

Shoals Club

Membership Agreement

I. INFORMATION

PERSONAL

Applicant's Full Name: _____ Name Called: _____

Birth Date: _____

Spouse's Full Name: _____ Name Called: _____

Birth Date: _____

Anniversary Date: _____

Alma Mater: _____ Spouse's Alma Mater: _____

Home or Mailing Address: _____

Bald Head Island Address and Lot Number: _____

Telephone: _____ Telephone: _____
Home: () _____ Bald Head Island: () _____

E-mail Address: _____ Fax Number: () _____

Unmarried children under the age of 23: _____

<u>Name</u>	<u>Birth Date</u>	<u>Charge Privileges</u>
_____	_____	Yes <input type="checkbox"/> No <input type="checkbox"/>
_____	_____	Yes <input type="checkbox"/> No <input type="checkbox"/>
_____	_____	Yes <input type="checkbox"/> No <input type="checkbox"/>

Extended Family members: (Children not listed above, parents, grandparents and grandchildren and great-grandchildren who will have extended family privileges based on the extended family provision described in the membership plan documents.) See Schedule of Dues, Fees and Charges.

	<u>Name</u>	<u>Relationship</u>
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____
6.	_____	_____
7.	_____	_____
8.	_____	_____
9.	_____	_____
10.	_____	_____

BUSINESS

Applicant's Company Name: _____ Title: _____

Business Address: _____

Telephone: () _____ ☐ Retired

Fax Number: () _____ E-mail Address: _____ Website: _____

Spouse's Company Name: _____ Title: _____

Spouse's Business Address: _____

Telephone: () _____ ☐ Retired

Fax Number: () _____ E-mail Address: _____ Website: _____

BANKING RELATIONS

1. Name of Institution: _____ Address: _____

Officer to Contact: _____ Telephone: () _____

2. Name of Institution: _____ Address: _____

Officer to Contact: _____ Telephone: () _____

CLUB REFERENCES

1. Name of Club/Organization: _____ Year Accepted: _____

Type: _____ Address: _____

Telephone: () _____ Contact Person: _____ ☐ Present Member

2. Name of Club/Organization: _____ Year Accepted: _____

Type: _____ Address: _____

Telephone: () _____ Contact Person: _____ ☐ Present Member

PERSONAL REFERENCES

1. Name: _____ Address: _____

Years Known: _____ Telephone: () _____

2. Name: _____ Address: _____

Years Known: _____ Telephone: () _____

II. PURCHASE OF MEMBERSHIP

I hereby apply for membership in the Shoals Club (the "Shoals Club"):

<u>MEMBERSHIP CATEGORY</u>	<u>MEMBERSHIP DEPOSIT</u>	<u>AMOUNT PAID WITH AGREEMENT</u>	<u>AMOUNT OWED</u>
Shoals Club Membership	\$ _____	\$ _____	\$ _____

I agree to pay the membership deposit in the above amount as follows (please check the appropriate box for your selection):

☐ I am paying the membership deposit in full. A check in the amount of \$ _____ is submitted with this Membership Agreement.

☐ I am paying the membership deposit in installments as follows.

- (a) 25% or \$ _____ payable with this Membership Agreement; and
- (b) the remaining balance in 3 annual installments in accordance with the terms of a separate Promissory Note.

I hereby agree to pay to the Shoals Club the membership deposit, including any applicable sales tax, or other taxes, for the membership selected.

I hereby acknowledge that if I fail to pay the balance owing described above as and when due, then the membership shall automatically terminate at the option of the Shoals Club and the Shoals Club shall be entitled to retain any portion of the membership deposit previously paid as liquidated damages and not as a penalty and shall have no obligation to refund the membership deposit or any portion thereof, whereupon I shall be released from all liability hereunder, provided the Shoals Club shall have such other remedies as shall be available at law or in equity based upon my failure to make the required payment in a timely manner.

Membership is contingent upon approval by the Shoals Club, which approval shall be at its discretion. Upon signing this Agreement, I authorize the disclosure and release of information to the Shoals Club for investigating my qualifications for membership, including my credit history and law enforcement records, and agree to hold the Shoals Club harmless from any and all such acts.

III. PAYMENT OF DUES, FEES AND CHARGES

I hereby agree to pay to the Shoals Club the membership dues, including any applicable sales tax, or other taxes, for the membership selected. The current amount of dues for the membership is described on a separate Schedule of Dues, Fees and Charges, and is subject to change.

I hereby acknowledge that all dues, fees and charges will be billed to my credit card listed below and hereby authorize such billing.

I certify that the below listed card is issued to me and agree that all disputes on my credit card account relating to the Shoals Club will be promptly brought to the Shoals Club's attention. I understand that I am obligated to keep a valid approved credit card on file with the Shoals Club at all times and that I am responsible for any amounts that are not paid by the credit card company.

Credit Card Type: _____

Credit Card Number: _____

Exp. Date: _____

Cardholder Signature: _____

In the event that any amounts owed to the Shoals Club are not paid on a timely basis, I understand that I may be charged a late payment charge in accordance with the Rules and Regulations.

IV. REFUND OF MEMBERSHIP DEPOSIT

The membership deposit paid by a member will be refunded, without interest, by the Shoals Club to the member within 30 days after the reissuance of the resigned membership by the Shoals Club to a new member, in accordance with the "Reissuance of Membership" provision in the Membership Plan.

The membership deposit paid by a member will be refunded, without interest, by the Shoals Club to the member 30 years after the date the membership is issued by the Shoals Club if the member does not resign within 30 years.

The obligation to repay the membership deposit shall be subject to set-off for all amounts due under the Shoals Club Membership Plan and Rules and Regulations which remain unpaid upon the repayment of the membership deposit. The membership deposit may be prepaid in whole or in part at any time without penalty or premium.

V. ACKNOWLEDGMENT OF MEMBERSHIP RIGHTS

I acknowledge that membership in the Shoals Club permits the member to use the Shoals Club Facilities referred to in the Membership Plan in accordance with the Membership Plan and Rules and Regulations. Membership in the Shoals Club is not an investment in the Company referred to in the Membership Plan, or the Shoals Club Facilities, and does not give a member a vested or prescriptive right or easement to use the Shoals Club Facilities. Membership in the Shoals Club does not provide a member with an equity or ownership or any other property interest in the Company or the Shoals Club Facilities. A member only acquires a revocable license to use the Shoals 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 this Membership Agreement. All rights and privileges of members under the Membership Plan, the Rules and Regulations and this Membership Agreement are subordinate to the lien of any mortgage encumbering the Shoals Club Facilities from time to time.

The Company reserves the right, in its sole discretion, to terminate or modify the Membership Plan and the Rules and Regulations, to reserve memberships, to sell, lease or otherwise dispose of the Shoals Club Facilities in any manner whatsoever and to any person whomsoever, to add, issue, modify or terminate any type or 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 Shoals Club Facilities, to convert the Shoals Club into a member-owned club, and to make any other changes in the terms and conditions of the membership or the Shoals Club Facilities available for use by members subject to the terms of the Shoals Club Agreement described in the Membership Plan. Notwithstanding anything to the contrary, prior to equity conversion, the Shoals Club may not change a member's right to a refund of the membership deposit or the right to arrange for the membership to be reissued by the Shoals Club to the subsequent purchaser of his or her home in accordance with the "Reissuance of Membership" section of the Membership Plan, provided that the purchaser is a member of Bald Head Island Club.

In the event of termination of the Membership Plan, termination of any category of membership, recall of a membership or the discontinuance of operation of all or substantially all of the Shoals Club Facilities, the affected members will be entitled to a refund of the membership deposit paid within 30 days. In the event that the Shoals Club Facilities are sold and the buyer assumes liability for the repayment of the membership deposit, the undersigned shall look solely to the new owner for repayment of the membership deposit and the seller of the Shoals Club Facilities shall be released from all liability for the repayment thereof. In the event of a sale of the Shoals Club Facilities, the buyer shall take title subject to the terms and provisions of the then existing Membership Plan. Neither the Company nor its affiliates shall have any liability whatsoever to the members in the event the Shoals Club Facilities are not constructed other than the return of the member's membership deposit, without interest.

I hereby acknowledge that the use of the Shoals Club Facilities and any privilege or service incident to membership is undertaken with knowledge of risk of possible injury. I hereby accept any and all risk of injury to myself, my guests and my family sustained while using the Shoals Club Facilities or while involved in any event or activity incident to membership in the Shoals Club. I agree to release and indemnify The Shoals Club on Bald Head Island, LLC (the "Company"), any manager of the Shoals Club Facilities, their affiliates, their successors and assigns and their respective directors, officers, partners, members, shareholders, employees, representatives and agents and the members of the advisory Board of Governors of the Shoals Club and any committee in accordance with the provisions of the Rules and Regulations of the Shoals Club.

VI. CONVERSION TO EQUITY MEMBERSHIP PROGRAM

I acknowledge that the Company has reserved the right to convert the Shoals Club to an equity member-owned club in its sole and absolute discretion, but is not obligated to do so. If and when the Shoals Club is converted to an equity member-owned club, I may acquire an equity membership in the category which corresponds to that applied for herein during the initial offering period of equity memberships which will not be less than 60 days, for the following additional payment:

<u>MEMBERSHIP CATEGORY</u>	<u>ADDITIONAL AMOUNT DUE AT CONVERSION FOR EQUITY MEMBERSHIP</u>
Shoals Club Membership	\$5,000.00 plus interest at 7% per annum, compounded annually, from July 27, 2004 to conversion

The additional amount due at conversion stated above will be subject to increase at the rate of seven (7%) percent per annum, compounded annually, from July 27, 2004 (that being the date of issuance of the original certificate of occupancy for the Shoals Club clubhouse) until the date of conversion to an equity club, and the additional amount due as set forth above shall be increased accordingly.

Upon resignation of the equity membership by the member and reissuance of the membership to a successor member who has paid the required membership contribution, the member shall be entitled to receive an amount equal to the greater of seventy-five percent (75%) of the amount of the membership contribution then required to be paid for an equity membership or the amount originally paid by the equity member for the membership. Any amount that the resigned member owes the Shoals Club will be deducted from the amount to be paid to the resigned member.

I acknowledge that the conversion of the Shoals Club to an equity member-owned club will eliminate the obligation of the Shoals Club to refund the membership deposit as hereinabove provided should I choose to convert to an equity membership.

I understand that if I choose not to convert to equity membership, I may continue my membership privileges as a non-equity member in the same category of membership in accordance with the Plan for the Offering of Equity Memberships and Rules and Regulations. However, I further understand and acknowledge that my membership can be recalled at any time. I will be entitled to a refund of the membership deposit within 30 days after the effective date of the recall. I also acknowledge that in the event the subsequent purchaser of my home in Bald Head Island, North Carolina community desires a membership, a qualified subsequent purchaser must acquire an equity membership. The qualified subsequent purchaser is guaranteed the availability of an equity membership for a period of 30 days after the date of resignation. The qualified subsequent purchaser must be approved for membership and pay the required membership contribution for the equity membership.

Further, if I do not convert to equity membership and my membership has not yet been recalled, the membership deposit will be refunded at the earlier of (i) 30 years after the date the membership is issued by the Shoals Club, or (ii) within 30 days after resignation of my membership and sale of a new equity membership, on the same basis as stated in the Membership Plan with respect to the resignation and reissuance of non-equity memberships, with a wait list of both equity and non-equity memberships.

VII. MEMBERSHIP PLAN DOCUMENTS

I hereby acknowledge receipt of the Shoals Club Membership Plan and Rules and Regulations and that I have read and understand them, and agree to be bound by the terms and conditions thereof as the same may be amended from time to time by the Shoals Club including any qualifications for membership therein. I further acknowledge that I am not relying on any oral representations in acquiring a membership in the Shoals Club.

This Membership Agreement may not be amended or modified, nor shall any waiver of a provision hereof be effective, except by an instrument in writing executed by the member and the Shoals Club. This Membership Agreement shall be governed by and construed and enforced in accordance with the laws of the State of North Carolina without giving effect to principles of conflicts of law.

All information contained within this Membership Agreement will be kept confidential by the Shoals Club and/or the Company, except in the ordinary course of operations or as required by law.

If the prospective member is married, the signatures of both spouses are required.

An Addendum to this Agreement ☐ is/☐ is not attached.

The membership acquired hereunder shall be issued in the name of:

☐ applicant ☐ applicant and spouse ☐ entity

Dated: _____, 20____

Applicant's Signature

Printed Name

Dated: _____, 20____

Spouse's Signature

Printed Name

This Membership Agreement shall not be binding on the Shoals Club until the acceptance below is signed.

ACCEPTED BY

THE SHOALS CLUB ON BALD HEAD ISLAND , LLC

By: _____
Authorized Representative

Printed Name: _____

Dated: _____, 20____

**SHOALS CLUB MEMBERSHIP OFFICE
88 KEELSON ROW
BALD HEAD ISLAND, NORTH CAROLINA 28461
(800) 722-6450 or (910) 457-7334**