



MASONBORO

C O U N T R Y C L U B

Membership Policies

as of August 25, 2010

- TABLE OF CONTENTS -

	<u>Page</u>
INTRODUCTION	1
Membership Opportunities	1
Club Facilities	1
Ownership and Operation	2
MEMBERSHIP AND USE PRIVILEGES	2
General	2
Membership Classes	2
Availability	3
Use Categories	3
Guests	3
Authorized Users	4
Resignation and Termination of Memberships	4
Membership Deferral Due to Medical Reasons	5
Transfer of Membership on Death, Divorce or Dissolution	5
Sanctions	5
Use of Club Facilities by Non-Members	6
MEMBERSHIP FEES, DUES, ASSESSMENTS, AND OTHER CHARGES	7
Membership Fees, Dues and Charges	7
Assessments	8
Delinquencies	8
TRANSFER OF CLUB OR CLUB FACILITIES	8
General	8
GENERAL PROVISIONS	9
Club Management	9
Amendments	11
Additional Reserved Rights	11
Liability	11
No Vested Interest	12

MASONBORO COUNTRY CLUB

MEMBERSHIP POLICIES

INTRODUCTION

MEMBERSHIP OPPORTUNITIES

Membership in Masonboro Country Club ("**Club**") provides the opportunity to enjoy a variety of recreational and social facilities in a comfortable atmosphere, as well as opportunities to participate in various social events and activities and build long-lasting personal relationships.

The Club is a semi-private "right to use" membership club. Club Operator, as defined below, has established a membership program by which Club Operator issues memberships to those individuals and entities eligible to join the Club. All memberships constitute a license to use and enjoy the Club Facilities and are subject to the terms and conditions of membership described in these Membership Policies for Masonboro Country Club, as they may be amended ("**Membership Policies**"), the Rules of Masonboro Country Club, as they may be amended ("**Club Rules**"), and a Membership Agreement entered into between the member and Club Operator ("**Membership Agreement**").

CLUB FACILITIES

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

- an 18-hole, par 71 golf course designed by Bob Moore, ASGCA, principal with JPM Golf Design Group
- practice facilities including a practice range, putting green, and short game practice area; and
- a temporary golf shop.

In addition, the following "**Social and Sports Facilities**" are planned:

- clubhouse with golf shop, men's and ladies' locker rooms, dining areas, bar and grille, meeting spaces, and outdoor patios and terraces;
- two clay tennis courts; and
- swimming pool.

The Golf Facilities and Social and Sports Facilities (collectively, the "**Club Facilities**") are or will be located on the Southern Cape Fear peninsula, in Wilmington, North Carolina.

Additional recreational facilities may be constructed within or in the vicinity of the Club Facilities. If additional facilities are constructed, there shall be no obligation to include them in the Club Facilities or to make them available for

use by members. Unless specifically made a part of the Club Facilities by amendment of these Membership Policies, members shall have no right to use any such additional facilities without the express permission of the owner thereof, and then only on such terms and conditions and payment of such fees as such owner may establish in its sole discretion.

OWNERSHIP AND OPERATION

The Club Facilities are operated and managed on a for-profit basis by Masonboro Country Club, Inc., a North Carolina corporation (the "**Club Operator**"), doing business as Masonboro Country Club. The Club Facilities are owned by Southern Destiny,LC., a North Carolina limited liability company (the "**Owner**"). These Membership Policies have been adopted by Club Operator to provide a plan for the offering of memberships in and for the current operation of the Club. These Membership Policies are subject to change from time to time in the sole and absolute discretion of Club Operator as provided in the section entitled "Amendments."

Club Operator may allow the general public to use the Club Facilities and to play the golf course on a daily fee or other basis in its sole discretion.

MEMBERSHIP AND USE PRIVILEGES

GENERAL

Unless otherwise specified in these Membership Policies or the Membership Agreement, each class of membership shall be subject to payment of initiation fees, to payment of applicable dues and charges for the class of membership and category issued, to the Club Rules, and to these Membership Policies. Club Operator may waive the eligibility requirements for any class or category of membership; establish and change the eligibility requirements, privileges, obligations and fees of any class or dues category of membership as they relate to new members; discontinue offering any category of membership; and create additional classes and categories of membership with such eligibility requirements, privileges, and obligations as it deems appropriate, in its sole discretion. No such action by Club Operator shall constitute, or be deemed to constitute, an amendment to these Membership Policies.

MEMBERSHIP CLASSES

Currently, there are two classes of membership in the Club: Full and Corporate. Within a particular class, memberships may be offered in one or more categories.

Full

Club Operator may issue Full memberships to such persons eligible to join the Club on such terms and conditions as it may determine. Full members are entitled to use all of the Club Facilities and shall pay the dues applicable to such dues category selected.

Corporate

Club Operator may issue Corporate memberships to such corporation, partnership, limited liability company, or other similar form of multiple ownership eligible to join the Club on such terms and conditions as Club Operator may determine. To be eligible, a Corporate member must qualify as a "going concern" and have established business interests other than holding a membership in the Club. Club Operator will issue a Corporate membership only after determining, in its sole and absolute discretion, that the entity is a "going concern."

Corporate members shall be entitled to designate that number of designees set forth in the Membership Agreement ("**Corporate Designees**"), subject to approval of the Corporate Designee by Club Operator in its sole and absolute discretion, who shall have the right to use all of the Club Facilities. The Corporate member shall be responsible for paying the applicable dues established for each Corporate Designee.

Corporate Designees must be either directors, officers, partners, or employees of the Corporate member. The Corporate member may change a Corporate Designee no more than once in a calendar year, subject to Club Operator's approval of the new Corporate Designee, which it may give or withhold in its sole and absolute discretion, and by giving written notice to Club Operator and payment of the change fee set by Club Operator from time to time.

AVAILABILITY

Club Operator may issue as many memberships as it deems appropriate, in its sole discretion.

USE CATEGORIES

Currently, all membership classes are entitled to use all of the Club Facilities. Club Operator reserves the right to create separate use categories, and if it does so, to combine or eliminate existing use categories, in its sole and absolute discretion.

Membership entitles the member and the authorized users of the membership (as described below) the privilege to use all of the Club Facilities during operating hours and on an availability basis. Members and authorized users shall be entitled to the following privileges:

- use of the Club's Golf Facilities without payment of green fees or practice facility fees but upon the payment of applicable cart fees;
- reduced green fees for guests;
- the privilege of sponsoring up to twelve unaccompanied guests per quarter;
- the right to reserve tee times up to fourteen days in advance;
- walking privileges at designated times;
- an invitation to participate in member and member-guest golf tournaments;
- complimentary USGA handicap service; and
- a 20% discount on select regularly priced apparel and soft goods purchased in the golf shop.

Use of the Club Facilities shall be subject to Club Operator's rules and to payment of such dues and charges as Club Operator establishes from time to time.

GUESTS

There are currently no limitations on the number of times a member may accompany a golfing guest. Members are permitted to sponsor up to twelve unaccompanied guests per quarter. Guests may use only the Club Facilities which the sponsoring member is entitled to use upon payment of applicable guest fees and such other charges as Club Operator may establish. These rights are subject to change in Club Operator's sole discretion.

**AUTHORIZED
USERS**

Currently there are three dues categories: Single, Family and Corporate. Club Operator reserves the right to create additional dues categories at any time in its sole discretion.

Paying dues in the Single dues category entitles only the member to use the Club Facilities. Paying dues in the Family dues category entitles the member, one adult co-habitant, and the unmarried children of each who are under the age of 23 who reside with the member and are still in school on a full-time basis or are serving in the armed forces on a full-time basis, to use the Club Facilities. Co-habitants who have a strictly economic relationship with the member are specifically excluded from privileges in the Family dues category. A Corporate member is entitled to pay dues for up to four designees who shall be entitled to use the Club Facilities.

In addition, members shall pay dues in their respective dues category in accordance with their residence status. A "resident" is any member who has a residence for more than six months out of the calendar year, as determined by Club Operator, located in New Hanover County, Brunswick County, or Pender County, North Carolina. A "non-resident" is any member who is not a "resident".

**MEMBERSHIP
TRANSFER AND
ASSIGNMENT**

Memberships are transferable only to or through Club Operator. **Any other attempt to transfer a membership shall be void and of no effect.**

**RESIGNATION AND
TERMINATION OF
MEMBERSHIPS**

General. Memberships are granted as a minimum of one year from date of inception. A Membership will automatically renew on the anniversary date unless Club Operator receives written notice of such. At no time will Club Operator approve a resignation inside of the one year commitment. Under no circumstance will money be refunded for any pre paid cart plan.

Full Memberships A Full member may voluntarily resign the membership by written notice to Club Operator. Upon acceptance, such resignation shall be effective through the calendar year that the notice is received by Club Operator unless the member requests and Club Operator approves an earlier effective date. For all resigning or terminated members, all membership cards issued to the member and their authorized users must be returned to Club Operator no later than seven days after such resignation or termination has become effective. A resigning or terminated member is responsible for payment of all dues and charges until all membership cards are received by Club Operator.

Corporate Memberships. A Corporate member may voluntarily resign the membership by written notice to Club Operator. Such resignation shall be effective one year from the date such notice is received by Club Operator unless the member requests and Club Operator approves an earlier effective date. The resigning member may continue to enjoy the privileges of such membership through the effective date of such resignation.

All outstanding dues and charges owed as of the effective date of resignation or termination shall be due and payable in full upon the effective date of resignation or termination

**MEMBERSHIP
DEFERRAL DUE
TO MEDICAL
REASONS**

Medical Deferral. A Full Member may request a membership deferral, due to medical reasons, for a minimum of 3 months and not to exceed 6 months. This request may only be considered one time in a three year period. The approval of this request and the dues adjustment will be determined solely at the discretion of Club Operator. Under no circumstance will money be refunded for any pre paid cart plan.

**TRANSFER OF
MEMBERSHIP ON
DEATH, DIVORCE
OR DISSOLUTION**

Death of Full Member. Upon the death of a Full member, the surviving spouse, if any, shall have 60 days within which to apply to have the deceased member's membership transferred to him or her at no charge. If there is no eligible surviving spouse, or upon failure of a surviving spouse to apply to have such membership transferred within such 60-day period, the deceased member's membership shall terminate. Upon such termination, the deceased member's estate shall be responsible for payment of all dues and charges on the member's account until Club Operator has received written notice of resignation of such membership or a written request for transfer of such membership as provided in this paragraph.

Divorce of Full Member. In the event of a legal separation or divorce of a Full member, the membership shall remain in the name of the member without change.

Dissolution of Business Entity. In the event of a dissolution of a corporation or other business entity holding a Corporate membership, the membership shall automatically terminate and the member shall not be entitled to a refund of any initiation fee paid.

SANCTIONS

Club Operator may levy such sanctions as it deems appropriate against any member, authorized user, Corporate Designee, or guest of a member for cause. Appropriate sanctions may include, without limitation, reprimands, expulsion, fines, reimbursement of expenses incurred or suspension of membership privileges; provided, suspensions shall not last more than one year. Any sanction may be imposed without the necessity of a hearing. A sanction shall become effective when written notice of the sanction has been delivered to the person sanctioned. "Cause" shall be determined by Club Operator, in its sole discretion, and may include, without limitation, (a) falsifying any information on the membership application, (b) nonpayment of any sums due (including charges incurred by members, authorized users or guests) for a period in excess of 30 days after such sums were billed to the member, (c) conviction of a felony or of any crime involving moral turpitude, or a determination by Club Operator that the person was convicted of a felony or such a crime prior to Club Operator's approval of his or her application and failed to disclose such conviction prior to such approval, (d) permitting the use of a membership card

by someone other than the person to whom it was issued, (e) failure to accompany a guest when required when using Club Facilities, (f) abuse of Club personnel, (g) instituting litigation against Club Operator or Owner, or (h) commission of any act or acts (within or outside the Club Facilities) which Club Operator determines to be inconsistent with these Membership Policies, the Club Rules, to the general decorum or familial atmosphere, or detrimental to the best interests of the Club, including, without limitation, conduct violating the rules and regulations of the Club and conduct likely to endanger the welfare, safety, harmony, or good reputation of Owner, Club Operator, the Club or any member, designee, authorized user, guest, or employee of the Club.

A sanction of suspension or expulsion may be appealed by the sanctioned member or authorized user to Club Operator or its designee. To perfect this right, a written notice of appeal must be received by Club Operator or its designee within 10 days after delivery of notice of suspension or expulsion to the member or authorized user. If such suspension or expulsion is appealed, the sanctioned member or authorized user may come before Club Operator or its designee, in writing or in person, and present a statement on his or her behalf. Club Operator or its designee shall take into account the individual's statement in determining appropriateness of the sanction. Club Operator or its designee shall notify the member or authorized user in writing of its decision within 10 days of the presentation of the statement.

Suspension or expulsion of a member shall automatically operate to suspend or terminate, respectively, the rights and privileges of the authorized users of the membership. Suspension or expulsion of an authorized user shall not affect the rights and privileges of the member.

For purposes of the section of these Membership Policies entitled "Resignation and Termination of Memberships," an expulsion of a member shall be treated as the termination of membership. Any member whose membership privileges have been suspended shall remain responsible for all membership dues, assessments, and charges during the period of suspension.

Any person who has been expelled shall immediately and automatically forfeit all membership privileges and shall thereafter have no rights or privileges in the Club unless and until such person has been reinstated upon written application and approval by Club Operator. No member shall be reinstated until all past due assessments, dues, and charges, including assessments, dues, and charges for the period between the date of expulsion and the date of reinstatement, are paid in full.

USE OF CLUB FACILITIES BY NON-MEMBERS

Club Operator reserves the right to make any or all of the Club Facilities available for use by non-members (which use may include, without limitation, temporary use by approved applicants for membership; unaccompanied daily fee play; tournaments, charitable events, banquets and other such activities) under such circumstances, terms and conditions, and upon payment of such fees and charges, as Club Operator shall determine in its sole and absolute discretion, subject to the following:

Advance Reservations. Club Operator and its authorized sales persons and representatives may reserve tee times in advance for golf play by prospective

purchasers of memberships and for other sales, marketing, public relations, or business purposes without regard to such limitation. Club Operator may accept reservations from nonmembers and permit nonmember use of tee times once members have been given the priority opportunity to reserve such tee times as described above.

Closing Facilities to Nonmembers. At such time as Club Operator determines in its sole and absolute discretion, Club Operator may close the golf course to regular unaccompanied daily fee play, except that Club Operator shall be permitted to honor any existing reservations by nonmembers and the remaining term of any agreements entered into prior to such time which have a remaining term of one year or less.

"Daily fee play," as such terms are used in this Section, shall not include:

- members, their authorized users or their guests;
- nonmembers holding advance reservations accepted by Club Operator prior to closing the facilities to nonmembers under this paragraph;
- approved applicants for membership;
- nonmembers utilizing the Golf Facilities as a student of any golf academy or teaching center or program operated by Club Operator or golf instructor or professional employed by or under an arrangement with Club Operator;
- Club Operator's and Owner's officers, directors, or authorized employees and their guests; or
- such persons as Club Operator may authorize to use the facilities in conjunction with banquets, tournaments, special events, or similar activities pursuant to this section.

MEMBERSHIP FEES, DUES, ASSESSMENTS, AND OTHER CHARGES

MEMBERSHIP FEES, DUES AND CHARGES

Persons accepted for membership will pay an initiation fee to acquire a membership in accordance with their class of membership. Initiation fees shall be paid in the amount and in accordance with the terms set forth in the member's Membership Agreement. Initiation fees and other amounts paid to Club Operator are property of Club Operator and may be used for any purpose determined appropriate by Club Operator.

In addition to the initiation fee, all members shall pay periodic dues in such amounts and at such times as are established by Club Operator in accordance with the class and dues category held. Unless Club Operator indicates otherwise, dues are due annually but are payable monthly and will vary according to the member's class and dues category. Club Operator may require that all dues and charges be paid through a charge account service with a bank or other financial institution. Club Operator shall not increase annual dues by more than the amount set forth in each member's Membership Agreement, and in no event by more than 10% from the dues charged for a class and category of membership during the prior fiscal year.

Except as Club Operator may otherwise provide, membership shall be subject to payment of such other fees and charges as Club Operator may establish, all of which may vary among members according to the class of membership held. Fees charged to members may also differ from fees charged to nonmembers. In addition to such other charges as are specifically authorized in these Membership Policies, such fees and charges may include, without limitation, golf cart rental fees, practice facility fees, club storage fees, instruction fees, handicapping charges, and fees for failure to cancel reserved tee times or other reservations.

Club Operator may, in its sole discretion, impose a quarterly food and beverage minimum for each membership; provided, however, that no such minimum shall be imposed prior to opening of a restaurant in the club house.

Club Operator shall publish a schedule of current fees, dues, and charges, which shall be subject to change from time to time in Club Operator's sole discretion, so long as such changes are not inconsistent with the Membership Policies or a member's Membership Agreement.

ASSESSMENTS

Members shall not be subject to assessments to fund operating deficits. Members shall not be subject to assessments for capital improvements to the Club Facilities unless such assessment is approved by two-thirds of the members (one vote per membership) in each class of membership entitled to use such capital improvements and then only members entitled to use the capital improvement shall be subject to such assessment. Any assessment so approved shall be paid at such time and in such manner as Club Operator may determine. Upon a member's payment of any such assessment, the amount of such payment shall be added to the initiation fee originally paid by the member for purposes of calculating the amount of any refund to be paid upon resignation or termination of the member's membership pursuant to the section entitled "Refund Upon Resignation or Termination."

DELINQUENCIES

In the event that any member fails to pay amounts due to Club Operator when due, Club Operator may revoke the privilege of paying dues in monthly installments and require the member to pay the balance of the annual dues for such year in full immediately, impose late charges, charge interest on the amount past due until paid at a rate determined by Club Operator (not to exceed 18% per annum on the past due amount), and, subject to the procedures set forth in the section entitled "Sanctions," suspend the privileges of the delinquent member and all authorized users of the member's membership or terminate the delinquent member's membership. Club Operator shall be entitled to collect from the delinquent member all costs and expenses reasonably incurred by Club Operator in attempting to collect the delinquent amounts, including attorneys' fees and court costs, whether or not suit is filed. In addition, Club Operator may publish a list of delinquent members and the amount outstanding in any communication to the members and anywhere within the Club Facilities.

TRANSFER OF CLUB OR CLUB FACILITIES

GENERAL

Club Operator and Owner reserve the right to sell or otherwise transfer all or any portion of the Club Facilities to a third party or parties, upon such terms and conditions as Club Operator and Owner determine appropriate in their sole and absolute discretion, subject to this section.

Unless either (a) the new owner agrees to operate the Club Facilities in accordance with the Membership Policies then in effect (as they may be amended); (b) the new owner adopts a new membership program and agrees to exchange all memberships in good standing for memberships in such new program having substantially the same or better use privileges and rights upon termination as held by existing members in good standing, without requiring payment of any additional initiation fee; or (c) a majority of the members in good standing in each class affected otherwise agree, each member whose rights under the existing Membership Policies are to be materially adversely affected by the sale or transfer to a new owner, shall be given at least 30 days after receipt of notice of the proposed changes to elect either (a) to continue to use the Club Facilities on such terms and conditions as the new owner may establish, or (b) to resign by written notice to Club Operator or new owner and receive a refund of 100% of the initiation fee and assessments actually paid by the member, less any unpaid installments of such initiation fee and less any outstanding dues, fees and other charges due from the resigning member. Such refund shall be paid to the resigning member within 90 days after the requisite written resignation notice is given to Club Operator or new owner. Any dues paid in advance shall be prorated as of the date of such termination.

For purposes of this provision, only the following shall be considered to "materially adversely affect" the rights of a member under the Membership Policies: (a) elimination of use privileges afforded to such member's class or category of membership; (b) requirement of an additional initiation fee in order to continue existing privileges; (c) a change in the provisions for assessment of members to permit assessment of the member for operating deficits without membership approval; or (d) elimination or significant reduction in the rights of the member upon termination of the membership.

In the event that Club Operator or Owner transfers all or any portion of the Club Facilities to a third party, Club Operator may assign to the new owner its rights to collect fees, dues, and other charges pursuant to the Membership Agreements with persons then holding memberships. Upon such transfer and assignment, the transferee shall assume the obligation to repay such sum as set forth in the member's Membership Agreement as set forth in these Membership Policies and the member shall have no further recourse for such against Club Operator or Owner.

GENERAL PROVISIONS

CLUB MANAGEMENT

Club Operator shall have exclusive authority and shall be responsible for the management and operation of the Club Facilities, which shall include, without limitation, the following:

Staffing. Club Operator shall select, retain, supervise, direct, fix the compensation of, and discharge, in its sole discretion, all professionals and other personnel, agents, and/or independent contractors which Club Operator deems necessary or desirable for the smooth and efficient operation and maintenance of the Club Facilities. Any complaints regarding such personnel shall be directed to the Club's manager or such other person as Club Operator may designate. No person other than designated employees of Club Operator shall reprimand or admonish such personnel or direct them in performing their

duties. Any member, designee, or authorized user reprimanding or admonishing such personnel or directing them in performing their duties may be deemed not to be in good standing at the determination of Club Operator.

Nature and Condition of Club Facilities. Club Operator reserves the right to add or eliminate facilities, discontinue or modify the operation of existing Club Facilities, and otherwise make such changes to the Club Facilities and level of operations as Club Operator deems appropriate in its sole discretion. Club Operator may also close any or all of the Club Facilities for extended periods of time for minor or major maintenance, renovation, or construction. Club Operator makes no representations or warranties with respect to the nature or condition of the Club Facilities or the suitability of the Club Facilities for any particular purpose. Club Operator shall not be obligated to establish or provide for capital reserves or any other reserve fund related to operation or maintenance of the Club Facilities.

Club Rules and Policies. Club Operator shall have the exclusive authority to adopt and amend rules and policies governing use of and conduct on the Club Facilities, including policies regarding tee time allocation, reservations, and guest privileges. Such rules and policies are subject to change in Club Operator's sole discretion.

Members Council. Club Operator may appoint a Members Council to act in an advisory capacity to Club Operator on issues presented to the Members Council by Club Operator, to assist in Club operations and/or activities, and otherwise to serve such purposes and functions as determined by Club Operator. All members of the Members Council shall be appointed and may be removed and replaced by Club Operator in its sole and absolute discretion. The number and the term of the members of the Members Council shall be determined in the sole and absolute discretion of Club Operator; however, no person shall serve on the Members Council for a period of more than two consecutive years. The Members Council shall have no duty or power to negotiate or otherwise act on behalf of Club Operator, Owner, or the members of the Club.

Special Events. Club Operator reserves the right to make all or portions of the Club Facilities available to members or nonmembers for special events, including, without limitation, tournaments, private parties, and charitable events, to determine the number and scheduling of special events in its sole discretion, and to restrict members' use of the Club Facilities during such events.

Hours of Operation. Club Operator shall have sole and exclusive authority to determine the hours of operation of the Club Facilities and to close portions of the Club Facilities during inclement weather and for maintenance, repair, and other purposes as Club Operator deems appropriate. Except in an emergency, Club Operator shall give the members not less than 14 days prior notice if the golf course will be closed to regular play.

Approval and Acceptance of Members. Club Operator shall have sole and exclusive authority to determine the qualifications for membership and to approve or reject any application for membership in accordance with such procedures as it may establish from time to time.

Non-Discrimination. Club Operator shall not discriminate in any manner against any member, designee, authorized user, guest or applicant for

membership on account of race, sex, religion, color, national origin, disability, status as a veteran, creed, ancestry, familial status or sexual orientation.

Profits, Losses, and Distributions. Club Operator shall be entitled to all income and profits and shall be responsible for all expenses and losses from operation of the Club Facilities, subject to its right to increase fees, dues, and other charges. In the event of a sale of the Club Facilities, any proceeds which Club Operator or Owner derives from such sale shall be the property of Club Operator or Owner, and members shall have no interest therein, except to the extent of the payment, if any, to which members may be entitled upon termination and repurchase of their memberships pursuant to these Membership Policies; provided, members shall have no interest in the proceeds derived by Club Operator or Owner from such sale if the purchaser of the Club Facilities has assumed the obligation to repay members upon termination and repurchase of their membership in accordance with these Membership Policies.

Delegation. Club Operator shall have the right to delegate, transfer, or assign any or all of its rights and responsibilities for management and operation of the Club Facilities to such persons and on such terms and conditions as Club Operator deems appropriate in its sole and absolute discretion.

AMENDMENTS

Club Operator has the right, in its sole discretion, to amend these Membership Policies from time to time in any manner except that no amendment which materially adversely affects the rights of existing members, as defined in the section titled "Transfer of Club or Club Facilities," shall be effective without the consent of a majority of such members.

ADDITIONAL RESERVED RIGHTS

In addition to the rights reserved to Club Operator, its successors-in-title to the Club Facilities, and assigns by other provisions of these Membership Policies, Club Operator reserves the right to make use of the Club Facilities in any manner which is not inconsistent with the provisions of these Membership Policies. Without limiting the generality of the foregoing, Club Operator specifically reserves the following rights:

- (a) the right to offer discounts, credits, and other special arrangements to prospective members;
- (b) the right to enter into reciprocity agreements or arrangements with other clubs (both within and outside the State of North Carolina) by which the members of each club will have use privileges at the other; and
- (c) the right to delegate, transfer or assign responsibility for management of Club Operator and the Club Facilities, in whole or in part, from time to time, to such persons and on such terms as Club Operator deems appropriate, in its sole and absolute discretion.

LIABILITY

Members, authorized users, and guests shall use the Club Facilities at their own risk and shall assume sole responsibility for their personal belongings. Club Operator, Owner, and their members and their partners, officers, employees, representatives and agents shall not be held liable for personal injury to any person nor for loss or damage to personal belongings used or stored on the Club's premises. Each member shall be legally and financially responsible for his or her acts or omissions, as well as those of such member's authorized

users and guests. Each member shall indemnify and hold Club Operator, Owner, and their members and their partners, officers, employees, representatives and agents harmless from any loss, cost, claim, injury or damage incurred by the member or such member's authorized users or guests arising out of the conduct of such member, authorized users or guests.

**NO VESTED
INTEREST**

NO MEMBER SHALL HAVE ANY OWNERSHIP OR PROPRIETARY INTEREST, BENEFICIAL INTEREST OR ANY OTHER VESTED INTEREST WHATSOEVER IN OWNER, CLUB OPERATOR, THE CLUB FACILITIES, OR ANY OF THE ASSETS OF OWNER OR CLUB OPERATOR. MEMBERSHIPS SHALL ENTITLE MEMBERS ONLY TO THE USE PRIVILEGES SET FORTH HEREIN, AS THEY MAY BE MODIFIED FROM TIME TO TIME. MEMBERSHIP CONSTITUTES ONLY A LICENSE TO USE SOME OR ALL OF THE CLUB FACILITIES AS SET FORTH IN THESE MEMBERSHIP POLICIES, AS THEY MAY BE AMENDED FROM TIME TO TIME.

MEMBERSHIP IS OFFERED AS AN OPPORTUNITY TO OBTAIN THE RECREATIONAL AND SOCIAL BENEFITS OF THE CLUB ONLY AND SHOULD NOT BE VIEWED AS AN INVESTMENT OR PURCHASED WITH ANY VIEW TOWARD OR EXPECTATION OF PROFIT.

NO PERSON IS AUTHORIZED TO MAKE ANY REPRESENTATIONS OR PROVIDE ANY INFORMATION WITH REGARD TO THE CLUB OR CLUB MEMBERSHIPS CONTRARY OR IN ADDITION TO THE INFORMATION CONTAINED IN THESE MEMBERSHIP POLICIES OR THE RULES FOR MASONBORO COUNTRY CLUB.

