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MEMBERSHIP POLICIES FOR ANTHEM GOLF AND COUNTRY CLUB

INTRODUCTION

Del Webb Golf Corp., an Arizona for profit corporation ("**Club Operator**"), owns, operates, and manages the real property and facilities located in Maricopa County, Arizona, known as Anthem Golf and Country Club ("**Club**"). The Club facilities presently consist of or are planned to include a swimming pool, tennis courts, a fitness center, and a clubhouse with food and beverage facilities (collectively, the "**Social Facilities**"), as well as an 18-hole championship golf course; a practice range; men's and ladies' locker rooms, a golf shop, and club storage facilities (collectively, the "**Golf Facilities**"). (The Social Facilities and the Golf Facilities are referred to collectively as the "**Club Facilities**"). The Club is located in the planned community known as Anthem Country Club ("**Community**") being developed by Anthem Arizona, L.L.C., an Arizona limited liability company ("**Community Developer**").

Club Operator has established a membership program by which Club Operator grants to the owner of each residential lot (whether improved or unimproved) in the Community ("**Lot**") a Social membership granting limited rights to use the Club Facilities. In addition, such property owners may apply for Golf membership which provides greater access to and privileges of using the Golf Facilities. Club Operator may also, in its discretion, grant membership rights and privileges of using the Social Facilities and Golf Facilities (collectively, the "**Club Facilities**") to persons who are not owners of property in the Community. All rights of members to use the Club Facilities are subject the terms and conditions set forth in a membership agreement entered into between the member and Club Operator ("**Membership Agreement**") and payment of such initiation fees, dues, and other charges (collectively, "**Membership Fees**") as Club Operator may establish from time to time.

The Club will be a private, non-equity golf club. Club Operator may allow the general public to use the dining facilities and to play the golf course on a daily fee or other basis until such time as 80% of the Golf memberships have been issued on a nonrecallable basis. Thereafter, regular use of the dining facilities by the general public and regular daily fee play on the golf course will be limited in accordance with these Membership Policies for Anthem Golf and Country Club, as they may be amended ("**Membership Policies**").

THE CLUB IS NOT AN EQUITY CLUB AND MEMBERS HAVE NO OWNERSHIP, PROPRIETARY, OR BENEFICIAL INTEREST IN, OR RIGHT TO CONTROL, CLUB OPERATOR OR THE CLUB FACILITIES. MEMBERS HOLD ONLY A LICENSE TO USE DESIGNATED CLUB FACILITIES IN COMMON WITH SUCH OTHER PERSONS AS CLUB OPERATOR MAY AUTHORIZE FROM TIME TO TIME. ALL MEMBERSHIPS ARE SUBJECT TO THESE MEMBERSHIP POLICIES AND THE RULES OF ANTHEM GOLF AND COUNTRY CLUB, AS THEY MAY BE AMENDED ("**Club Rules**").

1. TYPES OF MEMBERSHIP AND USE PRIVILEGES

1.1. Categories of Membership.

Initially, there shall be three categories of membership in the Club: Social, Golf, and Corporate, as follows:

Social Membership. Club Operator will issue a Social membership to the owner of each Lot. If title to a Lot is held by more than one person, the membership shall be issued to such persons jointly; there shall be only one membership per Lot.

Social membership entitles the authorized users of the membership (as described in Section 1.2) to use the Social Facilities during operating hours and subject to availability. In addition, Social members and their authorized users may use the Golf Facilities on a space available basis upon payment of applicable fees, including Social member green fees and range fees, with second priority advance reservation privileges for member tee times (after Golf members). Club Operator makes no representations or guarantees regarding the availability of tee times for Social members.

Golf Membership. Social members shall be eligible for Golf membership, subject to application, approval, and payment of such initiation fee for Golf membership as Club Operator shall establish. In addition, Club Operator may issue Golf memberships to persons who do not own Lots; however, Club Operator may recall Golf memberships held by persons who do not own a Lot on a last in, first recalled basis on not less than 90 days' written notice to the member.

In addition to the privileges of Social membership, Golf membership entitles the member and the authorized users of the Golf membership (as described in Section 1.2) to use the Golf Facilities, during operating hours and subject to availability, with the following privileges:

- use of the golf course and practice range without payment of greens fees or range fees
- first priority advance reservation privileges for one member and one authorized user (if applicable) tee time per day
- first priority for use of the golf locker rooms
- first priority for use of bag storage facilities, subject to availability and applicable bag storage fees;
- the exclusive right to participate in member and member-guest golf tournaments; and
- the right to use a privately-owned electric golf cart approved by Club Operator on the golf course.

Use of the Club Facilities by all members and their authorized users is subject to these Membership Policies, the Club Rules, and except as otherwise specifically stated above, payment of such charges (including, without limitation, golf cart rental fees or private cart service fees) as Club Operator may establish from time to time.

Club Operator shall have the right to establish and change the eligibility requirements, privileges, obligations and fees of any category of membership as they relate to new members, to discontinue offering any category of membership, and to create additional categories of membership with such eligibility requirements, privileges, and obligations as it deems appropriate.

The total number of memberships which may be issued and outstanding at any time shall be 475 Golf memberships and that number of Social memberships necessary to issue one Social membership for each Lot in the Community, as the Community may be expanded. Each outstanding Corporate membership shall reduce the number of available Golf memberships by one. Club Operator may reserve authorized Golf Memberships for purchasers of property in future phases of the Community. Such "reserved" memberships shall not be available for sale to others until Club Operator so determines, and Club Operator shall not otherwise be obligated to issue a reserved membership.

1.2. Exercise of Privileges; Authorized Users.

Designees. If a membership is issued in joint names, the members shall jointly designate in writing to Club Operator one member to exercise the privileges of the membership, subject to the right to extend such use privileges to other authorized users as provided below. If a member is a corporation, partnership, sole proprietorship, association, or other legal entity, it shall designate in writing to Club Operator one or more individuals (as provided below) who are at least 18 years of age and approved by Club Operator, to exercise the privileges of such membership ("*Designees*"). Such designations may be changed no more than once in any 12-month period, subject to approval of Club Operator and payment of such change fees as Club Operator may establish from time to time.

Authorized Users. In addition to the member or its Designee, additional persons may be authorized to enjoy the use privileges of the membership as follows:

Social Membership. Social membership entitles the member, one other adult residing in the same household with the member, and the dependent children of each under the age of 23 who either reside with the member or attend college on a full-time basis, to use the Club Facilities in accordance with the use privileges extended to Social members, as described in Section 1.1.

Golf Membership. In addition to the privileges of Social membership, Golf membership extends the privileges of using the Golf Facilities to those persons authorized in accordance with the dues category which the Golf member shall select from among the following:

Individual - Paying dues in the Individual dues category entitles only the Golf member to use the Golf Facilities.

Couple - Paying dues in the Couple dues category entitles the Golf member and one other adult residing in the same household with the Golf member to use the Golf Facilities.

Family - Paying dues in the Family dues category entitles the Golf member, one other adult residing in the same household with the Golf member, and the dependent children of each under the age of 23 who either reside with the member or attend college on a full-time basis, to use the Golf Facilities.

In the case of a Golf member which is not an individual, the above privileges shall extend to the approved Designee of such Golf member and the members of the Designee's household authorized by the dues category selected.

Golf members shall elect a dues category at the time of application. Thereafter, a Golf member may change such election no more than once in any 12-month period by written notice to Club Operator accompanied by payment of such change fee as Club Operator may establish from time to time.

Corporate Membership. Corporate membership entitles the member to designate that number of individual Designees specified in the member's membership agreement to enjoy the use privileges of the Golf membership. The initiation fee and dues for Corporate membership will vary depending on the number of permitted Designees.

Club Operator shall issue membership cards to all members and authorized users, to be carried at all times while using the Club Facilities and presented upon request. Membership cards are not transferable. If a Golf member elects to change to a dues category with fewer authorized users than the dues category previously selected, such change shall not be effective until the Golf member has returned to Club Operator all membership cards previously issued to persons who will no longer be authorized users.

All authorized users of a membership are subject to the same rules and limitations and are entitled to the same guest privileges as members under these Membership Policies and the Club Rules. Members shall be responsible for ensuring compliance with these Membership Policies and the Club Rules by the member's authorized users and guests.

1.3. Guests.

A member may sponsor guests to use the Club Facilities in accordance with the member's category of membership upon payment of applicable guest fees and such other charges as Club Operator may establish. All day guests must be accompanied by the sponsoring member or an authorized user of the sponsoring member when using the golf course. House guests must be accompanied by the sponsoring member or an authorized user of the sponsoring member when using the golf course, unless otherwise approved by Club Operator. Club Operator reserves the right to limit the number of guests that members and their authorized users may sponsor and to limit the number of times a particular individual may use the Club Facilities as a guest of one or more members during a specified period.

1.4. Assignment of Privileges to Tenants.

A member who leases his or her home in the Community to the same tenant for a period of at least 6 months may temporarily assign all of his or her use privileges to the tenant for a period not to exceed the term of the lease, upon notice to and approval by Club Operator; provided, there shall be no more than two such assignments in any 12-month period. The tenant's use of the Club Facilities shall be subject to payment of applicable assignment fees and other charges as Club Operator may establish. Club Operator may require the tenant to pay all charges with cash or credit card at the time they are incurred. During the term of the member's temporary assignment of his or her use privileges to the tenant, the member and the member's authorized users may not use the Club Facilities; the member may not divide use privileges by assigning some privileges to the tenant and reserving some privileges to himself. The member may terminate the assignment of membership privileges prior to the expiration of the lease by providing written notice to Club Operator. The member shall not be responsible for any delinquent or unpaid charges incurred by the tenant unless the member assumes such obligation in writing. The member shall continue to pay dues and other periodic charges during the term of the assignment.

2. FINANCIAL OBLIGATIONS OF MEMBERS

2.1. Membership Fees.

Types of Fees. Except as Club Operator may otherwise provide, membership shall be subject to payment of an initiation fee, periodic dues, other such other fees and charges as Club Operator shall establish, all of which may vary among members according to the category of membership held and the dues category selected. Fees charged to members may also differ from fees charged to nonmembers. In addition to such other charges as are specifically authorized in these Membership Policies, such fees and charges may include, without limitation, golf cart rental fees, range fees (except for Golf and Corporate members), private cart service fees, club storage fees, instruction fees, handicapping charges, fees for failure to cancel reserved tee times or other reservations and, if authorized pursuant to Section 5.2, food and beverage minimums.

Club Operator shall publish a schedule of current fees, dues, and charges, which shall be subject to change from time to time in Club Operator's sole discretion, except that Club Operator shall not increase annual dues for any category of membership by more than 20% of the dues charged for such category of membership during the prior fiscal year without the approval of a majority of the members (one vote per membership) holding memberships in the affected category.

Except as these Membership Policies may otherwise specifically provide, all membership fees are non-refundable.

Payment. Members shall pay to Club Operator all fees, dues, and charges in such amounts and at such times as Club Operator may establish. Unless Club Operator otherwise specifies, all dues shall be annual dues, payable in equal monthly installments in advance on or before the first day of each calendar month. Members (or their Designees pursuant to Section 1.2) shall be primarily responsible for and shall be billed directly for any fees and personal charges which their authorized users and guests incur, except that a member shall not be responsible for charges incurred by a tenant to whom the member has temporarily assigned his use privileges unless the member agrees in advance to assume such responsibility. Club Operator may, in its discretion, require accounts to be paid through a charge account service with a bank or other financial institution.

Club Operator may permit members and authorized users to charge food and beverage charges, golf shop charges, guest fees, equipment rentals, and similar charges to the member's club account. However, should any member's account become delinquent, Club Operator reserves the right to suspend or terminate such charge privileges.

2.2. Assessments.

Members shall not be subject to assessments to fund operating deficits. Members shall not be subject to assessment for capital improvements to the Club Facilities unless such assessment is approved by a majority of the members (one vote per membership) in each category of membership entitled to use such capital improvements and then only members entitled to use the capital improvement shall be subject to such assessment. Any assessment so approved shall be paid at such time and in such manner as Club Operator may determine. Upon a member's payment of any such assessment, the amount of such payment shall be added to the initiation fee originally paid by the member for purposes of calculating the amount of any refund to be paid upon resignation or termination of the member's membership pursuant to Section 3.4.

2.3. Delinquencies.

In the event that any member fails to pay amounts due to Club Operator when due, Club Operator may revoke the privilege of paying dues in monthly installments and require the member to pay the balance of the annual dues for such year in full immediately, impose late charges, charge interest on the amount past due until paid at a rate determined by Club Operator (not to exceed 18% per annum on the past due amount), and, subject to the procedures set forth in Section 4.2, suspend the privileges of the delinquent member and all authorized users of the member's membership or terminate the delinquent member's membership. Club Operator shall be entitled to collect from the delinquent member all costs and expenses reasonably incurred by Club Operator in attempting to collect the delinquent amounts, including attorneys' fees and court costs, whether or not suit is filed.

The Club shall have a lien against each member's lot or home in the Community to secure payment of all amounts due to Club Operator pursuant to these Membership Policies. The lien shall also secure payment of interest (subject to the limitations of Arizona law) and costs of collection (including attorneys' fees, lien fees and administrative costs). Such lien shall be superior to all other liens, except those held by Anthem Country Club Community Association, Inc., the Anthem Community Council, Inc., and those deemed to be superior by law. When a member is delinquent in paying any amounts due to Club Operator, Club Operator may enforce its lien by suit, judgment, and foreclosure.

3. TRANSFER, CONVERSION, AND TERMINATION OF MEMBERSHIPS

3.1. Transfer of Memberships.

General. Except as specifically provided in these Membership Policies or in the member's Membership Agreement, memberships are not transferable except to and by Club Operator and any other attempt to transfer a membership shall be void and of no effect. A Golf member may pledge his or her Golf membership to an institutional lender to secure purchase money financing for such membership, provided the membership secures no more than the initiation fee paid to Club Operator for such membership. In the event that the lender acquires the membership pursuant to the remedies provided in its loan documents, the membership shall be deemed resigned and the lender shall be entitled to the same rights as the member would have had upon voluntary resignation. In Club Operator's discretion, Club Operator may permit a member to surrender his or her membership certificate and have the membership reissued in the name of a family trust controlled by the member without the necessity of resigning the membership and having Club Operator repurchase and reissue it as described in Sections 3.3 and 3.4 below, provided such family trust meets the eligibility requirements to hold such membership.

Death. Upon the death of a member holding title to a Lot in the Community, the membership shall automatically terminate and, upon notice to Club Operator, Club Operator shall reissue the membership to the legatee or heir of the Lot, if such legatee or heir is over the age of 18; otherwise, the membership shall pass to such individual's guardian in trust for the benefit of the heir or legatee. Upon the death of a member who does not hold title to a Lot in the Community, the surviving spouse, if any, shall have 60 days within which to apply to have the deceased member's membership transferred to him or her at no charge. If there is no surviving spouse, or upon failure of a surviving spouse to apply to have such membership transferred within such 60 day period, the deceased member's membership shall terminate. In any case, a deceased member's estate shall be responsible for payment of all dues and charges on the member's account until Club Operator has received written notice of resignation of such membership or a written request for transfer of such membership as provided in this paragraph.

Separation; Divorce; Termination of Cohabitation or Co-ownership. In the event that members who hold a membership in their joint names are legally separated, divorced, cease to reside in the same household, or cease to be co-owners of a Lot in the Community:

(a) the membership shall vest in the member entitled to the membership pursuant to written agreement, divorce decree, or court order, if the members do not own a Lot in the Community; or

(b) the membership shall vest in the member who receives title to the Lot, if the members (or either of them) do own a Lot and one transfers his or her interest in such Lot to the other; or

(c) the membership shall vest in the member who is entitled to occupy the Lot pursuant to any written agreement, divorce decree or court order, if the members own a Lot and title to such Lot continues to be held in their joint names.

In each of the foregoing cases, all rights of the other member in and to such membership shall terminate.

3.2. Conversion of Memberships.

Any Social member may apply to upgrade to Golf membership on such terms and conditions and upon payment of such initiation fee as Club Operator may establish from time to time. Applications for Golf membership shall be subject to Club Operator's approval, in accordance with such procedures as it may establish, and availability of Golf membership, as Club Operator may determine in its sole discretion. Golf Memberships reserved for purchasers of property in future phases of the Community pursuant to Section 1.1 shall not be available for purposes of upgrading until Club Operator so determines, and Club Operator shall not be obligated to issue a reserved membership. If the member has paid dues for Social membership in advance for the membership year and the upgrade occurs during the membership year, Club Operator shall credit the dues prepaid for the period after such upgrade takes effect against the dues payable for the balance of the membership year for Golf membership, and the member shall be responsible for any difference.

Any Golf member who owns a Lot in the Community and desires to convert to Social membership may do so by submitting written notice to Club Operator of the member's voluntary resignation of his or her Golf membership in accordance with Section 3.3.

3.3. Termination of Memberships.

Voluntary Resignation. A Golf member may voluntarily resign his or her Golf membership (and revert to Social membership, if the record owner of a Lot in the Community), and any other member who does not own a Lot in the Community may voluntarily resign his or her membership, by written notice to Club Operator at least 60 days prior to the end of any membership year. Such resignation shall be effective as of the end of the membership year in which such notice is received unless (a) the member requests and Club Operator approves a later effective date, or (b) Club Operator repurchases the resigned membership pursuant to Section 3.4 prior to the end of such membership year. The resigning member may continue to enjoy the privileges of such membership through the effective date of such resignation.

Other Events of Termination. In addition to the foregoing, a member shall be deemed to have resigned his or her membership and such membership shall automatically terminate upon occurrence of any of the following events:

(a) upon the member ceasing to be either a contract purchaser (as a result of the member's

default under, failure to close, or termination of, the member's contract to purchase) or owner of a Lot in the Community, if such status was a condition of issuance of the membership held, unless the membership is held in joint names and at least one other member holding such membership continues to satisfy such condition (in Club Operator's discretion, a Golf member may be allowed to retain his or her Golf membership after the member ceases to own a Lot, but such membership shall be subject to recall by Club Operator upon 90 days' written notice);

(b) upon the death of a Golf member who does not own a Lot and has no surviving spouse, or on the 60th day following the death of such a member who has a surviving spouse unless the surviving spouse has applied to have the membership transferred to him or her within the 60-day period following the member's death;

(c) in the case of a member which is a legal entity, upon dissolution of such entity or upon such entity ceasing to be actively engaged in business;

(d) in the case of a member holding a Corporate or recallable Golf membership, upon the date of Club Operator's recall and repurchase of the membership, which date Club Operator shall specify by not less than 90 days' written notice to the member, unless within such 90-day period a Golf member whose membership has been recalled converts the membership to a nonrecallable membership as provided in such member's membership agreement;

(e) upon expulsion of the member pursuant to the disciplinary procedures set forth in Section 4.2.

Rights and Obligations upon Termination. Upon termination of a membership, the member shall return to Club Operator the membership certificate and all membership cards issued to the member and his or her authorized users. Members shall be responsible for all dues, fees, and other charges accrued or incurred on such member's account through the effective date of voluntary resignation or the date of receipt by Club Operator of notice of any other event of termination and until Club Operator has received all membership cards. A member shall have no right to any payment upon termination of membership except as provided in Section 3.4, if applicable.

3.4. Repurchase and Reissuance of Memberships.

Recalled Memberships. Club Operator shall repurchase a Corporate or Golf membership recalled pursuant to Section 3.3(d) on the effective date of termination as specified in the notice of recall unless, in the case of a Golf member, the member converts to a nonrecallable Golf membership prior to the effective date of the recall, as provided above. Upon repurchase of a recalled membership, Club Operator shall pay to the former member the amount determined in accordance with the former member's membership agreement, not to exceed 100% of the initiation fee actually paid by the former member. The amount to be paid hereunder shall be reduced by any unpaid installments of the initiation fee and any outstanding fees, dues, and other charges due from the former member. A former member whose initiation fee was waived, or for any other reason did not pay an initiation fee, shall not be entitled to any payment for the membership. The former member shall be entitled to a refund of any dues prepaid for the period after the effective date of termination.

Other Memberships.

(a) ***Waiting List for Repurchase.*** Upon termination of a Golf or Corporate membership for any other reason other than recall pursuant to Section 3.3(d), Club Operator shall place the terminated membership on a waiting list to be repurchased and reissued in accordance with the following

procedures. Club Operator shall maintain the waiting list based on the date that Club Operator receives written notice of the resignation or other event of termination of each membership. Until the Community Developer has sold all Lots which it has planned for the Community or the Club Operator has issued all authorized Golf memberships, whichever occurs first, every sixth Golf or Corporate membership which Club Operator issues while there are memberships on such waiting list shall be the first resigned membership from the waiting list (a resigned Golf membership may be reissued as a Corporate membership and vice versa). Thereafter, Club Operator shall repurchase and reissue memberships from each waiting list as needed to provide memberships to new members, subject to the rights of resigning Golf members to have their memberships reissued to the resale buyers of their property, as provided below. Club Operator shall have no obligation to repurchase any membership from the waiting list until the new member to whom it will be issued has been approved and paid the current initiation fee for the applicable category of membership in full to Club Operator.

After the Community Developer has sold all Lots which it has planned for the Community, a Golf member who sells his or her Lot in the Community may submit a written request to Club Operator for Club Operator to terminate and reissue the Golf membership to the resale buyer of the Lot. If the resale buyer:

- applies for Golf membership not later than 5 days after entering into a contract to purchase the terminating Golf member's home;
- **is approved by Club Operator; and**
- pays to Club Operator the initiation fee then being charged for such category of membership in full (i) on or before close of escrow or (ii) within 5 days after receipt of notice of such approval, whichever is later;

then upon the resale buyer taking title to the selling member's Lot, Club Operator shall repurchase and reissue the selling member's membership to the resale buyer without regard to any waiting list for repurchase of memberships or any waiting list to acquire memberships then in effect. **Club Operator shall have no obligation to approve a resale buyer's application for membership and shall have no liability to any person for declining to approve an application for membership, so long as in denying the application Club Operator has not discriminated against the applicant on any basis prohibited by law.**

Club Operator may, but shall have no obligation to, repurchase a membership sooner than required hereunder, without regard to any waiting list then in effect, if Club Operator elects to do so for any reason; provided, the repurchase of a membership prior to the time that it would otherwise be repurchased from the waiting list shall not delay or otherwise affect Club Operator's obligations with respect to other memberships having a higher position on such waiting list than the membership being repurchased.

(b) *Payment upon Repurchase.* Within 30 days after Club Operator's repurchase and reissuance of a Golf or Corporate membership for any reason other than recall pursuant to Section 3.3(d), Club Operator shall pay the former member such amount, if any, as is set forth in the former member's membership agreement, not to exceed 100% of the initiation fee actually paid by the resigning member for such membership. The former member shall be entitled to a refund of any dues prepaid for the period after the effective date of termination. Club Operator shall be entitled to deduct from the amounts to be paid to the former member any unpaid installments of the initiation fee and any outstanding fees, dues, and other charges due from the former member.

Any difference between the amount which Club Operator is obligated to pay to a former member pursuant to this Section 3.4 and the amount which Club Operator receives upon the reissuance of the membership shall be the property of Club Operator.

4. GOOD STANDING; DISCIPLINE

4.1. Good Standing.

A member, Designee, or authorized user shall cease to be in "good standing" upon the occurrence of any of the following:

- (a) failure to pay to Club Operator any fees, dues, or other charges, or any installment thereof, on or before the due date;
- (b) failure to accompany a guest if and when required while using the Club Facilities;
- (c) resignation or other termination of the membership by which the member, Designee, or authorized user was entitled to use the Club Facilities;
- (d) violation of these Membership Policies or the Club Rules, or cheating in tournaments;
- (e) conviction of a felony or of any crime involving moral turpitude, or a determination by Club Operator that the person was convicted of a felony or such a crime prior to Club Operator's approval of his or her application and failed to disclose such conviction prior to such approval; or
- (f) commission of any act which Club Operator determines to be detrimental to or likely to endanger the welfare, safety, harmony or good reputation of Club Operator, the Club, or any member, Designee, or authorized user.

4.2. Discipline.

Sanctions. If Club Operator determines, in accordance with the procedures set forth below, that any member, Designee, or authorized user is no longer in good standing, Club Operator may impose such sanctions as it deems appropriate. Such sanctions may include, but need not be limited to, monetary fines, reprimand, temporary suspension of membership privileges, or expulsion and termination of membership. Any temporary suspension of membership privileges shall be for such period as Club Operator deems appropriate. A suspended member or Designee shall remain fully liable for all dues, fees, and other charges accruing during any period of suspension.

Club Operator's determination that an authorized user is not in good standing shall be cause for suspension or termination of the authorized user's privilege of using the Club Facilities but shall not affect the privileges of the member, Designee, or other authorized users. Club Operator's determination that a Designee is not in good standing shall be cause for suspension or termination of the privileges of the Designee and the Designee's authorized users, but shall not affect the privileges of the member. Suspension or termination of a member's rights due to a Club Operator's determination that the member is not in good standing shall also suspend or terminate all rights of the member's Designee and authorized users.

A person whose use privileges are suspended or terminated pursuant to this Section shall not be

entitled to use the Club Facilities as the guest of another member or otherwise. A member who has been expelled shall be deemed to have resigned his or her membership pursuant to Section 3.3.

Notice and Hearing. Club Operator shall not suspend or terminate the rights of a member, its Designee (if applicable) or any authorized user without prior notice to the member (and the Designee, if applicable) specifying the basis for a belief that the member, its Designee, or other authorized user is not in good standing, and an opportunity for a hearing on the matter.

If the member, its Designee, or authorized user requests a hearing in writing within 10 days after receipt of such notice, Club Operator shall set a time and date for a hearing and shall provide at least 10 days' prior written notice thereof to the member. The hearing shall be held before a committee comprised of such persons as Club Operator may designate, who may but need not be members. At such hearing, the member, its Designee or authorized user may make a statement and present any evidence or witnesses supporting the position that such person remains in good standing or should not be sanctioned. The general policy of the Club shall be that neither the Club nor the charged person shall have counsel present at any such hearing; provided, however, should the charged person desire to have counsel present at the hearing, he or she shall notify Club Operator of such preference at least 24 hours in advance of the meeting, and both Club Operator and the member shall be entitled to have counsel present.

The hearing shall be conducted in accordance with the following:

(a) Only those persons may attend who, in the discretion of Club Operator, are necessary to afford a complete and impartial hearing.

(b) The Club's appointee, or representative, if any, may present its arguments for sanctions against the charged person. The Club's appointee shall name the complainants and witnesses who are to testify regarding the charged person's conduct and in support of the Club's charges.

(c) The charged person shall have an opportunity be heard orally or in writing, to present witnesses, produce any statement or evidence on his or her behalf, confront the Club's witnesses, and refute the claims of complainants.

(d) The Club and the charged person each shall be afforded a reasonable opportunity to present relevant matters. The charged person shall have the same amount of time to present its matters and confront the Club's witnesses and complainants as the Club uses to present the matters it deems relevant; however, neither presentation shall exceed one hour, unless Club Operator, in its sole discretion, determines that more time is necessary to present relevant matters. The amount of time that the Club uses to pose questions to those in attendance shall not be charged against the time allotted to either.

The committee shall notify the alleged violator of its determination and the sanction, if any, to be imposed, within 10 days following the date of such hearing. In the discretion of Club Operator, membership privileges may be suspended pending the outcome of such hearing.

CLUB OPERATOR'S DETERMINATION IN ACCORDANCE WITH THIS SECTION THAT ANY PERSON IS NOT IN GOOD STANDING SHALL BE FINAL.

Notwithstanding the hearing requirement specified above, Club Operator may immediately

suspend the rights and privileges of a member, Designee, or authorized user when, in its sole discretion, Club Operator determines that such person's conduct, if repeated, would pose a threat to the welfare and safety of the Club and its members or that the time period involved in complying with the hearing procedure set forth above would render such hearing procedure ineffective to address or prevent a recurrence of such person's conduct within such time period. In such event, the member, Designee, or authorized user involved shall have the right to appeal the suspension to Club Operator or its Designee. To perfect this right, a written notice of appeal must be received by Club Operator or its Designee within 10 days after the date of suspension. If such a suspension is appealed, Club Operator or its Designee shall comply with the applicable notice and hearing procedures set forth above. If such a suspension is not appealed, Club Operator or its designee shall review the facts surrounding the suspension to determine the length of the suspension or if further disciplinary action is necessary.

5. MANAGEMENT, OPERATION AND TRANSFER OF CLUB FACILITIES

5.1. Club Management.

Club Operator shall have exclusive authority and shall be responsible for the management and operation of the Club Facilities, which shall include, without limitation, the following:

Staffing. Club Operator shall select, retain, supervise, direct, fix the compensation of, and discharge, in its sole discretion, all professionals and other personnel, agents, and/or independent contractors which Club Operator deems necessary or desirable for the smooth and efficient operation and maintenance of the Club Facilities. Any complaints regarding such personnel shall be directed to Club Operator's executive director, club manager or such other person as Club Operator may designate. No person other than designated employees of Club Operator shall reprimand or admonish such personnel or direct them in performing their duties.

Nature and Condition of Club Facilities. Club Operator reserves the right to add or eliminate facilities, discontinue or modify the operation of existing Club Facilities, and otherwise make such changes to the Club Facilities and level of operations as Club Operator deems appropriate in its sole discretion. Club Operator makes no representations or warranties with respect to the nature or condition of the Club Facilities or the suitability of the Club Facilities for any particular purpose. Club Operator may, but shall not be obligated to, establish or provide for capital reserves or any other reserve fund related to operation or maintenance of the Club Facilities.

Club Rules and Policies. Club Operator shall have the exclusive authority to adopt and amend rules and policies governing use of and conduct on the Club Facilities, including policies regarding tee time allocation, reservations, and guest privileges. Such rules and policies are subject to change in Club Operator's sole discretion.

Special Events. Subject to the limitations set forth in Section 5.2, Club Operator reserves the right to make all or portions of the Club Facilities available to members or nonmembers for special events, including, without limitation, tournaments, private parties, and charitable events, to determine the number and scheduling of special events in its sole discretion, and to restrict members' use of the Club Facilities during such events.

Hours of Operation. Club Operator shall have sole and exclusive authority to determine the

hours of operation of the Club Facilities and to close portions of the Club Facilities during inclement weather and for maintenance, repair, overseeding, and other purposes as Club Operator deems appropriate, subject to the limitations set forth in Section 5.2. Except in an emergency, Club Operator shall give the members not less than 30 days' prior notice if the golf course will be closed to regular play.

Approval and Acceptance of Members. Club Operator shall have sole and exclusive authority to determine the qualifications for membership and to approve or reject any application for membership in accordance with such procedures as it may establish from time to time.

Profits, Losses, and Distributions. Club Operator shall be entitled to all income and profits and shall be responsible for all expenses and losses from operation of the Club Facilities, subject to its right to increase fees, dues, and other charges as provided in Article 2. In the event of a sale of the Club Facilities, any proceeds which Club Operator derives from such sale shall be the property of Club Operator and members shall have no interest therein, except to the extent of the payment, if any, to which members may be entitled upon termination and repurchase of their memberships pursuant to Article 3.

Delegation. Club Operator shall have the right to delegate, transfer, or assign any or all of its rights and responsibilities for management and operation of the Club Facilities to such persons and on such terms and conditions as Club Operator deems appropriate in its sole and absolute discretion.

5.2. Nonmember Use.

Club Operator reserves the right to make any or all of the Club Facilities available for use by persons other than members (which use may include, without limitation, temporary use by approved applicants for membership pending close of escrow on a Lot which they are under contract to purchase from the Community Developer, unaccompanied daily fee play, tournaments, charitable events, banquets and other such activities) under such circumstances, terms and conditions, and upon payment of such fees and charges, as Club Operator shall determine in its sole and absolute discretion, subject to the following:

Tournaments and Other Special Events. Club Operator may reserve the golf course or tennis courts for nonmember tournaments or other nonmember events restricting use by members no more than 12 days per year per facility (exclusive of closures of all or portions of the Club Facilities to regular use for maintenance, overseeding, member tournaments and events, etc.). This limitation shall not apply to reservation of the clubhouse facilities for banquets, private parties, and similar nonmember events.

Advance Reservations. Club Operator shall not accept reservations for tee times for unaccompanied daily fee golf play until Golf members have had at least 5 days and Social members have had at least 24 hours to reserve any available tee times, except that:

(a) Until 300 Golf memberships are issued and outstanding on a nonrecallable basis, Club Operator may set aside a limited number of tee times for advance reservation by resort guests and other nonmembers ("advance reservation play for nonmembers") in accordance with the schedule attached as Exhibit "A," with any such tee times that are not reserved at least 7 days prior to the day of play to be released for reservation by others; and

(b) Club Operator and the Community Developer and its authorized sales persons and

representatives may reserve tee times in advance for golf play by prospective purchasers of Lots in the Community and for other sales, marketing, public relations, or business purposes without regard to such limitation.

Closing Facilities to Nonmembers. At such time as 80% of the authorized Golf Memberships are issued and outstanding on a nonrecallable basis, Club Operator will:

- (a) close the dining facilities to regular use by the general public; provided, Club Operator may thereafter charge each membership a food and beverage minimum (i.e., a minimum amount periodically charged to each membership account for food and beverage purchases, whether or not the member or the member's authorized users actually makes such purchases) to ensure a sufficient level of income to cover the costs of offering and providing food and beverage service, such minimum to be payable at such time and in such manner as Club Operator determines in its sole discretion; and
- (b) close the golf course to regular unaccompanied daily fee play, except that Club Operator shall be permitted to honor any existing reservations by nonmembers and the remaining term of any agreements entered into prior to such time which have a remaining term of one year or less.

Exceptions: The "general public" and "daily fee play," as such terms are used in this Section, shall not include:

- (a) members, their authorized users, or their guests;
- (b) approved applicants for Golf membership who are under contract to purchase a home or lot in the Community from the Community Developer and to whom Club Operator has granted temporary use privileges prior to close of escrow on such lot or home in exchange for payment of dues in the applicable dues category;
- (c) Club Operator's officers, directors, or authorized employees and their guests;
- (d) the Community Developer's officers, directors, authorized employees, and their guests and invitees (which may include prospective purchasers of Lots in the Community); or
- (e) such persons as Club Operator may authorize to use the facilities in conjunction with banquets, tournaments, special events or similar activities pursuant to this Section 5.2.

5.3. Transfer of Club Facilities.

Club Operator reserves the right to sell or otherwise transfer all or any portion of the Club Facilities to a third party or parties, upon such terms and conditions as Club Operator determines appropriate in its sole and absolute discretion, at any time after the initial sale of 1,000 Lots in the Anthem Country Club community. Unless otherwise agreed with Club Operator, the new owner shall have no obligation to operate the Club Facilities in accordance with these Membership Policies; provided, if the new owner does not take subject to the Membership Policies then existing or makes any materially adverse changes in the rights of any category of members under such Membership Policies without approval of the affected members as provided in 6.2, then the members whose rights are so changed shall have the option of either continuing to use the Club Facilities upon such terms and conditions as the new owner may establish, or resigning and, in the case of members with repurchase rights under Section 3.4, having their memberships placed on a waiting list for repurchase on the terms and conditions set forth in that Section.

In the event that a new owner discontinues or suspends the offering of memberships in a category with repurchase rights under Section 3.4 and does not substitute a different category of membership with similar privileges (the sale of which triggers the repurchase of memberships in the discontinued category), the new owner shall repurchase any resigned memberships in such discontinued category on the waiting list for repurchase within 60 days after receipt of notice from the member of the member's resignation. The repurchase price shall be 100% of the initiation fee, if any, actually paid by the resigning member, as set forth in the member's membership agreement. Social members shall not have the option of resigning their Social memberships so long as the new owner agrees to honor the terms and provisions of the covenant giving rise to their Social memberships.

In the event that Club Operator transfers all or any portion of the Club Facilities to a third party, Club Operator may assign to the new owner its rights to impose liens on property of members and other rights to collect fees, dues, and other charges pursuant to the membership agreements with persons then holding memberships.

6. GENERAL PROVISIONS

6.1. Notices.

Except as otherwise specifically provided in these Membership Policies, all notices or other communications (other than regular statements of account) required to be given or made hereunder shall be in writing and shall be delivered by hand or mailed by registered or certified mail, return receipt requested, postage prepaid, or by electronic mail to members so requesting. Notices delivered in person shall be deemed received upon actual receipt, and notices mailed shall be deemed received three days after deposited in the mail in accordance with this Section. Notices to Club Operator shall be delivered to the address of the Club Facilities. Notices to a member (or its Designee) shall be addressed to the member (or its Designee, as applicable) at the address specified in the member's Membership Agreement, unless the member has provided written notice to Club Operator in accordance with this Section requesting that notices be given at a different address and providing such new address.

6.2. Amendment.

Club Operator reserves the right, in its sole and absolute discretion, to amend these Membership Policies at any time and in any manner which it deems appropriate, except that no amendment shall make any materially adverse change in the rights of any existing member unless approved by at least a majority of the affected members. For purposes of this section, the phrase "materially adverse change" shall refer only to: (i) elimination of use privileges afforded to any category of membership pursuant to Section 1.1; (ii) reduction in the number of authorized users or Designees permitted for any outstanding membership pursuant to Section 1.2; (iii) an increase in the number of authorized Golf memberships or the addition of new categories of membership with golfing privileges equal to or greater than those of Golf members, such that the total number of such memberships authorized exceeds 475; (iv) imposition of a requirement for payment of an additional initiation fee in order to continue existing privileges; (v) a change in the provisions for assessment of members to permit assessment of members for operating deficits without membership approval; (vi) elimination of the right to have a membership reissued in the name of a surviving spouse or heir upon death of the member; (vii) elimination or significant reduction in the rights of members upon termination of their memberships set forth in Sections 3.3 and 3.4; or (viii) elimination of the limitation on regular, unaccompanied daily fee play on the golf course after 80% of the Golf memberships are issued and outstanding on a nonrecallable basis currently set forth in Section 5.2.

Any amendment shall become effective when notice thereof is delivered to the members.

6.3. Assumption of Risk.

In consideration for the privilege of using the Club Facilities, each person entering upon or using the Club Facilities agrees:

(a) to accept all risks associated with the use of the Club Facilities and to release Club Operator from and indemnify and defend Club Operator against any and all claims arising out of or in any way connected with such use of the Club Facilities, except to the extent directly resulting from the gross negligence or willful misconduct of Club Operator or its employees; and

(b) to assume sole responsibility for their personal safety and the safety of their personal property brought upon, used or stored at the Club Facilities. Club Operator shall not be responsible for any loss or damage to any personal property brought upon, used or stored at the Club Facilities, whether in lockers or elsewhere, except to the extent directly resulting from the gross negligence or willful misconduct of Club Operator or its employees.

Each member and Designee further agrees to be responsible and liable for any property damage and/or personal injury which he or she causes, or which is caused by his or her authorized users or guests, while on the Club Facilities, or at any activity or function operated, organized, arranged or sponsored by Club Operator. In addition, a member or Designee who arranges or sponsors any activity or function at the Club Facilities shall be responsible for any such damage or injury even if such damage or injury was not caused by the member or Designee. The cost of repairing any such damage shall be charged to the member's or Designee's club account, as applicable.

As used in this Section "Club Operator" shall include Del Webb Golf Corp., its successors, assigns, officers, directors, and employees, and all persons, corporations, partnerships and other entities with whom it is or may in the future become affiliated.

6.4. No Ownership Interest.

No member shall have any ownership or proprietary interest, beneficial interest, or any other vested interest whatsoever in the Club, Club Operator, or any of the assets of Club Operator. No member shall have any right to vote on or approve any matter relating to management or operation of the Club except as specifically provided in these Membership Policies. Membership constitutes only a license to use, on a priority basis, some or all of the Club Facilities as set forth in these Membership Policies, as they may be amended from time to time. Membership is offered as an opportunity to obtain the recreational and social benefits of the Club only and should NOT be viewed as an investment or purchased with any view toward or expectation of profit.

6.5. Representations.

No person is authorized to make any representation or provide any information with regard to the Club or Club memberships contrary or in addition to the information contained in these Membership Policies and the Membership Agreements referenced herein.

EXHIBIT "A"

Allocation of Tee Times for Advance Reservation by Nonmembers

| % of Authorized Golf Memberships Outstanding Which Are Not Subject to Recall | % of Total Tee Times Allocated for Advance Reservation by Nonmembers |
|---|---|
| 0 to 100 | 25%, 7 days per week |
| 101 to 200 | 20%, 7 days per week |
| 201 to 300 | 15%, 7 days per week |
| over 300 | 0 |

"Advance Reservation" means more than 3 days in advance of the day of play. Any tee times allocated for advance reservation by nonmembers that are not reserved at least 7 days prior to the day of play shall be released for reservation by others, subject to the restrictions set forth in Section 5.2 of the Membership Policies. Nothing in this exhibit shall restrict Club Operator's right to accept reservations for the above tee times or other tee times for nonmember play 3 or fewer days in advance of the day of play. Subject to the limitation on number set forth in the above schedule, Club Operator may determine, in its sole discretion, which tee times are allocated for advance reservation by nonmembers; provided, Club Operator shall use reasonable, good faith efforts to ensure that the percentage of high demand tee times allocated for advance reservation by nonmembers is no greater than the applicable percentage of the total tee times that may be allocated for advance reservations by nonmembers according to the above schedule. During the peak season months of January through April, the Club Operator may not accept advance reservations for nonmember play on any given day a percentage of tee times on such day greater than the percentage allowed above.

