



Schaffer's Mill
MARTIS VALLEY

**SCHAFFER' S MILL CLUB
MEMBERSHIP PLAN**

LAST UPDATED: DECEMBER 2015

INTRODUCTION TO THE SCHAFER'S MILL CLUB CLUB MEMBERSHIP PLAN

MEMBERSHIP OPPORTUNITY

This Club Membership Plan offers persons an opportunity to acquire a non-equity Membership in Schaffer's Mill Club (the "**Club**"). The Club is located among the residential communities developed or to be developed within the boundaries of the Schaffer's Mill Community (the "**Community**").

CLUB FACILITIES

The "**Club Facilities**" are intended to include the following:

- Golf course.* The 18-hole Johnny Miller and John Harbottle championship golf course at Schaffer's Mill is the centerpiece of the Club and the Community.
- Golf practice facilities.* A practice facility including a driving range, a practice chipping area, and a putting green.
- Clubhouse.* The clubhouse will be designed to be approximately 12,000+ square feet and will include dining areas and a lounge, along with a traditional golf pro shop and locker rooms.
- Tennis facilities.* The tennis facilities will include two courts.
- Aquatic center.* An aquatic center is planned, including a pool, spa, snack bar, changing rooms and day lockers.
- Fitness/Spa facilities.* The fitness/spa facilities, to be located within the clubhouse will offer fitness equipment, including weights and cardiovascular equipment.

* The golf course, practice facilities, and the North Village of the clubhouse have been completed. The facilities may not be constructed if the membership sales levels are not achieved. Therefore, no person should rely on the construction of such facilities in determining whether to purchase a residence or homesite or a membership in the Club.

Construction of Club Facilities

The construction of Club Facilities will be subject to obtaining the necessary approvals and permits, as well as delays due to weather or unforeseen casualty. The membership enrollment fees shall be held in escrow or security shall be provided for the completion of the Club Facilities as hereinafter provided.

Additional Club Facilities

The Club may, in its sole discretion, expand the Club Facilities or add additional facilities either on or off-site, as it determines appropriate from time to time. If additional facilities are added to the Club Facilities or the Club Facilities are expanded, the number of memberships issued in the Club may be increased. The Club may, in its discretion, allow all members to use the additional Club Facilities, increase dues for all members or certain categories of membership to pay the additional costs associated with the additional Club Facilities, or give members the option to use the Club Facilities upon payment of an additional membership enrollment fee and/or additional membership dues.

CATEGORIES OF MEMBERSHIP

The following categories of Membership are currently intended to be offered by the Club: Ambassador Membership; Proprietary Membership, Designate Membership, Social Membership, Homestead Membership, Invitational Membership, Associate Membership, Founders Membership and Honorary Membership, and Master Memberships (all current, discontinued and future Membership categories collectively and individually referred to as "**Memberships**"). Each category of Membership will entitle the Member to use the Club Facilities in accordance with the terms and conditions of this Club Membership Plan. Ancillary memberships may also be made available from time to time as provided in this Club Membership Plan. The Club may add or discontinue categories of Membership from time to time.

FOLLOW THESE PROCEDURES TO APPLY FOR MEMBERSHIP PRIVILEGES

Persons who desire to obtain a Membership should mail or deliver to the Club a completed and signed Application for Membership and Membership Agreement ("**Membership Application and Agreement**"), together with the required Club Enrollment Fee.

MEMBERSHIP DIRECTOR AVAILABLE TO ANSWER INQUIRIES

All inquiries regarding membership in the Club or this Membership Plan and referenced documents should be directed to the Membership Director at:

Membership Office
Schaffer's Mill Club
Email: membership@schaffersmill.com
Phone: 530-582-6964

RELY ONLY ON INFORMATION IN THE MEMBERSHIP PLAN PACKAGE

THIS MEMBERSHIP PLAN PACKAGE INCLUDES THE INTRODUCTION, GENERAL DESCRIPTION OF CLUB MEMBERSHIP PLAN, THE CLUB MEMBERSHIP FEE SCHEDULES AND PRIVILEGES FOR THE CURRENT MEMBERSHIP YEAR, THE CLUB MEMBERSHIP PLAN SUMMARY, THE CLUB'S MEMBERSHIP APPLICATION AND AGREEMENT AND THE CLUB RULES & REGULATIONS.

NO PERSON HAS BEEN AUTHORIZED BY THE CLUB TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION NOT CONTAINED IN THIS MEMBERSHIP PACKAGE AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE CLUB. IN THE EVENT OF A CONFLICT AMONG THE DOCUMENTS CONTAINED IN THE MEMBERSHIP PACKAGE, AND OTHER PRINTED MATERIALS OR ORAL REPRESENTATIONS, THE GENERAL DESCRIPTION OF CLUB MEMBERSHIP PLAN SHALL GOVERN AND CONTROL.

MEMBERSHIPS IN THE CLUB ARE PROVIDED ONLY FOR RECREATIONAL PURPOSES

MEMBERSHIPS AT THE CLUB ARE BEING PROVIDED EXCLUSIVELY FOR THE PURPOSE OF PERMITTING PERSONS RECEIVING A MEMBERSHIP TO OBTAIN ACCESS TO LIMITED RECREATIONAL USE OF THE CLUB FACILITIES. MEMBERSHIPS SHOULD NOT BE VIEWED OR ACQUIRED AS AN INVESTMENT AND NO PERSON PURCHASING A MEMBERSHIP SHOULD EXPECT TO DERIVE ANY ECONOMIC PROFITS, FINANCIAL BENEFITS OR OTHER TANGIBLE OR INTANGIBLE BENEFIT FROM MEMBERSHIP IN THE CLUB. THE CLUB IS OWNED AND OPERATED PRIVATELY. MEMBERSHIP IN THE CLUB DOES NOT CONVEY ANY INTEREST, OWNERSHIP, EQUITY OR PROPERTY RIGHTS. MEMBERSHIP DOES NOT CONVEY ANY VOTING RIGHTS, ANY MANAGEMENT RIGHTS, OR ANY VESTED INTEREST OR RIGHTS IN THE CLUB, THE CLUB OWNER, THE CLUB MANAGER, THE CLUB MEMBERSHIP PLAN OR THE CLUB FACILITIES.

MAKE YOUR OWN EVALUATION OF THE MERITS OF BECOMING A MEMBER

NO FEDERAL, STATE OR GOVERNMENTAL AUTHORITY AND NO INDEPENDENT CLUB INDUSTRY REVIEWER HAS PASSED UPON OR ENDORSED THE MERITS OF THIS CLUB MEMBERSHIP PLAN.

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GENERAL DESCRIPTION OF CLUB MEMBERSHIP PLAN

THE CLUB WILL IMPLEMENT THIS CLUB MEMBERSHIP PLAN

The Club Owner proposes to implement this Club Membership Plan for the issuance of non-equity Memberships, pursuant to which Members, and their respective families and guests, and non-Members will be permitted to use the Club Facilities as described below.

DESCRIPTION OF THE CLUB FACILITIES

The "Club Facilities" are intended to include the following:

- Golf course.* The 18-hole Johnny Miller and John Harbottle championship golf course at Schaffer's Mill is the centerpiece of the Club and the Community.
- Golf practice facilities.* A practice facility including a driving range, a practice chipping area, and a putting green.
- Clubhouse.* The clubhouse will be designed to be approximately 12,000+ square feet and will include dining areas and a lounge, along with a traditional golf pro shop and locker rooms.
- Tennis facilities.* The tennis facilities will include two courts.
- Aquatic center.* An aquatic center is planned, including a pool, spa, snack bar, changing rooms and day lockers.
- Fitness/Spa facilities.* The fitness/spa facilities, to be located within the clubhouse will offer fitness equipment, including weights and cardiovascular equipment.

* The golf course, practice facilities, and the North Village of the clubhouse have been completed. The facilities may not be constructed if the membership sales levels are not achieved. Therefore, no person should rely on the construction of such facilities in determining whether to purchase a residence or homesite or a membership in the Club.

Construction of Club Facilities

The construction of Club Facilities will be subject to obtaining the necessary approvals and permits, as well as delays due to weather or unforeseen casualty. The membership enrollment fees shall be held in escrow or security shall be provided for the completion of the Club Facilities as hereinafter provided.

OWNERSHIP OF THE CLUB FACILITIES

THE CLUB FACILITIES ARE PRIVATELY OWNED BY THE CLUB OWNER. MEMBERSHIP IN THE CLUB DOES NOT CONVEY ANY INTEREST, OWNERSHIP, EQUITY OR PROPERTY RIGHTS IN THE CLUB OR CLUB FACILITIES. MEMBERSHIP DOES NOT CONVEY ANY VOTING RIGHTS, ANY MANAGEMENT RIGHTS, OR ANY VESTED INTEREST OR RIGHTS IN THE CLUB, THE CLUB OWNER, THE CLUB MANAGER, AND THE PROVISIONS OF THE CLUB MEMBERSHIP PLAN OR THE CLUB FACILITIES.

DESCRIPTION OF MEMBERSHIP

CATEGORIES OF MEMBERSHIP OFFERED IN THE CLUB

The following categories of Membership are presently offered in the Club: Ambassador Membership, Proprietary Membership, Designate Membership, Social Membership, Homestead Membership, Invitational Membership, Associate Membership, Founders Membership, Homestead Membership, Honorary Membership, and Master Membership (all current, discontinued and future Membership categories collectively and individually referred to as "Memberships"). Each Membership in the Club will be a non-equity Membership and will not entitle the Member to any equity or ownership interest in the Club or the Club Facilities, will not entitle any Member the right to vote on any Club matters, and will not grant any Member vested rights in the Club or Club Facilities. The Memberships offered by the Club are limited non-exclusive licenses providing limited use of the Club Facilities pursuant to the terms of the Club Membership Plan. Additional memberships and use rights may also be made available from time to time as provided in this Club Membership Plan. The Club may add or discontinue Membership categories from time to time.

DESCRIPTION OF MEMBERSHIP PRIVILEGES

Each person who acquires a Membership in the Club will be entitled, during the duration of the Membership, to use the Club Facilities in accordance with his or her category of Membership, the terms and conditions of this Club Membership Plan and the then applicable Club Membership Fee Schedules. The Club reserves the right in its sole and absolute discretion and without prior notice to modify the Club Membership Fee Schedules at any time and from time to time. The Club may issue Memberships in the following categories, each having special privileges and benefits, which may be modified by the Club Owner in its sole and absolute discretion at any time and from time to time. The Membership privileges currently associated with each category of Membership in the Club will be as follows:

AMBASSADOR MEMBERSHIP

Each person who acquires an Ambassador Membership in the Club ("Ambassador Member") will be entitled to the Special Provisions as outlined in Exhibit "A," as amended from time to time.

PROPRIETARY MEMBERSHIP

Each person who acquires a Proprietary Membership in the Club (“Proprietary Member”) will be entitled to the Special Provisions as outlined in Exhibit “B,” as amended from time to time.

DESIGNATE MEMBERSHIP

Each person who acquires a Designate Membership in the Club (“Designate Member”) will be entitled to the Special Provisions as outlined in Exhibit “C” as amended from time to time.

SOCIAL MEMBERSHIP

Each person who acquires a Social Membership in the Club (“Social Member”) shall be entitled to the Special Provisions as outlined in Exhibit “D,” as amended from time to time.

INVITATIONAL MEMBERSHIP

Each person who acquires an Invitational Membership in the Club (“Invitational Members”) shall be entitled to the Special Provisions as outlined in Exhibit “E,” as amended from time to time.

ASSOCIATE MEMBERSHIP

Each person who acquires an Associate Membership in the Club (“Associate Member”) will be entitled to the Special Provisions as outlined in Exhibit “F,” as amended from time to time.

HOMESTEAD MEMBERSHIP

Each person who acquires a Homestead Membership in the Club (“Homestead Member”) will be entitled to the Special Provisions as outlined in Exhibit “G,” as amended from time to time. The Homestead Membership may also be referred to as the “Social & Sport Membership” in Club marketing materials.

FOUNDERS MEMBERSHIP

Each person who acquires a Founders Membership in the Club (“Founders Member”) will be entitled to the Special Provisions as outlined in Exhibit “H,” as amended from time to time.

HONORARY MEMBERSHIP

Each person who acquires an Honorary Membership in the Club (“Honorary Member”) will be entitled to the Special Provisions as outlined in Exhibit “I,” as amended from time to time.

HOMESTEAD DESIGNATE MEMBERSHIP

Each person who acquires a Homestead Designate Membership in the Club (“Homestead Designate Member”) will be entitled to the Special Provisions as outlined in Exhibit “J”, as amended from time to time. The Homestead Membership may also be referred to as the “Social & Sport Membership” in Club marketing materials.

YOUNG EXECUTIVE MEMBERSHIP

Each person who acquires a Young Executive Membership in the Club (“Young Executive Member”) will be entitled to the Special Provisions as outlined in Exhibit “K”, as amended from time to time.

MASTER MEMBERSHIP

Each person who acquires a Master Membership in the Club (“Master Member”) will be entitled to the Special Provisions as outlined in Exhibit “L”, as amended from time to time.

THE CLUB MAY ESTABLISH RULES AND REGULATIONS REGARDING USE OF THE CLUB FACILITIES

In order to match the changing needs and desires of the Club, the Club Owner reserves the right, in its sole and absolute discretion, at any time and from time to time, to modify or change the existing categories of Membership, add additional Membership categories, modify Membership privileges, modify advance sign-up privileges, the right to use the Club Facilities and the guest privileges and adopt and amend from time to time rules, regulations, policies, guidelines, or systems governing use of, access to or reservation of the Club Facilities and Member relations (“**Rules & Regulations**”). The Club Owner reserves the right to make exceptions to or grant waivers from any provisions of the Rules and Regulations based on hardship or other reason as the Club Owner determines in its discretion, provided such exceptions or waivers shall not act as precedent for other Member’s requests or provide any vested rights to a Member to the same exception or waiver.

LIMIT ON THE NUMBER OF MEMBERSHIPS

The Club Owner intends to limit the total number of Memberships permitted to be issued in the Club and to limit the total number of Memberships permitted to be issued in each category. The initial limits for each category of Membership are set forth on the Special Provisions for each Membership category. These limits shall be determined and amended by the Club from time to time, and at any time, in its sole and absolute discretion.

FAMILY PRIVILEGES

USE OF THE CLUB FACILITIES BY FAMILY MEMBERS

A Member's Immediate Family Members will be entitled to use the Club Facilities in accordance with the Member's category of Membership without the payment of additional fees. A Member's Extended Family Members may use the Club Facilities in accordance with the Member's category of Membership upon payment of preferred fees.

Privileges for Individual Living with Member

A member living together with another individual in the same household as a family unit may designate the other individual on a membership year basis to use the Club Facilities as an immediate family member. The total number of adults, other than children, who may have immediate family privileges, is limited to two adults per membership. The member and the designated user shall be individually and jointly responsible for the payment of all charges and fees incurred by the designated user. The Club reserves the right to establish such fees and other rules and require the member and designated user to submit such information as the Club deems appropriate.

Extended Family Privileges

A member's extended family will be permitted to use the Club Facilities in accordance with the member's category of membership upon payment of preferred fees. The extended family shall include the parents, children who do not fall within the definition of immediate family, grandparents, siblings, grandchildren and great-grandchildren of the member and spouse and the spouses of such family members. The Club may modify or terminate this privilege and establish such rules with respect thereto as it may determine from time to time.

Legacy Privileges

Members may apply for Legacy Privileges for their adult children under the age of forty (40) who do not own a residence or homesite in the Community ("Legacy Privileges"). Legacy Privileges may be limited in number and will be granted on a first come, first serve basis. Persons who apply for Legacy Privileges will be required to provide proof of

their relationship to the member, be approved by the Club and pay the required membership dues as may be established from time to time by the Club; however, they will not be required to pay the membership Enrollment Fees charged by the Club. Legacy Privileges will entitle the child and his or her immediately family to use the Club Facilities in accordance with the parent's category of membership, or a lower category of membership if desired. Legacy Privileges shall expire upon the earlier of (i) the resignation of the parent's membership, (ii) the member's child or the child's spouse attaining the age of forty (40), or (iii) the child's purchase of a residence or homesite in the Community. Upon termination of Legacy Privileges, a membership must be acquired in order to continue membership use privileges in the Club. A person with Legacy Privileges will not be counted as a membership for purposes of the number of memberships permitted to be issued in any category of membership. The Club may modify or terminate these privileges and establish such rules with respect thereto as it may determine from time to time.

GUEST PRIVILEGES

USE OF THE CLUB FACILITIES BY A GUEST OF A MEMBER

Members will be entitled to have accompanied and unaccompanied guests use the Club Facilities in accordance with the Member's category of Membership and the Rules and Regulations of the Club. 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 within the customary billing and collection procedures of the Club, including any applicable daily guest fees established by the Club from time to time. Members will be responsible for the conduct and deportment of their guests and any losses, damages and liabilities caused or resulting from the conduct and deportment of their guests.

CLUB ENROLLMENT FEE

CLUB ENROLLMENT FEE REQUIRED TO ACQUIRE A MEMBERSHIP

Each person/entity that acquires a Membership in the Club will be required to pay the non-refundable Club Enrollment Fee to the Club in the amount in effect at the time of issuance of the applicable category of Membership. The Club will determine the amount of the required Club Enrollment Fee from time to time. Pending opening of the Clubhouse Facilities, Club Enrollment Fees will be held in escrow by a financial institution or other independent escrow agent pursuant to an Escrow Agreement for Club Enrollment Fees. If the Club provides security ensuring completion of the Clubhouse or a refund of amounts paid in respect of a Membership in the Club if the Clubhouse Facilities are not completed or if completion of the Clubhouse Facilities is otherwise assured as more particularly provided in the Escrow Agreement for Club Enrollment Fees, the escrow agent is authorized to release amounts held in escrow, all as more particularly provided in the Escrow Agreement for Club Enrollment Fees. A copy of the Escrow Agreement for Club Enrollment Fees will be available for review in

the Membership Office. The Club may from time to time in its discretion provide certain Membership applicants options for payment of Club Enrollment Fees, which options may be revised or discontinued without notice. Not all Membership applicants may be eligible for such payment options.

TAX CONSEQUENCES OF ACQUIRING A MEMBERSHIP IN THE CLUB

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 Club Enrollment Fees, dues and charges 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 Club Enrollment Fees, dues and charges paid to the Club.

ISSUANCE OF MEMBERSHIPS

ISSUANCE OF MEMBERSHIPS

MEMBERSHIPS WILL BE MADE AVAILABLE FOR ACQUISITION TO SUCH PERSONS/ENTITIES AS THE CLUB DETERMINES APPROPRIATE FROM TIME TO TIME. THE CLUB MAY, IN ITS SOLE AND ABSOLUTE DISCRETION, LIMIT THE NUMBER OF MEMBERSHIPS AVAILABLE IN THE CLUB OR IN ANY CATEGORY OF MEMBERSHIP AS THE CLUB DETERMINES APPROPRIATE FROM TIME TO TIME. ACCORDINGLY, A PERSON'S ABILITY TO ACQUIRE A MEMBERSHIP SHALL BE SUBJECT TO THE CLUB'S SOLE AND ABSOLUTE DISCRETION AND AVAILABILITY FROM TIME TO TIME.

RESERVED MEMBERSHIPS

ALL OF THE UN-ISSUED MEMBERSHIPS WILL BE RESERVED BY THE CLUB AND WILL NOT BE CONSIDERED TO BE AVAILABLE MEMBERSHIPS IN THE CLUB. THE CLUB MAY NOT BE COMPELLED TO ISSUE A RESERVED MEMBERSHIP. THE CLUB MAY ISSUE A RESERVED MEMBERSHIP TO ANY PERSON/ENTITY WHOM THE CLUB, IN ITS SOLE AND ABSOLUTE DISCRETION, DETERMINES APPROPRIATE FROM TIME TO TIME.

USE OF MEMBERSHIP PRIVILEGES PRIOR TO CLOSING ON PROPERTY PURCHASE

The Club Owner may, in its sole and absolute discretion, allow a contract purchaser of a residential unit or lot in the Community to temporarily enjoy Proprietary or Social Membership privileges prior to the closing on his or her residential unit or lot, provided such contract purchaser has made application to the Club for a Proprietary or Social Membership and has been approved for membership by the Club. Prior to such use, the person will be required to pay such temporary Membership dues, fees and other charges established by the Club Owner from time to time for contract purchasers. In the event the contract purchaser does not close on the residential unit or lot, the Club Owner will terminate the temporary Proprietary or Social Membership privileges and may, but shall not be obligated to, return to the person any unused portion of any dues

and charges paid by the person in advance. In the event the contract purchaser closes on the residential unit or lot, the contract purchaser shall complete all membership application requirements within ninety (90) days of closing on the residential unit or lot.

RESIGNATION AND RE-ISSUANCE OF MEMBERSHIPS

Memberships are not transferable or saleable, other than through the Club. A Member may resign his Membership at any time.

Members who desire to resign their Memberships must give the Club written notice that their Membership is being resigned and is available for the Club to reissue to a new Member. The resignation will not become effective until the date the resigned Member pays all outstanding Member Charges and other debts and obligations owed to the Club. Upon the effective date of the resignation, all Membership rights terminate and the Member's obligations to pay future Club Annual Dues terminate, provided there shall be no refund or proration of Annual Dues paid to the Club upon resignation.

If a Member fails to pay required Member Charges or other debts and obligations for a period of three (3) months, the Member's Membership shall be deemed resigned, and all outstanding Member Charges and other debts and obligations shall remain due and owing to the Club, together with interest at the rate of one and one-half percent (1.5%) per month. At such time as the resigned Member's outstanding Member Charges, other debts and obligations and accrued interest have been paid in full, the resigned Member may apply for a new Membership in accordance with the Membership application procedures in this Membership Plan.

Re-issuance of a Membership to a new Member does not waive or release any outstanding and accrued debts or obligations of the resigned Member to the Club.

RECLASSIFICATION OF MEMBERSHIP CATEGORY

In the event an Ambassador Member, Proprietary Member, or Designate Member ceases residency in the Community and desires to retain his/her Membership, the Member's Membership shall automatically be re-classified as either an Invitational Membership or an Associate Membership, at the election of the Member, subject to availability. In the event the Member opts to be re-classified as an Invitational Member, the Member shall pay the Club the difference between the amount of the Enrollment Fee and Member Charges the Member paid the Club for its then current Membership and the amount of the Invitational Membership Club Enrollment Fee and Member Charges at the time of re-classification, if any. In the event the Member opts to be re-classified as an Associate Member, then no further payment of Enrollment Fees shall be required from the Member. In the event no election is made by the Member within thirty (30) days of ceasing residency in the Community, the Member shall be deemed to have elected to be re-classified as an Associate Member. Upon re-classification, the

Member shall have the rights and obligations attendant to the re-classified Membership category.

UPGRADES/CONVERSIONS

A Social Member desiring to upgrade to a different Membership may do so only if the other Membership is available as determined by the Club. The Social Member will pay the Club difference between the then current Enrollment Fee and Member Charges for the upgraded Membership, and the Enrollment Fee and Member Charges paid by the Member for the Social Membership.

An Invitational Member may convert its Membership to a Proprietary Membership upon acquiring a home or lot in the Community. The Invitational Member shall not be required to pay any additional Enrollment Fee or Member Charges for the Proprietary Membership, and shall receive a refund of any difference between the Enrollment Fee initially paid by the Invitational Member and the then current Enrollment Fee for a Proprietary Membership, if the then current Proprietary Membership Enrollment Fee is lower.

An Associate Member may convert its Membership to a Proprietary Membership upon acquiring a home or lot in the Community. The Associate Member will pay the Club the difference between the then current Enrollment Fee and Member Charges for a Proprietary Membership and the Enrollment Fee and Member Charges paid by the Member for the Associate Membership.

Any Member wishing to obtain a Master Membership may do so provided they meet the requirements defined within Exhibit K.

TRANSFER OF MEMBERSHIP UPON THE MEMBER'S DEATH

Upon the death of a Member without a spouse or legal partner having Membership privileges, deceased Member's Estate, the Trustee of a Member's Trust, or other legal successor or representative authorized to act on behalf of the deceased Member, as applicable (collectively, the "Member's Representative") shall be deemed to have succeeded to the Member's Membership and Membership rights and obligations.

Upon the death of a Member, the spouse or legal partner having Membership privileges or the Member's Estate or other legal successor or representative authorized to act on behalf of the deceased member ("Member's Representative"), may elect, by giving written notice to the Club within sixty (60) days after the date of death transfer the Membership to the spouse or legal partner or legal heir or appointee of the deceased Member without having to pay any additional Club Enrollment Fee, and the Member's Representative shall be deemed to have consented to such election and transfer of Membership. If no written election is received by the Club within sixty (60) days, the deceased Member and the Member's Representative shall be deemed to have

submitted a written notice of resignation as of the date of death, subject to the terms and conditions provided under "Resignation and Re-Issuance of Memberships" above.

Except as expressly set forth above, a Membership and Membership privileges shall not transfer or be assigned by automatic operation of law, inheritance, devise or otherwise to any third party, including a Member's children, upon death of a Member.

Notwithstanding the date of death of a Member, Annual Dues for the Membership shall be due and owing for the Club year in which the Member's death occurs without proration or refund.

SEPARATION, DIVORCE AND REMARRIAGE

In the event that spouses or legal partners having Membership privileges are separated or divorced by order of a court or legally enforceable separation agreement, retention of the Membership will be held by the spouse or legal partner who is awarded the Membership in the court order or separation agreement, and said spouse or legal partner shall then be deemed the Member in connection with that Membership, with the other spouse or legal partner then not having any Membership privileges or any other rights with respect to the Membership. In the event the court order or separation agreement does not award Membership to one or the other spouse or legal partner, then the Membership shall be deemed terminated as of the date of the order or separation agreement, and neither spouse or legal partner shall have any rights with respect to the Membership.

The above notwithstanding, the Club Owner reserves the right, in its sole and absolute discretion, not to transfer the Membership if the Club Owner, in its sole and absolute discretion, is uncertain as to which spouse or legal partner is lawfully entitled to the Membership, in which event the Club Owner may determine that the Membership is terminated as provided above, or may determine to maintain the status quo until legal entitlement can be resolved to the satisfaction of the Club Owner. Until a determination is made by the Club Owner, each spouse or legal partner will be responsible, jointly and severally, for the payment of all Member Charges and Special Use Fees in connection with the Membership, and both will be eligible to use and enjoy the Club Facilities in accordance with their Membership privileges so long as all Member Charges and Special Use Fees are paid and current for the Membership. The Club Owner retains the right, in its sole and absolute discretion, to grant temporary exceptions to the above Membership privilege provisions during the pendency of legal entitlement determination.

If the Club Owner, in its sole and absolute discretion, is still uncertain as to which spouse or legal partner is legally entitled to the Membership after six (6) months from the date of written notice to the Club Owner of the separation or divorce, the Club Owner may deem and determine that the Member has voluntarily submitted notice of resignation of the Membership.

If a Member remarries or obtains a new legal partner, the Member must notify the Club of such change within ninety (90) days of taking up residence. No guest privileges are available to such spouse or legal partner until notification is made.

MEMBERSHIP MAY NOT BE PLEDGED EXCEPT FOR PURCHASE MONEY OBLIGATIONS

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, which shall require the prior written consent of the Club and agreement of the lender to be bound by this Membership Plan.

ACKNOWLEDGMENT OF MEMBERSHIP RIGHTS

ACKNOWLEDGMENT OF MEMBERSHIP RIGHTS

MEMBERSHIP IN THE CLUB PERMITS THE MEMBER THE LIMITED RIGHT TO USE THE CLUB FACILITIES IN ACCORDANCE WITH THIS CLUB MEMBERSHIP PLAN. MEMBERSHIP IN THE CLUB IS NOT AN INVESTMENT IN THE CLUB OR ITS FACILITIES, AND DOES NOT PROVIDE THE MEMBER WITH EQUITY OR OWNERSHIP INTEREST OR ANY VESTED OR PRESCRIPTIVE RIGHT OR EASEMENT IN OR TO USE THE CLUB OR ITS FACILITIES. MEMBERS WILL NOT BE ENTITLED TO VOTE OR PARTICIPATE IN THE MANAGEMENT OF THE CLUB. EACH MEMBER APPROVED FOR MEMBERSHIP IN THE CLUB AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THIS CLUB MEMBERSHIP PLAN AND IRREVOCABLY AGREES TO FULLY SUBSTITUTE THE MEMBERSHIP PRIVILEGES ACQUIRED PURSUANT TO THIS CLUB MEMBERSHIP PLAN, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, FOR ANY PRESENT OR PRIOR RIGHTS IN OR TO USE THE CLUB FACILITIES. THE CLUB RESERVES THE RIGHT, IN ITS SOLE AND ABSOLUTE DISCRETION, TO RESERVE MEMBERSHIPS, TO TERMINATE OR MODIFY THIS CLUB MEMBERSHIP PLAN, TO DISCONTINUE OPERATION OF ANY OR ALL OF THE CLUB FACILITIES, TO ADD OR DELETE CLUB PROPERTIES, TO ISSUE OR TERMINATE ANY CATEGORY OF MEMBERSHIP, TO INCREASE OR DECREASE THE NUMBER OF MEMBERSHIPS IN THE CLUB, TO CONVERT THE CLUB INTO A MEMBER-OWNED CLUB, AND TO MAKE ANY OTHER CHANGES IN THE TERMS AND CONDITIONS OF THE MEMBERSHIP OR THE CLUB FACILITIES AVAILABLE FOR USE BY MEMBERS.

DISCIPLINE

Members are responsible for their own conduct and for the conduct of their Immediate Family Members, Extended 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 otherwise improper, may be reprimanded, fined, suspended or have its Membership terminated. The Club shall be the sole judge of what constitutes improper conduct, but will include without limitation: (i) failure to meet eligibility for Membership, (ii) submitting false information on the Membership Application and Agreement, (iii)

allowing his or her Membership card to be used by a non-Member, (iv) failure to pay the required Member Charges or Special Use Fees or any outstanding balance on the Member's Club account in a proper and timely manner, (v) failure to abide by the Rules and Regulations as set forth herein and as established by the Club from time to time, (vi) harassing or abusing other Members, Immediate Family Members, Extended Family Members, guests, Club personnel, employees or vendors, or (vii) acting in a manner incompatible with the standard of conduct of the existing Membership or in a manner which would likely injure the reputation of the Members or the Club.

Any Member accused of improper conduct shall be notified of such proposed action and shall be given an opportunity to be heard by the Club Owner 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 such hearing. While such complaint is being considered by the Club, the Member shall enjoy the privileges of his or her Membership in the Club. Notwithstanding the foregoing, the Club may, without notice and without a hearing, immediately suspend a Member's use privileges and terminate a Member for failure to pay in a proper and timely manner Member Charges, Special Use Fees or any other amounts owed to the Club.

The Club may restrict or suspend a Member and/or Immediate Family Member, and/or Extended Family Member and/or guests from some or all of the privileges of the Club for such time period as the Club deems appropriate. Dues and other obligations shall accrue during such suspension and shall be paid in full before reinstatement of full privileges. No Member may on account of any restriction, suspension or termination for disciplinary reasons be entitled to any refund of any Club Enrollment Fee, Member Charges, Special Use Fees or any other fees or charges.

MEMBERSHIP

A MEMBERSHIP APPLICATION AND AGREEMENT MUST BE MAILED OR DELIVERED TO THE CLUB

Each person who desires a Membership in the Club must mail or deliver to the Club a fully completed and signed Membership Application and Agreement together with payment of the amount of the required Club Enrollment Fee and Member Charges. Club Enrollment Fees and Member Charges are non-refundable, except as expressly provided in this Membership Plan.

REVIEW OF MEMBERSHIP APPLICATION AND AGREEMENT

The Club shall determine from time to time in its sole discretion the Club Memberships that may be available for application by a prospective member. Each person who applies for a Membership in the Club will be subject to the approval of the Club. After receiving the Membership Application and Agreement, the Club will determine whether the applicant has satisfied the relevant conditions of Membership as determined by the Club in its sole and absolute discretion. The Club shall determine, in its sole and

absolute discretion, all questions concerning admission and eligibility. Specific decisions shall not be taken as precedent that direct or limit future decisions.

The Club shall not discriminate in any manner against any Member, Immediate Family Member, Extended Family member or guest of a Member, or prospective Member on account of any bias prohibited by law. However, the Club may decide on an individual basis what Membership categories may be made available for application by a particular prospective member. The Club reserves the right to make exceptions to or grant waivers from any provisions of the Membership Application and Agreement process based on hardship or other reason as the Club deems reasonable, provided such exceptions or waivers shall not act as precedent for other Member's applications or provide any vested rights to a Member or prospective member to the same exception or waiver.

Upon acceptance to Membership, the Club may issue a Membership Certificate. The Membership Certificate is solely indicia of Membership under the terms of the Club Membership Plan, does not confer any rights on the Member, does not constitute a contract with the Club, and is non-transferable. In the event the Membership Application and Agreement is not acted upon favorably, the applicant will receive a refund, without interest, of any Club Enrollment Fee and Member Charges actually received by the Club in cleared funds, and all of the applicant's rights and privileges to use the Club Facilities will cease immediately.

Each Member acquiring a Membership under the Club Membership Plan agrees to be bound by the terms and conditions of the Club Membership Plan, as amended from time to time by the Club in its sole and absolute discretion without the requirement of previous notice by the Club. No Member has any vested contract or property rights under the Club Membership Plan or any other representation, whether oral or written.

MULTIPLE OWNERS, TRUST OR ENTITIES HOLDING TITLE TO RESIDENCES

For the purposes of an applicant for Club Membership meeting the resident only availability requirements for a Club Membership:

(a) If a residence is titled in the name of multiple owners, including but not limited to joint tenancies, time-share ownership or fractional ownership, any one of the multiple owners may be deemed to own a residence in the Community for purposes of applying for Membership. If the multiple owner applying for Membership desires to apply for membership rights in the Club for one or more of the other multiple owners (not to exceed four such multiple owners), the applicant may apply for a Homestead Designate and – if so desired – a Designate Membership.

(b) if a residence is titled in the name of a corporation, partnership or limited liability company and all of the outstanding stock, partnership interests, or membership interests of such entity is owned by a single person and that person actually resides in

the residence, that person may be deemed to own a residence for purposes of applying for a resident only Membership; if, for any reason, that person ceases to meet the above entity ownership or actual residency requirements, that person shall no longer be deemed to own a residence for purposes of availability of a resident only Membership. Alternatively, the provisions of (a) above may be utilized if such entity is owned by multiple persons.

(c) if a residence is held in a trust, the terms of which provide that the person applying for the resident only Membership has the right of exclusive possession and use of such residence and that person actually resides in the residence, that person may be deemed to own a residence for purposes of applying for a resident only Membership. If, for any reason, that person ceases to have the right of exclusive possession and use of that residence, that person shall no longer be deemed to own a residence. If a trust terminates during the lifetime of a person whose residence is in the trust, and if that person, pursuant to a written lease or other agreement with the beneficiaries or trustee of the trust, continue to have the right of exclusive possession and use of the residence after the termination of the trust, that person shall be deemed to qualify as owning a residence for purposes of availability of a resident only Membership.

Any person who desires to utilize the deemed resident provisions above, shall submit to the Club (i) a copy of the deed to the residence, (ii) a copy of the relevant provisions of the entity governing documents meeting the above requirements in sufficient detail to enable the Club to determine whether the requirements and conditions of this section have been met or an attorney's written statement, satisfactory to the Club, that the requirements and conditions of this section have been fulfilled, and (iii) such other documents, information and attorney's statements or opinions as the Club, in its discretion, may request. If the Club, in its discretion, obtains any advice or assistance in reviewing such submissions, the expense thereof shall be reimbursed to the Club by the applicant.

MEMBERSHIPS IN MULTIPLE NAMES

The Club, in its discretion, may permit a membership to be held jointly or in multiple names. If a Membership is jointly owned or held, the joint owners shall, upon acceptance for Membership, designate one of the joint owners who shall have the exclusive power to exercise, or direct the exercise of, all privileges attendant to the membership and shall be deemed the Member for purposes of this Membership Plan. The identity of the Primary Designated Member may not be changed during the term of Membership, unless otherwise contemplated herein.

The Club may rely upon the direction of the Primary Designated Member on all matters related to the membership and may disregard any other or contrary directions related to the membership. Unless the non-designated joint owner is also an Immediate Family Member or an Extended Family Member, the non-designated joint owner shall not have any Membership privileges. Upon death of the designated joint owner Member, the

non-designated joint owners shall not succeed to the rights of the deceased Member or have any rights to or ownership in the Membership, except to the extent of a spouse or legal partner with Membership privileges as provided under "Transfer of Membership upon the Member's Death" above.

If a Membership in Multiple Names desires Club access for designees beyond the Primary Designated Member, an additional four designees may be offered the right to use the Club and its amenities. To be considered as an additional designee, the individual must meet the requirements set forth in the "Multiple Owners" section of the Membership Plan. Additional requirements per designee are detailed in Appendix J of the Club Membership Plan as "Special Provisions Pertaining to Homestead Designate Members". Dues, fees, and charges may be arranged to be paid directly by the individual designees, however any non-payment responsibility will be held joint and severally with the Primary Designated Member. All agreements regarding Memberships in Multiple Names will be reviewed by the Club on an annual basis, and may be adjusted as the Club sees fit.

DUES, FEES AND CHARGES

THE MEMBERSHIP YEAR OF THE CLUB IS MAY 1 TO APRIL 30

The Club's Membership year will constitute each twelve (12) month period commencing May 1 and ending on April 30, unless otherwise established by the Club from time to time.

CLUB MEMBERSHIP FEE SCHEDULES

The Club will determine, from time to time, the amount of Annual Dues and other fees and charges, if any, including food and beverage minimums, tipping charges, valet charges, and other charges applicable to all Members in a Membership category (collectively, "**Member Charges**") to be paid by Members each year. The Club may also determine, from time to time, Member discounts and benefits (collectively, "**Benefits**") available to any Membership category. The Club reserves the right to establish different Member Charges and Benefits for each Membership category based on different methodologies in the Club's sole and absolute discretion, provided that the Member Charges and Benefits for a Membership category shall not act as precedent for other Members in other Membership categories or provide any vested rights to a Member or prospective Member to the same Member Charges or Benefits amounts or methodologies. Member Charges and Benefits shall be set forth in the Club Membership Fee Schedules published by the Club or individual Membership Agreements, which are subject to change by the Club from time to time without prior notice. All Member Charges and Benefits are subject to payment of applicable sales and use taxes.

If a Member, or their respective Immediate Family Members, Extended Family Member or guests do anything which increases the cost of maintaining or operating the Club, or cause damage to any part of the Club Property, Club Owner may levy additional Member Charges against the Member in the amount necessary to pay such increased cost or repair such damage.

Club Owner will determine, from time to time, specific service and/or use fees and charges ("Special Use Fees"), for which one or more Members (but less than all Members) are subject, including greens fees, cart fees, trail fees, food and beverage charges, equipment and merchandise charges, spa service charges, locker rentals, tennis court fees, use of special services, rental of facilities, catering, and tickets for shows, special events, or performances held in the Club Facilities, and the use of vending machines, video arcade machines and entertainment devices. Special Use Fees shall be payable at such time or time(s) as determined by Club Owner. For those programs or events, if any, for which tickets are sold, Club Owner shall adopt such Rules and Regulations as to entitlement of the tickets as Club Owner deems necessary. All Special Use Fees are subject to payment of applicable sales tax. The Special Use Fees are subject to change by the Club from time to time without prior notice.

ANNUAL DUES WILL BE PAYABLE ON AN ANNUAL BASIS

Annual Dues shall be due and payable on or before the beginning of each Membership year. Monthly, quarterly or other installment payment options may be made available at the sole and absolute discretion of the Club, with all such payments due prior to the first day of the applicable month and subject to an administrative fee. The Club reserves the right to establish different Annual Dues for each Membership category based on different methodologies in the Club's sole and absolute discretion, provided that the Annual Dues for a Membership category shall not act as precedent for other Members in other Membership categories or provide any vested rights to a Member or prospective member to the same Annual Dues amount or methodology. The failure of any Member to pay Annual Dues or any other Member Charges or Special Use Fees within the prescribed time period shall constitute grounds for termination of the Membership and exercise of available legal remedies by the Club.

MEMBERS MUST MAINTAIN A VALID CREDIT CARD ON FILE

All Members shall be required to provide and maintain with the Club a valid credit card which the Club may keep on file for the payment of Dues, Charges, or Special Use Fees. Members may be provided the option to pay charges in another manner, but the payment of such in no way changes the requirement to maintain a valid card on file.

TAXES

Members shall pay all applicable sales, use or similar taxes and transfer fees and charges now or hereafter imposed on the Club Enrollment Fees, Member Charges, Special Use

Fees, and other applicable fees and charges to Club Owner. All such applicable sales, use or similar taxes and transfer fees and charges shall be included in the charges billed to the Members by Club Owner.

MEMBERSHIP CARDS MAY BE ISSUED FOR USE OF THE CLUB FACILITIES AND SERVICES

In order to preserve a proper Club atmosphere for the Members and to protect the integrity of Members' rights, the Club may determine to issue Membership cards to the Members, as well as other eligible Immediate Family Members. At such time, access to the Club Facilities will require use of a Membership card. All Membership card charges will be invoiced to and payable by the Members on a monthly basis. Membership cards do not confer any contract rights on a Member, but are solely indicia of Membership.

CLUB OPERATIONS

MANAGEMENT AND CONTROL OF THE CLUB

The Club shall be under the complete supervision and control of the Club Owner unless the Club Owner appoints a third party as Club Manager, in which event Club Manager shall have such supervision and control rights as granted by Club Owner to Club Manager. The Club Owner may terminate or recall any or all Club Memberships in its sole and absolute discretion without cause at any time and from time to time. Upon termination or recall of a Membership by the Club, the Member(s) whose Membership(s) are/were terminated or recalled shall have such Enrollment Fee and Member Charges refund rights as set forth in the Special Provisions Exhibits to this Membership Plan. Any such refund shall be without interest. In the event of a disciplinary termination of a Membership or Membership termination for failure to pay outstanding obligations to the Club, no refund of any kind will be paid to the Member.

BOARD OF GOVERNORS

The Club may, but is not obligated to, establish an advisory Board of Governors whose purpose includes fostering good relations between the Members and the Club, providing the Members with input on programs, plans and activities of the Club, and advising on the Club's policies and Rules and Regulations. The Board of Governors shall have no duty or power to negotiate or otherwise act on behalf of the Club, its management or the Members of the Club, and shall serve only in an advisory capacity to the Club. The Club will have the final authority on all matters concerning the Club Facilities and the Members of the Club.

COMMITTEES

The Club may, but is not obligated to, establish advisory committees on subjects such as tennis, golf, swimming, or social events. Each of these committees will consist of Members of the Club who will be appointed by the Club and who may be removed by the Club. These committees may meet on a regular basis to provide Member input into

activities, events and programs related to their particular areas of interest. No other committees or associations may be established unless designated by the Club. Committees will have no duty or power to act on behalf of the Club, its management or the Members of the Club, and shall serve only in an advisory capacity to the Club. The Club will have the final authority on all matters concerning the Club Facilities and the Members of the Club.

OPERATING DEFICIT AND CAPITAL ASSESSMENTS

NO OPERATING DEFICIT OR CAPITAL ASSESSMENTS

Members will not be subject to any operating deficit or capital assessments. With the exception of Club Enrollment Fees, Member Charges, Special Use Fees, late fees, taxes, interest and penalties, and other fees and charges identified in this Club Membership Plan, Members will not be subject to assessment for any deficit in the costs of operating the Club Facilities. In addition, Members will not be subject to any capital assessment for the costs of constructing or improving the Club Facilities. The Company will be responsible for all operations of the Club, and will be entitled to retain all surplus revenues and profits from the operation of the Club. The Members acknowledge that Member Charges and Special Use Fees charged to the Members are not deemed to be operating deficit or capital assessments.

Club Owner shall have no duty to account to the Members for any Club Enrollment Fees, Member Charges or Special Use Fees, or other revenues or collections of the Club which shall be the sole property of Club Owner.

TRANSFER OF CLUB OR CLUB FACILITIES

SALE TO THIRD PARTY

The Club Owner may sell, encumber, transfer or convey the Club or any or all of the Club Facilities to any person or entity in its sole and absolute discretion at any time, and from time to time (the "**Third Party Transfer**"). A Third Party Transfer shall not require the consent or approval of any Club Member.

SALE TO AFFILIATES OF CLUB

The Club Owner may sell or otherwise transfer the Club or any of the Club Facilities to any one or more of its affiliates at its sole and absolute discretion at any time (an "**Affiliate Transfer**"). An Affiliate Transfer shall not require the consent or approval of any Club Member. The affiliates of the Club shall include any of Club's owners, and their successors, assigns, partners, directors, officers, employees and shareholders.

NO OBLIGATION TO SELL CLUB TO MEMBERS

The Club Owner shall under no circumstances be obligated to offer to sell any or all of the Club Facilities to the Members, or a group thereof, or convert the Club to an

“equity” club or similar arrangement whereby the Members, or an entity owned or controlled by the Members, become the owner or operator, or both, of the Club’s facilities.

TERMINATION RIGHTS OF CLUB OWNER; INTERRUPTION OF SERVICE

The Club Owner, and its successors and assigns, may terminate the Club Membership Plan and/or may terminate or recall any or all individual Memberships or classes of Membership in its sole and absolute discretion at any time and from time to time.

Upon termination of the Club Membership Plan, the Club Owner shall refund to the then existing Club Members the Club Enrollment Fees paid by the Club Members to the Club, without interest, together with a pro rata portion of any pre-paid but unapplied Member Charges and Special Use Fees paid to the Club. Upon recall or termination of individual Memberships or classes of Membership by the Club, the Club shall provide limited refund rights as specified in the Special Provisions for each Membership class, provided that a Membership terminated for failure to pay Annual Dues and Members Charges or for disciplinary reasons shall not be entitled to a refund.

The Club Owner shall not be liable for, from and against, and the Members assume all risks that may occur by reason of, any condition or occurrence, including damage to the Club Facilities on account of casualty, water, snow, ice or the bursting or leaking of any pipes or wastewater about the Club Property, or from any act of negligence of any other person or entity, or fire, or tornado, or other act of God, or from any cause whatsoever. No Member shall be entitled to terminate his or her Club Membership and there shall be no abatement in payment of Member Charges during casualty or reconstruction unless substantially all portions of the Club Facilities (excluding the Golf Course) are not available for use during casualty or reconstruction. In that event, Member Charges with respect to use of the unavailable Club Facilities will be abated for any time such Club Facilities are not available for use after the initial sixty (60) days of closure.

OTHER MEMBERSHIPS AND PRIVILEGES IN THE CLUB

HOMESTEAD AGREEMENTS FOR USE OF CLUB FACILITIES

The Club has entered into Homestead Agreement(s) to provide property owners association(s) certain limited use rights in the Club facilities for the members of the property owners association(s), with such privileges as determined by the Club from time to time. Any use rights provided for in a Homestead Agreement shall be in addition to and not subject to any limits on the number of Club membership that may be issued from time to time.

RESORT GUEST MEMBERSHIPS MAY BE ISSUED ON AN ANNUAL, SEASONAL OR RECALLABLE BASIS

The Club may, in its sole and absolute discretion, issue Memberships to Resort owners for use of the Club facilities by Resort guests on an annual, seasonal, Resort stay or

recallable basis as determined by the Club from time to time, with such privileges as determined by the Club from time to time.

RECIPROCAL CLUB PRIVILEGES

The Club Owner may determine from time to time to provide reciprocal Club use rights to members of other clubs and organizations, including to affiliated club and community members ("**Reciprocal Guests**"). Such reciprocal use rights shall be on such terms and conditions as may be determined by the Club from time to time, and may be withdrawn at any time without notice to the Club Members.

NON-MEMBER PLAY

The Club Owner may permit the general public, Resort Guests, Reciprocal Guests and corporate groups ("**Non-Members**") to use the Club Facilities on such terms and conditions as the Club Owner determines appropriate. The Club Owner may allocate some tee times for reservation by Non-Members only. The Club Owner may permit tournaments, charitable events, social events and corporate outings on the Club Facilities from time to time. The Club Owner reserves the right to eliminate or restrict use of the Club Facilities by Non-Members in its sole and absolute discretion.

THE CLUB OWNER MAY USE THE CLUB FACILITIES FOR MARKETING AND PROMOTIONAL PURPOSES

The Club Owner will have the right to designate other persons, including officers, directors, partners, employees, vendors and designees of the Club 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 Owner. The Club Owner will also have the right to permit developers or prospective purchasers of residential units or lots in the Community to use the Club Facilities on such terms and conditions as may be determined from time to time by the Club Owner. The Club Owner reserves the right, in its sole and absolute discretion, to restrict or otherwise reserve in advance the Club Facilities for maintenance, Non-Member play, tournament, charitable events, social events, corporate outings and other special events from time to time.

THE CLUB OWNER MAY USE THE CLUB FACILITIES FOR COMMERCIAL BUSINESS PURPOSES

It is anticipated that portions of the Club Property may include retail and commercial space ("**Commercial Space**") as Club Owner may deem appropriate in Club Owner's sole and absolute discretion. Club Owner may permit Members to access any Commercial Space located within the Club Property at Club Owner's sole and absolute discretion. Club Owner may grant leases, franchises, licenses or concessions to commercial concerns on all or part of the Club Property including the Commercial Space ("**Commercial User**"). Club Owner shall have no duty to account to the Members for any rents, fees or payments from Commercial User(s) or other third parties for the right to occupy and/or lease such Commercial Space; all of such rents, fees and payments, if

any, shall be the sole property of Club Owner and shall not offset or reduce the Member Charges or Special Use Fees payable by Members except as may be provided in the Club Provisions.

PRIOR CLUB MEMBERSHIP CONVERSION

The Club Owner may offer members of a prior club in the Community the opportunity to acquire membership in the Club on such terms and conditions as the Club Owner determines appropriate. The Club reserves the right to make exceptions to or grant waivers from any provisions of the Membership Application and Agreement process for such prior club members as the Club deems reasonable, provided such terms, conditions, exceptions or waivers shall not act as precedent for other Member's applications or provide any vested rights to a Member or prospective member to the same exception or waiver.

INTERPRETATIONS/QUESTIONS

In the event that there is any ambiguity or question (collectively, a "**Query**") regarding, resulting from, arising out of or in way related to the Club, Membership in the Club, use of Club Facilities, Club operations, the provisions of the Club Membership Plan, the Club Provisions, Rules and Regulations, or any portion of the Membership Package, such Query shall first be submitted to the Club Owner for resolution. If the Club Owner, in its sole and absolute discretion, obtains legal, tax or accounting advice or assistance in (i) replying to a Query or (ii) in reviewing any documentation, legal opinion or other information submitted to the Club Owner by or on behalf of a Member, the Member shall reimburse the Club for its expense in obtaining such advice or assistance. Before obtaining any such advice or assistance, the Club Owner shall notify the Member of its intention to do so, and the Member shall not be obligated to reimburse the Club Owner for its expense thereof if the Member, within fifteen days after the Club's notification, withdraws his/her request for an interpretation or exception or withdraws any documentation, legal opinion or other information submitted to the Club Owner. Club Owner's interpretation of the Club Membership Plan, Club Provisions, Rules and Regulations, and any portion of the Membership Package and its resolution of any Query shall be conclusive and binding on the Members. Therefore, and in order to ensure that the Members abide by Club Owner's determination, in the event that any Member disputes the Club Owner's interpretation and resolution and thereafter initiates a dispute resolution proceeding as provided below, such Member shall bear all legal expenses of both the Member and the Club Owner, including all attorney's fees, paraprofessional fees and costs at trial and upon appeal, regardless of the outcome of such proceedings or which party prevails. In the event that California law would determine that this provision is unenforceable or would require a reciprocal application for a prevailing party, then, in that event, each party to a dispute will bear its own attorney's fees, paraprofessional fees and costs. To maintain the harmony of the Club and enjoyment of the Club by all Members not submitting a Claim, the Club Owner and

each Member agrees that none of them will bring a class action against the other(s) or any other action on behalf of or against any other Member not submitting a claim.

MANDATORY DISPUTE RESOLUTION

Any controversy, dispute, or claim (collectively "**Dispute**") regarding, resulting from, arising out of or in way related to the Club, Membership in the Club, use of Club Facilities, Club operations, the provisions of the Club Membership Plan and Rules and Regulations, any portion of the Membership Package, or the Club Owner's response to a Query, shall be governed by the mandatory dispute resolution procedures set forth below.

Notice. In the event that Club Owner or a Member, or Non-Member has a Dispute, it shall notify the applicable party (the "**Notified Party**") in writing of the claim, which writing shall describe the nature of the claim and any proposed remedy (the "**Dispute Notice**").

Preliminary Meeting. Within a reasonable period after receipt of the Dispute Notice, which period shall not exceed sixty (60) days, the Notified Party and the claimant shall meet at the Club Facilities to discuss the Dispute. The parties shall negotiate in an attempt to resolve the Dispute.

Mediation. If the parties to the Dispute fail to resolve the Dispute by negotiation within ninety (90) days after delivery of the Dispute Notice, the matter shall be submitted to mediation pursuant to the Mediation Rules of the American Arbitration Association applicable to Club disputes (except as such procedures are modified by these provisions or such other mediation service selected by the Notified Party). The claimant who delivered the Dispute Notice shall have until one hundred twenty (120) days after the date of delivery of the Dispute Notice to submit the Dispute to mediation. If the claimant who delivered the Dispute Notice fails to timely submit the Dispute to mediation, then the Dispute of the Person who delivered the Dispute Notice shall be deemed waived and abandoned and all applicable parties shall be relieved and released from any and all liability relating to the Dispute. No person shall serve as a mediator in any dispute in which the person has any financial or personal interest in the result of the mediation, except by the written consent of all parties. Prior to accepting any appointment, the prospective mediator shall disclose any circumstances likely to create a presumption of bias or to prevent a prompt commencement of the mediation process. No litigation or other action shall be commenced against the Notified Party or any applicable party without complying with the procedures described above.

(i) **Position Memoranda; Pre-Mediation Conference.** Within ten (10) days of the selection of the mediator, each party shall submit a brief memorandum setting forth its position with regard to the issues that need to be resolved. The mediator shall have the right to schedule a pre-mediation conference and all parties shall attend unless otherwise agreed. The mediation shall be commenced within ten (10) days following

the submittal of the memoranda and shall be concluded within fifteen (15) days from the commencement of the mediation unless the parties mutually agree to extend the mediation period. The mediation shall be held in the Club Facilities or such other place as is mutually acceptable by the parties.

(ii) Conduct of Mediation. The mediator has discretion to conduct the mediation in the manner in which the mediator believes is most appropriate for reaching a settlement of the Dispute, consistent with the mediation rules applicable to the Dispute. The mediator is authorized to conduct joint and separate meetings with the parties and to make oral and written recommendations for settlement. Whenever necessary, the mediator may also obtain expert advice concerning technical aspects of the Dispute, provided the parties agree and assume the expenses of obtaining such advice. The mediator does not have the authority to impose a settlement on the parties.

(iii) Exclusion Agreement. Any admissions, offers of compromise or settlement negotiations or communications at the mediation shall be excluded in any subsequent dispute resolution forum.

(iv) Parties Permitted at Sessions. Persons other than the parties, the representatives and the mediator may attend mediation sessions only with the permission of both parties and the consent of the mediator. Confidential information disclosed to a mediator by the parties or by witnesses in the course of the mediation shall be confidential. There shall be no stenographic record of the mediation process.

(v) Mediation Expenses. All expenses of the mediation, including the fees and costs charged by the mediator and the expenses of any witnesses or the cost of any proof or expert advice produced at the direct request of the mediator, shall be borne equally by the parties unless they agree otherwise. Each party to the mediation shall bear its own attorneys' fees and costs in connection with such mediation.

Arbitration. Should mediation not be successful in resolving any Dispute, then the claimant who delivered the Dispute Notice shall have ninety (90) days after the date of termination of the mediation to submit the Dispute to binding arbitration as the exclusive Dispute resolution remedy. If timely submitted, such Dispute shall be resolved by binding arbitration in accordance with the Arbitration Rules of the American Arbitration Association applicable to Club disputes. If the claimant who delivered the Dispute Notice fails to timely submit the claim to arbitration within the ninety (90) day period, then the Dispute of the claimant who delivered the Dispute Notice shall be deemed waived and abandoned and all applicable parties shall be relieved and released from any and all liability relating to the Dispute. A claimant with any Dispute may only submit such Dispute in arbitration on such Person's own behalf, and not on behalf of others who may be similarly situated. To maintain harmony among the members of the Club, avoid interruption of the enjoyment of the Club by other members, minimize Dispute costs and minimize the length and complexity of Disputes, no claimant may submit a Dispute in arbitration as a representative or member of a class and no Dispute

may be arbitrated as a class action. All parties and any claimant submitting a Claim Notice (collectively, the “**Bound Parties**”), agree that all Disputes that are not resolved by negotiation or mediation shall be resolved exclusively by arbitration conducted in accordance with this subsection, and waive the right to have the Dispute resolved by a court, including the right to file or participate in a legal action as the representative or member of a class or in any other representative capacity. The parties shall cooperate in good faith to attempt to cause all necessary and appropriate parties to be included in the arbitration proceeding. Except as provided in this subsection, the arbitrator shall have the authority to try all issues, whether of fact or law.

(i) Place. The proceedings shall be heard in the Club Facilities.

(ii) Arbitrator. A single arbitrator shall be selected in accordance with the rules of the American Arbitration Association from panels maintained by the Association with experience in relevant club matters. The arbitrator shall not have any relationship to the parties or interest in the Project. The parties to the Dispute shall meet to select the arbitrator within ten (10) days after service of the demand for arbitration on all respondents named therein.

(iii) Commencement and Timing of Proceeding. The arbitrator shall promptly commence the proceeding at the earliest convenient date in light of all of the facts and circumstances and shall conduct the proceeding without undue delay.

(iv) Pre-hearing Conferences. The arbitrator may require one or more pre-hearing conferences.

(v) Discovery. The parties shall be entitled only to limited discovery, consisting of the exchange between the parties of only the following matters: (a) witness lists; (b) expert witness designations; (c) expert witness reports; (d) exhibits; (e) a maximum of two depositions per party, and (g) hearing briefs. Any other discovery shall be permitted by the arbitrator upon a showing of extenuating circumstances with the direction to the arbitrator that the granting of additional discovery is discouraged by the parties. The arbitrator shall oversee discovery and may enforce all discovery orders in the same manner as any trial court judge.

(vi) Motions. The arbitrator shall have the power to hear and dispose of motions, including motions to dismiss, motions for judgment on the pleadings and summary judgment motions, in the same manner as a trial court judge, except the arbitrator shall also have the power to adjudicate summarily issues of fact or law including the availability of remedies, whether or not the issue adjudicated could dispose of an entire cause of action or defense.

(vii) Arbitration Award. Unless otherwise agreed by the parties, the arbitrator shall render a written arbitration award within thirty (30) days after conclusion of the arbitration hearing. The arbitrator’s award may be enforced as provided for under

California law governing enforcement of arbitration awards in a trial court, or, as applicable, pursuant to the Federal Arbitration Act (Title 9 of the United States Code).

(viii) Arbitration Expenses. All expenses of the arbitration, including the fees and costs charged by the arbitrator and the expenses of any witnesses or the cost of any proof or expert advice produced at the direct request of the arbitrator, shall be borne equally by the parties unless they agree otherwise. Each party to the arbitration shall bear its own attorneys' fees and costs in connection with such arbitration.

Waiver of Right to Jury Trial. EACH MEMBER, PRIMARY MEMBER, SECONDARY MEMBER, IMMEDIATE FAMILY MEMBER, EXTENDED FAMILY MEMBER AND GUEST, RESORT GUEST, RECIPROCAL GUEST AND NON-MEMBER, BY ACQUIRING A MEMBERSHIP OR UTILIZING THE CLUB FACILITIES, AND THE CLUB OWNER (COLLECTIVELY, THE "WAIVER PARTY(IES)") EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EACH MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY DISPUTE BASED ON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS MEMBERSHIP PLAN OR SAID WAIVER PARTIES' USE OF THE CLUB FACILITIES OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF ANY WAIVER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE CLUB OWNER TO ENTER INTO THIS MEMBERSHIP PLAN.

ASSUMPTION OF RISK AND INDEMNIFICATION

EACH MEMBER, PRIMARY MEMBER, SECONDARY MEMBER, IMMEDIATE FAMILY MEMBER, EXTENDED FAMILY MEMBER AND GUEST, RESORT GUEST, RECIPROCAL GUEST AND NON-MEMBER AGREES (COLLECTIVELY, "INDEMNIFYING PARTIES"), TO THE GREATEST EXTENT PROVIDED BY LAW, TO INDEMNIFY AND HOLD HARMLESS CLUB OWNER AND CLUB MANAGER, THEIR RESPECTIVE OFFICERS, PARTNERS, OWNERS, AGENTS, EMPLOYEES, AFFILIATES, DIRECTORS AND ATTORNEYS, AND CLUB COMMITTEE MEMBERS (COLLECTIVELY, "INDEMNIFIED PARTIES") FOR, FROM AND AGAINST ALL ACTIONS, INJURY, CLAIMS, LOSS, LIABILITY, DAMAGES, COSTS AND EXPENSES OF ANY KIND OR NATURE WHATSOEVER ("LOSSES") INCURRED BY OR ASSERTED AGAINST ANY OF THE INDEMNIFIED PARTIES FROM AND AFTER THE DATE HEREOF, WHETHER DIRECT, INDIRECT, OR CONSEQUENTIAL, AS A RESULT OF, ARISING OUT OF, OR IN ANY WAY RELATED TO MEMBERSHIP IN THE CLUB, THE USE OF THE CLUB AND CLUB FACILITIES BY THE INDEMNIFYING PARTIES, THE USE OF THE CLUB BY THIRD PARTIES, IMMEDIATE FAMILY MEMBERS, EXTENDED FAMILY MEMBERS AND THEIR GUESTS, OR THE INTERPRETATION OF THE CLUB PROVISIONS, THE CLUB MEMBERSHIP PLAN, THE RULES AND REGULATIONS AND/OR ANY PORTION OF THE CLUB MEMBERSHIP PACKAGE, AND/OR FOR, FROM AND AGAINST ANY ACT OR OMISSION OF THE CLUB OR OF ANY OF THE INDEMNIFIED PARTIES, BUT EXCLUDING, AS TO ANY INDEMNIFIED PARTY, LOSSES CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNIFIED PARTY. LOSSES SHALL INCLUDE THE DEDUCTIBLE PAYABLE UNDER ANY OF THE CLUB'S INSURANCE POLICIES.

IN ADDITION TO AND NOT IN LIMITATION OF THE FOREGOING, EACH OF THE INDEMNIFYING PARTIES WHO, IN ANY MANNER, MAKES USE OF OR ACCEPTS THE USE OF ANY APPARATUS, APPLIANCE, FACILITY, PRIVILEGE OR SERVICE WHATSOEVER OWNED, LEASED, LICENSED OR OPERATED BY THE CLUB, INCLUDING THE USE OF GOLF CARS, OR WHO ENGAGES IN ANY CONTEST, GAME, FUNCTION, EXERCISE, COMPETITION, CLASS, SPA SERVICE, OR OTHER ACTIVITY OR SERVICE OPERATED, ARRANGED OR SPONSORED BY THE CLUB, EITHER ON OR OFF OF THE CLUB FACILITIES (COLLECTIVELY, "CLUB ACTIVITIES"), SHALL DO SO AT THEIR OWN RISK. EACH OF THE INDEMNIFYING PARTIES SHALL HOLD HARMLESS EACH OF THE INDEMNIFIED PARTIES FROM ANY AND ALL LOSSES, WHETHER DIRECT, INDIRECT OR CONSEQUENTIAL, AS A RESULT OF, ARISING OUT OF, OR IN ANY WAY RELATED TO CLUB ACTIVITIES.

THE TERMS OF THIS SECTION SHALL SURVIVE TERMINATION OF THE CLUB MEMBERSHIP PLAN, THE CLUB PROVISIONS AND MEMBERSHIP IN THE CLUB.

DEFINITIONS

In addition to the terms defined elsewhere in this Club Membership Plan, the following terms shall have the meanings specified below:

"**Annual Dues**" shall mean the annual Club Membership dues determined by the Club Owner from time to time for each category of Membership and paid by a Member to Club Owner for the purpose of obtaining non-exclusive license rights to use of the Club Facilities for recreational purposes.

"**Association**" shall mean Schaffer's Mill Community Association, its successors and assigns, the property owners association governing the Community.

"**Club**" shall mean the Club Property, subject to additions and deletions made by Club Owner from time to time as provided in the Club Plan. The Club may be comprised of one or more parcels of land, which may or may not be connected or adjacent to one another.

"**Club Facilities**" shall mean the real property improvements and tangible and intangible personal property which Club Owner shall actually have constructed and/or made available to Members pursuant to the Club Plan. **THE CLUB FACILITIES ARE SUBJECT TO CHANGE AT ANY TIME AT CLUB OWNER'S SOLE AND ABSOLUTE DISCRETION.**

"**Club Enrollment Fees**" shall mean the non-refundable fees to be paid by the Members to the Club to enable the Members to acquire Memberships from the Club.

"**Club Manager**" shall mean the entity operating and managing the Club, at any time, together with its officers, owners, members, employees and agents. The Club Owner or any of its affiliates may be Club Manager. The Club Owner reserves the right to designate the Club Manager in Club Owner's sole and absolute discretion.

“Club Membership” or **“Membership”** shall mean the non-exclusive license rights to use the Club Facilities provided to a Member pursuant to the Club Membership Plan.

“Club Membership Plan” or **“Club Plan”** shall mean this Club Membership Plan, together with all amendments and modifications thereto as made by Club Owner from time to time in its discretion.

“Club Owner” shall mean the owner of the Club Property and any of its designees, successors and assigns who receive a written assignment of all or some of the rights of Club Owner hereunder. Such assignment need not be recorded in the Public Records in order to be effective. In the event of such a partial assignment, the assignee shall not be deemed Club Owner but may exercise such rights of Club Owner specifically assigned to it. Any such assignment may be made on a non-exclusive basis. At this time, Schaffer’s Mill Club, LLC is Club Owner. Club Owner may change from time to time (i.e., Schaffer’s Mill Club, LLC may sell the Club Property). Notwithstanding that Club Owner and the Declarant may be the same party, affiliates or related parties from time to time, each Member acknowledges that Club Owner and Declarant shall not be considered being one and the same party, and neither of them shall be considered the agent or partner of the other. At all times, Club Owner and Declarant shall be considered separate and viewed in their separate capacities. No act or failure to act by Declarant shall at any time be considered an act of Club Owner and shall not serve as the basis for any excuse, justification, waiver or indulgence to the Members with regard to their prompt, full, complete and continuous performance of their obligations and covenants hereunder.

“Club Property” shall mean the Club Real Property and the Club Facilities.

“Club Real Property” shall initially mean the real property described on Exhibit 1 attached hereto and made a part hereof. **THE CLUB REAL PROPERTY IS SUBJECT TO CHANGE AT ANY TIME AT CLUB OWNER’S SOLE AND ABSOLUTE DISCRETION.** Club Property shall include any real property designated by Club Owner as part of the Club Property by amendment to the Club Membership Plan, which amendment shall not require the approval or consent of the Members.

“Community” shall have the meaning set forth in the Declaration.

“Declarant” shall have the meaning set forth in the Declaration.

“Declaration” shall mean that certain Amended and Restated Declaration of Covenants, Conditions and Restrictions for Schaffer’s Mill, recorded in the Public Records, as it shall be amended or modified or supplemented from time to time.

“Extended Family Members” shall mean the parents, children who do not fall within the definition of Immediate Family Member, grandparents and grandchildren of the member and spouse and the spouses of such extended family members.

“Immediate Family Members” shall mean the spouse of an individual Member and all unmarried children twenty-five (25) years and younger of either the Member or the Member’s spouse. If a Member is unmarried, the Member may designate one other person who is living with such Member on a permanent basis in the residence in addition to children of the Member as an adult Immediate Family Member. No unmarried child or other person shall qualify as an Immediate Family Member unless such person is living with the Member on a permanent basis within the residence.

“Including” shall mean including, but not limited to.

“Member” shall mean each person or entity that Club Owner issues Club Memberships to from time to time, on such terms and conditions as determined in the sole and absolute discretion of Club Owner.

“Membership” shall mean a Club membership issued to a Member pursuant to the terms of the Club Membership Plan.

“Public Records” shall mean the Official Records of the County of Placer, State of California.

“Resort” shall mean any resort, hotel or casino property in the Reno/Lake Tahoe region.

EXHIBIT 1
LEGAL DESCRIPTION
OF THE INITIAL CLUB REAL PROPERTY

EXHIBIT "A"

Special Provisions Pertaining to Ambassador Members

**PRIVILEGES
OF AMBASSADOR
MEMBERSHIP**

The Privileges for each Ambassador Membership shall be set forth by the Club in a Terms and Conditions Addendum on a member by member basis. The Terms and Conditions Addendum may vary for each Ambassador Membership.

ENROLLMENT FEE

As determined by the Club in the Terms and Conditions Addendum

ANNUAL DUES

The same as a Proprietary Membership. If the Ambassador Member owns a homesite or residence in the Community, Ambassador Member Membership Annual Dues are in addition to any common area assessments that may be levied by the Schaffer's Mill Community Association for recreational use rights.

AVAILABILITY

Ambassador Memberships may be issued to such persons as determined in the Club's discretion.

**LIMITS ON
AMBASSADOR
MEMBERSHIPS**

The initial limit on Ambassador Memberships, Proprietary Memberships, Designate Memberships, Invitational Memberships, and Associate is collectively four hundred (400) members in any combination of such Memberships.

The provisions included on this Exhibit are part of the Club Membership Plan. Ambassador Members should consult the body of the Club Membership Plan in addition to this Exhibit for the terms and conditions of Membership in the Club.

EXHIBIT "B"

Special Provisions Pertaining to Proprietary Members

PRIVILEGES OF PROPRIETARY MEMBERSHIP

A Proprietary Membership shall entitle the Member to use all of the Club Facilities, with the following special privileges: (a) use of the golf course without payment of greens fees - Member will be required to pay cart fees or trail fees, (b) the right to reserve tee times sixty (60) days in advance of the day of play (c) guest privileges for use of the golf course for guests accompanied or un-accompanied by a sponsoring Member upon payment of guest greens and cart fees; (d) the opportunity to participate in Member-Only golf and social events.

AVAILABILITY

Proprietary Memberships are available only to owners and residents within the Community.

ANNUAL DUES

Proprietary Members shall pay Annual Dues as determined by the Club each Club Year. Proprietary Membership Annual Dues are in addition to any to any common area assessments that may be levied by the Schaffer's Mill Community Association for recreational use rights.

RESIDENCE TRANSFER BENEFIT

If a Proprietary Member sells his or her residence or homesite in the Community, the Proprietary Member may request his or her Proprietary Membership be re-issued to the buyer of the Proprietary Member's residence or homesite, notwithstanding that there may be a waiting list of persons seeking acquisition of Proprietary Memberships at the time of sale. The Club shall be obligated to re-acquire the Proprietary Membership and re-issue it to the buyer of the residence or homesite only when the buyer has submitted an application for membership with the Club, has been approved for Membership in the Club, and has paid the required Enrollment Fee and other applicable charges. If the buyer is not approved for membership, the Proprietary Member may request to convert the Proprietary Membership to an Associate Membership, absent which the Proprietary Membership shall terminate upon transfer of ownership of the residence or homesite. Re-issuance of a Membership to the buyer does not waive or release any outstanding and accrued debts or obligations of the selling Member to the Club. The Club may provide additional residence transfer benefits to a Proprietary Member in his or her Membership Agreement, at the Club's discretion.

**LEGACY
TRANSFER BENEFIT**

A Proprietary Member has the right to request the re-issuance of his or her Membership to an adult child or adult grandchild who is approved for Membership in the Club, notwithstanding that there may be a waiting list of persons seeking acquisition of Proprietary Memberships at the time of issuance. Such re-issuance shall be without the payment of any additional Initial Fee. The Member who desires to re-issue the Membership, and after the re-issuance of his or her Membership, the adult child or adult grandchild to whom a Membership is to be re-issued under this provision, must own and continue to own property in the Community or the Membership will be deemed converted to an Associate Membership. The adult child or adult grandchild shall be required to file an application for Membership with the Club and meet all other requirements for Club Membership. Re-issuance of a Membership to an adult child or adult grandchild does not waive or release any outstanding and accrued debts or obligations of the requesting Member to the Club, which debts and obligations carry over to the re-issued Membership and shall be assumed by the adult child or adult grandchild to whom the Membership is re-issued, provided the Club may require the payment in full for all such debts and obligations as a condition for re-issuance.

RECALL REFUND

In the event a Proprietary Membership is recalled or terminated (not including termination for non-payment of Member Charges or disciplinary reasons), the Club shall refund the Enrollment Fees paid by the Member and a pro rata share of pre-paid Member Charges not previously applied by the Club.

The provisions included on this Exhibit are part of the Club Membership Plan. Proprietary Members should consult the body of the Club Membership Plan in addition to this Exhibit for the terms and conditions of Membership in the Club.

EXHIBIT "C"

Special Provisions Pertaining to Designate Members

PRIVILEGES OF DESIGNATE MEMBERSHIP

A Designate Membership shall be a Proprietary Membership where the primary Member may designate up to four secondary Members with Proprietary Membership privileges. The primary and secondary Member(s) may access all of the Club Facilities, with the following special privileges: (a) use of the golf course without payment of greens fees - Member(s) will be required to pay cart fees or trail fees, (b) the right to reserve tee times sixty (60) days in advance of the day of play (c) guest privileges for use of the golf course for guests accompanied or un-accompanied by a sponsoring Member upon payment of guest greens and cart fees; (d) the opportunity to participate in Member-Only golf and social events. Designate Memberships shall have no Immediate Family Members privileges, provided that Immediate Family Members of primary and secondary Members shall qualify for Extended Family Members privileges.

AVAILABILITY

Designate Memberships are available only to multiple owners, entities or trusts which own a homesite or residence within the Community.

ENROLLMENT FEES

The primary Member shall pay an Enrollment Fee for the Designate Membership. Secondary Members shall not be charged an additional Enrollment Fee unless the Designate Membership is converted to multiple Proprietary Memberships.

ANNUAL DUES

The primary Member shall pay Annual Dues at the same level applicable to a Proprietary Membership. In addition, each secondary member shall pay one-half of the Annual Dues applicable to a Proprietary Membership. Designate Membership Annual Dues are in addition to any common area assessments that may be levied by the Schaffer's Mill Community Association for recreational use rights.

CONVERSION

The primary Member may convert a Designate Membership to a Proprietary Membership at any time, provided upon conversion the secondary Member Membership privileges terminate. Alternatively, the primary Member may convert a Designate Membership into multiple Proprietary Memberships, one for the primary Member and one for each or any of the secondary Members (provided the secondary Members meet the availability requirement for a Proprietary Membership) upon the payment of a Proprietary Membership Enrollment Fee for each secondary Member at the amount applicable at the time of acquisition of the original Designate Membership. Both the primary Member and the secondary Members must be in good standing with the Club at the time of conversion. Upon conversion, the provisions of Exhibit "B" shall apply to each of the converted Membership(s). A secondary Member may not convert a Designate Membership.

RESIGNATION

A primary Member may resign the Designate Membership at any time. Upon receipt of a resignation by the primary Member of the Designate Membership, all member privileges of the primary Member and each secondary Member shall terminate. A Secondary Member may not resign the Designate Membership, but may resign as a Secondary Member. Upon receipt of a resignation by a Secondary Member, the resigning Secondary Member's member privileges shall terminate and the annual dues of the primary Member shall be adjusted accordingly.

RECALL REFUND

In the event a Designate Membership is recalled or terminated (not including termination for non-payment of Member Charges or disciplinary reasons), the Club shall refund to the primary Member the Enrollment Fees paid by the primary Member and a pro rata share of pre-paid primary Member and secondary Member Charges not previously applied by the Club.

The provisions included on this Exhibit are part of the Club Membership Plan. Primary and secondary Designate Members should consult the body of the Club Membership Plan in addition to this Exhibit for the terms and conditions of Membership in the Club.

EXHIBIT "D"

Special Provisions Pertaining to Social Members

PRIVILEGES OF SOCIAL MEMBERSHIP

A Social Membership shall entitle the Member to use all non-golf related Club Facilities with the following special privileges, subject to availability: (a) the right to reserve tee times for a total of six rounds of golf per Member and each Immediate Family Member per year, one day in advance, with payment of applicable guest greens fees and cart fees; (b) the opportunity to participate in Member-only social events; (c) the opportunity to access the clubhouse and its amenities, including dining, tennis, fitness, and aquatics.

AVAILABILITY

Social Memberships are available to any person not residing in the Community.

LIMITS ON SOCIAL MEMBERSHIPS

The initial limit on Social Memberships shall be two hundred (200) members.

ANNUAL DUES

Social Members shall pay Annual Dues as determined by the Club each Club Year.

RECALL REFUND

In the event a Social Membership is recalled or terminated (not including termination for non-payment of Member Charges or disciplinary reasons), the Club shall refund the Enrollment Fees paid by the Member and a pro rata share of pre-paid Member Charges not previously applied by the Club in accordance with the following schedule:

If recalled/terminated in first year of Membership - 100% refund
If recalled/terminated in second year of Membership - 75% refund
If recalled/terminated in third year of Membership - 50% refund
If recalled/Terminated in fourth year of Membership - 25% refund
If recalled/Terminated in fifth year of Membership - No refund

The provisions included on this Exhibit are part of the Club Membership Plan. Social Members should consult the body of the Club Membership Plan in addition to this Exhibit for the terms and conditions of Membership in the Club.

EXHIBIT "E"

Special Provisions Pertaining to Invitational Members

PRIVILEGES OF INVITATIONAL MEMBERSHIP

An Invitational Membership shall entitle the Member to use all of the Club Facilities, with the following special privileges: (a) use of the golf course without payment of greens fees - Member will be required to pay cart fees or trail fees, (b) the right to reserve tee times sixty (60) days in advance of the day of play (c) guest privileges for use of the golf course for guests accompanied or un-accompanied by a sponsoring Member upon payment of guest greens and cart fees; (d) the opportunity to participate in Member-Only golf and social events. Invitational Memberships shall be subject to recall by the Club as a class prior to recall of Ambassador Memberships and Proprietary Memberships, but after Association Memberships.

AVAILABILITY

Invitational Memberships are available only to persons residing outside the Community.

LEGACY TRANSFER BENEFIT

An Invitational Member has the right to request the re-issuance of his or her Membership to an adult child or adult grandchild who is approved for Membership in the Club, notwithstanding that there may be a waiting list of persons seeking acquisition of Invitational Memberships at the time of sale. Such re-issuance shall be without the payment of any additional Initial Fee. The adult child or adult grandchild shall be required to file an application for Membership with the Club and meet all other requirements for Club Membership. Re-issuance of a Membership to an adult child or adult grandchild does not waive or release any outstanding and accrued debts or obligations of the requesting Member to the Club, which debts and obligations carry over to the re-issued Membership and shall be assumed by the adult child or adult grandchild to whom the Membership is re-issued, provided the Club may require the payment in full for all such debts and obligations as a condition for re-issuance.

CONVERSION

Subject to the provisions of the Club Membership Plan under Upgrades/Conversions, an Invitational Member may convert its Membership to a Proprietary Membership upon acquiring a homesite or residence in the Community, provided the Member is in good standing with the Club at the time of conversion. Upon conversion, the provisions of Exhibit "B" shall apply to the converted Membership.

**LIMITS ON
INVITATIONAL
MEMBERSHIPS**

The initial limit on Invitational Memberships shall be fifty (50) members.

RECALL REFUND

In the event an Invitational Membership is recalled or terminated (not including termination for non-payment of Member Charges or disciplinary reasons), the Club shall refund the Enrollment Fees paid by the Member and a pro rata share of pre-paid Member Charges not previously applied by the Club in accordance with the following schedule:

If recalled/terminated in first year of Membership - 100% refund
If recalled/terminated in second year of Membership - 75% refund
If recalled/terminated in third year of Membership - 50% refund
If recalled/Terminated in fourth year of Membership - 25% refund
If recalled/Terminated in fifth year of Membership - No refund

The provisions included on this Exhibit are part of the Club Membership Plan. Invitational Members should consult the body of the Club Membership Plan in addition to this Exhibit for the terms and conditions of Membership in the Club.

EXHIBIT "F"

Special Provisions Pertaining to Associate Members

PRIVILEGES OF ASSOCIATE MEMBERSHIP

An Associate Membership shall entitle the Member to use all of the Club Facilities, with the following special privileges: (a) use of the golf course without payment of greens fees - Member will be required to pay cart fees or trail fees, (b) the right to reserve tee times sixty (60) days in advance of the day of play (c) guest privileges for use of the golf course for guests accompanied or un-accompanied by a sponsoring Member upon payment of guest greens and cart fees; and (d) the opportunity to participate in Member-Only golf and social events. Associate Memberships shall be subject to recall by the Club as a class prior to recall of Ambassador Memberships, Proprietary Memberships and Invitational Memberships.

AVAILABILITY

Associate Memberships are available only to persons residing outside of the Community

CONVERSION

An Associate Member may convert its Membership to a Proprietary Membership upon acquiring a homesite or residence in the Community, provided the Member is in good standing with the Club at the time of conversion. The Member shall pay an additional Enrollment Fee for such conversion based upon the difference in the Enrollment Fee paid by the Member and the then current Enrollment Fee for a Proprietary Membership. Upon conversion, the provisions of Exhibit "B" shall apply to the converted Membership.

LIMITS ON ASSOCIATE MEMBERSHIPS

The initial limit on Associate Memberships, Ambassador Memberships, Proprietary Memberships, Designate Memberships, and Invitational Memberships, is collectively four hundred (400) members in any combination of such Memberships.

RECALL REFUND

In the event an Associate Membership is recalled or terminated (not including termination for non-payment of Member Charges or disciplinary reasons), the Club shall refund the Enrollment Fees paid by the Member and a pro rata share of pre-paid Member Charges not previously applied by the Club in accordance with the following schedule:

If recalled/terminated in first year of Membership - 100% refund
If recalled/terminated in second year of Membership - 75% refund
If recalled/terminated in third year of Membership - 50% refund

If recalled/Terminated in fourth year of Membership - 25% refund
If recalled/Terminated in fifth year of Membership - No refund

The provisions included on this Exhibit are part of the Club Membership Plan. Associate Members should consult the body of the Club Membership Plan in addition to this Exhibit for the terms and conditions of Membership in the Club.

EXHIBIT "G"

Special Provisions Pertaining to Homestead Agreements

**PRIVILEGES
UNDER HOMESTEAD
AGREEMENTS**

A Homestead Agreement includes Membership use rights for every property owner in a community ("Sub-Member") that is a member of the property owners' association that acquires the Homestead Membership ("Association"). The Homestead Agreement shall provide, at a minimum, non-exclusive use rights for every Sub-Member roughly equivalent to the level of Social Members, together with such additional privileges as may be granted by Club Owner from time to time. The Sub-Member use rights are subordinate to the Association's Homestead Agreement rights and are governed by the terms of the Homestead Agreement.

MEMBERS CHARGES

The Association's Homestead Agreement Club Enrollment Fees and Member Charges shall be determined as set forth in the Homestead Agreement.

**PAYMENT OF
ENROLLMENT FEES AND
ANNUAL DUES**

The Association shall pay Enrollment Fees and Annual Dues as determined in the Homestead Agreement.

**LIMITS ON SUB-
MEMBERS**

There is no current limit on Homestead Agreements or the number of Sub-Members.

RECALL REFUND

Any provisions for a recall refund for a Homestead Agreement shall be set forth in the Homestead Agreement

The provisions included on this Exhibit are part of the Club Membership Plan. Homestead Sub-Members should consult the body of the Club Membership Plan and the Homestead Agreement, in addition to this Exhibit for the terms and conditions of Membership in the Club.

EXHIBIT "H"

Special Provisions Pertaining to Founders Members

PRIVILEGES OF FOUNDERS MEMBERSHIP	The Privileges for each Founders Membership shall be set forth by the Club in a Terms & Conditions Agreement on a member by member basis, which Privileges may be revised by the Club in its discretion from time to time. The Terms & Conditions Agreement may vary for each Founders Membership.
ENROLLMENT FEE	As determined by the Club in the Terms & Conditions Agreement
ANNUAL DUES	As determined by the Club in the Terms & Conditions Agreement
AVAILABILITY	Founders Memberships may be issued to any person or position (e.g., the President of the PGA) in the Club's discretion, including Club Owner affiliates and related parties.
CONVERSION	A Founders Membership may not convert to any other Membership, except as provided in the Terms & Conditions Agreement.
RECALL/ RESIGNATION	A Founders Member may resign at any time. Upon resignation, a Founders Member shall not be entitled to any payment from the Club, except as provided in the Terms & Conditions Agreement.
LIMITS ON FOUNDERS MEMBERSHIPS	There is a limit of 20 Founders Memberships.

The provisions included on this Exhibit are part of the Club Membership Plan. Founders Members should consult the body of the Club Membership Plan in addition to this Exhibit for the terms and conditions of Membership in the Club.

EXHIBIT "I"

Special Provisions Pertaining to Honorary Members

PRIVILEGES OF HONORARY MEMBERSHIP	The Privileges for each Honorary Membership shall be set forth by the Club in a Terms and Conditions Agreement on a member by member basis, which Privileges may be revised by the Club in its discretion from time to time. The Terms and Conditions Addendum may vary for each Honorary Membership.
ENROLLMENT FEE	As determined by the Club in the Terms and Conditions agreement
ANNUAL DUES	As determined by the Club in the Terms and Conditions agreement
AVAILABILITY	Honorary Memberships may be issued to any person or position (e.g., the President of the PGA) in the Club's discretion, including Club Owner affiliates and related parties.
CONVERSION	An Honorary Membership may not convert to any other Membership, except as provided in the Terms and Conditions agreement.
RECALL/ RESIGNATION	An Honorary Member may resign at any time. The Club may terminate or recall an Honorary Membership as provided in the Terms and Conditions agreement. Upon revocation/termination or resignation, an Honorary Member shall not be entitled to any payment from the Club, except as provided in the Terms and Conditions agreement.
LIMITS ON HONORARY MEMBERSHIPS	There are no limits on Honorary Memberships.

The provisions included on this Exhibit are part of the Club Membership Plan. Honorary Members should consult the body of the Club Membership Plan in addition to this Exhibit for the terms and conditions of Membership in the Club.

EXHIBIT "J"

Special Provisions Pertaining to Homestead Designate Members

PRIVILEGES OF HOMESTEAD DESIGNATE MEMBERSHIP	A Homestead Designate Membership shall be an addition to a Homestead Membership where the Primary Homestead Member may designate up to four secondary Members with Homestead Membership privileges. The primary and secondary Member(s) may access all of the Club Facilities as defined within the Homestead Agreement (roughly the same privileges as defined within the Social Membership).
AVAILABILITY	Homestead Designate Memberships are available only to multiple owners, entities or trusts which own a homesite or residence within the Community. No more than four Homestead Designate Memberships may be assigned to a single homesite or residence within the Community.
ENROLLMENT FEES	The primary Member shall pay an Enrollment Fee (if applicable) for the Homestead Membership as defined in the Homestead Agreement. Secondary Members shall not be charged an additional Enrollment Fee.
ANNUAL DUES	The Homestead Member shall pay Annual Dues as defined in the Homestead Agreement. Each Homestead Designate Membership shall pay a minimum of one-quarter of the Annual Dues applicable to a Homestead Membership, however higher dues requirements may be determined based on expected usage levels.
RESIGNATION	A Homestead Designate Member may resign the membership at any time. The resignation of any single Homestead Designate Membership on a homesite shall not affect the remaining Homestead Designate Memberships on that same homesite. Once resigned, the Homestead Designate Member permanently forfeits any right to re-purchase a Homestead Designate Membership.
RECALL & REFUND	The Homestead Designate Membership may be recalled by the club. In the event a Homestead Designate Membership is recalled or terminated (not including termination for non-payment of Member Charges or disciplinary reasons), the Club shall provide the Homestead Designate Member the option to convert to a membership roughly equivalent to the Social Membership.

The provisions included on this Exhibit are part of the Club Membership Plan. Primary and secondary Designate Members should consult the body of the Club Membership Plan in addition to this Exhibit for the terms and conditions of Membership in the Club.

EXHIBIT "K"

Special Provisions Pertaining to Young Executive Members

**PRIVILEGES
OF YOUNG
EXECUTIVE
MEMBERSHIP**

The Privileges for each Young Executive Membership shall be set forth by the Club in a Terms & Conditions Agreement on a member by member basis, which Privileges may be revised by the Club in its discretion from time to time. The Terms & Conditions Agreement may vary for each Young Executive Membership.

ENROLLMENT FEE

As determined by the Club in the Terms & Conditions Agreement.

ANNUAL DUES

As determined by the Club in the Terms & Conditions Agreement.

AVAILABILITY

Young Executive Memberships may be issued to any person younger than age 39 and younger (both spouses), including those who own within Schaffer's Mill and those who do not.

CONVERSION

The total limit on time as a Young Executive Member is 10 years; if the 10-year anniversary is before the 40th birthday of the older spouse, the membership is automatically converted to the applicable category. Existing members may convert to Young Executive Member dues if they qualify; Enrollment Fees will not be re-structured for existing members transferring into the program.

**RECALL/
RESIGNATION**

A Young Executive Member may resign at any time. Upon resignation, a Founders Member shall not be entitled to any payment from the Club, except as provided in the Terms & Conditions Agreement.

**LIMITS ON FOUNDERS
MEMBERSHIPS**

There is a limit of 25 Young Executive Memberships.

The provisions included on this Exhibit are part of the Club Membership Plan. Young Executive Members should consult the body of the Club Membership Plan in addition to this Exhibit for the terms and conditions of Membership in the Club.

EXHIBIT "L"

Special Provisions Pertaining to Master Members

PRIVILEGES OF MASTER MEMBERSHIP

A Master Membership shall entitle the Member to use all of the Club Facilities, with the following special privileges: (a) use of the golf course without payment of greens fees, (b) use of a club-owned or approved privately-owned golf cart without cart fees or trail fees, (c) the right to reserve tee times sixty (60) days in advance of the day of play (d) guest privileges for use of the golf course for guests accompanied or un-accompanied by a sponsoring Member upon payment of guest greens and cart fees, with guest fees equal to those of Ambassador Member guests; (e) the opportunity to participate in Member-Only golf and social events.

AVAILABILITY

Master Memberships are available at the discretion of the Club to both residents and non-residents of the Schaffer's Mill community.

ANNUAL DUES

Master Members shall not be required to pay annual dues. Master Members who are also Homestead Members will be issued a club credit at the end of each calendar year equal to the amount of Homestead Membership dues paid during that calendar year (this credit applies to only one Homestead Membership, even if the Member owns more than one homesite in the community). This credit may be used exclusively towards retail or food & beverage purchases. If unused at the end of the following calendar year, the Club may exercise its right, within a 90-day period from the end of that calendar year, to purchase any remaining balance from the Member for an amount equal to \$.25 on the dollar.

LIMITS ON MASTER MEMBERSHIPS

The Club intends to introduce ten (10) available Master Memberships, and if sold out, the Club reserves the right to issue an additional ten (10) Master Memberships. The total Master Membership count shall never exceed twenty (20) Master Members.

EXISTING MEMBER CONVERSIONS

If an existing Ambassador Member would like to convert to the Master Membership, any remaining balance on that Member's original transfer credit from the Timilick Club, LLC may be applied towards the Master Membership Fee. No other Members shall receive any credit toward the Master Membership Fee based on previous enrollment fees paid for those memberships.

**LEGACY
TRANSFER BENEFIT**

The Master Membership may be transferred one time to the Master Member's children or grandchildren. The child or grandchild to whom the membership is being transferred is required to pay a Legacy Transfer Fee on the membership, which is equal to 15% of the Enrollment Fee paid by the Master Member requesting the transfer. The Legacy Transfer may only happen once for each club-issued membership.

**NON-LEGACY
MEMBERSHIP
TRANSFERS**

Prior to the sale of the initial ten (10) Master Memberships issued by the Club, the Master Membership may not be transferred except as stipulated in the *Legacy Transfer Benefit* section. Once the initial ten (10) Master Memberships have been issued by the Club, the Master Member may post his/her membership as available for transfer through the Club. Upon the sale of that membership to a new Master Member, the transferring Master Member will receive 80% of the Master Membership Fee paid.

If the Club chooses to issue an additional ten (10) Master Memberships, the memberships waiting to transfer would be sold on a one (1) new, one (1) transfer alternating basis. Master Members will retain all benefits of the Master Membership while waiting for the membership to be transferred.

The Club will charge a Reinstatement Fee equal to 5% of the original enrollment fee paid if the Master Member with the membership on the transfer list chooses to remove his/her membership from the transfer list. In all cases, the Club reserves the right – but is not obligated – to re-purchase the membership itself by returning to the Master Member 80% of the Master Membership Fee paid.

**RECALL & CLUB RE-
PURCHASE**

Though it does not intend to do so, the Club reserves the right to recall the Master Membership. In the case of a recall within the first five (5) years of issuance, the Master Member would be refunded 100% of the Master Membership Fee paid. Beyond the initial five (5) year window, the Master Member would be refunded 90% of the Master Membership Fee paid. The membership term begins at the point of issuance or transfer, legacy or otherwise.

**DISCLOSURE
REGARDING USE OF
FUNDS**

Applicants for Master Membership understand that the Master Membership Fee may be used by the Club immediately and in any way the Club sees fit. The payment of the Master Membership Fee is based exclusively on the amenities currently in place at Schaffer's Mill Club, and in no way does the execution of the Master Membership agreement imply or require the completion on any additional amenities contemplated in the Club Membership Plan or otherwise.

The provisions included on this Exhibit are part of the Club Membership Plan. Master Members should consult the body of the Club Membership Plan in addition to this Exhibit for the terms and conditions of Membership in the Club.