

FOREST DUNES GOLF CLUB

1. Q: *What is Forest Dunes Golf Club?*

A: Forest Dunes Golf Club is a membership oriented club organized to provide golf facilities and outstanding programs and services for its members.

2. Q: *What is the primary purpose of Forest Dunes Golf Club?*

A: The primary, overriding purpose of Forest Dunes Golf Club is to offer a quality golf club experience. The Club provides multiple recreational activities for members, family members and friends to enjoy and the high level of services and conveniences expected of a fine golf club.

3. Q: *What facilities are available at Forest Dunes Golf Club?*

A: The “Club Facilities” include the following:

- * an eighteen-hole golf course designed by Tom Weiskopf;
- * golf practice facilities including a practice range and putting green; and
- * a golf clubhouse offering dining facilities, a lounge, men’s and women’s locker room facilities, golf club storage facilities, administrative offices and patio/deck areas.

The Club reserves the right to modify and otherwise change the Club Facilities to be provided at the Club from time to time and to provide additional facilities at Forest Dunes Golf Club.

4. Q: *Is Forest Dunes Golf Club a member-owned equity club and who owns the Club Facilities?*

A: The Club Facilities are currently owned by CPTF Forest Dunes Holding Company, LLC and operated by Forest Dunes Operating Company as a right-to-use facility. CPTF Forest Dunes Holding Company, LLC and Forest Dunes Operating Company, their successors and assigns are hereinafter collectively referred to as the “Club.” The membership opportunity allows the member to use the Club Facilities and does not provide the member with any equity or ownership interest in the Club or the facilities provided at Forest Dunes Golf Club.

5. Q: *What types of membership are available at Forest Dunes Golf Club?*

A: The Club is currently offering two general classifications of non-equity membership known as “Golf Memberships” and “Social Memberships” (collectively, the “Club Memberships”).

Based on existing commitments, the Club has issued approximately forty Founder Memberships. These Founder Memberships entitle the members to the same privileges to use the Club Facilities as Golf Members and subject the Founder Members to the same obligations as any other Golf Member, except as otherwise described in the existing commitments and set forth in the Founder Member’s Membership Agreement. Founder Memberships are no longer being offered by the Club.

The Club may also offer a limited number of recallable invitational memberships and Honorary Memberships from time to time.

6. **Q:** *How many Club Memberships are available at the Club?*

A: In order to provide continued enjoyment of the Club Facilities to all members of the Club, the maximum number of outstanding dues-paying Golf Memberships is limited to three hundred thirty. Although the maximum number of Social Memberships is not initially limited, the Club reserves the right to limit the number of Social Memberships at any time in its sole discretion.

7. **Q:** *Are Club Members subject to operating assessments?*

A: No. Club Members are not subject to any assessments for operating deficits incurred in the operation of the Club Facilities. The payment of dues, fees, charges, dining minimums (if any), state taxes, service charges and other personal charges that the Club may establish from time to time (collectively, the “Club Fees”) is required to obtain and maintain membership privileges at Forest Dunes Golf Club and is not considered an operating assessment.

8. **Q:** *What are the privileges of a Golf Membership?*

A: A Golf Membership allows the member to use the Club Facilities provided at Forest Dunes Golf Club and to attend club-sponsored events held at Forest Dunes Golf Club. Golf Members shall not be charged green fees for use of the golf facilities, but shall pay golf cart fees, personal charges incurred at Forest Dunes Golf Club and all other fees and charges established by the Club. Golf Members shall have such advance sign-up privileges to reserve golf starting times (which may be changed in the Club’s sole discretion) as may be established by the Club from time to time.

9. **Q:** *What are the privileges of a Social Membership?*

A: A Social Membership allows the member to use the dining and lounge facilities provided at the golf clubhouse at Forest Dunes Golf Club and to attend designated club-sponsored non-golf events held at Forest Dunes Golf Club. Social Members shall pay personal charges incurred at Forest Dunes Golf Club and all other fees and charges established by the Club. During the early formation years of the Club, the Club may permit Social Members to use the eighteen-hole golf course and/or golf practice facilities during certain non-peak playing times established by the Club from time to time. If permitted by the Club, Social Members shall pay the applicable green fees and golf cart fees for use of the golf facilities and comply with all rules established by the Club. The Club, in its sole discretion, has the right to change, modify, restrict, reduce and even withdraw and eliminate the opportunity of Social Members to use the eighteen-hole golf course and/or golf practice facilities at any time. Once such access to the eighteen-hole golf course and/or golf practice facilities is eliminated, then Social Members shall have no access to the eighteen-hole golf course or golf practice facilities, except as a guest of a member and payment of applicable guest fees.

10. **Q:** *Can a Club Membership be held in the name of a business?*

A: The Club may allow a Club Membership to be held in the name of a company, corporation, limited liability company, partnership or other form of business ownership (collectively, the “company”). The company, as the actual member and owner of the membership, shall designate one person as the designee of the membership use privileges. Immediate family members of the designee may also use the facilities. The designee of the membership use privileges must be an officer, director, partner, owner or employee of the company, must submit an Application for Use Privileges and be approved by the Club. A company-owned membership allows the designee to use the facilities provided at Forest Dunes Golf Club and

pay the same Club Fees as any other member obtaining the same classification of membership.

The company may change the designee of the membership use privileges upon approval of the new designee by the Club and the payment of the applicable non-refundable change of designee fee to the Club.

11. Q: *Will my family be welcome at the Club?*

A: Club Memberships at Forest Dunes Golf Club shall be issued in the name of the individual applying for membership in the Application for Membership Privileges who will be known as the "primary member." A Club Membership allows the member identified in the Application for Membership Privileges and his/her immediate family members to use the facilities upon payment of the required membership fee and Club Fees as may be established by the Club from time to time.

The term immediate family members includes the spouse of the member or designee who is living in the member's or designee's home, and unmarried children who are under the age of twenty-three and either living in the member's or designee's home or attending school on a full-time basis.

The Club may allow a primary member who is not married to designate another non-related adult, who is living in the primary member's residence as a family unit on a full-time basis, to use the Club Facilities as a member of the immediate family in accordance with the terms established by the Club from time to time, in its sole discretion.

12. Q: *Can the lessee of a member's residence in Forest Dunes use the Club Facilities?*

A: The Club may allow members who own a residence in Forest Dunes and lease that residence in Forest Dunes to the same lessee for at least three months to designate such lessee of their residence as the beneficial user of their membership use privileges at Forest Dunes Golf Club. This privilege is subject to the lessee submitting an Application for Use Privileges to the Club, being approved by the Club, paying a non-refundable lessee administrative fee to the Club and complying with the rules established by the Club from time to time. A lessee who is designated as the beneficial user of the member's membership use privileges shall have the same use privileges to use the facilities provided at the Club and shall pay the same fees and charges (but not the dues that continue to be the responsibility of the Club Member) as that charged to the member who owns the residence in Forest Dunes being leased.

During the time a member has designated a lessee to use the membership use privileges, the member shall not have any privileges to use the Club Facilities, except the dining and lounge facilities provided at the golf clubhouse, and shall be required to continue paying the Club Fees associated with his/her particular membership.

13. Q: *May I invite guests to use the Club Facilities?*

A: Yes. It is the intention of Forest Dunes Golf Club to accommodate guests without inconvenience to the members in accordance with the Rules and Regulations. Sponsoring members and sponsoring designees are responsible for all fees and charges incurred by their guests that remain unpaid and for the conduct of their guests.

14. Q: Who is eligible to obtain membership privileges?

A: Club Membership at Forest Dunes Golf Club is available by invitation. Invitations may be extended only by the Club.

The Club is currently offering available Golf Memberships and Social Memberships to purchasers of residences or homesites in Forest Dunes who are approved for membership and reserves the right to offer at any time any or all of the Golf Memberships and Social Memberships to persons who do not own a residence or homesite in Forest Dunes who are approved for membership. The Club is currently offering available National Memberships to persons who satisfy the residency and business qualifications of such membership and desire to use the Club Facilities and are approved for membership.

15. Q: When should initial purchasers of residences and homesites in Forest Dunes make application for Golf Membership or Social Membership?

A: Initial purchasers of previously unsold residences or homesites in Forest Dunes (including purchasers of residences from builders in Forest Dunes) have an opportunity to apply for an available Golf Membership or Social Membership for each residence or homesite purchased in Forest Dunes until thirty days after the closing of the purchase of their residence or homesite in Forest Dunes.

16. Q: Can an initial purchaser of a residence or homesite in Forest Dunes obtain a Golf Membership or Social Membership after the thirty-day period?

A: Initial purchasers of previously unsold residences or homesites in Forest Dunes (including purchasers of residences from builders in Forest Dunes) who do not obtain an available Golf Membership or Social Membership on or before thirty days after the closing of the purchase of their residence or homesite in Forest Dunes may obtain a Golf Membership or Social Membership at a later date only if such membership becomes available at such later date and is not reserved by the Club.

After the thirty-day period following the closing on the purchase of a residence or homesite in Forest Dunes by an initial purchaser of a previously unsold residence or homesite (including purchasers of residences from builders in Forest Dunes), there can be no guarantee or assurance that a Golf Membership or Social Membership will ever subsequently be available and the initial purchaser of a previously unsold residence or homesite in Forest Dunes will have no continuing opportunity to obtain a Golf Membership or Social Membership.

17. Q: What does a prospective member pay to obtain a Club Membership at Forest Dunes Golf Club?

A: To obtain a Golf Membership or Social Membership at Forest Dunes Golf Club the applicant shall pay a membership fee to the Club, plus all applicable taxes. Membership fees paid to the Club may be used for any purpose determined appropriate by the Club, in its sole discretion.

The amount of the membership fee and the manner of payment of the membership fee shall be established by the Club from time to time, and is further described in the member's Application for Membership Privileges or Membership Agreement.

18. Q: *How do I become a Club Member and how does the membership application process work?*

A: A prospective member desiring a Golf Membership or Social Membership must deliver to the Club a fully completed and signed Application for Membership Privileges, Membership Agreement and the required membership fee. Each applicant must be sponsored by an existing member in good standing at Forest Dunes Golf Club or a representative of the Club.

The Club and/or its Membership Committee shall evaluate the Applications for Membership Privileges. After receiving the Application for Membership Privileges, the Membership Agreement and the required membership fee, the evaluation will be conducted with the intent and purpose of securing the optimum number of members with compatible social, vocational and professional attainment from all segments of the community. All applicants will be evaluated on the basis of their interest in Forest Dunes Golf Club, their financial responsibility and their compatibility with other members at Forest Dunes Golf Club.

An applicant approved for membership will be notified in writing that the Application for Membership Privileges has been acted upon favorably. In the event an Application for Membership Privileges is not acted upon favorably, the applicant will be so notified and the Club shall refund to the applicant the actual membership fee previously paid to the Club, without interest, within ten days.

19. Q: *Are Club Memberships transferable?*

A: Club Members may not sell, transfer or otherwise assign their membership privileges except to the Club and therefore, Club Members may not transfer or otherwise assign their membership at Forest Dunes Golf Club directly to any third party, unless otherwise set forth in the member's Membership Agreement.

Club Members may not advertise or otherwise openly solicit the availability of their membership to the general public and no member may advertise their membership for sale or permit any such advertisement. If any membership is publicly advertised for sale in any manner, the Club may terminate such membership immediately without payment of any Transfer Payment (as described below).

20. Q: *What happens upon the resignation of Club Membership privileges?*

A: Club Members who desire to resign their membership privileges must give the Club thirty days prior written notice of their intention to resign membership privileges. The resignation of membership privileges will become effective upon receipt of written notice from the member and payment of the membership fee and all Club Fees in full to the Club. Resigned Golf Members and Social Members must continue to pay the required Club Fees as they become due as further described below in Question #32 and the failure to do so may result in being removed from the resigned membership list or termination of membership privileges.

21. Q: *What is the resigned membership list?*

A: The Club shall maintain one resigned membership list for resigned Golf Memberships. Invitational Memberships, if issued, shall be placed on the same resigned membership list as a membership in the same classification. Once the resignation of membership privileges becomes effective, the resigned membership will be placed on the appropriate resigned membership list in the order of resignation on a first-come, first-served basis. In order to be placed on the resigned membership list, the resignation of membership privileges must be

effective and the resigned member must have paid the required membership fee and all Club Fees in full.

Once placed on the resigned membership list, the resigned member will not be permitted to rescind the resignation of membership privileges without the prior approval of the Club in its sole discretion and the resigned Club Membership must be reissued by the Club at the time the membership has rotated to the top of the resigned membership list as described below.

Once the resignation of membership privileges for Social Memberships is effective, then such Social Membership shall terminate on the last day of the calendar month in which the membership resignation is effective, without refund of any amount to the resigned Social Member.

22. Q: *When will resigned Golf Memberships be reissued by the Club?*

A: Until the initial issuance of all of the Golf Memberships permitted to be issued at Forest Dunes Golf Club, every fourth Golf Membership (if any) issued will be the first resigned membership on the resigned membership list maintained by the Club for resigned Golf Memberships and Invitational Golf Memberships which has rotated to the top of such resigned membership list, provided a resigned membership is on the resigned membership list at that time. The other three Golf Memberships and/or Invitational Golf Memberships issued will be issued from the Club's un-issued Golf Memberships

After the initial issuance of all of the Golf Memberships permitted to be issued at Forest Dunes Golf Club, then every Golf Membership issued during such period will be the first resigned Golf Membership on the resigned membership list maintained by the Club for resigned Golf Memberships which has rotated to the top of such resigned membership list.

23. Q: *Can a Golf Member who owns a residence or homesite in Forest Dunes arrange for the Club to reissue his/her Golf Membership to the purchaser of his/her residence or homesite in Forest Dunes?*

A: As an exception to the rules described above for the reissuance of resigned Golf Memberships, Golf Members in good standing who own a residence or homesite in Forest Dunes and have not resigned membership privileges, have the opportunity for the thirty-day period immediately following the closing of the sale of their residence or homesite in Forest Dunes to request that the Club reissue the resigned member's Golf Membership to the purchaser of their residence or homesite in Forest Dunes. If a Golf Member makes this request then the purchaser of his/her residence or homesite in Forest Dunes shall have the first priority to make application for such membership.

In order for the subsequent purchaser of the residence or homesite in Forest Dunes to be eligible to apply for the member's Golf Membership, the member must have paid to the Club the membership fee and all of the Club Fees in full by the time of application by the subsequent purchaser. In order to apply for the member's Golf Membership, the purchaser of the residence or homesite in Forest Dunes must submit an Application for Membership Privileges and the appropriate Membership Agreement, be approved for membership and pay to the Club in full the membership fee charged by the Club at that time for such Golf Membership.

24. Q: *Can a Golf Membership be transferred to an adult child?*

A: Golf Members who are in good standing and have paid the required membership fee in full may request that the Club transfer his/her Golf Membership to an adult child (twenty-three years of age and over) of the primary member or spouse upon approval by the Club and the primary member's spouse, if any. The child must submit an Application for Membership Privileges and Membership Agreement, be approved by the Club and pay to the Club the required additional membership fee. The required additional membership fee shall be equal to the difference between the membership fee charged by the Club for a Golf Membership at the time the adult child submits the Application for Membership Privileges and Membership Agreement to the Club and the Transfer Payment (as described herein) that would be paid to the member if the Golf Membership was resigned and reissued by the Club at the time the adult child submits the Application for Membership Privileges and Membership Agreement to the Club.

25. **Q:** *What happens to the membership upon the death of a Club Member?*

A: Upon the death of a Club Member at Forest Dunes Golf Club, the Club Membership shall be transferred to the member's surviving spouse, if any, provided such spouse satisfies any qualification requirements without the payment of any additional membership fee.

Upon the death of a designee of a company-owned membership then the company may designate another designee approved by the Club to use the membership privileges without the payment of any change of designee fee.

26. **Q:** *Is any portion of the membership fee paid for a Club Membership refundable?*

A: The Club shall pay to the resigned Golf Member a Transfer Payment in an amount described below within thirty days after the resigned membership is reissued by the Club to a successor member, who has been approved for membership and paid the required membership fee in full to the Club.

The amount of the Transfer Payment to be paid by the Club to a resigned member upon the reissuance of a resigned membership shall be a predetermined percentage of the actual membership fee previously paid to the Club and shall be set forth in the member's Membership Agreement. In no event will the Transfer Payment paid to a resigned member exceed the actual membership fee previously paid to the Club for the membership.

No portion of the membership fee paid to the Club for a Social Membership shall be refundable under any circumstances.

27. **Q:** *Who is responsible for the operation of the Club Facilities?*

A: The Club currently manages and operates the Club Facilities and may retain a professional management firm to manage and operate the day-to-day affairs of the Club Facilities. The Club is responsible for the operation of the Club Facilities and has the exclusive authority to accept members, establish membership fees and Club Fees, establish rules and regulations and all policies relating to the Club Facilities and the use thereof and control the management and affairs of the Club Facilities.

28. **Q:** *How will the Club keep informed on the desires of the membership?*

A: The Club will establish an Advisory Board whose purpose includes fostering good relations between the members of the Club and management of the Club Facilities and providing member input on programs and activities provided at Forest Dunes Golf Club. The Advisory Board will be composed of Club Members appointed by the Club from time to time. Members of the Advisory Board shall serve staggered terms established by the Club.

The Advisory Board serves only in an advisory capacity as a liaison between members of the Club and management of the Club Facilities, except as otherwise set forth herein.

29. Q: *How are dues established?*

A: The Club will establish the amount of Club Fees to be paid by each member at Forest Dunes Golf Club from time to time. The amount of dues payable by each member will depend upon the classification of membership selected. The payment of dues by Golf Members allows use of the golf practice facilities, golf bag storage for two bags and use of the handicap service for two handicaps.

Dues shall be payable in advance, on or before the first day of each membership year, unless otherwise established by the Club.

30. Q: *How long will resigned members continue to pay dues?*

A: Golf Members and National Members who have resigned membership privileges shall continue to be responsible for Club Fees associated with their resigned membership until the earlier of: (i) the reissuance of the resigned membership by the Club, or (ii) twenty-four months after the effective date of membership resignation. The resigned member shall be permitted to use the Club Facilities during this period as long as such Club Fees continue to be paid on a current basis.

However, in the event a member's resigned membership has not been reissued by the Club within twelve months after being placed on the resigned membership list, then such resigned member may elect not to pay the Club Fees associated with his/her resigned membership on a current basis and to have the Club Fees associated with his/her resigned membership accrue for the following twelve months and deducted from the Transfer Payment to be paid to the resigned member upon reissuance of his/her resigned membership by the Club. In this event, the resigned member shall not be permitted to use the Club Facilities if the Club Fees are not being paid on a current basis.

Social Members shall continue to be responsible for Club Fees associated with their resigned membership until the last day of the month in which the resignation of membership privileges is effective.

31. Q: *Are Club Members subject to capital assessments?*

A: Golf Members at Forest Dunes Golf Club are not subject to assessments for capital improvements to the Club Facilities unless the proposed capital assessment is approved by the Club, a majority of all of the members of the Advisory Board, as described below, and a majority of all of the dues-paying Golf Members that would be required to pay such capital assessment if it was approved.

Social Members are not subject to assessments for capital improvements to the Club Facilities.

32. **Q:** *Do Club Members have club charging privileges and what is the monthly billing process?*

A: Monthly statements will be closed on the last day of each month and will normally be mailed to the members of the Club within five days. All statements are due and payable upon receipt and in no event later than the last day of the month in which the statement was mailed.

The failure of any Club Member to timely pay fees, dining minimums (if any) and other charges by the last day of the month and the failure to pay all amounts of the membership fee and dues when due shall constitute grounds for suspension and/or termination of membership privileges at the Club. Subject to certain notice requirements and the opportunity to pay the outstanding balance, if a member fails to pay their required membership fee and Club Fees associated with their membership, then the Club shall have a progressive discipline policy, including the suspension and/or termination of membership privileges.

33. **Q:** *Will the Club Facilities be available for use by invitational play users?*

A: In an effort to introduce the Club and its Club Facilities to prospective members the Club will allow use of the golf course, golf practice facilities and other facilities provided at Forest Dunes Golf Club (except any areas that may be designated as member-only by the Club from time to time) by invitational play users and other Club guests from time to time upon payment of the required use fees and compliance with the rules established by the Club.

34. **Q:** *Will the Club Facilities be available for promotional use by the Club?*

A: The Club has the right to designate persons to use any or all of the Club Facilities, including the golf facilities, for any purpose and upon such terms and conditions as are established from time to time by the Club. The persons designated to use the Club Facilities may include, without limitation, persons who are prospective members at Forest Dunes Golf Club, persons who are prospective purchasers of residences or homesites in Forest Dunes, persons who are involved in special events held at Forest Dunes Golf Club, employees at Forest Dunes Golf Club and other non-member guests of the Club.

The Club shall have the right at any time to hold promotional and other special events, including golf tournaments, group outings and charitable events.

35. **Q:** *Do the Club Members have the opportunity to purchase the Club Facilities if they are ever sold by the Club?*

A: In the event the Club desires to sell the Club Facilities to an unrelated third party purchaser, the Club shall provide written notice to the Advisory Board and mail such notice to the Club Members of its desire to sell the Club Facilities. The notice from the Club to the Club Members shall inquire as to whether the membership is interested in negotiating, in good faith, to purchase the Club Facilities on terms mutually acceptable to all parties. This is a one-time opportunity for the Club Members to negotiate and purchase the Club Facilities from the Club during certain specified time frames set forth in the Plan for the Offering of Memberships.

36. **Q:** *What should I do if I have additional questions?*

A: Complete details concerning the membership program at Forest Dunes Golf Club are available from the Membership Office. If you have additional questions or would like further information, please contact the Membership Office at:

***Forest Dunes Golf Club
6376 Forest Dunes Drive
Roscommon, Michigan 48653
(989) 275-0700
(866) 386-3764***

This is a general description of the membership opportunities that may be available at Forest Dunes Golf Club. This document is provided as a summary for general informational purposes only and is subject to change without notice and may not be relied on as a basis for a decision to purchase a residence or homesite in Forest Dunes or to obtain membership privileges at Forest Dunes Golf Club. The complete Plan for the Offering of Memberships and Rules and Regulations that describes all of the privileges and obligations of a membership at Forest Dunes Golf Club is available from the Membership Office.
