



BURNT STORE GOLF & ACTIVITY CLUB, INC.

membership policies

TABLE OF CONTENTS

INTRODUCTION	1
MEMBERSHIP OPPORTUNITIES	1
CLUB FACILITIES	1
OWNERSHIP AND OPERATION	1
1. TYPES OF MEMBERSHIP AND USE PRIVILEGES	2
A. CLASSES AND CATEGORIES OF MEMBERSHIP.....	2
B. EXERCISE OF PRIVILEGES; AUTHORIZED USERS AND GUESTS.....	3
C. AVAILABILITY OF MEMBERSHIP.....	3
D. ASSIGNMENT OF PRIVILEGES TO TENANTS.....	3
2. FINANCIAL OBLIGATIONS OF MEMBERS	3
A. INITIATION FEES	3
B. ANNUAL FEE	4
C. DELINQUENCIES	4
3. TRANSFER AND TERMINATION OF MEMBERSHIPS	4
A. TRANSFERABILITY OF MEMBERSHIP	4
B. TERMINATION OF MEMBERSHIPS	5
4. MANAGEMENT AND OPERATION OF CLUB FACILITIES	5
A. MANAGEMENT AND OPERATION	5
5. GENERAL PROVISIONS	6
A. NOTICES.....	6
B. AMENDMENT	6
C. ASSUMPTION OF RISK.....	6
D. OFFERING OF MEMBERSHIP INTEREST.....	7
E. REPRESENTATIONS.....	7

BURNT STORE GOLF & ACTIVITY CLUB, INC.

membership policies

INTRODUCTION

MEMBERSHIP OPPORTUNITIES

Membership in Burnt Store Golf & Activity Club, Inc., a Florida not for profit corporation, (the "Club") provides the opportunity to enjoy golf and social facilities in a comfortable atmosphere, as well as opportunities to participate in various social events and activities and build long-lasting personal relationships. Memberships should not be viewed or acquired as an investment. Members should not expect to derive any economic profits from the memberships.

The terms and conditions of membership are described in these Membership Policies for Burnt Store Golf & Activity Club, Inc., as they may be amended ("Membership Policies"), the Bylaws of Burnt Store Golf & Activity Club, Inc., as they may be amended ("Bylaws"), and a Membership Agreement entered into between the member and Burnt Store Golf & Activity Club, Inc. ("Membership Agreement").

CLUB FACILITIES

The facilities of the Club presently include the following "Club Facilities":

- a clubhouse, including restaurant and banquet facilities, Pro Shop, patio/deck areas, men's and ladies' restroom, and Club grounds (the "Activity Facilities")
- a 27-hole golf course, including golf practice facilities, an aqua driving range, putting green, chipping/putting green, chipping/sand trap practice area and Cart barn (the "Golf Facilities")

The Club Facilities are located adjacent to the community known as Burnt Store Marina in Punta Gorda, Florida (the "Community").

Additional recreational facilities may be constructed or acquired within or in the vicinity of the Community. If additional facilities are constructed or acquired, they will be included in the Club Facilities and made available for use by members on such terms and conditions and payment of such fees as such the Club may establish in the discretion of the Board of Directors (the "Board") of the Club.

Use and access to the Club Facilities is limited to operating hours and subject to availability, the Bylaws, and payment of such dues, fees and charges as the Board may establish from time to time.

OWNERSHIP AND OPERATION

The Club Facilities are operated and managed by the Club. Memberships will entitle the holder thereof (the "Member") to vote on the election of directors, amendment of the Bylaws and any other business duly authorized to be transacted by the Members, obligate the Member to pay the Annual Fee for his or her Membership and any supplemental annual fee resulting from a budgetary shortfall during a year in which the Member was a Member of the Club and shall be evidenced by the issuance of a membership certificate or membership card. There will be no payment of income, dividends or other distributions of profit to any of the Club's Members,

directors or officers, and as such they will have no interest in or title to any of the profits or assets of the Club.

1. TYPES OF MEMBERSHIP AND USE PRIVILEGES

A. CLASSES AND CATEGORIES OF MEMBERSHIP

1. The Club will offer the following basic classes of annual memberships in the Club: Activity Memberships and Golf Memberships. All Memberships will entitle the holder thereof (the "Member") to vote on the election of directors, amendment of the Bylaws and any other business duly authorized to be transacted by the Members, obligate the Member to pay the Annual Fee for his or her Membership and any supplemental annual fee resulting from a budgetary shortfall during a year in which the Member was a Member of the Club and shall be evidenced by the issuance of a membership certificate or membership card..

The Board has the discretion to limit the number of Memberships that the Club may issue; however, currently, there are no such limitations on the number of Memberships.

Activity Memberships will entitle the Member to utilize the Activity Facilities annually, among other privileges. Golf Memberships will entitle the Member to utilize the Activity and Golf Facilities, among other privileges, must be combined with the Activity Membership and may be either a Seasonal Golf Membership or an Annual Golf Membership. Variations on the Golf Membership and additional memberships ancillary to the Golf Membership are available as follows.

Annual Single Golf	Seasonal Single Golf
Annual Single Trail (personal golf cart in lieu of rental)	Seasonal Single Trail (personal golf cart in lieu of rental)
Annual Couple Golf	Seasonal Couple Golf
Annual Couple Trail (personal golf cart in lieu of rental)	Seasonal Couple Trail (personal golf cart in lieu of rental)
Range Member – Single or Couple	

Application for membership in the Club shall be subject to the approval of the Board. The Board may create additional membership classifications in accordance with the Club's Bylaws and may offer payment terms on a schedule different from the initial Membership Contribution schedule offered by the Club.

2. The Club will offer a Student Golf Membership as a special non-voting membership for youths 25 and under with a valid student ID. The Student membership will not entitle the holder thereof (the "Student Member") to vote on the election of directors, amendment of the Bylaws or any other business duly authorized to be transacted by the Members. The Student Member shall be obligated to pay the Annual Fee for his or her Membership but will not be obligated to pay an Initiation fee or any supplemental annual fee resulting from a budgetary shortfall.

The Student Golf Membership may but is not required to be combined with an Activity Membership. The Student Golf Membership will entitle the Student Golf Member to utilize the golf facilities and such privileges as described in the Board policy for Student Members.

B. EXERCISE OF PRIVILEGES; AUTHORIZED USERS AND GUESTS

Authorized Users. The persons entitled to enjoy the use privileges of a membership are as follows:

Membership. All Basic Members must be at least eighteen years of age. The Club shall issue each membership in the name of the approved applicant and one other such resident of the applicant's household over the age of eighteen. In such case, both persons named on the membership certificate shall be Members, but there shall be only one membership and, if the membership has voting privileges, only one vote. Memberships will entitle the Members and their un-emancipated children who are under the age of 18 and children under the age of 23 if the child is in school and residing with the Member use of applicable Club Facilities. A Member who owns more than one property may join as an additional member for the purpose of providing membership privileges to persons lawfully residing in the additional property. Such a member shall have one vote for each membership.

Guest Privileges. The rules, policies, procedures and fees relating to guests shall be established by the Board and may be changed, without prior notice to or approval of the Members. (See Guest Policies.)

C. AVAILABILITY OF MEMBERSHIP

The Board has the discretion to limit the number of Activity Memberships or Golf Memberships that the Club may issue; however, currently, there are no such limitations on the number of Activity Memberships or Golf Memberships.

D. ASSIGNMENT OF PRIVILEGES TO TENANTS.

Upon due application and approval of the Board, a Member may assign the Activity or Golf Membership privileges to another person in conjunction with a lease of real property owned by a Member. During that time, the Member and the Member's family shall not have any privileges, but the Member shall remain responsible for all fees and charges of the Member's account and shall be fully responsible for the conduct of the assignee and the assignee's family and guests. The privilege to assign a membership pursuant to this Section shall be subject to the rules and regulations and procedures established by the Board from time to time. (See Guest Policies)

2. FINANCIAL OBLIGATIONS OF MEMBERS

A. INITIATION FEES.

For each of the Basic memberships, the Member is obligated to pay an initiation fee in the amount of \$800 to the Club at the time the Member executes a membership agreement. Student Golf Members are not obligated to pay an initiation fee. The initiation fee may be paid in two installments – one upon application and the second one within 60 days. Assuming the Member remains current on the payment of his or her annual membership fee ("Annual Fee") and any supplemental annual fees and other charges due the Club, the Member will not be required to pay more than one initiation fee to the Club. If the Member fails to pay the Annual Fee or other fees and charges and the Member's membership lapses, the Member would be required to pay another initiation fee to reinstate the Member's membership. The initiation fees may be increased or decreased by the Club at any time in the discretion of the Board.

B. ANNUAL FEE.

The Member is also obligated to pay the Annual Fee in the amount as set forth below and any supplemental annual fees that were not contained in the budget and for any budget deficit for the year in which the Member was a Member of the Club. The Annual Fee may be increased or decreased by the Club at any time at the discretion of the Board. The Board will establish the Seasonal and Annual Membership fees by August 15th of each year. See the Membership Fee Schedule for the current year.

For seasonal memberships, the Annual Fee is billed the first week of September of each calendar year, is due in full on or before October 15 of the same year and is delinquent on November 1 of the same year. For annual memberships, the Annual Fee is billed the first week of November of each calendar year, is due in full on or before December 15 of the same year and is delinquent on January 1 of the following year. Failure to pay the Annual Fee by January 16 of the following year will result in a lapse of the Member's membership, resulting in a requirement to pay another initiation fee to rejoin the Club as described above. The Member is not entitled to a return of the initiation fee or the Annual Fee except in the event that the Member sells his or her residence in the Community. In that situation, the Member can arrange for the Club to reissue the Membership to the purchaser of the Member's residence if that purchaser has been approved for membership in the Club.

C. DELINQUENCIES.

In the event that any member fails to pay amounts due to the Club when due, the Club may impose late charges, charge interest on the amount past due until paid at a rate determined by the Club (not to exceed 18% per annum on the past due amount), and, if not paid after at least 10 days' prior written notice to the member, suspend the privileges of the delinquent member and all authorized users of the member's membership, or terminate the delinquent member's membership. The Club shall be entitled to collect from the delinquent member all costs and expenses reasonably incurred by the Club in attempting to collect the delinquent amounts, including attorneys' fees and court costs, regardless of whether suit is filed.

3. TRANSFER AND TERMINATION OF MEMBERSHIPS

A. TRANSFERABILITY OF MEMBERSHIP.

1. GENERAL

No Member may advertise for sale or otherwise offer to transfer or assign a Membership in the Club. Once the Club has issued a Membership, the Membership may not be transferred except to the Club as provided in the Bylaws. Any other attempted transfer of a Membership by a Member, whether by sale, gift, or otherwise, shall be of no force and effect and shall confer no membership rights or other rights upon any transferee to use any of the Club Facilities.

2. ACTIVITY MEMBERSHIP AND GOLF MEMBERSHIP

An Activity Membership and Golf Membership are not transferable in the open market. Transfer may only be made under the following circumstances. If a Member sells his or her residence in the Community; such Member can notify the Club in advance of the closing of

the sale and provide the Club with the name and other relevant information for the purchaser of the residence. Upon application of the purchaser and assuming all fees and other charges are current, the Club will transfer to the new member a credit for the Seller's paid Initiation fee toward the current Initiation fee and the remaining prorated balance of the Seller's Activity Club Membership or Golf Membership to the new member. The new member will be required to pay any difference between the Initiation fee credit and the current Initiation fee. Student Golf Memberships are not transferable.

B. TERMINATION OF MEMBERSHIPS.

A member shall be deemed to have resigned his or her membership and such membership shall automatically terminate upon expulsion of the member pursuant to the disciplinary procedures set forth in the Bylaws.

A member who is more than thirty (30) days in arrears of payment of dues, fees and/or charges, shall be automatically suspended from all privileges to use the Club Facilities and shall be subject to expulsion. The member shall not be reinstated until all such dues, assessments, fees and/or charges, together with interest, late fees, attorneys' fees and costs have been paid in full.

The Board may levy fines, suspend a member's rights to use the facilities, expel members for violation of the rules and regulations of the Club, and expel members for delinquencies. In such cases the Board shall give the member prior notice of not less than fourteen (14) days and an opportunity for a hearing before the Board or Committee designated for that purpose prior to the imposition of the fine, suspension or expulsion.

Rights and Obligations upon Termination. Upon voluntary resignation, recall, or other termination of a membership, the member shall return to the Club the membership certificate, if any, issued by the Club and all membership cards issued to the member and his or her authorized users. Members shall be responsible for all dues, fees, and other charges accrued or incurred on such member's account through the effective date of voluntary resignation or recall or the date of receipt by the Club of notice of any other event of termination and until the Club has received all membership cards. A member shall have no right to any payment or refund upon termination of a membership.

4. MANAGEMENT, OPERATION AND TRANSFER OF CLUB FACILITIES

A. MANAGEMENT AND OPERATION.

The Board is responsible for the administration of the Club in accordance with the Club's Bylaws. The Board is comprised of members of the Club. The Bylaws provide that five (5) directors shall serve on the Board.

The powers of the Board include all powers and duties granted by law, including but not limited to the power to:

- Select and remove all the officers, agents and employees of the Club, prescribe their powers and duties, and fix their compensation;
- Authorize the issuance of memberships and to prescribe the procedures and terms under which memberships shall be issued, subject to the provisions of the Bylaws.
- Borrow money and incur indebtedness for the purposes of the Club;

- Acquire, sell, dispose, lease, alter, improve or pledge real or personal property of the Club;
- Prescribe the Club rules and regulations;
- Determine and enforce disciplinary measures for any violations of the Bylaws or the Club rules and regulations; and
- Set and change the initiation fee and annual fee of each class and category of membership and other charges and fees as authorized under the Bylaws.

The Club's Bylaws provide generally for indemnification of its officers and directors against liability for acts performed on behalf of the Club to the full extent permitted by applicable law.

5. GENERAL PROVISIONS

A. NOTICES.

Except as otherwise specifically provided in these Membership Policies, all notices or other communications (other than regular statements of account) required to be given or made hereunder shall be in writing and shall be delivered by hand or mailed by first class mail of the United States Postal Service or by electronic mail to members so requesting. Notices delivered in person shall be deemed received upon actual receipt, and notices mailed shall be deemed received three days after deposited in the mail in accordance with this Section. Notices to the Club shall be delivered to the address of the Club Facilities. Notices to a member (or its designee) shall be addressed to the member (or its designee, as applicable) at the address specified in the member's Membership Agreement, unless the member has provided written notice to the Club in accordance with this Section requesting that notices be given at a different address and providing such new address.

B. AMENDMENT.

The Board is authorized to amend these membership Policies. Any amendments to the Bylaws of the Club must be made pursuant to the relevant provisions as provided in the Bylaws.

C. ASSUMPTION OF RISK.

In consideration for the privilege of using the Club Facilities, each person entering upon or using the Club Facilities agrees:

- to accept all risks associated with the use of the Club Facilities and to release the Club from and indemnify and defend the Club against any and all claims arising out of or in any way connected with such use of the Club Facilities, except to the extent directly resulting from the gross negligence or willful misconduct of the Club or its employees; and
- to assume sole responsibility for their personal safety and the safety of their personal property brought upon, used or stored at the Club Facilities. The Club shall not be responsible for any loss or damage to any personal property brought upon, used or stored at the Club Facilities, whether in lockers or elsewhere, except to the extent directly resulting from the gross negligence or willful misconduct of the Club or its employees.

Each member and designee further agrees to be responsible and liable for any property damage and/or personal injury which he or she causes, or which is caused by his or her authorized users or guests, while on the Club Facilities, or at any activity or function operated, organized, arranged or sponsored by the Club. In addition, a member or designee who arranges or sponsors

any activity or function at the Club Facilities shall be responsible for any such damage or injury even if such damage or injury was not caused by the member or designee. The cost of repairing any such damage shall be charged to the member or designee's club account, as applicable.

As used in this Section "Club" shall include BURNT STORE GOLF & ACTIVITY CLUB, INC., its members, successors, assigns, officers, directors, and employees, and all persons, corporations, partnerships and other entities with whom it is or may in the future become affiliated.

D. OFFERING OF MEMBERSHIP INTEREST.

MEMBERSHIPS ARE BEING OFFERED EXCLUSIVELY FOR THE PURPOSE OF ALLOWING MEMBERS TO ENJOY THE SOCIAL AND RECREATIONAL BENEFITS OF A MEMBERS ONLY CLUB. THE CLUB HAS BEEN ORGANIZED AS A NONPROFIT CORPORATION AND DOES NOT ANTICIPATE DISTRIBUTION OF GAINS, PROFITS OR DIVIDENDS TO ANY MEMBERS. MEMBERSHIPS SHOULD NOT BE VIEWED OR ACQUIRED AS AN INVESTMENT AND NO PERSON ACQUIRING A MEMBERSHIP SHOULD EXPECT TO DERIVE ANY ECONOMIC BENEFIT FROM THE PURCHASE, OWNERSHIP, OR RESALE OF THE MEMBERSHIP.

Furthermore, Memberships may not be pledged or hypothecated by Members.

E. REPRESENTATIONS.

No person is authorized to make any representation or provide any information with regard to the Club or Club memberships contrary or in addition to the information contained in these Membership Policies and the Membership Agreements referenced herein.