

OPERATING AGREEMENT

OF

DUKE FACULTY CLUB LLC

(A North Carolina Limited Liability Company)

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THIS OPERATING AGREEMENT (this “Agreement”) of Duke Faculty Club LLC (the “Company”) is executed by and among the Company, Duke University, a North Carolina nonprofit corporation (“Duke”), which is executing this Agreement as the sole Member (as defined below), and the Faculty Club of Duke University, Incorporated, a North Carolina nonprofit corporation (“DFC”). This Agreement is executed pursuant to that certain Integration Agreement of even date herewith (the “Integration Agreement”). The Company, Duke and DFC may each be referred in this Agreement to as a “Party” and, collectively, as the “Parties”.

ARTICLE I - DEFINITIONS

1.1 Definitions. The following terms used in this Agreement shall have the following meanings (unless otherwise expressly provided herein):

“Act” means the North Carolina Limited Liability Company Act, as the same may be amended from time to time.

“Articles of Organization” means the Articles of Organization of the Company filed with the Secretary of State, as amended or restated from time to time.

“Board” has the meaning set forth in Section 4.1.

“Business Day” means any day except a Saturday, Sunday or other day on which commercial banks in North Carolina are authorized by law to be closed.

“Club” means, in general, the facilities, amenities, programs, and grounds commonly known and referred to as the “Duke Faculty Club.”

“Club Account(s)” has the meaning set forth in Section 7.1.

“Club Members” means those individuals who are members of DFC as of the date hereof and all individuals who apply for and are accepted as members of the Club in accordance with rules and procedures established by the Board.

“Code” means the Internal Revenue Code of 1986, as amended from time to time (and any corresponding provisions of succeeding law).

“Company Official” means any Person exercising any management authority over the Company whether the Person is a Manager or referred to as a Manager, director or officer or given any other title.

“Decisions Requiring Consent of the Member” means decisions with respect to the actions or matters listed on Schedule B attached hereto.

“Decisions Reserved to the Member” means decisions with respect to the actions or matters listed on Schedule A attached hereto.

“Duke Loan” means that certain loan made by Duke to DFC, with an outstanding principal balance of \$[4,128,661] as of the date hereof.

“Economic Interest” means the proprietary interest of an Interest Owner in the capital, income, losses, credits and other economic rights and interests of the Company, including the right of an Interest Owner to receive distributions from the Company.

“Economic Interest Owner” means a Person who owns an Economic Interest but is not a Member.

“Independent Club” has the meaning set forth in Article X.

“Interest Owner” means a Member or an Economic Interest Owner.

“Lease” means that certain Lease, dated June 28, 1973, initially between Duke and DFC, pursuant to which DFC leased from Duke the real property on which the DFC facilities have been built and with respect to which DFC exercised its option to renew the Lease for an additional term of fifty years ending June 20, 2073.

“Major Decisions” means decisions with respect to the actions or matters listed on Schedule C attached hereto.

“Majority” means, with respect to any referenced group of Managers, a combination of any of such Managers constituting more than fifty percent (50%) of the number of Managers of such referenced group.

“Manager” has the meaning set forth in Section 4.1.

“Member” means Duke.

“Ownership Interest” means all of an Interest Owner's rights and obligations as an Interest Owner in the Company as provided in this Agreement or as otherwise provided by the Act. Reference to any Ownership Interest shall include a portion of such Ownership Interest.

“Person” means an individual, a trust, an estate, or a domestic corporation, a foreign corporation, a professional corporation, a partnership, a limited partnership, a limited liability company, a foreign limited liability company, an unincorporated association, a pension or profit sharing plan, or another entity.

“Secretary of State” means the Secretary of State of North Carolina.

“Separation” has the meaning set forth in Article X.

“Transfer” means, directly or indirectly, any sale, transfer, assignment, hypothecation, pledge or other disposition of an Ownership Interest or any interests therein, including by merger or exchange.

ARTICLE II - FORMATION OF THE COMPANY

2.1 Formation. The Company was formed on June 18, 2024, upon the filing with the Secretary of State of the Articles of Organization of the Company. In consideration of the mutual promises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree that the rights and obligations of the parties and the administration and termination of the Company shall be governed by this Agreement, the Articles of Organization and the Act.

2.2 Name. Unless the Company chooses to transact business under an assumed name, the Company will transact business under its legal name, Duke Faculty Club LLC. The legal name of the Company may be changed from time to time by amendment of the Articles of Organization. The Company will transact business under the assumed name, Duke Faculty Club, by filing an assumed name certificate in the manner prescribed by applicable law.

2.3 Registered Office and Registered Agent. The Company's registered office and the name of its registered agent at such address shall initially be as set forth in the Company's Articles of Organization. The Company may change its registered agent and registered office from time to time as the Managers may from time to time deem necessary or advisable in their discretion.

2.4 Principal Place of Business. The principal place of business of the Company within the State of North Carolina shall be at 10 Faculty Club Drive, Durham, North Carolina 27708. The Company may not locate its principal place of business to any other place unless the Managers and the Member determine otherwise necessary or advisable in their discretion as related to Decisions Requiring Consent of the Member as provided in Section 4.1(c)(ii).

2.5 Term. The Company shall continue in existence until dissolved in accordance with the Act, the Company's Articles of Organization or this Agreement.

2.6 Purposes and Powers.

(a) The Company is organized pursuant to the Integration Agreement for the purpose of promoting the social welfare and interests of Club Members through the provision of recreational facilities on the grounds of the Member located at 10 Faculty Club Drive, Durham,

North Carolina 27708. It is the intention of Duke and DFC, as described in the Integration Agreement, that the the Company will conduct the activities formerly conducted by DFC and make the Club available exclusively for the benefit of Club Members and the assets of the Company shall be used exclusively for the benefit of the Company and Club Members.

(b) The Company shall have any and all powers which are necessary or desirable to carry out the foregoing purposes of the Company, to the extent the same may be legally exercised by limited liability companies under the Act. The Company shall carry out the foregoing activities pursuant to the arrangements set forth in the Articles of Organization and this Agreement.

ARTICLE III – SOLE MEMBER

3.1 Names and Addresses of Members. Duke is and shall hereinafter be the Member of the Company. No other Person may be admitted as a Member of the Company except as provided in Section 9.2 of this Agreement.

3.2 Actions by the Member. Any act or consent of the Member shall be set forth in writing (which act or consent may be electronic, such as by e-mail), which writing describes the action so taken or consent given, and is signed (including an electronic signature that complies with the Uniform Electronic Transactions Act as adopted in North Carolina) by an authorized representative of the Member.

ARTICLE IV – MANAGERS AND MANAGEMENT

4.1 Board of Managers.

(a) The business and affairs of the Company will be managed by a Board of Managers (each, a “Manager” and, collectively, the “Board”). Subject to the limitations set forth in this Agreement, the Board will have full, exclusive and complete discretion to manage and control the business and affairs of the Company, to make all decisions affecting the business and affairs of the Company and to take all such actions as it deems necessary or appropriate to accomplish the purposes of the Company as set forth herein. Any determination, interpretation or other action made or taken (including any failure to make any determination or interpretation, or take any other action) by the Board (or committee thereof) will be final, binding and conclusive for all purposes and upon all Persons, and will be given deference in any proceeding with respect thereto.

(b) Exclusive Management by the Board. Subject to the provisions of this Agreement relating to Decisions Requiring Consent of the Member or Decisions Reserved to the Member, the business, property and affairs of the Company will be managed and all powers of the Company will be exclusively exercised by and under the direction of the Board, including those matters relating to Club Members as described in Section 6.1. The Board will act collectively, in accordance with Section 4.2(b), in all matters, unless otherwise expressly required by this Agreement. The Board, acting collectively, in accordance with Section 4.2(b), will have the power to do any and all acts necessary or convenient to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by managers of a limited liability

company under the laws of the State of North Carolina, and each Person named as a Manager herein or subsequently appointed as a Manager is hereby designated as a “manager” (within the meaning of the Act) of the Company.

(c) Notwithstanding the foregoing or anything to the contrary in this Agreement or the Act, (i) Decisions Reserved to the Member may be approved or consented to only by the Member and do not require the consent or approval of the Board, and (ii) Decisions Requiring Consent of the Member require the approval or consent of the Member, in addition to the consent or approval of the Board.

(d) Board Composition. Board Composition. Board Composition. The Board will consist of nine (9) natural Persons, comprised as follows: (i) four (4) Managers, who shall initially be those natural Persons listed and identified as the DFC Managers on Schedule D attached hereto (the “DFC Managers”), and (ii) five (5) Managers, who shall initially be those natural Persons listed and identified as the Duke Managers on Schedule D attached hereto (the “Duke Managers”). Thereafter, each DFC Manager shall be elected by the Club Members. One (1) of the Duke Managers will be a senior administrator designated by Duke, who initially shall be the Executive Vice President or his or her designee, which individual shall not be required to be a Club Member (“Senior Administrator”). The other four (4) Duke Managers will be appointed by and subject to removal by the Senior Administrator; and to facilitate an understanding of Company interests, such other four (4) Duke Managers will be Club Members, unless Duke is unable to find, in its reasonable discretion after undertaking reasonable efforts, Club Members satisfactory to Duke and willing to fill the four positions. Additionally, as part of the appointment process, the DFC Managers may present the Senior Administrator with nominees for some or all of such four (4) positions, any of which nominees the Senior Administrator may consider and select, at his or her reasonable discretion. If the Senior Administrator does not select a particular nominee presented by the DFC Managers or if the Senior Administrator removes a Duke Manager who is a Club Member, the Senior Administrator will provide the DFC Managers, upon request, a reasonably detailed written explanation for the decision not to select such nominee or the decision to remove such Duke Manager, as applicable.

(e) Appointment; Term. The terms of the DFC Managers and appointed Duke Managers shall be two-year staggered terms. To effect staggered terms, each initial Manager set forth on Schedule D other than the Senior Manager shall serve for the term set forth alongside such Manager’s name on Schedule D. Each DFC Manager and appointed Duke Manager will hold office for such term or until a successor is elected or appointed pursuant to Section 4.1(d), or until such Manager’s earlier death, resignation or removal in accordance with the provisions of this Agreement. The Senior Administrator will hold office until Duke appoints a successor, or until such person’s earlier death, resignation or removal by Duke.

(f) Regular Meetings of Board. Regular meetings of the Board shall be held on the premises of the Club located at 10 Faculty Club Drive, Durham, North Carolina at such time as the Board may designate. One of these regular meetings shall be designated as the annual meeting of the Board and shall be open to all Club Members. All regular meetings of the Board may be

held in person or by means of telephone or video conference or other communications device that permits all Managers participating in the meeting to hear each other.

(g) Special Meetings of the Board. Special meetings of the Managers may be called by the President, from time to time by at least a Majority of DFC Managers at the time serving or a Majority of Duke Managers at the time serving. The business transacted at such special meeting shall be limited to such purpose or purposes as stated in the notice.

(h) Notice of Board Meetings. Notice of all meetings of the Board, unless waived by attendance or by written consent, shall be given at least three (3) Business Days before the date of such meeting. Said notice shall state that the meeting shall be held on the premises of the Club located at 10 Faculty Club Drive, Durham, North Carolina, the date and hour of the meeting, and its purpose or purposes.

4.2 Quorum; Acts of the Board.

(a) Quorum. Three (3) or more DFC Managers at the time serving and a Majority of Duke Managers at the time serving shall constitute a quorum for the transaction of business by the Board. At all times when the Board is conducting business at a meeting of the Board, a quorum of the Board must be present at such meeting. If a quorum shall not be present at any meeting of the Board, then the Managers present at the meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

(b) Acts of the Board. Except for Major Decisions, any act at a meeting at which a quorum exists will constitute an act of the Board so long as such act is approved by a Majority of Managers present. A Major Decision considered at any meeting at which a quorum exists will constitute an act of the Board so long as such Major Decision is approved by a Majority of Managers present and a Majority of Duke Managers at the time serving. The Board will keep regular minutes of its meetings and such minutes (including all actions by written consent) shall be available for inspection by Club Members upon reasonable written notice to the President.

(c) Action by Consent. Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting, if the number of Managers and, in the case of a Major Decision, the number of Duke Managers, whose approval would be necessary to take such action at a meeting of the Board with quorum present, as the case may be, consent thereto in writing, and such writing or writings are filed with the minutes of proceedings of the Board. Any Managers taking action by written consent pursuant to this Section 4.2(c) shall use reasonable efforts to provide not less than five (5) Business Days' prior written notice of the proposed action to the other Managers; provided, that if the Managers taking such action by written consent determine, in good faith, that the approval of such action is of an urgent nature such that five (5) Business Days' prior written notice is not feasible, appropriate or in the best interests of the Company (the taking of such action by written consent to conclusively evidence such Managers' good faith determination of same), such five (5) Business Days' notice shall not be required.

4.3 Electronic Communications. Members of the Board, or any committee designated by the Board, may participate in a meeting of the Board, or any committee, by means of conference telephone or similar communications equipment by means of which all Persons participating in the meeting can hear each other, and such participation in a meeting will constitute presence in person at the meeting.

4.4 Resignation. Any Manager may resign at any time by giving written notice to the President, who shall immediately report such resignation to the Board. The resignation of any Manager will take effect upon receipt of such notice or at such later time as will be specified in the notice. Unless otherwise specified in the notice of resignation, the acceptance of the resignation by the President or the remaining Managers will not be necessary to make it effective. Upon the effectiveness of any such resignation, such Manager will cease to be a “manager” (within the meaning of the Act) of the Company.

4.5 Vacancies. If any vacancies occur in the Board at any time, by reason of death, resignation, removal or otherwise, of a Manager, such vacancies shall be filled by the persons and in the manner as provided in the applicable provisions of Section 4.1.

4.6 Committees. The Board, by resolution, may create or designate one or more committees, each of which shall be comprised of at least one Duke Manager, one or more of the other Managers and Club Members. Quorum and action of such committee shall require approval or consent of a majority of those present who are members of that committee. Actions of any committee will in all cases be a recommendation to the Board for future action, and no committee shall have any authority of the Board to take or approve any action of the Company. Each committee will keep regular minutes of its meetings and report the same to the Board when required.

4.7 Removal of Managers. Any DFC Manager may be removed at any time, with or without cause, only upon a Majority vote of the other DFC Managers. Subject to Section 4.1, any Duke Manager may be removed at any time, with or without cause, only upon the reasonable discretion and instruction of Duke. Any vacancy caused by any such removal will be filled in accordance with Section 4.5.

4.8 Executive Director. The Company shall have an Executive Director, who shall be appointed by the Member as a Decision Reserved to the Member. The Executive Director will have a direct reporting relationship to the Senior Administrator, with responsibilities for day-to-day Company operations and programming consistent with directives of and actions taken by the Board, including decisions regarding the hiring and termination of all other Company employees, subject to all applicable Duke human resource policies and procedures. The Executive Director will also work in collaboration with one or more Board committees.

4.9 Officers. The Senior Administrator shall serve as the Company’s President, and the Board and may appoint such other additional officers as it deems advisable (each, an “Officer”, and, collectively, the “Officers”) and assign such officers titles. The President’s duties shall be to preside at all meetings of the Board and to execute in the name of the Company all contracts, agreements and other instruments approved by the Board unless as part of such approval the Board

authorizes another Person or Persons to execute such contracts. Unless the Board decides otherwise, if the title of any such additional Officers is one commonly used for officers of a business corporation formed under the North Carolina Nonprofit Corporation Act, the assignment of such title will constitute the delegation to such Person of the authorities and duties that are normally associated with that office. Any delegation pursuant to this Section 4.9 may be revoked at any time by the Board. Any Officer may be removed by the Board with or without cause.

4.10 Inspection of Books and Records. Any Manager shall have the right to examine all books and records of the Company for a purpose reasonably related to such Manager's position as a Manager.

ARTICLE V - LIMITATION OF LIABILITY AND INDEMNIFICATION OF MANAGERS AND MEMBERS

5.1 Limitation of Liability. No Manager, Member or Company Official shall be liable to the Company or its Members for monetary damages for an act or omission in such Person's capacity as a Manager, Member or Company Official, except for (i) acts or omissions not taken or made in good faith, (ii) act or omissions which such Manager, Member or Company Official knew at the time of the acts or omissions were clearly in conflict with the interests of the Company, (iii) any transaction from which a Manager, Member or Company Official derived an improper personal benefit, or (iv) acts or omissions occurring prior to the date this provision becomes effective. Any repeal or modification of this Section 5.1 shall not adversely affect the right or protection of a Manager, Member or Company Official existing at the time of such repeal or modification.

5.2 Indemnification. To the fullest extent permitted by the Act, the Company will indemnify, defend and hold harmless each Manager and each Company Official (all indemnified persons being referred to as "Indemnified Persons" for purposes of this Section 5.2), from any liability, loss or damage incurred by the Indemnified Person by reason of any act performed or omitted to be performed by the Indemnified Person in connection with the business of the Company and from liabilities or obligations of the Company imposed on such Person by virtue of such Person's position with the Company, including reasonable attorneys' fees and costs and any amounts expended in the settlement of any such claims of liability, loss or damage; provided, however, that if the liability, loss, damage or claim arises out of any action or inaction of an Indemnified Person, indemnification under this Section 5.2 will be available only if such action or inaction was not expressly prohibited by this Agreement and the Indemnified Person, at the time of such action or inaction, acted in good faith and in a manner that the Indemnified Person reasonably believed to be in, or not opposed to, the best interests of the Company. The Company will advance the full amount of expenses (including reasonable attorneys' fees of an Indemnified Person) as incurred by such Indemnified Person and will be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of this Agreement, provided that such Indemnified Person executes an undertaking, with appropriate security, if requested by the Managers, to repay the amount so paid or reimbursed in the event that a final non-appealable determination by a court of competent

jurisdiction finds that such Indemnified Person is not entitled to indemnification under this Section 5.2.

5.3 Other Rights. The indemnification provided by this Agreement shall not: (i) be deemed exclusive of any other rights to which a Person seeking indemnification may be entitled under any statute, agreement, vote of disinterested Managers, or otherwise, both as to action in official capacities and as to action in another capacity while holding such office; (ii) continue as to a Person who ceases to be a Manager, Member or Company Official; (iii) inure to the benefit of the estate, heirs, executors, administrators or other successors of an indemnitee; and (iv) not be deemed to create any rights for the benefit of any other Person.

5.4 Report to Member. The details concerning any action to limit the liability, indemnify or advance expenses to a Manager, Member or other Person, taken by the Company shall be reported in writing to the Member within thirty (30) days immediately following the date of the action.

ARTICLE VI – CLUB MEMBERSHIP

6.1 Club Members.

(a) Club Members are not Members of the Company but rather are those individuals who are members of DFC as of the date hereof or who become Club Members in accordance with rules and procedures established by the Board. Club Members shall have the exclusive right to use the facilities, amenities and grounds of the Club. The Board shall maintain or cause to be maintained a current list of Club Members.

(b) The Board shall assume the role and responsibility of the Board of Governors of DFC for the purpose of determining the eligibility criteria and approval of Club Members, the maintenance of Club membership, the applicable dues, fees and other charges of Club membership, the process for applying for Club membership and related waiting lists, all other decisions relating to membership in the Club, including discipline, suspension and expulsion of Club Members, and the general rules and regulations relating to membership, use and availability of the Club and its operations except to the extent any acts, decisions or approvals with respect to such matters are expressly described herein as Major Decisions, Decisions Requiring Consent of the Member or Decisions Reserved to the Member. DFC and Duke acknowledge and agree that unless the Board determines otherwise, it is the intent of each that the Club continue to be governed by rules and regulations that are substantially similar to those in existence with respect to DFC as of the date hereof. All matters described in this Section 6.1 relating to Club Members and Club membership are the role and responsibility of the Board, and all decisions or acts relating thereto shall be subject to approval or consent of the Board in accordance with Sections 4.2(b) and (c).

ARTICLE VII – DFC CASH; THE DUKE LOAN; MEMBER LOANS

7.1 Club Accounts. Duke and DFC acknowledge and agree that DFC currently has a cash and investment balance of \$1,791,189.86, which funds and investments are deposited in one or more accounts maintained by Duke (collectively, the “**Club Accounts**”). Club Account funds shall be used exclusively for the benefit of the Company, and accurately accounted for as separate general ledger accounts on the books and records of Duke as assets of the Company. All Club membership dues and other revenues generated from the operations of the Club shall be credited to such appropriate general ledger account when received by Duke into a Club Account and all expenses of the Club and Duke Loan payments shall be debited from such general ledger account when paid from a Club Account.

7.2 Duke Loan. Duke acknowledges and confirms the agreement between DFC and Duke at the time the Duke Loan was extended that DFC would repay the Duke Loan in monthly installments of principal and accrued interest in the amount of \$28,673.34 over a period 30 years. Pursuant to the Integration Agreement and the Assignment and Assumption Agreement included as Exhibit B thereto, the Company has assumed the obligation to pay all indebtedness of DFC arising under the Duke Loan. Consistent with DFC’s repayment of the Duke Loan prior to the date hereof and the assumption of that obligation by the Company, the Company will make monthly payments to Duke in the amount of \$28,673.34 to repay the Duke Loan over the remaining term of the Duke Loan. Interest accrues on the outstanding principal at five and one-half percent (5.5%) per annum. The terms of the Duke Loan will not be modified or amended unless approved according to the process set forth for amending this Agreement in Section 12.2 of this Agreement.

7.3 Upon approval of the Managers, the Member may make additional loans to the Company upon commercially reasonable terms.

ARTICLE VIII - ALLOCATIONS, DISTRIBUTIONS, ELECTIONS AND REPORTS

8.1 Allocations. One hundred percent (100%) of the Company's income, loss, gain, or deduction shall be allocated to the Member. At all times the Company has only one member (who owns 100% of the Ownership Interests in the Company), it is the intention of the Member that the Company be disregarded for federal, state, local and foreign income tax purposes.

8.2 Distributions. Subject to the requisite approval required for a Major Decision as set forth in Section 4.2(b), the Managers shall distribute cash and other property at such times and in such amounts as they may determine, in their sole discretion. All distributions of cash or other property shall be made only to the Member or to the Independent Club upon Separation.

8.3 Limitation Upon Distributions. No distribution shall be declared and paid if payment of such distribution would cause the Company to violate any limitation on distributions provided in the Act.

8.4 Allocations for Tax Purposes. Except as otherwise provided herein, each item of income, gain, loss or deduction of the Company shall be allocated to the Member in the same manner as such allocations are made for book purposes pursuant to **Section 8.1**.

8.5 Records and Reports. At the expense of the Company, the Managers shall maintain records and accounts of all operations and expenditures of the Company. The Company shall keep at its principal place of business the records required by the Act to be maintained there.

8.6 Books of Account.

(a) The Company shall maintain the Company's books and records and shall determine all items of income, gain, loss or deduction in accordance with the method of accounting selected by the Managers, consistently applied. All of the records and books of account of the Company, in whatever form maintained, shall at all times be maintained at the principal office of the Company and shall be open to the inspection and action of the Member or its representatives during reasonable business hours. Such right may be exercised through any agent or employee of the Member designated by it or by an attorney or independent certified public accountant designated by the Member. The Member shall bear all expenses incurred in any examination made on behalf of such Member.

(b) All expenses in connection with the keeping of the books and records of the Company and the preparation of audited or unaudited financial statements required to implement the provisions of this Agreement or otherwise needed for the conduct of the Company's business shall be borne by the Company as an ordinary expense of its business.

8.7 Bank Accounts. The bank account or accounts of the Company shall be maintained in the bank approved by the Managers as a Major Decision. The terms governing such accounts shall be determined by the Managers as a Major Decision and withdrawals from such bank accounts shall only be made by the Managers or the Executive Director by authority granted by the Managers.

**ARTICLE IX - TRANSFERABILITY OF OWNERSHIP INTERESTS;
ADMISSION OF MEMBERS**

9.1 Restriction on Transfer. Except with the prior consent of the Board, including a Majority of DFC Managers, the Member may not Transfer its Ownership Interest, in whole or in part.

9.2 Admission of New Members. No Person may be admitted as a Member or acquire an Economic Interest from the Company without the consent of the Board, including a Majority of DFC Managers, and the Member.

ARTICLE X – CLUB SEPARATION

(a) It is the intent of Duke that it will collaborate with DFC (or if DFC shall no longer exist, the body of Club Members appointed by the DFC Managers to represent the interests of the Club Members) to resolve any disputes with respect to the management of the business and affairs of the Company or the operation of the Club in a mutually agreeable manner. In the event that the DFC Managers determine that the good faith efforts between Duke and DFC (or if DFC shall no longer exist, the body of Club Members appointed by the DFC Managers to represent the interests of the Club Members) have not resolved any issues or disputes relating to the management of the business and affairs of the Company or the operation of the Club, the DFC Managers shall provide to Duke in writing a summary of such issues or disputes and the position of the DFC Managers. If after 60 days from such writing, the issues or disputes articulated therein have not been resolved to the satisfaction of the DFC Managers, then within ten (10) days after the end of such 60-day period Duke shall have the option to submit the dispute to non-binding mediation at the Carrboro Dispute Settlement Center, and the parties shall attempt in good faith to resolve the claim or dispute through such mediation. If the parties, acting in good faith, are unable to resolve such dispute prior to submission to the Carrboro Dispute Settlement Center and Duke fails to submit the dispute to the Carrboro Dispute Settlement Center within such ten (10) day period or the parties, acting in good faith, are unable to resolve such dispute during mediation at the Carrboro Dispute Settlement Center if Duke submits the dispute to the Carrboro Dispute Settlement Center, Duke agrees the integration of the Club into the Company as consummated through the Integration Agreement may be unwound and the Club may separate from the Company if (1) Club Members hold a vote in which at least a majority of Club Members then in good standing vote, and (2) a majority of Club Members voting approve such separation (“Separation”). In such event, the Company will transfer all assets and liabilities (including the Duke Loan) back to DFC, if then in existence, or another tax-exempt organization formed by the Club Members, if DFC is not then in existence (DFC or such other tax-exempt organization, the “Independent Club”). Duke shall assign the Lease and all facilities and improvements on the leased real property to the Independent Club, subject to a net settlement consistent with the Company’s acquisition of such assets and provided that such Independent Club shall comply with all terms and conditions of the Lease. DFC and Duke acknowledge that Duke will not provide employees or any human resources support to the Independent Club. In addition, Duke will not provide any other support services or a license to use the Duke name and marks. Notwithstanding the foregoing, Duke recognizes that the Club Members would need legal representation throughout any process initiated by the Club pursuant to this Article X. Such counsel would be selected by the DFC Managers, engaged by the Company and reasonable legal fees would be paid with Company funds through the date of any affirmative vote by the Club Members to separate.

(b) The provisions in this Article X shall automatically expire seven (7) years following the date hereof subject to the conclusion of any Separation process initiated by DFC (or if DFC shall no longer exist, the body of Club Members appointed by the DFC Managers to represent the interests of the Club Members) pursuant to this Article X prior to such seven-year anniversary.

ARTICLE XI - DISSOLUTION AND TERMINATION

11.1 Dissolution.

(a) The Company shall be dissolved upon the election to dissolve the Company by the Board, including a Majority of DFC Managers, and the Member.

(b) Upon dissolution of the Company, the business and affairs of the Company shall terminate and be wound up, and the assets of the Company shall be liquidated under this Article XI.

(c) Dissolution of the Company shall be effective as of the day on which the event occurs giving rise to the dissolution, but the Company shall not terminate until there has been a winding up of the Company's business and affairs, and the assets of the Company have been distributed as provided in Section 11.3.

11.2 Articles of Dissolution. Upon the dissolution and commencement of the winding up of the Company, the Board shall cause Articles of Dissolution to be executed on behalf of the Company and filed with the Secretary of State, and a Manager shall execute, acknowledge and file any and all other instruments necessary or appropriate to reflect the dissolution of the Company.

11.3 Distribution of Assets Upon Dissolution. In settling accounts after dissolution, the assets of the Company shall be used to first pay creditors, in the order of priority as provided by law, then the remaining assets shall be distributed to the Member.

ARTICLE XII - MISCELLANEOUS PROVISIONS

12.1 Notice.

(a) All notices, demands or requests provided for or permitted to be given pursuant to this Agreement must be in writing.

(b) All notices, demands and requests to be sent to a Party pursuant to this Agreement shall be deemed to have been properly given or served if addressed to such Party at the address for such Party set forth below and (i) personally delivered, (ii) deposited for next day delivery by Federal Express, or other similar overnight courier services, or (iii) deposited in the United States mail, prepaid and registered or certified with return receipt requested.

If to DFC: Faculty Club of Duke University, Incorporated
10 Faculty Club Drive
Durham, North Carolina 27708
Attn: President

If to Duke: Duke University

2200 West Main Street
Suite 300
Box 104134
Durham, NC 27708
Attn: John Clements

(c) All notices, demands and requests so given shall be deemed received: (i) when actually received, if personally delivered, or deposited for next day delivery with an overnight courier, or (ii) as indicated upon the return receipt if deposited in the United States mail.

(d) The Parties shall have the right from time to time, and at any time during the term of this Agreement, to change their respective addresses by delivering to the other parties written notice of such change in the manner prescribed in Section 12.1(b).

12.2 Amendments. This Agreement or the Articles of Organization may only be amended or modified by a writing executed and delivered by the Member and the Board, including a Majority of DFC Managers.

12.3 Governing Law; Arbitration. This Agreement is made in Durham County, North Carolina, and the rights and obligations of the Parties hereunder shall be interpreted, construed and enforced in accordance with the laws of the State of North Carolina. Except as provided in Article X with respect to a resolution of a dispute relating to the management of the business and affairs of the Company or the operation of the Club, any dispute arising out of or in connection with this Agreement or the breach thereof shall first be subject to good faith negotiations initiated by written notice from the Interest Owner who wishes to initiate such good faith negotiations. The Parties shall begin negotiations of the dispute within ten (10) Business Days of delivery such written notice. If the Parties fail to resolve the dispute within thirty (30) days from the date negotiations commence, the dispute shall be submitted next to mediation administered by the American Arbitration Association under its Commercial Mediation Procedures. The cost of the mediation shall be shared equally between the Parties and the mediation shall take place in Durham County, North Carolina. If, through mediation, the Parties fail to resolve the dispute within forty-five (45) days of the date the dispute is submitted to mediation, the dispute shall be decided by arbitration to be conducted in Durham County, North Carolina in accordance with the then prevailing commercial arbitration rules of the American Arbitration Association, and judgment thereof may be entered in any court having jurisdiction thereof. The Parties shall share equally the cost and expense of the arbitration.

12.4 Entire Agreement. This Agreement, including all Schedules to this Agreement, as amended from time to time in accordance with the terms of this Agreement, contains the entire agreement among the Parties relative to the subject matter hereof. All agreements of the Parties constituting operating agreements of the Company shall be in writing.

12.5 Waiver. No consent or waiver, express or implied, by a Party to or for any breach or default by any other Party in the performance by such other Party of its obligations under this Agreement shall be deemed or construed to be a consent or waiver to or of any other breach or

default in the performance by such other Party of the same or any other obligations of such other Party under this Agreement. Failure on the part of any Party to complain of any act or failure to act of any of the other Party or to declare any of the other Parties in default, regardless of how long such failure continues, shall not constitute a waiver by such Party of its rights hereunder.

12.6 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provisions to other Persons or circumstances shall not be affected thereby, and the intent of this Agreement shall be enforced to the greatest extent permitted by law.

12.7 Binding Agreement. Subject to the restrictions on transferability set forth in this Agreement, this Agreement shall be binding upon the permitted assigns and successors-in-interest of the Parties hereto.

12.8 Tense and Gender. Unless the context clearly indicates otherwise, the singular shall include the plural and vice versa. Whenever the masculine, feminine or neuter gender is used inappropriately in this Agreement, this Agreement shall be read as if the appropriate gender was used.

12.9 Benefits of Agreement. Nothing in this Agreement expressed or implied, is intended or shall be construed to give to any creditor of the Company or any creditor of any Party or any other Person whatsoever, other than the Parties, any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenant, condition or provisions herein contained, and such provisions are and shall be held to be for the sole and exclusive benefit of the Parties.

12.10 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original for all purposes and all of which when taken together shall constitute a single counterpart instrument. Executed signature pages to any counterpart instrument may be detached and affixed to a single counterpart, which single counterpart with multiple executed signature pages affixed thereto constitutes the original counterpart instrument. All of these counterpart pages shall be read as though one and they shall have the same force and effect as if all of the parties had executed a single signature page. A signed copy of this Agreement or counterpart signature page delivered by facsimile, email (including PDF) or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of or counterpart signature page to this Agreement.

[SIGNATURE PAGE TO FOLLOW]

SIGNATURE PAGE TO
OPERATING AGREEMENT OF DUKE FACULTY CLUB LLC

IN WITNESS WHEREOF, the undersigned, Duke, DFC, and all the Managers of the Company, have caused this Agreement to be duly adopted by the Company as of June 30, 2024, and do hereby assume and agree to be bound by and to perform all of the terms and provisions set forth in this Agreement.

SIGNATURES OF MANAGERS, DFC AND THE MEMBER:

DUKE UNIVERSITY:

By: 
Rachel Satterfield, VP, Finance and Treasurer

**FACULTY CLUB OF DUKE UNIVERSITY,
INCORPORATED:**

By: _____
Name: _____
Title: _____

MANAGERS:

Tom Metzloff

Blue Dean

Diane Lennox

Carrie Gonnella

Lynn Dubay

Rachel Brewster

John Taylor

Maria Manson


John Clements

SIGNATURE PAGE TO
OPERATING AGREEMENT OF DUKE FACULTY CLUB LLC

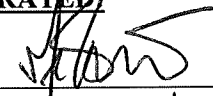
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SIGNATURES OF MANAGERS, DFC AND THE MEMBER:

DUKE UNIVERSITY:

By: _____
Rachel Satterfield, VP, Finance and Treasurer

FACULTY CLUB OF DUKE UNIVERSITY,
INCORPORATED

By: 
Name: MARIA MANSON
Title: PRESIDENT

MANAGERS:

Tom Metzloff

Blue Dean


Diane Lennox

Carrie Gonnella

Lynn Dubay

Rachel Brewster

John Taylor



Maria Manson

John Clements

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DUKE UNIVERSITY:

By: _____
Rachel Satterfield, VP, Finance and Treasurer

**FACULTY CLUB OF DUKE UNIVERSITY,
INCORPORATED:**

By: _____
Name: _____
Title: _____

MANAGERS:

Tom Metzloff

Diane Lennox

Blue Dean

Carrie Gonnella

Lynn Dubay

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Maria Manson

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By: _____
Rachel Satterfield, VP, Finance and Treasurer

**FACULTY CLUB OF DUKE UNIVERSITY,
INCORPORATED:**

By: _____
Name: _____
Title: _____

MANAGERS:

Tom Metzloff

Blue Dean

Diane Lennox

Carrie Gonnella

Lynne Dubay
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SIGNATURES OF MANAGERS, DFC AND THE MEMBER:

DUKE UNIVERSITY:

By: _____
Rachel Satterfield, VP, Finance and Treasurer

FACULTY CLUB OF DUKE UNIVERSITY,
INCORPORATED

By: _____
Name: MARIA MANSON
Title: PRESIDENT

MANAGERS:

Tom Metzloff

Diane Lennox

Lynn Dubay

John Taylor


John Clements

Blue Dean

Blue Dean

Carrie Gonnella

Rachel Brewster



Maria Manson

Signature: 

Electronically signed by: Linden Dean
Reason: Approved
Date: Jun 29, 2024 17:13 EDT

Email: blue.dean@duke.edu

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DUKE UNIVERSITY:

By: _____
Rachel Satterfield, VP, Finance and Treasurer

**FACULTY CLUB OF DUKE UNIVERSITY,
INCORPORATED:**

By: _____
Name: _____
Title: _____

MANAGERS:

Tom Metzloff

Blue Dean

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Rachel Satterfield, VP, Finance and Treasurer

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INCORPORATED:**

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MANAGERS:



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By: _____
Rachel Satterfield, VP, Finance and Treasurer

**FACULTY CLUB OF DUKE UNIVERSITY,
INCORPORATED:**

By: _____
Name: _____
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MANAGERS:

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DUKE UNIVERSITY:

By: _____
Rachel Satterfield, VP, Finance and Treasurer

**FACULTY CLUB OF DUKE UNIVERSITY,
INCORPORATED:**

By: _____
Name: _____
Title: _____

MANAGERS:

Tom Metzloff

Blue Dean

Diane Lennox

Carrie Gonnella

Lynn Dubay

Rachel Brewster

Rachel Brewster

John Taylor

Maria Manson

John Clements

SCHEDULE A
Decisions Reserved to the Member

The following powers are reserved solely for the sole Member:

- the adoption of employee benefit plans and programs, and policies relating to compensation of all employees of the Company to ensure that the salary amounts for employees are fair and equitable, and in compliance with Duke's pay and performance evaluation guidelines;
- any termination, hiring, disciplinary action and compensation decision with respect to the Executive Director, provided that as part of the process Duke shall discuss any such action with the DFC Managers and shall give due consideration to any formal recommendations from the DFC Managers relating to any such action; and
- adoption of employment policies, including the employment of minors.

SCHEDULE B
Decisions Requiring Consent of the Member

The following actions shall require the consent of the Member:

- actions set forth in NCGS § 57D-3-03 or successor statute;
- the purchase or lease of real property;
- prosecuting, waiving, settling or compromising any claims or causes of action of the Company against or made by any third party;
- confessing a judgment;
- filing any petition in bankruptcy or reorganization or instituting any other type of bankruptcy, reorganization or insolvency proceeding, or consenting to the institution of involuntary bankruptcy, reorganization or insolvency proceedings, admitting in writing the LLC's inability to pay its debts generally as they become due or the making of a general assignment for the benefit of creditors;
- opening accounts and deposits and maintaining funds in the name of the Company in financial institutions and investing in short-term debt obligations (including obligations of federal and state government and their agencies, commercial paper, and certificates of deposit of commercial banks, savings banks, or savings and loan associations); and
- except as provided in Article X relating to Club Separation, employing legal, financial, accounting counsel and assistance.

SCHEDULE C
Major Decisions

Major Decisions are the following:

- distribution of any assets of the Company to Duke or any third party other than the Independent Club whether upon dissolution or for any other reason;
- sale, exchange or transfer of all or any portion of the assets of the Company except (A) assets with a value of less than \$25,000 and (B) in the case of Club Separation pursuant to Article X;
- approval of annual operating and capital budgets, and for capital expenditures in excess of \$50,000;
- any indebtedness for borrowed money, all obligations evidenced by notes, bonds, debentures, assumption of liabilities, or similar instruments, and amendments to the same, and all contracts or assumption of any liability or capital lease obligations to the extent such obligations are more than \$50,000;
- the purchase or lease of real property;
- prosecuting, waiving, settling or compromising any claims or causes of action of the Company against or made by any third party;
- confessing a judgment;
- filing any petition in bankruptcy or reorganization or instituting any other type of bankruptcy, reorganization or insolvency proceeding, or consenting to the institution of involuntary bankruptcy, reorganization or insolvency proceedings, admitting in writing the Company's inability to pay its debts generally as they become due or the making of a general assignment for the benefit of creditors;
- the procurement of insurance, both as to risks insured and coverage amounts;
- opening accounts and deposits and maintaining funds in the name of the Company in financial institutions and investing in short-term debt obligations (including obligations of federal and state government and their agencies, commercial paper, and certificates of deposit of commercial banks, savings banks, or savings and loan associations);
- amendment of this Agreement; and
- except as provided in Article X relating to Club Separation, employing legal, financial, accounting counsel and assistance.

SCHEDULE D
Managers

Initial DFC Managers:

Name:	Term:
Tom Metzloff	2 years
Diane Lennox	1 year
Lynne Dubay	2 years
John Taylor	1 year

Initial Duke Managers:

Name:	Term:
John Clements	
Maria Manson	2 years
Blue Dean	2 years
Carrie Gonnella	1 year
Rachel Brewster	1 year