

FREDERICA GOLF CLUB



FREQUENTLY ASKED QUESTIONS

The following questions and answers are designed to provide an understanding of Frederica Golf Club (the "Club") and the membership opportunity available at the Club. As these questions and answers are only summary in nature, you should read the Membership Plan and Rules and Regulations prior to purchasing a membership.

Q: What is Frederica Golf Club?

A: The Club is a private golf club, located in St. Simons Island, Georgia, featuring exceptional golf, tennis, swimming, fitness, boating, fishing and social facilities. The Club is offering a limited number of memberships in the following primary categories of membership: Regular Golf, Limited Golf, and National Golf Memberships.

Q: Who owns the Club Facilities?

A: Frederica Hospitality Group, LLC and Frederica Club Amenities LLC, Georgia limited liability companies (collectively, the "Company"), doing business as Frederica Golf Club, own and operate the Club Facilities.

Q: What facilities will the Club offer?

A: Members, their families and guests will enjoy the following exceptional Club Facilities:

- 18-hole Tom Fazio golf course;
- Golf Learning Center including driving range and practice putting greens;
- Clubhouse featuring the Tabby Room for fine dining, the Pub for casual dining, a private dining room, complete pro shop and men's and women's locker rooms;
- Tennis Courts;
- Boathouse featuring event space, Club boats and tackle room providing access to Frederica Lake; and
- Swimming pool and Fitness Center.

Q: How many memberships will be offered in the Club?

A: The maximum number of memberships in each category is limited as determined in the sole and absolute discretion of the Club. The Club will monitor the member experience and may at any time, in its sole and absolute discretion, further limit the number of memberships available in any category of membership as the Club determines appropriate from time to time.

Q: What are the privileges of a Regular Golf Membership?

A: Regular Golf Members may use all of the golf, tennis, swimming, fitness, boating, fishing and social facilities of the Club. Regular Golf Members will not be required to pay greens fees or court fees for use of the golf and tennis facilities, but will be required to pay certain fees as outlined in the Schedule of Dues, Fees and Charges. Regular Golf Memberships include vertical family privileges as discussed herein.

Q: What are the privileges of a Limited Golf Membership?

A: Limited Golf Members may use all of the golf, tennis, swimming, fitness, boating, fishing and social facilities of the Club. Limited Golf Members may play 30 rounds of golf each membership year, including rounds played by immediate family members, but excluding rounds played by guests. Unused golf rounds do not roll over to the next year. Limited Golf Members may not play additional rounds as a guest of another member. Limited Golf Members will not be required to pay greens fees or court fees for use of the golf and tennis facilities, but will be required to pay certain fees as outlined in the Schedule of Dues, Fees and Charges. Limited Golf Memberships include restricted immediate family privileges as discussed herein. Limited Golf Members may use the golf practice facilities only when playing a round of golf.

Q: What are the privileges of a National Golf Membership?

A: National Golf Members are non-residents who do not own or lease property or reside for more than 45 days per calendar year within 100 miles of the Club. National Golf Members may use all of the golf, tennis, swimming, fitness, boating, fishing and social facilities of the Club. National Golf Members will not be required to pay greens fees or court fees for use of the golf and tennis facilities, but will be required to pay certain fees as outlined in the Schedule of Dues, Fees and Charges. National Golf Memberships include restricted immediate family privileges as discussed herein; and, may pay additional dues for vertical family privileges. In order for a National Member's family members to be eligible for vertical family privileges, the family member may not own or lease property or reside for more than 45 days per calendar year within 100 miles of the Club.

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

A: In addition to exceptional Club Facilities and an extensive array of programs and activities for members and their families, membership in the Club offers a number of attractive benefits. A brief description of some of these current benefits follows and they are described in greater detail in the Membership Plan:

- **Exclusivity.** Membership is by invitation only.
- **Refundable Membership Deposit.** An amount equal to 100% of the membership deposit will be refunded to the member 30 years after the date the membership is issued by the Club if the membership is not resigned and reissued within 30 years.

If the membership is resigned and reissued before 30 years, an amount equal to the membership deposit, less a transfer fee as set forth in the member's Membership Agreement, will be refunded upon resignation and reissuance of the membership by the Club to a new member.

- **Vertical Family Privileges for Those Who Qualify.** Regular Golf and Social Members include vertical family privileges. National Golf Members who pay additional dues will also be entitled to vertical family privileges. These members' vertical family includes his or her spouse or any person designated as a member's significant other and their children, parents, grandparents, grandchildren, and great-grandchildren and the spouses or significant others of such family members, who do not own or reside in a residence or homesite within the Community (as defined below) are entitled to use privileges while they are on property with or without the member on site.
- **Immediate Family Privileges for Other Members.** National Golf Members who do not pay additional dues for vertical family privileges and Limited Golf Members will have immediate family privileges. These members' immediate family, including his or her spouse or any person designated as a member's significant other and their unmarried children, under the age of 25 who are living at home, attending school on a full-time basis or serving in the military are entitled to membership privileges without having to pay additional membership dues.
- **Resigned Memberships Reissued Prior to Membership Sell-Out for Those Who Qualify.** Resigned Regular Golf, Limited Golf, National Golf and Social Members do not have to wait until all new memberships in the Club have been issued before their membership is reissued and they receive a refund for their membership deposit as set forth herein. Every fourth membership issued within a category will be a resigned membership from the waiting list.
- **Transferability of Memberships for Those Who Qualify.** Regular Golf, Limited Golf and Social Memberships are transferable through the Club to the subsequent qualified and approved purchaser of a member's residence or homesite in the Community as provided herein.
- **Transfer of Membership During Life and Upon Death for Those Who Qualify.** Regular Golf, Limited Golf, National Golf and Social Members can request the transfer of their membership through the Club to their adult child or grandchild or the membership can be transferred to his or her spouse or adult child or grandchild upon their death as described in the Membership Plan.
- **No Assessments.** Members are not subject to either operating or capital assessments.
- **Club Newsletter.** Members will receive a periodic newsletter containing information about events and activities at the Club and other items of interest.
- **Website.** The Club's website located at www.fredericagolfclub.com provides members with access to important up to date club information.

- **Members Only Website.** Members will receive a user name and password to access the member's only website. In addition to the member newsletter, the member website is used as a resource of information. Members can log on and view details about upcoming events and activities, staff profiles, facility photos and descriptions, tournament results, club event photos for downloading and much more.

The "Community" consists of the Frederica Township residential community as set forth in the Community association's documents and such other residential communities designated by the Club.

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

A: Yes. The ability to spend quality time with members of the family is of paramount importance these days. The Club is committed to providing a pleasant environment where this can be accomplished.

Certain membership categories, including Limited Golf and National Golf Members include restricted immediate family privileges. Immediate family will be entitled to use the Club Facilities on the same basis as the member and will include the member's spouse or any person designated as a member's significant other and their unmarried children under the age of 25 who are living at home, attending school on a full-time basis or serving in the military.

Certain membership categories, such as Regular Golf and Social Memberships include vertical family privileges. National Golf Members who pay additional dues will also be entitled to vertical family privileges. A vertical membership allows membership privileges for the member's spouse or any person designated as a member's significant other and their children, parents, grandparents, grandchildren, and great-grandchildren and the spouses or significant others of such family members, who do not own or reside in a residence or homesite within the Community. All the privileges and benefits of a membership will be attributed to these individuals while they are on property with or without the member on site. Family members other than spouse or significant other may play in member tournaments only on a space available basis. The Club reserves the right to modify or restrict privileges of family members and to establish such rules with respect thereto as it may determine from time to time.

Upon transfer of membership to the member's spouse or significant other upon the member's death in accordance with the Club Membership Plan, the vertical membership privileges will continue. Certain memberships do not include vertical membership privileges and instead include restricted immediate family privileges as discussed herein.

Q: May I invite guests to the Club?

A: Yes. Having your friends enjoy the Club's outstanding facilities with you is a wonderful attribute of membership in the Club. Therefore, members may have guests use the Club Facilities in accordance with the member's category of membership and the Rules and

Regulations of the Club and the Club's guest policies. The Club may limit the number of guests and the number of times a particular guest may use the Club Facilities during each membership year. The member will be responsible for the payment of 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.

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

A: The Club previously issued Social Memberships, which may be reissued to the subsequent purchaser of the Social Member's residence or homesite in the Community pursuant to the "Transfer Upon Sale of Residence or Homesite" provision in the Membership Plan. Social Memberships are described in the "Other Memberships and Use Privileges" provision in the Membership Plan.

The Club may issue a limited number of Junior Golf and Honorary Memberships to such persons as the Club determines appropriate from time to time.

The Club reserves the right to permit golf play and use of designated Club Facilities by non-members, on such terms and conditions as the Club determines appropriate. The Club will allow renters of the Club Cottages to use the Club Facilities on such terms and conditions as it shall determine.

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

A: One hundred percent (100%) of the membership deposit will be refunded to you 30 years after the date the membership is issued to you by the Club, if you do not resign within 30 years. If you resign before 30 years, the membership deposit is refundable upon resignation and reissuance of the membership by the Club to a new member, less a transfer fee as set forth in the member's Membership Agreement.

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

A: Membership is by invitation only. The determination of whether a membership candidate will be invited for membership shall be made by the Club at any time in its sole and absolute discretion. Limited Golf Memberships may be offered only to persons, including both persons who own residences and homesites in the Community and persons who do not, whose primary residence (i.e. qualify for homestead exemption for property tax purposes) is outside 100 miles from the Club. National Golf Memberships may be offered only to persons who do not own or lease property or reside for more than 45 days per calendar year within 100 miles of the Club.

Q: What happens if I am not invited and do not apply for a membership in the Club within the 120-day period?

A: If you are not invited and do not apply for a membership within 120 days from the date of your closing on your residence or homesite in the Community, you and the subsequent purchaser of your property may apply for a membership at a later date only if one is available and not otherwise reserved by the Club, and only upon payment of the membership deposit and eligibility fee, which is then in effect at the time the membership is acquired.

All of the unissued memberships will be reserved by the Club and will not be considered to be available memberships in the Club. The Club may not be compelled to sell a reserved membership. The Club may issue a reserved membership to any person which the Club determines appropriate at any time, in its sole and absolute discretion, from time to time, including persons who do not own a residence or homesite in the Community. Initial purchasers of residences or homesites in the Community from the Declarant (as defined under the Community association's documents) or its designated builders are automatically invited to apply for membership in the Club.

Q: Can I arrange to have my membership transferred to the subsequent purchaser of my residence or homesite?

A: Yes. Regular Golf, Limited Golf and Social Members who own a residence or homesite in the Community will be permitted to arrange through the Club for the transfer of their membership to the subsequent qualified and approved purchaser of their residence or homesite. The subsequent purchaser must be qualified and approved for membership and if invited for membership, the subsequent qualified and approved purchaser shall submit a Membership Agreement and pay the then required membership deposit, but will not be required to pay an eligibility fee.

A subsequent purchaser may acquire a Limited Golf Membership only if he or she is eligible for the Limited Golf Membership.

The ability to arrange for the transfer of a member's Regular Golf, Limited Golf or Social Membership to the purchaser of his or her property is an important attribute of membership because, even if there are no memberships available for issuance in the Club at the time, the subsequent purchaser can nonetheless obtain the seller's membership through the Club provided the purchaser is approved for membership.

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

A: No. Members will not be subject to any liability for capital or operating assessments for the costs and expenses of ownership or operation of the Club or the Club Facilities. The Company will pay all operating deficits incurred in the operation of the Club Facilities and will retain all operating revenues resulting from operation of the Club Facilities.

Q: How will the Club keep informed of the desires of the members?

A: The Club is committed to providing the types of services, programs, activities and events that the membership is desirous of having. An Advisory Committee comprised of members of the Club will be formed and will enable members to have input on the foregoing items as well as other matters that are of concern to the members.

Q: How do I become a member?

A: Membership shall be by invitation only. A candidate for membership must submit a Membership Candidate Information Statement to the Club. Upon review by the Club, an invitation may be issued to the candidate. The candidate who is invited for membership must mail or deliver to the Membership Director at the Club a fully completed and signed Membership Agreement and a check in U.S. funds for the amount of the required membership deposit and eligibility fee, if applicable.

Q: What protections are in place so that my rights and privileges as a member will continue in the event the Club Facilities are sold?

A: In the event that the Club Facilities are sold and the buyer assumes liability for the repayment of the appropriate membership deposit as provided in the Membership Agreement, the member shall look solely to the new owner for repayment of the membership deposit and the seller of the Club Facilities shall be released from all liability for the repayment thereof. In the event of a sale of the Club Facilities, the buyer shall take title subject to the terms and provisions of the then existing Membership Plan.

Q: What if I have additional questions?

A: Please contact the Membership Director at:

Frederica Golf Club
100 Pike's Bluff Drive
St. Simons Island, GA 31522
(912) 434-5036

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

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