

BRITTON FALLS BY
DEL WEBB

CHARTERED CLUB
OPERATING MANUAL

June 2009

DEL WEBB COMMUNITIES
CHARTERED CLUB OPERATING TEMPLATE MANUAL
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INTRODUCTION

Chartered Clubs are sponsored by the Britton Falls by Del Webb Homeowners Association, Inc. (the “Community Association”) to provide an opportunity for all Members of the Community Association to pursue common interests in hobbies, recreational, social, and cultural endeavors. The Community Association is run by the Community Association’s Board of Directors and the Community Association’s facilities include, without limitation, The Chateau, swimming pools, fitness areas, tennis and bocce ball courts and meeting rooms (collectively the “Community Facilities”), which are for the exclusive use of members and their guests. It is hoped that this Chartered Club Operating Manual (the “Manual”) will provide both guidance and structure to the Chartered Club system and encourage the general membership to fully participate and enjoy the programs and Community Facilities.

The Community Association has employed a property manager (the “Property Manager”) to manage the operations of the Community Association and, among the Property Manager’s staff are the Community Association Director (the “Community Association Director”), the Lifestyle Director (the “Lifestyle Director”) and the Maintenance Director (the “Maintenance Director”).

This Manual has been adopted by a resolution of the Community Board. Notice is hereby given that this Operating Manual may, in turn, from time to time be unilaterally amended by the Community Board, without notice or consent of the members of any Chartered Club. Consequently, in order to obtain the most recent provisions of this Manual or to determine whether any particular provisions have been revised or changed, please confer with the Property Manager before making any decision based or in reliance upon any provision of this Manual.

CHAPTER ONE

GENERAL INFORMATION

1.1 Definitions. The Declaration of Covenants, Conditions and Restrictions for Britton Fall by Del Webb, as amended from time to time (the “Declaration”) contains definitions of words and phrases. Unless otherwise specifically defined in this Manual, words and phrases which are defined in the Declaration shall have the same meaning when used throughout this Manual and, in this regard, you are referred to Article I of the Declaration entitled “Definitions”.

1.2 Authority: The authority to Charter Clubs lies with the Community Board unless delegated by the Community Board to the Community Association Director and/or the Lifestyle Director. All rules and procedures outlined in this Manual are intended to be in consonance with the Community Association’s Governing Documents, comprising the Declaration (the “Declaration”), the Community Association’s Articles of Incorporation, the Community Association’s By-laws, the Design Guidelines, the Operating Rules and Regulations, and other rules and regulations which are from time to time adopted by the Community Board (the “Governing Documents”). If a conflict arises, the Governing Documents prevail.

1.3 Responsibilities:

A. The Community Board and Lifestyle Director are responsible for coordinating and implementing policy for Chartered Clubs, allocating Community Facility space and assisting Chartered Clubs with operational concerns.

B. The Community Board or Lifestyle Director will designate a representative to assume responsibility for assisting Chartered Clubs with Community Facility scheduling, special programs and publicity/promotion.

C. To allow for leadership and operational stability, Chartered Clubs will elect an executive board comprised of (at a minimum) a president, vice-president, and secretary. Chartered Club executive boards are elected on an annual basis. Chartered Club executive boards have the responsibility of overseeing all aspects of a Chartered Club's operation and administration.

1.4 Allocation of Community Facility Space: Space allocation is dependent upon membership interest in a Chartered Club's activities and the availability of Community Facilities. As space allows, Chartered Clubs are provided with regular meeting and activity space, without charge. The Community Association reserves the right to preempt Chartered Club space, however, if the needs of the Community general membership so require. Although Community Facility space may be dedicated to a Chartered Club for full-time use, the Community Facility and all equipment located therein remain the property of the Community Association provided, however, that the Chartered Club, and not the Community Association shall be responsible for the maintenance, repair, and replacement of any property purchased by the Chartered Club and, unless otherwise determined by the Community Association Director, the Community Association shall not store in the Chateau, or anywhere else any property purchased by a Chartered Club.

1.5 Administration: To assist Community Clubs in the administration of their programs, and to provide the Community Association with necessary operating data, a series of forms has been developed. All Community Club forms are identified by the prefix "CC", and samples are shown as appendices to this Manual.

1.6 Community Service Organizations: Many groups will form that benefit various community service and religious needs, but do not satisfy the intent for a Chartered Club. In these instances, the Community Association will attempt to provide requested Community Facility space to assist in start-up activities. Space may be provided on a first-come, first-serve basis, but it will not be allocated to preempt or disrupt a Community Association or a Chartered Club sponsored activity. Please refer to Chapter 10 of the Operating Rules and Regulations for a more detailed discussion of priorities. When space is available, the required rental fee will be initially waived for a period of 6 months (from date of allocation), then a special reduced fee for community service organizations will be charged. In all cases, the Community Association reserves the right to disapprove requests for community service space, or to curtail a previous authorization, if the needs of the general membership warrant.

CHAPTER TWO

ESTABLISHING A CHARTERED CLUB

2.1 General: Any group of Members of the Community Association which is interested in pursuing a particular hobby, recreational, social or cultural endeavor may join together and request the chartering of a club, subject to the procedures and parameters outlined herein. Chartered Clubs are the nucleus of the Community Association's lifestyle program and they provide both structure and impetus to that element. Proper coordination between the Community Association and prospective clubs is necessary to ensure that the intent for charter has been satisfied and that Community Facilities are both adequate and available to support the intended club function.

2.2 Charter: The charter is the formal written authorization from the Community Board of the Property Manager, by which a group becomes a Chartered Club. Chartered Clubs are given priority for regular Community Facility use without charge. Unlike clubs or groups that are not chartered by the Community Board, the Community Association Director and/or the Lifestyle Director per the terms of this Manual and the Operating Rules and Regulations, Chartered Clubs are provided special rates for the use of Community Facilities during special events and other special activities; extended specific coverage from the Community Association's insurance program; and given technical assistance in the administration and operation of their activities from Community Association management.

A. Charters are not granted to groups that require, as a condition for club membership, membership in affiliated national, state, or regional organizations. Any affiliation must be optional on the part of the individual member.

B. Once chartered, Community Clubs may not merge with another non-Community Association entity, require its members to join another organization, or become incorporated in its own right. If this occurs, the Chartered Club's charter will be revoked.

C. Charters will not be approved for any group that sets a restrictive precondition for membership. Membership must be open to all bona fide members of the Community Association without discrimination as to race, religion, color, ethnic culture, or national heritage. Segregated activities for male and female members may be established if desired by both genders, and provided that each gender has the same opportunity to pursue common interests; for instance, men's and ladies social clubs, and men's and ladies golf clubs may be allowed.

D. To maximize facility space, charters will not be granted to groups whose purpose is similar to existing clubs using the same Community Facility. For example, if a ballroom dance club has been chartered for the multi-purpose room, a second group desiring a charter to do the same thing, in the same Community Facility, would be denied.

E. Charters may be revoked when Chartered Club membership declines below the established minimums; when Chartered Clubs violate Community Association policies or rules; when an irreconcilable conflict occurs within the Chartered Club membership; when a situation

occurs which projects the Chartered Club or the Community Association in an undesirable or embarrassing position; or when a Chartered Club violates federal, state, or local government laws or ordinances. The decision to revoke a charter occurs following a recommendation by Community Association management and approval by the Community Board. The decision may be appealed by providing written justification to the Community Board within 14 days after the written notice of revocation. The Community Board will provide a final notice of decision within 30 days of receiving such written appeal.

2.3 Procedures for Charter Application:

A. Complete Form CC-1, the Application for Charter (Appendix A). Attach Form CC-2, the Initial Membership Roster (Appendix B), and CC-3, the Club Bylaws (Appendix C). Appendix C provides sample Bylaws that should be followed as closely as possible. In this sample, please note that some bylaw provisions are mandatory and must be included, while others are optional and depend on the extent of operating detail required by the club. Forward the application package (Forms CC-1, CC-2, & CC-3) to the Lifestyle Director for review and processing.

B. When all requirements have been satisfied, the application package will be submitted to Lifestyle Director with a recommendation for approval or disapproval. If approved, the club will be provided with a written charter and will then be a Chartered Club. If disapproved, the club will be provided with a written explanation. The decision may be appealed by providing written justification to the Community Board within 14 days after the written notice of disapproval. The Community Board will provide a final notice of decision within 30 days of receiving such written appeal.

2.4 Club File: The official file will be kept by the Lifestyle Director and will include the approved application package, copy of charter, amendments to bylaws, club operating rules and policies, and general correspondence with the Community Association.

2.5 Notice: All Chartered Club members, officers and directors are hereby notified that they may incur liability and financial obligation by reason of their membership in a Chartered Club or by reason of Chartered Club activities.

CHAPTER THREE

MEMBERSHIP AND CLUB OPERATION

3.1 Membership: Chartered Club membership is open to any Member of the Community Association. Prior to joining a Chartered Club, Community Association Members are encouraged to visit with the Chartered Clubs to experience their activity and their hospitality. Following a reasonable number of visits, and the explanation of club operations and programs, club membership may be required for continued participation in club activities.

A. Chartered Club executive boards are responsible for periodically reviewing Chartered Club membership files to ensure that Chartered Club members remain bona-fide Members of the Community Association. Additionally, Chartered Club members and their guests are required to sign-in at the club monitor station prior to using any Community Facility.

B. While Chartered Clubs may make provisions for honorary membership, that type of membership may not be extended to persons who are not Members of the Community Association.

C. Proper conduct and decorum is essential to preserve the active adult lifestyle that has been created within the Britton Falls by Del Webb community. Chartered Club members who become abusive, project an undesirable or inappropriate image, or who blatantly create turmoil, disruption, or dissension among Chartered Club members, other Chartered Clubs, or the Community Association in general, may have their Chartered Club memberships suspended. Suspension may occur following a recommendation from the Chartered Club's executive board and approval by Community Association management. In severe cases, Community Association management may recommend a suspension of Community Association privileges, subject to Community Board approval. A suspension of Chartered Club privileges or Community Association privileges may be appealed by providing written justification to the Community Board within 14 days of the written notice to suspend. The Community Board will provide a final notice of decision within 30 days of receiving the written appeal.

3.2 Guests:

A. Resident Guest - All Members of the Community Association are qualified to join a Chartered Club. Until they choose to do so, they are considered guests of the Chartered Club.

B. Non-resident Guest - All other individuals who are accompanied by a Member of the Community Association, or otherwise sponsored by a Member of the Community Association are considered non-resident guests. Unlike guests who are Residents, this category does not qualify for Chartered Club membership.

C. Declarant Guests - Prospective homebuyers may also observe, but must be in the company of a sales associate. Depending on the nature of Chartered Club activities, the developer, visitors and prospective homebuyers may be permitted to participate in Chartered Club programs; however, it is incumbent upon sales associates to inquire into Chartered Club policies and rules before advising developer guests and prospective homebuyers that they may use Chartered Club activities and programs.

3.3 Use of Facilities:

A. While all Community Facilities and programs are available to all Members of the Community Association, use and participation in Chartered Club programs is contingent upon membership in a Chartered Club. This policy is based on the desire to provide comprehensive, low-cost leisure programs in a reasonably structured and safe environment.

B. Community Facilities may be reserved by Chartered Clubs for regular membership meetings and scheduled annual special events. Requirements for general use space (not reserved or part of the approved annual schedule) will include a rental fee. When room rental fees are applicable, Chartered Clubs receive a reduced rate.

C. Depending on the nature and size of a desired activity, Community Association management will determine how the Community Facility will be allocated. In all cases, the decision will be based on maximizing Community Facility utilization.

D. All Chartered Clubs are required to provide the Lifestyle Director with monthly participation figures (members and guests), relating to their regularly scheduled activity, by using Form CC-4, "Monthly Participation Record" (Appendix D). This important information is used by the Community Association to evaluate Community Facility usage and the need for change, and to create participation analyses which records Chartered Club growth and the potential need for Community Facility alteration. Chartered Club reports should be forwarded to the Lifestyle Director within 5 working days following month end.

3.4 Program Supervision and Safety:

A. During use of a Community Facility for scheduled Chartered Club use, Chartered Clubs must designate a Chartered Club member to act as the Community Facility monitor to ensure that Community Association and Chartered Club operating policies and rules are satisfied. If a program involves more than one room, or if one room is too large for one monitor to properly oversee, additional monitors may be required. If Chartered Club members are unwilling or unable to properly monitor a Community Facility, the Chartered Club program will be temporarily suspended until proper supervision can be arranged.

B. Monitors of Chartered Clubs are required to check Community Association membership cards and guest cards during sign-in. In the event of disagreement between a monitor and Chartered Club participant, the position of the monitor will prevail in all instances. A monitor's decision may be appealed to the Chartered Club's executive board but, until such appeal is heard and acted upon, the monitor's decision prevails.

C. Chartered Clubs are encouraged to provide a minimum 25% of their scheduled operating time for member/guest use that is unencumbered by lessons, meetings, or other planned group activities. If demand for Community Association/club equipment warrants, Chartered Clubs may establish rules that limit the amount of time the equipment is used by a single person or may establish equipment reservation schedules.

D. For the information and convenience of members and guests, Chartered Club bylaws and operating rules will be conspicuously posted on Chartered Club bulletin boards. While most rules are at the discretion of the Chartered Club, those Chartered Clubs using power machinery (portable or fixed) must develop and post written safety rules pertaining to the use and maintenance thereof.

E. To allow for leadership and operational stability, Chartered Clubs will elect an executive board comprised of (at a minimum) a president, vice-president, and secretary. If the Chartered Club anticipates dues or other financial considerations, a treasurer must be appointed. If desired, Charter Clubs may combine the position of secretary and treasurer. As new officers are elected annually, Chartered Clubs will complete Form CC-5, "New Club Officers" (Appendix E) and forward it to the Lifestyle Director within 30 days following the annual election.

F. Any Chartered Club using power machinery (portable or fixed) will establish and post written safety rules for the operation and maintenance thereof, and appoint a Chartered Club safety committee to oversee the program. The Lifestyle Director and safety committee will work with each Chartered Club on these issues.

(1) All incidents or accidents occurring in Community Facilities (whether requiring medical attention or not) will be immediately reported to the respective Chartered Club facility monitor using Form CC-6, "Incident/Accident Report" (Appendix F). While the monitor will be responsible for documenting pertinent details on the report, Chartered Club officers will ensure that the report is sufficiently detailed to allow for a meaningful review. The report must be forwarded to the Lifestyle Director within 24 hours of a reported incident or accident.

(2) If emergency medical attention is required for any accident occurring in Community Facilities, the Chartered Club facility monitor will immediately notify the Property Manager and Lifestyle Director. Community Association management will respond to the scene to personally review the circumstances and assist the Chartered Club monitor in the preparation of the report. In the case of member death, Community Association management will be immediately notified, and the Community Board shall be properly informed.

(3) Chartered Club officers will ensure that Chartered Club facility monitors are reasonably well qualified in the use of shop equipment, and properly trained in Community Association and Chartered Club operating rules, and related safety awareness and prevention measures. Monitors have the authority to deny the use of equipment to any individual who, in the monitor's judgment, is either unable or unwilling to abide by posted rules and procedures.

(4) If, in the discretion of the Chartered Club's safety committee and executive board, a Chartered Club member cannot physically comply with operating rules and procedures, the Chartered Club executive board may temporarily suspend that member's facility use privileges related solely to the non-compliance issue. Prior to taking such action, however, the Chartered Club should make every effort to provide additional training, instruction and assistance in an effort to re-qualify the member. A suspension of this nature will be made solely to protect the well being of the member, and for the best interests of the Community Association and Chartered Club. Chartered Club action will be considered temporary pending review and final action by Community Association management. A suspension of Chartered Club privileges may be appealed by providing written justification to the Community Board within 14 days after the written notice to suspend. The Community Board will provide a final notice of decision within 30 days of receiving the written appeal.

G. Alcoholic Beverages - The sale or consumption of alcoholic beverages in Common Areas or the Chateau or other Common Facilities shall be in compliance with the Community Association's Alcohol Policy (Appendix B of the Operating Rules and Regulations).

3.5 Community Facility Scheduling: The primary responsibility for scheduling the use of Community Facilities, coordinating special events, and publicizing programs rests with the Lifestyle Director. Once a Community Facility reservation has been confirmed, Community Association management will coordinate set-up/take-down requirements with the Community Association's management, and billing procedures (as applicable).

A. Chartered Clubs request regular use of Community Facility space by annually submitting a master schedule to the Lifestyle Director using Form CC-7, "Annual Club Schedule" (Appendix G). Once schedules are evaluated and approved, they will be tracked through the Community Facility scheduling system. Unless a need for change occurs, there is no requirement for additional submittals. If a need occurs, Chartered Clubs may request a schedule change at any time by submitting a revised Form CC-7.

B. Chartered Clubs desiring to conduct a special event in a general use area of a Community Facility should contact the Life Style Director for space availability, Community Facility requirements, and rental fee requirements as applicable. If a rental fee is to be charged, Community Association management will invoice the Chartered Club. All Chartered Club billings must be satisfied within 30 days of date of invoice.

C. Community Association members and Chartered Clubs will be given priority for facility space over non-affiliated groups.

3.6 Community Association Meetings: At least annually, Community Association management will meet with the Chartered Club executive boards of all Chartered Clubs to provide an update on important Community Association issues, to clarify questions and concerns, and respond to Chartered Club leadership comments and questions.

CHAPTER FOUR

FINANCIAL CONTROLS AND PROCEDURES

4.1 Records and Accountability: The Chartered Club's elected treasurer is responsible for controlling and recording Chartered Club revenues and expenses. This individual will also oversee the purchasing of all assets, inventories and supplies, and provided financial reports to the Chartered Club executive board and the Chartered Club membership.

A. Chartered Club bylaws and operating rules should specify the level of control and reporting that is needed. Generally speaking, Chartered Clubs with high or large dollar requirements would specify more stringent levels of control. The following controls and procedures should be considered in the development of operating guidelines:

(1) A check and balance procedure should be implemented to preclude a single individual from ordering, receiving and dispersing equipment or inventories.

(2) Dual signatory on checks over a designated dollar limit should be required.

(3) Periodic inventory and reconciliation of retail and asset inventories should occur.

(4) All revenues should be deposited in a bank account established in the Chartered Club's name, and maintained in the Chartered Club account through succeeding Chartered Club administrations. Disbursements should not be made from cash that has not been deposited in the Chartered Club's account. All disbursements should be made by check, or from an approved petty cash fund, with purchase receipt or invoice retained with documentation.

(5) All transactions should be recorded in Chartered Club financial records, and all financial records should be preserved for at least 7 years.

(6) As part of regular Chartered Club membership meetings, the treasurer should provide the members with a financial presentation showing revenues and disbursements, and bank account balances. This presentation should be recorded in the minutes of the meeting.

B. Annually, Chartered Clubs are required to submit Form CC-8, "Annual Financial Report" (Appendix H) to the Lifestyle Director. A copy of the report will be retained in the official Charter Club file, and the original will be forwarded to the Community Association for use when preparing and filing the Community Association's annual tax return. This report must be provided to the Community Association no later than the last day of each January, and must be certified by the Charter Club president and treasurer. The Community Association reserves the right to require any Charter Club to engage the services of a professional auditor to independently certify Charter Club accounts. Since Charter Club financial operations are recorded under Community Association tax returns, Charter Clubs do not obtain a separate Federal Employer Identification Number, or otherwise file separate federal and State income tax returns.

4.2 Contracts for Services and Instructional Classes: The need to provide qualified program instruction to a Charter Club membership depends on program difficulty, the availability of qualified instructors, and the skill level of those desiring the service. To ensure high quality instruction, the Community Association encourages this type of contract service, but asks the Charter Clubs to remain sensitive to member income levels and their ability to pay additional fees. Also, while non-Community Association members may be used to provide these services, Charter Clubs are encouraged to seek qualified instructors from within their own membership.

A. When contracting for services, Charter Clubs should ensure that the individual or group is sufficiently skilled and experienced to provide the desired service, that terms are

sufficiently detailed to ensure mutual understanding of the desired service, that Charter Club and contractor responsibilities are adequately defined and clearly allocated, and that mutually agreed upon completion times, payment procedures and contract termination provisions are stipulated; however, legal advice cannot be given by the Community Association, the Community Association Director and/or the Lifestyle Director and, as such, Chartered Clubs are encouraged to seek the advice of a lawyer in those situations where the Chartered Club's executive board determines that it is prudent to obtain legal advice. Prior to approval, each contract must be reviewed by the Lifestyle Director to determine the applicability and extent of insurance coverage that should be required. Procedures for this assessment will be locally determined, with the primary assessment gauge being the potential liability risk to the Community Association. Chartered Clubs are not permitted to engage a contractor to modify, alter, or otherwise repair Community Facilities or equipment. If such action is desired, a written request should be forwarded to Community Association management.

B. When contracting for personal services, such as an instructor, the contract should specify that the relationship (between Chartered Club and contractor) neither intends, nor implies that an employer-employee relationship exists. In this regard, the Chartered Club defines the services it desires, and the contractor determines the method and procedures for implementing that service. Specifically, the contractor determines course content, manner of instruction, refund allowances, and procedures for course control.

C. All fees generated by a contracted party are paid by the Chartered Club members to the Chartered Club treasurer and deposited into the Chartered Club account. As terms are defined, the treasurer makes payment to the contractor and documents the transaction accordingly in Chartered Club financial records. When establishing Chartered Club member fees for contracted instruction, Chartered Clubs may set the fees no more than 15% higher than the contract calls for as a means of generating intrinsic revenue, and may retain the difference to support other Chartered Club operating requirements. When establishing such a fee, the percentage to be retained and the rationale for the action must be disclosed to the Chartered Club membership and recorded in the minutes of a membership meeting.

D. In publicizing instructional classes, Chartered Clubs should ensure adequate promotion to allow all Chartered Club members an equitable opportunity to register. When a waiting list is established, Chartered Club members may not repeat classes until the waiting list has been exhausted. If a series of lessons is required to complete a course, Chartered Clubs may allow participants to progress thru the entire lesson series. Instructional programs should be geared to all skill levels, such as beginner, intermediate, advanced.

E. An officer of a Chartered Club may not be contracted by the Chartered Club to which he/she belongs, unless it is determined by the Chartered Club's executive board that another qualified, and reasonably priced individual cannot be obtained. In such situations, the Chartered Club executive board's action must be officially recorded in the executive board's meeting minutes and reported to the Chartered Club membership.

F. Private, individualized instruction in Community Facilities is only permitted during times of low Chartered Club membership usage, or during times that do not preclude

facility use by Community Association members.

G. The Community Association cannot give legal advice to Chartered Clubs, and suggestions set forth in this Section 4.2 are merely recommendations. In all situations where Chartered Clubs are not certain about how to proceed with respect to a certain contactor or a contract, Chartered Clubs are encouraged to retain the services of independent legal counsel.

4.3 Management Review: As part of its overseer responsibilities, the Community Association may periodically request to review Chartered Club financial records and related documents. Any attempts to delay or disrupt such a review by Chartered Club members may place the Chartered Club's charter at risk. Each Chartered Club shall (i) maintain all accounts and deposits with the financial institution with which the Community Association maintains its accounts and deposits (ii) have its accounts set-up under the name specified by the Community Association Director and (iii) shall have all bank statements mailed to the Community Association at the address specified by the Community Association Director.

4.4 Insurance: The Community Association maintains liability insurance coverage for Chartered Club activities involving Community Facilities. However, some coverage is not extended to Chartered Clubs.

A. Property purchased by Chartered Clubs becomes the property of the Community Association and is therefore covered under the Community Association's insurance policy, subject to the terms, conditions and limitations of that policy. No personal items or property used in Chartered Club activities are covered under the Community Association's insurance policy, but may be covered in individual homeowner policies.

B. Liability exposure of Chartered Clubs for personal injury or property damage arising out of Chartered Club activities within Community Facilities is also covered by the Community Association's master policy, subject to the terms and conditions of such policy.

C. The Community Association does not maintain insurance coverage for Chartered Club officers and directors. In this same regard, Chartered Club bank accounts and any misappropriation therefrom are not covered under the Community Association's master policy.

D. Chartered Club members are hereby notified that, pursuant to Indiana Code 23-17-1-1, they make certain filings with the Secretary of State of Indiana in order to obtain the benefits described in the Indiana Code 23-17-1-1.

4.5 Resale Activities:

A. As a non-profit corporation, the Community Association must protect its status by not overly portraying itself in a commercial image. However, as a convenience service to members and guests, resale operations related directly to the membership program may be permitted only at the discretion of the Community Board.

B. Chartered Clubs may sell supplies related to Chartered Club purpose to its membership, and retain a reasonable return on investment to assist in Club operations. Supplies may be displayed in Chartered Club areas as a convenience to members, but should not be displayed to give the appearance that they are available to the general public.

C. The Community Association has a responsibility to ensure that all required taxes are paid on items being sold by the Community Association, and properly reported.

CHAPTER FIVE

FEES AND CHARGES

5.1 Dues and Special Assessments: A Chartered Club's primary source of revenue is Chartered Club membership dues. Dues are set at an absolute minimum and only sufficient to cover basic operating requirements. Special assessments may not be levied in any Chartered Club without the approval of the Community Board.

5.2 Facility Use and Maintenance: As noted previously, fees for the use of Community Facilities are waived for Chartered Club regularly scheduled activities. Rental fees for the use of Community Facilities are established by the Community Board and will be charged to Chartered Clubs desiring use of a Community Facility for special use.

A. If a Chartered Club requires unusual or special requirements for the set-up/take-down of a Community Facility, the Community Association reserves the right to charge that Chartered Club for additional incurred expenses.

B. The Community Association will maintain an existing Community Facility as to custodial service, routine repair and maintenance, and the cost of utilities. If a Chartered Club desires "new work" to modify or alter an existing Community Facility, and such work is approved by Community Association management, the Community Association will arrange for the work and bill the Chartered Club on a cost-recovery basis.

5.3 Admission Fees: Occasionally, a Chartered Club may have a need to charge admission fees to offset related expenses. Chartered Clubs may retain a reasonable amount of revenue, above expenses, to assist in operating requirements.

5.4 Commercial Activity: When commercial activities are sponsored by the Community Association, or by a Chartered Club, they are considered a membership program or service and a separate facility rental fee is not charged. Commercial activities that solicit the Community Association for a commercial presentation, and are not sponsored by a Chartered Club, may obtain Community Facility space on an as-available basis only, and their use will not preempt regular Community Association membership activity. In these situations, Community Association management evaluates the value of the program to the Community Association membership and the Community Board approves/disapproves, accordingly. If approved, a commercial rate is charged for the use of the Community Facility.

5.5 Club Contributions and Donations: Chartered Club financial programs are developed to ensure basic self-sufficiency. With few exceptions, Chartered Club income should not greatly exceed expenses (operating expenses and capital requirements), resulting in a net operating gain. Where revenues do exceed expenses, the net gain should be used to foster continued Chartered Club growth and activity. Chartered Clubs which generate sizable net gains should be sensitive to this philosophy by allocating their excess to the Chartered Club (first), to the Community Association (second), and then to local community service organizations (third).

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APPENDIX A

APPLICATION FOR CHARTER

1. Date: _____
2. Name of Club: _____
3. Purpose of Club: _____

4. Number of Persons Interested: _____
5. Frequency of Meetings and Regular Club Activity Times: _____

6. Facility Space Desired: _____

7. Financial Plan (Identify basic anticipated expenses and proposal for offsetting revenue):

8. If the proposed club appears to be a duplicate of an existing club, please explain why an additional club is needed, or differentiate between the two clubs: _____

9. Initial Club Leaders/This group will be considered the interim Chartered Club's executive board, until a full slate is proposed and elected by the club membership. At a minimum, this group will include interim president, vice-president, and secretary-treasurer:

<u>Position</u>	<u>Name</u>	<u>Community Association Mbr. #</u>	<u>Tel #</u>
Interim President	_____	_____	_____
Interim V-President	_____	_____	_____
Interim Sec-Treas.	_____	_____	_____

APPENDIX B

INITIAL MEMBERSHIP ROSTER

1. The names listed below represent the initial membership roster for the proposed _____ club.

2. The category of club is (check one): Crafts_____ Non-Crafts_____

<u>Name</u>	<u>Community Association Member #</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
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**APPENDIX C
SAMPLE
CLUB BYLAWS**

ARTICLE I - GENERAL (Note: Mandatory Article/Sections A-D):

Section A. Name of Club

Section B. Purpose of Club

Section C. These bylaws will fully comply with the Community Association's Governing Documents and the Chartered Club Operating Manual. In the event of a conflict between these bylaws and the Governing Documents, the Governing Documents will prevail.

Section D. This club shall be operated as a non-profit organization in accordance with applicable statutes, laws, the Governing Documents and the Chartered Club Operating Manual.

ARTICLE II - MEMBERSHIP (Note: Mandatory Article/Sections A-D):

Section A. Membership shall be open to all Community Association Members in good standing without discrimination as to race, religion, color, ethnic culture, or national heritage.

Section B. There shall be no precondition for club membership, nor will club members be required to join any national, state, or regionally affiliated organization.

Section C. Guest Privileges (Define)

Section D. Dues (Define)

ARTICLE III - OFFICERS (Note: Mandatory Article/Sections A-F):

Section A. The executive board shall consist of (at a minimum) a president, vice-president, and secretary-treasurer.

Section B. All officers shall be elected by a vote of the club membership, and shall serve without compensation.

Section C. Terms of Office and Responsibilities (Define)

Section D. Nomination and Election Procedures (Define)

Section E. Meetings, Quorum, and Voting Procedures (Define)

Section F. Vacancies and Recall of Officers (Define)

ARTICLE IV - MEETINGS (Note: Mandatory Article/Sections A-C):

Section A. Types and Frequencies of Meetings (Define)

Section B. Conduct of Meetings/Parliamentary Procedure (Define)

Section C. Voting and Quorum Procedures (Define)

ARTICLE V - FINANCIAL (Note: Mandatory Article/Sections A-D):

Section A. Financial records will be maintained for a period of seven (7) years.

Section B. Specify dollar limitations on expenditures by other than a vote of the general membership (Define).

Section C. Financial records should be certified on an annual basis, by an individual(s) other than those elected to the executive board. The results of the certification will be presented to the club membership and duly recorded in the applicable minutes of the meeting at which presented. All deposits and accounts will be opened and maintained in the name specified by the Community Association Director and all bank statements will be mailed to the Community Association at the address specified by the Community Association Director.

Section D. Cash and inventory control procedures (Define).

ARTICLE VI - COMMITTEES (Note: Mandatory Article/Sections A-C):

Section A. Permanent (standing) committees will include finance. (Define All)

Section B. Committee chairpersons may be appointed by the Chartered Club's executive board.

Section C. All committees will have written mission statements assigned prior to committee appointment.

ARTICLE VII - AMENDMENTS (Mandatory Article/Sections A-B):

Section A. To amend the bylaws of this club requires a (Define) vote of the club membership present at a meeting duly called for such purpose, a quorum being present and required notice being given.

Section B. Notice requirement and procedure (Define).

ARTICLE VIII - DISSOLUTION (Mandatory Article):

Prior to club dissolution, and after all debts are satisfied, all property and assets shall be turned-over to the Community Association.

FOR THE CLUB:

Name/Signature

Date

FORM CC-3

APPENDIX D

MONTHLY PARTICIPATION REPORT

1. Name of Club _____

2. Participation data for the month of _____

3. Participation:

Number of Members _____

Number of Guests _____

Total _____

Name/Signature of Club Official

Date

APPENDIX E
NEW CLUB OFFICERS

1. The following information is provided for the election/appointment of new officers for the _____ club:

President:

Name _____
Address _____
Telephone Number _____

Vice President:

Name _____
Address _____
Telephone Number _____

Secretary:

Name _____
Address _____
Telephone Number _____

Treasurer:

Name _____
Address _____
Telephone Number _____

2. The effective term of office for the above named individuals is from _____
to _____.

President

Date

APPENDIX F

INCIDENT/ACCIDENT REPORT

This report is required for any incident or accident occurring on Community Association property. As soon as the facts are known, the responsible facility monitor/club officer is required to complete this report. If a life-threatening injury, or a fatality occurs, notify Community Association Management immediately.

1. Location of Incident _____
2. Date and Time of Incident _____
3. Person (s) Involved:
Name _____ Address _____
Name _____ Address _____
4. Facility Monitor on duty at time of incident:
Name _____ Address _____ Phone _____
5. Details of Incident (Use separate paper if necessary) _____

6. Witnesses to Incident:
Name _____ Address _____ Phone _____
Name _____ Address _____ Phone _____
7. Emergency medical response:
Provided by _____ Treatment administered at _____

Reported by:

Name _____ Address _____ Phone _____
Date & Time of Report _____

FORM CC-6

APPENDIX G

**ANNUAL CLUB SCHEDULE/
RESERVATION FORM**

1. Name of Club _____

2. Regular Membership Meeting:

Annual () Quarterly () Monthly () (Please Check One)

Facility Desired _____ Time Requested _____

3. Regular Club Activity:

Monthly () Weekly () Daily () (Please Check One)

Other (Specify) _____

Facility Desired _____ Time Requested _____

4. Scheduled Special Events:

Type of Event _____

Facility Desired _____ Date Requested _____

Type of Event _____

Facility Desired _____ Date Requested _____

Type of Event _____

Facility Desired _____ Date Requested _____

Name/Signature of Club Official

Date Submitted

APPENDIX H

ANNUAL FINANCIAL REPORT

1. Name of Club _____
2. This financial report applies to the period of _____ to _____.
3. Revenues:
 - Sale of Supplies to Club Members

 - Less: Cost of Sales _____
 - Gross Profit from Sales _____

 - Other Income:
 - Member Dues _____
 - Contributions/Donations _____
 - Class Registration Fees _____
 - Interest Income _____
 - Other (Specify): _____
 - _____
 - Total Other Income _____
 - Total Revenues _____
4. Operating Expenses:
 - Non-Resale Supplies _____
 - Awards and Prizes _____
 - Entertainment _____
 - Contract Fees _____
 - Equipment Purchases _____
 - Maintenance _____
 - Other (Specify): _____
 - _____
 - Total Operating Expenses _____
5. Net Gain/Loss:
 - Total Revenues _____
 - Less: Total Operating Expenses _____
 - Net Gain/Loss _____
6. If a net gain is shown, provide a brief explanation as to how that money will be used:

Name/Signature of Certifying Official

Date