



RULES AND REGULATIONS

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PREAMBLE

These Rules and Regulations for Paddles Swim & Pickleball (the "Club") are intended to be a guide to the use of the Club Facilities referenced in the Membership Plan. They are not intended to deal with all conceivable issues that may be presented for governance. These Rules and Regulations are established by the Club to protect the Club Facilities and to promote the health, safety, welfare and enjoyment of the members, their families and guests and all other persons using the Club Facilities. The Club is committed to providing all members and their guests with an enjoyable club experience. To uphold these standards, members and guests are expected to act in a manner consistent with good taste. The Club may amend these Rules and Regulations from time to time as it determines appropriate in its sole discretion. Where these Rules and Regulations refer to the Club taking action or having certain rights, Paddles LLC (the "Company"), doing business as the Club, shall have the right to take such action and shall have such rights.

GENERAL CLUB RULES

1. Members, their families and their guests shall abide by all rules and regulations of the Club as they may be amended from time to time.
2. The Club Facilities shall be open on the days and during the hours as may be established by the Club. Areas of the Club may also be closed for scheduled maintenance and repairs.
3. Performance by entertainers will be permitted on the Club Facilities only with the permission of the Club.
4. Alcoholic beverages will not be served or sold, nor permitted to be consumed, at the Club in any manner prohibited by state or local law. The Club reserves the right, in its sole discretion, to refuse service to a member or guest when that member or guest appears to be intoxicated.
5. All food and beverages consumed on the Club Facilities must be furnished by the Club unless otherwise permitted by the Club.
6. Employees are permitted to deliver food or alcoholic beverages to locations away from the immediate area of the Club property or other designated areas of the Club only with the permission of the Club.
7. Advertisements shall not be posted or circulated in the Club nor shall solicitations of any kind be made on the Club Facilities or upon the Club's stationery without the prior approval of the Club. Other than as permitted in writing by the Club, no petition shall be originated, solicited, circulated or posted on Club property.
8. Members shall not use the roster or list of members of the Club for solicitation or commercial purposes or distribute the roster to anyone other than a member.
9. It is contrary to the Club's policy to have its facilities used for functions or fund raising efforts for any purpose, except as specifically permitted by the Club. The Club Facilities

shall not be used in connection with organized religious services or other activities except as may be approved by the Club.

10. Members should not request special personal services from employees of the Club who are on duty or the personal use of the Club's furnishings or equipment which are not ordinarily available for use by members.

11. Dogs or other pets (with the exception of those assisting persons with disabilities) are not permitted on the Club Facilities, except with the permission of the Club. Where dogs are permitted on the grounds, they must be on a leash. Members are responsible for damage caused by an animal owned by the member or under the member's control.

12. Members shall refrain from making complaints or criticisms of any kind relating to any of the operations of the Club or its employees unless made in writing, signed, addressed and delivered to the Club Manager. The Club Manager or other appropriate manager shall promptly respond to such complaint or criticism.

13. Members may not make any negative comments about Club staff or Club members on social media or email blasts.

14. Members and their guests may not abuse any of the Club's employees, verbally or otherwise. All service employees of the Club are under the supervision of the Club Manager and no member or guest shall reprimand or discipline any employee, nor shall a member request an employee to leave the Club Facilities for any reason. Any employee not rendering courteous and prompt service should be reported to the management of the Club immediately.

15. Profanity should not be directed at Club staff and should not be spoken so as to be heard by other members, especially children.

16. Self-parking is permitted in areas identified as such. No parking will be allowed on grassed areas. "No Parking" signs must be observed. Vehicles parked in violation of "No Parking" signs may be towed at the owner's expense.

17. Neither smoking, vaping nor use of tobacco products is permitted in any of the Club Facilities.

18. Proper cell phone etiquette should be used so as not to interfere with another member's use and enjoyment of the Club Facilities. Cell phones are to be kept on silent mode while on the Club's premises.

19. No fireworks are permitted anywhere on Club property or adjacent areas unless part of a fireworks exhibit organized and conducted by the Club.

20. Firearms and all other weapons of any kind are not permitted on Club property at any time.

21. Use of the Club Facilities may be restricted or reserved from time to time by the Club.

22. Violation of any of these rules or conduct in a manner prejudicial to the best interests of the Club will subject the person in violation to disciplinary action by the Club in accordance with these Rules and Regulations.

23. The personnel of the Club will have full authority to enforce these Rules and Regulations and any infractions will be reported to the management of the Club.

24. In no event shall the Club discriminate against any individual because of the individual's race, color, religion, sex, sexual orientation, gender identity, national origin, age, handicap or marital status.

ACCESS DEVICES

1. The Club will issue a membership card, key fob or other access device ("Access Device") to the member and the members of his or her family who are eligible for membership privileges. Access Devices will only be issued upon payment of dues by the member. Access Devices will not be issued to children under the age of 16 or over the age of 25. Members and their families must have their Access Devices with them at all times while using the Club Facilities.

2. An Access Device may not be used by any person other than the person to whom it is issued. Access Devices are not transferable.

3. In order to protect members from improper charges, Access Devices must be presented at the point of sale for all transactions.

4. Access Devices will be mailed to the members at the address designated by the member or held for pick-up at the Membership Office as determined by the Club.

5. In the event of a lost or stolen Access Device, the Club must be notified immediately. The member's Access Device will be deactivated and the Club will issue a new Access Device. Until notification of card loss or theft is received in writing by the Club, the member shall be responsible for all charges placed on the account. An Access Device replacement fee as determined by the Club may be charged for lost or stolen Access Devices or in any situation where the Club account number is changed.

MEMBER DUES AND CHARGES

1. All members shall provide the Club with one credit or debit card to which the member authorizes the Club to charge dues, fees and charges and the member shall substitute such credit or debit card with another credit or debit card when it expires or is cancelled. Dues will be charged on an annual basis unless otherwise determined by the Club. Fees and other charges will be charged to the member's credit card on such basis as determined by the Club. Members may review their charges online. The member will then be entitled to charge privileges at the Club so long as his or her membership is in good standing. Cash payments will not be permitted unless otherwise determined by the Club from time to time.

2. The credit or debit card company shall pay the dues, fees and charges to the Club. All members agree to promptly pay directly to the Club any amounts not paid by the credit or debit card company upon written notice from the Club to the member. If not paid

within 10 days after written notice from the Club, a service charge of one and one-half percent (1.5%) per month (but not to exceed the maximum amount permitted by law) shall begin to accrue from the date of the written notice until payment in full. The member shall be obligated to keep a valid approved credit or debit card on file with the Club at all times.

3. If the member fails to pay any amounts not paid by the credit or debit card company within 30 days after written notice from the Club to the member, the Club shall have the right to suspend membership privileges in the Club at any time until the delinquent account is paid in full and/or charge the member's credit or debit card on file with the Club for the amount owing. Continued delinquency for a period of 90 days from the date of written notice from the Club, or repeated incidents of delinquency by the member, may result in termination of membership in the Club.

4. When a membership is issued in the name of more than one person, each person shall be jointly and severally liable for all dues, fees and other charges and liabilities associated with the membership.

5. If the Club account of any member is delinquent, the Club may at its option take whatever action it deems necessary to effect collection, including without limitation, suspension or termination of a membership or legal action. If the Club commences any legal action to collect any amount owed by any member or to enforce any other liability of any member to the Club, and if judgment is obtained by the Club, the member shall also be liable for all costs and expenses of such legal action and reasonable attorneys' fees, including any fees required in connection with appellate proceedings.

GRATUITIES

1. Cash tipping is not permitted by members of the Club.

CONTACT INFORMATION

1. Each member shall be responsible for filing with the Membership Office, in writing, preferably on a form provided by the Club, his or her mailing address, e-mail address and telephone number and any changes thereto, where the member wishes all notices and invoices of the Club to be sent. A member shall be deemed to have received mailings from the Club five days after they have been mailed to the mailing or email address on file with the Club. In the absence of a mailing address on file at the Membership Office, any Club mailing may, with the same effect described above, be addressed as the Club Manager may think is most likely to cause its prompt delivery.

2. The Club must be notified in writing of any change of address. Failure to do so shall constitute a waiver of the right to receive Club notices, bulletins and any other communications, and a violation of these Rules and Regulations.

3. The Club reserves the right to provide the members' contact information to vendors and marketing companies.

MEMBERSHIP CORRESPONDENCE

Complaints or suggestions concerning the management, service or operation of the Club should be in writing, signed by the member and addressed to the Club Manager. Errors in billing charges should be directed to the attention of the Accounting Department.

CLUB SERVICES AND ACTIVITIES

1. The Club provides a variety of social, cultural and recreational events in which all members are encouraged to participate.
2. The Club may permit the use of the Club Facilities by members for private functions on any day or evening, provided it does not interfere with the normal operation of the Club, or with the services regularly available to members. Members are requested to make reservations with the appropriate Club personnel for available dates and arrangements.
3. Private functions are permitted at the Club only with prior permission of the Club. The individual sponsoring the function shall assume full responsibility for the conduct of guests and the removal of any decor. The sponsor of the function shall be responsible for any damage to the Club Facilities and for the payment of any charges not paid by individuals attending the private function.
4. Special events and functions may be scheduled from time to time at the discretion of the Club.

RESIGNATION OF MEMBERSHIP

1. A member may resign membership in the Club by delivering written notice of resignation to the Club's Membership Office. A membership shall be deemed to have been resigned as of 30 days after the date the Club receives written notice of the member's resignation.
2. Notwithstanding any resignation, the member and his or her spouse shall remain liable for any amounts unpaid on the member's Club account, including but not limited to dues for the balance of the membership year.

DISCIPLINE

1. Members are responsible for their own conduct and for the conduct of their family members and guests. Any member whose conduct or whose family's or guest's conduct (whether or not at the Club Facilities or directly related to the Club) shall be deemed by the Club to be likely to endanger the welfare, safety, harmony or good reputation of the Club or its members or is otherwise improper, may be reprimanded, fined, suspended or expelled from the Club and have all privileges associated with the membership suspended or terminated by the Club. The Club shall be the sole judge of what constitutes improper conduct, but improper conduct will include, without limitation: (i) failing to meet eligibility for membership, (ii) submitting false information on the Membership Agreement, (iii) allowing his or her Access Device to be used by another person, (iv) failing to pay any amount owed to the Club in a proper and timely manner, (v) failing to abide by the Rules and Regulations as set forth herein and as established by the Club from time to time, (vi) abusing Club personnel or employees,

(vii) conviction of a felony (member or spouse), (viii) making disparaging remarks about the Club to anyone other than the Club Manager, or (ix) acting in a manner incompatible with the standard of conduct of the existing membership or which would likely injure the reputation of the members or the Club.

2. Any member accused of improper conduct shall be notified of the Club's proposed disciplinary action and shall be given an opportunity to be heard by the Club to show cause why he or she should not be disciplined. If such member desires to be heard, the Club shall set a time and date (not less than ten days thereafter) for a hearing. While such complaint is being considered by the Club, the member shall enjoy the privileges of the Club. Notwithstanding the foregoing, the Club may, without notice and without a hearing, immediately suspend some or all privileges associated with a membership and/or, after notice, terminate a member for failure to pay in a proper and timely manner dues, fees or any other amounts owed to the Club.

3. The Club may restrict or suspend some or all of a member's, family member's and/or guest's Club privileges. If the Club determines that a member's conduct or the conduct of his or her family or guest is improper, the Club may expel the member, suspend or restrict the member's membership privileges, or restrict the use privileges of the member's family or guest whose conduct was improper. No member is entitled, on account of any restriction or suspension, to any refund of any initiation fee, dues or any other fees. During the restriction or suspension, dues and other charges shall continue to accrue and shall be paid in full prior to reinstatement as a member in good standing.

4. No member is entitled, on account of any expulsion, to any refund of any initiation fee, dues or any other fees. All membership privileges shall cease upon expulsion from the Club.

ANTI-HARASSMENT POLICY

The Club is committed to providing a friendly, supportive and productive environment for its members, guests and employees. Harassment of any kind by members, guests, employees (or anyone else doing business with the Club) will not be tolerated. This includes sexual harassment as well as any harassment based upon an individual's race, religion, age, sex, color, citizenship status, marital status, sexual orientation, national origin, handicap or disability. The Club has delegated responsibility to the Club Manager to deal with any and all allegations of sexual misconduct and/or other types of harassment. The Club Manager's duties and responsibilities are specific and detailed later in these Rules and Regulations.

The process described below deals with sexual harassment and shall apply equally to harassment based upon race, religion, age, sex, color, citizenship status, marital status, sexual orientation, national origin, handicap or disability.

Explanation of Sexual Harassment

The Equal Employment Opportunity Commission (EEOC) defines sexual harassment as:

1. unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature where, either explicitly or implicitly, submission to such conduct is considered a term or condition of an individual's continued employment; or

2. making submission to or rejection of such conduct the basis for employment/membership decisions affecting the employee or Member; or

3. where such conduct has the effect of unreasonably interfering with an individual's work performance, or creates an intimidating, hostile or offensive work or social environment.

Subsections (1) and (2) of the above EEOC definition cover what is known as "quid pro quo" sexual harassment - sexual favors or conduct requested in return for job benefits or job retention. Subsection (3) of the EEOC's definition covers what is known as hostile environment harassment - when the conduct unreasonably interferes with an individual's ability to perform his or her job, or creates an intimidating, hostile or offensive work or social environment.

Sexual harassment does not refer to occasional compliments of a socially acceptable nature. It refers to behavior that is not welcome, that is personally offensive, that debilitates morale, and that, therefore, interferes with work effectiveness and/or Member enjoyment.

Some examples of such conduct include, but are not limited to, the following:

- unwelcome or offensive sexual advances
- sexual jokes
- pressure for sexual favors
- inappropriate touching
- leering
- intrusive personal questions and/or questions of a sexual nature
- visual displays of degrading images or stereotypes
- analogies using sexual or sex-related terms
- using derogatory terms when referring to females, such as "babe," or "dumb females"
- screaming, shouting or using insulting language of a sexual nature

Individuals will have different tolerance levels and personal definitions of "inappropriate behavior." Therefore, employees have an obligation not only to monitor their own behavior, but also to advise others when they feel or interpret another's behavior toward them as inappropriate, offensive and/or in a manner that creates a hostile or intimidating environment.

Reporting a Complaint

The Club encourages reporting of all incidents of sexual harassment, regardless of who the offender may be. The Club encourages individuals who believe they are being harassed to notify the offender in a prompt and firm manner that his or her behavior is unwelcome, yet the Club also recognizes that disparities in position between an alleged offender and a victim may make such a conversation difficult or impossible. In the event that such informal, direct communication between individuals is either ineffective, difficult or impossible, the following steps should be followed.

- Notification of Appropriate Persons

Individuals who believe they have been subjected to sexual harassment can report the incident to the Club Manager. All complaints of alleged harassment will be documented and will be handled with discretion. The Club will maintain a complete written record of each complaint and how it was investigated and resolved. If the Club Manager is the offending party, then the incident can be reported to the designated anti-harassment member of the Club Owner's executive team ("Club Owner Designee").

- Timeframe for Reporting Complaint

The Club encourages prompt reporting of sexual harassment complaints so that appropriate investigation and action may be taken.

- Protection Against Retaliation

The Club will not in any way retaliate against an individual who makes a report of sexual harassment nor permit any employee or member of the Club to do so. Retaliation is a serious violation of this policy and should be reported immediately. Any person found to have retaliated against another individual for reporting sexual harassment will be subject to the same disciplinary action provided for those determined to have violated the Club's anti-harassment policy (see "Investigating and Resolving the Complaint" below).

Investigating and Resolving the Complaint

- Investigation/Confidentiality

Any allegation of sexual harassment brought to the attention of the Club Manager will be promptly investigated. Once approached, the Club Manager's responsibility is to then inform the Club Owner Designee. It is intended that the only other member(s) of the Club Owner's executive team that would be advised, if necessary, would be any person who would need to get involved in any required investigatory process. Every effort shall be made to keep all matters related to the investigation and various reports and recommendations confidential.

- Resolution of Complaint/Disciplinary Actions

The Club specifically prohibits harassment by any member, guest, Club Manager or Club employee or group of employees. Anyone violating this policy will be subject to appropriate disciplinary action, which may include any one or combination of the following:

- verbal/written warning
- additional sexual harassment training or mandatory professional counseling for Club employees
- probation or suspension (with or without pay) for Club employees
- probation or suspension of Club privileges for Members or guests
- termination of employment
- termination of membership

After investigation by the Club Owner Designee, the Club Owner Designee shall recommend appropriate disciplinary action, and provide notice of such recommendation to the complainant and the accused.

Individuals found to have filed false and malicious complaints of harassment will be subject to disciplinary action. This does not apply to complaints that, even if erroneous, are made in good faith.

LOSS OR DESTRUCTION OF PROPERTY OR INSTANCES OF PERSONAL INJURY

1. Each member as a condition of membership and each guest as a condition of invitation to the Club Facilities assumes sole responsibility for his or her property. The Club shall not be responsible for any loss or damage to any personal property used or stored on the Club Facilities, whether in lockers or elsewhere. Any such personal property which may have been left in or on the facilities for six months or more without payment of storage thereon may be sold by the Club, with or without notice, at a public or private sale, or may be otherwise disposed of, and the proceeds, if any, may be retained by the Club.

2. No person shall remove from the room in which it is placed or from the Club's premises any property or furniture belonging to the Club without proper written authorization from the Club.

3. Every member of the Club shall be liable for any property damage caused by the member, any guest or any family member. The cost of such damage shall be charged to the responsible member's Club account.

4. Any member, family member, guest or other person who, in any manner, makes use of or accepts the use of any apparatus, appliance, facility, privilege or service whatsoever owned, leased or operated by the Club, or who engages in any contest, game, function, exercise, competition or other activity operated, organized, arranged, allowed or sponsored by the Club, either on or off the Club's premises, shall do so at his or her own risk. The member and his or her family members and guests shall hold the Company, any manager of the Club Facilities, their affiliates, their successors and assigns and their respective managers, shareholders, partners, directors, officers, members, employees, representatives, agents and members of any Club advisory board or committees (collectively, the "Indemnified Parties") harmless from any and all loss, cost, claim, injury, damage or liability sustained or incurred by him or her, resulting from the use of the Club Facilities, arising out of or incident to membership in the Club and/or from any act or omission of any of the Indemnified Parties, unless caused by the gross negligence or willful misconduct of any of the Indemnified Parties. Any Club member shall have, owe and perform the same obligation to the Indemnified Parties hereunder in respect to any such loss, cost, claim, injury, damage or liability sustained or incurred by any member's guest or family member.

5. Should any party bound by these Rules and Regulations bring suit against any of the Indemnified Parties in connection with any event operated, organized, arranged or sponsored by the Club or on any other claim or matter in connection with membership in the Club, and fail to obtain judgment therein against any one or more of them, said party shall be liable to the prevailing Indemnified Parties for all costs and expenses incurred by them in the

defense of such suit, including court costs and attorneys' fees and expenses through all appellate proceedings.

RESERVATIONS AND CANCELLATIONS

1. Reservations are required for most activities of the Club and shall be accepted on a first-come, first-served basis by pre-registering with the appropriate personnel of the Club.

CHILDREN

1. Unless permitted by the Club, children under 16 years of age are not allowed at the Club Facilities unless accompanied and supervised by an adult.

2. Members are responsible for the conduct and safety of their children when enjoying the Club Facilities.

ATTIRE

General Attire - It is expected that members will choose to dress in a fashion befitting the surroundings and atmosphere provided in the setting of the Club. It is also expected that members will advise their guests of the dress requirements. The Club may publish dress requirements from time to time. Gentlemen and ladies are requested to dress in a fashion compatible with the appropriate occasion. Shirts and shoes must be worn at all times when on Club Facilities, other than at the swimming facilities. Bathing suits may only be worn in the pool areas. All other Club Facilities require appropriate cover-ups.

Pickleball Attire - Proper pickleball attire as determined by Club management is required at all times. Colors are permitted. Examples of attire not permitted are: fishnet shirts, cut-offs, blue jeans, and bathing suits.

GUEST PRIVILEGES

Guest privileges may be extended under the rules established by the Club from time to time. Although it is the intention of the Club to accommodate guests without inconvenience to the members, the Club reserves the right to limit the number of guests that are invited by a member. The Club shall establish from time to time the rate of the daily guest pass fees, charges and the rules and regulations for use of the Club Facilities by guests. Guest privileges may be denied, withdrawn or revoked at any time for reasons considered sufficient by the Club, in its sole discretion.

1. All day guests must be accompanied by the sponsoring member while using the Club Facilities.

2. The Club reserves the right to determine from time to time the maximum number of times a particular guest may use the Club Facilities as a guest of a member during each membership year.

3. A particular individual using the Club Facilities as a guest must be registered by the sponsoring member with the Club. The Club reserves the right to require identification by

each guest and the guest to sign a liability release. Guests will be charged guest pass fees for use of the Club Facilities as determined from time to time by the Club.

4. Guests will be entitled to use the Club Facilities only in accordance with the privileges of the membership of the sponsoring member upon payment of daily fees.

5. The sponsoring member shall be responsible for all charges incurred by the guest. The sponsoring member is also responsible for the conduct of a guest while at the Club. If the manner, deportment or appearance of any guest is deemed to be unsatisfactory, the sponsoring member shall, at the request of the Club, cause such guest to leave the premises of the Club.

GENERAL PICKLEBALL RULES

1. Court reservations may be made online by visiting www.PaddlesatCP.com. No standing reservations will be accepted.

2. All players must check in and register ten minutes prior to their court time or the court will be released to the first name on the waiting list. Members and guests shall present their Access Devices at registration.

3. Players who fail to cancel their reservation four hours prior to their scheduled court time or do not register ten minutes prior to their court time may be charged a fee to be determined by the Club.

4. At the end of their playing period, players must promptly relinquish their court to the next players. Once a member is off the court, the member may sign up for the next available court time.

5. Members may play on a court for an hour, except for certain times designated by management.

6. Skateboards, bicycles, roller skates, roller blades, etc., are strictly prohibited on the pickleball courts.

7. Proper pickleball etiquette should be observed at all times. Excessive noise, racquet throwing or profanity will not be permitted at any time. Trash and other litter must be deposited in the proper receptacles.

8. Members and their guests may not throw balls at the fencing around the pickleball courts. Such fencing may not be used as a back stop.

9. Use of the pickleball courts shall be subject to the control of the management at all times. Management shall determine the suitability of the courts for play. Courts will be closed when necessary for maintenance operations, when dictated by safety considerations, and/or when under adverse or anticipated adverse weather conditions. Management may reserve the courts for special events.

GENERAL POOL RULES

1. Use of the pool at any time is at the swimmer's own risk. Any injuries or accidents should be reported to the attendant immediately.
2. Everyone wishing to use the pool facilities must first register and present their Access Device before entering the pool. Members must register their guests and are responsible for the payment of any appropriate charges as the Club may determine from time to time.
3. Children 15 years and younger must be accompanied and supervised by an adult at all times.
4. Children who cannot swim must be accompanied by a parent or guardian at all times while in the pool area.
5. Children must be toilet trained or wear swim diapers in the pool. Diapers other than swim diapers are not permitted in any pool.
6. Swimming is permitted only during designated hours. The pool is officially closed when a "CLOSED" sign is posted.
7. Showers are required before entering the pool.
8. Bottles, glass objects, drinking glasses and sharp objects are not permitted in the pool area. Trash should be placed in the proper receptacles located throughout the pool area.
9. Food is allowed only in designated areas of the pool facilities.
10. All swimmers must wear bona fide swimming attire. Cut-offs and dungarees are not considered appropriate swimwear. Shoes or other foot coverings and caftans or shirts must be worn outside the swimming pool area.
11. Radios, televisions and the like are not permitted, but members may view or play music, podcasts and similar content on smart phones and devices with ear buds or headsets.
12. Animals, bicycles, skateboards, play balls of any type and coolers are not permitted in the pool area.
13. Lifesaving and pool cleaning equipment should be used only for the purposes intended.
14. Running, ball playing and hazardous activities are not permitted in the pool area. Pushing, dunking and dangerous games are prohibited.
15. Diving is not permitted unless otherwise indicated at the pool.
16. Fishing, spear fishing and snorkeling equipment, other than a mask and snorkel, are not to be used in the pool area except as part of an organized course of instruction.
17. Throwing footballs, frisbees, tennis balls, or other objects, spitting or spouting water, and tag games are not allowed in the pool area. The pool staff has the authority to expel

from the pool area anyone who does not follow these Pool Rules or whose conduct is otherwise unbecoming of a member.

18. Swimming parties may be arranged through the Club in advance of the occasion.

19. All persons using pool furniture are required to cover the furniture with a towel when using suntan oils and lotions, as the use of these oils and lotions could stain or damage the furniture.

20. All persons using the pool area are urged to cooperate in keeping the area clean by properly disposing of towels, cans, and all other trash in the proper receptacles.

21. Flotation devices are permitted for non-swimming children up to five years of age. Small toys such as balls, water guns, rings, etc., may be permitted, depending on the number of persons in the pool and the manner in which the toys are used. Air mattresses may be permitted, depending on the size of the mattress and the number of persons in the pool. The pool staff has the authority to discontinue use of these mattresses upon the determination that they present a safety hazard or hinder the enjoyment of the pool by others. Tire inner tubes are not permitted at any time.

22. Persons who leave the pool area for over 30 minutes must relinquish lounges and chairs by removing all towels and personal belongings. Saving chairs for persons absent from the pool area is prohibited.

DISPUTE RESOLUTION

1. Each and every dispute, claim or other matter of disagreement between and among the Club and its affiliates and their officers, directors, members managers, employees and agents on the one hand and any Club member or applicant for membership on the other hand relating to or arising out of the Club member's Membership Agreement or the Rules and Regulations or any transaction contemplated by the Membership Agreement or Rules and Regulations shall only be decided by arbitration in accordance with the commercial arbitration rules of the American Arbitration Association then in force, except as otherwise provided herein, and no right shall exist to have any such dispute litigated in a court or by jury trial; provided, however and notwithstanding anything to the contrary herein, that the Club shall have the right to collect, through a court proceeding, any Club account or other amount owing as a result of the members' loss or destruction of the Club's property or injury caused to any party. In the event of any dispute or disagreement, either party may submit the matter to binding arbitration. In any such arbitration the parties agree that there shall be only one (1) arbitrator, that such arbitrator will be selected by the Club with the only limitations on such selection being that such arbitrator must be qualified by experience, education or training in sporting club operations. The arbitrator shall be selected by the Club within ten (10) days after the arbitration provision is invoked. The arbitration proceeding shall be held in Chatham County or Wake County, North Carolina.

2. Each party shall submit a position paper setting forth its resolution of the issue(s) submitted to arbitration within ten (10) days after notice of selection of the arbitrator. The decision of the arbitrator, where appropriate, shall take into account the operation of the Club Facilities in comparison to the operation of other similar clubs in Chatham County, North Carolina. The arbitrator shall investigate the facts and shall hold hearings at which the parties

may present evidence and arguments, be represented by counsel and conduct cross-examination. The arbitrator shall render a written decision upon the matter presented within thirty (30) days after the date upon which the last party submitted its position paper to the arbitrator, and such decision shall be final and conclusive upon all parties. Judgment upon the award rendered in such arbitration may be entered by any court having jurisdiction thereof, and the judgment shall be entered unless the award is vacated, modified or corrected as provided by law.

3. The parties shall advance on an equal basis any necessary costs of the arbitration, such as reporter's fees and arbitrator's fees. The prevailing party shall be entitled to recover as part of the award all such advanced costs and reasonable attorneys' fees and related costs, fees and expenses of the arbitration. In the event of any dispute over any such fees and costs, each party may apply to the arbitrator within thirty (30) days of the decision on the merits for a determination of an award of fees, costs and expenses. The arbitrator shall enter an award on such application within thirty (30) days from its receipt, without a hearing, but with consideration of any factual materials or brief submitted by the parties, and such award shall be paid within thirty (30) days from the date of such award. Any time period set by this paragraph may be shortened or extended by the mutual agreement of the parties to the arbitration.

4. If any court or arbitrator shall find any provision of this Dispute Resolution section to be in violation of or in contradiction to the commercial arbitration rules of the American Arbitration Association then in force, the parties agree such provision or provisions shall be void but all other provisions of this Dispute Resolution section shall remain in effect. Should any member bring suit against the Club or others in contravention of this arbitration mandate, all costs and expenses incurred by the Club or others in the defense of such suit, including court costs, attorneys' fees and other costs including para-professional fees and travel costs through all trial and appellate proceedings, shall be recoverable as part of the arbitration award.