Recreation Club account will be canceled and the Resident Recreation Club will issue a replacement. This procedure reduces the risk that unauthorized persons are able to charge items to the account. Until notification of loss or theft is received in writing by the Resident Recreation Club, the Member is responsible for all charges placed on the account. The Resident Recreation

Club may charge a fee for issuance of a replacement membership card or other credential.

3. Improper Use. A membership card or other membership credential may not be used by any person other than the person to whom it is issued. A membership card or other membership credential is not transferable. Any improper or unauthorized use of a membership card or other membership credential by a Member User shall be a violation of these Rules and Regulations and may result in suspension of membership privileges and possible expulsion.

4. Vehicle Decals. Members may receive decals or other identification for their vehicles from the Resident Recreation Club, and shall display such identification as required by the Resident Recreation Club.

5. Return of Membership Cards. Upon leaving Mohala following resignation or for any other reason, all membership cards or other membership credentials, if issued will be deactivated and they and any other identification materials, to the extent applicable, must be returned to the membership office.

MEMBER DUES AND CHARGES

1. Billing Policy. Dues will be billed on an annual basis in advance, unless otherwise determined by the Resident Recreation Club. Fees and charges incurred at Mohala will be billed on a monthly basis.

2. No Credit Card Charges. Members and their Member Users cannot use credit or debit cards to purchase goods and services at Mohala unless otherwise determined by the Resident Recreation Club. Cash payments are also not permitted.

3. Billings. Members have the option of having dues, fees and other charges billed to their Resident Recreation Club account, or deducted from their bank or other financial institution account on file with the Resident Recreation Club. Members will receive a written statement of their dues, fees and charges. In any case, Members are required to provide a valid credit card approved by the Resident Recreation Club to which the Resident Recreation Club can charge delinquent amounts. Members agree to pay directly to the Resident Recreation Club any amounts not received from the bank or other financial institution account, or from the credit card company, if applicable, as contemplated hereby within 10 days of receipt of written notice from the Resident Recreation Club. If payment is not received within 30 days of when the amount is first billed, the account shall be considered delinquent and a late payment charge per annum determined by the Resident Recreation Club from time to time (but not to exceed the maximum amount permitted by law) shall begin to accrue from the date the amount became delinquent until payment in full. Members having past due bills may be charged a reinstatement fee at the discretion of the Resident Recreation Club to reactivate an account once it is deemed delinquent.

4. Charge Privileges. A Member will be entitled to credit and charge privileges with respect to the membership so long as the Member's membership is in good standing and the Member complies with the requirements specified in paragraph 3 above. In addition, failure to comply with said requirements will constitute a violation of these Rules and Regulations.

5. Other Delinquency. Delinquency of the payment of condominium assessments owed to the Project's association is harmful to the Resident Recreation Club and the Members. The Resident Recreation Club shall have the right to suspend membership privileges in Mohala at any time there is a delinquency with respect to a Member's condominium assessments owed to the Project's association, at the request of the board of directors of the association, until the delinquent account is paid in full. In addition, in the event a Member or related person is delinquent in the payment of any amount owed to an affiliate of the Resident Recreation Club connected in any way with the Project, the Resident Recreation Club shall have the right to suspend membership privileges until the delinquent amount has been paid in full.

6. Disciplinary Right. If a Member fails to pay any amount incurred by the Member or a Member's Member User within 30 days of when it is first billed, the Resident Recreation Club shall have the right to suspend membership privileges in Mohala at any time until the delinquent account is paid in full. Continued delinquency for a period of 90 days from the date an account is first billed or repeated incidents of delinquency by a Member may result in termination of membership in Mohala or involuntary resignation from Mohala, in the Resident Recreation Club's discretion.

7. Entity Membership. When a membership is issued in the name of an entity, each Designated User of that entity shall be jointly and severally liable with the entity for all dues, fees and other charges and liabilities associated with the membership.

8. Collections. If the account of any Member is delinquent, the Resident Recreation Club may at its option take whatever action it deems necessary to effect collection. If the Resident Recreation Club commences any legal action to collect any amount owed by any Member or to enforce any other liability of any Member to the Resident Recreation Club, and if judgment is obtained by the Resident Recreation Club, the Member shall also be liable for all costs and expenses of such legal action and reasonable attorneys' fees, including any fees required in connection with appellate proceedings or bankruptcy. Notwithstanding the foregoing, if the Resident Recreation Club retains legal counsel to pursue collection of a delinquent account, but which does not involve the commencement of a legal action related thereto, the Member in question shall be liable for reasonable attorneys' fees incurred by the Resident Recreation Club in this regard.

9. Billing Questions. Questions regarding billing matters should be directed to the Accounting Department.

MAILING ADDRESSES

1. Address and Mailing. Each Member shall be responsible for keeping the Resident Recreation Club notified in writing of the current mailing address, telephone number and e-mail address of such Member from time to time. All monthly statements, notices and other correspondence from the Resident Recreation Club will be sent via electronic mail unless otherwise determined by the Resident Recreation Club, and each Member, by virtue of becoming a Member, authorizes the Resident Recreation Club to take such action. If at any time the Resident Recreation Club has not received the current address information from a Member, any transmission from

the Resident Recreation Club may be addressed to the address that the Resident Recreation Club believes is the most likely to result in delivery to such Member.

2. Change of Address. Failure to keep the Resident Recreation Club apprised of the Member's current mailing address, telephone number and e-mail address shall constitute a waiver of the right to receive notices, bulletins and any other communications, and a violation of these Rules and Regulations.

RESIDENT RECREATION CLUB SERVICES AND ACTIVITIES

1. General. The Resident Recreation Club may provide a variety of social and recreational events in which Members are encouraged to participate. The Resident Recreation Club desires to encourage the use of the Resident Recreation Club Facilities by Members for private functions provided they do not interfere with the normal operation of Mohala or the services regularly available to Members.

2. Group Activities. Group activities (i.e., gatherings of more than eight persons) on the Premises will be allowed only with the permission of Management Personnel.

3. Reservations. Members may be required to make reservations for Mohala services and activities as determined to be appropriate by Management Personnel.

4. Private Functions. Private functions are permitted at the Premises only with prior permission of Management Personnel. The Member sponsoring the function must attend the function unless otherwise determined by Management Personnel. Further, the Member sponsoring the function shall assume full responsibility for the conduct of guests and the removal of any décor (i.e., all such persons shall be considered to be Member Users of the sponsoring Member). Similarly, the sponsoring Member of the function shall be responsible for any damage to the Premises and for the payment of any charges not paid by individuals attending the function.

5. Special Events. Special events and functions may be scheduled from time to time at the discretion of the Resident Recreation Club as contemplated by the Membership Plan, which events may impact Member use of the Resident Recreation Club Facilities.

DISCIPLINE

1. Improper Conduct. Members are responsible for their own conduct and for the conduct of their Member Users. Any Member whose conduct (or the conduct of such Member's Member Users) shall be deemed by the Resident Recreation Club to be likely to endanger the welfare, safety, harmony or reputation of the Company, its affiliates, Mohala or its Members, or the Members' enjoyment of the Resident Recreation Club Facilities or is unlawful or otherwise improper, may be reprimanded, fined, suspended or expelled from Mohala and have all privileges associated with such Member's membership suspended or terminated by the Resident Recreation Club. The Resident Recreation Club shall be the sole judge of what constitutes improper conduct, but improper conduct will include, without limitation: (i) failure to timely pay amounts owed to the Resident Recreation Club, (ii) violent or threatening behavior or behavior otherwise endangering the health, safety or well-being of any person or property,

(iii) failing to meet eligibility for membership, (iv) submitting false information in such Member's Proposal for Membership or Membership Agreement, (v) if applicable, allowing such Member's membership card or other membership credentials to be used by anyone who is not authorized to do so, (vi) abusing Mohala personnel or employees, other Members or anyone else on the Premises from time to time, (vii) acting in a manner incompatible with the standard of conduct of the existing membership or conduct which is generally unbecoming of a Member, whether or not at Mohala or related thereto, including, without limitation, engaging in sexual harassment of any kind, (viii) the making of disparaging remarks concerning the Company or any affiliate, or any person employed by or otherwise associated in a management or ownership capacity with, any of such entities, (ix) the commencement, or threat of commencement, of a legal action against the Company or any affiliate (except for a bona fide tort action based upon an injury sustained while using the Resident Recreation Club Facilities), or (x) a violation of these Rules and Regulations.

2. Notice and Hearing. Any Member accused of improper conduct (or whose Member User is accused of improper conduct) shall be notified of the Resident Recreation Club's proposed disciplinary action (including, without limitation, suspension or expulsion) and shall be given an opportunity to be heard by the Resident Recreation Club's designated representative(s) (e.g., General Manager or other individual or group designated for such purpose from time to time by the Resident Recreation Club) to show cause why the Member should not be disciplined. If such Member desires to be heard, the Resident Recreation Club's designated representative(s) or body shall set a time and date (not less than 10 days thereafter) for a hearing. The procedures set forth in this paragraph shall not restrict the Resident Recreation Club's right to suspend a Member's privileges or expel a Member due to delinquent amounts owing by such Member. Notwithstanding the preceding provisions of this paragraph, the Resident Recreation Club shall have the right to suspend a Member (pending a hearing if one is requested), or expel a Member with notice only in the case where the Member's or a Member's Member User's conduct warrants such action in the Resident Recreation Club's discretion.

3. Suspension. If the Resident Recreation Club determines that the conduct of the Member (or one or more of a Member's Member Users) has been improper, the Resident Recreation Club may suspend or restrict such Member's privileges of membership for any period of up to 12 months (provided, however, that if the suspension is due, in whole or in part, to the failure to timely pay the Member's Resident Recreation Club account, the suspension can remain in effect until the Resident Recreation Club account has been paid in full), and/or may suspend or terminate the Member's right to allow an offending Member User from utilizing such Member's privileges of membership or from entering the Premises. The Resident Recreation Club's right to suspend a Member or a Member's Member User is subject to the provisions of paragraph 2 above. No Member will be entitled to any refund of any Membership Deposit, other membership fee, dues or any other amount due to the suspension or restriction of any privileges of membership. During any period of suspension or restriction, dues will continue to accrue and be due and payable as if no suspension or restriction had been imposed.

4. Expulsion. If the Resident Recreation Club determines that the conduct of a Member (or one or more of a Member's Member Users) has been improper, the Resident Recreation Club can also expel the Member, in which case the membership

shall be deemed resigned. All membership privileges shall cease upon expulsion and the obligation to pay additional dues, fees or charges shall end. The Member shall, however, remain liable for any outstanding amount on the Member's Resident Recreation Club account. Notwithstanding anything to the contrary contained hereinabove or in the Membership Plan or Membership Agreement, in the case where a Member has been expelled, in whole or in part, because of a failure to pay amounts owing to the Resident Recreation Club in a timely manner, or in the case where a Member's membership has been deemed to be resigned by the Resident Recreation Club based upon the Member's delinquency as provided for previously, the refund shall be reduced and the appropriate deduction made to the refund otherwise payable, if any, according to the following formula:

a. if at the time the refund is due, the Member has been delinquent for a period of at least one year, but less than two years, the refund owed to the Member as provided in the Membership Plan and Membership Agreement, shall be reduced by thirty-three and one-third percent (33-1/3%);

b. if at the time the refund is due, the Member has been delinquent for a period of two or more years, but less than three years, the refund owed to the Member as provided in the Membership Plan and Membership Agreement, shall be reduced by sixty-six and two-thirds percent (66-2/3%); and

c. if at the time the refund is due, the Member has been delinquent for a period of three or more years, the Member no longer will be entitled to receive any refund and the Member's membership shall be deemed surrendered to the Resident Recreation Club.

In addition, the Resident Recreation Club shall still be entitled to deduct from the amount of the refund owed according to the foregoing provisions, any amount which is outstanding on the Member's Resident Recreation Club account or which is otherwise owed to the Resident Recreation Club.

Notwithstanding anything to the contrary contained in the Membership Plan, in these Rules and Regulations or in the Membership Agreement, the Resident Recreation Club shall have the right to deduct from any refund owed to a Member any amount that the Member or a related party owes the Project's association.

PRIVACY & SOCIAL MEDIA POLICY

1. Photography and Videography. Photography and videography are permitted at the Premises. If photography or videography involves an individual or individuals other than an individual or individuals in a Member's party/group, then the consent of the individual(s) involved to be photographed or videographed must be obtained prior to such activity. Drones are not permitted to be operated on or over the Premises unless otherwise determined by Management Personnel.

2. Social Media. In order to protect the privacy of Members, Immediate Family Members, and guests, no individual Member or any of the Member's Immediate Family Members, or any guest of one of them is permitted to post, publish or disclose any personal, private or unauthorized information or image of any other Member, or

another Member's Immediate Family Member, or a guest, to any social media platform or press without the prior consent of the individual(s) involved.

3. Management Personnel Discretion. Management Personnel shall have sole discretion to determine what is deemed appropriate and what is not in regard to privacy and social media matters. Noncompliance with this policy will result in disciplinary action, including expulsion from Mohala.

LOSS OR DESTRUCTION OF PROPERTY OR INSTANCES OF PERSONAL INJURY

1. Personal Property. Each Member as a condition of membership and other Member User as a condition of invitation to enter upon the Premises or use the Resident Recreation Club Facilities, assumes sole responsibility for his or her property. The Resident Recreation Club or any other manager/operator of the Resident Recreation Club Facilities shall not be responsible for any loss or damage to any personal property used or stored on the Premises, whether in lockers or elsewhere. Any such personal property which may have been left at the Premises for six months or more without payment of storage thereon may be sold by the Resident Recreation Club, with or without notice, at a public or private sale, or may be otherwise disposed of, and the proceeds, if any, may be retained by the Resident Recreation Club.

2. No Removal of Others' Property. No person shall remove from the room in which it is placed or from the Premises any property or furniture belonging to the Resident Recreation Club or its lessees, concessionaires or other licensees without proper written authorization.

3. Responsibility for Damage. Each Member shall be responsible for all acts of the Member or in the case of a membership held by an entity, the Designated User, and such Member's or Designated User's Member Users in connection with their use of the Premises, including the Resident Recreation Club Facilities, or otherwise relating to such Member's membership. Each Designated User shall likewise be responsible for all acts of the Designated User and the Designated User's Member Users in connection with use of the Premises, including the Resident Recreation Club Facilities. Each Member shall be liable for all claims, losses, damages and costs and other liability (collectively, "Claims") to the extent caused by such Member or a Designated User, or his or her Member Users in their respective use of, or presence on or about, the Premises, including the Resident Recreation Club Facilities. Each Designated User shall likewise be liable for all Claims to the extent caused by the Designated User, his or her Member Users in their respective use of, or presence on or about the Premises, including the Resident Recreation Club Facilities. The Member and the Designated User in the case of a membership held by an entity, agree to indemnify, defend (with counsel reasonably acceptable to the Resident Recreation Club) and hold the Resident Recreation Club, any third-party manager of the Resident Recreation Club Facilities, and their respective affiliates, their respective successors and assigns, and their respective shareholders, partners, directors, officers, members, managers, employees, representatives and agents (collectively, the "Indemnified Parties"), free and harmless from, against and with respect to all such Claims.

4. Assumption of Risk. Each Member, Designated User, Member User or other user (herein a "Participant") accepts all risks and responsibilities associated with use of the Resident Recreation Club Facilities or any other facilities or services at the

Premises, including, but not limited to, all risks of bodily injury or death, or damage to property (even if such bodily injury or death, or damage to property is due to the negligence of one or more Indemnified Parties). Any Participant who, in any manner, makes use of or accepts the use of any apparatus, equipment, appliance, facility, privilege or service whatsoever owned, leased, made available or operated by any Indemnified Party, or who participates in any function or other activity made available, operated, organized, arranged or sponsored by an Indemnified Party, either on or off the Premises, then such Participant shall do so at his or her own risk. The Participant releases and shall hold all of the Indemnified Parties free and harmless, from against, and with respect to any and all Claims resulting from the matters described above in this paragraph or otherwise arising out of or incident to membership or membership privileges in Mohala or use of the Premises, including the Resident Recreation Club Facilities.

GRATUITIES

1. Added to Bill. For the convenience of all Members, a gratuity percentage, as determined from time to time by the Resident Recreation Club, will be added to all food and beverage sales and to the charges for other goods and services (excluding retail purchases) as shall be determined by the Resident Recreation Club in its discretion. A Member may increase or decrease the gratuity percentage by signing the invoice and changing the amount of the gratuity as the Member deems appropriate.
2. Cash Tipping. Cash tipping is not permitted by Members or their Member Users.
3. Holiday Fund. It is customary for the Resident Recreation Club to send a letter providing an opportunity for Members to contribute a suggested contribution to a Holiday Fund for all staff working at Mohala. Payment of such contribution will be voluntary and will be included on the contributing Member's November bill. This Holiday Fund provides the Members with an opportunity to show their appreciation to staff during the holiday season. Management Personnel shall be responsible for the distribution of these funds.

RESERVATIONS AND CANCELLATIONS

1. Dining Reservations. Dining reservations may be required as determined by the Resident Recreation Club. Members are asked to assist in maintaining required service levels by making reservations for dining prior to 5:00 p.m. on the day involved. Reservations for parties of more than 10 persons will be accommodated on an "as available" basis. A 24-hour notice is requested for parties of more than 10 persons. The courtesy of providing notice of necessary changes or cancellations is requested no later than 3:00 p.m. on the day involved.
2. Activities Reservations. Reservations may be required for certain activities of Mohala and in the Resident Recreation Club's discretion, may be accepted on a first-come, first-served basis by pre-registering with the appropriate personnel of Mohala.

3. Special Tables. For all functions held in the dining rooms of Mohala, tables will be assigned on a first-call, first-choice basis. Reservations for special tables will generally not be accepted.

4. Holding of Reservations. Reservations for dining will be held for only 30 minutes after the reserved time.

5. Dining Room Activities. No Member shall plan or set dates for dining room activities without prior approval of Management Personnel.

6. Cancellation Policy. Mohala functions and activities will have reservation and cancellation policies specific to each event.

CHILDREN

1. Age Limit. Except as may be otherwise provided herein or unless permitted by the Resident Recreation Club, children under 18 years of age are not allowed at the Premises unless accompanied and supervised by a Member or an Immediate Family Member 21 years of age or older.

2. Limited Access. Children and other persons under the lawful drinking age are not permitted in any lounge unless accompanied and supervised by a Member or an Immediate Family Member 21 years of age or older.

The Member and each Immediate Family Member who is 21 years of age or older are responsible for the supervision, care and safety of related children under the age of 18 while at the Premises or enjoying the Resident Recreation Club Facilities. The Member and each supervising Immediate Family Member understand and acknowledge that staff members may briefly attend, but are not responsible for the supervision, care or safety of such children. If childcare is needed, it must be requested through the General Manager, who may arrange for childcare for specific time periods and for applicable charges, if any, and, if available, with defined responsibilities for the caregiver.

ATTIRE

It is expected that Member Users will dress in a fashion befitting the surroundings and atmosphere provided in the setting of Mohala. The Resident Recreation Club may publish dress requirements from time to time. Members will be responsible for seeing that they and their respective Member Users dress in accordance with the requirements established by the Resident Recreation Club. In any event, shirts, pants/shorts and shoes must be worn at all times on the Premises, except in locker rooms, swimming pool areas and other areas that may be designated by the Resident Recreation Club. With respect to proper dining attire, generally, the standard is casual.

GUEST PRIVILEGES

Guest privileges are extended under the rules and policies established by the Resident Recreation Club from time to time. Although it is the intention of the Resident Recreation Club to accommodate guests without inconvenience to the

Members, the Resident Recreation Club reserves the right to limit the number of guests that accompany a Member on any given day or over the course of a Membership Year or a portion thereof, limit the number of times a particular person can visit the Resident Recreation Club Facilities over the course of a Membership Year as a guest, as well as limit the times of day guests are permitted to use the Resident Recreation Club Facilities or portions thereof. The Resident Recreation Club reserves the right to make special exceptions with regard to guest rules, regulations and policies for Extended Family Members. The Resident Recreation Club shall establish from time to time, the rate of the daily guest fees and charges. Guest fees are generally included on the current Schedule of Dues, Fees and Charges. A Member whose membership privileges have been suspended is not permitted to sponsor guests nor can that Member or his or her Immediate Family Members (or Extended Family Members) use the Resident Recreation Club Facilities as a guest (or as an Immediate Family Member) under a different membership. All guests shall be considered either "Accompanied Guests" or "Unaccompanied Guests" as more particularly described below.

Accompanied Guests

1. Accompanied Guest. An "Accompanied Guest" is a guest who uses the Resident Recreation Club Facilities in the company of the Member, or an Immediate Family Member or Extended Family Member of the Member.

2. Individual Guest Limit. A particular person cannot use the Resident Recreation Club Facilities on more than six days in total in a given Membership Year, as either an Accompanied Guest or an Unaccompanied Guest regardless of the sponsoring Member, unless otherwise determined by the Resident Recreation Club. Participation by a particular person in special events does not count against the aforesaid limit.

3. Registration. A particular individual using the Resident Recreation Club Facilities as an Accompanied Guest must be registered by the sponsoring Member with the appropriate Resident Recreation Club personnel. The Resident Recreation Club reserves the right to require identification by each Accompanied Guest.

4. Accompanied Guest Use Privileges. Accompanied Guests are entitled to use the Resident Recreation Club Facilities only in accordance with the privileges of the membership of the sponsoring Member upon payment of applicable fees and charges.

5. Accompanied Guest Fees and Charges. Accompanied Guests will be charged guest fees for use of the Resident Recreation Club Facilities as determined from time to time by the Resident Recreation Club. Any guest fees or charges for any goods or services which are not paid at the point of sale by credit or debit card (and collected), if permitted, will be charged against the sponsoring Member's Resident Recreation Club account.

6. Limitation of Accompanied Guest Privileges. Accompanied Guest privileges may be limited by the Resident Recreation Club from time to time in the discretion of the Resident Recreation Club. Notice of such limitation will be given by the Resident Recreation Club.

7. Member Responsibility. The sponsoring Member shall be responsible for all fees and charges incurred by an Accompanied Guest. The sponsoring Member is also responsible for the conduct of an Accompanied Guest while at Mohala. If the manner, conduct or appearance of any Accompanied Guest is deemed to be unsatisfactory, the sponsoring Member shall, at the request of Management Personnel, cause such guest to leave the Premises.

Unaccompanied Guests

1. Unaccompanied Guest. An "Unaccompanied Guest" is a guest who uses the Resident Recreation Club Facilities not in the company of the sponsoring Member or an Immediate Family Member or Extended Family Member of the Member. An Unaccompanied Guest is not permitted to use the Resident Recreation Club Facilities unless otherwise determined in advance by Management Personnel. A given Unaccompanied Guest is subject to the limitation on usage specified in paragraph 2 of the Accompanied Guest subsection above.

2. Unaccompanied Guest Use Privileges. Unaccompanied Guests are entitled to use the Resident Recreation Club Facilities only in accordance with the privileges of the membership of the sponsoring Member upon payment of applicable fees and charges.

3. Identification. The Resident Recreation Club reserves the right to require identification by each Unaccompanied Guest.

4. Unaccompanied Guest Fees and Charges. Unaccompanied Guests will be charged guest fees for use of the Resident Recreation Club Facilities as determined from time to time by the Resident Recreation Club. Any guest fees or charges for any goods or services which are not paid at the point of sale by credit or debit card (and collected), if permitted, will be charged against the sponsoring Member's Resident Recreation Club account.

5. Member Responsibility Regarding Unaccompanied Guests. The sponsoring Member is responsible for all fees and charges incurred by an Unaccompanied Guest. The sponsoring Member is also responsible for the conduct of an Unaccompanied Guest while at Mohala. If the manner, conduct or appearance of any Unaccompanied Guest is deemed to be unsatisfactory, the sponsoring Member shall, at the request of Management Personnel, cause such Unaccompanied Guest to leave the Premises.

GENERAL FITNESS CENTER RULES

1. Regular operating hours for the fitness center will be posted by the Resident Recreation Club and may be changed from time to time.

2. Guest fees may be charged for use of the fitness center. If fees are established, the Member's Resident Recreation Club account will be billed.

3. All weights and pieces of equipment must be returned to their proper places at the completion of use.

4. Casual workout attire is acceptable at the fitness center such as tee-shirts, tank tops, gym shorts or warm-up pants for men; and leotards, tights, tee-shirts, tank tops, gym shorts, leggings or warm-up pants for women.

5. Pregnant women should not use equipment that would elevate their core body temperature.

6. Smoking and alcoholic beverages are prohibited at the fitness center. No food or drink may be brought onto the fitness center premises other than water and other sports beverages.

7. It is the responsibility of all persons to obtain instruction on how to use the equipment prior to usage of such equipment, and the equipment is only to be used in accordance with such instructions.

8. It is the responsibility of all persons using the fitness center to have first consulted with their physician. Persons using the fitness center should be in good physical condition and have no physical, medical or psychological conditions, disabilities, impairments or ailments, chronic or otherwise, which would preclude, impair or prevent them from using the fitness center, or engaging in active or passive exercise. No physician or nurse will be on duty.

9. A health questionnaire may have to be completed, signed and delivered to staff as a condition to using the fitness center. A waiver and release form may also have to be signed and delivered to staff as a condition to using the fitness center.

10. Members, their Immediate Family Members, and guests assume full risk of loss and responsibility for damage to their health.

11. Children under 15 years of age are not permitted to use the fitness center unless accompanied or supervised by an adult.

12. Horseplay, profanity, disruptive conduct and indiscreet behavior at the fitness center are strictly prohibited.

13. Personal communications and entertainment devices such as cell phones, iPads, laptops, Bluetooth devices, video game devices and the like should not be turned up so loud as to disturb other fitness center users.

14. All jewelry must be removed prior to exercising.

GENERAL SWIMMING POOL RULES

1. The operating hours for the swimming pools shall be established and published by the Resident Recreation Club and shall be subject to change as determined by the Resident Recreation Club. The Resident Recreation Club reserves the right to set aside designated times during normal hours of swimming pool operation for special events, during which time use by Members and their Member Users may be restricted.

2. Members and their Immediate and Extended Family Members must register their guests and are responsible for the payment of any appropriate charges as the Resident Recreation Club may determine from time to time.
3. Showers are required before entering a swimming pool.
4. Bottles, glass objects, drinking glasses and sharp objects are not permitted in the swimming pool areas. Trash should be placed in the containers located throughout the swimming pool areas.
5. Food is allowed only in designated areas of a swimming pool area.
6. All swimming pool users must wear bona fide swimming attire. Cut-offs, dungarees and Bermuda shorts are not considered appropriate attire. Proper non-swim attire is required at all times outside of the swimming pool areas.
7. Personal communications and entertainment devices, such as cell phones, iPads, laptops, Bluetooth devices, video game devices and the like may be used with headphones or ear pieces and provided they do not create a nuisance for other persons.
8. Animals, bicycles, skateboards, roller skates, rollerblades, play balls of any type and coolers are not allowed at in the swimming pool areas.
9. Running, ball playing and hazardous activity are not permitted in the swimming pool areas. Pushing, dunking and dangerous games are prohibited.
10. Diving is not permitted.
11. The staff has the authority to expel from a swimming pool area anyone who fails to cooperate in following these General Swimming Pool Rules or whose conduct is otherwise unbecoming of a member.
12. All persons using swimming pool furniture are required to cover the furniture with a towel when using sunscreens, tanning oils or lotions, or bug sprays. The use of these items could stain or damage the furniture.
13. All persons using a swimming pool area are urged to cooperate in keeping the area clean by properly disposing of towels, cans, garbage, etc.
14. Smoking is not permitted in swimming pool areas.
15. Persons who leave the swimming pool area for over 30 minutes must relinquish lounges and chairs by removing all towels and personal belongings. Saving chairs for persons absent from a swimming pool area is prohibited. The staff has the right to remove personal belongings and place them in a storage area.
16. No remote-control motorized vehicles or boats are allowed in a swimming pool area.

17. Members and their Member Users shall comply with all posted rules and regulations.

GENERAL SPA RULES

1. Members and their Member Users are entitled to participate in any Spa programs which may periodically be offered and to utilize all Spa services, amenities and facilities as they may exist from time to time, and subject to payment of any fees, space availability and these Rules and Regulations, as they may exist from time to time.

2. Members and their Member Users must check-in at the reception desk and register before entry into or use of a Spa facility. Photo identification may be requested.

3. Only persons 16 years of age or older are permitted in the Spa and no person under such age shall be permitted access to the Spa or use of any Spa services, equipment or amenities. Children under the age of 16 may be permitted to use the Spa facilities at the discretion of the Spa staff and the written approval of their parents.

4. Pets are absolutely prohibited in the Spa.

5. Operating Hours: regular operating hours of the Spa will be posted at the Spa. From time to time, the hours of operation of the Spa may be changed or the Spa may be closed for necessary repairs or maintenance.

6. Members and Immediate and Extended Family Members are permitted to bring guests to the Spa subject to the policies and procedures specified by the Resident Recreation Club. A guest fee may be charged for each guest in addition to fees for the use of specific Spa services. All guests, upon entry to the Spa, must sign in and register.

7. Smoking is not permitted in the Spa area.

8. No bare feet are allowed outside of treatment areas.

ALL SPA SERVICES

1. Appointment cancellations must be made eight hours in advance or you will be billed at a rate of fifty percent (50%) for the service.

2. We ask that you arrive 15 to 20 minutes prior to your service to relax and prepare for your treatment. If you are late for your appointment, it may be shortened to allow the therapist to be on time for the next appointment.

3. For your convenience, a gratuity may be added to the charge for each treatment.

GENERAL LOCKER ROOM RULES

1. Members may use the locker room facility(ies) designated by the Resident Recreation Club. Lockers will be assigned based on availability. In the event of a shortage of lockers, a waiting list will be established. Personal items should be removed from any "day use" lockers at the end of use each day. Any personal items left in any locker are subject to the Resident Recreation Club's policy regarding abandoned property herein stated.

2. The Resident Recreation Club reserves the right for staff to enter any locker at any time for any reason deemed appropriate by Management Personnel at its discretion. Each Access Privileges Holder is required to provide Management Personnel with the current pass-code or other means for entry into any locker, if applicable.

3. Upon notice from the Resident Recreation Club, Members will be required to remove all articles from their locker to permit periodic cleaning of and maintenance with respect to the locker. Members are required to maintain their locker in good condition, ordinary wear and tear excepted.

4. A locker is to be used only for storage of clothing and other appropriate personal belongings. Alcohol and illegal substances are not permitted to be stored in lockers. Members are not permitted to make any alterations or modifications to a locker or to in any way, deface any part of a locker. Members are not allowed to permit the creation of any nuisance associated with the use of their locker.

5. Children under the age of 18 are not permitted in a locker room unless accompanied by a Member or adult Immediate Family Member, or guest.

6. In the locker rooms, persons walking to and from showers to their lockers should be properly covered and mindful of others who might be in the locker room.

GENERAL KIDS' ACTIVITIES AREA RULES

1. The Resident Recreation Club will have a children's play area ("Kids' Activities Area") which will be open during the hours posted.

2. The Resident Recreation Club may set age requirements for children accepted at the Kids' Activities Area. The Resident Recreation Club may also set age requirements for use of certain facilities and/or activities at the Kids' Activities Area.

3. The Resident Recreation Club may set maximum time limits for use of the Kids' Activities Area.

4. Members may be charged a fee per child for use of the Kids' Activities Area as determined by the Resident Recreation Club from time to time.

5. Each child under six must be registered as an attendee of the Kids' Activities Area with the staff.

6. Children will not be allowed to bring in food.

7. Kids' Activities Area staff has the discretion to refuse any child who appears to be ill. Parents will be notified, should their child become ill while at the Kids' Activities Area.

8. Kids' Activities Area staff may call a parent to remove a child due to illness or disruptive behavior. If a child continues to misbehave after a disciplinary warning, he or she may be removed and not permitted to return that day. Chronic disruptive behavior may result in the child not being permitted continued use of the Kids' Activities Area.

9. Parents must be on the Mohala premises at all times while their children are at the Kids' Activities Area.

10. Prompt, on time retrieval of children at posted closing time is imperative. Children who are not retrieved in a timely manner may not be permitted continued use of the Kids' Activities Area.

ACCESS BY OUTSIDE REAL ESTATE BROKERS

If a Member of Mohala has listed the Member's residential unit in the Project or in Melia Ward Village with a broker (an "Outside Broker") other than the Company's designated real estate brokerage company (the "Affiliated Broker"), the following rules apply:

1. Whenever a Member desires to have a prospect tour the Resident Recreation Club Facilities, the Member or the Outside Broker must notify the General Manager in advance of any such proposed showing. If a Member desires to have a prospect use the Resident Recreation Club Facilities, the Member (not the Outside Broker) must notify the General Manager in advance of any such proposed use and gain approval in advance as described below. All prospects shall be required to provide to the Resident Recreation Club information and documentation required from time to time by the Resident Recreation Club, including, without limitation, completion of any Proposal for Membership or similar document provided by the Resident Recreation Club.

2. The Resident Recreation Club reserves the right to withhold access to the Resident Recreation Club Facilities by any prospective purchaser or Outside Broker that is not approved by the Resident Recreation Club to tour and/or use the Resident Recreation Club Facilities. In evaluating whether to approve any prospect for access to the Resident Recreation Club Facilities, the Resident Recreation Club will consider the same factors and criteria when evaluating a prospect of the Affiliated Broker for access to the Resident Recreation Club Facilities. While all approved prospects will be allowed to tour the Resident Recreation Club Facilities, the Resident Recreation Club will generally only permit those prospects where the owner of the listed residential unit within the Project or in Melia Ward Village is a Member of Mohala to use the Resident Recreation Club Facilities. Outside Brokers shall not be permitted to use the Resident Recreation Club Facilities without specific approval of the General Manager and only after request as to such usage is made by the Member (not the Outside Broker) to the General Manager.

3. Once the Resident Recreation Club approves a prospect to tour and/or use the Resident Recreation Club Facilities, the prospect must register with the Resident Recreation Club at least 48 hours in advance of any access to the Resident Recreation Club Facilities. Any approval by the Resident Recreation Club of a prospect to tour and/or use the Resident Recreation Club Facilities shall not constitute approval by the Resident Recreation Club of such prospect for membership at Mohala. Any approval for membership shall remain subject to terms and conditions of the Membership Plan and shall be distinct from any approval to tour and/or use the Resident Recreation Club Facilities. The Resident Recreation Club shall evaluate all prospects for membership without consideration of which, if any, agent or broker the Member or prospect engages.

4. No access or use of the Resident Recreation Club Facilities by an Outside Broker and/or a prospect shall be permitted unless accompanied by the General Manager or by another employee or designee of the Resident Recreation Club. Ordinarily, the Resident Recreation Club will select Affiliated Broker personnel as its designee only if the relevant agent for a potential sale of property is Affiliated Broker personnel or if no other personnel are available.

5. To the extent that a prospect makes use of any Resident Recreation Club Facilities (as opposed to merely tours them), then the Member shall be required to pay the fee charged from time to time by the Resident Recreation Club for guests when the Member is not present (i.e., Unaccompanied Guests).

6. The Member shall be responsible for all acts and omissions of its Outside Broker and prospects, including, without limitation, being charged for any and all charges incurred by an Outside Broker and/or prospect and being responsible for (and indemnifying, defending and holding harmless the Indemnified Parties as well as property owners and Members for) any and all Claims arising out of an Outside Broker prospect being present on the Premises or using the Resident Recreation Club Facilities. Any prospect or Outside Broker touring or using the Resident Recreation Club Facilities shall constitute guests as to all relevant provisions of the Membership Plan and these Rules and Regulations and shall be required to abide by the terms thereof.

EXEMPTIONS

The Resident Recreation Club may authorize exemptions to these Rules and Regulations where it determines, in its discretion, that an exemption is appropriate. A request for exemption shall be made in writing accompanied by an explanation of the reasons for the request. The Resident Recreation Club will respond in writing within 30 days with its decision. The granting of an exemption shall be determined on a case-by-case basis. The granting of an exemption in one case shall have no precedent value whatsoever and shall not prevent or stop the Resident Recreation Club from denying an exemption request in other circumstances.