

Talamore Resort & The Mid South Club

2012 Membership Plan & Offering Overview

Membership Opportunities

This Membership Plan describes the Membership opportunities in the Mid South Club and Talamore (the "Club"). The Club is a 36-hole Golf Facility and Country Club, located in Southern Pines, adjacent to Pinehurst, North Carolina, featuring two exceptional golf courses with a variety of club amenities.

Membership Categories

The Club is currently offering the following categories of Membership:

- *Mid South Resident Membership*
- *Talamore Resident Membership*

The eligibility associated with each category of Membership is more fully described in this Membership Plan.

Membership Programs

The Club is currently offering 3 Membership programs: Holly Membership, Magnolia Membership and Presidential Membership. These programs are more fully described in this Membership Plan and with the Schedule of Dues and Charges and Application for Membership.

Special Membership Benefits

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

- ***36 Holes of Championship Golf***
 - *Opened for play in 1993, The Mid South Club offers 18 championship holes designed by Arnold Palmer (4.5 star rating) with a driving range, practice greens and full length par 3, 19th hole.*
 - *Opened for play in 1991, Talamore offers 18 championship holes designed by Rees Jones (4 star rating) with a driving range and practice green.*
- ***Club Amenities***
 - *Talamore features an 11,000 sq ft clubhouse, pool, cabana and convenient access to the Reservoir Park nature trail. The Mid South Club features a 25,000 sq. ft clubhouse, Junior Olympic Pool, kiddie pool, Jacuzzi and cabana.*
- *No Minimums, No Assessments.*

Members are not subject to food and beverage minimums and there are no operating or capital assessments.

- *Refundable Membership Deposit*
A portion of the Presidential Membership Deposit actually paid for a Membership may be refundable based on terms outlined in the Membership Plan and on the Schedule of Dues and Charges and Application for Membership.
- *Transferability of Memberships for property owners*
Memberships are transferable through the Club to the subsequent purchaser of a Member's property in the Community, subject to approval of the purchaser by the Club and payment of the prescribed Transfer Fee and any additional Membership Deposit due at the time of application. Other provisions apply. Please see further details in the Membership Plan.
- *Transferability for non property owners of the Community*
Resigned Members who do not own property in the community 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 of the applicable portion of their Membership Deposit. Every fourth Membership issued within a category will be a resigned Membership from the waiting list. Other provisions apply. Please see further details in the Membership Plan.
- *Single and Family Dues Structure*
The Club offers different dues rates for single Members and for family Members for its full golf membership programs.
- *Club Newsletter & Website*
Members will receive by email a periodic newsletter containing information about events and activities at the Club and other items of interest. Club information is available through the Club's websites located at www.talamoregolfresort.com.

Carefully Review All Membership Documents

Every person who desires to obtain a Membership, or owns or purchases a property within the Community should carefully read this Membership Plan and all of the referenced documents and should seek professional advice to evaluate these documents.

Rely Only on Information in this Membership Plan

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

Memberships are offered only for recreational purposes

MEMBERSHIPS AT THE CLUB ARE BEING OFFERED EXCLUSIVELY FOR THE PURPOSE OF PERMITTING MEMBERS THE RECREATIONAL USE OF THE CLUB FACILITIES. MEMBERSHIPS SHOULD NOT BE VIEWED AS AN INVESTMENT AND NO MEMBER SHOULD EXPECT TO DERIVE ANY ECONOMIC PROFITS FROM MEMBERSHIP AT THE CLUB.

**NO FEDERAL OR STATE AUTHORITY HAS PASSED UPON OR ENDORSED
THE MERITS OF THIS MEMBERSHIP PLAN.**

Application Procedure

Each person who desires to become a Member must mail or deliver to the Club a fully completed and signed Membership Agreement, along with a check for the required Membership Deposit and initial year's dues. In the event the agreement is not acted upon favorably, the Membership Deposit will be fully refunded, without interest.

Club Representatives are Available to Answer Questions

All inquiries regarding Membership in the Club or this Membership Plan and referenced documents should be directed to the Club Representatives at the Club in writing at Talamore Resort Membership Office, 48 Talamore Drive, Southern Pines, NC 28387 or by phone at (910) 695-3193 ext. 27.

MEMBERSHIP FEATURES AND FACILITIES

Introduction

This Membership Plan, the Rules and Regulations and the Membership Agreement, set forth the rights and privileges of Membership in the Club.

Club Facilities

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

Current facilities

- *18 hole championship golf course designed by Arnold Palmer*
- *18 hole championship golf course designed by Rees Jones*
- *A driving range and practice facilities are provided at each golf course*
- *Talamore clubhouse, pool and cabana.*
- *The Mid South Club clubhouse, swim facility and Tennis facility.*

Ownership and Operation of Club Facilities and Development Property

Mid Tal Golf LLC and Talamore Golf Partners LP, (the "Club"), doing business as Mid South Golf Club and Talamore Golf Club, own and operate the Club Facilities. Where this Membership Plan refers to the Club taking action or having certain rights, the Club or its designees shall take such action and have such rights.

Plantation Investors LLC d/b/a Mid South Club ("The Development Company") owns and will be developing the real estate around the Mid South Golf Club. Where this Membership Plan refers to the

Development Company taking action or having certain rights, the Development Company or its designees shall take such action and have such rights.

MEMBERSHIP CATEGORIES & ELIGIBILITY

The Club is currently offering a limited number of Memberships in the following categories. Each Membership category has certain eligibility requirements:

Mid South Resident Membership

Mid South Resident Membership is only available to Initial Purchasers of property in the Mid South community who apply for Membership within 30 days from the date of closing on their property. Please see the Schedule of Dues, Fees, Charges, the Q& A, and Membership Application for details.

Talamore Resident Membership

Talamore Resident Membership is only available to Initial Purchasers of property in the Talamore Community who apply for Membership within 30 days from the date of closing on their property. Please see the Schedule of Dues, Fees, Charges, the Q& A, and Membership Application for details.

From time to time, the Club may offer certain other categories of Memberships and use privileges as described in the "Other Memberships and Use Privileges" provision in this Membership Plan.

Resident Members must be in good standing with the Property Owner's Association

In order to be eligible for Membership privileges, property owners at Mid South or Talamore must be in good standing with their respective Property Owner's Association. The Club may require a good standing certificate from the Association at the time of Application. The Club shall consider good standing to include financial as well as ARB or ARC compliance. In the event a property owner of Mid South or Talamore becomes a Resident or Founding Member, and subsequently is not in good standing with the Property Owner's Association, the Club, in its sole and absolute discretion may suspend or terminate Membership privileges. In the event of a suspension or termination for non compliance during the term of Membership, the Club is NOT liable to refund any prepaid dues or other fees which have not yet been used. In the event of termination of Membership privileges, the Club reserves the right to declare the refundable portion of the Membership Deposit as non-refundable.

SUMMARY OF MEMBERSHIP PROGRAMS & STATUS OPTIONS

The Club is currently offering 3 programs for Membership: Holly, Magnolia and Presidential. The Club reserves the right to add additional programs for Membership based on the needs of Membership and the Club. All Membership Programs of the Club require a Membership Deposit. The Club reserves the right to charge a different level of Membership Deposit based on the Category of Membership or Membership Program. At the time of Application, the Club reserves the right to declare a portion or all of the Membership Deposit non refundable based on the Membership Program selected.

Holly Membership

Holly Membership is considered by the Club as a “Social Membership” and provides for use of the clubhouse facilities, swim, tennis and other recreational amenities on an unlimited basis at both the Mid South and Talamore properties for the Member and immediate family (as defined in the Rules and Regulations). Holly Membership allows for limited access to the Mid South and Talamore golf courses with the payment of a reduced greens fee and cart fee (“playing fee”). Access to the golf courses for Holly Members may be restricted to certain times and days please see the Rules and Regulations for more details. The Club reserves the right to limit the number of times a Holly Member may access the golf courses during a calendar year. The Club also reserves the right to limit the total number of tee times or rounds of golf from Members in the Holly Membership program on a daily basis. Please see the Rules and Regulations for more information.

Magnolia Membership

Magnolia Membership is considered by the Club as an “Associate Golf Membership” and provides for use of the clubhouse facilities, swim, tennis and other recreational amenities on an unlimited basis for the Member and immediate family (as defined the Rules and Regulations) at both Mid South and Talamore. Magnolia Membership allows for unlimited access to the Mid South and Talamore golf courses with the payment of a cart fee (unless an Annual Cart Pass is purchased). Access to the golf courses for Magnolia Members may be restricted to certain times / days and is subject to the election of either single or family status. Please see the Rules and Regulations for details.

Presidential Membership

Presidential Membership is considered by the Club as a “Full Golf Membership” and provides for use of the clubhouse facilities, swim, tennis and other recreational amenities on an unlimited basis for the Member and immediate family (as defined the Rules and Regulations) at both Mid South and Talamore. Presidential Membership allows for unlimited access to the Mid South and Talamore golf courses with the payment of a cart fee (unless an Annual Cart Pass is purchased). There are no day or time restrictions for Presidential Members either at the Mid South or Talamore golf courses; access to the golf course facilities is subject to the election of either single or family status. Please see the Schedule of Fees, Dues, Charges and the Rules and Regulations for more details.

The Club reserves the right to expand the number of Membership Programs offered to serve the needs of its Club Members.

Upgrade of Membership from a Holly or Magnolia Program to a Presidential Program

Holly or Magnolia Members who wish to upgrade their Membership to a Presidential Membership program will be subject to the availability of a Membership in the desired program and will be responsible for the payment of the difference between the Holly/Magnolia Membership Deposit originally paid and the current applicable Deposit for a Presidential Membership. Membership Deposits paid for a Presidential Membership in this situation are refundable per the terms and conditions of the Membership Plan.

Annual Trail Pass / Private Carts

The Club will make available an Annual Trail Pass for any of its Magnolia or Presidential Members. The Annual Trail Pass will be available in a single or family category and will be priced accordingly.

An Annual Trail pass allows for use of a cart owned by the Club without the payment of an additional cart fee. Members who purchase an Annual Trail Pass may be entitled to use a private cart, subject to guidelines established by the Club. Members who purchase an Annual Trail Pass and /or wish to use a private cart must enter into a separate agreement with the Club for said use. Please see the Schedules of Dues, Charges, Fees and the Rules and Regulations for more details. A copy of the Annual Trail Pass agreement is available in the Club office.

Rules and Policies regarding Membership Programs

In order to enhance the recreational and social pleasure of Members and their guests, the Club reserves the right to establish or modify rules, regulations, policies, guidelines, or systems governing access or reservation of the Club Facilities including the right to establish a tee time reservation system and policies for tee time reservations in its sole discretion to provide for the utmost playing pleasure for all Members. The Club will determine advance sign-up privileges for golf starting and tennis court times from time to time.

NUMBER OF MEMBERSHIPS

Number of Golf Memberships (referred to as Magnolia and Presidential)

The current maximum number of Golfing Memberships permitted in the Magnolia and Presidential category is as follows:

Magnolia / 200

Presidential / 200

The Club may, in its sole discretion, further modify the number of full golfing Memberships available in any category of Membership, or in any Membership program as the Club determines appropriate from time to time. The Club may also modify the number of full golfing Memberships in any category based on the needs of the Membership and Club and the capacity of the facilities as determined by the Club from time to time.

Number of Holly Memberships

The number of Memberships in the Holly (Social) Program will be based on the capacity of the Club facilities as determined by the Club in their sole and absolute discretion from time to time

FAMILY AND GUEST PRIVILEGES

Family Privileges

The Club has established regulations for use of the facilities for those selecting family dues categories. Please see the Club's Rules and Regulations for more information.

Guest Privileges

Members may have guests use the Club Facilities in accordance with the Member's category and program 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 deportment of their guests.

OFFERING OF MEMBERSHIPS

Offering of Memberships

Membership is currently being offered to initial purchasers of property in the Mid South Club and Talamore community (the "Community").

Reserved Memberships for Future Property Owners

The Club has the right to reserve Memberships for future property owners of the Mid South and Talamore Community in any of the Membership Programs. The Club may not be compelled to sell a reserved Membership. The Club may issue a reserved Membership to any person who the Club, in its sole discretion, determines appropriate from time to time.

Initial Purchasers of property at Mid South and Talamore

Each initial purchaser of a property in the Mid South Club or Talamore Community may at any time within 30 days from the date of their closing on the property, apply for a Reserved Property Owner's Membership in the Club, provided the Club has a Reserved Property Owner's Membership for sale in the applicant's desired Membership Program. The Club is reserving Holly Memberships and a limited number of other Memberships for initial purchasers of property; however NO Memberships of any kind are being reserved for property owners after their 30-day period has expired.

If an initial purchaser of property does not apply for Membership within 30 days from the date of their closing on the property, the Club will NOT be required to make Membership available thereafter to the purchaser or to the subsequent purchaser of his or her property.

New property purchasers are therefore strongly encouraged to acquire a Membership within 30 days of their real estate closing if they desire to join the Club.

OWNERSHIP OF A PROPERTY DOES NOT GIVE ANY VESTED RIGHT OR EASEMENT, PRESCRIPTIVE OR OTHERWISE, TO USE THE CLUB FACILITIES, OR TO ACQUIRE A MEMBERSHIP IN THE CLUB AND DOES NOT GRANT ANY OWNERSHIP OR MEMBERSHIP INTEREST IN THE CLUB OR THE CLUB FACILITIES.

Membership Privileges Prior to Closing

The Club may allow the initial purchaser of property in the Community to use the Club Facilities as a Member prior to the closing on their property. The person will be required to pay the applicable Membership Deposit, dues, fees and other charges established by the Club from time to time. In the event the purchaser does not timely close on the property, the Club may terminate the Membership privileges by returning to the person the Membership Deposit. The unused portion of any dues, fees and charges paid by the person in advance for the remainder of the Membership Year will be deemed non-refundable. In this event, a Membership will thereafter be made available to the person only in the discretion of the Club.

Ownership of Multiple Properties in the Community

If a person acquires two or more properties in the Community, the purchaser can acquire a Membership for each property for which Membership privileges are desired. If the person does not acquire a Membership for each property, the Club will not guarantee that a Membership will be available for the property at a later date. Persons who acquire two or more contiguous lots but who construct only one residence may desire only one Membership. If a Membership is not acquired for the contiguous lot and the contiguous lot is subsequently sold, the Club has no obligation to make a reserved Membership available to the subsequent purchaser.

Waiting List

If a person desires to acquire a Membership in a particular category of Membership and a Membership is not available in that category, the Club will establish a waiting list for that particular category of Membership. Resigned Memberships that are not reissued to the subsequent purchaser of a resigned Member's property in the Community or that are not repurchased by the Club, as hereinafter provided, will be offered to persons on the waiting list in accordance with the following order of priorities:

First, to Members of the Club who desire to upgrade to a higher category of Membership;
Second, to property owners in the Community who are not Members of the Club; and

Multiple Owners of Property

In the event a property is owned by more than one person (other than spouses), each owner is eligible to obtain a Resident Membership for the applicable property/community. Only one Membership can be transferred through the Club to the subsequent purchaser of the property, as provided hereafter. If an additional Membership is obtained, the reissuance of the resigned Membership is subject to the "Transfer of Membership" provisions in this Membership Plan.

MEMBERSHIP DEPOSIT

Membership Deposit Required to Acquire Membership

Each person who desires to acquire a Membership will be required to pay a Membership Deposit based on the Membership Program and Category of Membership as determined by the Club from time to time. Membership Deposits are not transferable, except as specifically provided in this Membership Plan, and are refundable only in accordance with this Membership Plan, the Rules and Regulations of the Club, the Membership Agreement and Application for Membership. Depending on the plan selected, a portion, or all of the Membership Deposit may be non-refundable. Please see the Schedule of Dues and Charges and Membership Application for more information. The Club may apply different provisions for the transferability and refund ability of Membership Deposits for different Membership Categories and Programs.

Refundable Portion of the Membership Deposit

The refundable portion of the Presidential Membership Deposit paid by a Member will be refunded, without interest, within 30 days after the reissuance of the resigned Membership by the Club to a new Member, in accordance with the "Transfer of Membership" provision in this Membership Plan.

The refundable portion of the Membership Deposit paid by a Member will be refunded, without interest, 30 years after the date the Membership is issued by the Club if the Member does not resign within 30 years.

The Club's obligation to refund a portion of the Membership Deposit to the Member shall be as stated by the Membership Agreement and the Application for Membership Privileges. Upon the reissuance of a resigned Membership to a new Member, a new 30-year period for the refund of the Membership Deposit begins on the date the Membership is reissued. The difference between the amount paid by the new Member and the amount refunded to the resigning Member will be retained by the Club.

Financing of Membership Deposit

Members may finance their Membership Deposit through a third party lender, however, if the Member defaults on their payments to the third party lender and the lender forecloses its security interest in the Membership, the Membership will be deemed to be resigned and the refund will be repaid to the lender when the Membership has been reissued by the Club to a new Member. The amount of refund paid to a lender upon reissuance of the Membership to a new Member will be based on the Membership Deposit paid by the Member for that Membership and the applicable portion which is refundable.

Club Installment Plan

The Club reserves the right to offer a Club installment plan for the payment of Membership Deposits and charge interest on any outstanding balances. Information on any such plans, if available, is available at the Club office.

Member May Continue Membership at End of Thirty Years

A Member who continues to be a Member for 30 years will receive a refund of the applicable portion of the Membership Deposit and will continue his or her Membership until the Member subsequently resigns from the Club and will continue to pay the applicable Membership dues, fees and charges. Any Member who continues his or her Membership after the end of the 30-year period will not be counted toward any cap or limits on the total number of Members or the number of Members in any category.

Deduction of Amounts Owed to Club

The Club will deduct from any amount to be repaid to the Member any amount which the Member owes the Club.

Tax Consequences of Acquiring Membership

The Club makes no representations and expresses no opinions regarding the federal, state or local income tax consequences of acquiring a Membership or with respect to any Membership Deposits paid to the Club. All persons acquire their Membership subject to all applicable tax laws, as the same may be amended from time to time. Accordingly, Members should consult with their own tax advisors with respect to the tax consequences of any Membership Deposits.

TRANSFER OF MEMBERSHIP

Transfer of Membership through Club

A Member may resign his or her Membership and arrange for the Club to reissue the Membership. Should a Member desire to resign from the Club, the Member shall be required to give written notice to the Club. Resignation of a Member is irrevocable, unless otherwise determined by the Club.

**** A Member may not transfer or sell his or her Membership to any person or entity.***

Transfer Upon Sale of Property in the Community

*A Member who resigns from the Club upon the sale of their property in the Community may arrange for the Club to reissue their Membership to the subsequent purchaser of their property in the Community regardless of whether all of the Memberships in that category have been issued and regardless of whether there are any resigned Memberships on the waiting list. The subsequent purchaser desiring the resigned Membership will be required to submit a Membership Agreement, will be subject to the approval of the Club and will be required to pay the Transfer Fee and applicable Membership Deposit which is then in effect. The subsequent purchaser must acquire the Membership and commence dues payments **within 30 days** of the real estate closing based on the Membership program selected / transferred.*

Transfer Fees allow for Holly/Magnolia Membership program privileges

In the event of a transfer of property within the community, the payment of the Transfer Fee and accepted application will allow the subsequent property owner to participate in the Holly or Magnolia Membership programs without the payment of any additional Membership Deposits.

Transfer of Presidential Program Privileges Upon Sale of Property in the Community

A Member who is participating in the Presidential Membership Program who resigns from the Club upon the sale of his or her property in the Community may arrange for the Club to reissue their Presidential Membership to the subsequent property owner of their property in the Community through the Club. In addition to the required Transfer Fee, the subsequent owner must pay the then current applicable Presidential Membership Deposit.

In the event the total Membership Deposit received by the Club is more than the Membership Deposit originally paid by the resigning Member - either because a new property owner elects a different Membership or because the applicable Membership Deposit fees are higher than those originally paid by the resigning Member - the Club will refund the amount due the resigning Member per their application in full within 30 days of the transfer and receipt of payment by the new property owner.

In the event the total Membership Deposit received by the Club by a new property owner is less than the Membership Deposit originally paid by the resigning Member because the new property owner elects to participate in a different program than the resigning Member, the Club will refund the lesser amount received to the resigning Member in full within 30 days of the transfer and receipt of payment by the new property owner and shall place the resigning Member on the appropriate Resigned Members Waiting list along with the amount still required to be repaid. Such additional monies due shall be repaid in accordance with the provisions of the Resigned Membership Waiting List.

If the Club has instituted a Club Installment Plan for Membership Deposits, and a new property owner elects to participate in such a program, refunds due for the resigning Member's Deposit will be based on the receipt by the Club of the required payments by the new property owner. In the event of forfeiture by the new property owner during a club installment plan cycle, the resigning Member will be placed on the appropriate Resigned Members Waiting list along with any amounts still required to be repaid. Such additional monies due shall be repaid in accordance with the provisions of the Resigned Membership Waiting List.

Transfer to New Property within Community

If a Member sells their property within the Community, and purchases another property within the Community, they may continue that Membership regardless of the identity of the seller of the new property. However, the availability of a Membership for the purchaser of the Member's property shall be determined as follows:

- (a) If the Member purchases a property from the Club or the Development Company or one of its approved builders or other designees, the purchaser of the Member's property in the Community can then apply for a Reserved Membership for the then current Membership Deposit from the Club.*
- (b) If the Member purchases a property from another Member who resigns their Membership upon the sale of the property, the purchaser of the first Member's property in the Community can then acquire through the Club the resigned Membership for the then current Membership Deposit, subject to submission of proper forms from both the Member moving within the Community and the resigning Member and the payment of applicable Transfer Fees.*
- (c) If the Member purchases a property from a property owner who is not a Member, the purchasing Member may take their Membership with them to the new property; however, the Club will NOT be required to make a reserved Membership available to the subsequent purchaser of the Members' property.*

The Club reserves the right to charge a Transfer Fee for any transfers of Membership within the Community.

Transfer Through Waiting List

A resigned Membership will be placed on a waiting list. The Club will maintain a separate waiting list for property owners in the Community and non-property owners. Memberships on the waiting list will be reissued on a first-resigned, first-reissued basis as follows, unless the Member arranges for the subsequent purchaser of their property in the Community to acquire their Membership as previously described:

- (a) Prior to the initial sale of all Memberships within a Membership Category or Membership Program, every fourth Membership issued in that Category or Program (1 in 4) will be a resigned Membership from the waiting list, provided there is a resigned Membership on the waiting list. The other three Memberships sold will be from the*

Club's un-issued Memberships. This procedure allows the reissuance of resigned Memberships prior to the issuance of all Memberships in the Club.

- (b) *After the initial sale of all Memberships within a Membership Category or Membership Program, every other Membership sold in that Category or Program (1 in 2) will be a resigned Membership from the waiting list.*

Club must receive payment in full of the Membership Deposit for completion of reissuance
The Club will complete the reissuance of a resigned Membership only after an acceptable individual, family or corporation desires the resigned Membership and has paid the full amount of the required Membership Deposit.

For purposes of a refund of a Membership Deposit, a new Membership will not be considered fully issued until payment of the entire Membership Deposit has been paid in full. This applies to any and all Memberships which utilize the Club Installment Plan, if such a plan is provided by the Club.

Repurchase of Memberships Under Other Circumstances

The Club is not obligated to repurchase a Membership under any circumstances, other than the circumstances specifically described in this Membership Plan. The Club may, in its sole discretion, repurchase a resigned Membership, which is not being transferred to the subsequent purchaser of the resigning Member's residence in the Community, on terms agreed to by the Club and the Member. Any Membership so purchased shall be added to the Club's reserved Memberships.

Allowance to use Membership Deposits towards Club dues

In the event of resignation by a Member, and only with the agreement of the Club which may be withheld at its sole and absolute discretion, a resigned Member may apply any amounts of their Membership Deposit which are refundable towards the payment of Club dues for the Membership Year following their resignation. Such application may be limited to certain Membership Programs at the Club's discretion. At such time when the amounts used by the resigning Club Member for subsequent year dues are equal to the amounts due for the refundable portion of their Membership Deposit, or pro rata thereof, the resigned Member will no longer have any Membership Privileges at the Club and the Club shall no longer have any liability for repayment of any portion of the Membership Deposit. The Club may require a separate written agreement between the resigning Member and the Club for any such arrangements.

Requirement for Minimum Membership tenure to be eligible for a refund of the applicable portion of the Membership Deposit

The Club reserves the right to require a minimum tenure of Membership to be eligible for a refund of the applicable portion of the Membership Deposit. Please see the Membership Application and Schedule of Dues, Fees and Charges for further details.

Transfer of Membership Upon Death of Member

Upon the death of a Member, the Membership will be transferred to the Member's surviving spouse or child without the payment of any additional Membership Deposit. If there is no surviving spouse or

child or the surviving spouse or child does not desire to continue the Membership, the Membership will be deemed to have been resigned, with no further obligation for dues, fees, or other charges, and will be reissued by the Club on the same basis as any other resigned Membership.

Legal Separation or Divorce

In the event of the divorce or separation of spouses having Membership privileges, the Membership, including all of its rights and benefits, will vest in the spouse awarded the Membership by an agreement of separation or a decree of divorce. Until the award of the Membership and written notice thereof is provided to the Club, both spouses will be jointly and severally liable for all dues and charges and both may continue to enjoy Membership privileges so long as such amounts are timely paid. The Club reserves the right, in its sole discretion, not to transfer the Membership to either spouse if the Club, in its sole discretion, is unable to determine the person who is lawfully entitled to receive the Membership. In the case of divorce, if the Club has been unable to determine which spouse is legally entitled to the Membership within six months after the date of the divorce decree, the Membership shall automatically be deemed resigned.

DUES AND CHARGES

Dues, Fees and Charges

The Club will determine the amount of dues, fees and charges to be payable by Members each year. Annual Dues shall be payable in full on or before January 1 of the Membership Year, unless otherwise determined by the Club from time to time. The current dues, fees and charges for use of the Club Facilities are indicated on the Schedule of Dues, Fees and Charges. The amount of dues, fees and other charges is subject to change from time to time by the Club.

Dues are non refundable. If a Member resigns their Membership during the Membership year, no pro-rations of Membership dues are payable by the Club. In its sole and absolute discretion, the Club reserves the right to make an exception for the repayment of dues for extraordinary circumstances or in a situation whereby a property is transferred, the scheduled Transfer Fee is paid and the new Member selects and pays for a similar Membership program and dues structure as the resigning Member. The amount of any dues refunded for any special or otherwise specified circumstance shall be solely determined by the Club.

Transfer Fee

A Transfer Fee is required to reissue a Membership to a subsequent purchaser of property in the community. The amount of the Transfer Fee is subject to change from time to time by the Club. Transfer Fees are non-refundable.

Pro-Rated Dues and other Annual Fees

The Club requires payment of dues and other annual fees in full for all Members applying for Membership up to a specified date in the Membership Year. Persons applying for Membership privileges or purchasing services which require an annual fee on or after the date specified by the Club

shall pay the required amount of annual dues or other annual fees as determined by the current pro-ration policy of the Club regardless of how many months remain in the Membership Year. The Club reserves the right to have different pro-ration policies for different Membership Categories, Membership Programs and other annual fees and may amend its pro-ration policy from time to time. Please see the Rules and Regulations for the current Pro Ration policies.

No Assessments Against Members

Members will only pay Membership dues, fees and other charges established from time to time. 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. Annual increases in dues shall not be deemed an assessment for purposes of this provision. Dues may only be increased once per year. The budget and the calculation of the dues may include a reserve for capital replacements and improvements and this shall not be deemed an assessment for purposes of this provision.

Membership Year

The Club's Membership Year will constitute the twelve-month period commencing January 1 and ending December 31, unless otherwise established by the Club from time to time.

Payment of Dues by Resigned Member

A resigned Member shall be obligated to continue to pay dues, fees and other charges associated with the resigned Membership until the earlier of: (i) the reissuance of the Membership by the Club, or (ii) for a period of one year after the resignation occurs. A resigned Member shall be permitted to use the Club Facilities during the period in which dues are continued to be paid. In the event that there are any amounts owing to the Club by a resigned Member which are past due, the Club reserves the right to move the resigned Membership to the bottom of the reissuance waiting list until such amounts have been paid in full. The Club reserves the right to waive dues required payments by a resigned Member for extraordinary circumstances as solely determined by the Club.

ACKNOWLEDGMENT OF MEMBERSHIP RIGHTS

Members' Acknowledgment

Membership in the Club permits the Member to use the Club Facilities in accordance with this Membership Plan and the Rules and Regulations. Membership in the Club is not an investment in the Company or the Club Facilities and does not give a Member a vested or prescriptive right or easement to use the Club Facilities. Membership in the Club does not provide a Member with an equity or ownership interest or any other property interest in the Company or the Club Facilities. A Member only acquires a revocable license to use the Club Facilities in accordance with the terms and conditions of the Membership Plan and Rules and Regulations, as the same may be amended from time to time, and the Membership Agreement. All rights and privileges of Members under this Membership Plan, the Rules and Regulations and the Membership Agreement, are subordinate to the lien of any mortgage encumbering the Club Facilities from time to time.

The Club reserves the right, in its sole discretion, to terminate or modify this Membership Plan and Rules and Regulations, to reserve Memberships, to sell, lease or otherwise dispose of the Club Facilities in any manner whatsoever and to any person whomsoever, to add, issue, modify or terminate any type, category or class of Membership, to recall any Membership at any time for any or no reason whatsoever, to discontinue operation of any or all of the Club Facilities, to convert the Club into a Member-owned club, and to make any other changes in the terms and conditions of Membership or in the Club Facilities available for use by Members. Notwithstanding anything to the contrary, the Club may not change a Member's right to a refund of the applicable portion of the Membership Deposit, or the right to arrange for the Membership to be transferred by the Club to the subsequent purchaser of their property in accordance with the "Transfer of Membership" section of this Membership Plan.

In the event of termination of the entire Membership Plan, the Club at its sole discretion may a) refund the applicable refundable portion of the Membership Deposit to the affected Members within a time period specified by the Club or b) allow the Member to apply an amount specified by the Club of the refundable portion of the Membership Deposit to future Club dues and services at rates then specified by the Club. 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. Neither the Club, the Development Company, its directors, owners or affiliates shall have any liability whatsoever to the Members in the event the Clubhouse or amenities are not constructed within the specified time frames.

No Pledge of Memberships

A Member may not pledge or hypothecate the Membership except to the extent the lien or security interest is incurred as a result of obtaining the Membership privileges.

MEMBERSHIP AGREEMENT

Application Procedure

Each person who desires to become a Member must mail or deliver to the Club a fully completed and signed Membership Agreement, along with a check for the required Membership Deposit.

Review of Membership Agreement

All applicants desiring a Membership must be approved by the Club. The Club may require an interview with a Club Representative. After receiving the Membership Agreement, the Club will determine whether the applicant has satisfied the relevant conditions of Membership. In the event the Membership Agreement is not acted upon favorably, the applicant will receive a refund of any amount previously paid, without interest.

Rights Governed by Membership Plan

The Members of the Club agree to be bound by the terms and conditions of this Membership Plan and the Rules and Regulations of the Club, as amended from time to time,

and irrevocably agree to fully substitute the Membership privileges acquired pursuant to this Membership Plan and Rules and Regulations for any present or prior rights in or to use of the Club Facilities.

OTHER MEMBERSHIPS AND USE PRIVILEGES

Investor Memberships

The Club may issue Investor Memberships in the Club to such persons as the Club determines appropriate from time to time. These Investor Memberships will be available on such terms and conditions as the Club determines appropriate and will not count toward any Membership limit. Investor Members have the same privileges as Resident Members, but will not pay Membership Deposits, dues, greens fees, guest fees or cart fees but will pay for goods and services purchased at the Club. Investor Members will not be obligated to pay dues unless the Club is ever converted into an equity, Member-owned club.

Honorary Memberships

The Club may issue Honorary Memberships in the Club to such persons as the Club determines appropriate from time to time. These Honorary Memberships will be in addition to all other Memberships and will be available on such terms and conditions and afford such privileges as the Club determines.

Promotional Use and Tournament or Group Play

The Club will have the right to designate other persons who will not count toward Membership limits, including, without limitation, officers, directors, partners, investors, shareholders, employees and designees of the Company and its affiliates and their guests to use the Club Facilities upon such terms and conditions as may be determined from time to time by the Club. The Club will also have the right to permit prospective Members and purchasers of property in the Community to use the Club Facilities on such terms and conditions as may be determined from time to time by the Club. The Club reserves the right, in its sole and absolute discretion, to restrict or to otherwise reserve in advance the Club Facilities for maintenance, tournament or group play, outings and other special events from time to time.

CLUB OPERATIONS

Management and Operation

The Company owns the Club Facilities and will manage and operate the Club Facilities. As a result, the Company is solely responsible for the governance and administration of the Club Facilities and the Club and will have the exclusive authority to accept Members, set dues and charges, establish rules and regulations and control the management and affairs of the Club Facilities and the Club. The Club also reserves the right to engage a professional management company to operate the Club Facilities.

Loss or Destruction of Property or Instances of Personal Injury

- *Each Member as a condition of Membership and each guest as a condition of invitation to the Club Facilities assumes sole responsibility for their property. The Club shall not be responsible*

for any loss or damage to any personal property used or stored on the Club Facilities, whether in lockers or elsewhere. Any such personal property which may have been left in or on the facilities for six months or more without payment of storage thereon may be sold by the Club, with or without notice, at a public or private sale, or may be otherwise disposed of, and the proceeds, if any, may be retained by the Club.

- *No person shall remove from the room in which it is placed or from the Club's premises any property or furniture belonging to the Club without proper written authorization.*
- *Every Member of the Club shall be liable for any property damage caused by the Member, any guest or any family Member. The cost of such damage shall be charged to the responsible Member.*
- *Any Member, family Member, guest or other person who, in any manner, makes use of or accepts the use of any apparatus, appliance, facility, privilege or service whatsoever owned, leased or operated by the Club, including without limitation, the use of golf carts, or who engages in any contest, game, function, exercise, competition or other activity operated, organized, arranged or sponsored by the Club, either on or off the Club's premises, shall do so at his or her own risk. The Member and his or her family Members and guests shall hold Mid Tal Golf LLC d/b/a Mid South Golf Club and Talamore Golf Club ("The Club") and Plantation Investors LLC, d/b/a Mid South Partners (the "Development Company"), its affiliates, their successors and assigns and their respective shareholders, partners, directors, officers, members, employees, representatives, agents and members of the Club's Board of Governors or committees (collectively, the "Indemnified Parties") harmless from any and all loss, cost, claim, injury, damage or liability sustained or incurred by him or her, resulting from the use of the Club Facilities, including without limitation, the wearing of golf shoes with soft spikes or spike-less shoes, or otherwise, arising out of or incident to Membership in the Club and/or from any act or omission of any of the Indemnified Parties. Any Member shall have, owe and perform the same obligation to the Indemnified Parties hereunder in respect to any such loss, cost, claim, injury, damage or liability sustained or incurred by any guest or family Member.*
- *Should any party bound by these Rules and Regulations bring suit against any of the Indemnified Parties in connection with any event operated, organized, arranged or sponsored by the Club or on any other claim or matter in connection with Membership in the Club or use of the Club's facilities, and fail to obtain judgment therein against any one or more of them, said party shall be liable to the prevailing Indemnified Parties for all costs and expenses incurred by them in the defense of such suit, including court costs and attorneys' fees and expenses through all appellate proceedings.*
- *Should any party bound by these Rules and Regulations bring suit against any of the Indemnified Parties as described in section #5 above, the Club reserves the right, in its sole and absolute discretion, to suspend Membership Privileges during the period in which suit is brought; in the event of a failure to obtain judgment as described in section #5, the Club shall have the right, in addition to damages specified in section #5 above, to terminate the*

Membership Privileges of the party that initiated suit and the Club shall not be liable for the refund of any applicable portion of the Membership Deposit or unused portion of annual dues or other annual fees.

Discipline

Members are responsible for their own conduct and for the conduct of their family members and guests. Any Member whose conduct or whose family's or guest's conduct shall be deemed by the Club to be likely to endanger the welfare, safety, harmony or good reputation of the Club or its Members or is otherwise improper, may be reprimanded, suspended or expelled from the Club and have all privileges associated with the Membership suspended or terminated by the Club. The Club shall be the sole judge of what constitutes improper conduct, but improper conduct will include, without limitation: (i) failing to meet eligibility for Membership, (ii) submitting false information on the Membership Agreement, (iii) allowing his or her membership card to be used by another person, (iv) failing to pay any amount owed to the Club in a proper and timely manner, (v) failing to abide by the rules and regulations as set forth herein and as established by the Club from time to time, (vi) abusing Club personnel or employees, or (vii) acting in a manner incompatible with the standard of conduct of the existing Membership or which would likely injure the reputation of the Members or the Club.

Any Member accused of improper conduct shall be notified of the Club's proposed disciplinary action and shall be given an opportunity to be heard by the Club to show cause why he or she should not be disciplined. If such Member desires to be heard, the Club shall set a time and date (not less than ten days thereafter) for a hearing. While such complaint is being considered by the Club, the Member shall enjoy the privileges of the Club. Notwithstanding the foregoing, the Club may, without notice and without a hearing, immediately suspend some or all privileges associated with a Membership and/or, after notice, terminate a Membership for failure to pay in a proper and timely manner dues, fees or any other amounts owed to the Club.

The Club may restrict or suspend some or all of a Member's, family member's and/or guest's Club privileges. If the Club determines that a Member's conduct or the conduct of his or her family or guest is improper, the Club may expel the Member, suspend or restrict the Member's Membership privileges, or restrict the use privileges of the Member's family or guest whose conduct was improper. No Member is entitled, on account of any restriction, suspension or termination, to any refund of any Membership Deposit, dues or any other fees. During the restriction or suspension, dues and other charges shall continue to accrue and shall be paid in full prior to reinstatement as a Member in good standing.

In the event of an expulsion hereunder, the Club in its sole and absolute discretion may:

- a) Place the Membership on the waiting list for reissuance and the Member's Membership Deposit shall be returned to the Member upon reissuance of the Membership in the same manner as in the case of any resigned Membership. The amount refunded to the person will be reduced by the amount of any unpaid dues, fees and charges.*

Or:

b) Declare the applicable refundable portion of the Membership Deposit as non-refundable. All Membership privileges shall cease upon expulsion from the Club.

The Club may take disciplinary action against a Member (including, without limitation, suspension or termination of Membership) for violations of the Property Owners' Association Declaration, Community Charter or Community rules and/or the Architectural Review Board or Committee rules or standards.

GENERAL PROVISIONS

Protection of Membership Privileges

In the event that the Company ever considers selling the Club Facilities, it will disclose the existence of this Membership Plan to the purchaser and will require the purchaser to acquire title to the Club Facilities subject to the terms and conditions of this Membership Plan, as amended from time to time. Furthermore, the Company will disclose the Membership Plan to any prospective lender.

Membership Privileges at Talamore at Oak Terrace

Members who are enrolled in the Magnolia or Presidential Membership Programs receive certain privileges at all private Country Clubs owned by Talamore Golf. In similar fashion, the Club reserves the right to offer certain privileges at Mid South and Talamore to Members of all other Talamore facilities. By design, said privileges are limited in scope and will not interfere with the Members rights or privileges at any Club owned or managed facility. Please see Membership Director for more details.

Club Representatives Available to Answer Inquiries

Should you have any questions concerning this Membership Plan or the Membership opportunities available at the Club, please contact a Club Representative at (910) 695-3193 ext. 27 or email www.johnmctalamore.nc.rr.com