

FREQUENTLY ASKED QUESTIONS



THE FOLLOWING QUESTIONS AND ANSWERS ARE DESIGNED TO PROVIDE AN UNDERSTANDING OF CHICAGO HIGHLANDS AND THE MEMBERSHIP OPPORTUNITIES AVAILABLE AT THE CLUB. AS THESE QUESTIONS AND ANSWERS ARE ONLY SUMMARY IN NATURE, YOU SHOULD READ THE MEMBERSHIP PLAN, RULES AND REGULATIONS AND ANY ADDITIONAL INFORMATION PROVIDED FOR PROSPECTIVE MEMBERS PRIOR TO PURCHASING A MEMBERSHIP.

Q: What is Chicago Highlands?

A: Centered around a championship golf course, Chicago Highlands is a family country club located just outside of Chicago in Westchester, Illinois. Set on over 270 acres with incredible views of the Chicago skyline, Chicago Highlands is a haven dedicated to private golf and family fun that is simultaneously convenient to the many neighborhoods in the Chicago metropolitan area. In order to provide exclusivity and availability of facilities and services to members, the Club is offering only a limited number of Golf memberships.

Q: Who owns the Club Facilities’?

A: The Chicago Highlands Club, LLC, a Delaware limited liability company, and or its successors or assigns (the “Company”), owns and operates the Club Facilities. The Company is owned and operated by John F. Baxter, Thomas J. Healy and Joseph Q. Hills. Mr. Baxter is a partner in Hamilton Partners of Itasca, IL (www.hamiltonpartners.com). Mr. Hills and Mr. Healy are seasoned golf course developers who own and operate two highly successful golf courses in the Washington DC/Baltimore area (www.waverlywoods.com and www.bluemash.com). These award-winning designs are known for outstanding conditioning and management - each course has been named Maryland Golf Course of the Year by the National Golf Course Owners Association. Mr. Hills is the son of famed architect Arthur Hills – the designer of Chicago Highlands. Mr. Healy is a Chicago native.

Q: What facilities does the Club offer?

- A. Members, their families and guests will enjoy the following exceptional recreational facilities (referred to collectively as “Club Facilities”):
- **18-hole Championship Arthur Hills Golf Course.** The award winning, nationally ranked golf course is the centerpiece of Chicago Highlands, dedicated to its members and their guests only. The course weaves its way around 270 acres of elevated topography with views of the Chicago skyline and the surrounding area. Golf Digest named the ninth hole at Chicago Highlands its “Golf Hole of the Year.”
 - **Personal Best Practice Facility.** Named one of the top 50 private golf ranges in the country (and the only one in Illinois) by Golf Range Association of America, golfers will develop consistent ball-striking skills on our enormous grass practice



range, which includes target greens at varying distances to work on every club in your bag. A short game area includes two practice greens with bunkers and contours to simulate every possible short game situation. Three practice holes allow you to practice “on the course” without disruption to other golfers. These holes are also a perfect way for beginners and juniors to become more comfortable with the game. Complimentary golf lessons are included in your annual dues in order to make your practice time more effective. A state-of-the-art indoor practice facility will put a year-round focus on your game.

- **Full service clubhouse.** The proposed clubhouse facilities – with elegance that is worthy of an exclusive atmosphere - includes full service dining, private meeting rooms, locker rooms, fitness and spa areas, patios and bowling lanes.
- **Swimming Pool Complex and Ice Skating.** A resort-style pool aquatic area with four pools including a six-lane 25 meter competition pool with two diving boards, a large zero-depth entry activity pool with a 115’ slide cut into a landscaped hillside, a vortex swim channel, a basketball hoop, an in-water sitting area, water features, and a floating walk, a separate spray pool and a zero-depth entry kiddie pool make this the finest and largest country club pool complex in the area. The 5000 sq ft pool and skate house was designed to create warm, comfortable spaces with rich finishes, using traditional, elegant architecture including locker rooms, full service dining and bar, and a lounge area.
- **Tennis & Paddle Tennis Courts.** A complex befitting the quality and exclusivity of the Club has been built. The 2700 sq ft tennis hut matches the elegant architecture of the poolhouse and includes a bar, lounge area and covered patio with outdoor fireplace overlooking both the tennis and paddle tennis courts. A year-round indoor golf training facility is also included in this building. The tennis courts are state-of-the-art Har-Tru hydro courts.

Q: When will construction of the Club Facilities be completed?

A: The golf course, practice facilities, pool and skate house, swimming pool complex, tennis clubhouse and indoor golf training facility, four tennis courts and four paddle tennis courts are already open for the enjoyment of our members and guests. A basketball court and a winter ice rink are open in the appropriate season. The Clubhouse is now under construction and is scheduled to be completed in the 3rd quarter of 2018.

Q: What are the privileges of a Golf membership?

A: Golf members and their immediate family will be entitled to use all of the Club Facilities upon the payment of dues and other required fees, and will not be required to pay greens fees for the use of the golf course or practice facilities or any additional fees for golf instruction. Golf members and their immediate family will not be required to pay any fee for access to the tennis, pool, and fitness areas. Golf members will not pay any additional



fees for lockers, bag storage, or handicaps. See the Schedule of Dues and Charges for other benefits. Certain Golf and Junior membership flights may be subject to a transfer fee if a member resigns prior to 30 years.

Q: What are the privileges of a Junior membership?

The Junior member holds the same Club Facilities use privileges as a Golf member, but initial purchase is restricted to those under the age of 39. The “Junior” designation allows for payment of the membership deposit in installments, as determined at the initial sale by the Club.

Q: What are the privileges of a National membership?

A: The National membership holds the same Club Facilities use privileges as the Golf membership. National members receive second priority status on the Club’s waiting list.

Q: What are the privileges of a Social membership?

A: Social memberships are not offered at this time.

Q: How many memberships will be available at the Club.

A: The maximum number of memberships permitted in each category will be limited as follows: The total number of Golf memberships in aggregate shall be 300, the total number of National memberships shall be 25. The Club may, in its discretion, limit further the number of memberships available in any category of membership as the Club determines appropriate from time to time. Those waiting to become Golf members after the Golf membership is fully subscribed can apply to become Social Waiting for Golf members.

Q: Is the Club an equity club?

A: No. A member only acquires a revocable license to use the Club Facilities in accordance with the rights and privileges of members as further outlined in the Membership Plan. The membership deposit is refundable.

Q: What are the special features of membership in the Club?

A: In addition to exceptional Club Facilities and an extensive array of programs and activities for members and their families, membership in the Club offers a number of attractive benefits, including:

- **Exclusivity.** Membership is by invitation only and subject to review for approval.



- **Refundable membership deposit.** One hundred percent (100%) of the membership deposit actually paid for a membership is refundable after 30 years. The golf memberships are initially 70% refundable and gain 1% with each year of membership.
- **Immediate Family Privileges.** A member, his or her spouse and their unmarried children under the age of 22 who are living at home, attending school on a full-time basis, or in the military are entitled to membership privileges without paying additional membership dues.
- **Extended Family Privileges.** The parents, children who do not fall within the definition of “immediate family” (as described above), and the grandchildren of the member and spouse are also entitled to use the Club Facilities as a guest of a member, upon a payment of reduced accompanied guest fees and any applicable user fees, as described in the Membership Plan.
- **Resigned Memberships Reissued Prior to Membership Sell-Out.** Resigned members do not have to wait until all new memberships in the Club have been issued before their membership is reissued, as provided for in the Membership Plan.
- **No Assessments.** The Club cannot assess members for either operating or capital deficits.
- **Transfer to Spouse Upon Death.** Upon the death of a member, the membership can be transferred to his or her spouse, as described further in the Membership Plan. Further transfer options are available to those who have a Founder membership, as described in the Membership Plan.
- **Legacy Transfers.** Members can request the transfer of their membership through the Club to their adult child or grandchild as described in the Membership Plan.

Q: How is the membership deposit payable?

A: A deposit is required upon application with members choosing which payment plan fits their goals. The remaining balance will be payable based on the payment schedules outlined in the most current Membership Pricing Summary for your membership category.

Q: When are dues payable?

A: Dues are payable when you join based on the payment schedules outlined in the most current Schedule of Dues and Charges. Currently, dues are \$8,500. This equates to 80% of full dues (only 80% of full dues are payable by members until the clubhouse opens).



Upon opening of the clubhouse, full dues will be charged (on a pro rata basis, if applicable).

Q: Will my family members be welcome at the Club?

A: Each membership in the Club is a family membership, which includes full privileges for spouses and unmarried children under the age of 22 who are living at home, attending school on a full-time basis, or serving in the military.

Q: May I invite guests to the Club?

A: Members may have guests use the Club Facilities in accordance with the member's category of membership and the Rules and Regulations of the Club. By restricting the maximum number of Charter and Golf members to 300, it is anticipated that members will enjoy the privilege of sharing the Club with friends on a regular basis, if so desired. However, certain guest privileges are at the discretion of the Club and are amendable from time to time under the established Rules and Regulations.

Q: Will there be any other types of membership available in the Club?

A: Yes. Three Founder members have been designated as instrumental in formation of the Club and do not count towards the membership limit. The privileges of the three Founder memberships are outlined in the Membership Plan.

Another category, Social Waiting for Golf, will become available once the Golf membership is fully subscribed. Social Waiting for Golf members will have limited access to the golf course as outlined in the Membership Plan.

Additionally, the Club can offer up to 10 Honorary memberships in the Club to such persons as the Club determines appropriate from time to time, and as outlined in the Membership Plan.

Q: Who is eligible to acquire a membership in the Club?

A: Membership is by invitation only.

Q: When will the membership deposit be repaid to the member?

A: Each person who acquires a membership will be entitled to receive a refund of his or her membership deposit, without interest, 30 years from the date of the member's admission to the Club. If the member resigns prior to the end of the 30 year period, the membership deposit paid by the subsequent purchaser will be refunded to the resigning member within 30 days after the reissuance of the resigned membership by the Club to the new member subject to a transfer fee. In the event the amount paid by said purchaser is less than the membership deposit originally paid by the resigning member minus the transfer



fee, the difference will be refunded at the end of 30 years. In the event the amount paid by said purchaser is more than the membership deposit originally paid by the resigning member, the Club will retain the difference (unless the resigning member is a Charter member – Charter members are entitled to full appreciation in the value of the membership deposit). The Club’s obligation to the member shall be further evidenced by the Membership Agreement.

Q: What is the process for reissuing membership prior to sellout of all initial memberships?

A: If a membership is resigned prior to sellout of all initial memberships, it will be added to the list of memberships in that membership category waiting to be reissued, and every fifth membership issued in that category (1 in 5) will be a resigned membership from that list.

Q: Do I have to pay dues while waiting for my membership to be reissued?

A: Members must continue to pay all dues and charges until his or her membership is reissued.

Q: What happens to the membership upon the death of a member?

A: Upon the death of a member, the membership automatically transfers to the member’s surviving spouse. If there is no surviving spouse or the surviving spouse does not desire to continue the membership, the membership will be deemed resigned and will be reissued by the Club on the same basis as any other resigned membership.

Q: Can members be assessed to cover any operating deficits or capital improvements?

A: The payment of membership deposits, dues, fees, food minimums, state taxes, service charges, personal and other charges as the Club may establish and change from time to time, in its discretion, is an absolute requirement to acquire and maintain membership privileges in the Club. With the exception of paying these charges and the membership deposit, members are not subject to any operating or capital assessments. However, the membership, with the consent and approval of the Club, may initiate an assessment for voluntary capital improvements not envisioned by the Club, as more fully described in the Membership Plan.

Q: How do I become a member?

A: To become a member of the Club, you first must be invited to apply. To accept your invitation, you must submit to the Club a fully completed and signed Membership Agreement, Applicant Information form, and a check in the amount of the required membership deposit. Upon receipt of all information, the Club will begin the review process, which may include an interview with the prospective member. Upon completion



of review, the prospective member will be notified of the Club's decision regarding admission to the membership.

Q: Is there any limitation on dues increases?

A: Dues may not be increased by more than the greater of (i) ten percent per year, or (ii) the percentage increase in the Consumer Price Index, or (iii) a greater amount if a nationally recognized public accounting firm selected by the Club certifies that a greater increase is justified based on increases in the true costs of Club operations and maintenance year to year.

Q: May the Club be converted to membership ownership?

A: The Company reserves the right to convert the Club to an equity member-owned club in its discretion. However, the Company is under no obligation to convert the Club to an equity member-owned club. Should the Company exercise the right to convert the Club to an equity member-owned club, it shall be done in accordance with the procedure further outlined in the Membership Plan.

Q: May the Club transfer the Club Facilities to a third party?

A: Yes. However, in the event the Company determines to sell all or substantially all of the Club Facilities to a third party, and the new owner makes any alterations to the Membership Plan that materially adversely affect any category of membership, then each member so adversely affected will have 30 days to choose to continue their use of the Club Facilities on such terms and conditions as the new owner may establish, or to choose to resign and have their membership reissued and receive 100% of the membership deposit they initially paid (plus any applicable appreciation for Charter Members), as more fully described in the Membership Plan.

Q: What if I have additional questions?

A: Please contact the Club for an appointment at:

CHICAGO HIGHLANDS

John Baxter
630-707-5231

This is a general description of the membership opportunities available at the Club and should not be relied on for the purpose of deciding to acquire a membership in the Club. The complete Membership Plan is available upon request.

