

Annual Food and Beverage Minimum Guidelines

(Effective January 1, 2011, but subject to change at discretion of Club Board)

1. **Amount.** The annual Food and Beverage Minimum (“F&B Minimum”) for 2011 is projected to remain at \$1,500 (the 2010 amount), and applies to the period January 1, 2011 through December 31, 2011. (By way of information, during 2008, prior to the initial implementation of the F&B Minimum, active membership accounts, averaged across the entire dues-paying membership, incurred in excess \$2,000 in food and beverage charges.)
2. **Eligible Charges.** The F&B Minimum will apply to all food and beverage charges incurred in the dining rooms (including “take-out” food and non-alcoholic beverage items, where applicable), at the golf course beverage carts and through the Club’s catering services. Charges relating to off-premise alcohol purchases (e.g., retail wine store purchases), food items purchased at the Sonoran Boutique that are not readily packaged for or capable of on-premise consumption, golf tournament entry fees (even if they also include food and beverage items), catering-related charges not specifically for food and beverage items, and taxes, service charges and gratuities, will not be applied toward the F&B Minimum.
3. **Applicable Memberships.** The same F&B Minimum applies to all active (dues-paying) equity and non-equity memberships accounts, whether full-golf, limited-golf or otherwise. A limited exclusion applies only to second or later membership accounts with the same individual, or his/her spouse, as the designated member, provided the applicable membership is current and in good standing. Suspended accounts will be assessed the same as current accounts, even though use privileges have been revoked during the period of suspension.
4. **Balance Notification.** The remaining F&B Minimum balance will be reflected each month on both the monthly paper statement and monthly on-line statement.
5. **Year-End Reconciliation.** Membership accounts that have not accrued \$1,500 in food and beverage spending by December 31, 2011 will be charged for that portion of unused F&B Minimum on their December statement mailed the first week of January 2012.
6. **Non-Transferability and Unauthorized Account Usage.** Transfers of F&B Minimum balances between membership accounts will not be permitted. Further, efforts to facilitate individuals other than the member and his/her authorized immediate family members to use a membership account to accrue food and beverage charges will not be permitted, and could result in disciplinary action.
7. **Pro-Rating Annual F&B Minimum Upon Membership Transfer.** The \$1500 F&B Minimum will be prorated, in the case of memberships being “transferred” (reissued through the Club), as between the outgoing and incoming members. For example, assume an equity membership is transferred with the sale of a Desert Mountain lot or home, with escrow closing, and the membership transferring, on July 1. Further assume the outgoing member incurred \$1,000 of eligible charges as of the closing/transfer date. Because the outgoing member incurred in excess of \$750 (six months of the annual amount, as prorated), the outgoing member will not incur any additional charge for the remaining F&B Minimum balance. The incoming member, however, will be responsible for satisfying a \$750 F&B Minimum for the remainder of the year (six months of the annual amount, as prorated), without receiving any “credit” for the “excess” \$250 in eligible charges incurred by the outgoing member. If, however, using the same July 1 date, the outgoing member had incurred only \$200 in eligible charges, such member would be required to pay, as a condition of membership transfer, a balance of \$550 for the unused F&B Minimum; the incoming member’s obligation under the F&B Minimum for the remainder of the year would remain at \$750. Although the examples above use a July 1 closing/transfer date, for ease of illustration, prorating of the F&B Minimum shall be done to the actual day of closing/membership transfer, and not monthly or weekly. In the event the membership transfer date, for any reason, is different from the escrow closing date, then the membership transfer date shall control.