



LOCH LLOYD
THE COUNTRY CLUB AT LOCH LLOYD

**PLAN FOR THE OFFERING
OF MEMBERSHIPS**

October 2002

THE COUNTRY CLUB AT LOCH LLOYD

INTRODUCTION TO MEMBERSHIP PLAN

Purpose Of The Club

The Plan for the Offering of Memberships and the Rules and Regulations (collectively, the "Membership Plan") offer an opportunity to obtain membership privileges at The Club. A limited number of memberships are available at The Club that permit use of the appropriate club facilities.

Ownership And Use Of The Club Facilities

The Country Club at Loch Lloyd, L.L.C., a Missouri limited liability company ("The Club") intends to operate certain recreational facilities provided at The Club. Use of the facilities provided at The Club will be available to members of The Club, the immediate family of members of The Club, guests of members and other persons permitted by The Club from time to time; all in accordance with the member's classification and the rules and regulations of The Club as amended from time to time.

Membership Privileges

The Club will offer several classifications of membership from time to time.

Members and the immediate family of members of The Club are allowed to use the facilities provided at The Club in accordance with the classification of membership selected by the member and pursuant to this Membership Plan. By obtaining a membership at The Club, members obtain a non-exclusive revocable license to use the appropriate facilities in accordance with the membership classification selected by the member. Members do not obtain any equity or ownership interest in The Club or the facilities provided at The Club, have no rights to become involved in the management or operation of The Club or the facilities provided at The Club and are not subject to any assessments for operating deficits incurred in the operation of the facilities provided at The Club.

Director Of Membership Is Available To Answer Inquiries

Any questions concerning this Membership Plan or the membership opportunities available at The Club should be directed to the Director of Membership. The Director of Membership may be contacted at the Membership Office by calling The Club.

Follow These Procedures To Apply For Membership Privileges

Membership at The Club is by invitation only.

Persons who have been invited to make application for membership must comply with all of the following requirements:

- A. Complete and sign the appropriate Application for Membership Privileges and Membership Agreement;
- B. Be sponsored by two members in good standing at The Club;

- C. Deliver to the Director of Membership the completed and signed Application for Membership Privileges, the Membership Agreement, and the applicable membership deposit/membership fee due as further set forth in the Application for Membership Privileges; and
- D. Attend a personal interview, if requested.

Rely Only On Information In This Membership Plan

No person is authorized to give any information or make any representation not contained in this Membership Plan, and if given or made, such information or representation must not be relied upon as having been authorized by The Club.

Memberships Are Offered For Purposes Of Using The Club Facilities And Not As Investments

Memberships at The Club are being offered exclusively for the purpose of permitting persons obtaining membership privileges at The Club to use the appropriate facilities provided at The Club. Members obtain a non-exclusive revocable license to use the facilities provided at The Club in accordance with the classifications of membership selected by the member. In no event will a resigned member be repaid more than the actual membership deposit he/she previously paid to The Club unless otherwise set forth in the Application for Membership Privileges. Therefore, membership privileges should not be viewed or obtained as an investment and no person obtaining membership privileges at The Club should expect to derive any economic benefits or profits from membership at The Club. This Membership Plan has not been reviewed or endorsed by any federal or state authority.

THE COUNTRY CLUB AT LOCH LLOYD
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THE COUNTRY CLUB AT LOCH LLOYD PLAN FOR THE OFFERING OF MEMBERSHIPS

A. INTRODUCTION

Membership Opportunity

The Country Club at Loch Lloyd, LLC is offering an opportunity to be a member of a country club. Pursuant to this Membership Plan, the privilege of using the facilities provided at The Club is available to members of The Club, the immediate family of members of The Club, guests of members and other persons permitted by The Club in accordance with the classification of the member

B. CLUB FACILITIES

Description Of The Club Facilities

The facilities of The Club which are referred to herein as the "Club Facilities", subject to reaching the required levels of membership, if applicable, and obtaining all required governmental approvals, if any, will include the facilities set forth in the Application for Membership Privileges.

In order to assure the continued viability of The Club, new Club Facilities may be constructed in phases.

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

The Club May Provide Additional Facilities To The Club Facilities

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

C. MEMBERSHIP PRIVILEGES

Several Classifications Of Membership Privileges Will Be Available At The Club

The Club will initially offer several classifications of non-equity membership (sometimes hereinafter referred to collectively as the "Club Memberships"). Persons who obtain a Club Membership are sometimes hereinafter referred to as "Club Members".

Additional Classifications Of Membership May Be Made Available By The Club

The Club may issue other classifications of membership that permit primarily the use of the tennis, swimming and/or clubhouse facilities at The Club, including, but not limited to, an exercise/ athletic oriented membership. If any of these additional classifications of membership have access to the golf facilities, then such access to the golf facilities shall be more restrictive than the access to the golf facilities provided to the Full Golf Memberships. If additional classifications of membership are made available, The Club will establish the use privileges of the additional membership classifications, the number of memberships available and the fees to be paid for these additional classifications of membership.

Use Of The Club Facilities By The Immediate Family Of Members

Memberships at The Club shall be issued in the name of the individual designated as the member in the Application for Membership Privileges. A membership allows the member (or the designee of a company-held membership) and the immediate family members or the member or designee to use The Club Facilities based on the classification of membership selected by the member and in accordance with the terms of this Membership Plan. The immediate family of a member or designee includes the legal 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-six and either living in the member's or designee's home or attending school on a full-time basis. The Club reserves the right to restrict access to the golf facilities by the immediate family of the member during peak periods of play.

Members Of The Club Are Not Subject To Operating Assessments

Club Members are not subject to any assessments for operating deficits incurred in the operation of The Club Facilities. The Club shall fund any operating deficits incurred in the operation of The Club Facilities and shall retain all operating surplus resulting from operation of The Club Facilities.

The payment of dues, fees, charges, clubhouse or usage minimums, state taxes, service charges and other personal charges that The Club may establish from time to time is required to obtain and maintain membership privileges at The Club and is not considered an operating assessment.

Maximum Number Of Memberships Available At The Club

In order to provide continued enjoyment of The Club Facilities to all members of The Club, the maximum number of Full Golf Memberships is limited to 450. The maximum number of Full Golf

Memberships may not be increased without the advice and consent of the Advisory Board of Directors. Other classifications of membership are unlimited.

Full Golf Membership Privileges

Full Golf Members shall not be charged green fees or court fees for use of the golf facilities or tennis facilities, but shall pay the applicable golf cart fees. Full Golf Members shall have such advance sign-up privileges to reserve golf starting times and tennis court times as may be established by The Club. Such sign-up privileges shall be superior to those, if any, of any other classification of membership.

Membership Privileges May Be Held In The Name Of A Company

A Club Membership may be held in the name of a company, corporation, partnership, trust or other form of multiple ownership (collectively, the "company"). The company, as the actual member and owner of The Club Membership, shall designate one person as the designee of the membership privileges at any one time. Immediate family members of the designee may also use the facilities. The designee of the membership privileges must be an officer, director, partner, owner or employee of the company (or a trustee, donor or principal beneficiary of a trust), must submit an application and be approved by The Club. The company shall be responsible for the payment of the required membership deposit and both the company and the designee of the membership privileges shall be jointly and severally liable for the payment of all dues, fees and other charges incurred by the designee, immediate family members and their guests. The designee shall have the same use privileges and shall pay the same dues, fees and other charges as any other member in the same classification of membership.

Company May Change Designee Of The Membership Use Privileges

The company may change the designee of the membership privileges at any time during the membership year upon payment by The Club and payment of the applicable change of designee fee to The Club. Upon the change of the designee, the prior designee must return all issued use privilege cards to The Club and the new designee must submit an application and be approved by The Club. The Club reserves the right to establish additional rules regarding a membership held by a company, including the criteria for designating a person to use the membership privileges and the number of times the designee of the membership privileges may be changed during any membership year. The Club may limit the number of companies that may acquire a Club Membership from time to time.

Club May Designate Primary Playing Times On The Golf Facilities

In order to better control golf play during peak playing times on the golf course, The Club may designate certain times on the golf course as "primary playing times". During times designated by The Club as "primary playing times," only one golf starting time may be reserved per membership.

Members Have The Opportunity To Upgrade Their Classification Of Membership

Because of the limited number of memberships in each classification of membership and the reservation of memberships by The Club, it is unlikely that a higher classification of membership will be available for a Club Member desiring to upgrade. However, if a higher classification of membership becomes available and is not reserved by The Club, a Club Member may apply to upgrade to such higher classification of membership. The opportunity to upgrade is subject to the availability of such higher classification of membership, approval in The Club's sole discretion and the payment to The Club of the difference between the membership deposit charged by The Club for the higher classification of membership at the time the member desires to upgrade and the actual membership deposit/fee previously paid to The Club for the member's existing classification of membership. The downgrade of a Club Membership is not permitted.

Guest Privileges

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

D. ELIGIBILITY FOR CLUB MEMBERSHIP PRIVILEGES

Eligibility For Club Membership Privileges

Membership at The Club is available by invitation only.

Each prospective member must submit an Application for Membership Privileges, Membership Agreement, if applicable, be approved for membership and pay the required membership deposit/fee to The Club prior to obtaining a Club Membership.

Reserved Memberships Are Not Considered Available

The Club has the right to reserve any or all of the unissued Club Memberships for future issuance from time to time, in its sole discretion. Club Memberships, which have been reserved by The Club, are not considered to be available memberships. The Club is not compelled to issue any membership, reserved or otherwise.

The Club Will Maintain A Waiting List Of Persons Desiring Membership Privileges If Club Memberships Are Not Available

The number of available Club Memberships is limited. Therefore, there is no assurance that the desired Club Membership will be available at the time of application. If a membership is not available in the desired classification of membership at the time of application, The Club will maintain a waiting list for that particular classification of membership consisting of applicants who

have submitted an Application for Membership Privileges to The Club on a first-come, first-served basis except as otherwise set forth herein. In the event a membership is not available in the desired classification of membership at the time of application, The Club may defer the payment of the required membership deposit/fee until the desired classification of membership becomes available. The Club may require those persons desiring to be placed on the waiting list for an available membership to obtain another classification of membership until the desired classification of membership becomes available.

E. MEMBERSHIP DEPOSIT/MEMBERSHIP FEE

Persons Desiring A Membership Shall Pay A Membership Deposit Or Membership Fee To The Club To Obtain Membership Privileges

To obtain a Membership at The Club, the applicant shall pay a refundable membership deposit to The Club, and/or a non-refundable membership fee to The Club depending upon the classification of membership. The amount of the membership deposit/fee and the manner of payment of the membership deposit/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. The required membership deposit/fee shall be the deposit/fee in effect on the date the Application for Membership Privileges is submitted to The Club.

Tax Consequences Of Obtaining Membership Privileges At The Club

The Club makes no representations and expresses no opinions regarding the federal or state income tax consequences of obtaining membership privileges at The Club and being repaid the membership deposit, without interest. All Club Members obtain their membership privileges subject to all applicable tax laws as they may exist from time to time. Certain provisions of the Internal Revenue Code impute interest income to a lender with respect to a non-interest bearing loan. The Internal Revenue Service may issue regulations, which might impute interest income to a refundable membership deposit. Members should consult with their own tax adviser with respect to the tax consequences of paying the membership deposit and being repaid the membership deposit, without interest.

F. APPLICATION FOR MEMBERSHIP PRIVILEGES

An Application For Membership Privileges Must Be Delivered To The Director Of Membership

A prospective member must deliver to the Director of Membership at The Club, a fully completed and signed Application for Membership Privileges, the applicable Membership Agreement and the applicable membership deposit/fee due.

Review Of Application For Membership Privileges

The Club and its Membership Committee shall evaluate the Applications for Membership Privileges submitted by all invitees. After receiving the Application for Membership Privileges and the required

membership deposit/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 invitees will be evaluated on the basis of their interest in The Club, their financial responsibility, and their compatibility with other members at The Club.

If approved for membership, the invitee will be notified in writing that the Application for Membership Privileges has been acted upon favorably. In the event the Application for Membership Privileges is not acted upon favorably, The Club shall refund to the applicant the actual membership deposit/fee previously paid to The Club, without interest.

The Privileges Of Club Members To Use The Club Facilities Are Governed Only By This Membership Plan

If approved for membership at The Club, the member agrees to be bound by the terms and conditions of this Membership Plan, agrees to fully substitute the membership privileges obtained pursuant to this Membership Plan for any present or prior rights in or to use The Club Facilities and agrees to release and indemnify The Club for any and all damages and injuries caused by their own acts or the acts of their agents as further set forth in the Rules and Regulations.

Membership Privileges May Not Be Used As Collateral

Members at The Club may not use the membership privileges or the repayment amount as collateral or any other security for a loan.

In the event that a bankruptcy, insolvency or other reorganization proceeding is commenced with respect to a Club Member and the member's membership becomes subject to the proceeding, The Club Membership shall be deemed to be resigned and the member shall no longer have membership privileges at The Club. In this event, The Club Membership shall be placed on the appropriate resigned membership list by The Club in the same manner as any other resigned membership, and the amount to be repaid shall be paid to the bankruptcy trustee or other party designated by court order to receive the proceeds from the reissuance of the membership by The Club.

G. TRANSFER OF CLUB MEMBERSHIP PRIVILEGES

Transfer Of Club Memberships Only To The Club

Club Members may not transfer or otherwise assign their membership privileges except to The Club.

Club Members who desire to resign their membership privileges must give The Club sixty days prior written notice of their intention to resign membership privileges. The resignation of membership privileges will become effective upon the expiration of the sixty-day notice period. Resigned memberships shall not be counted towards the maximum number of memberships permitted to be issued at The Club. The Club in accordance with the procedures set forth in this Membership Plan will only reissue memberships, which have been resigned. Any attempt to transfer or reassign a membership at The Club, either voluntarily, involuntarily or by operation of law, which is not in

accordance with this Membership Plan, shall be null and void and no person or entity may obtain a membership except as provided herein.

The Club Shall Maintain a Resigned Membership List for Each Classification of Membership

The Club shall maintain a resigned membership list for each classification of membership. 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 a resigned membership list, the resignation of membership privileges must be effective and the member must have paid all dues, fees and charges in full. Once placed on the appropriate resigned membership list, the resigned member will not be permitted to rescind the resignation of membership privileges and The Club must reissue the resigned membership at the time the membership has rotated to the top of the resigned membership list. Memberships which have been placed on a resigned membership list, shall be reissued by The Club to persons who desire membership privileges as further described below.

Reissuance Of Resigned Memberships By The Club

Until the initial issuance of all of the limited Memberships permitted to be issued at The Club, every fourth Membership of the same classification as the resigned member issued by The Club will be the next resigned membership in the desired membership classification on the resigned membership list maintained by The Club for such membership classification, provided the desired membership classification is on the resigned membership list at that time.

The other three Memberships of the same classification issued will be issued from The Club's unissued Memberships of that classification. If The Club is not offering a Membership of Classification for initial issuance, then every Membership of that classification issued will be the next resigned membership in the desired classification of membership on the resigned Membership list.

Members Who Own A Residence Or Homesite At The Club May Arrange For The Subsequent Purchaser To Obtain Membership Privileges

As an exception to the rules described above relating to the reissuance of resigned memberships by The Club, Members who own a residence or homesite at The Club or such other residential communities as may be designated in writing by The Club and have paid the applicable fee to The Club, have the option for the thirty-day period immediately following the closing of the sale of the residence or homesite at The Club or such other designated communities, to arrange for The Club to reissue the resigned member's membership to the purchaser of their residence or homesite at The Club or such other designated communities provided such Member has paid the applicable fee to The Club. This is the case even though a resigned membership list or a waiting list of persons desiring to obtain a membership has been established for the resigned member's classification of membership. In order for the subsequent purchaser of the residence or homesite at The Club to be eligible to apply for the resigned member's Membership, the resigned member must have paid all of the dues, fees and charges in full at the time of transfer. The purchaser of the resigned Member's residence or homesite in The Club must submit an Application for Membership Privileges and Membership Agreement, be approved for membership and pay to The Club the membership deposit charged by The Club at that

time. The reissuance of a resigned membership to the subsequent purchaser of a resigned member's residence or homesite, as described herein, is excluded from and is not included in determining when every fourth membership has been issued.

Dues, Fees And Other Charges Paid In Advance Will Be Refunded When A Resigned Membership Is Reissued By The Club

Upon the reissuance of a resigned membership, The Club shall refund to the resigned member a pro-rata portion of any unused dues, fees and other charges paid in advance beginning with the first full month after The Club reissues the resigned membership.

Transfer Of Membership Privileges Upon The Death Of A Member At The Club

Upon the death of a Club Member at The Club, the membership privileges may be transferred to the member's surviving spouse without the payment of any additional membership deposit/fee. If there is no surviving spouse or the surviving spouse does not desire to continue membership privileges, the membership at The Club may be transferred to an adult child of the deceased member. In this event, the children of the deceased member must designate the particular child to receive the membership at The Club. The designated child must submit an Application for Membership Privileges, be approved by The Club and pay the required transfer fee established by The Club from time to time. In the event there is no surviving spouse or a surviving spouse does not desire to continue membership privileges and the membership is not transferred to an adult child of the deceased member, then the membership of the deceased member shall be deemed to be resigned and, the membership shall be placed on the appropriate resigned membership list and reissued by The Club on the same basis as any other resigned membership. In this event, the obligation to pay dues, fees and charges associated with the deceased member's membership shall terminate upon the death of the member.

Legal Separation Or Divorce Of Married Members

In the event a member of The Club is legally separated or divorced, the membership privileges at The Club shall remain vested in the person designated as the member in the Application for Membership Privileges, unless otherwise provided in a written separation agreement or final divorce decree. In this event, the legally separated spouse or former spouse, as the case may be, will no longer have any use privileges at The Club. The Club will not be involved in any dispute and reserves the right to suspend all membership privileges in the event of disagreement over which spouse retains the membership privileges.

H. REPAYMENT OF MEMBERSHIP DEPOSIT

The Club Shall Repay 100% Of The Membership Deposit In Thirty Years

The Club shall repay to Members one hundred percent of the actual membership deposit previously paid to The Club for the membership, without interest, thirty years from the date the member's Application for Membership Privileges is approved by The Club. The Club's obligation to repay the membership deposit to the member is set forth in the member's Membership Agreement. No portion

of the membership deposit will be repaid to a Member prior to the expiration of the thirty-year period unless specifically provided herein.

Membership Fee Is Not Refundable

Any fee paid by Members is not refundable under any circumstances, unless the applicant is not approved for membership.

A Resigned Member May Elect To Be Repaid A Portion Of The Membership Deposit Previously Paid Upon Reissuance Of The Resigned Membership

Upon the resignation of a Membership in accordance with Section G above prior to the expiration of the thirty-year period, the resigned member may elect to be repaid a Transfer Payment described below in lieu of receiving one hundred percent of the actual membership deposit previously paid upon expiration of the thirty-year period. If the resigned member elects this option, The Club shall repay a Transfer Payment to the resigned member 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 deposit to The Club. The amount of the Transfer Payment shall be described in the member's Membership Agreement. Even though a resigned member may not elect to be repaid the Transfer Payment, the resigned membership shall continue to be placed on the appropriate resigned membership list and shall be reissued by The Club on the same basis as any other resigned membership.

In order for a resigned member to be paid the Transfer Payment, all dues, fees and charges must be paid in full. The Club shall have the right to offset and to deduct from the Transfer Payment any and all amounts owed to The Club by the resigned member.

The difference, if any, between the membership deposit paid to The Club by the new member and the amount of the Transfer Payment paid to the resigned member shall be retained by The Club.

Club May Change Amount And Timing For Repayment Of The Membership Deposit

The Club may change the amount of the membership deposit to be repaid and the terms of repayment for the membership deposit for unissued memberships at The Club including the reissuance of resigned Memberships. Any such change will not affect, in any way, the members of The Club who have obtained a membership prior to the time the change takes effect.

In Cases Of Hardship, The Club May Repay The Membership Deposit At An Earlier Date

The Club is not obligated to reissue a resigned Membership or repay any portion of the membership deposit under any circumstances other than those described above. However, The Club may repay a member's membership deposit or any portion thereof, in hardship situations deemed appropriate by The Club, in its sole discretion.

I. DUES, FEES AND CHARGES

The Membership Year Of The Club Is January 1 To December 31

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

Dues, Fees And Charges Established By The Club

The intent of The Club is to generate sufficient operating revenue to assure the continued viability of The Club, to operate the facilities and maintain the quality of the facilities, to provide the high level of services expected from a fine club and to fund necessary reserves for capital improvements/repairs to the facilities and provide a suitable return on investment by The Club's Owner. The Club will establish the amount of dues, fees and other charges to be paid by each member at The Club from time to time. The amount of dues payable by each member will depend upon the classification of membership selected. In order to properly maintain The Club Facilities and assure members of continued quality facilities and services, dues will be based on member demand, market conditions and other pertinent factors. However, the dues charged to Full Golf Members may not be increased from one year to another by more than the maximum percent, if any, set forth in such member's Application For Membership Privileges, without the advice and consent of the Advisory Board of Directors.

Dues Shall Be Payable In Advance On A Monthly Basis

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

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 twenty days after the date of the monthly statement. A late charge and/or interest will be added to all outstanding balances in accordance with the Rules and Regulations if the statement is not paid within the twenty-day period. In addition, The Club reserves the right to place any member whose account is not paid in full within this twenty-day period on a cash-only basis for any or all services and merchandise otherwise provided for credit at any time.

Payment Of Dues By Resigned Members

A resigned Member shall continue to be responsible for dues, fees and other charges associated with the resigned membership until the reissuance of the resigned membership by The Club unless otherwise set forth in that Member's Application For Membership Privileges. Upon resignation, the resigned member may elect to either continue to pay the required dues, fees and other charges on a current basis in which event the resigned member shall be permitted to continue to use The Club Facilities or not to pay their required dues, fees and other charges current. In the event the resigned member elects not to pay the required dues, fees and other charges associated with the resigned membership current, then these amounts will accrue until the reissuance of the resigned membership by The Club and shall be deducted from the Transfer Payment and the resigned member shall not be

permitted to use The Club Facilities during this time. In no event shall a resigned member be responsible for any cumulative amount of dues in excess of the actual membership deposit previously paid to The Club for their Club Membership.

Suspension And Termination Of Membership Privileges For Non-Payment Of Dues, Fees and Other Charges

The failure of any member of The Club to timely pay dues, fees and other charges within the twenty-day period described above and the failure to pay all amounts of the membership deposit/fee when due shall constitute grounds for suspension and/or termination of membership privileges at The Club. In the event a membership is terminated, then the member will no longer have any membership privileges to use The Club Facilities and the member will no longer be entitled to be paid the Transfer Payment. However, The Club will continue to have the obligation to repay the actual membership deposit previously paid by the terminated Member upon expiration of the thirty-year period.

Members Are Not Subject To Capital Assessments Unless Approved By The Members

Members at The Club are not subject to assessments for capital improvements to The Club Facilities unless the proposed capital assessment is approved by The Club with the advice and consent of the Advisory Board of Directors.

Financial Responsibility For Membership At The Club

Each member at The Club and each designee of a company-held membership shall be responsible for the conduct of his or her immediate family members and their guests when using The Club Facilities. Each member and each designee of a company-held membership shall be directly and fully responsible to The Club for all damages and injuries caused by and for all charges incurred by his or her spouse, immediate family members and their guests.

J. CLUB OPERATIONS

Management And Control Of The Club Facilities And Operation Of The Club

The Club manages and operates The Club Facilities. The Club reserves the right to 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 deposits/fees, dues, fees and charges, establish rules and regulations and control the management and affairs of The Club Facilities. The Club Facilities shall be operated and maintained by The Club in a manner comparable to other clubs in the State of Missouri that offer comparable facilities and services.

Members At The Club May Vote For The Election Of The Advisory Board Of Directors

Members of The Club may vote in the election of the Advisory Board of Directors. Each classification of Membership shall have the number of votes per membership set forth in the Application for Privileges. Members are not permitted to become involved in the management and operation of The Club or The Club Facilities.

K. ADVISORY BOARD OF DIRECTORS

An Advisory Board Of Directors Composed Of Members Shall Act As A Liaison

The Club will establish an Advisory Board of Directors 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 The Club. The Advisory Board of Directors will initially be composed of Club Members appointed by The Club from time to time. Commencing January 1, 2004, The Advisory Board of Directors will consist of nine Club Members. Members will then elect each year four members to the Advisory Board of Directors to replace the four elected the prior year and The Club will appoint the other five Club Members to the Advisory Board of Directors each year. This annual election of four new members to the Advisory Board of Directors by the members and The Club appointing five members to the Advisory Board of Directors will continue until the initial issuance of all of the Full Golf Memberships permitted to be issued at The Club and the sale of all of the residences and homesites at The Club. After the initial issuance of all of the Full Golf Memberships permitted to be issued at The Club and the sale of all of the residences and homesites at The Club, members will begin to elect all nine members to the Advisory Board of Directors and The Club will no longer appoint any members to the Advisory Board of Directors.

The Advisory Board of Directors has no duty or power to negotiate or otherwise act on behalf of The Club, its management or the members of The Club and 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.

The General Role And Responsibilities Of The Advisory Board Of Directors

In general, the role and responsibilities of the Advisory Board of Directors include the following:

- To evaluate and approve by majority vote any increase in the maximum number of Full Golf Memberships permitted to be issued at The Club,
- To evaluate and approve by majority vote any proposed capital assessment for expenditures to The Club Facilities,
- To evaluate and approve by majority vote any increase in dues charged to Full Golf Members in excess of the percentage increase maximum, if any, set forth in the affected member's Application For Membership Privileges,
- To evaluate and approve by majority vote any modification to this Plan for the Offering of Memberships which is materially adverse to the rights of The Club Members,

- To advise on the use of The Club Facilities by non-members,
- To develop, preserve and enhance The Club's membership roster,
- To advise on modifications to the Rules and Regulations,
- To advise on questions of conduct, mode of dress and other related disciplinary matters,
- To advise on the needs and interests of the membership,
- To assist management of The Club Facilities in the establishment of Club Committees and the responsibilities of each Club Committee,
- To advise management of The Club Facilities in the organization of member events and programs at The Club, and
- To participate in and attend Club events and programs for the membership.

The Advisory Board Of Directors Meets With Management Of The Club Facilities On A Regular Basis

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

Club Committees

The Club may establish such other committees consisting of members as it deems appropriate. Management shall meet with these committees on a regular basis to discuss the operation of The Club Facilities and the formulation of programs for members. Each of the committees shall submit its recommendations to The Club for review and approval.

All committees shall act as advisory committees only. The chairmen of each committee may appoint from the members of the committees such sub-committees as they deem desirable. All sub-committees shall report directly to the committee as a whole, which shall approve, amend or disapprove the report of the sub-committee.

L. OTHER MEMBERSHIPS AND USE PRIVILEGES

Use Of The Golf And Clubhouse Facilities By Club Guests

If there are not sufficient number of members or the use of the facilities by members is not sufficient to support The Club Facilities, then The Club may find it necessary to generate additional revenue from outside sources, including, but not limited to, corporate and other group outings, tournaments

and other non-member use. The Club will discuss with the Advisory Board of Directors the use privileges of these non-member users.

Honorary Memberships

A limited number of Honorary Memberships may be issued to persons designated by The Club from time to time. These memberships are in addition to all other memberships at The Club and shall be available on terms and conditions established by The Club. Honorary Memberships may be recalled at any time by The Club and a new user designated to use the membership privileges from time to time.

Invitational Memberships

The Club has the right to issue recallable memberships on an annual, seasonal or any other basis, which will be known as "Invitational Memberships". The Club will establish the use privileges and the dues, fees and other charges to be paid by Invitational Members. Invitational Golf Memberships will allow The Club to continue to offer memberships subject to the maximum number of Full Golf Memberships permitted at The Club.

The Club anticipates that Invitational Golf Memberships will be recalled when necessary to make available a Full Golf Membership.

Promotional Use Of The Club Facilities, Tournament Play, Special Events And Group Outings

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

The Club shall have the right at any time to hold promotional and other special events, including golf tournaments and group outings, and to promote The Club and the residences at The Club in advertisements and promotional materials by making reference to The Club and the availability of memberships. The Club reserves the right, in its sole discretion, to restrict or otherwise reserve in advance The Club Facilities, including the golf, tennis and clubhouse facilities, for maintenance, golf tournaments, group outings and other special events from time to time.

Use Of Other Club Facilities

The Club reserves the right to enter into reciprocal use arrangements with other clubs. The terms of such use and the fees to be paid for the reciprocal use privileges will be established by The Club from time to time. The reciprocal use privileges may be terminated at any time in the sole discretion of The Club.

M. ACKNOWLEDGEMENT OF MEMBERSHIP PRIVILEGES

Acknowledgement Of Membership Privileges

The Club Facilities will initially be owned by LL-J3-Pandi, L.L.C. and made available to the membership through The Country Club at Loch Lloyd, L.L.C., both affiliates of FiveStar Lifestyles, L.L.C. Membership at The Club is not an investment in The Club or The Club Facilities and does not provide the member with an equity or ownership interest or any other property interest in The Club or The Club Facilities. Membership at The Club allows the member to use The Club Facilities, but does not grant to the member a vested or prescriptive right or easement to use The Club Facilities. Members do not have any interest in the income of The Club and do not have the right to receive any of The Club's assets if The Club is dissolved. A member only obtains a non-exclusive revocable license to use The Club Facilities in accordance with the terms of this Membership Plan, as amended.

Modification And Termination Of Membership Plan

The Club reserves the right, after discussing it with the Advisory Board of Directors, to terminate the Membership Plan, to terminate all memberships at The Club with or without cause, to sell or otherwise dispose of The Club Facilities, and to convert The Club into an equity membership-owned club. In addition, after discussing possible modifications to the membership program with the Advisory Board of Directors, The Club further reserves the right to amend and modify this Plan for the Offering of Memberships in any manner it deems appropriate provided such amendments and modifications are not materially adverse to the rights of The Club Members in the sole discretion of The Club. All members agree to be bound by any changes to this Membership Plan. In the event this Membership Plan or any particular membership is terminated without cause, the affected member(s) at The Club will be repaid one hundred percent of the actual membership deposit previously paid to The Club, without interest.

Club Members Have The Opportunity To Negotiate To Purchase The Club Facilities

In the event The Club desires to offer The Club Facilities for sale to an unrelated third party purchaser, The Club shall provide written notice to the Advisory Board of Directors of such desire to sell The Club Facilities. The notice from The Club to the Advisory Board of Directors 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. The members shall have thirty days from the date of the written notice to notify The Club in writing that at least two-thirds of all of The Club Members are interested in pursuing such discussions and that a group representing The Club Members is prepared to undertake good faith negotiations. In the event The Club and representatives of The Club Members have not agreed upon the terms and conditions of the sale of The Club Facilities and have not executed a purchase agreement within ninety days from the date of the original notice from The Club, then The Club shall have no further obligation to negotiate with the members and may proceed to consummate the sale of The Club Facilities to any party and upon such terms and conditions, including the purchase price, The Club deems appropriate in its sole discretion.

Subsequent Purchaser Of The Club Facilities

Any subsequent purchaser of The Club Facilities from The Club shall acquire The Club Facilities subject to all of the terms and conditions of this Membership Plan, as it may be amended from time to time, unless the Membership Plan is terminated as described above prior to the closing of the proposed acquisition. In the event The Club sells The Club Facilities or converts The Club Facilities into an equity membership-owned club, The Club may assign its rights and obligations under this Membership Plan and the Applications for Membership Privileges and Membership Agreements to the purchaser, in which event The Club shall be released from all liability under this Membership Plan and Membership Agreements.