

When recorded return to:  
Ekmark & Ekmark  
6720 North Scottsdale Road, Suite 261  
Scottsdale, Arizona 85253

**ASSIGNMENT AND ASSUMPTION AGREEMENT**

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Assignment Agreement") is made and entered into as of this 5th day of May, 2010 (the "Effective Date") by and between Prescott Lakes Athletic Club, L.L.C., an Arizona limited liability company ("PLAC" or "Assignor") and EFO/PL Investors, L.L.C., an Arizona limited liability company ("EFO/PL" or "Assignee").

**RECITALS**

WHEREAS, the Prescott Lakes Golf Club, L.L.C., an Arizona limited liability company ("PLGC") is the owner of the Athletic Club and the Golf Course as those terms are defined in the the Declaration of Covenants, Conditions and Restrictions for Prescott Lakes, recorded in 3642; Page 161, in the Office of the Yavapai County Recorder in Book 3642, Page 161 on February 25, 1999, as thereafter amended from time to time (hereinafter, the "Declaration") (including, without limitation, the Third Amendment recorded in Book 3731, Page 523, in the Office of the Yavapai County Recorder on February 11, 2000 and the Seventh Amendment recorded in Book 4337, Page 629, in the Office of the Yavapai County Recorder in Book on November 23, 2005);

WHEREAS, PLGC has certain rights under the Declaration as owner of the Athletic Club and the Golf Course;

WHEREAS, PLGC and The Club At Prescott Lakes, LLC, an Arizona limited liability company ("CAPL") are parties to that certain Asset Purchase and Sale Agreement, dated April 7, 2010 (the "Purchase Agreement"), pursuant to which PLGC is transferring ownership of the Property to CAPL (or its assignees) on the date hereof;

WHEREAS, pursuant to that certain Assignment and Assumption Agreement by and between PLGC and PLAC of concurrent date herewith, PLGC (as Assignor) has assigned to PLAC (as Assignee) all of its rights under the Declaration, as well as those rights with respect to collection and retention of Athletic Club Initiation Fees ("ACIF's") as detailed herein; and

WHEREAS, EFO/PL has prepaid to PLAC \$927,500.00, which represents a prepayment of the ACIF's for those Units legally described in Exhibit A (the "Units") within Lakeside 1A, Lakeside 1B, Brookside, Pinnacle III and IV (also known collectively as "Assignee Subdivisions").

NOW, THEREFORE, for the sum of one dollar (\$1.00), and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor and Assignee hereby agree as follows:

### AGREEMENT

1. Athletic Club Initiation Fees. Assignor hereby assigns, transfers, conveys, and sets over to Assignee, and Assignee accepts and assumes the following rights subject to the limitations set forth below with respect to the collection, retention, and, where applicable, remittance of ACIF's payable after May 5, 2010.
  - A. Assigned ACIF Rights. Assignor hereby assigns all rights to collect and retain for the benefit of Assignee (or its subsequent assignees) the ACIF's payable upon the initial sale (but not re-sale) of each of the Units within the Assignee Subdivisions. Said ACIF's shall be paid directly to Assignee; provided that if Assignor receives any initial ACIF's for the Assignee Subdivisions, Assignor will remit all such amounts to Assignee within thirty (30) days of receipt by Assignor.
2. Assignee Representation and Acknowledgment. By execution of this Assignment Agreement, Assignee hereby acknowledges and agrees that all ACIF's payable after the initial sale of the Units shall be remitted directly to, and remain the property of, Assignor. Assignee further represents and warrants that if Assignee receives any ACIF's other than those payable upon the initial sale for the Assignee Subdivisions, Assignee will remit all such amounts to Assignor within thirty (30) days of receipt by Assignee.
3. No Assignment of Athletic Club Dues. Nothing in this Assignment Agreement shall be construed to assign or confer any rights with respect to Athletic Club dues.
4. Successors and Assigns. This Assignment Agreement shall be binding upon, and inure to the benefit of Assignor and Assignee and their respective successors and assigns and shall run with the Property.
5. Counterparts. This Assignment Agreement may be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
6. Severability. The parties agree that, if any terms of the above provisions of this Assignment Agreement are found null, void, unenforceable or otherwise inoperative, the remaining terms and provisions hereof will remain in full force and effect. The language of all parts of this Assignment Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any of the parties hereto.
7. Notices. All notices, demands, requests, consents, approvals or other communications (for the purposes of this Section 7 (collectively referred to as "Notices") required or permitted to be given hereunder or which are given with respect to this Assignment Agreement, in order to constitute effective notice to a party, shall be in writing and shall be sent by (a) personal



delivery, (b) prepaid reputable overnight courier, (c) certified mail, return receipt requested, postage prepaid, or (d) telecopier, provided the same provides a confirmation and provided further that such Notice is also sent pursuant to one of the other means described above in this Section 7, in each case addressed as follows:

If to Assignor:

The Club at Prescott Lakes, L.L.C.  
c/o HOAMCO

**Physical Address:**

3208 Lakeside Village Dr.  
Prescott, AZ 86301

**Mailing Address:**

P.O. Box 10000  
Prescott, AZ 86304-0000

**Phone:** 928-776-4479

**Fax:** 928-776-0050

**And**

The Club at Prescott Lakes, L.L.C.

Attn: Doug Howe

5080 Spectrum Drive

Suite 1100 East

Addison, Texas 75001

**Fax:** 972-419-1450

With a copy to:

Lynn M. Krupnik

Ekmark & Ekmark, L.L.C.

6720 North Scottsdale Rd., Suite 261

Scottsdale, AZ 85253-4407

**Phone:** 480-922-9292

**Fax:** 480-922-9422

If to Assignee:

EFO/PL Investors, L.L.C.

c/o Chris Mahowald

3232 McKinney Ave., Suite 890

Dallas, TX 75204

**Phone:**

**Fax:**

Notices shall be valid only if served in the manner provided above and shall be deemed given upon the earliest to occur of the following: (i) upon receipt, in the case of personal delivery, (ii) upon receipt or refusal by the addressee, as specified on the return receipt, in the case of delivery by overnight courier or certified mail, or (iii) on the date shown on the confirmation, in the case of telecopier transmission. Either party may change its address for Notices at any time upon written notice to the other party given in accordance with requirements of this Section 7, which change of address shall be effective ten (10) days following receipt of such notice by the other party.



IN WITNESS WHEREOF, Assignor and Assignee have executed this Agreement with the intent that it become effective as of the Effective Date.

**ASSIGNOR:**

Prescott Lake Athletic Club, LLC, an Arizona limited liability company

By: The Club at Prescott Lakes, LLC, an Arizona limited liability company, its sole member

By: PL Club Partners, LLLP, a Texas limited liability limited partnership, its managing member

By: Century Golf Partners Holdings III, LLC, its general partner

By: Douglas Howe

Print: Douglas Howe

Its: Authorized Agent

**ASSIGNEE:**

EFO/PL Investors, L.L.C., an Arizona limited liability company

By: Mahowald Group II, L.L.C., an Arizona limited liability company, its manager

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

Print: \_\_\_\_\_

Its: \_\_\_\_\_

IN WITNESS WHEREOF, Assignor and Assignee have executed this Agreement with the intent that it become effective as of the Effective Date.

**ASSIGNOR:**

Prescott Lake Athletic Club, LLC, an Arizona limited liability company

By: The Club at Prescott Lakes, LLC, an Arizona limited liability company, its sole member

By: PL Club Partners, LLLP, a Texas limited liability limited partnership, its managing member

By: Century Golf Partners Holdings III, LLC, its general partner

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

Print: \_\_\_\_\_

Its: \_\_\_\_\_

**ASSIGNEE:**

EFO/PL Investors, L.L.C., an Arizona limited liability company

By: Mahowald Group III, L.L.C., an Arizona limited liability company, its manager

By: Chris Mahowald

Print: Chris Mahowald

Its: President

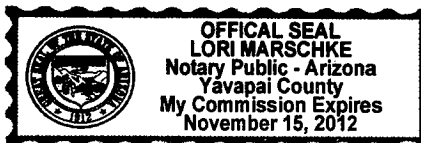
STATE OF ARIZONA       )  
                                      ) ss.  
COUNTY OF Yavapai    )

On May 5, 2010, before me, the undersigned Notary Public, personally appeared Douglas Howe, personally known to me (or 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.

WITNESS my hand and official seal.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: 11-15-12



STATE OF ARIZONA       )  
                                      ) ss.  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 2010, before me, the undersigned Notary Public, personally appeared \_\_\_\_\_, personally known to me (or 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.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires:



STATE OF ARIZONA       )  
                                  ) ss.  
COUNTY OF \_\_\_\_\_)

On \_\_\_\_\_, 2010, before me, the undersigned Notary Public, personally appeared \_\_\_\_\_

\_\_\_\_\_, personally known to me (or 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.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF TEXAS       )  
                                  ) ss.  
COUNTY OF Dallas )

On May 5, 2010, before me, the undersigned Notary Public, personally appeared Chris Mahowald

\_\_\_\_\_, personally known to me (or 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.

WITNESS my hand and official seal.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:

10/06/12





No. 250-5296425

**EXHIBIT "A"**

**PARCEL NO. 1:**

LOTS 136 THROUGH 141, INCLUSIVE, LOTS 144, 146, 147, 149, 150, 152, 158, 159, LOTS 162 THROUGH 171, INCLUSIVE, LOTS, 173, 174, 176, LOTS 179 THROUGH 183, INCLUSIVE, LOTS 186 THROUGH 188, INCLUSIVE, LOTS 190 THROUGH 194, INCLUSIVE, LOTS 198 THROUGH 200, INCLUSIVE, OF BROOKSIDE AT PRESCOTT LAKES, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF YAVAPAI COUNTY, ARIZONA, RECORDED IN BOOK 54 OF MAPS, PAGES 34 THROUGH 36.

**PARCEL NO. 2:**

LOTS 10 AND 11, LOTS 15 THROUGH 19, INCLUSIVE, LOT 23, LAKESIDE PHASE 1A AT PRESCOTT LAKES, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF YAVAPAI COUNTY, ARIZONA, RECORDED AS BOOK 51 OF MAPS, PAGES 58, 59.

**PARCEL NO. 3:**

LOTS 93 THROUGH 95, INCLUSIVE, LOTS 101 THROUGH 112, INCLUSIVE, LOTS 115 THROUGH 123 INCLUSIVE, LAKESIDE PHASE 1B AT PRESCOTT LAKES, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF YAVAPAI COUNTY, ARIZONA, RECORDED IN BOOK 53 OF MAPS, PAGE 1, AND CERTIFICATE OF CORRECTION RECORDED AS BOOK 4262 OF OFFICIAL RECORDS, PAGE 143 AND BOOK 4265 OF OFFICIAL RECORDS, PAGE 677 OF YAVAPAI COUNTY, ARIZONA.

**PARCEL NO. 4:**

LOTS 202 THROUGH 294, INCLUSIVE, LOTS 390 AND 391, AND TRACTS L1, L2, M, N AND O, OF PINNACLE III AT PRESCOTT LAKES, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF YAVAPAI COUNTY, ARIZONA, RECORDED IN BOOK 56 OF MAPS, PAGES 17-23.

**PARCEL NO. 5:**

LOTS 295 THROUGH 389, INCLUSIVE AND TRACTS P THROUGH Y, INCLUSIVE, OF PINNACLE IV AT PRESCOTT LAKES, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF YAVAPAI COUNTY, ARIZONA, RECORDED IN BOOK 57 OF MAPS, PAGES 35-39.