

MEMBERSHIP POLICY SUMMARY

BLACKTHORN CLUB, LLC

October 8, 2018

This is a membership policy summary (Policy Summary) intended to provide information to those persons considering or holding memberships (Memberships) offered by Blackthorn Club, LLC (the "Club") to select persons. The Memberships will allow approved Members from designated membership categories the right to use the golf course and/or other amenities (the "Club Amenities") leased and operated by the Club located at 1501 Ridges Club Drive, Jonesborough, Tennessee.

Organizational Structure

The Club, a Tennessee limited liability company, is located in Johnson City, Washington County, Tennessee. The Club shall operate a club with a focus primarily on golf. The Club also offers other social and athletic opportunities such as swimming, tennis and dining. The Memberships offered hereby are for the use of Club Amenities by Members and their invited guests. The members of the limited liability company which operates the Club shall be Founder Members of the Club, shall serve as the Executive Board, and shall make or approve all decisions with regard to membership and operation of the Club. The Executive board may, from time to time, appoint an advisory board and/or various committees which will report to the Executive Board with recommendations with regard to Club matters, and the Executive Board will consider those recommendations in decision making and management.

Club Property

The Club shall lease the property located at 1501 Ridges Club Drive, and the improvements and equipment necessary for its operation, from GolfTenn, a Tennessee general partnership.

Club Amenities

The Club features an 18 hole golf course designed by Arthur Hills and Associates, who has created some of the finest private courses in the United States. His design for the par 72, 18 hole course is situated on approximately 210 acres and plays to about 7,147 yards from the black tees, 6,732 yards from the orange tees, 6,306 yards from the blue tees, 5,806 yards from the green tees, 5,218 yards from the gold tees, and 4,846 yards from the purple tees.

Golf course construction was accomplished by Wadsworth Golf Construction Company of the Midwest. Related facilities include golf cart storage, grounds equipment, barn, bag storage, golf shop, four (4) outdoor tennis courts (2 asphalt & 2 clay), outdoor swimming pool, and the related amenities normally associated with a private country club ("Club Amenities"). The golf course opened for play in June, 1997, and was thereafter operated under the supervision of the prior lessee of the golf course property, The Ridges Golf & Country Club, a Tennessee nonprofit corporation.

The Club Amenities also include a Clubhouse designed by the architect Bradley Dowdy of Banner Elk, North Carolina, containing approximately 11,920 square feet, including golf shop, a mixed grill operated by Blackthorn Grille, LLC, men's and women's locker rooms, dining room and bar.

Club Office

Effective December 1, 2010, the Club's business office and mailing address is Blackthorn Club, 1501 Ridges Club Drive, Jonesborough, Tennessee 37659. The telephone number is 423-913-3164.

Membership Purposes

Memberships are non-redeemable, non-voting, and non-transferrable. The Memberships being offered hereby are offered for recreational and social purposes only. Memberships are not an investment and no person purchasing a membership will derive any economic profits or benefits from membership either directly or indirectly.

Membership Limitations

Memberships are non-redeemable, non-transferrable, and do not entitle Members to vote on the governance of the Club.

Membership Process

Membership is by invitation only. The Executive Board will determine whether, in its sole judgment, a prospective Member satisfies its subjective criteria for Membership. The Executive Board shall pass upon each candidate for Membership separately. The Executive Board, in its discretion, may solicit prospective member information regarding a candidate for Membership. A person desiring to be a Member of the Club must tender the Initiation Fee established for Membership (or required portion thereof if an installment purchase is provided for) and submit and executed Membership Agreement and Member Data Sheet prior to being considered for invitation to Membership. The Initiation Fee for Membership shall be established by and may be increased or decreased from time to time by the Executive Board.

Membership Categories

There shall be categories of Membership in the Club as follows:

Platinum Membership – Platinum members are entitled to the use of all Club Amenities.

Platinum Single Membership – Platinum Single memberships shall allow legally single persons between the ages of 40-75 use of all Club Amenities. Platinum Single members are defined as legally single individuals, who do not have dependents or significant others listed on their account.

Gold Membership – Gold memberships shall allow persons under the age of 35, membership in the Club at reduced rates, and Gold Members are entitled to the use of all Club Amenities.

Advanced Gold I Membership – Advanced Gold I memberships shall allow persons between the ages of 35-37, membership in the Club at reduced rates, and Advanced Gold I Members are entitled to the use of all Club Amenities.

Advanced Gold II Membership – Advanced Gold II memberships shall allow persons between the ages 38-39, membership in the Club at reduced rates, and Advanced Gold II Members are entitled to the use of all Club Amenities.

Silver Membership – Silver members are entitled to recreational use of Club Amenities, excluding the golf course. Silver members golf privileges are limited to a total of four (4) times per year, either as a Silver Member or as a guest of another Member, at established greens fees.

Diamond Membership – Diamond Memberships shall allow persons age 76 and older membership in the Club at dues rate equal to the then prevailing dues rate of Silver Memberships, and Diamond Members shall be entitled to use of all Club Amenities.

Non-Resident Membership – Non-Residents are persons who do not reside in any of the following counties in the State of Tennessee: Carter, Greene, Hawkins, Sullivan, Unicoi, or Washington. A proof of primary residence (voter registration card, property tax receipt, or valid driver's license) must be submitted with the application. Non-Resident Memberships entitle the holder the use of all of the Club's Amenities however "guest fees" are required to be paid by the Non-Resident Member and their guest(s).

Charges incurred while using Club Amenities will be credited against the then prevailing annual Non-Resident Membership Fee (*allowances & exceptions outlined below*). Charges exceeding the annual Non-Resident Membership Fee shall be billed to the Non-Resident member. Any portion of the annual fee paid but not used within 12 months from the "Agreement Date", shall be forfeited.

Items that **DO** get credited against the Non-Resident Membership Fee paid:

- Greens Fees
- Cart Fees
- Guest Fees (Golf, Tennis & Pool)
- Food & Beverage (excluding tax & gratuity)

Items that do **NOT** get credited against the Non-Resident Membership Fee paid:

- Taxes – all areas of the Club
- Gratuities
- Lessons
- Gift Certificates
- Golf Shop Merchandise (Hard & Soft Goods)
- Tournament Entry Fees

Corporate Membership – Corporate Memberships are entitled use of Club Amenities based upon the category of membership they join under as outlined herein. Qualifications for this classification are:

- The membership is purchased by a company/corporation
- The company/corporation agrees to maintain a “minimum” monthly dues payment equivalent to five (5) “Platinum” memberships
 - The company/corporation is permitted to have up to ten (10) separate memberships “active” at one time. These memberships are fully transferable to employees within the corporation upon payment of a \$100.00 membership transfer fee and the signing of an agreement to maintain that specific “active” account for a minimum period of 6 months
 - The company/corporation agrees to be financially responsible for all charges placed on each individual account in the event a designee becomes delinquent
 - When an authorized corporate account representative deactivates a specific “active” account or transfers a specific active to someone else in the corporation, the original “designee” of that specific account will be provided an opportunity to rejoin Blackthorn Club as an individual member with-in 30 days of their account being “deactivated” and will be provided this option with no initiation fee being required to be paid
- The company agrees to pay a one-time initiation fee payment equal to 50% of the initiation fee for a “Platinum” membership. Only one (1) initiation fee is required for the membership, not one for each “end user”

Dining Membership – Dining Members are entitled to the use of Blackthorn Club dining areas to include the Main Dining Room, Veranda, Pavilion, Bistro Room and Lounge and have the ability to book private dining events. Dining members are excluded from using all other Club Amenities unless attending as a guest of a member from a qualifying membership category. Normal guest fees apply.

Initiation Fees & Dues

The obligation to pay dues commences upon acceptance into the Club and is payable in advance.

Membership Type	Initiation Fees	Monthly Dues	Quarterly Food & Beverage Minimum
Platinum (40 – 75)	\$1,500	\$400	\$130
Platinum Single (40 – 75)	\$1,500	\$325	\$130
Gold (34 & under)	\$800	\$250	\$130
Advanced Gold I (35-37)	\$800	\$300	\$130
Advanced Gold 2 (38-39)	\$800	\$350	\$130
Silver (Social)	\$800	\$250	\$130
Diamond (76 & Older)	\$800	\$250	\$130
Non-Resident	N/A	\$1000 Annually	N/A
Corporate (Minimum of 5)	Applicable Qualifying Category Amount	\$295 - Platinum \$250–Silver/Gold/Diamond	\$130 Per Membership
Dining	\$150	N\A	\$150

Minimum Commitment

A minimum commitment to pay fees, dues and charges as a member of Blackthorn Club for twelve months is required with each membership category. The twelve month period begins the month an application is approved for membership. Member will be financially responsible for any legal fees incurred in the event collections becomes necessary.

Use of Club

To provide the utmost playing pleasure for all Members, the Club reserves the right, from time to time, to establish rules governing access, sign-up privileges and starting times with respect to the Club Amenities.

Family Use - (not applicable to Platinum Single Memberships)

*Membership entitles the Member, the Member's spouse and unmarried children under the age of twenty-five (25) who reside at home or attend school on a full-time basis or serve in the U.S. Armed Forces (collectively "Family") to use the Club Amenities in the same capacity as the Member.

- "Unmarried" Members are permitted to designate a (1) "Significant Other" in lieu of a spouse
- "Significant Others" will have the same privileges as a spouse, as outlined above
- "Significant Others" can only be added and/or changed once per twelve (12) month period of time

Surviving Spouses

A surviving spouse of any Member may succeed to the Membership formerly held by a deceased member by notifying the Club of such election in writing within three (3) months after the former Member's death.

Divorced Spouses

Divorced spouses of Members may be considered by the Executive Board for Membership upon the payment of Dues as are established from time to time by the Executive Board provided this takes place within three (3) months of the divorce being finalized.

Membership Conversions

Blackthorn Club Members who have completed their initial 12 month minimum membership requirement may request their membership be converted "UP" in category from one membership category to another by making their request in writing to the Board. Upon receiving approval from the Board, the member will be required to sign a new 12 month minimum agreement at the new membership level. Converting "UP" in membership may require additional Initiation Fees to be paid upon approval of conversion.

Blackthorn Club Members who have completed their initial 12 month minimum membership requirement may request their membership be converted "DOWN" in category from one membership category to another by making their request in writing to the Board. In this instance, if a member wishes to convert back "UP" to their original category prior to the completion of 12 months at that level, they may do so provided they agree to pay the difference in the dues that they paid for the new category and the original category they converted from, back to the date the original conversion was approved.

Resignations

A member may resign from the Club by giving notice to the Club in writing. The resignation will take effect on the first of the month follow receipt of written notification.

A member who chooses to resign from the Club or downgrades to a Dining Membership shall have no golf privileges for a 6 month period. After this grace period one is able to play up to 6 rounds of golf as a guest per year.

This Club Policy Summary is informational only. It is a result of the Executive Board's good faith desire to communicate Club policy to the Members. The executive Board has no intent to create any continuing obligation to the Members by communicating the matters contained herein. The policies of the Club are subject to change without notice, in the sole discretion of the Executive Board.