

WATERLEFE MARINA CLUB, INC.

MEMBERSHIP PLAN

MEMBERSHIP PLAN OVERVIEW

MEMBERSHIP OPPORTUNITY

This Membership Plan and its exhibits (the “Membership Documents”) sets forth the offer of Bay Colony Gateway, Inc. (“BCG”), a Delaware corporation, to you to become an equity member in Waterlefe Marina Club, Inc. (the “Club”), a Florida corporation not-for-profit. The Club is a private equity membership club, located in Manatee County, Florida, in the Waterlefe Golf and River Club Community (“Waterlefe”), a planned community operated and maintained pursuant to the Declaration of Covenants, Restrictions and Easements (the “Declaration”) recorded in Official Records Book 1623, at Page 4140, of the Public Records of Manatee County, Florida, as amended and supplemented.

MEMBERSHIP PRIVILEGES

Equity “Membership” in the Club is offered to, and may be maintained by, only owners of record (“Owners”) of a lot (a “Lot”) or a unit (a “Unit”) (as defined in the Declaration) in Waterlefe. Each “Member” who acquires a Membership in the Club has an equity ownership interest in the Club and is entitled to vote on matters affecting the Club in accordance with the Membership Documents. The use privileges associated with membership are more fully described in the Membership Documents.

MEMBERSHIP BENEFITS

The Club currently offers a number of attractive benefits, including:

- **Refundable Membership Contribution.** Members are entitled to a refund of all or a portion of the Membership contribution upon resignation and reissuance of the Membership, as provided in the Membership Documents. HOWEVER, THE RESALE PRICE OF THE MEMBERSHIP WILL BE DETERMINED BY THE BOARD OF DIRECTORS OF THE CLUB, NOT THE MEMBER, AND THE BOARD MAY OFFER MEMBERSHIPS FOR RESALE AT A PRICE LOWER THAN THAT ORIGINALLY PAID, IN WHICH EVENT THE FUNDS AVAILABLE FOR REFUND TO A MEMBER MAY BE LESS THAN THE MEMBERSHIP CONTRIBUTION ORIGINALLY PAID BY SUCH MEMBER.
- **Transferability of Memberships.** Memberships are transferable only through the Club to the subsequent purchaser of a Member’s Lot or Unit, or to the subsequent purchaser of a Member’s Membership.
- **Control of Club Operations and Policies.** Members will be entitled after transfer to elect the members of the Board of Directors which governs the Club.
- **Ownership Interest in Club.** Each Member has an equity ownership interest in the Club and is entitled to vote on matters affecting the Club in accordance with the Membership Documents.

- **Family Privileges.** A Member and his or her spouse, and the members of their immediate family, are entitled to Membership privileges.
- **Tenant Privileges.** Tenants of a Member's Lot or Unit may enjoy Membership privileges in the Club.

The Club reserves the right to change or eliminate certain Membership benefits from time to time.

CAREFULLY REVIEW ALL DOCUMENTS

This Membership Plan is a summary of the membership opportunities offered by the Club and is qualified by the definitive information set forth in the attached or referenced exhibits. Every Owner who desires to obtain a Membership should carefully read this Membership Plan and all of the attached or referenced exhibits, and should seek professional advice to evaluate these documents. Please refer to the Club Transfer Agreement and the Bylaws (which are attached as Exhibit C to the Club Transfer Agreement) for the meanings of terms that are not defined in this Membership Plan.

RELY ONLY ON WRITTEN INFORMATION PROVIDED

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS NOT CONTAINED IN THIS MEMBERSHIP PLAN AND THE REFERENCED DOCUMENTS, AND ANY SUCH INFORMATION GIVEN OR REPRESENTATION MADE CANNOT NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE CLUB OR BCG. IN THE EVENT OF A CONFLICT BETWEEN THE TERMS OF MEMBERSHIP CONTAINED IN THE MEMBERSHIP DOCUMENTS WITH OTHER PRINTED MATERIALS, THE MEMBERSHIP DOCUMENTS WILL GOVERN.

MEMBERSHIPS OFFERED ONLY FOR RECREATIONAL PURPOSES

MEMBERSHIPS IN THE CLUB ARE BEING OFFERED EXCLUSIVELY FOR THE PURPOSE OF PERMITTING PERSONS ACQUIRING A MEMBERSHIP TO OBTAIN RECREATIONAL USE OF THE CLUB FACILITIES. MEMBERSHIPS SHOULD NOT BE VIEWED OR ACQUIRED AS AN INVESTMENT AND PERSONS PURCHASING A MEMBERSHIP SHOULD NOT EXPECT TO DERIVE ANY ECONOMIC PROFIT FROM MEMBERSHIP IN THE CLUB.

NO FEDERAL, STATE OR OTHER AUTHORITY HAS PASSED UPON OR ENDORSED THE MERITS OF THE MEMBERSHIP DOCUMENTS.

APPLICATION PROCEDURES

Each Owner who desires to become a Member must mail or deliver to the Membership Director a fully completed and signed Membership Application and Membership Purchase Agreement, together with a check for the required membership contribution. In the event the

application is not accepted, the membership contribution will be fully refunded, without interest.

MEMBERSHIP DIRECTOR AVAILABLE TO ANSWER INQUIRIES

All inquiries regarding Membership in the Club or the Membership Documents should be directed to the Membership Director at the Membership Office. The address for the Membership Office is: Waterlefe Marina Club, c/o Bay Colony Gateway, Inc., 1022 Fish Hook Cove, Bradenton, FL 342124, Attn: Debbie Worster. The phone number for the Membership Office is: (941) 744-0393.

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SCHEDULE OF EXHIBITS

EXHIBIT A Club Transfer Agreement (with Exhibits)

MEMBERSHIP FEATURES AND FACILITIES

Introduction

The Membership Documents set forth the rights and privileges of membership in the Club.

Development Order and Submerged Lands Lease

Development and use of the Club Facilities will at all times be subject to compliance with Sovereignty Submerged Lands Lease No. 410028694, made between the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida, as Lessor, and Bay Colony Gateway, Inc. (“BCG”), as heretofore and hereafter modified, amended or extended from time to time, and with all other applicable laws, rules and regulations of governmental authorities having jurisdiction over the Club and Club Facilities.

Club Facilities

The “Club Facilities” are located in Waterlefe and include:

- 13 marina slips that are 20 feet in length
- 36 marina slips that are 24 feet in length
- 10 marina slips that are 29 feet in length
- Each marina slip will have access to:
 - water service;
 - dry pipe fire protection system (three hookups located along the main walkway; and
 - electricity.

Lease Of Submerged Land

The submerged land upon which the Club Facilities are constructed and maintained is subject to a Sovereignty Submerged Land Lease (the “Lease”) with the State of Florida, a copy of which is recorded in Official Records Book 1619, at Page 4375, of the Public Records of Manatee County, Florida, as modified by instruments recorded in Official Records Book 1854, at Page 7664, and Official Records Book 1956, at Page 1677, of the Public Records of Manatee County, Florida. The Lease, as amended to the date hereof, provides for a term expiring November 24, 2008; and thereafter, the Lease is subject to further renewal by the State of Florida. Although there is no guarantee that the Lease will be renewed after the current termination date, submerged land leases have been renewed routinely in the past by the State of Florida absent material breach in the terms of the lease. HOWEVER, IF THE STATE OF FLORIDA SHOULD ELECT NOT TO RENEW THE LEASE, THE CLUB FACILITIES WOULD REVERT TO THE STATE AND MEMBERS WOULD NOT BE ENTITLED TO OR RECEIVE ANY COMPENSATION THEREFOR, OR FOR THEIR MEMBERSHIP CONTRIBUTION. A copy of the Lease is available for inspection at the Membership Office.

BCG will assign the Lease to the Club on the “Transfer Date,” as set forth in the Club Transfer Agreement.

Construction and Ownership Of Club Facilities

BCG has arranged for the Club to acquire BCG's interest in the Lease and Club Facilities. As a result, the Club will own the leasehold estate and the Club Facilities. In consideration of the transfer of BCG's interest in the Lease and Club Facilities, BCG will receive, pursuant to the Club Transfer Agreement, all of the Memberships to be issued in the Club and all Membership contributions; and control of the operation of the Club will initially be retained by BCG, and will ultimately be turned over to the Members on the Transfer Date, as provided herein.

MEMBERSHIP PRIVILEGES

Boat Slips

Each Member will be assigned the exclusive right to use a designated boat slip, and such assignment will remain in effect for as long as the Member remains a member in good standing of the Club. Assigned boat slips may be exchanged between or among Members in good standing on such terms as they may mutually agree, provided that the exchange is memorialized in writing and signed by each Member involved, and an original counterpart thereof is delivered to the President of the Club for incorporation into the official records of the Club.

No boat or other vessel exceeding thirty feet (30') in length may be moored at the docking facility at any time, whether on a temporary or permanent basis. Not more than three (3) vessels exceeding twenty-five feet (25') in length may be moored at the docking facility at any time, whether on a temporary or permanent basis; and no other vessels moored at the facility may exceed 25 feet in length.

The length of all members' boats and vessels for each member's designated boat slip must be approved by the Club.

Rules And Policies

In order to enhance the pleasure of members and their guests, the Club reserves the right to establish or modify Rules and Regulations governing access to or use of the Club Facilities.

Membership Voting Rights

On all matters upon which Members of the Club are entitled to vote, Members are entitled to one vote per Membership, in accordance with the Bylaws. BCG will be entitled to vote the Memberships which it has acquired from the Club as long as it owns such Memberships, as hereinafter provided.

NUMBER OF MEMBERSHIPS

Limit On Number Of Memberships

A maximum of fifty-nine (59) Memberships in the Club will be permitted.

FAMILY AND GUEST PRIVILEGES

Immediate Family Privileges

A Member's immediate family will be entitled to use the Club Facilities on the same basis as the Member; provided, that family members may not use a Member's assigned boat slip for other than the Member's vessel. A Member's immediate family will include the Member's spouse and minor children related to them by blood, marriage or adoption.

Privileges For Individual Living With Member

An unmarried Member living together with another individual in the same household as a family unit may designate the other individual on a membership year basis to use the Club Facilities as an immediate family member, upon completion of the appropriate forms provided by the Club. The Member will be responsible for the payment of all charges and fees incurred by the designated user. The Club reserves the right to establish such fees and other rules as it deems appropriate.

Extended Family Privileges

The Club reserves the right from time to time to permit the extended family of a Member to use his or her membership privileges upon payment of such fees as may be established by the Club. The extended family will include the parents, adult children who do not fall within the definition of immediate family, grandparents and grandchildren of the Member and the spouses of such family Members. An extended family member may use the Club Facilities unaccompanied by the member a maximum of six (6) times each membership year. The Club may modify or terminate this privilege and establish such rules with respect thereto as it may determine from time to time.

Guest Privileges

Members may have guests use the Club Facilities in accordance with the Rules and Regulations adopted from time to time by the Club; provided, that a Guest may not use the Member's assigned boat slip (a) except while the Guest is in residence, or (b) for other than the Guest's vessel. The Club may limit the number of guests and the number of times any guest may use the Club Facilities during each membership year. The Member will be responsible for the payment of any charges incurred but not paid by his or her guests, including any applicable daily guest fees established by the Club from time to time. Members will also be responsible for the department of their guests.

Membership Held In Name Of Entity

Where ownership of a Lot or Unit is held in the name of a company, partnership, trust or other legal entity, the Membership must be acquired in the same entity. The natural person designated from time to time by the entity as the primary occupant of the Lot or Unit will also be the only person eligible for membership privileges. The designated person and his or her immediate family will be permitted to use the Club Facilities during each membership year. The person designated must be an owner, director, officer or employee of the entity

and must be approved by the Club. The Club reserves the right to require the entity to provide documentation confirming its establishment and existence as a business entity, such as a copy of its Articles of Incorporation, Operating Agreement or Partnership Agreement, and the eligibility of the designated person.

The person designated must pay the membership dues established by the Club from time to time, and the entity will be responsible for any unpaid membership dues and other charges of the designated user. Entities will be entitled to change the designated user one time per membership year provided the new designated user is approved by the Club and pays the administrative fees charged by the Club from time to time. The Club reserves the right to establish rules governing the designation of an individual or family to use entity membership privileges. No person other than the designated user and his or her immediate family will be permitted to use the Club Facilities, except as a guest of the designated user or another member of the Club.

TENANT PRIVILEGES

The Club will allow bona fide tenants of a Member's Lot or Unit (a "Tenant") to use the Club Facilities. The Tenant must submit an Application for Membership Privileges and be approved by the Club prior to use of the Club Facilities, and will be required to pay the daily membership fees and use fees, if any, established from time to time by the Club. The Tenant may use the Member's marina slip solely for the purpose of docking a vessel owned by the Tenant, and guests of the Tenant may not use the Member's slip.

During the period a Tenant is designated as the beneficial user of the Membership privileges, the lessor Member will continue to pay dues and will be permitted to use the Club Facilities (but not his or her assigned dock space), subject to the rules established by the Club from time to time. Members will be responsible for all charges incurred by their Tenants that remain unpaid after the customary billing and collection procedure of the Club, and for the deportment of each Tenant.

MEMBERSHIP CONTRIBUTION

Membership Contribution Required To Acquire Membership

Owners desiring to be Members of the Club must pay the membership contribution established for the Membership on the date of application for a Membership.

Until the Transfer Date, the amount of the Membership contribution will be determined unilaterally by BCG. After the Transfer Date, the amount of the Membership contribution will be established by the Board of Directors of the Club. At least once each year, and more frequently at the Board's discretion, the Board will cause the Club's auditor, or another person or entity with expertise in the private marina club business, to conduct a survey of the prices of comparable marina club memberships in the County, and based up such survey to recommend to the Board any adjustment in the pricing of Memberships from the amount then in effect; and the Board will either leave the price of Memberships at the then-established level or reset the price. Any adjustment in pricing will take effect immediately upon action by the Board.

Notwithstanding the foregoing, however, if a resigned Membership has not been reissued by the Club within twenty four (24) months after the resignation thereof, and the resigned Member delivers to the Club a written offer by an Owner ready, willing and able purchase the resigned Membership for a price (the “Offered Price”) less than the prevailing price then established by the Board (but not less than the price paid by the resigned Member for the resigned Membership), the Club will either (a) retain the Membership but repay to the resigned Member 99% of the Offered Price, in which event the retained Membership will automatically be entitled to priority on the waiting list, or (b) reissue the Membership to such Owner at the Offered Price.

Unless and until the membership contribution for the original sale of a Membership has been paid in full, the Member will not be entitled to use the Club Facilities. In the event a Membership originally sold by BCG is terminated due to nonpayment of the membership contribution, the Membership will revert to BCG and not to the Club, and BCG may resell the membership to any Owner applicant approved by BCG, in its sole discretion.

UNTIL ALL MEMBERSHIPS INITIALLY HAVE BEEN SOLD BY BCG (OR THE TRANSFER DATE, IF EARLIER), BCG WILL DETERMINE, IN ITS SOLE AND ABSOLUTE DISCRETION, THE AMOUNT OF THE MEMBERSHIP CONTRIBUTION FOR EACH MEMBERSHIP, AND SUCH DETERMINATION MAY BE BASED SOLELY UPON BCG’S INDIVIDUAL INTERESTS. THE AMOUNT OF THE MEMBERSHIP CONTRIBUTION CHARGED BY BCG MAY INCREASE AND DECREASE AT ANY TIME AND FROM TIME TO TIME AS BCG DETERMINES IN ITS SOLE DISCRETION, WITHOUT REGARD TO THE SIZE OR LOCATION OF THE MARINA SLIP APPURTENANT TO THE MEMBERSHIP OFFERED, THE NUMBER OF MEMBERSHIPS THEN AVAILABLE, OR ANY OTHER CONDITION OR FACTOR WHATSOEVER. EACH MEMBER RELEASES BCG FROM AND WITH RESPECT TO ANY LOSS OR DIMINUTION IN VALUE RELATED TO OR ARISING OUT OF FLUCTUATIONS IN THE AMOUNT OF MEMBERSHIP CONTRIBUTIONS CHARGED BY BCG, AND DISCLAIMS ANY RIGHT TO MAKE OR PURSUE ANY CLAIM AGAINST BCG WITH RESPECT THERETO OR ARISING THEREFROM.

TRANSFER OF MEMBERSHIP

Transfer Of Membership To The Club

Members may transfer their Memberships only to the Club. A Member who desires to transfer his or her Membership must give the Club written notice that the Memberships is available for reissuance by the Club. The Club will maintain a list of Members who desire to resign and reissue their memberships, indicating the location of the Member’s assigned marina slip. The Club will also maintain a waiting list of Owners who desire to acquire a Membership, as previously described. The Club will assist a Member in the transfer of the Membership to a subsequent purchaser desiring to purchase a Membership, subject to the transfer fee described below.

As a general rule, until the initial sale by BCG of all Memberships permitted to be issued in the Club, every fifth (5th) Membership will be issued from the list of Members who desire to

sell their Membership (in the order enrolled on such list), provided the purchaser (i) is an Owner, (ii) pays the required membership contribution for the Membership made available by the resigned Member, and (iii) desires the location of the marina slip assigned to the resigned Membership. The other four (4) Memberships will be issued from BCG's Memberships, provided that the purchaser desires the location of the marina slip assigned to BCG's Membership. After the initial issuance of all Memberships permitted to be issued in the Club, each Membership will be from the list of Members who desire to transfer their Membership.

Transfer Of Membership Upon The Sale Of a Lot or Unit

Notwithstanding the foregoing general rule and the existence of a waiting list of Members interested in resigning their memberships and/or Owners interested in acquiring a Membership, a Member may at all times arrange for the Club to reissue his or her Membership to the purchaser of his or her Lot or Unit, whether or not all of the BCG Memberships have been sold. The purchaser must pay the required membership contribution for the Membership. IF A MEMBER DOES NOT ARRANGE FOR THE PURCHASER OF HIS OR HER LOT OR UNIT TO ACQUIRE THE MEMBERSHIP, THERE IS NO GUARANTEE THAT THE CLUB WILL REISSUE THE MEMBERSHIP OR THAT THE MEMBER WILL BE ABLE TO RECOVER THE AMOUNT PAID FOR THE MEMBERSHIP, OTHER THAN THROUGH THE REISSUANCE OF THE MEMBERSHIP AS DESCRIBED ABOVE.

Owners who are on the Membership waiting list may at all times arrange through the Club for the purchaser of their Lot or Unit to acquire their position on the waiting list, subject to any transfer fee established from time to time by the Club.

Repayment Of Membership Contribution Upon Repurchase Of Membership By The Club

A resigned Member is entitled to repayment of the membership contribution for the Membership only after the Membership has been reissued to a new Member. The amount repaid to a resigned Member upon the reissuance of the Membership by the Club will be 99% of membership contribution paid by the new purchaser of the Membership, less any amount which the resigned Member owes to the Club.

The difference between the Membership contribution paid by the successor Member and the amount repaid to the resigned Member (i.e., the remaining 1% of the Membership contribution) will be paid to the Club and deposited in the Dues Delinquency Account.

HOWEVER, THE RESALE PRICE OF THE MEMBERSHIP WILL BE DETERMINED BY THE BOARD OF DIRECTORS OF THE CLUB (INCLUDING, WITHOUT LIMITATION, DURING THE PERIOD IN WHICH BCG APPOINTS A MAJORITY OF THE BOARD OF DIRECTORS), NOT THE MEMBER, AND THE BOARD MAY OFFER MEMBERSHIPS FOR RESALE AT A PRICE LOWER THAN THAT ORIGINALLY PAID, IN WHICH EVENT THE FUNDS WILL BE AVAILABLE FOR REFUND TO THE RESIGNED MEMBER MAY BE LESS THAN THE MEMBERSHIP CONTRIBUTION ORIGINALLY PAID BY SUCH MEMBER.

Dues Delinquency Account

BCG will contribute to the Dues Delinquency Account one percent (1%) of the Membership Contribution received by BCG in connection with the initial issuance of each Membership. Funds in the Dues Delinquency Account will be used to cover shortfalls resulting from non-payment by Members of dues or other charges due to the Club, including amounts due from resigned Members or expelled Members prior to reissuance of their Memberships. BCG will have no interest in or access to, or responsibility or liability for investment of, the Dues Delinquency Account, and makes no representations regarding the amount that will be held in the Dues Delinquency Account on the Transfer Date.

Buyer Waiting List

If Memberships are not available, the Club will establish a waiting list of those Owners who have notified the Club in writing of their desire to acquire a Membership. Priority will be given to Owners in the order enrolled on the waiting list. However, if a Membership becomes available but the marina slip appurtenant to the Membership is not the size which the waiting Owner desires, he or she may waive the right to purchase the available Membership without losing his or her priority, and may continue to do so until a Membership with an appurtenant marina slip acceptable to the waiting Owner becomes available.

Transfer Through Waiting List

A resigned Membership will be placed on a waiting list, unless the Member arranges for the purchaser of his or her Lot or Unit to acquire his or her Membership (as described above) and will be reissued on a first-resigned, first-reissued basis as follows:

- (a) Prior to the initial sale of all of BCG's Memberships, every fifth (5th) Membership issued (1 in 5) (other than to a purchaser of a Lot or Unit) will be a resigned Membership from the waiting list, if any. The other four (4) memberships sold will be from BCG's Memberships.
- (b) After the initial sale of all BCG Memberships, each Membership sold (other than to the purchaser of a Lot or Unit) will be a resigned Membership from the waiting list.

Transfer Upon Death Of Member

Upon the death of a Member, the Membership will automatically pass to the surviving spouse of the deceased member without the payment of any additional membership contribution. If the deceased Member is not survived by a spouse, then the legatee or heir of such Member, if he or she also acquires the deceased Member's Lot or Unit and if approved for membership in the Club, will have the right to acquire the deceased Member's Membership without the payment of any additional membership contribution. The legatee or heir must make application no later than 90 days after the right to possession of the Membership certificate, and pay all dues, unpaid Membership contributions and interest, if any, unpaid charges, and assessments for the intervening years between the date of the Member's death and the date of the application. If the qualified legatee or heir does not

apply for the Membership within 90 days after acquiring the right to possession of the Membership certificate, the Membership will be surrendered to the Club, and thereafter the Club may reissue the Membership on the same basis as any other resigned Membership, whereupon the Club will pay the estate of the deceased Member, upon payment of the Membership contribution in full by the successor Member, the amount due after reissuance of a resigned Membership.

Except as set forth in the preceding paragraph, a Membership may not be transferred by testamentary devise, gift, will or otherwise, but may only be transferred as described in this Membership Plan.

Legal Separation Or Divorce Of Married Members

In the event married Members are legally separated or divorced, title to the Membership, including all rights and benefits given to the holder thereof, will vest in the spouse awarded ownership of the related Lot or Unit. Until written notice has been provided to the Club, both spouses will remain responsible for the payment of all dues and other fees associated with such Membership. In no event will the Club become involved in disputes between separated or divorced members, or in disputes over ownership of Memberships, Lots or Units. The Club may, in its sole discretion, suspend all membership privileges associated with the disputed Membership until the ownership of the Membership is resolved.

Deduction Of Amounts Owed

The Club will deduct from any amount to be paid to a Member any amount which the Member owes the Club or BCG.

MEMBERSHIP AGREEMENT

Application Procedure

Each Owner who desires to become a Member must mail or deliver to the Membership Director a fully completed and signed Membership Application, Membership Purchase Agreement and a check for the required membership contribution.

Review Of Application

After the Club has received the required materials, a determination will be made whether the applicant has satisfied the relevant conditions of membership. The determination of whether an applicant is approved for membership will be made by BCG prior to the Transfer Date (as hereinafter defined), and by the Board of Directors after the Transfer Date. If the application is not accepted, the applicant will receive a refund of any amount previously paid, without interest. Neither BCG nor the Club is under any obligation to give any reason for denying an application.

Rights Governed By Membership Documents

Members of the Club agree to be bound by the terms and conditions of the Membership Documents, as amended from time to time.

CLUB TRANSFER AGREEMENT

Transfer Of Club Facilities To Club

BCG will transfer to the Club all of its right, title and interest in the Club Facilities, including the Lease, in accordance with the terms and conditions of the Club Transfer Agreement, a copy of which is attached hereto as Exhibit "A."

Consideration For Club Facilities

The consideration for the assignment of the Lease and transfer of the Club Facilities from BCG to the Club will be equal to the sum of membership contributions received by BCG in connection with the initial sale of Memberships under the Membership Documents, whether before or after the Transfer Date. All membership contributions received from the initial sale of Memberships will belong to BCG and may be used by BCG in any manner whatsoever in its sole and absolute discretion.

Club Facilities Maintained In Good Working Order

The Club Facilities will be maintained by the Club until the Transfer Date in good working order, ordinary wear and tear excepted. The Members of the Club are responsible for the costs of any capital improvements which they vote to make, and any extraordinary repairs or replacements, as provided herein.

Club Facilities "As Is, Where Is"

The Club Facilities will be transferred to the Club "AS IS, WHERE IS AND WITH ALL FAULTS." However, BCG will assign to the Club any warranties provided by manufacturers of suppliers of the Club Facilities.

Club Accepts Club Facilities As Is

Subject only to assigned manufacturer's and supplier's warranties, the Club Facilities will be acquired by the Club in "as is, where is" condition as of the date of transfer to the Club.

OPERATION OF CLUB

Club Will Maintain The Club Facilities In Good Working Order

The Club Facilities will be maintained by the Club, at the Club's sole cost and expense, in good working order, ordinary wear and tear and loss by casualty excepted. Expenses of the Club related to the Club Facilities include, but are not limited to, payments made pursuant to the Lease and the costs associated with the continued maintenance and operations of the

Club Facilities. Each annual budget of the Club will include reasonable reserves for property and equipment replacements to the Club Facilities. The Club is responsible for any extraordinary repairs and for any capital improvements to the Club Facilities.

Board Of Directors

The Club will be governed by a Board of Directors in accordance with the Membership Documents. The Board of Directors will be responsible for the governance and administration of the affairs and property of the Club, to set dues and charges for Members, to establish rules and regulations and, in general, to control the management and affairs of the Club except as otherwise provided herein. The Board of Directors may not, however, operate the Club in contravention of the terms and conditions of the Membership Documents.

Designation Of Directors Prior To Transfer Date

The Board of Directors will consist of three (3) people. Until the Transfer Date, the 3 Directors will be appointed by BCG, and one of the BCG appointees will be a Member other than BCG.

Transfer Date

The Transfer Date will be thirty (30) days after the earlier of: (i) the initial sale by BCG of all 59 of the Club Memberships, or (ii) any earlier date determined by BCG in its sole discretion. Under no circumstances may BCG withhold a BCG Membership from sale to a willing purchaser who satisfies criteria for membership; provided, however, that as long as BCG owns any Lot(s) or Unit(s) being offered for sale in the ordinary course of its business, BCG may reserve from sale one (1) membership for each such Lot or Unit owned.

Prior to the Transfer Date, BCG will be responsible for all operating deficits, and will be entitled to retain any operating profits, which result from the operation of the Club Facilities prior to the Transfer Date.

Designation Of Directors After Transfer Date

On the Transfer Date, the non-Member Board members appointed by BCG will resign and will be replaced by Directors elected by the Members, so that the composition of the Board of Directors after the Transfer Date will be three (3) Directors elected by the Members. The members (other than the BCG representatives) of the Board of Directors will be elected to serve for staggered terms in accordance with the Bylaws.

Liability Of BCG And Its Designees

Neither BCG nor any of its affiliates, successors and assigns or any of their employees, partners, shareholders, members, agents, officers and directors, nor the Club's incorporator or any of the members of the Board of Directors or officers appointed by BCG, will have any liability to the Club or the Members for decisions or actions taken regarding the construction, transfer or the operation of the Club Facilities or operation of the Club, except in the case of gross negligence of willful and wanton misconduct.

MEMBERSHIP CONTRIBUTIONS

A Membership will not be treated as sold until the full amount of the membership contribution has been received by BCG (including, if applicable, any promissory note) and it has been issued to a person or entity that signs a Membership Agreement and agrees to pay dues.

DUES AND ASSESSMENTS FOR MEMBERSHIPS

Membership Year

The Club's membership year will be the calendar year unless otherwise established by the Board of Directors from time to time.

Membership Dues

The Club budget will be established by BCG before the Transfer Date and approved by the Board of Directors. After the Transfer Date, the Club budget will be established by the Board of Directors. Each Member will pay his or her proportionate share of all operational, management and maintenance expenses, including maintenance and capital reserves, in accordance with the Club budget as reflected in the Schedule of Membership Dues; and each Member's proportionate share will be determined by the ratio of the length of the marina slip appurtenant to such Member's Membership to the aggregate length of all marina slips in the Club Facilities. Membership dues may be modified due to changes in the number of marina slips or available docking space at the Club. Membership dues will be collected annually in advance or as otherwise determined by the Club. Any capital reserves established in the Club budget will be used only to pay capital expenses related to the Club Facilities. The failure of any Member to pay dues within the prescribed time period will constitute grounds for suspension of membership privileges in the Club or forfeiture of the Membership. The amount of dues, fees and other charges is subject to change from time to time by the Club.

Payment Of Dues By Resigned Member

A RESIGNED MEMBER WILL BE OBLIGATED TO CONTINUE TO PAY DUES, FEES, ASSESSMENTS, IF ANY, AND OTHER CHARGES ASSOCIATED WITH THE RESIGNED MEMBERSHIP UNTIL THE EARLIER OF (A) ONE (1) YEAR AFTER THE EFFECTIVE DATE OF RESIGNATION, OR (B) THE REISSUANCE OF THE MEMBERSHIP BY THE CLUB. THE RESIGNED MEMBER WILL NOT BE ENTITLED TO USE OF HIS OR HER MARINA SLIP UNLESS, AND ONLY DURING THE PERIOD THAT, SUCH RESIGNED MEMBER CONTINUES TO OWN A LOT OR UNIT, IN WHICH CASE SUCH RESIGNED MEMBER MAY CONTINUE TO USE HIS OR HER MARINA SLIP UNTIL HIS OR HER RESIGNED MEMBERSHIP IS REISSUED BY THE CLUB SO LONG AS SUCH RESIGNED MEMBER CONTINUES TO PAY ALL DUES, FEES, ASSESSMENTS, IF ANY, AND OTHER CHARGES ASSOCIATED WITH THE RESIGNED MEMBERSHIP AND OTHERWISE CONTINUES TO COMPLY WITH ALL RULES, REGULATIONS AND RESTRICTIONS OF THE CLUB AS SET FORTH HEREIN AND IN THE OTHER APPLICABLE MEMBERSHIP DOCUMENTS. FAILURE OF A RESIGNED MEMBER TO PAY ALL SUCH DUES, FEES AND

ASSESSMENTS, IF ANY, WILL RESULT IN CANCELLATION OF THE MEMBERSHIP AND ALL RIGHTS OF THE RESIGNED MEMBER RELATED THERETO.

Prorated Dues And Fees Upon Reissuance Of Membership

If a Membership is reissued during a membership year for which the resigned Member has paid dues, the resigned Member will be entitled to a refund of a pro rata portion of any dues and other fees paid in advance for which services have not yet been rendered.

No Operating Assessments On The Club Facilities Prior To The Transfer Date

The Club will use the Membership dues and all other income to fund operating and maintenance expenses in connection with the Club Facilities. Notwithstanding any provision herein to the contrary, prior to the Transfer Date, to the extent Club expenses exceed Club revenues, the excess will be considered part of the Club operating cash deficiency and will be funded by BCG. Therefore, Members will not be assessed for any operating deficit incurred in connection with operating and maintaining the Club Facilities prior to the Transfer Date. After the Transfer Date, the Board of Directors may find it necessary to make assessments to cover operating deficits, and assessments to cover deficits incurred in the operation and maintenance of the Club Facilities will be prorated among all of the Members of the Club based on the amount of annual dues charged each Member during the year in which the deficit occurs.

Capital Assessments For Repairs Or Replacements To Marina Facilities

There will be no assessments for capital expenditures with respect to the Club Facilities unless approved by a majority vote of Members as provided in the Bylaws, except that assessments required to pay “extraordinary repairs or replacements” (as defined herein) do not require Member approval and may be approved by the Board of Directors. In the event of any assessment for extraordinary repairs or replacements upon which the Members do not vote, BCG will pay its proportionate share of the assessment based upon the number of Memberships held by BCG. Assessments for capital improvements made prior to the Transfer Date will be subject to the approval BCG, in its sole discretion. Assessments for capital expenditures to the Club Facilities will be prorated among all of the Members of the Club based on the amount of annual dues charged each Member during the year in which the capital assessment made.

Certain of the boat slips within the Club Facilities may be improved as of the Transfer Date with a boat lift. All boat lifts existing on the Transfer Date will be deemed the separate property of the Owner to whom the boat slip is assigned, but upon resignation or termination of the Owner’s membership, all right, title and interest in and to such boat lift will vest in, and be the property of, the Club. BCG will not be responsible for maintenance, repair or replacement of boat lifts prior to the Transfer Date, and after the Transfer Date such maintenance, repair or replacement will be the responsibility of the Member to whom exclusive use of the applicable boat slip is assigned.

Memberships Held By BCG Are Not Subject To Assessments Or Dues

Memberships held by BCG will not be subject to any capital or operating assessments, or dues or other charges, other than a share of any assessment for extraordinary repairs or replacements. A Member acquiring a Membership will not be subject to payment of any capital or operating assessment imposed or incurred prior to his or her becoming a member.

WATERLEFE MASTER PROPERTY OWNERS ASSOCIATION

The Waterlefe Master Property Owners Association administers the affairs of Waterlefe and is responsible for maintaining portions of the common areas of Waterlefe, as described in the Declaration. The Club is entitled to use of certain easements for access to the Club Facilities as set forth in the Declaration. Members can obtain a copy of the Declaration by requesting same in writing from the Club. The Club reserves the right to charge a nominal fee for copying, delivery and other administrative costs in connection therewith.

In the event of a conflict between the terms of the Declaration and the terms of the Membership Documents, the terms of the Declaration take precedence.

MODIFICATION OF MEMBERSHIP DOCUMENTS

Before Transfer Date

Except as set forth below, prior to the Transfer Date, the Membership Documents may be amended by a majority vote of the Board of Directors.

The Club Transfer Agreement may be changed only upon obtaining BCG's written consent, which may be withheld by BCG for any reason whatsoever.

After Transfer Date

Except as set forth below, after the Transfer Date, the Membership Documents may be altered, amended, or repealed or new Membership Documents may be adopted, only by: (a) a majority vote of the Board of Directors, and (b) a majority of the votes cast by Members in person or by proxy at any duly called and constituted annual or special meeting of the Members at which a quorum is present either in person or by proxy. The proposed amendment must be set forth in the notice of the meeting.

EXHIBIT A
CLUB TRANSFER AGREEMENT