

Mid South Club & Talamore Golf Resort
Midland Road
In the heart of the Village of Pinehurst – Southern Pines area

Dear Prospective Purchaser,

Thank you for taking the time to look at property at Mid South and/or Talamore. As you may know, the Mid South and Talamore golf courses have affiliate ownership and are offering one of the area's premier 36-hole membership program. The Arnold Palmer and Rees Jones designed golf courses are very complimentary to each other and offer a modern golf challenge in designs which have been carefully melted into the landscape of pine trees, wetlands and lakes.

The current club facilities at Talamore features a pool, cabana, and clubhouse along with convenient access to the 95-acre lake and 2 mile jogging and biking trail at Reservoir Park. Mid South's new Clubhouse and swimming complex are drawing rave reviews.

Attached to this letter is general information regarding the Membership Plan and the current rates for 2010. Please note that this information applies ONLY to new developer's properties offered for sale within the Mid South and Talamore communities and resale properties, which have an active membership in good standing. If you are looking at property which does not have an active membership in good standing, please contact me to discuss what needs to transpire to ensure that your purchase of property will afford you the opportunity to become a member of Mid South and Talamore.

I have listed below the phone numbers at both clubs and my e-mail address. Please feel free to contact me with any questions regarding membership. I look forward to talking with you.

Sincerely,

John McDougald
Director of Golf Operations
Office (910) 692-5884 ext. 303
johnmctalamore@nc.rr.com

MID SOUTH GOLF CLUB & TALAMORE GOLF CLUB

General Membership Information

2010 Schedule of Dues, Fees & Charges

Club membership requirements when purchasing a new Mid South and/or Talamore property being offered by the developer.*

INITIAL MEMBERSHIP DEPOSIT

An Initial Membership Deposit is required for membership for all new Mid South and/or Talamore property being offered by the developer. 2010 Rate: \$12,500

Club membership requirements when purchasing a Mid South and/or Talamore property being offered for resale with an existing membership in good standing.*

TRANSFER FEE

A Transfer Fee ("TRF") is required for all 36 hole Memberships that are re-issued to a subsequent owner of property in the Community. Effective Jan 1, 2007, the payment of the membership transfer fee allows for the subsequent purchaser to be enrolled in the Holly or Magnolia Membership program without the payment of an additional Holly Membership or Magnolia Deposit. 2010 Rate: \$12,500

Club membership requirements when purchasing a Mid South and/or Talamore property being offered for resale without an existing membership in good standing*

INITIATION FEE

Properties which have not properly activated a reserved Membership within the prescribed guidelines shall be considered by the Club as a "Dead Lot" with no membership available for transfer to a subsequent owner. If a subsequent owner of a "Dead Lot" property applies for membership and if a membership is made available by the Club for the "Dead Lot," an Initiation Fee shall be required for Membership. 2010 Rate: \$30,000

ADDITIONAL MEMBERSHIP DEPOSITS REQUIRED

Holly*	<i>Covered by HMMD, TRF or IF</i>
Magnolia*	<i>Covered by HMMD, TRF or IF</i>
Presidential**	<i>HMMD, TRF or IF plus \$15,000</i>

All Membership Deposits are payable at the time of application.

** Holly and Magnolia Membership Deposits and Transfer Fees are non-refundable.*

***The additional Membership Deposit required for Presidential Membership is fully refundable per Club guidelines*

There are No Minimums or Assessments for members of Mid South and Talamore.

Prospective purchasers of Mid South or Talamore property should contact the club's Director of Golf to confirm the properties current membership status prior to purchase!

MID SOUTH GOLF CLUB & TALAMORE GOLF CLUB
2010 membership programs

All information in this pamphlet is being provided as a general information summary of the Membership programs and rates. All Memberships are subject to the rules and conditions as outlined in the Plan for the Offering of Memberships and the Rules and Regulations and the Membership Application. The terms and conditions in this pamphlet shall not be construed as a separate or independent offering for Membership.

General description of 36 hole Club Membership Programs

Holly (Social) Club 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 for the Member and immediate family (as defined in the Rules and Regulations) at both the Mid South and Talamore properties. 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 (“Holly playing fee”). Access to the golf courses for Holly members is restricted to certain times of the day and days of the week.

- *Holly Membership provides for access to the club’s golf courses anytime of day Monday through Thursday and after noon on weekends and Holidays.*
- *Holly Members are restricted to playing the Mid South and Talamore golf course no more than 4 times (aggregate) in any calendar month per membership unless otherwise approved by the Club.*
- *Holly Members may make tee times seven (7) days in advance*

Magnolia (Associate) Club Membership

Magnolia Membership is considered by the Club as a “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 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 course facilities is subject to the election of either single or family status.

Magnolia Membership provides for access to the club’s golf courses anytime of day Monday through Thursday and after noon on weekends and Holidays. Tee times for Magnolia members may be made fourteen (14) days in advance.

Magnolia Perks

- *Unlimited Green Fees*
- *Invitation to all club tournament and events*
- *Pro shop Discounts*
- *Complimentary Handicap Service*

Presidential (Full) Club 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). Access to the golf course facilities is subject to the election of either single or family status. There is no day or time restrictions for Presidential Members at either the Mid South or Talamore golf courses and tee times for Presidential members may be made fourteen (14) days in advance.

Presidential Perks

- *Unlimited Green Fees*
- *No Tee Time Restrictions*
- *Priority entry in all club events*
- *Complimentary Locker*
- *Complimentary Range Plan*
- *Complimentary Handicap Service*
- *Complimentary membership to the New Buyers Club.*
 - *Buyer Club Privileges*
 - *Special orders from Pro Shop are invoice plus shipping and tax.*
 - *Pro Shop purchases receive 20% off Apparel & 10% off Golf Equipment*
- *Presidential Guest Days*
 - *The club will set up quarterly Presidential guest days, days in which accompanied guests of Presidential members will receive complimentary green fees.*

General information regarding the Magnolia and Presidential Membership Programs

- *Presidential Membership Programs require an additional Membership Deposit. A portion of the Presidential Membership Deposit may be refunded per the terms and conditions of the Membership Plan.*
- *If so desired based on expected levels of play for a given Membership Year, Holly and Magnolia Members may elect to pay dues on an annual basis based on the financial terms and Club restrictions of the Magnolia or Holly Membership Programs. Presidential Members may elect to pay dues on an annual basis based on the financial terms and Club restrictions of the Presidential, Magnolia or Holly Membership Program.*
- *Holly, Magnolia and Presidential Memberships may be re-issued to subsequent purchasers of property per the terms and conditions of the Membership Plan and the payment of a Transfer Fee.*

Tee Times

- *Holly Members may make tee times seven (7) days in advance*
- *Magnolia and Presidential members may make tee times fourteen (14) days in advance.*

Guest Policy

Members may bring accompanied guests or sponsor unaccompanied guests with the payment of the applicable guest fee. A guest is not eligible to play the Mid South or Talamore golf course more than 6 times per year (aggregate) as an accompanied or unaccompanied guest.

MID SOUTH GOLF CLUB & TALAMORE GOLF CLUB
2010 membership programs

Required Minimum Tenure

The Club has reserved the right in the Membership Plan to provide for a minimum tenure of membership for an applicable portion of the Membership Deposit to be refundable. The Club is currently not requiring any minimum tenure for existing Members applying for Membership in 2010.

Annual Cart Pass / Private Carts

The Club is making available an Annual Cart Pass for any of its Magnolia or Presidential Members. The Annual Cart Pass is available in a single or family category. An Annual Cart pass allows for use of a cart owned by the Club without the payment of an additional cart fee. Members who purchase an Annual Cart Pass may be entitled to use a private cart, subject to guidelines established by the Club. Members who purchase an Annual Cart Pass and wish to use a private cart must enter into a separate agreement with the Club for said use. A copy of the private cart agreement is available in the Club office.

MID SOUTH GOLF CLUB & TALAMORE GOLF CLUB

2010 ANNUAL DUES RATES

Holly	Social	\$1,070	
Magnolia	Single	\$3,040	Family \$4,140
Presidential	Single	\$4,250	Family \$5,540

OTHER CHARGES

Annual Cart Plan	Single \$1,775	Family \$2,340	
Annual Range Programs	Single: \$380	Family: \$645	
Annual Handicap Fee	\$35 per person		

Holly Rates

The Initial charge noted in the following chart is the rate for Mid South and the second figure noted is the rate for Talamore.

	Weekday <u>MSC / Tal</u>	Weekend & Holidays <u>MSC / Tal</u>
Holly Golf Fees	50 / 40	60 / 50

*Holly Fees noted include greens fees & cart fees.

Guest Rates / Seasonal

In Season: March, April, May, June, September, and October

Off Season: January, February, July, August, November, and December

The Initial charge noted in the following chart is the rate for Mid South and the second figure noted is the rate for Talamore.

	In Season <u>MSC / Tal</u>	Off Season <u>MSC / Tal</u>
Accompanied Guest Fees	75 / 65	60 / 50
Unaccompanied Guest Fees	125 / 95	95 / 75

*Guest Fees noted include greens fees & cart fees.

Ownership of a property at Mid South Club or Talamore Golf Club does not give any vested rights 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 Inquiries please contact:

John L. McDougald

Mid South Golf Club & Talamore Golf Club

Midland Road Southern Pines, NC 28387

Phone: (910) 692-5884 ext. 303 or e-mail: www.johnmctalamore@nc.rr.com

The following questions and answers are designed to provide an understanding of the Mid South Club and Talamore's 36 hole Private Membership program. As these questions and answers are only summary in nature, you should read the Membership Plan and Rules & Regulations prior to purchasing a Membership

What are the Mid South Club and Talamore Golf Club?

- *The Mid South Club is a private club located in Southern Pines, adjacent to Pinehurst, North Carolina and features an exceptional Arnold Palmer designed golf course with a clubhouse, tennis and swimming amenities.*
- *Talamore Golf Club is a resort golf facility located across the street from Mid South Club and features an exceptional Rees Jones designed golf course with an existing clubhouse, pool, cabana and convenient access to the nature trail of Reservoir Park.*

Who Owns the Club facilities?

- *Mid Tal Golf LLC d/b/a Mid South Club own and operate Mid South Golf facilities and Talamore Golf Partners, LP owns and operates the Talamore golf facility. These entities, along with Talamore at Oak Terrace, a private club in the Philadelphia area, are all affiliated through common ownership.*

What types of club membership are currently being offered?

- *The 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). Access to the golf course facilities is subject to the election of either single or family status. There is no day or time restrictions for Presidential Members at either the Mid South or Talamore golf courses and tee times for Presidential members may be made fourteen (14) days in advance.*
- *Magnolia Membership is considered by the Club as a "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 course facilities is subject to the election of either single or family status. Access to the golf courses for Magnolia members is restricted to Monday through Thursday anytime and Friday - Sundays and holidays after Noon only.*
- *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 ("Holly playing fee"). Access to the golf courses for Holly members is restricted to certain times of the day and days of the week. Holly Membership provides for access to the Mid South and Talamore golf courses from Monday through Thursday any time and Friday, Saturday, Sunday and holidays after Noon. Holly Members in all status classifications are restricted to playing the Mid South and Talamore golf course no more than 4 times (aggregate) in any calendar month per membership unless otherwise approved by the Club. Holly Members may make tee times seven (7) days in advance*

What if my spouse does not play golf?

- *The Club offers different dues rates for single and family memberships on its full golf programs. Spouses of members with full golf single membership have social club member privileges.*

May I invite guests to the club?

- *Yes. Having your friends enjoy the Club's facilities with you is a wonderful attribute of Membership to the Club. Therefore, Members are entitled to have guests use the Club facilities in accordance with the Member's Category and / or Membership Program. The Club maintains certain rules and regulations regarding guest use to preserve the exclusivity of the Club.*

May a club member play golf outside the guidelines of his or her membership?

- *Yes. Holly or Magnolia playing golf outside of his or her membership guidelines would be required to pay the club's unaccompanied guest fee.*

How Many Memberships will be offered in the Club?

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

Magnolia 200

Presidential 200

What are some of the special features of Membership?

- *36 Holes of championship golf*
 - *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*
 - *Talamore offers 18 championship holes designed by Rees Jones (4.5 star rating) with a driving range and practice green*
- *Talamore Amenities*
 - *11,000 sq ft clubhouse*
 - *Swimming pool*
 - *Cabana*
 - *Convenient access to the Reservoir Park nature trail system*
- *Mid South Club*
 - *25,000 sq. ft clubhouse*
 - *Member's only third floor clubhouse lounge*
 - *Men's and Ladies Member's only locker rooms*
 - *Junior Olympic Pool*
 - *Kiddie pool*
 - *Jacuzzi*
 - *Tennis courts*
- *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 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. Memberships must be active and in good standing with the Club at the time of transfer. Other provisions apply. Please see further details in the Membership Plan.
- **Club Newsletter & Website**
Members will receive a periodic newsletter and e-mail containing information about events and activities at the Club and other items of interest. Members are able to access club information through the Club's websites located at www.talamoregolfresort.com

What determines eligibility for Membership?

- Membership Categories in the Club are based first on whether the person(s) applying for Membership own property in the Mid South or Talamore Community. Person(s) who do not own property in either the Mid South or Talamore Community may be eligible for a Moore County, Carolinas or National Membership, when and if the club opens these membership categories.

When will the Membership Deposit be repaid to the Member?

- Each person who acquires a Membership may be entitled to receive a refund of the applicable portion of their Membership Deposit, without interest, within 30 days after the reissuance of the Member's resigned Membership by the Club to a new Member. The applicable portion of the Membership Deposit, as determined by the Membership Program, will be refunded, without interest, 30 years from the date of the Member's admission to the Club if the Member does not resign within 30 years.

Who is eligible to acquire a Membership in the Club?

- Memberships will be offered to initial purchasers of property in the Mid South Club and Talamore, and a limited number of non-property owners.

What happens if I do not apply for Membership with prescribed timeframes?

- If you are an Initial Purchaser of a property and do not apply for Membership within 30 days from the date of your closing, the Club is NOT required to make a Membership available to you or any subsequent purchaser of your property.

Properties which have not properly activated a reserved Membership within the prescribed guidelines shall be considered by the Club as a "Dead Lot" with no membership available for transfer to a subsequent owner. If a subsequent owner of a "Dead Lot" property applies for membership and if a membership is made available by the Club for the "Dead Lot," an Initiation Fee shall be required for Membership.

***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.**

Can I arrange to have my Membership transferred to the subsequent purchaser of my property?

- *Yes. Those Members who own property within the community will be permitted to arrange through the Club for the transfer of their Membership to the subsequent purchaser of their property. The subsequent purchaser must be apply and be approved for Membership within 30 days of their closing on the property, pay the required transfer fee and the then required Membership Deposit. At the current time the payment of a Transfer Fee allows for the transfer of a Holly Membership without the payment of additional Membership Deposits.*
- *The ability to arrange for the transfer of a Member's Membership to the purchaser of their property is an important attribute of Membership because, even if there are no Memberships available for issuance in the Club at the time, the subsequent purchaser can nonetheless obtain the seller's Membership through the Club provided the purchaser is approved for Membership.*

Can Members be assessed to cover any operating deficits or capital improvements?

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

What protections are in place so that my rights and privileges as a Member are protected in the event the Club is sold?

- *In the event the Club facilities are ever sold, the existence of the Membership Plan will be disclosed and the purchaser will be required to acquire title to the Club facilities subject to the terms and conditions of the Membership Plan or provide for a refund or other form of repayments of the refundable portion of the Membership Deposit as per the Membership Plan.*

How will the Club keep informed of the desires of the Members?

- *The Club is committed to providing the types of services, programs, activities and events that the Membership is desirous of having. The Club's Advisory Board, comprised of Members of the Club, enables Members to have input on the foregoing items as well as other matters that are of concern to the Members.*

Are private carts allowed?

- *Yes. The Club is offering an "Annual Cart Pass program" which allows for the use of a private cart or use of a club owned cart on the golf course. More information on the private cart program is available at the Club office.*

Will the Club allow non-Member or resort guest play?

- *Mid South Club will be limited to Members, sponsored guests (accompanied and unaccompanied), limited resort guest play from Club designated lodging facilities, special tournaments such as USGA qualifying tournaments, special events, pro-ams, etc. Talamore is a resort golf course and currently has limited restrictions on resort guest use of the Club's facilities.*

- *Mid South Club has made arrangements with a limited number of Pinehurst / Southern Pines area lodging facilities to allow for these lodging facilities to send unaccompanied guests at the discretion of the Club. As the Mid South and Talamore Communities develop and Membership grows, the Mid South Club will limit the access provided to these area-lodging facilities.*
- *It is the Club's intention long term to have access to the Mid South Club facilities be limited to Members and their sponsored guests, in house guests of the Mid South Club and Talamore and some very limited access provided to a small number of area lodging facilities.*

How do I become a Member?

To become a Member of the Club, you must submit to the Club a fully completed and signed Membership agreement and a check in the amount of the required Membership Deposit and dues for the Membership Year. In the event your Membership is not acted upon favorably, any amounts paid to the club for the Membership Deposit or dues will be fully refunded without interest.

What if I have additional questions?

Contact:

John L. McDougald

Director of Golf Operations

Mid South Golf Club & Talamore Golf Club

Phone: (910) 692-5884 ext. 303 or e-mail: www.johnmctalamore@nc.rr.com