

WHEN RECORDED MAIL TO:  
Schaffer's Mill Club, LLC  
Attn: Allen Jones  
15443 Knoll Trail Dr., Suite 130  
Dallas, Texas 75248

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(Space Above for Recorder's Use)

**AMENDED AND RESTATED  
SCHAFFER'S MILL CLUB  
HOMESTEAD LICENSE AGREEMENT  
TERMS AND CONDITIONS**

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**AMENDED AND RESTATED  
SCHAFFER'S MILL CLUB  
HOMESTEAD LICENSE AGREEMENT  
TERMS AND CONDITIONS**

SCHAFFER'S MILL CLUB, LLC, a Delaware limited liability company (the "**Club Owner**") and the Schaffer's Mill Community Association (the "**Association**") entered in the Schaffer's Mill Club Homestead License Agreement Terms and Conditions, recorded October 21, 2013, Document Number 2013.99628, in the Placer County public records (the "**Original Homestead License Agreement**"). The Club and the Association desire to amend and restate the Original Homestead License Agreement (the "**Amended and Restated Homestead License Agreement**"), and agree that the Original Homestead License Agreement is amended and restated in this Amended and Restated Homestead License Agreement in full to read as follows:

SCHAFFER'S MILL CLUB, LLC, a Delaware limited liability company (the "**Club Owner**"), is presently the owner of the real property described on Exhibit 1 attached hereto and made a part hereof (the "**Club Real Property**"). The Schaffer's Mill Community is comprised of the real property described on Exhibit 2 attached hereto and made a part hereof (the "**Residential Property**"). The Residential Property is subject to the Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for Schaffer's Mill (the "**Declaration**"). Pursuant to the Declaration, the Schaffer's Mill Community Association, Inc. (the "**Association**") is charged with operation of the Schaffer's Mill Community for the benefit and enjoyment of the owners of Homesites and residences within the Residential Property. The Association desires to enter into these Homestead License Terms and Conditions, which form a part of the Homestead License, to own, control and maintain certain use rights in the Club Real Property for the enjoyment and benefit of the Members of the Association (the "**Association Members**"). Accordingly, the Club Owner and the Association hereby enter into this Homestead License Agreement subject to the following restrictions, covenants, terms and conditions set forth in these Homestead License Terms and Conditions (the "**License Terms**") so that the Association Members shall have access to and the use of certain Club Facilities for their common enjoyment and mutual benefit.

1. **Definitions.** In addition to the terms defined elsewhere herein, the following terms shall have the meanings specified below:

"**Additional Club Charges**" shall have the meaning set forth in Section 6.8, below.

"**Affiliate of the Declarant**" or "**Affiliate**" means any entity that is directly, or through one or more intermediaries, controlled or is controlled by or is under common control of the Declarant.

"**Assessments**" shall have the meaning set forth in Article IV of the Declaration.

"**Association**" shall mean Schaffer's Mill Community Association, a California nonprofit corporation, its successors and assigns.

"**Association Member**" or "**Member**" shall mean and refer to each Owner or Member of the Association, as defined in the governing documents of the Association.

**“Association Member Rights”** shall mean non-exclusive license rights deriving from the Association’s Homestead License Agreement and these License Terms which provides the derivative rights for each Association Member to utilize the Club Facilities as provided in the Club Documents and these License Terms, provided, however, for the purposes of the Association Membership, there shall be only one Owner per Homesite, but not both and regardless of the number of co-Owners holding title to a Homesite; and provided further, that a person shall continue to be an Association Member until he or she ceases to be an Owner; and, provided further, that upon transfer of a Homesite by an Owner, the Association Member Rights of the transferring Owner shall terminate, and the Homesite transferee’s Association Member Rights shall commence.

**“Board”** shall mean the Board of Directors of the Association.

**“Budget”** shall have the meaning set forth in Section 6.1.1, below.

**“Builder”** shall mean any Person that purchases a Homesite from the Declarant for the purpose of constructing one or more Residences.

**“Club”** shall mean the Club Property, subject to additions and deletions made by the Club Owner from time to time as provided in the Club Membership 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 Charges”** shall mean the charges related to the Club to be paid by the Association pursuant to the provisions of these License Terms, including the Club Expenses and the Club Membership Fee.

**“Club Disclosure Statement”** shall mean the Club disclosure statement provided to the Association and Owners by the Club Owner, as amended from time to time.

**“Club Documents”** shall mean collectively, the Club membership plan (the **“Club Membership Plan”**), Club membership fee schedules (the **“Club Membership Fee Schedules”**), Club rules and regulations (the **“Club Rules and Regulations”**) and a Club Disclosure Statement to Homesite Purchasers within the Schaffer’s Mill Community (the **“Club Disclosure Statement”**).

**“Club Expenses”** shall mean and include the following: all costs (as such term is used in its broadest sense) of owning, operating, managing, maintaining, repairing, and insuring the Club, whether direct or indirect, including trash collection, landscape maintenance, utility charges, cablevision charges, maintenance, legal, banking, accounting and auditing fees of the Club Owner relative to the Club, cost of supervision, Club Manager fees, other management fees, repairs, replacement, refurbishments, equipment maintenance, repair and replacement, payroll and payroll costs, independent contractor fees, insurance, finance charges, food and beverage costs (not including special function and banquet food and beverage costs), valet parking costs, grounds maintenance, irrigation costs, inventory and supplies, working capital, ad valorem and sales or other taxes (excluding income taxes of the Club Owner), assessments, costs, expenses, levies and charges of any nature which may be levied, imposed or assessed against, or in connection with, the Club. By way of example, and not as a limitation, the following expenses shall be included within the definition of Club Expenses: liability, casualty and business interruption insurance (with

such deductibles as the Club Owner deems appropriate); real property taxes, personal property taxes, sales taxes and taxing and educational facilities benefit district assessments; paving repair and replacement, roof repair and replacement; HVAC repair and replacement; and all other costs associated with changing or enhancing Club Facilities after initial construction, exclusive of debt service.

Club Expenses shall not include replacement of the basic building shell (other than roof repair and replacement) and the initial cost of construction of all Club Facilities. Club Expenses shall further not include the following enumerated Golf Course expenses: (i) salaries and benefits for golf pro, assistant golf pros, head greens keeper, and golf bag storage attendants; (ii) maintenance, repair and replacement of tees, greens, bunkers and fairways (but not including roughs, open areas, drainage areas and waste areas which are included in Club Expenses), and (iii) maintenance, repair and replacement of golf carts. The Club Owner may allocate a reasonable portion of its overhead (*e.g.*, employee salaries) to Club Expenses to extent the Club benefits from such overhead.

In addition, there shall be deducted from Club Expenses, the following enumerated Club revenues: (i) food and beverage sales, not including special function and banquet food and sales, and (ii) spa and recreational services revenues (but excluding Golf Course related revenues).

**“Club Facilities”** shall mean the improvements and tangible and intangible personal property which the Club Owner shall actually have constructed and/or made available to Members pursuant to the Club Membership Plan. The Club Facilities are more specifically described in Section 3.2, below. **THE CLUB FACILITIES ARE SUBJECT TO CHANGE AT ANY TIME AT THE CLUB OWNER’S SOLE AND ABSOLUTE DISCRETION.**

**“Club License Fee”** shall mean the fee to be paid to the Club Owner by the Association pursuant to the provisions of Section 6.2, below.

**“Club Manager”** shall mean the entity operating and managing the Club, at any time, together with its officers, owners, governing board or committee members, members, employees and agents. The Club Owner may also be the Club Manager as provided in the Club Membership Plan. However, the Club Owner reserves the right to designate another person or company as the Club Manager in the Club Owner’s sole and absolute discretion.

**“Club Owner”** shall mean and refer to Schaffer’s Mill Club LLC, a Delaware limited liability company, which is the current owner of the Club Property and to any of its designees, successors and assigns who receive a written assignment of all or some of the rights of the Club Owner hereunder. Such assignment need not be recorded in the Public Records in order to be effective, although the Club Owner, in its discretion, may elect to make the designation of a successor Club Owner a matter of record. In the event of such a partial assignment, the assignee shall not be deemed the Club Owner but may exercise such rights of the Club Owner specifically assigned to it. Any such assignment may be made on a non-exclusive basis. The identity of the Club Owner may change from time to time (*e.g.*, The Club Owner may sell the Club Property to a third party in accordance with Section 5.2, below). Notwithstanding that the Club Owner and the Declarant may be the same party, Affiliates or related parties from time to time, the Association and each Owner and Builder acknowledges that the Club Owner and the Declarant shall not be

considered one and the same party, and neither of them shall be considered the agent or partner of the other. Instead, at all times, the Club Owner and the Declarant shall be considered separate and viewed in their separate capacities. No act or failure to act by the Declarant shall at any time be considered an act or failure to act of the Club Owner and shall not serve as the basis for any excuse, justification, waiver or indulgence by the Association, any Owner or Builder with regard to their prompt, full, complete and continuous performance of their obligations and covenants hereunder.

**“Club Property”** shall mean and refer to the Club Real Property and the Club Facilities.

**“Club Rules and Regulations”** means and refers to any Club Rules and Regulations adopted or subsequently amended or modified by the Club Owner pursuant to Section 9.7, below.

**“Community”** means and refers to the Schaffer’s Mill common interest development and includes all Homesites and Common Areas that are (or through annexation may in the future be) subject to the Declaration.

**“Declarant”** means and refers to: (i) New Martis Partners, LLC., a Delaware limited liability company, which is the “the Declarant” identified in the Declaration and (ii) to any Successor Declarant to New Martis Partners, LLC that assumes the authority, duties, and responsibilities of the Declarant pursuant to Section 1.22 of the Declaration.

**“Declaration”** shall mean that certain Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for Schaffer’s Mill recorded on February 6, 2013, as it shall be amended or modified or supplemented from time to time.

**“Deed”** shall mean any deed conveying fee simple title to any portion of the Schaffer’s Mill Property or any interest therein and any other instrument conveying or transferring or assigning the interest of an Owner to another, including a deed to a Homesite, excluding a mortgage on a Homesite.

**“Homesite”** shall have the meaning set forth in the Declaration.

**“Homestead License Agreement”** shall mean this Amended and Restated Homestead License Agreement to which these License Terms are attached.

**“Immediate Family Members”** shall mean the spouse of the Association Member and all unmarried children of either the Association Member or the Member’s spouse who are twenty-five (25) years of age or younger, provided that no unmarried child or other person shall qualify as an Immediate Family Member unless that person is living with the Association Member on a permanent basis in the home which is the Association Member’s domicile. If an Association Member is unmarried, the Association Member may designate one other person who is living with the Association Member on a permanent basis as an adult Immediate Family Member in addition to children of the Association Member living with the Association Member.

**“Lender”** shall have the mean the holder of an institutional mortgage on a Homesite as well as any holder of an institutional mortgage on the Club Property.

“**License**” shall mean the non-proprietary license created by this Homestead License Agreement.

“**License Terms**” shall mean the terms and conditions in this Homestead License Agreement.

“**License Use Rights**” shall have the meaning given to that term in Section 3.3, below.

“**Member**” shall mean such Persons that the Club Owner issues Club memberships to from time to time pursuant to the terms of the Club Membership Plan and these License Terms, on such terms and conditions as determined in the sole discretion of the Club Owner. As provided in Section 4.3, below, Members may include persons other than Association Members.

“**Owner**” shall have the meaning set forth in Section 1.43 of the Declaration, except that the term “Owner” shall not include the Declarant, the Club Owner, or a Lender.

“**Parking Areas**” shall mean all areas designated for parking within the Club Facilities.

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

“**Residence**” shall have the meaning set forth in Section 1.55 of the Declaration.

“**Schaffer’s Mill Property**” is a collective term that includes the Club Real Property and any portion of the Residential Property that is owned by the Declarant or by an Affiliate of the Declarant.

“**Social Membership**” shall have the meaning set forth in the Club Membership Plan.

“**Special Use Fees**” shall have the meaning set forth in Section 6.7, below.

“**Transfer Right**” shall have the meaning set forth in Section 5.3(a), below.

All other initially capitalized terms that are used in this Agreement without being defined in the Section 1 shall have the meanings given to those terms in Article I of the Declaration.

2. **Benefits of Club**. The Association, for itself, and the Association and each Association Member, agrees as follows:

2.1 **Benefit**. When a person acquires title to a Homesite within the Schaffer’s Mill property that new Owner automatically (and by virtue of the acquisition of the Homesite) becomes an Association Member in accordance with the Governing Documents of the Association. As an Association Member, the Owner receives a benefit from the Association by virtue of the Association’s participation as a party to this Homestead License Agreement and these License Terms that the Owner would not otherwise enjoy. The Association, for itself and each Association Member, and the Club Owner agree that the provisions and enforceability of the Homestead License Agreement are mutually beneficial. The Association acknowledges that the Club Owner is initially investing substantial sums of money and time in developing the Club Property and the Club Facilities on the basis that eventually the Club will generate a substantial profit to the Club

Owner. The Association acknowledges that the Club Owner would not have made such an investment in the Club Property without the anticipation of such profit and such profit shall not, if ever realized, affect the enforceability of the Homestead License Agreement.

2.2 Disclosure. Recording of the Homestead License Agreement or a notice or memorandum thereof and delivery to each Owner of the Club Disclosure Statement constitutes full disclosure of the nature of the Club and the rights and obligations associated therewith to each Owner prior to that Owner executing a contract to purchase a Homesite. Recordation of the Homestead License Agreement or a memorandum thereof shall be in the discretion of the Club Owner and the Declarant. Furthermore, each Owner is encouraged to consult with an attorney or other financial or professional advisor of the Owner's selection prior to acquisition of a Homesite in the Community.

2.3 Non-Exclusive License. The provisions of the Homestead License Agreement do not grant any ownership rights in the Club in favor of the Association or the Association Members but, rather, grant a non-exclusive license to use the Club Property subject to the terms and conditions and full compliance with all obligations imposed by the Homestead License Agreement and the Club Documents, the Association acknowledging that other persons shall also be granted non-exclusive license rights to use the Club Property alongside the Association and the Association Members.

2.4 Non-Reliance. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS NOT CONTAINED IN THIS HOMESTEAD LICENSE AGREEMENT, THE CLUB DOCUMENTS AND THE CLUB DISCLOSURE STATEMENT AND, IF GIVEN OR MADE, SUCH INFORMATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE CLUB, THE CLUB OWNER OR THE DECLARANT. IN THE EVENT OF A CONFLICT BETWEEN THE TERMS CONTAINED IN THIS HOMESTEAD LICENSE AGREEMENT, THE LICENSE TERMS, THE CLUB DOCUMENTS AND OTHER PRINTED INFORMATION, THIS HOMESTEAD LICENSE AGREEMENT, THE LICENSE TERMS, AND THE CLUB DOCUMENTS SHALL GOVERN OVER OTHER PRINTED MATERIALS, ORAL REPRESENTATIONS OR OTHER INFORMATION PERTAINING TO THE CLUB PROPERTY, THE CLUB FACILITIES AND/OR THE HOMESTEAD LICENSE.

2.5 Recreational Purposes Only. THIS HOMESTEAD LICENSE AGREEMENT IN THE CLUB IS BEING PROVIDED EXCLUSIVELY FOR THE PURPOSE OF PERMITTING ASSOCIATION MEMBERS TO OBTAIN LIMITED RECREATIONAL USE PRIVILEGES WITH RESPECT TO THE CLUB PROPERTY AND CERTAIN CLUB FACILITIES. NEITHER THE HOMESTEAD LICENSE AGREEMENT NOR THE LICENSE TERMS SHOULD BE VIEWED AS AN INVESTMENT AND NEITHER THE ASSOCIATION NOR ANY ASSOCIATION MEMBER SHOULD EXPECT TO DERIVE ANY ECONOMIC PROFITS OR FINANCIAL BENEFITS FROM THE CLUB USE RIGHTS PROVIDED BY THE HOMESTEAD LICENSE AGREEMENT. THE CLUB AND THE CLUB PROPERTY ARE OWNED AND OPERATED PRIVATELY AND ARE NOT COMMON AREA PROPERTY OF THE ASSOCIATION. THE HOMESTEAD LICENSE AGREEMENT DOES NOT CONVEY ANY FEE TITLE OR OTHER BENEFICIAL OWNERSHIP OF THE CLUB OR CLUB



FACILITIES, NOR ANY VOTING RIGHTS, ANY MANAGEMENT RIGHTS, OR ANY VESTED INTEREST IN THE ENTITY WHICH IS THE CLUB OWNER.

3. **License Use Rights/Club Facilities.**

3.1 **Club Real Property.** The Club Owner presently owns the Club Real Property and the Club Facilities. Additions and deletions to the Club Real Property and the Club Facilities, while not causing an increase or decrease in the Association Membership Initiation Fees payable with respect to each Homesite, may cause an increase or decrease in Club Expenses.

3.2 **Club Facilities.** The Club Owner has constructed or intends to construct the Club Facilities on the Club Real Property, which will be and shall remain the property of the Club Owner, subject only to the provisions hereof. At the time this Agreement is entered into (subject to the Club Owner's paramount right to unilaterally, and without the joinder of any party whomsoever, add to, alter, modify and amend the Club Facilities at any time subject to the provisions hereof), the Club Facilities are as listed on Exhibit 3 attached hereto and made a part hereof (the "**Club Facilities**").

3.3 **License Use Rights.** The Association and the Association Members shall have those non-exclusive use rights in the Club Facilities ("**License Use Rights**") as set forth in the Club Membership Plan in Exhibit G ("**Special Provisions Pertaining to Homestead Agreements**"), as amended from time to time, which License Use Rights shall be subject to the terms and conditions set forth in the Club Documents. As of the effective date of this Agreement the License Use Rights shall provide each Association Member the "Privileges of Social Membership as set forth in Exhibit D ("**Special Provisions Pertaining to Social Members**")", as amended from time to time. As provided in Exhibit G to the Club Membership Plan, the Club Owner may grant additional privileges for the Association Members or otherwise modify or remove then existing privileges from time to time by providing written notice of such grants or modifications to the Association. Any grant or modification shall be effective upon receipt of that notice.

3.4 **Constitution of the Club.** The Club Owner has acquired the Club Real Property and will construct the Club Facilities at its sole cost and expense. The Club Owner shall be the sole and absolute judge as to the plans, size, design, location, completion, schedule, materials, equipment, size, and contents of the Club Facilities. The Club Owner disclaims any warranty or representation as to the adequacy or fitness of the Club Real Property or the Club Facilities for their intended purposes. Without limiting the foregoing, the Club Owner shall have the unequivocal right to:

3.4.1 develop, construct and reconstruct, in whole or in part, the Club Facilities and related improvements within the Club Real Property, and make any additions, alterations, improvements, or changes to the Club Real Property and/or the Club Facilities;

3.4.2 without the payment of rent and without payment of utilities or any other part of the Club Expenses, maintain leasing and/or sales offices (for sales and resales of Homesites and Residences within the Community), general offices, and construction operations on the Club Property including displays, counters, meeting rooms, and facilities for the sales and

re-sales of Homesites (the direct costs of such activities shall be excluded from Club Expenses); provided, however, that so long as the Declarant or an Affiliate of the Declarant owns any portion of the Schaffer's Mill Property, the Club Owner shall not maintain leasing and/or sales offices nor provide displays or facilities for sales or re-sales of Homesites without the prior written consent of the Declarant;

3.4.3 place, erect, and/or construct portable, temporary, or accessory buildings or structures upon the Club Real Property for sales, construction storage, or other purposes (the direct costs of such activities not related to the Club shall be excluded from Club Expenses); provided, however, that so long as the Declarant or an Affiliate of the Declarant owns any Schaffer's Mill Property, the Club Owner shall not place, erect and/or construct buildings or structures for sales or construction storage without the prior written consent of the Declarant;

3.4.4 temporarily deposit, dump or accumulate materials, trash, refuse and rubbish on the Club Real Property in connection with the development or construction of the Club Property or any improvements located within the Schaffer's Mill Property (the direct costs of such activities not related to the Club shall be excluded from Club Expenses); provided, however, that so long as the Declarant or an Affiliate of the Declarant owns any Schaffer's Mill Property, the Club Owner shall not take or permit any actions in connection with improvements located within the Schaffer's Mill Property without the prior written consent of the Declarant;

3.4.5 post, display, inscribe or affix to the exterior of the Club Property, signs and other materials used in developing, constructing, selling, or promoting the sale of portions of the Schaffer's Mill Property, including the sale of Homesites and Residences (the direct costs of such activities not related to the Club shall be excluded from Club Expenses); provided, however, that so long as the Declarant or an Affiliate of the Declarant owns any portion of the Schaffer's Mill Property, the Club Owner shall not permit such posting, display, inscription or affixing without the prior written consent of the Declarant;

3.4.6 conduct whatever commercial activities within the Club Property deemed necessary, profitable and/or appropriate by the Club Owner (the direct costs of such commercial activities shall be excluded from Club Expenses);

3.4.7 develop, operate and maintain the Club and the Club Facilities as deemed necessary, in its sole and absolute discretion;

3.4.8 excavate fill from any lakes or waterways within the Club Real Property by dredge or dragline, store fill within the Club Real Property, and remove and/or sell excess fill; and grow or store plants and trees within the Club Real Property and use and/or sell excess plants and trees (the direct costs of such activities not related to the Club shall be excluded from Club Expenses); and

3.4.9 all activities which, in the sole opinion of the Club Owner, are necessary for the development, operation and sale of the Club or any of the Club Property.

3.5 Changes. The Club Owner reserves the absolute right in the Club Owner's sole and absolute discretion to, from time to time, alter or change the Club and Club uses, including construction of additional Club Facilities and/or the removal or modification of Club Facilities at

any time, whether such alterations, modifications and amendments cause an increase or decrease in Club Expenses. Such alterations, modifications and amendments shall include, without limitation, zoning, platting and land use requirements and all other applicable laws.

3.6 Commercial Space. It is anticipated that portions of the Club Property may include retail and commercial space (“Commercial Space”) as the Club Owner may deem appropriate in the Club Owner’s sole and absolute discretion. The Club Owner may permit Members to access any Commercial Space located within the Club Property at the Club Owner’s sole and absolute discretion. The 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”). If a lease, franchise, license or concession agreement permits continuing use of the Club Facilities by anyone other than the Club Owner or Members, then the Club Owner shall require such Commercial User(s) to pay a fair and reasonable share of the Club Expenses as determined by the Club Owner in its sole and absolute discretion, and any such payments shall be a credit pro rata against the Club Charges payable by the Association and other Club Members. The Club Owner shall have no duty to account for any rents, fees or payments from Commercial User(s) or other third parties for the right to occupy and/or lease Commercial Space; all of such rents, fees and payments, if any, shall be the sole property of the Club Owner and shall not offset or reduce the Club Charges or the Association Membership Club Charges payable by the Association, Owners and Builders.

#### 4. Persons Entitled to Use the Club Facilities.

##### 4.1 Rights of the Association Members.

4.1.1 Each Association Member and his or her respective Immediate Family Members shall have such non-exclusive rights and privileges as shall from time to time be granted by the Club Owner to the Association pursuant to Section 3.3, above. The Association Members shall have no privity with the Club Owner but shall derive their rights and privileges as the Association Members solely through and by way of membership in the Association. In order to exercise the rights of an Association Member, a person must be an Owner of a Homesite. If a Homesite is owned by a corporation, trust or other legal entity, or is owned by more than one family, then the Owner shall designate one (1) person who has a right of occupancy of the Residence or Homesite as a result of ownership or affiliation with the record Owner who will be the Association Member with respect to such Homesite insofar as the License rights and obligations under this Agreement are concerned. Subject to the provisions of Section 4.1.2, below, the transfer of an Association Member’s Homesite to a transferee Owner automatically terminates the transferring Association Member’s Membership Rights, and the transferee Owner automatically becomes the Association Member in accordance with the provisions of the Declaration by reason of the transferee Owner’s membership in the Association (assuming the Homestead License remains in effect at the time of transfer and has not been earlier terminated in accordance with these Club Provisions). Association Members shall have no right to access any Commercial Space within the Club Facilities, or portions of the Club Property leased or licensed to third parties, except as and when permitted by the Club Owner and/or the Commercial Users, as applicable

4.1.2 Each Association Member shall have the right to upgrade his or her Association Membership rights to a direct non-equity membership in the Club, subject to availability of memberships in the Club from time to time as determined by the Club Owner and subject to the provisions of the Club Membership Plan. Upon obtaining a direct non-equity membership in the Club, the Club shall invoice the Association Member directly for dues, fees and charges related to the direct non-equity membership. Obtaining a direct non-equity membership in the Club does not terminate nor extinguish the Association Member's Membership Rights or his or her obligations as an Owner or Member of the Association under these Club Provisions. Subject to the provisions of the Club Membership Plan, the transfer of an Association Member's Homesite to a new Owner does not terminate nor extinguish an Association Member's direct non-equity membership in the Club and does effect a transfer of the Association Membership Rights under this License to the new Owner.

4.2 Subordination of Encumbrances on the Club Property. The Club Owner reserves to itself and to its successors and assigns the absolute right to finance the acquisition of new Club Property or new Club Facilities or to finance the construction of Club Facilities, so long as the Lender agrees to subordinate its interest to the rights and obligations of the Association and the Association Members under this License Agreement. Bank of the Ozarks, Inc., the current Lender who holds a deed of trust on the Club Property, has executed such a subordination which is attached hereto.

4.3 Rights of Third Parties to Use of the Club. In addition to the Homestead License acquired by the Association, the Club has and will be offering memberships to other Persons outside the Community and may offer additional membership rights to the Association Members within the Community. These memberships may include the following membership categories; Founder Memberships, Associate Memberships, Invitational Memberships and Honorary Memberships. Such additional memberships and membership rights shall be set forth in the Club Membership Plan. The Club will also provide access to the Club Facilities to other third parties who are not Members of the Club, including (i) for special events, tournaments, functions, parties, and Schaffer's Mill Property and Club sales promotion purposes, and (ii) for limited access open play on the Golf Course. The Club may further be providing reciprocal Club Facilities use rights to other clubs and to residents of communities (other than Schaffer's Mill) developed by the Declarant or an Affiliate of the Declarant.

## 5. Ownership and Control of the Club and the Club Facilities.

### 5.1 Control of The Club by the Club Owner; Termination Rights.

(a) Control by 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 the Club Manager, in which event the Club Manager shall have such supervision and control rights as granted by the Club Owner to the Club Manager. The Association may establish an Association Club Committee to: (i) provide the Club input on programs, plans and activities of the Club, (ii) advise on Club operations, policies and levels of service; and (iii) to foster good relations between the Association, its Members, and the Club Owner. The Association shall also have the right to audit the Club Expenses as provided in Section 6.1.1, below.

(b) Termination of Homestead License by the Club Owner. Except as otherwise provided in Section 5.3, below, the Club Owner may terminate any or all Club memberships, including the Association's Homestead License, in its sole and absolute discretion at any time and from time to time. Upon termination of the Association Homestead License, the Club Owner shall pay to the Association any pre-paid Club Expenses and Club Membership Fees paid to the Club Owner by the Association for any time period following the effective date of the termination. For so long as the Declarant owns any portion of the Schaffer's Mill Property, any termination of the Homestead License must also be approved in writing by the Declarant.

(c) Termination of Homestead License By the Association. The Association may terminate the Homestead License at any time upon receiving the affirmative vote to terminate of a majority in total number of the Association Board of Directors and the affirmative vote to terminate of two-thirds of the voting power of all Members of the Association. Any such termination shall be effective as of the last day of Club Year in which written notice of termination is delivered to the Club Owner.

5.2 Transfer of Club to Third Party. The Club Owner may sell, encumber, transfer or convey the Club Property or any part thereof to any Person 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, the Association, or any Owner. Upon receipt of a written request from the Club Owner, the Association, in its own name and, as agent for all Owners, shall sign any documents confirming the terms of the License Terms and/or compliance therewith by the Association in conjunction with a sale, encumbrance or conveyance of the Club Property.

5.3 Transfer of The Club to the Association.

(a) Rights of Transfer, Generally. So long as the prior approval of the Board of Directors of the Association is first obtained in accordance with subparagraph (c) of this Section 5.3, the Club Owner (including any the Club Owner pursuant to a Third-Party Transfer as provided in Section 5.2, below) shall have the right (the "**Transfer Right**") at any time and from time to time, to transfer the Club Property to the Association, so long as the transfer is free of any obligation whatsoever on the part of the Association to pay any purchase price to the Club Owner for the Club Property. Notwithstanding the foregoing, any transfer of the Club Property to the Association shall be subject to the Association's assumption of the following:

(i) any ground lease, equipment lease, vendor contracts, employment agreements, management agreements;

(ii) other non-monetary encumbrances, and any renewals, modifications and extensions thereof, now or hereafter placed on the Club Property by the Club Owner, and

(iii) all easements, restrictions, limitations and conditions, covenants and restrictions of record, and other conditions of governmental authorities

(collectively, “**Permitted Encumbrances.**”). The terms of this Section 5.3 shall be a continuing right of the Club Owner in the event the Association does not approve a Proposed Transfer in accordance with subparagraph (c), below.

(b) Tender of Transfer Notice to the Association. To commence the transfer process (the “**Proposed Transfer**”) the Club Owner shall deliver to the Association a written notice (the “**Transfer Notice**”), in the form attached hereto as **Exhibit 4**, which shall be delivered by professional overnight courier or personal delivery to the Association at such address as may be designated by the Association from time to time. The Transfer Notice shall include or be accompanied by the following documents and reports:

(i) the year-end financial report for the Club’s last two completed fiscal years of operation, including (A) a balance sheet as of the end of each fiscal year, (B) an operating (income) statement for each fiscal year, and (C) a statement of cash flows for each fiscal year;

(ii) the Club Owner’s good faith estimate of a pro forma annual budget of the Club’s revenues and expenses for the first twelve (12) months of operation under the Association’s ownership of the Club;

(iii) a copy of a preliminary title report on the Club Property; and

(iv) a complete set of any as-built plans and specifications for the Club Facilities.

(c) Approval by the Association’s Board of Directors. The Association’s Board of Directors shall have ninety (90) days from delivery of the Transfer Notice to approve the Proposed Transfer of the Club Property to the Association. During said ninety (90) day period, the Association and its agents or contractors shall have the right to conduct a nonintrusive visual inspect of the Club Facilities. Approval of the Proposed Transfer shall require the affirmative vote of a majority of all the Association directors, as well as a majority of those directors who have no affiliation with either the Club Owner or the Declarant, said vote to be conducted at a duly noticed meeting of the Board that is open to attendance by the Association’s Members. The notice of the meeting shall clearly indicate that a Proposed Transfer of the Club Property to the Association is on the agenda for action and the notice shall be accompanied by a summary of the principal terms of the Proposed Transfer and a statement that any Member of the Association shall be provided with a complete copy of the Transfer Notice and its accompanying documentation upon request. In the event that the Board of Directors votes to approve the Proposed Transfer, the Club Owner shall be advised of that action by delivery of written notice to the Club Owner which shall be delivered by professional overnight courier or personal delivery to the Club Owner at such address as may be designated by the Club Owner from time to time (the “**Association’s Acceptance Notice**”). The Proposed Transfer shall not require the consent or approval of any Association Member (other than the Board of Directors).

(d) Conveyance of the Club Property to the Association. The Club Owner shall convey to the Association and the Association shall accept the conveyance of the Club Property from the Club Owner within sixty (60) days of delivery of the Association’s Acceptance

Notice. The conveyance of the Club Property shall occur in accordance with the terms of subparagraph (e), below. In the event the Association accepts the conveyance of the Club Property from the Club Owner, the Association shall accept title to the Club Property subject to all Permitted Encumbrances. The Club Property shall be conveyed in "AS IS/WHERE IS" condition WITHOUT ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IN FACT OR BY LAW, AS TO THE CONDITION, FITNESS OR MERCHANTABILITY OF SUCH ITEM BEING CONVEYED.

(e) Documentation of Transfer.

(i) Documentation from The Club Owner. In the event that the Club Property is transferred to the Association pursuant to the provisions of this Section 5.3, the Club Owner shall be obligated to deliver the following to the Association: a quit claim deed for the Club Real Property, a quit claim bill of sale respecting the personal property comprising the Club Facilities, an assignment of any leases, contractual obligations, licenses, permits and authorizations used in connection with the Club, an assignment of any alcoholic beverage license used in connection with the Club (subject to all state requirements for such transfer), if any, an owner's standard form title insurance policy respecting the Club Real Property in an amount equal to the full cash value of the Club Real Property as determined by the County Tax Assessor's office in the County, a closing statement and all affidavits and other documents required by the title insurance company to effect the transfer of the Club Property.

(ii) Documentation from the Association. In the event that the Club Property is transferred to the Association pursuant to the provisions of this Section 5.3, then at the time that the Club Property is transferred to the Association, the Association shall be obligated to deliver the following: an acceptance of assignment of Club contracts, leases, licenses and permits, assumption of Club liabilities, a general release of the Club Owner and all affidavits and other documents required by the title insurance company or the Club Owner to effect the transfer of the Club Property and assumption by the Association of the Club Owner's obligations with respect to the Club Property.

(f) Transfer of Control. The conveyance of the Club Property to the Association pursuant to this Section 5.3 shall be subject to easements, restrictions, reservations, conditions, limitations and declarations shown in the Public Records, real estate taxes for the year of conveyance, zoning, land use regulations and survey matters. The Association shall be deemed to have assumed and agreed to comply with and fund all continuing obligations and service and similar contracts relating to the ownership, operation, maintenance and administration of the Club Property, other than those portions of any obligations accruing before the date of closing of the transfer. The Association shall, and does hereby, indemnify and hold the Club Owner harmless on account thereof. The Association shall be obligated to accept such conveyance without setoff, condition, or qualification of any nature. The Association shall execute all forms necessary for the transfer of the alcoholic beverage license used in connection with the Club (if any). Upon acquisition of the Club Property by the Association pursuant to this Section 5.3, the Association shall have the right to limit or cease operation of any portion or all of the Club Property, which limitation or cessation of operation shall not be subject to return of the Association Membership Initiation Fees to the Association Members.

(g) Tax Matters. The transfer of the Club Property to the Association may be deemed a taxable event for the Association, in which event the Association and the Club Owner shall share equally in the cost of any applicable income tax impact.

6. Club Charges. In consideration of the construction and providing for use of the Club Property by the Association under its Homestead License and the Owners as the Association Members through the Association's Homestead Membership, the Association, on its behalf and on behalf of the Owners as the Association Members, covenants and agrees to pay all Club Charges, as defined in Section 1 above and described within this Section 6. The Club Owner estimates that the Club Charges per Association Member for the 2021 Club fiscal year would be approximately \$423.00 per month, based on current anticipated operating costs and facilities usage. The Club Owner reserves the right to charge and collect from the Association Club Charges in advance on a monthly, quarterly, semi-annual or annual basis and also reserves the right to change the payment period from time to time. Club Charges and other fees and charges payable to the Club Owner shall be calculated and paid in accordance with this Section 6.

6.1 Club Expenses. Club Expenses shall be established by the adoption of an annual projected operating budget (the "**Budget**"). The fiscal year for the Club Expenses shall be the calendar year. On or before thirty (30) days prior to adoption of each annual the Association budget, the Club Owner shall provide the Association with the Budget setting forth the estimate of Club Expenses for the next the Association fiscal year. Commencing on the first day of the period covered by the Budget, and until the adoption of the next Budget, the estimated Club Expenses shall be allocated to the Association by multiplying Club Expenses by a fraction, the numerator of which is the total number of Homesites which have been annexed to the Community and subjected to the Declaration and the denominator of which is (i) (i) the total number of Homesites in the Community anticipated at build-out (currently estimated at four hundred six (406) Homesites) plus the total number of all other Members of the Club, not including the Association Members who have upgraded Memberships pursuant to Section 4.1.2, above, as set forth in the estimate of Club Expenses, or (ii) any greater number determined by the Club Owner from time to time. The Club Owner, in its sole and absolute discretion, may change the denominator from time to time, provided under no circumstances will the denominator be less than the number of Homesites anticipated at build-out. The amount resulting from the foregoing allocation is referred to as the "**Pro Rata Portion of Club Expenses.**"

Within sixty (60) days following the close of the Association fiscal year, the Club Owner shall provide the Association a reconciliation of the actual pro rata portion of Club Expenses for the Association fiscal year just ending, and in the event the Pro Rata Portion of Club Expenses allocated to the Association total more than the actual pro rata portion of Club Expenses, the Club Owner shall refund the difference to the Association within thirty (30) days after the Club Owner provides the reconciliation to the Association. In the event the Pro Rata Portion of Club Expenses charged to the Association total less than the actual pro ration portion of Club Expenses, the Club Owner shall not charge the Association for the difference.

The Association shall have the right, at its expense, to audit the annual reconciliation by providing the Club Owner a written request within five (5) days of receipt of the annual reconciliation. The audit shall be commenced within ten (10) days after delivery of notice during normal business hours of the Club. In the event an audit leads to a dispute as to the annual



reconciliation, the dispute resolution procedures in Section 18, below, shall apply. The failure to deliver a timely request for audit or to timely commence such audit if requested, shall be deemed a waiver of the right to audit and an acceptance by the Association of the annual reconciliation.

6.2 Homestead Club License Fee. The Association shall pay the Club Owner when due the Club License Fee multiplied by the total number of Homesites which have been annexed to the Community and subjected to the Declaration (the “**Homestead Club License Fee**”).

6.3 Annual Limit on Increases in Homestead Club Charges. In order to provide a more level year-to-year Homestead Pro Rata Portion of Club Expenses and Homestead Club License Fee (collectively, the “**Homestead Club Charges**”), and notwithstanding anything in Sections 6.1 and 6.2, above, to the contrary, the Club Owner may not levy Homestead Club Charges in an amount that is more than twenty percent (20%) greater than the Homestead Club Charges imposed by the Club for the immediately preceding fiscal year without the Association Members’ prior approval. Member approval shall require the same affirmative vote as is required for approval of the Association Members for certain increases in Association Assessments pursuant to Section 4.02(c)(ii) of the Declaration and Civil Code section 1366(b). Builders shall be entitled to participate in any vote to approve increases in Homestead Club Charges that are in excess of twenty percent (20%) above the prior year’s Charges only if the Builder is obligated to pay Homestead Club Charges pursuant to Section 6.5, below.

6.4 Taxes. The Association shall pay all applicable sales, use or similar taxes now or hereafter imposed on the Club Charges to the Club Owner. Currently, sales tax is payable on the entire amount of Club Charges. The Club Owner shall allocate all applicable sales, use or similar taxes to the Association and other Members using the same basis as the Club Owner uses to allocate Club Expenses, and all such applicable sales, use or similar taxes shall be included in the charges billed to the Association by the Club Owner.

6.5 Builders. Builders shall pay the Association Membership Club Charges on each Homesite owned by such Builder on the same basis as all other Owners.

6.6 The Club Owner’s Obligation. Under no circumstances shall the Club Owner be required to pay Club Charges. To the extent that the Club Owner elects, in the Club Owner’s sole and absolute discretion, to base the Pro Rata Portion of Club Expenses charged to Members on a number of Club Memberships (including Association Memberships) which is greater than those that actually exist at the time the Budget is provided to the Association, the Club Owner agrees to pay the difference, if any, between actual Club Expenses and Club Charges paid by the Association pursuant to this Homestead License and other Members, if any.

6.7 Special Use Fees. The Club Owner shall have the right to establish from time to time, by resolution, rule or regulation, or by delegation to the Club Manager, specific service and/or use fees and charges (“**Special Use Fees**”), for which one or more Members or Association Members (but less than all Members and Association 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, cabana 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 the Club Owner. The Club Owner shall have no duty to account to the Association for any Special Use Fees; all of such Special Use Fees shall be the sole property of the Club Owner and shall not offset or reduce the Club Charges payable by Members or the Association Members. For those programs or events, if any, for which tickets are sold, the Club Owner shall adopt such rules and regulations as to entitlement of the tickets as the Club Owner deems necessary. Special Use Fees are not subject to the limit set forth in Section 6.3, above.

6.8 Additional Club Charges. If a Member or Association Member, his or her guests, invitees, licensees, agents, servants or employees do anything that increases the cost of maintaining or operating the Club, or cause damage to any part of the Club Property, the Club Owner may levy Additional Club Charges (the “**Additional Club Charges**”) against the Association or other Member, and in the event such Additional Club Charges are levied against the Association, the Association shall levy such Additional Club Charges against the responsible Association Member in the amount necessary to pay such increased cost or repair such damage. Additional Club Charges are not subject to the limit set forth in Section 6.3, above.

6.9 Time Is of Essence. Faithful payment of the sums due, and performance of the other obligations hereunder, at the times stated, shall be of the essence.

6.10 Collection. The Club Owner shall determine from time to time the method by which Club Charges, Special Use Fees, Additional Club Charges and any other amounts due to the Club Owner shall be collected.

6.11 Non-Payment of Club Charges or Fees. If any Club Charges, Special Use Fees, Additional Club Charges or other amounts due the Club Owner are not paid by the Association within twenty (20) days after the date of invoice, a late fee (to compensate the Club Owner for administrative expenses due to late payment) equal to the greater of Two Hundred Fifty Dollars (\$250.00) or two percent (2%) of the amount late per month, or such greater amount established by the Club Owner by written notice to the Association, together with interest on all amounts payable to the Club Owner at a rate of eighteen percent (18%) per annum (or such lesser amount as required to comply with applicable law from time to time), beginning from the due date until paid in full, may be levied against the Association. the Club Owner may, at any time thereafter, bring an action at law against the Association. The Club Owner shall not be required to bring such an action if it believes that the best interests of the Club would not be served by doing so. The Club Owner shall have all of the remedies provided herein and any others provided by law and such remedies shall be collective. The bringing of action shall not constitute an election or exclude the bringing of any other action.

7. Operations; Club Manager. At any time, the Club Owner may appoint a Club Manager to act as its agent. The Club Manager shall have whatever rights hereunder as are assigned in writing to it by the Club Owner. Without limiting the foregoing, the Club Manager, if so agreed by the Club Owner, may bring actions for unpaid Club Charges against the Association and Owners and provided herein and prepare the Budget for the Club. The Club Owner intends to appoint an Affiliate of the Club Owner as the Club Manager. In the event that the Club Manager is an Affiliate of the Club Owner, the Club Manager’s compensation shall be reasonably

commensurate with compensation of like club managers of like caliber clubs in the Lake Tahoe area.

8. **Right of the Association.** The Association shall have the right to post all notices of its Board and member meetings and all notices required by applicable laws at a designated location within the Club Facilities visible to all Association Members without charge.

9. **General Restrictions.** The Club Owner has adopted the following general restrictions governing the use of the Club Facilities, which restrictions may be revised by the Club Owner from time to time. Each Member, Association Member, Immediate Family Member and other Person entitled to use the Club Facilities shall comply with following general restrictions:

9.1 **Minors.** Minor children of Association Members may use the Club Facilities only in accordance with the Club Rules and Regulations, which may require that a minor be accompanied by an adult or prohibit use of certain portions of the Club Facilities by minors altogether. The Club Owner also may require a minor's parent or legal guardian to release the Club Owner from liability when a minor (regardless of age) is using the Club Facilities pursuant to consent form(s) provided by the Club Owner from time to time. Parents and legal guardians are responsible for the actions and safety of their minor children when the children are using the Club Facilities to which access is permitted and for any damages caused to any portion of the Club Facilities by such minors. Notwithstanding the foregoing, if minors use the Club Facilities without the proper execution of a consent form or without adult supervision when required, the Club Owner is not liable for the actions and safety of any minor child.

9.2 **Responsibility for Personal Property and Persons.** Each Member and Association Member assumes sole responsibility for the health, safety and welfare of such Member and Association Member, his or her Immediate Family Members and guests, and the personal property of all of the foregoing, and each Member and Association Member shall not allow any of the foregoing to damage the Club or interfere with the rights of other Members or Association Members hereunder.

9.3 **Cars and Personal Property.** The Club is not responsible for any loss or damage to any private property used, placed or stored on the Club Property. Without limiting the foregoing, any person parking a car within the Parking Areas assumes all risk of loss with respect to his or her car in the Parking Areas. Further, any person entering the Club Facilities assumes all risk of loss with respect to his or her equipment, jewelry or other possessions stored in the fitness center, on bicycles, or within cars and wallets, books and clothing left in the pool area.

9.4 **Activities.** Any Member, Association Member, Immediate Family Member, guest or other person who, in any manner, makes use of, or accepts the use of, any apparatus, appliance, facility, privilege or service whatsoever owned, leased or operated by the Club Owner, or who engages in any contest, game, function, exercise, competition or other activity operated, organized, arranged or sponsored by the Club Owner, either on or off the Club Property, shall do so at their own risk. Each Member and Association Member shall be liable for any property damage and/or personal injury upon the Club Property, or at any activity or function operated, organized, arranged or sponsored by the Club Owner, caused by such Member or Association Member, Immediate Family Member or guest. No Member or Association Member may use the

Club Facilities for any club, society, party, religious, political, charitable, fraternal, civil, fund-raising or other purposes without the prior written consent of the Club Owner, which consent may be withheld for any reason.

9.5 Property Belonging to The Club Owner. Property or furniture belonging to the Club Owner shall not be removed from the room in which it is placed or from the Club Facilities.

9.6 Indemnification of The Club Owner. In addition, the Association, for itself and each of its Members and their Immediate Family Members and guest agrees, to the greatest extent provided by law, to indemnify and hold harmless the Club Owner and the Club Manager, their officers, partners, agents, employees, Affiliates, directors and attorneys (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, arising out of or relating to the use of the Club Facilities and the Club Property including without limitations (i) use of the Club Facilities by Members, the Association Members, and their respective Immediate Family Members and their guests; (ii) the interpretation of this License Agreement and/or the Club Documents; (iii) any act or omission of the Club Owner or of any of the Indemnified Parties; (iv) any and all claims, suits, actions, causes of action or damages arising from any personal injury, loss of life, or damage to property, sustained on or about the Club Property, or the Association Common Property and other property serving the Association, and improvements thereon, or resulting from or arising out of activities or operations of the Association or Owners, and (v) for, from and against all costs, expenses, court costs, counsel fees, paraprofessional fees (including all trial and appellate levels and whether or not suit be instituted), expenses and liabilities incurred or arising out of or relating to any such claim, the investigation thereof, or the defense of any action or proceedings brought thereon, and for, from and against any orders, judgments or decrees which may be entered relating thereto. but excluding, as to any Indemnified Party, Losses caused by the gross negligence or willful misconduct of such Indemnified Party to the extent of its allocable damages. Losses shall include the deductible payable under any of the Club’s insurance policies. The terms of this Section shall survive termination of this Agreement.

9.7 Club Documents. The Club Owner has adopted the Club Documents, and may amend, modify, terminate and restate each of them from time to time in its discretion, which adoption, amendment, modification, termination and restatement shall be binding upon, but shall not require the consent, approval or joinder of, the Declarant, the Association, any Club Member, any Owner or any other Person. Such Club Documents will not be recorded in the Public Records; therefore, the Association should request a copy of the Club Documents for each Owner so they can become familiar with the same. Restrictions in such Club Documents are in addition to the general restrictions set forth in this Agreement. Except for the provisions of Section 5 and Section 6 of this Agreement, in the event of a conflict between the terms of this Agreement and the Club Documents, the Club Documents shall prevail. Notwithstanding the foregoing, Club Documents, as they may be amended, modified, terminated or restated, (i) shall not serve to modify those certain sections of this Agreement requiring the consent of the Association for amendment without the approval of the Association, and (ii) shall not serve to modify any portion of this Agreement requiring the consent of the Declarant for amendment without the approval of the Declarant.

9.8 Waiver of Application of the Club Documents. The Club Owner may waive the application of any part of the Club Documents to the Declarant, one or more Owners, Club Members, guests, invitees, employees or agents in the Club Owner's sole and absolute discretion. A waiver may be revoked at any time upon notice to affected Owners. Neither the Association nor any Owner, Club Member, guest, invitee, employee or agent may claim the benefit of or the right to receive a waiver granted to another party.

10. **Violation of Club Rules and Regulations.**

10.1 Basis For Suspension. The membership rights of a Member or the Association Membership Rights of any Association Member may be suspended by the Club Owner if, in the sole judgment of the Club Owner:

10.1.1 such person is not an Owner or is not otherwise entitled to exercise its Association Membership Rights hereunder;

10.1.2 the Member or Association Member violates one or more of the Club Rules and Regulations, the Club Membership Plan or this Agreement;

10.1.3 an Immediate Family Member, a guest or other person for whom a Member or Association Member is responsible violates one or more of these Club Rules and Regulations, the Club Membership Plan or this Agreement;

10.1.4 a Member, Association Member, and/or guest and invitee has injured, harmed or threatened to injure or harm any person on the Club Property, or harmed, destroyed or stolen any personal property within the Club Facilities, whether belonging to a third party or to the Club Owner.

10.2 Types of Suspension. The Club Owner may restrict or suspend, for cause or causes described in the preceding Section, an Association Member's privileges to use any or all of the Club Facilities. In addition, the Club Manager may suspend some privileges while allowing an Association Member to continue to exercise other membership rights. For example, the Club Manager may suspend the rights of a particular Member, Association Member (and/or Immediate Family Members) or the Club Manager may prohibit an Association Member (and/or Immediate Family Member) from using a portion of the Club Facilities. The Association shall not be entitled to a refund or abatement of Club Charges due to the fact that an Association Member's membership privileges have been fully or partially suspended.

11. **Risk of Loss.** The Club Owner shall not be liable for, from and against, and the Members and Association 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 or the bursting or leaking of any pipes or waste water about the Club Property, or from any act of negligence of any other Person, or lightning, sleet, snow, ice, fire, or tornado, or other act of God, or from any cause whatsoever, occurring after the date of the recording of these Club Provisions. Neither the Association nor any Owner shall be entitled to cancel this Agreement on account of any such occurrence, nor shall there be any abatement in payment of Club 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, the Club Membership

Charges will be abated for any time such Club Facilities are not available for use after the initial sixty (60) days of closure.

12. **Estoppel.** the Association shall, for itself and on behalf of the Owners, from time to time, upon not less than ten (10) days' prior written notice from the Club Owner, execute, acknowledge and deliver a written statement: (a) certifying that this Agreement is unmodified and in full force and effect (or, if modified, stating the nature of such modification, listing the instruments of modification, and certifying that this Agreement, as so modified, is in full force and effect) and the date to which the Club Charges are paid; and (b) acknowledging that there are not, to the Association's knowledge, any uncured defaults by the Association, the Club Owner or Owners with respect to this Agreement. Any such statement may be conclusively relied upon by any prospective purchaser of the Club Owner's interest or mortgagee of the Club Owner's interest or assignee of any mortgage upon the Club Owner's interest in the Club. The Association's failure to deliver such statement within such time shall be conclusive evidence: (1) that this Agreement is in full force and effect, without modification except as may be represented, in good faith, by the Club Owner; and (2) that there are no uncured defaults; and (3) that the Club Charges have been paid as stated by the Club Owner.

13. **No Waiver.** The failure of the Club Owner in one or more instances to insist upon strict performance or observance of one or more provisions of this Homestead License or conditions hereof or to exercise any remedy, privilege or option herein conferred upon or reserved to the Club Owner, shall not operate or be construed as a relinquishment or waiver of such covenant or condition or of the right to enforce the same or to exercise such privilege, option or remedy, but the same shall continue in full force and effect. The receipt by the Club Owner of any payment required to be made hereunder, or any part thereof, shall not be a waiver of any other payment then due, nor shall such receipt, though with knowledge of the breach of any covenant or condition hereof, operate as, or be deemed to be a waiver of such breach. No waiver of the Club Owner (with respect to the Association or any Association Member) shall be effective unless made by the Club Owner in writing.

14. **Construction and Minor Adjustments to Plats.**

14.1 The Club Owner, the Association, and the Declarant, and their respective successors and assigns, shall mutually cooperate in connection with the construction of improvements to the Club Property and Homesites and, in this regard, shall allow reasonable entry and access on each other's property during construction periods, provided that (i) the party requiring entry and access onto the other party's property shall provide written notice to such other party at least three (3) days prior to any such entry and access, (ii) such access and use do not unreasonably interfere with the construction, operation and use activities of the other party or substantially damage the other party's property, and (iii) each party shall be responsible for the cost of repairing any damage to the other party's property caused by the exercise of such easement rights. Neither we shall use the other's property for the storage or staging of supplies, materials or equipment without the other party's prior consent.

14.2 For the purpose of effecting minor boundary adjustments due to unintentional as-built construction encroachments with non-material impacts, the Club Owner, the Declarant and the Association, as applicable, shall grant and convey, without payment of any

consideration, fee title to such portion of the Club Property, Homesites or the Association Common Areas within the Community as may be reasonably required in order to eliminate any non-material encroachments on either the Club Property or such adjoining portion of Homesites or the Association Common Areas, and shall execute and deliver all necessary or appropriate documents or instruments evidencing same.

15. **Access for Sales and Marketing Purposes.** For so long as the Declarant or an Affiliate of the Declarant owns any Schaffer' s Mill Property, the Club Owner hereby grants to the Declarant and its Affiliates an easement to enter upon the Club Property for (i) ingress and egress reasonably necessary to take prospective purchasers of Homesites within the Residential Property to sales and leasing offices, management offices, construction offices, any design center, model homes and parking areas, (ii) showing prospective purchasers of Homesites within the Residential Property the Club Facilities, and (iii) installation and maintenance of one or more advertising, identification or directional signs on the Club Property for sales and marketing purposes. the Declarant reserves the right for itself and its Affiliates to allow the gated entrances to remain open during business and construction hours for the period of time necessary to sell and construct all phases of the Residential Property and other improvements within the Schaffer's Mill Property.

16. **Easement Relocation Rights.** With respect to each easement granted by the Club Owner, and without limiting the rights of the Club Owner set forth therein, the Club Owner retains the right to require the easement grantee(s) to relocate any grantee facilities placed upon, under, over, and across the Club Property that is found by the Club Owner to be unreasonably interfering in any way with the convenient, safe, or continuous use, or the maintenance, improvement, extension or expansion of the Club Property, by providing thirty (30) days written notice to the easement grantee(s) to relocate such grantee facilities. In the event that a grantee(s) fails to relocate its grantee facilities within the time frame set forth in a written notice to relocate, the Club Owner shall have the right, but not the obligation, to proceed to cause the grantee facilities to be relocated, and the expense incurred thereby shall be charged against and paid by the grantee(s). With respect to each easement granted by the Club Owner, and without limiting the rights of the Club Owner set forth therein, in the event the Club Owner transfers all or any part of the Club Property from time to time, the Club Owner shall not require the consent or joinder of any grantee(s) to any such transfers.

17. **Franchises and Concessions; Additional Easements.** The Club Owner may grant franchises, concessions and additional easements to any Person(s) on all or part of the Club Property and shall be entitled to all income derived therefrom. The Club Owner may rent or license the use of all or any part of the Club Property to any Person(s) and shall be entitled to all income derived therefrom. If a lease, franchise, license or concession agreement permits continuing use of the Club Facilities by anyone other than the Club Owner, Members and Association Members, then the Club Owner shall require such Commercial User(s) to pay a fair and reasonable share of the Club Expenses as determined by the Club Owner in its sole and absolute discretion, and any such payments shall be a credit against the Club Expenses payable by the Association and other Members pursuant to Section 6.1, above.

18. **Mandatory Dispute Resolution Procedures for The Club Owner and the Association.** Any controversy, dispute, or claim (collectively "**Dispute**") between the Club Owner, the Declarant or the Association, on its own behalf and on behalf of its members, arising

out of or relating to the Club, this Homestead License, use of Club Facilities, Club operations, or the Club Documents shall be governed by the mandatory dispute resolution procedures set forth below. The Association Members shall have no direct rights to bring a Dispute against the Club Owner, but must request the Association, acting by and through its Board of Directors, to prosecute a Dispute on behalf of the Association Members. The Association shall prosecute Disputes on behalf of a requesting Association Member, provided the Association Member agrees to reimburse the Association for its costs incurred in prosecuting the Dispute and pays the Association a reasonable retainer as an advance on such costs, absent which agreement and funding, the Association Member will be deemed to have waived and released its Dispute. Notwithstanding the foregoing, nothing in this Section 18 shall be construed as obligating the Association to allege that a Dispute with the Club Owner or the Declarant exists or to prosecute any such Dispute merely because one or more Association Members assert that a Dispute exists. Instead, the Association's determination that a Dispute exists shall be in the sole discretion of the Board of Directors, following a reasonable investigation of the pertinent circumstances.

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

18.2 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.

18.3 Mediation. If the parties 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 party 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.

18.3.1 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.

18.3.2 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.

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

18.3.4 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.

18.3.5 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.

18.4 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 its exclusive dispute resolution process. 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 as modified or as otherwise provided in this Section 18.4. 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 the other party 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. 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.

18.4.1 Place. The proceedings shall be heard in the Club Facilities, or such other location in Placer County or the Town of Truckee as determined by the Club Owner.

18.4.2 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 any Homesite or other portion of the Schaffer's Mill Property. 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.

18.4.3 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.

18.4.4 Pre-hearing Conferences. The arbitrator may require one or more pre-hearing conferences.

18.4.5 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.

18.4.6 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.

18.4.7 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 for enforcement of arbitration awards in a trial court as is applicable in the jurisdiction in which the arbitration is held, or, as applicable, pursuant to the Federal Arbitration Act (Title 9 of the United States Code).

18.4.8 Arbitration Expenses. Each party shall bear its own attorneys' fees and costs of the arbitration, with the costs of the arbitrator and arbitration administrator divided equally between the parties. The arbitrator shall not award any punitive damages. The arbitrator shall not award indirect , consequential or special damages regardless of whether the possibility of such damage or loss was disclosed to, or reasonably foreseen by the party against whom the claim is made.

18.4.9 WAIVERS. NOTICE: BY ACCEPTANCE OF A DEED OR BY ACQUIRING ANY OWNERSHIP INTEREST IN ANY PORTION OF THE SCHAFFER'S MILL PROPERTY, EACH PERSON, FOR HIMSELF, HIS HEIRS, PERSONAL REPRESENTATIVES, SUCCESSORS, TRANSFEREES AND ASSIGNS, AGREES TO HAVE ANY DISPUTE RESOLVED ACCORDING TO THE PROVISIONS OF THIS SECTION 18 AND WAIVES THE RIGHT TO PURSUE ANY DISPUTE IN ANY MANNER OTHER THAN AS PROVIDED IN THIS SECTION 18. SPECIFICALLY, AND WITHOUT LIMITATION, EACH SUCH PERSON WAIVES THE RIGHT TO SUBMIT A DISPUTE IN ARBITRATION AS A REPRESENTATIVE OR MEMBER OF A CLASS AND TO HAVE SUCH DISPUTE ARBITRATED AS A CLASS ACTION AND ALSO WAIVES THE RIGHT TO HAVE THE DISPUTE RESOLVED BY A COURT, INCLUDING THE RIGHT TO FILE A LEGAL ACTION AS THE REPRESENTATIVE OR MEMBER OF A CLASS OR IN ANY OTHER REPRESENTATIVE CAPACITY. THE ASSOCIATION, FOR ITSELF AND FOR EACH OWNER, DECLARANT AND CLUB OWNER ACKNOWLEDGE THAT BY AGREEING TO RESOLVE ALL DISPUTES AS PROVIDED IN THIS SECTION 18, THEY ARE GIVING UP THEIR RESPECTIVE RIGHTS TO HAVE SUCH DISPUTES TRIED BEFORE A JURY. THE ASSOCIATION, FOR ITSELF AND FOR EACH OWNER, DECLARANT AND CLUB OWNER FURTHER WAIVE THEIR RESPECTIVE RIGHTS TO AN AWARD OF PUNITIVE AND CONSEQUENTIAL DAMAGES RELATING TO A DISPUTE. BY ACCEPTANCE OF A DEED OR BY ACQUIRING ANY OWNERSHIP INTEREST IN ANY PORTION OF THE SCHAFFER'S MILL PROPERTY, EACH OWNER HAS VOLUNTARILY ACKNOWLEDGED THAT HE OR SHE IS GIVING UP ANY RIGHTS HE OR SHE MAY POSSESS TO PUNITIVE AND CONSEQUENTIAL DAMAGES OR THE RIGHT TO A TRIAL BEFORE A JURY RELATING TO A DISPUTE.

19. **Amendment**

19.1 Amendment by the Declarant. So long as the Declarant owns any Schaffer's Mill Property, the Declarant shall have the right to amend the description of the Residential Property by adding thereto or withdrawing therefrom any real property then owned by the Declarant. Any such amendment shall not require the joinder or consent of any Person whatsoever.

19.2 Approval Rights. Notwithstanding any other provisions herein to the contrary, (i) no amendment to this Homestead License shall affect the rights of the Declarant or the Club Owner unless such amendment receives the prior written consent of the Declarant or the Club Owner, as applicable, which may be withheld for any reason whatsoever, and (ii) so long as the Declarant owns any Schaffer's Mill Property, any amendment to these Club Provisions must be approved in writing by the Declarant. No amendment shall alter (a) the definition of Club Expenses in Section 1, or (b) the provisions of Sections 4.1, 5.1, 5.3, 6.1, 6.2, 6.3, or 8, unless such amendment receives the prior written consent of the Association (acting by and through its Board of Directors) which may be withheld for any reason whatsoever. It is specifically agreed, declared and provided that the consent or execution of any instrument by Owners shall not be required in connection with any amendment of this Homestead License.

19.3 Amendment by The Club Owner. Except as provided above, the Club Owner shall have the right to amend this Homestead License as it deems appropriate, without the

joinder or consent of any Person whatsoever. The Club Owner's right to amend under this provision is to be construed as broadly as possible.

20. **Survival.** All indemnification obligations set forth in this Agreement shall survive termination of the Agreement and the Homestead License.

21. **Term/Rule Against Perpetuities.** The term of this License shall be ten (10) years ("**Term**"), which Term shall be automatically renewed for additional ten (10) year terms unless the License is terminated by either party as provided above. If any interest purported to be created by this Homestead License is challenged under the rule against perpetuities or any related rule, the interest shall be construed as becoming void and of no effect as of the end of the applicable period of perpetuities computed from the date when the period of perpetuities starts to run on the challenged interest; the "lives in being" for computing the period of perpetuities shall be (i) those that would be used in determining the validity of the challenged interest, plus (ii) those of the issue of the President of the United States on the date of recording this Agreement, who are living at the time the period of perpetuities starts to run on the challenged interest.

22. **Severability.** Invalidation of any of the provisions of this Homestead License by judgment or court order shall in no way affect any other provision, and the remainder of the Agreement shall remain in full force and effect, unless the invalidation of such provision is materially fatal to the overall program intended by the parties. If any provision herein is adjudged or deemed to be invalid or unenforceable as written by reason of any federal, state or local law, ordinance, rule or regulation, then a court or the Club Owner, as applicable, may interpret, construe, rewrite or revise such provision to the fullest extent allowed by law, so as to make such provision valid and enforceable. Such modification shall not serve to extinguish any restriction not adjudged or deemed to be unenforceable.

23. **Notices.** Any notice required to be sent to any Person under the provisions of the Agreement shall be deemed to have been properly sent when mailed, postpaid, hand delivered, telefaxed, emailed or delivered by professional carrier or overnight delivery to the last known address of the Person at the time of such mailing, provided electronic notices must receive electronic verification of delivery.

24. **Headings.** The headings within this Agreement are for convenience only and shall not be used to limit or interpret the terms hereof.

25. **Interpretation of this Agreement and Club Documents.** The Club Owner will have the authority and power to determine the interpretation or construction of this Agreement and the Club Documents, or any parts hereof, which may be in conflict or of doubtful meaning, and the Club Owner's decision will be final and conclusive, so long as consistent with applicable law.

IN WITNESS WHEREOF, the Club Owner, the Association and the Declarant have caused this Amended and Restated Homestead License Terms and Conditions to be duly executed as of the \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_\_\_.

**THE CLUB OWNER:**

**SCHAFFER’S MILL, LLC**, a Delaware limited liability company

By: **NEW MARTIS PARTNERS, LLC.**, a Delaware limited liability company, its Manager

By: FRPM, LLC, a Texas limited liability company, its Manager

By: \_\_\_\_\_  
Name: John Marlin  
Title: Manager

**THE ASSOCIATION:**

**SCHAFFER’S MILL COMMUNITY ASSOCIATION**, a California nonprofit mutual benefit corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**DECLARANT’S APPROVAL AND CONSENT**

The Declarant, New Martis Partners, LLC, a Delaware limited liability company, hereby joins in on and agrees to the provisions of the Homestead License Terms and Conditions as its interests pertain.

**DECLARANT:**

**NEW MARTIS PARTNERS, LLC.,** a Delaware limited liability company

By: FRPM, LLC, a Texas limited liability company, its Manager

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**ACKNOWLEDGMENT**

State of California )  
 )  
County of \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_  
[here insert name and title of the officer]

personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s); or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

**ACKNOWLEDGMENT**

State of California )  
 )  
County of \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_  
[here insert name and title of the officer]

personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s); or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)



**EXHIBIT 1**  
**LEGAL DESCRIPTION**  
**OF THE CLUB REAL PROPERTY**

LOT "B" OF TIMILICK TAHOE PHASE 1A, TRACT NO. 941, AS SHOWN ON THE MAP FILED FOR RECORD OCTOBER 12, 2006, IN BOOK "BB" OF MAPS, AT PAGE 34, PLACER COUNTY RECORDS.

**EXHIBIT 2**

**LEGAL DESCRIPTION**  
**OF THE RESIDENTIAL PROPERTY**  
**(SCHAFFER'S MILL COMMUNITY)**

LOTS 1 THROUGH 47, INCLUSIVE, OF TIMILICK TAHOE PHASE 1A, TRACT NO. 941, AS SHOWN ON THE MAP FILED FOR RECORD OCTOBER 12W, 2006, IN BOOK "BB" OF MAPS, AT PAGE 34, PLACER COUNTY RECORDS.

LOTS 48 THROUGH 87, INCLUSIVE OF TIMILICK TAHOE PHASE 1B, TRACT NO 942, AS SHOWN ON THE MAP FILED FOR RECORD OCTOBER 12, 2006, IN BOOK "BB" OF MAPS, AT PAGE 35, PLACER COUNTY RECORDS.

LOTS 158 THROUGH 201, INCLUSIVE, OF TIMILICK TAHOE PHASE 2A, TRACT NO. 963, AS SHOWN ON THE MAP FILED FOR RECORD SEPTEMBER 6, 2007, IN BOOK "BB" OF MAPS, AT PAGE 82, PLACER COUNTY RECORDS.

LOTS 88 THROUGH 101, LOTS 140 THROUGH 149 AND LOTS 154 THROUGH 157, INCLUSIVE OF SCHAFFER'S MILL PHASE 2B, AS SHOWN ON THAT CERTAIN SUBDIVISION MAP ENTITLED "TRACT NO. 978 --- SCHAFFER'S MILL PHASE 2B" RECORDED ON MARCH 6, 2013, IN BOOK "CC" OF MAPS, PAGE 39, OFFICIAL RECORDS OF PLACER COUNTY.

LOTS 130 THROUGH 133 AND LOTS 150 THROUGH 153, INCLUSIVE OF SCHAFFER'S MILL PHASE 2C, AS SHOWN ON THAT CERTAIN SUBDIVISION MAP ENTITLED "TRACT NO. 1004 --- SCHAFFER'S MILL PHASE 2C" RECORDED ON SEPTEMBER 30, 2015, IN BOOK "DD" OF MAPS, PAGE 53, OFFICIAL RECORDS OF PLACER COUNTY.

LOTS 102 THROUGH 115, INCLUSIVE OF SCHAFFER'S MILL PHASE 2C-1, AS SHOWN ON THAT CERTAIN SUBDIVISION MAP ENTITLED "TRACT NO. ESD16-00038 --- SCHAFFER'S MILL PHASE 2C-1" RECORDED ON MAY 25, 2016, IN BOOK "DD" OF MAPS, PAGE 53, OFFICIAL RECORDS OF PLACER COUNTY.

LOTS 134 THROUGH 135 AND LOTS 229 THROUGH 244, INCLUSIVE OF SCHAFFER'S MILL PHASE 2D, AS SHOWN ON THAT CERTAIN SUBDIVISION MAP ENTITLED "TRACT NO. ESD16-003136 --- SCHAFFER'S MILL PHASE 2D" RECORDED ON JUNE 6, 2017, IN BOOK "DD" OF MAPS, PAGE 83, OFFICIAL RECORDS OF PLACER COUNTY.

LOTS 136 THROUGH 139, LOT 228, LOTS 245 THROUGH 263, LOTS 306 THROUGH 309, LOTS 344 THROUGH 347 AND LOTS 410 THROUGH 413, INCLUSIVE OF SCHAFFER'S MILL PHASE 2E, AS SHOWN ON THAT CERTAIN SUBDIVISION MAP ENTITLED "TRACT NO. ESD18-00405 --- SCHAFFER'S MILL PHASE 2E" RECORDED ON JULY 23, 2020, IN BOOK "DD" OF MAPS, PAGE 83, OFFICIAL RECORDS OF PLACER COUNTY.

LOTS 202 THROUGH 206, LOTS 218 THROUGH 227 AND LOTS 348 THROUGH 382, INCLUSIVE OF SCHAFFER'S MILL PHASE 3A, AS SHOWN ON THAT CERTAIN SUBDIVISION MAP ENTITLED "TRACT NO. 1013 --- SCHAFFER'S MILL PHASE 3A" RECORDED ON JULY 10, 2014, IN BOOK "CC" OF MAPS, PAGE 89, OFFICIAL RECORDS OF PLACER COUNTY.

LOTS 207 THROUGH 217, LOTS 264 THROUGH 275, LOTS 287 THROUGH 290 AND LOTS 292 THROUGH 305, INCLUSIVE OF SCHAFFER'S MILL PHASE 3B, AS SHOWN ON THAT CERTAIN SUBDIVISION MAP ENTITLED "TRACT NO. ESD15-00330 --- SCHAFFER'S MILL PHASE 3B" RECORDED ON APRIL 17, 2017, IN BOOK "DD" OF MAPS, PAGE 82, OFFICIAL RECORDS OF PLACER COUNTY.

LOTS 276 THROUGH 279, LOTS 280 THROUGH 286 AND LOTS 383 THROUGH 409, INCLUSIVE OF SCHAFFER'S MILL PHASE 3C, AS SHOWN ON THAT CERTAIN SUBDIVISION MAP ENTITLED "TRACT NO. ESD18-00184 --- SCHAFFER'S MILL PHASE 3C" RECORDED ON DECEMBER 13, 2018, IN BOOK "EE" OF MAPS, PAGE 36, OFFICIAL RECORDS OF PLACER COUNTY.

**EXHIBIT 3**  
**CLUB FACILITIES**

- The Clubhouse (North Village)
  - Resort Style Pool and Hot Tub
  - Spa on the Rocks
  - Golf Shop
  - Fitness Center
  - Locker Rooms
- Peg's Pool Side (Café)
- The Sawyer (South Village)
- Base Camp (Northstar Village)
- Shuttle Bus and Van
- Parking Lot
- Event Lawn
- Tennis Courts
- Sports Court
- Playground
- Concierge Service

Note: *Playground is planned for construction in 2021*

**EXHIBIT 4**

**TRANSFER NOTICE**

Comes now Schaffer's Mill Club, LLC (the "**Club Owner**"), and provides notice to Schaffer's Mill Community the Association (the "**Association**"), this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ of the Club Owner's exercise of its Transfer Right, as set forth and further described in Section 5.3 of the Amended and Restated Homestead License Agreement , as amended from time to time, to transfer the Club Property to the Association. Attached to this Transfer Notice is a copy of the Club Owner's good faith estimate of a pro forma annual budget of the Club's revenues and expenses under the Association's ownership of the Club and a copy of a title search on the Club Property. The Association's Board of Directors shall have sixty (60) days from delivery of the Transfer Notice to approve the Transfer Notice by delivery of written notice to the Club Owner, which approval of Transfer Notice shall be delivered by professional overnight courier to the Club Owner at such address as may be designated by the Club Owner from time to time.

**SCHAFFER'S MILL CLUB, LLC**, a Delaware limited liability company

By: New Martis Partners, LLC, a Delaware limited liability company

By: FRPM, LLC, a Texas limited liability company, its Manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_