

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA**

In re:

The Cliffs Club & Hospitality Group, Inc., *et al.*,¹ d/b/a The Cliffs Golf & Country Club,

Debtors.

CHAPTER 11

Case No. 12-01220

Jointly Administered

**SECOND PLAN SUPPLEMENT TO THE
FIRST AMENDED AND RESTATED JOINT CHAPTER 11 PLAN FILED BY THE
DEBTORS AND THE PLAN SPONSOR**

COME NOW The Cliffs Club & Hospitality Group, Inc. and its affiliated debtors in the above-captioned Chapter 11 cases, as debtors and debtors-in-possession (collectively, the “Debtors”), having filed: (i) the First Amended and Restated Joint Chapter 11 Plan filed by the Debtors and the Plan Sponsor (the “Plan”);² (ii) the First Amended and Restated Disclosure Statement to Accompany the First Amended and Restated Joint Chapter 11 Plan filed by the Debtors and the Plan Sponsor; and (iii) the Plan Supplement to the Joint Chapter 11 Plan filed by the Debtors and the Plan Sponsor, and hereby file this Second Plan Supplement to the First

¹ The Debtors, followed by the last four digits of their respective taxpayer identification numbers and Chapter 11 case numbers, are as follows: The Cliffs Club & Hospitality Group, Inc. (6338) (12-01220); CCHG Holdings, Inc. (1356) (12-01223); The Cliffs at Mountain Park Golf & Country Club, LLC (2842) (12-01225); The Cliffs at Keowee Vineyards Golf & Country Club, LLC (5319) (12-01226); The Cliffs at Walnut Cove Golf & Country Club, LLC (9879) (12-01227); The Cliffs at Keowee Falls Golf & Country Club, LLC (3230) (12-01229); The Cliffs at Keowee Springs Golf & Country Club, LLC (2898) (12-01230); The Cliffs at High Carolina Golf & Country Club, LLC (7576) (12-01231); The Cliffs at Glassy Golf & Country Club, LLC (6559) (12-01234); The Cliffs Valley Golf & Country Club, LLC (6486) (12-01236); and Cliffs Club & Hospitality Service Company, LLC (9665) (12-01237).

² All capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Plan.

Amended and Restated Joint Chapter 11 Plan filed by the Debtors and the Plan Sponsor to provide certain information supplemental to the Plan, as described below and attached hereto:

- 1) Attached hereto as attachment 1 is the Asset Purchase Agreement, as amended;
- 2) Attached hereto as attachment 2 is the Mountain Park Facility, as amended;
- 3) Attached hereto as attachment 3 is the Exit Facility, as amended;
- 4) Attached hereto as attachment 4 is the Subordination and Intercreditor Agreement by and among Cliffs Club Holdings, Cliffs Club Partners and Indenture Trustee, as amended;
- 5) Attached hereto as attachment 5 is the Schedule of Assumed Contracts, as amended;
- 6) Attached hereto as attachment 6 is the Indenture Trustee SPE Limited Liability Company Agreement; and
- 7) Attached hereto as attachment 7 is the form of the Subleases by and between Cliffs Club Partners and the golf operating subsidiaries.

**EACH OF THE ABOVE-DESCRIBED DOCUMENTS IS A DRAFT AND
IS SUBJECT TO CHANGE.**

[signature follows]

Dated: July 27, 2012

Respectfully submitted,

/s/ Däna Wilkinson

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Attorneys for the Debtors and Debtors in Possession

Attachment 1

Asset Purchase Agreement

HK Draft 7/19/2012

ASSET PURCHASE AGREEMENT

by and among

CCHG HOLDINGS, INC., THE CLIFFS CLUB & HOSPITALITY GROUP, INC., THE CLIFFS AT MOUNTAIN PARK GOLF & COUNTRY CLUB, LLC, THE CLIFFS AT KEOWEE VINEYARDS GOLF & COUNTRY CLUB, LLC, THE CLIFFS AT WALNUT COVE GOLF & COUNTRY CLUB, LLC, THE CLIFFS AT KEOWEE FALLS GOLF & COUNTRY CLUB, LLC, THE CLIFFS AT KEOWEE SPRINGS GOLF & COUNTRY CLUB, LLC, THE CLIFFS AT HIGH CAROLINA GOLF & COUNTRY CLUB, LLC THE CLIFFS AT GLASSY GOLF & COUNTRY CLUB, LLC, THE CLIFFS VALLEY GOLF & COUNTRY CLUB, LLC AND CLIFFS CLUB & HOSPITALITY SERVICE COMPANY, LLC,

AS SELLERS

and

CLIFFS CLUB PARTNERS, LLC,

AS BUYER

Dated as of June [__], 2012

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "**Agreement**"), dated as of June [___], 2012, is made by and among CCHG Holdings, Inc., The Cliffs Club & Hospitality Group, Inc., The Cliffs at Mountain Park Golf & Country Club, LLC, The Cliffs at Keowee Vineyards Golf & Country Club, LLC, The Cliffs at Walnut Cove Golf & Country Club, LLC, The Cliffs at Keowee Falls Golf & Country Club, LLC, The Cliffs at Keowee Springs Golf & Country Club, LLC, The Cliffs at High Carolina Golf & Country Club, LLC, The Cliffs at Glassy Golf & Country Club, LLC, The Cliffs at Valley Golf & Country Club, LLC and Cliffs Club & Hospitality Service Company, LLC (all of the foregoing entities being collectively referred to herein as the "**Sellers**" or "**Debtors**," and each of the Sellers being individually referred to as a "**Seller**" or "**Debtor**"), and Cliffs Club Partners, LLC, a Delaware limited liability company (the "**Buyer**"). Capitalized terms used in this Agreement are defined or cross-referenced in Article 15.

BACKGROUND INFORMATION

WHEREAS, on February 28, 2012 (the "**Petition Date**"), Sellers filed voluntary petitions for relief under the Bankruptcy Code in the Bankruptcy Court (individually, a "**Bankruptcy Case**" and collectively, the "**Bankruptcy Cases**");

WHEREAS, Sellers continue in the possession and control of their assets and properties in accordance with sections 1107 and 1108 of the Bankruptcy Code;

WHEREAS, Sellers (a) own, operate and manage five exclusive private membership clubs located in South Carolina and one exclusive private membership club located in North Carolina each focused on some or all of golf, tennis, wellness and social activities, and offering various related services and facilities, including some or all of professional instruction, training, food service, spas, restaurants, and pro shops, (b) own a partially constructed golf facility in South Carolina that is intended to function as an exclusive private membership club when complete, and (c) have an option to purchase certain real property located in North Carolina that could be used for the construction of an exclusive private membership club (the "**Business**");

WHEREAS, The Cliffs Club Holdings, LLC ("**Holdings**") is a majority owner of the Buyer and is willing to fund certain of Buyer's obligations hereunder pursuant to the Funding Loans Agreements;

WHEREAS, on the terms and subject to the conditions set forth in this Agreement, Buyer desires to purchase from Sellers, and each Seller desires to sell to Buyer, the Acquired Assets, in a sale authorized by the Bankruptcy Court pursuant to the terms of an order confirming a plan of reorganization to be propounded jointly by Buyer and Sellers which sale is to be free and clear of all Liens other than Permitted Liens or except as otherwise provided in the Plan, in accordance with, *inter alia*, sections 105, 363, 365, 1123 and 1129 of the Bankruptcy Code;

WHEREAS, it is intended that, pursuant to the terms of a plan of reorganization to be confirmed in the Bankruptcy Cases (the "**Plan**"), the acquisition of the Acquired Assets free and clear of all Liens other than Permitted Liens or except as otherwise expressly provided in such Plan, would be accomplished through (i) the sale, transfer and assignment of the Acquired Assets

by Sellers to Buyer (or its designees) subject to those Liens held by Wells Fargo Corporate Trust (the “*Indenture Trustee*”) on behalf of and for the benefit of the holders of the ClubCo Secured PPM Notes under the Indenture as restructured pursuant to the Note Restructuring Agreement and the Plan (the “*Trustee Liens*”) and the Permitted Liens, (ii) the assignment by Sellers and assumption by the Buyer of certain obligations under the Note Restructuring Agreement pursuant to the Debt Assumption and Assignment Agreement and the Plan, (iii) the grant of Funding Loans Liens to Holdings on all of the Acquired Assets (and any other assets of Buyer) in order to secure amounts due to Holdings under the Funding Loans Agreements, (iv) the subordination of the Trustee Liens (and any other Liens that IT SPE or Buyer may grant to the Indenture Trustee) to the Funding Loans Liens pursuant to the Subordination Agreement, (v) the formation by Buyer and the Indenture Trustee of a bankruptcy remote, Delaware limited liability company (the “*IT SPE*”) of which Buyer will hold 100% of the economic membership interests, subject to the SPE Operating Agreement, (vi) the contribution to the IT SPE by Buyer of (A) those Acquired Assets that are subject to the Trustee Liens (the “*Transferred Assets*”) and (B) all other Additional Golf Course Real Properties acquired by Buyer (it being understood that such Transferred Assets and Additional Golf Course Real Properties will be subject to the Funding Loans Liens), and the assignment to and assumption by IT SPE (and release of Buyer from the assumption) of the Note Restructuring Agreement, all in return for its membership interest in the IT SPE, and (vii) the leasing to Buyer of all assets held by the IT SPE, pursuant to the terms of the SPE Lease; and

WHEREAS, on the terms and subject to the conditions set forth in this Agreement, Buyer also desires to assume, and Sellers desire to assign and transfer to Buyer, the Assumed Liabilities;

NOW, THEREFORE, in consideration of the foregoing and their respective representations, warranties, covenants and undertakings herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Sellers, jointly and severally, and Buyer hereby agree as follows:

ARTICLE 1 PURCHASE AND SALE OF THE ACQUIRED ASSETS

1.1. Transfer of Acquired Assets. At the Closing, and upon the terms and conditions herein set forth, Sellers shall sell to Buyer, and Buyer shall acquire from Sellers, all of each Seller’s right, title and interest in, to and under any and all of the Acquired Assets free and clear of all Liens (except for Permitted Liens and Assumed Liabilities) pursuant to sections 105, 363, 365, 1123 and 1129 of the Bankruptcy Code. “*Acquired Assets*” shall mean all assets of each of the Sellers except those assets defined herein as Excluded Assets, which Acquired Assets shall include, but not be limited to:

(a) All of each Seller’s right title and interest in any real property, including any Improvements, easements, rights of way, real property licenses, and other real property entitlements, including, but not limited to, the real property, easements, rights of way, real property licenses and other real property entitlements listed on Schedule 1.1(a)

attached hereto (the “***Owned Real Property***”, and together with the Leased Real Property, the “***Real Property***”);

(b) all of (i) each Seller’s fixed assets, equipment, golf equipment, golf carts, course maintenance equipment, spare parts, machinery, furniture, fixtures, tools, computers, telephone systems, vehicles, kitchen and bar equipment, supplies, china, glassware, silverware, linens, furniture, leasehold improvements and supplies, and other personal property of any kind or nature, wherever located, including, but not limited to, that property listed on Schedule 1.1(b) attached hereto (the “***Equipment***”); and (ii) any rights of each Seller, to the extent transferable, to the warranties and licenses received from manufacturers and sellers of the Equipment (if any);

(c) all of each Seller’s rights under those Contracts listed on Schedule 1.1(c) attached hereto (the “***Assigned Contracts***”) subject to the procedures set forth in Section 1.5 hereof;

(d) all (i) of each Seller’s raw materials, components and other parts, work-in-process, finished goods and all other inventory (including, without limitation, golf equipment and clothing) whether on hand, on order, in transit or held by others on a consignment basis or as listed on Schedule 1.1(d) attached hereto (the “***Inventory***”) and (ii) any rights of each Seller, to the extent transferable, to the warranties received from suppliers with respect to such Inventory;

(e) all of each Seller’s Consumables;

(f) all intellectual property owned or licensed by any of the Sellers, that is used in any of the Sellers’ business (the “***Intellectual Property***”), including without limitation all (A) copyright rights (registered and unregistered), software (including source code and object code), mask works, all of the foregoing whether domestic or foreign, registered, unregistered and/or common law (including, without limitation, all goodwill associated with any of the foregoing, licenses in respect of any of the foregoing and claims for infringement of or interference with any of the foregoing and the right to recover past damages); (B) all tradenames, tradename rights, trademarks, trademark applications, trademark rights, service marks, service mark rights, tradedress, logos, designs, domain names, URLs, web pages, in any case, whether domestic or foreign or registered, unregistered and/or common law, including without limitation, those listed on Schedule 1.1(f) attached hereto (including without limitation, all goodwill associated with any of the foregoing, licenses in respect of any of the foregoing, and claims for infringement of or interferences with any of the foregoing and the right to recover past damages); (C) patents and patent applications; (D) all confidential information, trade secrets, designs, specifications, know-how and other proprietary information and technology; and (E) all intellectual property set forth on Schedule 1.1(f) attached hereto;

(g) all permits, licenses, approvals, franchises, notices, registrations and authorizations issued by any Government necessary (or otherwise used) to operate the business (and pending applications for the foregoing) (collectively, “***Permits***”) including

those Permits listed on Schedule 1.1(g) attached hereto, excluding only such Permits to the extent not legally transferable;

(h) copies, including copies in electronic form, of all Business Records;

(i) all cash and cash equivalents (*provided however*, that Buyer acknowledges and agrees that such cash and cash equivalents shall be used solely to pay Assumed Liabilities as set forth in the Plan and normal operating expenses), marketable securities, surety accounts, prepaid expenses, refunds (including, without limitation, all tax and insurance refunds), security and like deposits and other similar prepaid items relating to any Acquired Assets or Assumed Liabilities;

(j) all of each Seller's accounts and notes receivable as of 11:59 p.m. (local time) on the Closing Date, if any (the "***Accounts Receivable***") but excluding the Excluded Receivables;

(k) any and all rights, demands, claims, credits, allowances, rebates, causes of action, known or unknown, pending or threatened, or rights of set-off (collectively, "***Claims***"), of each Seller arising out of or relating to events prior to the Closing Date (except to the extent constituting or relating to the Excluded Assets or the Excluded Liabilities), and not including Claims arising out of or relating in any way to one or more of the Bankruptcy Cases or any of the transactions contemplated thereby or entered into as a consequence thereof including any claims (as defined in section 101(5) of the Bankruptcy Code) filed, scheduled or otherwise arising in one or more of the Bankruptcy Cases;

(l) all rights, remedies and benefits of each Seller arising under or relating to any of the Acquired Assets or the Assumed Liabilities, including without limitation, rights, remedies and benefits arising out of express or implied warranties from manufacturers or suppliers of the Inventory or Equipment (or components thereof), the other Acquired Assets or products purchased or ordered by any Seller prior to the Closing Date (and in any case, any component thereof), and all claims and causes of action arising therefrom;

(m) any and all causes of action, other than those arising under sections 545-551 of the Bankruptcy Code, that any Seller owns under applicable nonbankruptcy law (and that accordingly entered any Seller's bankruptcy estate under 11 U.S.C. § 541), to the extent that such property is assignable under applicable non-bankruptcy law ("***Assignable Actions***"), and the proceeds thereof and property received thereby whether by judgment, settlement, or otherwise; and

(n) all proceeds of the foregoing and all other property of any Seller of every kind, character or description, tangible and intangible, known or unknown, wherever located, and whether or not similar to the properties described above, except for the Excluded Assets or as otherwise expressly excluded by the terms of this Agreement.

1.2. Excluded Assets. The Acquired Assets do not include the properties and assets listed or described in this Section 1.2 (all such properties and assets not being acquired by Buyer are herein referred to as the “**Excluded Assets**”):

(a) all prepaid expenses, refunds (including, without limitation, all tax and insurance refunds), security and like deposits and other similar prepaid items relating to any Excluded Assets or Excluded Liabilities;

(b) all rights to Claims or adjustments with respect to Excluded Assets or Excluded Liabilities relating to any proceeding before any Government and all rights to insurance proceeds or other insurance recoveries;

(c) each of the “Tax attributes” (within the meaning of Section 108(b)(2) of the Code) with respect to any and all Taxes of each Seller incurred or accrued on or prior to the Closing Date, including interest receivable with respect thereto, all losses, loss carry forwards and rights to receive refunds, credits and loss carry forwards;

(d) all rights of each Seller arising under this Agreement and under any other agreement between any Seller and Buyer entered into in connection with this Agreement;

(e) all causes of action (i) brought under sections 545-551 of the Bankruptcy Code or (ii) owned by a Seller prior to the commencement of its Bankruptcy Case and brought into such Seller’s bankruptcy estate under Section 541 of the Bankruptcy Code but not assignable under applicable nonbankruptcy law;

(f) all Retained Books and Records;

(g) all equity interests of any Seller held by any other Seller;

(h) any assets set forth on Schedule 1.2(h) attached hereto;

(i) any Claims against any Affiliates of Sellers that are not debtors in the Bankruptcy Cases, and the Excluded Receivables; and

(j) such assets of Sellers (whether identified in Section 1.1 or not) that Buyer elects, by providing Sellers with written notice no later than five (5) Business Days prior to the Closing, not to purchase or otherwise acquire from Sellers; *provided however*, that, Buyer shall not be permitted to elect not to purchase or otherwise acquire any Acquired Assets (as such term is defined prior to such election) that generally constitute a Country Club as a whole, it being understood by the parties hereto that the real estate constituting the Country Club known as The Cliffs at High Carolina is not owned by any of the Sellers and therefore is not an Acquired Asset.

1.3. Assumption of Liabilities. Subject to the terms and conditions of this Agreement and on the basis of the representations, warranties, covenants and agreements herein contained, at the Closing, Buyer shall assume, and Buyer shall hereafter pay, perform and discharge in accordance with this Agreement and the Plan, the liabilities and obligations of Sellers as listed below (collectively, the “*Assumed Liabilities*”):

(a) all liabilities and obligations under the Assigned Contracts arising after the Closing Date and the cure costs for such Assigned Contracts as set forth on Schedule 7.4;

(b) all liabilities and obligations of Sellers under the Permits arising after the Closing Date;

(c) all liabilities and obligations of Buyer for Taxes to the extent (but solely to the extent) provided in Article 10;

(d) all liabilities and obligations related to Accepting Employees to the extent provided for in Section 7.6;

(e) all liabilities and obligations of Sellers set forth on Schedule 1.3(e) attached hereto;

(f) all liabilities and obligations of Sellers for Other Senior Secured Party Claims (as defined in the Plan);

(g) those obligations under the Note Restructuring Agreement to be assumed by Buyer pursuant to the Debt Assumption and Assignment Agreement (which assumption, nonetheless, shall be released pursuant to Section 3.4(f) hereof and the Debt Assumption and Assignment Agreement);

(h) all real property Taxes of Sellers for the 2012 calendar year including the amount accrued for such Taxes by Sellers;

(i) any obligation to provide and any claims made pursuant to any COBRA coverage and any related administrative costs; and

(j) those liabilities and obligations expressly assumed in Article 2 herein.

1.4. Excluded Liabilities. Except as specifically provided in Section 1.3 hereof, Buyer shall not assume nor be deemed to assume and shall have no responsibility or obligation with respect to, any liability or obligation of, or claim against, any of Sellers, or of any predecessor, stockholder or other Affiliate of any of Sellers, of any kind or nature, whether absolute, accrued, contingent or otherwise and whether due or to become due and whether or not asserted, and whether or not known or unknown or currently existing or hereafter arising, and however arising (collectively, the “*Excluded Liabilities*”). The Excluded Liabilities shall include, without limitation:

(a) all liabilities or obligations under the ClubCo Secured PPM Notes or the Indenture (except as provided in the Debt Assumption and Assignment Agreement);

- (b) all liabilities or obligations in respect of or relating to the Excluded Assets;
- (c) liabilities related to employees and former employees except as provided in Section 7.6;
- (d) all employment and change in control agreements (or such similar agreements) and all stock option agreements and stock purchase agreements to which any Seller is a party;
- (e) all obligations and liabilities associated with any Employee Benefit Plan of any Seller that is not expressly acquired or assumed by Buyer;
- (f) liabilities and obligations, whether known or unknown, relating to any environmental, health or safety matter (including, without limitation, any liability or obligation arising under Laws);
- (g) any liabilities of any of the Sellers which any Person seeks to impose upon the Buyer by virtue of any theory of successor liability;
- (h) any liabilities with respect to any action, claim, suit, arbitration, inquiry, investigation or other proceeding of any nature (whether criminal, civil, legislative, administrative, regulatory, prosecutorial or otherwise) (each, an “**Action**”) or other contingent liabilities of any of the Sellers, whether or not disclosed to the Buyer, relating to periods and occurrences ended on or before the Closing Date, including, without limitation, any Actions or other claims or contingent liabilities relating to tort, personal injury and products liability;
- (i) obligations arising under each Contract that is not an Assigned Contract;
- (j) all liabilities and obligations of any Seller arising under or relating to any notice and other requirements of the Worker Adjustment and Retraining Notification Act of 1988 (the “**WARN Act**”);
- (k) obligations for gift certificates, credit books or gift passes of any Seller;
- (l) any other liability or obligation not expressly assumed pursuant to Section 1.3;
- (m) any Claims by any Affiliates of Sellers that are not Debtors in the Bankruptcy Cases against any of the Sellers; and
- (n) any “claim” against any Seller as “claim” is defined in Section 101(5) of the Bankruptcy Code and any “expenses” or “claims” as those words are used in Section 507(a) of the Bankruptcy Code, whether or not a proof of such claim or request for payment of such expenses is timely filed, untimely filed, or not filed at all in any Seller’s Bankruptcy Case.

1.5. Non-Assignment of Assigned Contracts. Anything contained herein to the contrary notwithstanding, (i) this Agreement shall not constitute an agreement to assign any Assigned Contract if, after giving effect to the provisions of sections 363 and 365 of the Bankruptcy Code, an attempted assignment thereof, without obtaining a Consent, would constitute a breach thereof or in any way negatively affect the rights of any Seller or Buyer, as the assignee of such Assigned Contract and (ii) no breach of this Agreement shall have occurred by virtue of such nonassignment. If, after giving effect to the provisions of sections 363 and 365 of the Bankruptcy Code, such Consent is required to assign such Assigned Contract but not obtained, each Seller shall cooperate with Buyer in any reasonable arrangement designed to provide for Buyer the benefits and obligations of or under any such Assigned Contract, including enforcement for the benefit of Buyer of any and all rights of any Seller against a third party thereto arising out of the breach or cancellation thereof by such third party; provided, that nothing in this Section 1.5 shall (x) require any Seller to make any expenditure or incur any obligation on its own or on Buyer's behalf or (y) prohibit any Seller from ceasing operations or winding up its affairs following the Closing. Any assignment to Buyer of any Assigned Contract that shall, after giving effect to the provisions of sections 363 and 365 of the Bankruptcy Code, require the Consent of any third party for such assignment as aforesaid shall be made subject to such Consent being obtained. Any contract that would be an Assigned Contract but is not assigned in accordance with the terms of this Section 1.5 shall not be considered an "Assigned Contract" for purposes hereof unless and until such contract is assigned to Buyer following the Closing Date upon receipt of the requisite consents to assignment and Bankruptcy Court approval.

ARTICLE 2 CONSIDERATION

2.1. Consideration. The aggregate consideration for the sale and transfer of the Acquired Assets (the "**Consideration**") shall be as follows:

- (a) Payment in full in cash of the DIP Loan directly to the lender thereof at the Closing.
- (b) Payment in full in cash of the Bridge Loan directly to the lender thereof at the Closing.
- (c) Payment in full, in cash, of all Professional Fees and Administrative Claims at the Closing, or, to the extent such claims are Allowed after the Closing, as soon as practicable thereafter, in each case directly to the holders of such claims.
- (d) Payment in full, in cash, of all Priority Claims at the Closing, or, to the extent such claims are Allowed after the Closing, as soon as practicable thereafter.
- (e) Payment in full, in cash, of all holders of claims that are Allowed and that are secured by Mechanic's Liens at the Closing, or, to the extent

such claims are Allowed after the Closing, as soon as practicable thereafter.

(f) Payment of \$64,050,000 in accordance with the terms of the Note Restructuring Agreement and the Debt Assumption and Assignment Agreement.

(g) To Sellers, (or the Liquidation Trustee if designated by Sellers) for the benefit of holders of claims for Trade Debt that are Allowed (or in any other way that Sellers may choose to use such consideration), payment in the amount of two million eight hundred sixty-one thousand six hundred dollars (\$2,861,600), which payment shall be made in three (3) equal installments, without interest, with the first such installment paid at the Closing, with the two (2) successive installments paid on the next successive two anniversaries of the Closing.

(h) To Sellers (or the Liquidation Trustee if designated by Sellers), payment of the Post-Effective Date Administration Plan Sponsor Funding (as that term is defined in the Plan).

(i) Payment of Member Claims to those holders of Member Claims that elect the New Membership Option in accordance with the Member Claim Vesting Schedule.

(j) To Sellers (or a designee of Sellers), for the *pro rata* benefit of holders of Member Claims that do not elect the New Membership Option (or in any other way that Sellers may choose to use such consideration), a single aggregate cash payment to Sellers (or a designee of Sellers) of \$100,000 to be paid at the Closing.

(k) Payment in full, in cash at the Closing, of all Administrative Convenience Claims (as defined in the Plan).

(l) Commitment by Buyer, or an Affiliate of Buyer, of up to eighty five million dollars (\$85,000,000) to acquire, joint venture, land bank or otherwise gain control of Lots, which commitment has been satisfied through the acquisition of the land and Lots and contracts to acquire land and Lots prior to the date hereof.

(m) Agreement to expend up to seven million five hundred thousand dollars (\$7,500,000) to complete the Mountain Park golf course and golf house which amount will be borrowed pursuant to the Mountain Park Financing Agreements, and repaid by Buyer from post-Closing cash flow with no interest.

(n) Satisfaction of the cure costs associated with the Assigned Contracts as and to the extent set forth in Section 7.4 hereof.

- (o) Assumption of the Assumed Liabilities.
- (p) Buyer's entering into the SPE Lease.

ARTICLE 3 CLOSING AND DELIVERIES

3.1. Closing. The consummation of the transactions contemplated hereby (the "**Closing**") shall take place at the offices of Nexsen Pruet, LLC, 55 East Camperdown Way, Suite 400, Greenville, South Carolina 29601 at 10:00 a.m. ET on the second Business Day following the satisfaction or waiver by the appropriate party of all the conditions contained in Article 11 hereof (except for those conditions that are required to be performed at the Closing) or on such other date or at such other place and time as may be agreed to by the parties hereto (the "**Closing Date**"). The Closing will be deemed to be effective at 11:59 p.m. (local time) on the Closing Date.

3.2. Sellers' Deliveries. The sale, transfer, assignment and delivery by Sellers of the Acquired Assets to Buyer, as herein provided, shall be effected on the Closing Date. At the Closing, Sellers shall deliver the following documents which shall be consistent with the terms of this Agreement:

- (i) a bill of sale to Buyer or one or more of its Affiliate designees with respect to the Acquired Assets (other than the Assigned Contracts, Permits, Real Property and assets set forth in Sections 1.1(b)(ii) and 1.1(d)(ii)), duly executed by Sellers and in the form of Exhibit A hereto;
- (ii) any Seller's title to any motor vehicles included among the Acquired Assets;
- (iii) quitclaim deeds and, where applicable, assignments of lease, in form and substance reasonably acceptable to Buyer, duly executed by Sellers in recordable form, conveying to Buyer's wholly owned subsidiary, IT SPE, good and marketable fee title to the Owned Real Property, in each case free and clear of all Liens other than Permitted Liens;
- (iv) an assignment and assumption agreement with respect to the Assigned Contracts and Assumed Liabilities, duly executed by Sellers and in the form of Exhibit B hereto;
- (v) assignments, in form and substance satisfactory to the Buyer, transferring to Buyer all Intellectual Property;
- (vi) any Interim Liquor Agreement to the extent required pursuant to Section 9.5, duly executed by each of the Sellers;

(vii) the Business Records (it being understood that any Business Records located at a Seller's office need not be physically delivered, but shall be deemed delivered at the Closing);

(viii) an assignment and conveyance agreement with regard to the Real Estate Leases, duly executed by each Seller, as applicable, and in the form of Exhibit C hereto;

(ix) an assignment and assumption agreement with respect to Sellers' interest in the Permits listed on Schedule 1.1(g) that are legally transferable to Buyer, duly executed by each Seller, as applicable;

(x) a secretary's or other officer's certificate certifying the resolutions of the governing body or equity holders of each Seller approving and authorizing this Agreement, the Seller Transaction Documents, the transactions contemplated hereby and thereby, and the Plan;

(xi) a certificate signed by a duly authorized officer of the Agent on behalf of each Seller in accordance with Section 11.3(c) in the form of Exhibit D attached hereto;

(xii) a certificate signed by a duly authorized officer of the Agent on behalf of each Seller in accordance with Section 11.3(d) in the form of Exhibit E attached hereto;

(xiii) an affidavit of non-foreign status that complies with section 1445 of the Code, duly executed by each Seller and in the form of Exhibit F hereto;

(xiv) the Debt Assumption and Assignment Agreement, duly executed by the Sellers; and

(xv) such other documents as Buyer's counsel may reasonably request that are necessary to evidence or consummate the transactions contemplated by this Agreement.

(b) Notwithstanding anything in this Agreement or any Transaction Document to the contrary, each Seller's obligation to convey to Buyer all rights of such Seller under the Permits listed on Schedule 1.1(g) shall consist of providing: (i) if required by Law, notices of intent to transfer the Permit to Buyer in accordance with the Government regulations governing such Permit transfer, (ii) information as required by the Government regulations governing such Permit transfer and (iii) assistance to Buyer in obtaining the transfer of such Permits.

3.3. Buyer's Deliveries. At the Closing, Buyer shall deliver the Consideration in accordance with Section 2.1 hereof and shall further deliver the following documents which shall be consistent with the terms of this Agreement:

(a) Buyer shall pay to Sellers the cash portion of the Consideration due to Sellers at Closing, if any, by wire transfer of immediately available funds to an account designated by Sellers;

(b) Buyer shall execute and deliver to Sellers an instrument of assignment and assumption of the Assigned Contracts and the Assumed Liabilities in the form attached as Exhibit B hereto;

(c) Buyer shall execute and deliver to Sellers an assignment and assumption agreement with respect to the Permits listed on Schedule 1.1(g) that are legally transferable to Buyer;

(d) an assignment and conveyance agreement with regard to the Real Estate Leases, duly executed by Buyer and in the form of Exhibit C hereto;

(e) a certificate signed by a duly authorized officer of Buyer in accordance with Section 11.2(a) in the form of Exhibit G attached hereto;

(f) a certificate signed by a duly authorized officer of Buyer in accordance with Section 11.2(b) in the form of Exhibit H attached hereto;

(g) the Debt Assumption and Assignment Agreement, duly executed by Buyer; and

(h) such other documents as Sellers' counsel may reasonable request that are necessary to evidence or consummate the transactions contemplated by this Agreement.

3.4. Additional Actions at Closing.

Simultaneously with Buyer's receipt of the Acquired Assets, the parties shall take the following actions:

(a) Buyer shall enter into the Funding Loans Agreements and shall provide to the lenders thereunder the Funding Loans Liens on all of the Acquired Assets (including the Transferred Assets) and the Additional Golf Course Real Properties;

(b) Buyer shall contribute to the capital of IT SPE all of the Transferred Assets subject to the Trustee Liens and the Funding Loans Liens, *provided however*, that the Indenture Trustee shall have subordinated the Trustee Liens to the Funding Loans Liens pursuant to the terms of the Subordination Agreement;

(c) Buyer shall contribute to the capital of IT SPE all of the Additional Golf Course Real Properties, subject to the Funding Loans Liens;

(d) Buyer shall cause IT SPE to subject the Additional Golf Course Real Properties to the Trustee Liens *provided however*, that the Indenture Trustee shall have subordinated the Trustee Liens to the Funding Loans Liens pursuant to the terms of the Subordination Agreement;

(e) Buyer shall assign to IT SPE, and shall cause IT SPE to assume, all of those liabilities and obligations under or relating to the Note Restructuring Agreement assumed by Buyer pursuant to the Debt Assumption and Assignment Agreement; and

(f) Sellers shall release Buyer from any and all liabilities and obligations under or relating to the Note Restructuring Agreement and the Debt Assumption and Assignment Agreement.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF THE SELLERS

Each Seller, jointly and severally, hereby represents and warrants to Buyer, as of the date hereof and as of the Closing Date, as follows:

4.1. Corporate Organization. Each Seller is duly organized and validly existing under the Laws of the State of its organization. Subject to any necessary authority from the Bankruptcy Court, each Seller has all requisite power and authority and all necessary approvals, permits, licenses and authorizations to own its properties and assets and to conduct its business as now conducted.

4.2. Authorization and Validity. Subject to the Bankruptcy Court's entry of the Confirmation Order and the receipt of the Consents set forth on Schedule 4.4 attached hereto, each Seller has all requisite power and authority to enter into, execute and deliver this Agreement and all other instruments and documents required to be executed and delivered by such Seller pursuant hereto (the "***Seller Transaction Documents***") or to enable such Seller to effect the transactions contemplated hereby and to carry out its obligations hereunder and thereunder. Subject to the entry of the Confirmation Order, the execution and delivery of this Agreement and the Seller Transaction Documents and the performance by each Seller of its obligations hereunder and thereunder have been duly authorized by all necessary action by the governing body of each Seller (or the Bankruptcy Court, as applicable), and no other proceedings on the part of any Seller are necessary to authorize such execution, delivery and performance. This Agreement and the Seller Transaction Documents required to be executed and delivered by such Seller have been duly executed by such Seller and, subject to the Bankruptcy Court's entry of the Confirmation Order, constitute its valid and binding obligation, enforceable against it in accordance with the terms herein and therein.

4.3. No Conflict or Violation. Subject to (a) the receipt of all Consents set forth on Schedule 4.4 attached hereto, (b) the Bankruptcy Court's entry of the Confirmation Order and (c) the receipt of the Antitrust Approvals, if any, the execution, delivery and performance by each Seller of this Agreement do not and will not (i) violate or conflict with any provision of the bylaws or certificate of incorporation or the certificate of organization or operating agreement or other similar organizational documents, as the case may be (collectively, the "***Organizational Documents***") of such Seller, (ii) violate any provision of law, regulation, rule or other legal requirement of any Government ("***Law***") or any order, judgment or decree of any court or Government ("***Order***") applicable to any Seller, or (iii) violate or result in a breach of or constitute (with due notice or lapse of time or both) a default under any Assigned Contract.

4.4. Consents and Approvals. Schedule 4.4 attached hereto sets forth a true and complete list of each Consent and each declaration to or filing or registration with any Government or other Person that is required in connection with the execution and delivery of this Agreement and the Seller Transaction Documents by each Seller or the performance by each Seller of its obligations hereunder or thereunder, except for entry of the Confirmation Order by the Bankruptcy Court.

4.5. Compliance with Law. Except as may result from a Bankruptcy Case, or as set forth on Schedule 4.5 attached hereto, (i) since February 28, 2009, (a) no Seller has received written notice of any violation of any Law; and (b) no Seller is in default with respect to any Order, applicable to any of the Acquired Assets; and (ii) as of the date hereof, no Action is pending or, to Sellers' knowledge, threatened against any Seller alleging any failure to comply with any Order or Law. Except for ordinary course expenditures (which in the aggregate are not material) or expenditures required for any Permit to be transferred to or obtained by Buyer, no material expenditures are, or based on any Law, Order or Permit will be, required of Buyer for each Seller and its business and operations to remain in compliance with all Laws, Orders and Permits immediately following the Closing.

4.6. Litigation. As of the date of this Agreement and except as set forth on Schedules 4.6 or 4.9 attached hereto, there are no Claims, suits or proceedings pending or, to the Knowledge of Sellers, threatened, before any Government brought by or against any Seller. No Order or Action required to be set forth in Schedules 4.6 or 4.9 questions the validity or enforceability of this Agreement or any Transaction Document, or could result in any Material Adverse Effect on any Seller or the Acquired Assets, and no Seller has knowledge that any such Action may be brought or threatened against any Seller.

4.7. Material Contracts Schedule 4.7 attached hereto sets forth a true, correct and complete list of each Contract to which any Seller is a party or is bound under which the consequences of a default under or termination of such Contract would reasonably be expected to have a Material Adverse Effect (collectively, the "**Material Contracts**"). Each Seller has provided or made available to Buyer true and complete copies of each Material Contract (including all amendments thereto) that are in any Seller's possession. Each Seller has performed any obligations required to be performed by it to date under the Assigned Contracts and is not in breach or default thereunder, and, to the Knowledge of each Seller, no other party to any of the Assigned Contracts is (with or without the lapse of time or the giving of notice, or both) in material breach or default thereunder, except only for those defaults that will be cured in accordance with the Confirmation Order (or that need not be cured under the Bankruptcy Code to permit the assumption and assignment of the Assigned Contracts). Each of the Assigned Contracts is, or will be at the Closing, valid, binding and in full force and effect against Seller.

4.8. Permits . Schedule 1.1(g) attached hereto sets forth a complete and correct list of all material Permits and all pending applications therefor obtained by any Seller in connection with the Business or the Acquired Assets. As of the date of this Agreement, except as set forth in Schedule 4.8, each such Permit is, and as of the Closing Date, each such Permit will be, valid and in full force and effect, and is not and will not as of the Closing be subject to any pending or,

to Sellers' Knowledge, threatened administrative or judicial proceeding to revoke, cancel, suspend or declare such Permit invalid in any respect.

4.9. Environmental Matters.

(a) Each Seller is in compliance in all material respects with applicable Environmental Laws applicable to the Acquired Assets and the Business.

(b) Since April 30, 2010, except as set forth in Schedule 4.9 no Seller has received a written complaint, Order, directive, Claim, request for information, citation or notice of violation from any Government or any other Person relating to any actual or alleged noncompliance with or liability under any Environmental Law with respect to any release, spill, leak, discharge or emission of any Hazardous Materials to the air, surface water, groundwater or soil of the Real Property.

4.10. Real Property; Zoning.

(a) The Owned Real Property listed on Schedule 1.1(a) attached hereto is all the real property owned by any Seller. The Sellers, as applicable, have marketable fee simple title to the Owned Real Property free and clear of all Liens, other than Permitted Liens and Liens that will be released or terminated prior to or at the Closing.

(b) Except as set forth on Schedule 4.10(b), the Real Property comprise all of the real property owned, occupied, leased, operated or used by any of the Sellers, and there are no other leases, subleases, licenses, concessions, or other occupancy agreements in effect, other than the Excluded Assets, with respect to the Owned Real Property or subleases with respect to the Leased Real Property (Tenant), other than the Real Estate Leases.

(c) The Real Property is zoned sufficiently to allow its current and contemplated future use consistent with prior use by Sellers.

4.11. Employee Benefits. Set forth on Schedule 4.11 attached hereto is a list of all Employee Benefit Plans which any Seller maintains or to which any Seller contributes for Employees.

4.12. Insurance. Schedule 4.12 attached hereto sets forth a true, complete and correct description of all insurance policies maintained by each Seller as of the date hereof. As of the date hereof, all such insurance policies are in full force and effect and all premiums that have become due and payable have been duly paid. No written notice of cancellation, non-renewal or termination has been received with respect to any such policy which has not replaced on substantially similar terms prior to the date of such cancellation. Each Seller maintains insurance in such amounts and covering such risks and liabilities as are commercially reasonable for the operation of the Business.

4.13. Utilities. Except as set forth on Schedule 4.13, no Seller has Knowledge of nor has it received any notice of the curtailment of any utility service supplied to the Real Property. All water and all electrical, telecommunication, sanitary and storm sewer and drainage

lines, systems and hook ups located upon, under, at or adjacent to the Real Property necessary for the conduct of the Business as currently conducted and as to be conducted consistent with the current use by Seller on the Real Property are installed and connected under valid permits.

4.14. Title to Assets. One or more of the Sellers has good, marketable (in the case of the Owned Real Property) and valid title to each and all of the Acquired Assets, in each case free and clear of all liens, claims or encumbrances, except for Permitted Liens and Liens to be released or terminated prior to or at the Closing.

4.15. Intellectual Property. Set forth on Schedule 1.1(f) attached hereto is a complete and accurate list of the material Intellectual Property owned by any of the Sellers (the “*Owned Intellectual Property*”) or licensed to any of the Sellers (the “*Licensed Intellectual Property*”), and together with the Owned Intellectual Property, the “*Intellectual Property*”) showing the name of the Seller that owns or claims any ownership or licensee interest in such Intellectual Property. No Seller has licensed its rights in any Intellectual Property, current or planned products, designs or services to any other Person. Each Seller owns all right, title and interest in and to all the Owned Intellectual Property, indicated in Schedule 1.1(f) attached hereto as being owned by it, free and clear of all liens, claims or encumbrances (except for Permitted Liens and Liens that will be released on or prior to the Closing). Schedule 1.1(f) attached hereto completely and accurately sets forth which of the Owned Intellectual Property is duly, validly and properly registered with or issued by, as applicable, the U.S. Patent and Trademark Office, the Registrar of Copyrights and applicable foreign Government in foreign jurisdictions. All of such Owned Intellectual Property registrations are valid and subsisting, all pending applications for such Owned Intellectual Property are live and all maintenance, renewal and other fees relating to such registrations or applications are current, in each case, in all material respects. There are no material claims, demands or proceedings instituted or pending or, to the Knowledge of any Seller, threatened by any Person contesting or challenging the right of any Seller to use any Intellectual Property which, if adversely determined, would be materially adverse to the Business or the Acquired Assets. To the Knowledge of each Seller, except as set forth in Schedule 4.15, there are no patents, trademarks, trade names, copyrights, or trade secrets owned by a Person other than a Seller which any Seller is using without license to do so. Except as set forth in Schedule 4.15, (i) each Seller owns or has the right to use all Intellectual Property necessary or desirable to operate the Business as currently conducted, and (ii) each item of Intellectual Property used by a Seller in the operation of the Business immediately prior to the Closing will be owned or available for use by Buyer on identical terms and conditions immediately subsequent to the Closing. To the Knowledge of Sellers, no Seller has interfered with, infringed upon, misappropriated, or otherwise come into conflict with any other Person’s intellectual property. No Seller has ever received any written notice alleging any interference, infringement, misappropriation, violation or conflict with another Person’s intellectual property rights (including any claim that a Seller must license or refrain from using any other Person’s intellectual property). To the Knowledge of Sellers, no other Person has interfered with, infringed upon, misappropriated, or otherwise come into conflict with the Intellectual Property.

4.16. Brokers. Other than as set forth on Schedule 4.16 attached hereto, no Seller nor, to the Knowledge of any Seller, any of its Affiliates has authorized any Person to act as broker, finder, banker, consultant, intermediary or in any other similar capacity which would entitle such Person to any investment banking, brokerage, finder’s or similar fee in connection

with the transactions contemplated by this Agreement, except where any fee or payment due such persons would be solely the obligation of Sellers or their Affiliates.

4.17. License Holders.

Each License Holder is a party to the lease and/or management agreement identified in Schedule 4.17 with its affiliated Country Club, and each such lease and/or management agreement is in full force and effect..

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Sellers as follows, as of the date hereof and as of the Closing Date:

5.1. Corporate Organization. Buyer is a Delaware limited liability company, duly organized, validly existing and in good standing under the Laws of the State of Delaware, and has all requisite power and authority and all necessary approvals, permits, licenses and authorizations to own its properties and assets and to conduct its business as now conducted.

5.2. Authorization and Validity. Buyer has all requisite power and authority to enter into, execute and deliver this Agreement and all other instruments and documents required to be executed and delivered by Buyer pursuant hereto (the “**Buyer Transaction Documents**”, and collectively with the Seller Transaction Documents, the “**Transaction Documents**”) or to enable the Buyer to effect the transactions contemplated hereby and to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and the Buyer Transaction Documents and the performance by Buyer of its obligations hereunder and thereunder have been duly authorized by all necessary action by the board of managers of Buyer, and no other proceedings on the part of Buyer are necessary to authorize such execution, delivery and performance. This Agreement and the Buyer Transaction Documents to which it is a party have been duly executed by Buyer and constitute its valid and binding obligation, enforceable against it in accordance with the terms herein and therein.

5.3. No Conflict or Violation. Subject to the receipt of the Antitrust Approvals, if any, the execution, delivery and performance by Buyer of this Agreement do not and will not (i) violate or conflict with any provision of the Organizational Documents, (ii) violate any Law or Order applicable to Buyer, or (iii) violate or result in a breach of or constitute (with due notice or lapse of time or both) a default under any material contract to which Buyer is a party or by which it is bound or to which any of its properties or assets are subject.

5.4. Consents, Approvals and Notifications. No Consent, declaration to or filing or registration with any Government or other Person is required in connection with the execution and delivery of this Agreement and the Buyer Transaction Documents by Buyer or the performance by Buyer of its obligations hereunder or thereunder except: (a) for entry of the Confirmation Order by the Bankruptcy Court or (b) for such Consents and filings, the failure to obtain or make would not reasonably be expected to have a Material Adverse Effect on the ability of Buyer to consummate the transactions contemplated hereby.

5.5. Adequate Assurances Regarding Assigned Contracts. As of the Closing Date, Buyer will be capable of satisfying the conditions contained in sections 365(f)(2)(B) of the Bankruptcy Code with respect to the Assigned Contracts.

5.6. Financial Ability.

Buyer has immediately available funds pursuant to the Funding Agreements necessary to pay the cash Consideration required to be paid by Buyer at the Closing.

ARTICLE 6 COVENANTS OF SELLERS

Each Seller jointly and severally hereby covenants to Buyer as follows:

6.1. Actions Before Closing. Each Seller shall use commercially reasonable efforts to perform and satisfy all conditions to Buyer's obligations to consummate the transactions contemplated by this Agreement that are to be performed or satisfied by such Seller under this Agreement.

6.2. Maintenance of Assets Before the Closing Date. Except as contemplated by this Agreement, as otherwise ordered by the Bankruptcy Court, or with the written consent of Buyer, each Seller shall use commercially reasonable efforts to operate the Business in the ordinary course in a manner consistent with past practice, and shall confer on a regular and frequent basis with Buyer and its representatives to report on material operational matters and the general status of ongoing operations. Notwithstanding the generality of the foregoing, each Seller shall, between the date hereof and the Closing Date, use commercially reasonable efforts to (i) conduct the Business in compliance with all applicable Laws, (ii) preserve the Business's relationships with the current customers, suppliers and others having business dealings with the Business, (iii) maintain the Acquired Assets in their current working order, condition and repair as of the date hereof, ordinary wear and tear excepted, (iv) perform in all material respects the obligations required to be performed by each Seller under the Assigned Contracts, other than to cure pre-petition monetary defaults, (v) maintain the Business Records on a basis consistent with prior practice, (vi) bill for products sold or services rendered and pay accounts payable in connection with the Business consistent with past practice, (vii) maintain all insurance policies, or suitable replacements therefor, in full force and effect through the close of business on the Closing Date, (viii) provide Buyer with updated monthly financial information concerning the Business, as reasonably requested by Buyer, and

(ix) grant Buyer reasonable access to its customers, distributors and suppliers and cooperate with Buyer in communicating with such Persons.

(b) Without limiting the generality of Section 6.2(a), prior to the Closing no Seller shall, except in the ordinary course of business or as otherwise ordered by the Bankruptcy Court, without the prior written consent of Buyer: (i) sell, lease or transfer any of the Acquired Assets or parts thereof, (ii) amend, modify, terminate or change in any material respects any Assigned Contract, or (iii) grant a consensual Lien (other than a Permitted Lien) on the Acquired Assets.

(c) In the event any Seller is directed by the Bankruptcy Court to convey or dispose of an asset that would be an Acquired Asset, such Seller shall either provide the proceeds of such asset conveyance to Buyer at the Closing or reduce the Consideration by the fair market value of such asset.

6.3. Consents and Approvals. Each Seller shall use commercially reasonable efforts to obtain all Consents listed on Schedule 4.4 attached hereto.

6.4. Access to Properties and Records. To the extent permitted under Law and any relevant confidentiality agreements, each Seller shall afford to Buyer, and to the accountants, counsel and representatives of Buyer, reasonable access during normal business hours throughout the period prior to the Closing Date (or the earlier termination of this Agreement pursuant to Article 12) to the Business Records. Upon reasonable prior notice, at Buyer's sole cost, expense and risk, each Seller shall also afford Buyer reasonable access, during normal business hours, to all Acquired Assets throughout the period prior to the Closing Date. If after the Closing any Seller shall receive any payment or revenue that belongs to Buyer pursuant to this Agreement, such Seller shall promptly remit or caused to be remitted the same to Buyer, without set-off or deduction of any kind or nature.

6.5. Rejection of Assigned Contracts. No Seller shall reject any Assigned Contracts pursuant to the Bankruptcy Code without the prior written consent of Buyer unless otherwise ordered by the Bankruptcy Court.

6.6. New Membership Option. Sellers shall endeavor to cause persons to commit prior to the Closing to becoming members of the New Country Clubs, in sufficient numbers and in categories of membership that would generate aggregate annual dues revenue for the New Country Clubs in an amount of at least \$16,500,000.

6.7. Further Assurances. Upon the request and at the sole expense of Buyer at any time after the Closing Date, each Seller shall execute and deliver such documents as Buyer or its counsel may reasonably request to effectuate the purposes of this Agreement. If after the Closing any Seller (or any Affiliate of such Seller) shall receive any payment or revenue that belongs to Buyer pursuant to this Agreement, such Seller shall promptly remit or cause to be remitted the same to Buyer, without set-off or deduction of any kind or nature.

6.8. Notices. Each Seller shall give prompt notice to Buyer of (i) the occurrence or nonoccurrence of any event the occurrence or nonoccurrence of which would be reasonably likely to cause any representation or warranty made by such Seller contained in this Agreement

to be untrue or inaccurate, and (ii) any failure of such Seller to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder.

6.9. Casualty Loss. Notwithstanding any provision in this Agreement to the contrary, if, before the Closing, all or any portion of the Acquired Assets is (a) condemned or taken by eminent domain, or (b) a material portion is damaged or destroyed by fire or other casualty, Sellers shall notify Buyer promptly in writing of such fact, and (i) in the case of condemnation or taking, Sellers shall assign or pay, as the case may be, any proceeds thereof to Buyer at the Closing, and (ii) in the case of fire or other casualty, Sellers shall either restore such damage or assign the insurance proceeds therefrom to Buyer at Closing. Notwithstanding the foregoing, the provisions of this Section 6.9 shall not in any way modify Buyer's other rights under this Agreement, including any applicable right to terminate the Agreement if any condemnation, taking, damage or other destruction resulted in a Material Adverse Effect.

6.10. Corporate Name Changes. Promptly following the Closing Date, at Buyer's sole cost and expense, each Seller that has the words "Cliffs", "Golf" or "Country Club" in its corporate name shall change its corporate name to delete any such words, or any word confusingly similar thereto, from such corporate name, and shall promptly request the Bankruptcy Court to cause its new name to be used in all filings and for all other purposes relating to the Bankruptcy Cases. This provision shall survive Closing.

ARTICLE 7

COVENANTS OF BUYER

Buyer hereby covenants to Sellers as follows:

7.1. Actions Before Closing Date. Buyer shall use commercially reasonable efforts to perform and satisfy all conditions to Sellers' obligations to consummate the transactions contemplated by this Agreement that are to be performed or satisfied by Buyer under this Agreement.

7.2. Consents, Approvals and Notifications. Buyer shall use commercially reasonable efforts to obtain all consents and approvals of all Governments, and all other Persons, required to be obtained by Buyer and provide notifications to all Persons required to be notified by Buyer to effect the transactions contemplated by this Agreement. Buyer shall promptly take all actions as are reasonably requested by Sellers to assist in obtaining the Bankruptcy Court's entry of the Confirmation Order, including furnishing affidavits, financial information or other documents or information for filing with the Bankruptcy Court and making Buyer's employees and representatives available to testify before the Bankruptcy Court.

7.3. Adequate Assurances Regarding Assigned Contracts. With respect to each Assigned Contract, to the extent requested by the Bankruptcy Court, Sellers or the counterparty to such Contract, Buyer shall provide the Bankruptcy Court, Sellers or such counterparty, as the case may be, adequate assurance of the future performance of such Assigned Contract by Buyer.

7.4. Cure of Defaults. Buyer shall, on or prior to the Closing, in accordance with Section 2.1(n), cure any and all defaults under the Assigned Contracts that are required to be cured under the Bankruptcy Code and set forth on Schedule 7.4 attached hereto, so that such Assigned Contracts may be assumed by Sellers and assigned to Buyer in accordance with the provisions of section 365 of the Bankruptcy Code.

7.5. Availability of Business Records. After the Closing Date, Buyer shall provide to Sellers, Related Persons, the Liquidation Trustee, any trustee or fiduciary appointed to act on behalf of Sellers and any successor or designee of Sellers (after reasonable notice and during normal business hours and without charge to Sellers) access to all Business Records for periods prior to the Closing and shall preserve such Business Records until the later of (a) six (6) years after the Closing Date or (b) the required retention period for all government contact information, records or documents. Such access shall include access to any information in electronic form to the extent reasonably available. Buyer acknowledges that Sellers and each of the Persons set forth above have the right to retain originals or copies of Business Records for periods prior to the Closing. Prior to destroying any Business Records for periods prior to the Closing, Buyer shall notify Sellers or the Liquidation Trustee, as applicable, thirty (30) days in advance of any such proposed destruction of its intent to destroy such Business Records, and Buyer will permit Sellers or the Liquidation Trustee to retain such Business Records. With respect to any litigation and claims that are Excluded Liabilities, Buyer shall render all reasonable assistance that Sellers or the Liquidation Trustee may request in defending such litigation or claim and shall make available its personnel most knowledgeable about the matter in question, all of the foregoing to be at the sole cost and expense of Sellers or the Liquidation Trustee. If after the Closing Buyer (or any Affiliate or creditor of Buyer) shall receive any payment or revenue that belongs to any Seller pursuant to this Agreement, Buyer shall promptly remit or cause to be remitted the same to such Seller, without set-off or deduction of any kind or nature.

7.6. Employee and Benefits Matters.

(a) Intent to Employ. Buyer shall notify Sellers at least seven (7) days prior to the Closing Date which employees of each Seller Buyer intends to employ or cause to be employed by Buyer or any of its Affiliates (such employees hereinafter referred to as the “**Accepting Employees**”). The employment offer will be timed with the intention of making the Accepting Employee’s first day of employment effective as of the Closing Date. Accepting Employees’ employment with Buyer or any of its Affiliates will be “at will” and nothing contained in this Agreement or any other communication shall constitute a contract of employment and Employee shall not be a third party beneficiary of this Agreement.

(b) Benefit Claims. From and after the Closing Date, claims of the Accepting Employees for accrued salary, accrued vacation and other compensation and benefits (“**Benefits**”) that are incurred before the Closing Date shall be the sole responsibility of Buyer. With respect to each employee benefit plan of Buyer in which the Accepting Employees may be eligible to participate after the Closing, Buyer shall recognize all service of the Accepting Employees with Sellers for all purposes (including without limitation, purposes of eligibility to participate, vesting credit, entitlement for benefits,

and benefit accrual), except to the extent such treatment would result in duplicative accrual of benefits for the same period of service.

7.7. Notices. Buyer shall provide Sellers with prompt written notice of Buyer's knowledge of (i) any breach of any representation or warranty by Buyer or (ii) the occurrence or nonoccurrence of any event the occurrence or nonoccurrence of which would be reasonably likely to cause any representation or warranty made by Buyer contained in this Agreement to be untrue or inaccurate in any material respect, or (iii) any failure of Buyer to comply with or satisfy, in any material respect, any covenant, condition, agreement or obligation to be complied with or satisfied by it under this Agreement.

7.8. Amendment to List of Contracts. Notwithstanding anything herein to the contrary, at any time prior to the date that is five (5) days prior to the date of the hearing on confirmation of the Plan, (a) Buyer shall be entitled in its sole discretion to remove any executory contracts or unexpired leases from the list of Assigned Contracts by providing written notice thereof to Sellers and any contracts or unexpired leases so removed shall not constitute Acquired Assets or Assumed Liabilities at the Closing and (b) Buyer shall be entitled in its sole discretion to request Sellers to add to the list of Assigned Contracts any executory contracts or unexpired leases of the Business by providing written notice thereof to the Chief Restructuring Officer of Sellers, and any contracts or unexpired leases so added shall constitute Acquired Assets; *provided however*, that Buyer shall not be entitled to add to the list of Assigned Contracts any executory contracts or unexpired leases of any Seller that such Seller has previously rejected by order of the Bankruptcy Court. Sellers shall give written notice to Buyer prior to the submission of any motion in its Bankruptcy Case to reject any executory contracts or unexpired leases; *provided however*, that in no event shall any Seller, without the written consent of Buyer, seek to reject any executory contract or unexpired lease associated with the Business prior to the Closing Date and *provided, further*, that no Seller, without the prior written consent of Buyer, shall seek to reject any executory contract or unexpired lease which is an Assigned Contract.

7.9. Disclosure of Certain Relationships. Buyer shall promptly notify Sellers in writing of:

(a) any past or contemplated future payments, relationships or agreements of any kind by Buyer with any Person related in any way to any Seller, including any Person that has, or may have had, any direct or indirect ownership interest in any Seller or in any of their respective Affiliates; or

(b) any individual having any connection to any Seller or any of their respective Affiliates in any capacity (including as a member) that also has any interest (financial, as an employee, consultant or otherwise) in Buyer.

7.10. General Post-Closing Covenants. From and after the Closing Date, the Buyer shall undertake its obligations, in accordance with the terms of, and as set forth in, the Membership Plan attached as Exhibit I (the "**Membership Plan**"), including without limitation:

(a) Using its commercially reasonable efforts to operate the Country Clubs;
and

(b) Offering existing members of the Country Clubs in good standing, and former members, the opportunity to obtain memberships in accordance with the New Membership Option and offering memberships in the New Country Clubs to new members, all in accordance with such Membership Plan.

ARTICLE 8 BANKRUPTCY PROCEDURES

8.1. Consultation with Buyer. To the extent practicable, Sellers shall provide Buyer, at least three (3) days in advance of filing with the Bankruptcy Court, a draft of any motions, orders or other pleadings that Sellers propose to file with the Bankruptcy Court relating to this Agreement. To the extent practicable, Sellers shall reasonably cooperate with Buyer, and consider in good faith the views of Buyer, with respect to all such filings.

ARTICLE 9 REGULATORY MATTERS

Buyer hereby covenants to Sellers, and each Seller jointly and severally hereby covenants to Buyer, as follows:

9.1. Regulatory Filings. Subject to the terms and conditions of this Agreement, each party shall use its reasonable best efforts to (a) take, or cause to be taken, all actions and to do, or cause to be done, all things necessary under applicable Laws to consummate the transactions contemplated by this Agreement; (b) if required, file a Notification and Report Form pursuant to the HSR Act with respect to the transactions contemplated hereby within five Business Days after the date hereof; (c) supply as promptly as practicable any additional information and documentary material that may be requested or required pursuant to any Antitrust Law, including the HSR Act and (d) if applicable, cause the expiration or termination of the applicable waiting periods under the HSR Act or any other Antitrust Law as soon as practicable. Buyer shall be responsible for all filing fees related to any filing made with respect to any Antitrust Law, including the HSR Act.

9.2. Cooperation. In connection with the efforts referenced in Section 9.1 to obtain all requisite approvals and authorizations for the transactions contemplated by this Agreement under the HSR Act, any other Antitrust Law, or any state law, if any, each of the parties shall use reasonable best efforts to (a) cooperate with each other in connection with any filing or submission and in connection with any investigation or other inquiry, including any proceeding initiated by a private party; (b) keep the other parties informed in all material respects of any material communication received by such party from, or given by such party to, any Government and of any material communication received or given in connection with any proceeding by a private party, in each case regarding any of the transactions contemplated hereby and (c) permit the other party to review any material communication given to it by, and consult with each other in advance of any meeting or conference with any Government, including in connection with any proceeding by a private party. The foregoing obligations in this Section 9.2 shall be subject to any attorney-client, work product or other privilege, and each of

the parties hereto shall coordinate and cooperate fully with the other parties hereto in exchanging such information and providing such assistance as such other parties may reasonably request in connection with the foregoing and in seeking early termination of any applicable waiting periods under Antitrust Law. The parties will not take any action that will have the effect of delaying, impairing or impeding the receipt of any required authorizations, consents, Orders or approvals.

9.3. Objections or Other Challenges. If any objections are asserted with respect to the transactions contemplated hereby under any Antitrust Law or if any suit is instituted by any Government or any private party challenging any of the transactions contemplated hereby as violative of any Antitrust Law or if the filing pursuant to Section 9.1 is reasonably likely to be rejected or conditioned by a Government, each of the parties shall use reasonable best efforts to resolve such objections or challenge as such Government or private party may have to such transactions, including to vacate, lift, reverse or overturn any Order, whether temporary, preliminary or permanent, so as to permit consummation of the transactions contemplated by this Agreement.

9.4. Permit Transfers. Buyer shall be responsible for and each Seller shall provide commercially reasonable assistance to Buyer to assist Buyer or an Affiliate in obtaining or the transfer of Permits from all Sellers to Buyer or an Affiliate. Any and all fees required by any Government or any Person to obtain or for the transfer of a Permit shall be the sole responsibility of Buyer.

9.5. Liquor License.

(a) Within thirty (30) days prior to the anticipated Closing, Buyer, at its sole cost and expense, shall make all necessary applications for, and shall thereafter diligently pursue, issuance or transfer (to new non-profit or other affiliated entities designated by Buyer) of all licenses and approvals required under any Law for the continued sale of alcoholic beverages at the Country Clubs from and after the Closing Date (including temporary permits, to the extent available) consistent with the practices and procedures in effect as of the date hereof in the applicable jurisdictions (collectively, "**Liquor Licenses**"). Each Seller shall cooperate and use its reasonable commercial efforts to assist Buyer and to complete and submit any necessary applications, affidavits or other documents as might be required under applicable Law to permit the issuance or transfer of such Liquor Licenses to Buyer (or its designees). Buyer shall keep Sellers informed of the status of such applications, and shall promptly respond to Sellers' inquiries regarding the status of the same.

(b) If the Liquor Licenses have not been issued as of the date that Closing is otherwise required to occur under this Agreement, then at Closing Sellers shall, and shall use their commercially reasonable efforts to cause the current holders of the liquor licenses for the Country Clubs (the "**License Holders**") to, as applicable, enter into an interim liquor agreement ("**Interim Liquor Agreement**") (which Interim Liquor Agreement may provide for new facilities leases and management agreements relating to the food and beverage operations of the New Country Clubs) that will permit Buyer to continue the sale of alcoholic beverages at the New Country Clubs from and after the Closing Date consistent with the practices and procedures in effect as of the date hereof, provided that the Interim Liquor Agreement is, in the judgment of Sellers and Buyer, all acting reasonably and in good faith, permitted by applicable Law and local

custom or practice. The Interim Liquor Agreement shall (i) be in form and substance reasonably satisfactory to Sellers and Buyer, (ii) provide for the indemnification by Buyer of Sellers and their Affiliates and their respective directors, officers and employees with respect to all liabilities related to the sale or consumption of alcoholic beverages at the Country Clubs from and after the Closing Date, and (iii) expire on the earlier to occur of issuance or transfer to Buyer of the Liquor Licenses or the date that is one hundred eighty (180) days after the Closing Date as reasonably extended by the mutual agreement of the parties.

ARTICLE 10 TAXES

10.1. Taxes Related to Purchase of Assets. . (a) As contemplated by Section 11.3(o) below, in accordance with Section 1146 of the Bankruptcy Code, the making or delivery of any instrument of transfer under the transactions contemplated by this Agreement shall not be taxed under any Law imposing any transfer Tax, sales Tax, real estate Tax, stamp Tax or similar Tax (collectively, “**Transaction Taxes**”). The instruments transferring the Acquired Assets to Buyer shall contain the following endorsement:

“Because this [instrument] has been authorized pursuant to an Order of the United States Bankruptcy Court for the District of South Carolina, relating to a plan of reorganization of the Grantor, it is exempt from transfer taxes, stamp taxes or similar taxes pursuant to 11 U.S.C. § 1146, and any officer receiving this [instrument] is hereby authorized and directed to permit the transfer contemplated by this [instrument] without the payment of any stamp tax, transfer tax or similar tax.”

(b) In the event that any Transaction Taxes shall be payable in connection with the transactions contemplated by this Agreement, such Transaction Taxes shall be paid by Buyer. In no event shall any party to this Agreement be responsible for the income taxes of any other party that arise as a consequence of the transactions consummated hereunder.

10.2. Cooperation on Tax Matters. Each Seller and Buyer shall cooperate fully with each other and make available or cause to be made available to each other for consultation, inspection and copying (at such other party’s expense) in a timely fashion such personnel, Tax data, relevant Tax Returns or portions thereof and filings, files, books, records, documents, financial, technical and operating data, computer records and other information as may be reasonably required (a) for the preparation by such other party of any Tax Returns or (b) in connection with any Tax audit or proceeding including one party (or an Affiliate thereof) to the extent such Tax audit or proceeding relates to or arises from the transactions contemplated by this Agreement.

10.3. Retention of Tax Records. After the Closing Date and until the expiration of all statutes of limitation applicable to Sellers’ liabilities for Taxes, Buyer shall retain possession of all accounting, business, financial and Tax records and information that (a) relate to the

Acquired Assets and are in existence on the Closing Date and (b) come into existence after the Closing Date but relate to the Acquired Assets before the Closing Date. In addition, from and after the Closing Date, Buyer shall provide to Sellers and their Related Persons (after reasonable notice and during normal business hours) access to the books, records, documents and other information relating to the Acquired Assets as Sellers may reasonably deem necessary to (i) properly prepare for, file, prove, answer, prosecute and defend any Tax Return, claim, filing, tax audit, tax protest, suit, proceeding or answer or (ii) administer or complete any cases under chapter 11 of the Bankruptcy Code of or including Sellers. Such access shall include reasonable access to any computerized information systems that contain data regarding the Acquired Assets and/or Assumed Liabilities.

10.4. Allocation of Consideration and Consideration Allocation Forms. The Consideration, the Assumed Liabilities and other relevant items shall be allocated among the Acquired Assets in accordance with Section 1060 of the Code. Buyer shall prepare and deliver to Sellers an allocation schedule setting forth Buyer's determination of the allocation (the "***Allocation Schedule***") within 60 days after the date hereof, which Allocation Schedule shall be subject to the reasonable approval of Sellers. The Allocation Schedule shall identify the transferor and transferee thereof, and shall be prepared in accordance with Treas. Reg. Section 1.1060-1 (or any comparable provision of state or local Tax Law) or any successor provision. The parties agree that they will report the federal, state, local and other Tax consequences of the purchase and sale hereunder (including in filings on IRS Form 8594) in a manner consistent with such allocation and that they will not take any position inconsistent therewith in connection with any Tax Return, refund claim, litigation or otherwise, unless and to the extent required to do so pursuant to applicable law. Sellers and Buyer shall cooperate in the filing of any forms (including Form 8594) with respect to such allocation. Notwithstanding any other provision of this Agreement, this Section 10.4 shall survive any termination or expiration of this Agreement.

10.5. Unbilled Transactional Taxes. If a Tax assessment is levied upon any party by an authorized Tax jurisdiction for unbilled Transaction Taxes that are the obligation of the other party under this Agreement, then the non-assessed party shall promptly reimburse the assessed party in cash for those Taxes including any interest and penalty associated therewith.

ARTICLE 11

CONDITIONS PRECEDENT TO PERFORMANCE BY PARTIES

11.1. Conditions Precedent to Performance by Sellers and Buyer. . The respective obligations of Sellers and Buyer to consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver (other than the condition contained in Section 11.1(b), the satisfaction of which cannot be waived), on or prior to the Closing Date, of the following conditions:

(a) Bankruptcy Matters.

- (i) The Bankruptcy Court shall have entered a Confirmation Order;
and

(ii) The Confirmation Order shall be in effect at the time of Closing.

(b) Antitrust and Regulatory Approvals. If applicable, the waiting periods for the transactions contemplated under this Agreement under the HSR Act, and any other Antitrust Law shall have expired or terminated and the Regulatory Approvals on Schedule 11.1(b) shall have been provided and requisite notice has been provided by Buyer to relevant Government authorities.

(c) No Order. No order, statute, rule, regulation, executive order, injunction, stay, decree, directive, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or Government that would (i) prevent the consummation of any of the transactions contemplated by this Agreement or (ii) cause any of the transactions contemplated by this Agreement to be rescinded following consummation, nor shall any such order, statute, rule, regulation, executive order, injunction, stay, decree, directive, or restraining order be in effect. No Action shall be pending before any Government or before any arbitral body wherein an unfavorable injunction, judgment, order, decree, ruling, directive or charge would (x) prevent consummation of any of the transactions contemplated by this Agreement or (y) cause any of the transactions contemplated by this Agreement to be rescinded following consummation.

11.2. Conditions Precedent to Performance by Sellers. The obligations of Sellers to consummate the transactions contemplated by this Agreement are subject to the satisfaction, on or before the Closing Date, of the following conditions, any one or more of which may be waived by Sellers in their sole discretion:

(a) Representations and Warranties of Buyer. All representations and warranties made by Buyer in Article 5 of this Agreement shall be true and correct in all material respects on and as of the Closing Date as if again made by Buyer on and as of such date (or, if made as of a specific date, at and as of such date) (except for such representations and warranties which are qualified by “material” or “Material Adverse Effect”, which such representations and warranties shall be true and correct in all respects), and Sellers shall have received a certificate dated as of the Closing Date from Buyer to that effect.

(b) Performance of the Obligations of Buyer. Buyer shall have performed in all material respects all obligations required under this Agreement to be performed by it on or before the Closing Date (except with respect to the obligation to pay the Consideration in accordance with the terms of this Agreement, which obligation shall be performed in all respects as required under this Agreement), and Sellers shall have received a certificate dated as of the Closing Date and signed by an authorized representative of Buyer to that effect.

(c) Buyer's Deliveries. Buyer shall have delivered, and Sellers shall have received, all of the items set forth in Section 3.3 of this Agreement.

(d) Buyer Releases. Each of the Persons listed on Schedule 11.2(d) shall have, on the Closing Date, executed and delivered releases of any and all claims, debts, demands or obligations of any name or nature they, in any capacity, or their Affiliates, hold, may hold or allege to hold (i) as of the Closing Date against or (ii) arising from the actions taken (or not taken) in good faith in connection with this Agreement or one or more of the Bankruptcy Cases by, the Persons identified in Schedule 11.2(d)-1 in a form set forth in Exhibit J.

(e) Funding Loans Agreements. Buyer and Holdings shall have executed and delivered the Funding Loans Agreements.

(f) Debt Assumption and Assignment Agreement. Buyer and the Indenture Trustee shall have executed and delivered the Debt Assumption and Assignment Agreement.

(g) Release of Sellers. Sellers shall have been released from any and all liabilities and obligations under or relating to the Note Restructuring Agreement and the Debt Assumption and Assignment Agreement.

11.3. Conditions Precedent to Performance by Buyer. The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the satisfaction, on or before the Closing Date, of the following conditions, any one or more of which may be waived by Buyer in its sole discretion:

(a) Title Survey. Buyer shall have received the existing surveys (“**Existing Surveys**”) on the Owned Real Property shown on Schedule 11.3(a). If Buyer elects, at Buyer's sole cost and expense, to obtain new or updated surveys (collectively, the “**Survey**”) on the Owned Real Property, such Survey shall not reveal any matters or deficiencies, not already shown in the Existing Surveys or the Commitment, as defined below, that individually or in the aggregate reasonably would be expected to result in a Material Adverse Effect, *provided however*, that Buyer's receipt of any such new or updated Surveys shall not be a condition precedent to the obligations of Buyer to consummate the transactions contemplated by this Agreement.

(b) Title Insurance. Buyer has received the commitment for an owner's title insurance policy, and a leasehold title insurance policy, respectively, issued by the Title Insurance Company with respect to the Owned Real Property and Leased Real Property attached as Schedule 11.3(b) (“**Commitment**”), pursuant to which the Title Insurance Company has agreed to issue such policy insuring Buyer. All requirements in Schedule B-Section 1 of the Commitment shall be removed on the Closing Date except for the survey exception and the Commitment shall be dated as of the Closing Date and modified as of the Closing Date to show fee simple title to the Owned Real Property and leasehold title to the Leased Real Property to be vested in Buyer, in each case subject to the Permitted Liens, without any changes to the Commitment that individually or in the aggregate reasonably would reasonably be expected to result in a Material Adverse Effect (the Commitment as modified on the Closing Date as required herein shall be referred to as the “**Marked Commitment**”). Buyer shall pay for the search fee for the Commitment

and for the premium for the owner's title insurance policy to be issued pursuant to the Marked Commitment.

(c) Representations and Warranties of Sellers. The representations and warranties made by Sellers in Article 4 of this Agreement shall be true and correct in all material respects as of the Closing, in each case as though made at and as of such time (or, if made as of a specific date, at and as of such date), except to the extent such failures to be true and correct do not constitute a Material Adverse Effect (except for representations and warranties which are qualified by "material" or "Material Adverse Effect", which such representations and warranties shall be true and correct in all respects), and Buyer shall have received the certificate set forth in Section 3.2(xi) dated the Closing Date to that effect.

(d) Performance of the Obligations of Sellers. Sellers shall have performed in all material respects all obligations required under this Agreement to be performed by each of them on or before the Closing Date and Buyer shall have received the certificate set forth in Section 3.2(xii) dated the Closing Date to that effect.

(e) Material Adverse Effect. No Material Adverse Effect shall have occurred since the Petition Date.

(f) No Change of Debtors' Status. The Bankruptcy Court shall not have entered an order (i) appointing a trustee or an examiner with expanded powers, (ii) dismissing a Bankruptcy Case, or (iii) converting a Bankruptcy Case from a chapter 11 case to a case under chapter 7 of the Bankruptcy Code.

(g) Third Party Consents. Buyer shall have received evidence reasonably satisfactory to Buyer of receipt by Sellers of the Consents of third parties set forth on Schedule 4.4 which Consents shall not provide for the acceleration of any liabilities or any other detriment to Buyer, any Seller, the Business or any of the Acquired Assets, and shall be in form and substance reasonably satisfactory to Buyer.

(h) DIP Facility. No Event of Default (as defined in the DIP Facility) shall have occurred under the DIP Facility (x) which gives the lenders thereunder a right to terminate the DIP Facility and (y) as a result of which, the lenders thereunder have accelerated the repayment obligations of Seller pursuant thereto.

(i) Sellers' Deliveries. Sellers shall have delivered, and Buyer shall have received, all of the items set forth in Section 3.2 of this Agreement.

(j) Transfer of Related Real Property. The Affiliated Owners shall have conveyed the Related Real Property to Buyer, pursuant to purchase and sale agreement in form and substance acceptable to the Buyer, free and clear of all Liens, except Permitted Liens.

(k) Limitations on Claims. As of the Closing: (i) amounts due and reserved for payment of Claims for Professional Fees and Administrative Claims and the amount due on the DIP Facility shall not in the aggregate exceed \$7,771,000 plus cash on hand;

(ii) Priority Claims shall not exceed \$1,943,432; (iii) Claims secured by Mechanic's Liens shall not exceed \$1,850,000 and claims associated with cures of Assigned Contracts shall not exceed \$925,000.

(l) New Membership Option. Buyer shall have received membership commitments from such persons, in sufficient numbers and in categories of membership that would generate aggregate annual dues revenue for the New Country Clubs in an amount of at least sixteen million five hundred thousand dollars (\$16,500,000).

(m) Sellers' Releases. Each of the Persons listed on Schedule 11.3(m) shall have, on the Closing Date, executed and delivered releases of any and all claims, debts, demands or obligations of any name or nature they, in any capacity, or their Affiliates, hold, may hold or allege to hold (i) as of the Closing Date against or (ii) arising from the actions taken (or not taken) in good faith in connection with this Agreement or any Bankruptcy Case by, the Persons identified in Schedule 11.3(m)-1 in a form set forth in Exhibit K.

(n) Other Assets. There shall have been conveyed to Buyer, from Persons other than Sellers, all assets (other than the Acquired Assets) that Buyer reasonably determines are needed to effectuate Buyer's post-Closing operation of the Business, including those assets set forth in Schedule 11.3(n) (collectively, the "**Additional Assets**").

(o) Content of Confirmation Order. The Confirmation Order shall provide, without limitation, the following:

(i) Sellers are bound by this Agreement;

(ii) Buyer has no liability or obligation whatsoever arising from the Bankruptcy Cases except as set forth in this Agreement, the Plan and the Membership Plan;

(iii) Buyer acquires each Acquired Asset free and clear of all Liens, claims and encumbrances except as otherwise stated in this Agreement, the Plan or the Membership Plan;

(iv) Buyer's payment of the cash portion of the Consideration paid at Closing may, at Buyer's option, be funded in part pursuant to borrowings under the Exit Costs Financing Agreements, which borrowings (x) may be in such amounts as are necessary to fund all Excess Bankruptcy Expenses, it being understood that Sellers and the Indenture Trustee will use good faith efforts to attempt to have the Excess Bankruptcy Expenses not exceed four million dollars, and (y) liens securing the Exit Costs Financing Agreements will be a first priority lien upon all assets of Buyer, including without limitation, the Acquired Assets, it being understood that such liens (and the liens securing the Mountain Park Financing Agreements) on the Transferred Assets will be senior to the Trustee Liens pursuant to the Subordination Agreements;

- (vi) Buyer has no successor liability; and
- (vii) in accordance with Section 1146 of the Bankruptcy Code, the transactions contemplated by this Agreement shall not be subject to any Transaction Taxes.
- (p) SPE Operating Agreement. Buyer and the Indenture Trustee shall have become parties to the SPE Operating Agreement.
- (q) SPE Lease. IT SPE shall have executed and delivered the SPE Lease.
- (r) Debt Assumption and Assignment Agreement. Buyer and the Indenture Trustee shall have executed and delivered the Debt Assumption and Assignment Agreement.
- (s) Release of Buyer. Buyer shall have been released from any and all liabilities and obligations under or relating to the Note Restructuring Agreement and the Debt Assumption and Assignment Agreement.
- (t) Confirmation Order in Effect. The Confirmation Order shall be in effect.
- (u) Confirmation Order a Final Order. The Confirmation Order shall be a Final Order.

ARTICLE 12 TERMINATION AND EFFECT OF TERMINATION

12.1. Right of Termination. Notwithstanding anything to the contrary contained herein, this Agreement may be terminated only as provided in this Article 12. In the case of any such termination, the terminating party shall give written notice to the other party specifying the provision pursuant to which the Agreement is being terminated.

12.2. Termination Without Default.

- (a) This Agreement may be terminated at any time before Closing:
 - (i) by mutual written consent of Sellers and Buyer;
 - (ii) by Buyer, if a Confirmation Order has not been entered by September 1, 2012;
 - (iii) by Buyer, anytime after September 30, 2012 (the “**Termination Date**”), if any condition contained in Section 11.1 has not been satisfied or waived as of such time; *provided, however*, that Buyer shall not have the right to terminate this Agreement under this Section 12.2(a)(iii) if Buyer’s failure to fulfill any of its obligations under this Agreement is the reason that the Closing has not occurred on or before said date;

(iv) by Sellers, on any date that is after the Termination Date, if any condition contained in Section 11.1 has not been satisfied or waived as of such time; provided, however, that Sellers shall not have the right to terminate this Agreement under this Section 12.2(a)(iv) if any Seller's failure to fulfill any of its obligations under this Agreement is the reason that the Closing has not occurred on or before said date; or

(v) by either Buyer or Sellers, immediately upon an Order becoming final and non-appealable that declares this Agreement or the Transaction Documents invalid or unenforceable in any material respect or that prevents or materially delays the consummation of the transactions contemplated hereby or thereby (a "***Termination Order***"); provided, however, that (i) Sellers shall not have the right to terminate this Agreement pursuant to this Section 12.2(a)(v) if any Seller or any of its Affiliates has sought entry of, or has failed to use all commercially reasonable efforts to oppose entry of, such Termination Order and (ii) Buyer shall not have the right to terminate this Agreement pursuant to this Section 12.2(a)(v) if Buyer or any of its Affiliates has sought entry of, or has failed to use all commercially reasonable efforts to oppose entry of, such Termination Order.

(b) If this Agreement is terminated pursuant to Section 12.2(a), (i) this Agreement shall become null and void and have no effect (other than this Article 12, Article 13 and Article 15, which shall survive termination) and (ii) none of the Sellers, Buyer or any of their respective Related Persons shall have any liability or obligation arising under or in connection with this Agreement.

12.3. Effect of Failure of Sellers' Conditions to Closing. Sellers may terminate this Agreement at any time after the Termination Date and before Closing if any condition contained in Section 11.2 has not been satisfied or waived by Sellers as of such time; provided, however, that Sellers shall not have the right to terminate this Agreement under this Section 12.3 if any Seller's failure to fulfill any of its obligations under this Agreement has been the reason that the Closing has not been consummated on or before such date. If this Agreement is terminated pursuant to this Section 12.3: (i) this Agreement shall become null and void and have no effect (other than this Article 12, Article 13 and Article 15, which shall survive termination) and (iii) except as provided in this Section 12.3, none of the Sellers, Buyer or any of their respective Related Persons shall have any liability or obligation arising under or in connection with this Agreement.

12.4. Effect of Failure of Buyer's Conditions to Closing. Buyer may terminate this Agreement at any time after the Termination Date and before Closing if any condition contained in Section 11.3 has not been satisfied or waived as of such time; provided, however, that Buyer shall not have the right to terminate this Agreement under this Section 12.4 if Buyer's failure to fulfill any of its obligations under this Agreement has been the reason that the Closing has not been consummated on or before said date. If this Agreement is terminated pursuant to this Section 12.4: (i) this Agreement shall become null and void and have no effect (other than this

Article 12, Article 13 and Article 15, which shall survive termination) and (iii) except as provided in this Section 12.4, none of the Sellers, Buyer or any of their respective Related Persons shall have any liability or obligation arising under or in connection with this Agreement.

12.5. Termination on Buyer's Default.

In the event that Buyer fails to consummate the transactions contemplated hereby at a Closing because of Buyer's breach of this Agreement or because of Buyer's violation of any Bankruptcy Court order to which it is subject, Sellers shall be entitled to the following: First, Sellers may terminate this Agreement. Second, if Sellers terminate this Agreement under this Section 12.5, Sellers shall be entitled to an immediate credit in the amount of one million dollars (\$1,000,000.00), to be paid as follows: first as a credit against obligations owed under the DIP Facility, and then as a credit against obligations owed under the Bridge Loan Agreement. Such credits for one million dollars (\$1,000,000.00) shall be in full satisfaction of damages incurred as a result of the Buyer's failure to close. Such one million dollars (\$1,000,000.00) shall be liquidated damages. Buyer and Sellers intend the foregoing amount to be the predetermined measure for compensation of actual damages that might be sustained by reason of Buyer's nonperformance. Buyer and Sellers recognize that the actual damages which will result from such a breach are uncertain and incapable of being ascertained definitely by any satisfactory and known rule, and that such uncertainty arises from the nature of the transactions contemplated by this Agreement themselves and from the circumstances of the Bankruptcy Cases.

ARTICLE 13
SELLERS' AGENT

13.1. Appointment and Reliance.

Each Seller hereby irrevocably appoints CCHG Holdings, Inc. as its agent (the "**Agent**") for the purpose of performing and consummating the transactions contemplated by this Agreement and the Transaction Documents. The Agent is hereby authorized and directed to perform and consummate on behalf of Sellers all of the transactions contemplated by this Agreement and the Transaction Documents. Buyer shall be entitled to rely, without inquiry, upon instructions from, actions taken and documents executed or delivered by the Agent on behalf of Sellers as if such instructions, actions or documents were made, taken, executed or delivered directly by Sellers and shall have no liability to Sellers for any action taken in accordance with such instructions or actions, or in reliance on such documents.

13.2. Authority.

Not by way of limiting the authority of the Agent, each and all of the Sellers, for themselves and their respective successors and assigns, hereby authorize the Agent to (to the same extent as Sellers otherwise could take such action):

(a) waive any provision of this Agreement which the Agent deems necessary or desirable;

(b) execute and deliver on Sellers' behalf all documents and instruments which may be executed and delivered pursuant to this Agreement, excluding any deeds or conveyances of title, which shall not be signed by Agent on any Seller's behalf;

(c) calculate, negotiate and agree to any adjustments to the Consideration;

(d) make and receive notices and other communications pursuant to this Agreement and service of process in any legal action or other proceeding arising out of or related to this Agreement and any of the transactions contemplated hereunder;

(e) (i) contest, negotiate, defend, compromise or settle any Action related to this Agreement or any of the transactions hereunder through counsel selected by the Agent and solely at the cost, risk and expense of Sellers, (ii) authorize a reduction of the Consideration, as the case may be, in satisfaction of any indemnification amounts owned pursuant to the terms herein, (iii) agree to, negotiate, enter into settlements and compromises of, and demand arbitration and comply with orders of courts and awards of arbitrators with respect to such indemnification obligations or Actions, (iv) resolve any Actions arising from Sellers' indemnification obligations hereunder, and (v) take any actions in connection with the resolution of any dispute relating hereto or to the transactions contemplated hereby by arbitration, settlement or otherwise;

(f) appoint or provide for successor agents;

(g) select, retain, hire and consult with legal counsel, independent public accountants and other experts, solely at the cost and expense of Sellers;

(h) pay expenses incurred which may be incurred by or on behalf of the accountants and other experts, solely at the cost and expenses of Sellers; and

(i) take or forego any or all actions permitted or required of any Seller or necessary in the judgment of the Agent for the accomplishment of the foregoing and all of the other terms, conditions and limitations of this Agreement.

EACH SELLER UNDERSTANDS AND ACKNOWLEDGES THAT IT IS AUTHORIZING THE AGENT TO ACT FOR THE SELLERS, COLLECTIVELY AND INDIVIDUALLY, WITH BROAD POWERS. NOTWITHSTANDING THE FOREGOING, THE PROVISIONS OF THIS SECTION 13.2 SHALL NOT ENTITLE THE AGENT, WITHOUT BANKRUPTCY COURT APPROVAL, TO TAKE ANY ACTIONS ON BEHALF OF SELLERS THAT SELLERS COULD NOT TAKE WITHOUT BANKRUPTCY COURT APPROVAL,

ARTICLE 14 MISCELLANEOUS

14.1. Conflicts with the Plan. In the event of any conflict between or among the provisions provided for in this Agreement and the provisions provided for in the Plan, the provisions of the Plan shall govern and prevail.

14.2. Exclusivity of Representations and Warranties. BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY PROVIDED IN ARTICLE 4, OR AS SET FORTH IN DISCLOSURE SCHEDULES FILED BY SELLERS WITH THE BANKRUPTCY COURT IN CONNECTION WITH THE BANKRUPTCY CASES, AS SUCH DISCLOSURE SCHEDULES MAY BE AMENDED (BUT SUBJECT TO SECTION 14.7 HEREOF) FROM TIME TO TIME, SELLERS MAKE NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO ANY MATTER RELATING TO THE ACQUIRED ASSETS INCLUDING (A) FINANCIAL PROJECTIONS, REVENUES, PROFITS OR INCOME TO BE DERIVED OR COSTS OR EXPENSES TO BE INCURRED IN CONNECTION WITH THE ACQUIRED ASSETS, (B) THE PHYSICAL CONDITION OF ANY ACQUIRED ASSETS, (C) THE ENVIRONMENTAL CONDITION OR OTHER MATTERS RELATING TO THE PHYSICAL CONDITION OF THE REAL PROPERTY, (D) THE ZONING OF THE REAL PROPERTY, (E) THE VALUE OF THE ACQUIRED ASSETS OR ANY PORTION THEREOF, (F) THE TRANSFERABILITY OF THE ACQUIRED ASSETS, (G) THE TERMS, AMOUNT, VALIDITY OR ENFORCEABILITY OF ANY ASSUMED LIABILITIES, (H) TITLE TO ANY OF THE ACQUIRED ASSETS OR ANY PORTION THEREOF, (I) THE MERCHANTABILITY OR FITNESS OF THE ACQUIRED ASSETS OR ANY PORTION THEREOF FOR ANY PARTICULAR PURPOSE, OR (J) ANY OTHER MATTER OR THING RELATING TO THE ACQUIRED ASSETS OR ANY PORTION THEREOF. BUYER ACKNOWLEDGES THAT IT CONDUCTED ANY AND ALL DUE DILIGENCE IT DEEMED NECESSARY PRIOR TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT AND IT HAS RELIED SOLELY ON ARTICLE 4, THE DISCLOSURE SCHEDULES FILED BY SELLERS WITH THE BANKRUPTCY COURT IN CONNECTION WITH THE BANKRUPTCY CASES, AS SUCH DISCLOSURE SCHEDULES MAY BE AMENDED (BUT SUBJECT TO SECTION 14.7 HEREOF) FROM TIME TO TIME AND ITS OWN INDEPENDENT REVIEW AND, EXCEPT AS EXPRESSLY PROVIDED IN ARTICLE 4, AND THE DISCLOSURE SCHEDULES FILED BY SELLERS WITH THE BANKRUPTCY COURT IN CONNECTION WITH THE BANKRUPTCY CASES, AS SUCH DISCLOSURE SCHEDULES MAY BE AMENDED (BUT SUBJECT TO SECTION 14.7 HEREOF) FROM TIME TO TIME, DID NOT RELY ON ANY WRITTEN OR ORAL STATEMENTS, REPRESENTATIONS, PROMISES OR GUARANTIES OF SELLERS OR ANY OTHER PERSON REGARDING THE BUSINESS OR THE COMPLETENESS OF ANY INFORMATION PROVIDED BY ANY SELLER OR ANY OTHER PERSON IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

14.3. Payment of Administrative Expenses and Professional Fees. Upon and after the Closing, Buyer and Sellers agree to reasonably cooperate with each other to ensure that all Administrative Expenses and Professional Fees that are Allowed are paid at or after the Closing, as applicable, either through (a) Sellers being permitted to draw on the DIP Facility to pay for

such expenses and fees, or (b) Buyer paying for such expenses and fees after its assumption of such expenses and fees in accordance with this Agreement. This Section 14.3 shall not be interpreted to modify Buyer's condition to Closing set forth in Section 11.3(k)(i).

14.4. Successors and Assigns; No Third Party Beneficiaries; No Expansion of Rights. Except as otherwise provided in this Agreement, no party hereto shall assign this Agreement or any rights or obligations hereunder without the prior written consent of the other parties hereto, and any such attempted assignment without such prior written consent shall be void and of no force and effect. Notwithstanding the foregoing, Buyer may assign any of its rights or obligations hereunder to one or more of its wholly owned subsidiaries without the consent of Sellers; *provided* that Buyer shall remain jointly and severally liable with any such subsidiaries for its obligations hereunder except in connection with the assignment of obligations and liabilities under the Note Restructuring Agreement assumed by Buyer pursuant to the Debt Assumption and Assignment Agreement as to which Buyer shall have no further obligations after said assignment as set forth in this Agreement and in such documents. This Agreement shall inure to the benefit of and shall be binding upon the successors and permitted assigns of the parties hereto. Except as expressly provided herein, this Agreement is for the sole benefit of the parties and their permitted successors and assigns and nothing herein expressed or implied will give or be construed to give any person or entity, other than the parties and such successors and assigns, any legal or equitable rights hereunder. The assumption by Buyer of the Assumed Liabilities shall not expand the rights or remedies of any third party against Buyer or any of the Sellers as compared to the rights and remedies that such third party would have had against such Seller had Buyer not assumed the Assumed Liabilities. Without limiting the generality of the preceding sentence, the assumption by Buyer of the Assumed Liabilities shall not create any third party beneficiary rights.

14.5. Survival of Representations and Warranties. None of the representations or warranties of Sellers or the Buyer set forth in this Agreement or in any of the Transaction Documents shall survive the Closing.

14.6. Governing Law; Jurisdiction. This Agreement shall be construed, performed and enforced in accordance with, and governed by, the Laws of the State of [South Carolina] (without giving effect to the principles of conflicts of Laws thereof), except to the extent that the Laws of such State are superseded by the Bankruptcy Code; provided that, the validity, priority and enforceability of all conveyance documents or instruments executed and delivered pursuant to this Agreement insofar as they affect title to real property shall be governed by and construed in accordance with the Laws of the jurisdiction in which such property is located. For so long as Sellers are subject to the jurisdiction of the Bankruptcy Court, the parties hereto irrevocably elect as the sole judicial forum for the adjudication of any matters arising under or in connection with the Agreement, and consent to the exclusive jurisdiction of, the Bankruptcy Court. After Sellers are no longer subject to the jurisdiction of the Bankruptcy Court, any legal action or proceeding with respect to this Agreement or the transactions contemplated hereby may be brought in the courts of the State of South Carolina sitting in Greenville, South Carolina or of the United States for the District of South Carolina, and by execution and delivery of this Agreement, each of the Parties consents to the non-exclusive jurisdiction of those courts.

14.7. Disclosure Schedule Supplements. From time to time prior to the Closing, Sellers shall supplement or amend the schedules attached to this Agreement with respect to any matter that, if existing, occurring or known at the date of this Agreement, would have been required to be set forth or described in such schedules. The Schedules attached hereto shall be deemed amended by all such supplements and amendments for all purposes (except for purposes of determining whether the conditions set forth in Section 11.3(a) of the Agreement have been satisfied), unless within ten (10) days from the receipt of such supplement or amendment Buyer provides notice in good faith that the facts described in such supplement or amendment will have a Material Adverse Effect on the Acquired Assets.

14.8. No Recourse Against Third Parties.

Buyer agrees for itself and for all of its officers, directors, shareholders, Affiliates, attorneys, agents and any other parties making any claim by, through or under the rights of such persons (collectively, the “**Buyer Group**”) that no member of Buyer Group shall have any rights against any officer, director, shareholder (except a shareholder that is a Seller), official committee of Sellers, Affiliate (except an Affiliate that is a Seller), attorney or agent of Sellers, including Katie Goodman, in her capacity as Chief Restructuring Officer of Sellers, and GGG Partners, LLC (each, individually, a “**Non-Recourse Person**”) for any Losses that any member of Buyer Group may suffer in connection with this Agreement. Buyer and all members of Buyer Group hereby waive any rights, recourse or remedy against Sellers under any Environmental Laws, including any arising under the Comprehensive Environmental Response, Compensation and Liability Act, any analogous state law, or the common law, with respect to any environmental health or safety matter relating to the Acquired Assets. If any member of Buyer Group makes a claim against any person or entity (other than a Seller) that is not a Non-Recourse Person (a “**Third Person**”) that in any way gives rise to a claim by such Third Person against any Non-Recourse Person asserting that such Non-Recourse Person is or may be liable to such Third Person with respect to any Losses arising in connection with this Agreement (whether by way of indemnification, contribution, or otherwise on any theory whatever) (a “**Claim Over**”), such member of Buyer Group shall reduce or credit against any judgment or settlement such member of Buyer Group may obtain against such Third Person the full amount of any judgment or settlement such Third Person may obtain against the Non-Recourse Person on such Claim Over, and shall, as part of any settlement with such Third Person, obtain from such Third Person for the benefit of such Non-Recourse Person a satisfaction in full of such Third Person’s Claim Over against the Non-Recourse Person.

14.9. Mutual Drafting. This Agreement is the result of the joint efforts of Buyer and Sellers, and each provision hereof has been subject to the mutual consultation, negotiation and agreement of the parties and there is to be no construction against either party based on any presumption of that party's involvement in the drafting thereof.

14.10. Severability. In the event that any part of this Agreement is declared by any court or other judicial or administrative body to be null, void or unenforceable, said provision shall survive to the extent it is not so declared, and all of the other provisions of this Agreement shall remain in full force and effect only if, after excluding the portion deemed to be unenforceable, the remaining terms shall provide for the consummation of the transactions contemplated hereby in substantially the same manner as originally set forth at the later of the date this Agreement was executed or last amended.

14.11. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given: (a) on the date of service if served personally on the party to whom notice is to be given; (b) on the day of transmission if sent via facsimile transmission to the facsimile number given below, and telephonic confirmation of receipt is obtained promptly after completion of transmission; (c) on the day after delivery to Federal Express or similar overnight courier or the Express Mail service maintained by the United States Postal Service or (d) on the fifth day after mailing, if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid and properly addressed, to the party as follows:

If to any Seller:

GGG Partners, LLC
5883 Glenridge Drive NE
Suite #160
Atlanta, GA 30328
Attention: Katie Goodman, Chief Restructuring Officer
Facsimile: (404) 256-4555

Copy to:

McKenna, Long & Aldridge, LLP
303 Peachtree Street, NE
Atlanta, GA 30308
Attention: Gary Marsh
Facsimile: (404) 527-4198

If to Buyer:

The Cliffs Club Partners, LLC
4200 Marsh Landing Parkway
Jacksonville Beach, FL 32250
Attention: John Kunkel
Facsimile: [_____]

Copy to:

James Main, Esq.
Holland & Knight, LLP
50 North Laura Street, Suite 3900
Jacksonville, FL 32202

Any party may change its address for the purpose of this Section 14.11 by giving the other party written notice of its new address in the manner set forth above.

14.12. Amendments; Waivers. This Agreement may be amended or modified, and any of the terms, covenants, representations, warranties or conditions hereof may be waived, only by a written instrument executed by the parties hereto, or in the case of a waiver, by the party waiving compliance, *provided however*, any material amendment of this Agreement, or waiver of any material provision by Seller shall be approved by the Bankruptcy Court. Any waiver by any party of any condition, or of the breach of any provision, term, covenant, representation or warranty contained in this Agreement, in any one or more instances, shall not be deemed to be nor construed as a furthering or continuing waiver of any such condition, or of the breach of any other provision, term, covenant, representation or warranty of this Agreement.

14.13. Public Announcements. No party shall make any press release or public announcement concerning the transactions contemplated by this Agreement without the prior written approval of the other parties, unless a press release or public announcement is required by Law or Order of the Bankruptcy Court. If any such announcement or other disclosure is required by Law or Order of the Bankruptcy Court, the disclosing party shall give the nondisclosing party or parties prior notice of, and an opportunity to comment on, the proposed disclosure. The parties acknowledge that this Agreement shall be filed with the Bankruptcy Court in connection with obtaining the Confirmation Order.

14.14. Entire Agreement. This Agreement, the Transaction Documents and the Confidentiality Agreement contain the entire understanding among the parties hereto with respect to the transactions contemplated hereby and supersede and replace all prior and contemporaneous agreements and understandings, oral or written, with regard to such transactions. All Schedules hereto and any documents and instruments delivered pursuant to any provision hereof are expressly made a part of this Agreement as fully as though completely set forth herein.

14.15. Parties in Interest. Nothing in this Agreement is intended to confer any rights or remedies under or by reason of this Agreement on any Persons other than Sellers and Buyer and their respective successors and permitted assigns. Nothing in this Agreement is intended to relieve or discharge the obligations or liability of any third Persons to any Seller or Buyer. No provision of this Agreement shall give any third Persons any right of subrogation or action over or against any Seller or Buyer.

14.16. Headings. The article and section headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

14.17. Construction. Unless the context of this Agreement otherwise requires, (i) words of any gender include the other gender, (ii) words using the singular or plural number also include the plural or singular number, respectively, (iii) the terms “hereof,” “herein,” “hereby,” and derivative or similar words refer to this entire Agreement as a whole and not to any other particular article, section or other subdivision, (iv) the words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation,” (v) “shall,” “will,” or “agrees” are mandatory, and “may” is permissive, and (vi) “or” is not exclusive.

14.18. Currency. Except where otherwise expressly provided, all amounts in this Agreement are stated and shall be paid in United States currency.

14.19. Time of Essence. Time is of the essence in the performance of this Agreement.

14.20. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute the same agreement.

14.21. Bankruptcy Court Approval. This Agreement is subject to the approval of the Bankruptcy Court and this Agreement shall only be effective and binding on the parties if approved by the Bankruptcy Court.

ARTICLE 15 DEFINITIONS

15.1. Certain Terms Defined. As used in this Agreement, the following terms shall have the following meanings:

“Additional Golf Course Real Properties” means collectively, the Related Golf Course Real Property, such Additional Assets that constitute golf course related real property and, upon completion, the Mountain Park golf course. Additional Golf Course Real Properties shall not consist of any real properties that are not an integral part of a golf course. By way of example, real property upon which are located tennis courts, swimming pools, and security guard houses are not Additional Golf Course Real Properties.

“Administrative Claims” means a claim for costs and expenses of administration of the kind described in Sections 503(b) and 507(a)(2) of the Bankruptcy Code (other than Professional

Fees), plus costs and expenses relating to the transfer of Permits, as described in Section 9.4 hereof.

“Affiliate” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under direct or indirect common control with such first Person where “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a Person, through the ownership of voting securities, by contract, as trustee, executor or otherwise.

“Affiliated Owners” means Waterfall Investment Group, Longview Land Company II, LLC and Longview Land Company, LLC.

“Allowed” means (i) fixed by the Bankruptcy Court or otherwise established under a confirmed plan of reorganization; (ii) scheduled by Sellers pursuant to Bankruptcy Rule 1007 and not scheduled as disputed, contingent or unliquidated; or (iii) regarding which a timely proof of Claim has been filed with the Bankruptcy Court and for which no objection to the allowance thereof has been interposed and is not interposed prior to the deadline for filing such objection.

“Antitrust Approval” means any approval or consent of any Government required under any applicable Antitrust Law or the expiration or termination of any applicable waiting period under any applicable Antitrust Law.

“Antitrust Law” means the Sherman Act, as amended, the Clayton Act, as amended, the HSR Act, the Federal Trade Commission Act, as amended, and all other Laws and Orders that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade or lessening of competition through merger or acquisition.

“Assumption Agreement” means the Assignment and Assumption Agreement substantially in the form of Exhibit B hereto.

“Bankruptcy Code” means Title 11 of the United States Code.

“Bankruptcy Court” means the United States Bankruptcy Court for the District of South Carolina or such other court having jurisdiction over the Bankruptcy Cases originally administered in the United States Bankruptcy Court for the District of South Carolina.

“Bridge Loan” means that certain loan extended by an Affiliate of the Buyer prior to the Petition Date in the aggregate principal amount of two million dollars (\$2,000,000) plus interest and fees, which was advanced to the Indenture Trustee and re-advanced by the Indenture Trustee to Sellers.

“Business Day” means any day other than Saturday, Sunday and any day that is a legal holiday or a day on which banking institutions in New York, New York are authorized by Law or other Governmental action to close.

“Business Records” means all books, files and records to the extent they apply exclusively to the Acquired Assets, including member lists, customer lists, historical member and customer files, reports, plans, data, accounting and tax records, test results, product

specifications, drawings, diagrams, training manuals, engineering data, safety and Environmental Reports and documents, maintenance schedules, operating and production records, inventory records, business plans, and marketing and all other studies, documents and records but excluding any Retained Books and Records.

“Clayton Act” means Title 15 of the United States Code §§ 12-27 and Title 29 of the United States Code §§ 52-53, as amended.

“ClubCo Secured PPM Notes” means those promissory notes that are the subject of, and administered in accordance with the Indenture.

“Code” means the Internal Revenue Code of 1986, as amended.

“Confirmation Order” means the order under Section 1129 of the Bankruptcy Code confirming the plan of reorganization in the Bankruptcy Cases.

“Consent” means any consent, approval, authorization, qualification, waiver or notification of a Government or third party.

“Consumables” means all opened and unopened food and alcoholic or non-alcoholic beverages located at any of the Country Clubs or elsewhere on the Real Property which are reasonably determined by Buyer to be useable according to industry standards and in accordance with the standards of operation Buyer intends to employ in the operation of the Business, excluding, however, any alcoholic beverages that may not be legally transferred to Buyer under Law.

“Contract” means any written or oral contract, agreement, license, sublicense, Lease, sublease, mortgage, instruments, guaranties, commitment, understanding, undertaking or other similar arrangement, whether express or implied.

“Country Clubs” means the eight exclusive private membership clubs focused on golf, tennis, wellness and social activities, and offering various related services and facilities, including, without limitation, professional instruction, training, food service, spas, restaurants, and pro shops, and more specifically described in Exhibit L attached hereto.

“Debt Assumption and Assignment Agreement” means the Debt Assumption and Assignment Agreement attached hereto as Exhibit O.

“DIP Loan” means a loan made by Carlile Development Company, LLC to fund budgeted expenses and obligations of Sellers from and after the commencement of the Bankruptcy Cases pursuant to §364 of the Bankruptcy Code in the principal amount of \$7,500,000 and with accrued and unpaid interest and fees of \$271,000 approved by the Bankruptcy Court.

“Employee Benefit Plan” means any “employee benefit plan” (as such term is defined in ERISA § 3(3)) and any other material employee benefit plan, program or arrangement of any kind maintained, sponsored or contributed to by any Seller.

“Environmental Laws” means all currently existing and future federal, state, provincial, municipal, local and foreign statutes, ordinances, rules, Orders, regulations, remediation standards, and other provisions having the force of law for protection of the environment, including the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Sec. 9601 *et seq.*, as amended, the federal Resource Conservation and Recovery Act, 42 U.S.C. Sec. 6901 *et seq.*, as amended, and related state statutes.

“Environmental Reports” means any environmental sampling or report performed specifically to test compliance with any Environmental Laws, and any and all Phase I or II environmental assessments, in each case which any Seller has received from an un-Affiliated third party within the last three (3) years with respect to the Real Property; provided, Environmental Reports shall not include any safety, health and environmental audit reports, or internal investigation reports, prepared under the direction of a Seller’s legal department and privileged under the attorney-client privilege, attorney work-product privilege, or state or federal environmental self-auditing privilege or policy.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Excess Bankruptcy Expenses” means the excess, if any, of the cash portion of the Consideration due at Closing over the sum of (i) one million five hundred thousand dollars (\$1,500,000) and (ii) the Transfer Fees.

“Excluded Receivables” means (a) any and all accounts and notes receivable, debts or Claims that are owed to any Seller by an Affiliate of any Seller, including any amounts owed to any Seller by Cliffs Management Services, LLC, and (b) any and all accounts and notes receivable of any Seller including any unpaid membership receivables that have been outstanding for more than ninety (90) days.

“Exit Costs Financing Agreements” means the various agreements, security documents, and promissory notes substantially in the forms of Exhibit M hereto, pursuant to which, among other things, Holdings has agreed to fund certain of Buyer’s obligations to pay the cash portion of the Consideration due at Closing, with a combination of equity infusions and senior secured loan advances to Buyer.

“Federal Trade Commission Act” means the Federal Trade Commission Act (15 U.S.C. § 41 *et seq.*), as amended, and the rules and regulations promulgated thereunder.

“Final Order” or **“Final Orders”** means any Order of a Government, the Bankruptcy Court or other court of competent jurisdiction after all opportunities for rehearing, reargument, petition for certiorari and appeal are exhausted or expired and any requests for rehearing have been denied, and that has not been revised, stayed, enjoined, set aside, annulled, reversed, remanded, modified or superseded, with respect to which any required waiting period has expired, and to which all conditions to effectiveness prescribed therein or otherwise by law or Order have been satisfied; provided, however, that no Order shall fail to be a Final Order solely because of the possibility that a motion pursuant to Rule 60 of the Federal Rules of Civil Procedure or Bankruptcy Rule 9024 may be filed with respect to such Order.

“Funding Loans Agreements” means collectively, the Mountain Park Financing Agreements and the Exit Costs Financing Agreements.

“Funding Loans Liens” means the Liens created by the Exit Costs Financing Agreements and the Mountain Park Financing Agreements.

“Government” means any agency, division, subdivision, audit group, procuring office or governmental or regulatory authority or any adjudicatory body thereof, of the United States, any state thereof or any foreign government.

“Hazardous Materials” means and includes any hazardous or toxic substance or waste or any contaminant or pollutant regulated under Environmental Laws, including, but not limited to, “hazardous substances” as currently defined by the Federal Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, “hazardous wastes” as currently defined by the Resource Conservation and Recovery Act, as amended, natural gas petroleum products or byproducts and crude oil.

“HSR Act” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (15 U.S.C. §§ 15c-15h, 18a), as amended.

“Improvements” means the buildings, improvements and structures now existing on the Real Property or demised under the Real Estate Leases, but only to the extent such buildings, improvements and structures constitute fixtures under applicable law.

“Indenture” means that certain trust indenture dated April 30, 2010 pursuant to which Wells Fargo Corporate Trust was appointed as indenture trustee regarding, and pursuant to which it administers, the ClubCo Secured PPM Notes.

“Knowledge of Sellers”, “Sellers’ Knowledge” or any other similar term or knowledge qualification means the actual knowledge of James B. Anthony, Tim Cherry, or Katie Goodman.

“Lease” means any grant of a leasehold interest in property, whether real or personal (including without limitation, capital leases), which constitutes an unexpired lease under §365 of the Bankruptcy Code, whether an unexpired lease of nonresidential real property, an unexpired lease of residential real property or an unexpired lease of personal property as those terms are defined under or utilized in §365 of the Bankruptcy Code.

“Lien” means any mortgage, deed of trust, pledge, charge, claim, security interest, equitable interest, lease, right of way, easement, covenant, encroachment, servitude, right of first refusal, option, restriction on use, encumbrance, lien (statutory or other), conditional sale agreement or exercise of any other attribute of ownership of any kind whatsoever, whether or not any of the foregoing is liquidated, unliquidated, fixed, contingent, matured, disputed, undisputed, legal, equitable, secured or unsecured, perfected, choate or inchoate, recorded or unrecorded, actual or contingent.

“Liquidation Trustee” has the meaning assigned to such term in the Plan.

“Losses” means any and all liabilities, losses, diminution in value, damages, claims, costs, expenses, interest, awards, judgments and penalties.

“Lots” means the developed and undeveloped land and lots located in the residential communities in which the Country Clubs are located.

“Material Adverse Effect” means a state of facts, event, change or effect on the physical condition of the Acquired Assets, or the enforceability of any Assigned Contract, that results in a material adverse effect on the combined operations of the Business or value of the Acquired Assets.

“Mechanic’s Liens” means those liens as are valid, properly perfected, unavoidable and enforceable under the Bankruptcy Code and applicable state law securing claims for services rendered or materials supplied by contractors, subcontractors, construction material suppliers and others involved with or engaged in the construction or improvement of the Acquired Assets.

“Member Claim(s)” means any and all claims of present or former members of the Country Clubs for, or related to, unrefunded initiation fees, unearned dues or other claims related to or arising from any membership agreement or any related agreement pursuant to which any individual or entity was afforded membership in, access to or use of any of the Country Clubs, including, but not limited to, any claim arising from rejection of any such agreement.

“Member Claim Vesting Schedule” means payment to those holders of Member Claims exercising the New Membership Option but who thereafter resign their membership in their New Country Club, which payment will be made in the amounts, at the times and otherwise in accordance with the Membership Plan.

“Mountain Park Financing Agreements” means the various agreements, security documents, and promissory notes substantially in the forms of Exhibit N hereto, pursuant to which, among other things, Holdings has agreed to make secured loan advances of up to \$7,500,000 to Buyer, to fund Buyer’s obligations to complete the construction of the Mountain Park golf course and related golf house. Such loan advances are to be secured by a second priority lien on all of Buyer’s assets (including without limitation the Acquired Assets), it being understood that such lien will be a third priority lien until the Transferred Assets are contributed to the IT SPE pursuant to the SPE Operating Agreement.

“New Country Clubs” means the Country Clubs from and after the Closing.

“New Membership Option” means the option available to all present and former members to join the New Country Clubs on or before the thirtieth (30th) day following the Closing upon executing such new membership agreement as Buyer determines, in its sole discretion, is appropriate, and payment of initiation fees and annual dues as set forth in the Membership Plan.

“Note Restructuring Agreement” means the Note Restructuring Agreement entered into by the Indenture Trustee and Sellers and binding upon the holders of the ClubCo Secured PPM Notes, pursuant to which the ClubCo Secured PPM Notes are restructured in accordance with the Plan.

“Permitted Liens” means: (i) all Liens in existence on the date of this Agreement set forth on Schedule 15.1-1 attached hereto; (ii) Liens included in the Assumed Liabilities; (iii) the exclusions from coverage and exceptions to title relating to the Owned Real Property and the Leased Real Property as set forth in the Commitment; and (iv) matters relating to the Owned Real Property shown on the Exiting Surveys and any new Survey obtained by Buyer as provided in Section 11.3(a). Notwithstanding anything to the contrary set forth above, “Permitted Liens” shall not include: (a) any Excluded Liabilities, or (b) any Liens relating to Excluded Assets.

“Person” means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or Government.

“Priority Claims” means those claims entitled to priority payment in the Bankruptcy Cases pursuant to Sections 507(a)(4) through 507(a)(8) of the Bankruptcy Code (including without limitation real estate Taxes on the Real Property) that remain outstanding as of the Closing or are thereafter Allowed.

“Professional Fees” means those claims of professionals for fees and expenses incurred during the Bankruptcy Cases that are allowed pursuant to Sections 327, 328, 330 and/or 331 of the Bankruptcy Code that remain outstanding as of the Closing or are thereafter Allowed.

“Real Estate Leases” means the leases, subleases, licenses, concessions or other agreements (written or oral), pursuant to which (i) any Seller holds a leasehold or subleasehold estate in, or is granted a license, concession, or other right to use or occupy, any land, buildings, improvements, fixtures or other interest in real property that are used in the operation of the Business (the ***“Leased Real Property (Tenant)”***) or (ii) any Seller leases, or grants a license, concession or other right to use or occupy, a portion of the Owned Real Property to a Third Party, a Seller or an Affiliate thereof (the ***“Leased Real Property (Landlord)”***) and collectively with the Leased Real Property (Tenant), the ***“Leased Real Property”***).

“Regulatory Approvals” means state public utility commission and/or notifications of other related Government authorities with respect to the consummation of the transactions contemplated hereby.

“Related Person” means, with respect to any Person, all past, present and future directors, officers, members, managers, stockholders, employees, controlling persons, agents, professionals, attorneys, accountants, investment bankers, Affiliates or representatives of any such Person.

“Related Golf Course Real Property” means the real property and Improvements located in South Carolina and North Carolina and popularly known as Keowee Springs and Walnut Cove, respectively, described in Schedule 15.1-2 attached hereto.

“Related Real Property” means the Related Golf Course Real Property together with the real property and Improvements located in North Carolina and popularly known as High Carolina described in Schedule 15.1-2 attached hereto.

“Retained Books and Records” means (i) all corporate or limited liability company seals, minute books, charter documents, corporate stock or limited liability company membership

interest record books, original tax and financial records and such other files, books and records to the extent they relate to any of the Excluded Assets or Excluded Liabilities or the organization, existence, capitalization or debt financing of a Seller or of any Affiliate of a Seller, (ii) all books, files and records that would otherwise constitute a Business Record but for the fact that disclosure of books, files or records could (w) violate any legal constraints or obligations regarding the confidentiality thereof, (x) waive any attorney client, work product or like privilege, or (y) disclose information about a Seller or any of its Affiliates that is unrelated to the Acquired Assets, or (iii) all books and records prepared in connection with or relating in any way to the transactions contemplated by this Agreement, including bids received from other parties and analyses relating in any way to the Acquired Assets and the Assumed Liabilities.

“Rule” or **“Rules”** means the Federal Rules of Bankruptcy Procedure.

“Sherman Act” means title 15 of the United States Code §§ 1-7, as amended.

“SPE Lease” means the non-recourse 20 year Lease Agreement by and between Buyer and IT SPE substantially in the form of Exhibit P hereto.

“SPE Operating Agreement” means the Operating Agreement of the IT SPE substantially in the form of Exhibit Q hereto.

“Subordination Agreement” means the Subordination and Intercreditor Agreement means the Subordination Agreement by and among Buyer, Holdings and IT SPE substantially in the form of Exhibit R hereto.

“Subsidiary” means, with respect to any Person, any corporation, partnership, limited liability company, association or other business entity of which (a) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (b) if a partnership, limited liability company, association or other business entity, a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a partnership, limited liability company, association or other business entity if such Person or Persons shall be allocated a majority of partnership, limited liability company, association or other business entity gains or losses or shall be or control the managing director or general partner of such partnership, limited liability company, association or other business entity.

“Tax Return” means any report, return, information return, filing or other information, including any schedules, exhibits or attachments thereto, and any amendments to any of the foregoing required to be filed or maintained in connection with the calculation, determination, assessment or collection of any Taxes (including estimated Taxes).

“Taxes” means all taxes, however denominated, including any interest, penalties or additions to tax that may become payable in respect thereof, imposed by any Government, which taxes shall include all income taxes, Transaction Taxes, payroll and employee withholding,

unemployment insurance, social security (or similar), sales and use, excise, franchise, gross receipts, occupation, real and personal property, stamp, transfer, workmen's compensation, customs duties, registration, documentary, value added, alternative or add-on minimum, estimated, environmental (including taxes under section 59A of the Code) and other obligations of the same or a similar nature, whether arising before, on or after the Closing Date.

"Title Insurance Company" means Investors Title Insurance Company.

"Trade Debt" means those unsecured claims not constituting Priority Claims, cure costs associated with Assigned Contracts, Member Claims nor amounts owed by Sellers to Affiliates of Sellers who are not Debtors in the Bankruptcy Cases.

"Transfer Fees" means the one-time transfer fee and/or reinstatement fee, in the amount established under the Membership Plan, paid by each club member of the Debtors who waives its general unsecured claim in the Bankruptcy Cases and becomes a member of one of the New Country Clubs.

15.2 All Terms Cross-Referenced. Each of the following terms is defined in the section set forth opposite such term:

<u>Term</u>	<u>Section</u>
Accepting Employee.....	7.6(a)
Accounts Receivable.....	1.2(j)
Acquired Assets	1.1
Action.....	1.4
Additional Assets	11.3(n)
Affiliate	15.1
Agreement.....	Preamble
Allocation Schedule	10.4
Assigned Contracts	1.1(c)
Assumed Liabilities	1.3
Assumption Agreement	15.1
Bankruptcy Code	15.1
Bankruptcy Court.....	15.1
Benefits	7.6(b)
Business Day.....	15.1
Business Records	15.1
Buyer.....	Preamble
Buyer Group.....	14.8
Buyer Transaction Documents.....	5.2
Claim Over.....	14.8
Claims	1.1(k)
Clayton Act	15.1
Closing	3.1
Closing Date.....	3.1
Code	15.1

Consent	15.1
Consideration	2.1
Contract.....	15.1
Debtor	<i>Preamble</i>
Employee Benefit Plan	15.1
Environmental Laws	15.1
Environmental Reports	15.1
Equipment	1.1(b)
ERISA	15.1
Excluded Assets	1.2
Excluded Liabilities	1.4
Federal Trade Commission Act	15.1
Final Order	15.1
Funding Loans Agreements	15.1
Funding Loans Liens.....	15.1
Government.....	15.1
Hazardous Materials	15.1
Holdings	<i>Background Information</i>
HSR Act	15.1
Improvements	15.1
Indenture Trustee	<i>Background Information</i>
Intellectual Property	4.15 , 1.1(f)
Inventory	1.1(d)
IT SPE.....	<i>Background Information</i>
Knowledge of Seller	15.1
Law	4.3
License Holders	9.5(b) , 9.5(b)
Licensed Intellectual Property	4.15
Lien	15.1
Liquor Licenses.....	9.5(a)
Material Adverse Effect	15.1
Material Contracts.....	4.7
Membership Plan	7.10
Non-Recourse Person.....	14.8
Order	4.3
Organizational Documents.....	4.3
Owned Intellectual Property	4.15
Permits	1.1(g)
Permitted Liens	15.1
Person.....	15.1
Plan	<i>Background Information</i>
Regulatory Approvals	15.1
Related Person	15.1
Retained Books and Records	15.1
Rule	15.1
Rules	15.1

Seller	<i>Preamble</i>
Seller Transaction Documents	4.2
Seller's Knowledge	15.1
Sherman Act.....	15.1
SPE Lease	15.1
SPE Operating Agreement.....	15.1
Subsidiary	15.1
Tax Return	15.1
Taxes.....	15.1
Termination Date	12.2(a)(iii)
Termination Order	12.2(a)(v)
Third Person.....	14.8
Transaction Documents	5.2
Transaction Taxes	10.1
Transferred Assets	<i>Background Information</i>
Trustee Liens.....	<i>Background Information</i>

(Signatures are on the following page.)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first above written.

THE CLIFFS CLUB PARTNERS, LLC

By: _____
Name: _____
Title: _____

THE CLIFFS CLUB & HOSPITALITY
GROUP, INC.

By: _____
Name: _____
Title: _____

CCHG Holdings, Inc.

By: _____
Name: _____
Title: _____

THE CLIFFS AT MOUNTAIN PARK GOLF & COUNTRY CLUB, LLC

By: The Cliffs Club & Hospitality Group, Inc., As Sole Member

By: _____
Name: _____
Title: _____

THE CLIFFS AT KEOWEE VINEYARDS GOLF & COUNTY CLUB, LLC

By: The Cliffs Club & Hospitality Group, Inc., As Sole Member

By: _____
Name: _____
Title: _____

THE CLIFFS AT WALNUT COVE GOLF & COUNTY CLUB, LLC

By: The Cliffs Club & Hospitality Group, Inc., As Sole Member

By: _____

Name: _____

Title: _____

THE CLIFFS AT KEOWEE FALLS GOLF & COUNTY CLUB, LLC

By: The Cliffs Club & Hospitality Group, Inc., As Sole Member

By: _____

Name: _____

Title: _____

THE CLIFFS AT KEOWEE SPRINGS GOLF & COUNTY CLUB, LLC

By: The Cliffs Club & Hospitality Group, Inc., As Sole Member

By: _____

Name: _____

Title: _____

THE CLIFFS AT HIGH CAROLINA GOLF & COUNTY CLUB, LLC

By: The Cliffs Club & Hospitality Group, Inc., As Sole Member

By: _____

Name: _____

Title: _____

THE CLIFFS AT GLASSY GOLF & COUNTRY CLUB, LLC

By: The Cliffs Club & Hospitality Group, Inc., As Sole Member

By: _____

Name: _____

Title: _____

THE CLIFFS VALLEY GOLF & COUNTRY CLUB, LLC

By: The Cliffs Club & Hospitality Group, Inc., As Sole Member

By: _____

Name: _____

Title: _____

CLIFFS CLUB & HOSPITALITY SERVICE COMPANY, LLC

By: The Cliffs Club & Hospitality Group, Inc., As Sole Member

By: _____

Name: _____

Title: _____

Attachment 2

Mountain Park Facility

MOUNTAIN PARK FACILITY PROMISSORY NOTE

\$7,500,000.00

_____, 2012

FOR VALUE RECEIVED, **CLIFFS CLUB PARTNERS, LLC**, a Delaware limited liability company (“Borrower”), hereby promises to pay to the order of **THE CLIFFS CLUB HOLDINGS, LLC**, a Delaware limited liability company (together with any and all of its successors and assigns and/or any other holder of this Note, “Lender”), without offset, in immediately available funds in lawful money of the United States of America, at 4200 Marsh Landing Boulevard, Suite 100, Jacksonville, Florida 32250, the principal sum of SEVEN MILLION FIVE HUNDRED THOUSAND and No/100 Dollars (\$7,500,000.00) (or the unpaid balance of all principal advanced against this promissory note (this “Note”), if that amount is less), together with interest on the unpaid principal balance of this Note from day to day outstanding as hereinafter provided.

Section 1 Advances. Advances shall be made by Lender to Borrower of principal represented by this Note within five (5) days after a written request to receive by Lender from Borrower so long as the aggregate principal amount advanced on this Note does not exceed the stated principal amount of the Note as set forth above and no default exists on the part of Borrower under this Note or the Mountain Park Facility Documents (defined below). Advances of principal shall be made no more frequently than once per calendar month and shall be documented from time to time by inserting the information regarding such advance required on Schedule I attached to this Note. Principal amounts repaid under this Note may not be re-borrowed.

Section 2 Payment Terms; Priority. No later than each Payment Date (defined below), an amount equal to all the Available Facilities Debt Service (defined below) generated during the Payment Period (defined below) immediately preceding the Payment Date, not to exceed the amount due on this Note, shall be remitted to Lender; provided, however, that until the Exit Facility (defined below) is paid in full, no payments of any nature shall be due and payable on this Note. “Available Facilities Debt Service” means the amount which would have equaled the Net Cash Flow (defined

below) calculated in accordance with the Restructuring Agreement (defined below) for the applicable Payment Period, had the Exit Facility and Mountain Park Facility (defined below) been paid in full prior to the applicable Payment Period. “Restructuring Agreement” means that certain Note Restructuring Agreement, dated even date herewith, between The Cliffs Club & Hospitality Group, Inc. (and various subsidiary entities) and Wells Fargo Bank, National Association, as Indenture Trustee (the “Trustee”) pursuant to that certain Trust Indenture, dated as of April 30, 2010, as amended, among such parties. “Net Cash Flow” means the “New ClubCo Net Cash Flow” as such latter term is defined in the Joint Chapter 11 Plan dated May 22, 2012, filed by The Cliffs Club & Hospitality Group, Inc. and its affiliated debtors as the “debtors” and the Borrower as the “plan sponsor” pursuant to Chapter 11 of Title 11, United States Code, 11 U.S.C. §§ 101 et seq. (the “Bankruptcy Code”), as altered, amended, supplemented or modified from time to time, approved by confirmation order entered by the Bankruptcy Court pursuant to section 1129 of the Bankruptcy Code. “Payment Date” means the date each annual payment is due to the Trustee pursuant to the Restructuring Agreement. “Payment Period” means the annual period during which Net Cash Flow is to be calculated for purpose of determining the annual amount due the Trustee on the Payment Date.

To the extent that the entire principal balance of this Note, together with all accrued and unpaid interest and all other amounts payable hereunder and under the other Mountain Park Facility Documents, are not paid in full out of Available Facilities Debt Service by the Maturity Date (defined below), then all such amounts that remain outstanding shall be due and payable in full to Lender on the Maturity Date. “Maturity Date” means twenty (20) years from the date of this Note, or such date prior thereto that Lender is entitled to payment in full from Borrower of the entire principal balance of this Note, together with all accrued and unpaid interest based upon acceleration of the subject indebtedness as provided in Section 6 below as a result of the occurrence of a Special Event of Default (defined below).

For purposes of this Note, “Exit Facility” means the loan from Lender to Borrower evidenced by that certain \$_____ promissory note of even date herewith and all related loan documents, and “Mountain Park Facility” means the loan evidenced by this Note and all related loan documents.

All amounts received by Lender from Borrower or any affiliated entity related to the Exit Facility or Mountain Park Facility shall be applied on a first priority basis to the Exit Facility and only when the Exit Facility is paid in full,

shall such amounts be applied to the Mountain Park Facility. All funds received by Lender related directly or indirectly to the Exit Facility or Mountain Park Facility shall be deemed received in trust to be applied first to the Exit Facility until the Exit Facility is paid in full and then to the Mountain Park Facility.

Section 3 Security; Loan Documents. The security for this Note includes those certain security instruments entitled Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filings and Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (as the same may from time to time be amended, restated, modified or supplemented, the “Mortgages”) granted by Borrower and certain affiliated entities (collectively, the “Mortgagors”) to Lender, conveying and encumbering all the assets of the Mortgagors (the “Property”). This Note, the Mortgages and all other documents now or hereafter securing, guaranteeing or executed in connection with the loan evidenced by this Note, as the same may from time to time be amended, restated, modified or supplemented, are herein sometimes called individually a “Mountain Park Facility Document” and together the “Mountain Park Facility Documents.”

Section 4 Interest.

(a) Fixed Rate. No interest shall accrue on the outstanding principal balance of, and all other sums owing under this Note, which are not past due, (the “Note Rate”).

(b) Default Rate. After the occurrence of a Special Event of Default (including the expiration of any applicable cure period), the Lender, in the Lender’s sole discretion and without notice or demand, may raise the rate of interest accruing on the outstanding principal balance of this Note by three hundred (300) basis points above the Note Rate (“Default Rate”), independent of whether the Lender elects to accelerate the outstanding principal balance of this Note.

(c) Prepayment. Borrower may prepay the principal balance of this Note in full at any time or in part from time to time without fee or penalty.

Section 5 Certain Provisions Regarding Payments. All payments made under this Note shall be applied, to the extent thereof, to accrued but unpaid interest, to unpaid principal, and to any other sums due and unpaid to Lender under the Mountain Park Facility Documents, in such manner and order as Lender may elect in its sole discretion, any instructions from Borrower or anyone else to the contrary notwithstanding.

Section 6 Default; Acceleration; Remedies. If (a) there is violation of any provision of this Note or any other Mountain Park Facility Documents by Borrower or any other mortgagor, (b) there is any other default under this Note or in the payment and/or performance of any other obligation by any Borrower or any other mortgagor under any other Mountain Park Facility Document, or (c) Borrower or any other mortgagor under any other Mountain Park Facility Document fails to timely observe or perform any of such party's covenants or duties contained in the Mountain Park Facility Documents (any such event described in the foregoing clause (a) through clause (c), an "Event of Default"), then, at the Lender's option, Lender may exercise all rights and remedies available at law or in equity, including foreclosure of the Mortgages; provided, however that so long as a Special Event of Default has not occurred, Lender's remedies shall be limited to taking action pursuant to the cure provisions of the Mountain Park Facility Documents on behalf of Borrower and commencing actions to compel specific performance, with all monetary awards added to the Obligations and fully secured by the Mountain Park Facility Documents, but with such awards to be repaid only as otherwise provided in the Mountain Park Facility Documents as part of the Mountain Park Facility. In this regard, except upon the occurrence of a Special Event of Default, Lender shall not be entitled to (i) pursue foreclosure of any Mortgage or any other judicially supervised sale of any Property, (ii) undertake non-judicial disposition of any portion of the Property pursuant to the Mountain Park Facility Documents, whether under any power of sale or provision of state law, including the UCC, or otherwise; or (iii) acquire title to or take possession of or take any other action against the Borrower or any portion of the Property in satisfaction or partial satisfaction of the obligations secured by the Mountain Park Facility Documents; and Lender's remedies shall be limited to those enumerated in the proviso above. Upon the occurrence of any Special Event of Default, Lender may upon written notice to Borrower demand payment in full of the unpaid principal, accrued interest and other sums due on this Note and payment of all other amounts due under the Mountain Park Facility Documents, and

all such sums may be collected in a suit at law against Borrower or by foreclosure, or both, and by the exercise of any other remedy available at law or equity. “Special Event of Default” means (i) any termination of that certain Master Lease between Borrower and IT-SPE, LLC, a Delaware limited liability company (“SPE”) of even date herewith (the “Master Lease”) to be entered into upon conveyance of the Property from Borrower to SPE, or any action taken pursuant to the Master Lease by SPE to evict Borrower as a tenant under the Master Lease or any subtenant of Borrower; (ii) any acceleration of the indebtedness which is the subject of the Assumption Agreement (the “Junior Indebtedness”); or (iii) commencement of any proceedings or the taking of any other action to pursue foreclosure of any security instruments securing the Junior Indebtedness or any other judicially supervised sale of the Property or any portion thereof; to undertake non-judicial disposition of any portion of the Property, whether under power of sale or provision of state law, including a Uniform Commercial Code sale, or otherwise; or to otherwise acquire title or take possession of any portion of the Property in satisfaction or partial satisfaction of the Junior Indebtedness.

Section 7 Remedies Cumulative. All of the rights and remedies of Lender under this Note and the other Mountain Park Facility Documents are cumulative of each other and of any and all other rights at law or in equity, and the exercise by Lender of any one or more of such rights and remedies shall not preclude the simultaneous or later exercise by Lender of any or all such other rights and remedies. No single or partial exercise of any right or remedy shall exhaust it or preclude any other or further exercise thereof, and every right and remedy may be exercised at any time and from time to time. No failure by Lender to exercise, nor delay in exercising, any right or remedy shall operate as a waiver of such right or remedy or as a waiver of any Event of Default.

Section 8 Costs and Expenses of Enforcement. Borrower agrees to pay to Lender on demand all costs and expenses incurred by Lender in seeking to collect this Note or to enforce any of Lender’s rights and remedies under the Mountain Park Facility Documents, including court costs and reasonable attorneys’ fees and expenses, whether or not suit is filed hereon, or whether in connection with bankruptcy, insolvency or appeal.

Section 9 Heirs, Successors and Assigns. The terms of this Note and of the other Mountain Park Facility Documents shall bind and inure to the benefit of the heirs, devisees, representatives, successors and assigns of the parties. The foregoing sentence shall not be construed to permit Borrower to assign the Mountain Park Facility except as otherwise permitted under the Mountain Park Facility Documents.

Section 10 General Provisions. Time is of the essence with respect to Borrower's obligations under this Note. If more than one person or entity executes this Note as Borrower, all of said parties shall be jointly and severally liable for payment of the indebtedness evidenced hereby. Borrower and each party executing this Note as Borrower hereby severally (a) waive demand, presentment for payment, notice of dishonor and of nonpayment, protest, notice of protest, notice of intent to accelerate, notice of acceleration and all other notices (except any notices which are specifically required by this Note or any other Mountain Park Facility Document), filing of suit and diligence in collecting this Note or enforcing any of the security herefor; (b) agree to any substitution, subordination, exchange or release of any such security or the release of any party primarily or secondarily liable hereon; (c) agree that Lender shall not be required first to institute suit or exhaust its remedies hereon against Borrower or others liable or to become liable hereon or to perfect or enforce its rights against them or any security herefor; (d) consent to any extensions or postponements of time of payment of this Note for any period or periods of time and to any partial payments, before or after maturity, and to any other indulgences with respect hereto, without notice thereof to any of them; and (e) submit (and waive all rights to object) to non-exclusive personal jurisdiction of any state or federal court located in the jurisdiction in which any of the Property is located for the enforcement of any and all obligations under this Note and the other Mountain Park Facility Documents; (f) waive the benefit of all homestead and similar exemptions as to this Note; (g) agree that liability under this Note shall not be affected or impaired by any determination that any title, security interest or lien taken by Lender to secure this Note is invalid or unperfected; and (h) hereby subordinate to the amounts due under this Note and the Mountain Park Facility Documents any and all rights against Borrower and any security for the payment of this Note, whether by subrogation, agreement or otherwise, until this Note is paid in full. A determination that any provision of this Note is unenforceable or invalid shall not affect the enforceability or validity of any other provision and the determination that the application of any provision of this Note to

any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to other persons or circumstances. This Note may not be amended except in a writing specifically intended for such purpose and executed by the party against whom enforcement of the amendment is sought. Captions and headings in this Note are for convenience only and shall be disregarded in construing it. This Note and its validity, enforcement and interpretation shall be governed by the laws of the State of South Carolina (without regard to any principles of conflicts of laws) and applicable United States federal law. Whenever a time of day is referred to herein, unless otherwise specified such time shall be the local time of the place where payment of this Note is to be made. The words "include" and "including" shall be interpreted as if followed by the words "without limitation."

Section 11 Notices; Time. All notices, requests, consents, approvals or demands (collectively, "Notice") required or permitted by this Note to be given by any party to any other party hereunder shall, unless specified otherwise, be in writing (including facsimile (fax) transmission) and shall be given to such party at its address or fax number set forth below, or at such other address or fax number as such party may hereafter specify for the purpose by Notice to the other party. Each Notice shall be effective when actually received by the addressee or when the attempted initial delivery is refused or when it cannot be made because of a change of address of which the sending party has not been notified.

IN WITNESS WHEREOF, Borrower has duly executed this Note under seal as of the date first above written.

Borrower:

CLIFFS CLUB PARTNERS, LLC,
a Delaware limited liability company [SEAL]

By: _____
Name: _____
Title: _____

Notice Address:

SCHEDULE I

To
\$7,500,000 Mountain Park Facility Note

Date	Amount of Advance	Total Principal Advanced
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CLIFFS CLUB PARTNERS, LLC, as Mortgagor

to

THE CLIFFS CLUB HOLDINGS, LLC, as Mortgagee

**MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY
AGREEMENT AND FIXTURE FILING**

Dated: As of [_____], 2012

Location: _____, South Carolina

County: _____

PREPARED BY AND UPON RECORDATION RETURN TO:

Edward G. Menzie
Nexsen Pruet, LLC
1230 Main Street
Suite 700
Columbia, SC 29201
803-253-8219
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THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this "Mortgage"), dated as of _____, 2012, is entered into by CLIFFS CLUB PARTNERS, LLC, a Delaware limited liability company ("Mortgagor"), 4200 Marsh Landing Boulevard, Suite 100, Jacksonville, Florida 32250, in favor of THE CLIFFS CLUB HOLDINGS, LLC, 4200 Marsh Landing Boulevard, Suite 100, Jacksonville, Florida 32250, ("Mortgagee").

BACKGROUND

On the date hereof, Mortgagor acquired certain recreational facilities (the "Club Facilities") constituting substantially all the assets of various entities that owned and operated eight private recreational clubs associated with various residential communities known as the "Cliffs Communities," all in accordance with the Joint Chapter 11 Plan dated May 22, 2012, filed by The Cliffs Club & Hospitality Group, Inc. and its affiliated debtors as the "debtors" and Mortgagor as the "plan sponsor" pursuant to Chapter 11 of Title 11, United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code"), as altered, amended, supplemented or modified from time to time, approved by confirmation order entered by the Bankruptcy Court pursuant to section 1129 of the Bankruptcy Code. The assets acquired by Mortgagor are subject to various mortgages (or deeds of trust), assignments of leases and rents and security agreements (the "Indenture Security Instruments") granted to Wells Fargo Bank, National Association, as Indenture Trustee (the "Trustee") to secure \$64,050,000.00 pursuant to that certain Amended Indenture dated _____, 2012, as amended (the "Indenture"), among the Trustee, The Cliffs Club & Hospitality Group, Inc., and various other parties. In conjunction with the acquisition of the Club Facilities by Mortgagor, Mortgagee has made a loan to Mortgagor in the principal amount of \$7,500,000 (the "Mountain Park Facility") evidenced by a promissory note of even date herewith (the "Mountain Park Facility Note"), conditioned upon Mortgagor securing the Mountain Park Facility with this Mortgage and junior mortgages (or deeds of trust), assignments of lease and rents and security agreements from all entities affiliated with Mortgagor who may sublease the Club Facilities (collectively, the "Mountain Park Facility Security Instruments"). The Mountain Park Facility Security Instruments cover all assets of each entity, whether now owned or hereafter acquired. In order to make the Mountain Park Facility Security Instruments senior to the Indenture Security Instruments, Mortgagor has entered into that certain Subordination and Intercreditor Agreement of even date herewith with the Trustee and Mortgagee (the "Subordination Agreement") that subordinates all liens, security interests and other rights existing under the Indenture Security Instruments in all respects to the Exit Facility Security Instruments (defined below), as well as the Mountain Park Security Instruments. The Subordination Agreement or a memorandum thereof shall be recorded in each county in which a Mountain Park Facility Security Instrument is recorded. The Mountain Park Facility is evidenced by that certain \$7,500,000.00 Promissory Note of even date herewith, the Mountain Park Facility Security Instruments and such other and further documents and instruments evidencing, securing, guarantying or otherwise dealing with, in whole or in part, the Mountain Park Facility or matters related thereto (collectively, the "Mountain Park Facility Documents.")

AGREEMENT

NOW, THEREFORE, the parties hereto agree as follows:

1. Mortgage. For and in consideration for the aforesaid Mountain Park Facility and in order to secure the payment thereof together with any and all renewals, extensions, modifications and replacements thereof, and also to secure in accordance with § 29-3-50, of the Code of Laws of South Carolina (1976), as amended, or any such successor statute as may apply, all future advances that may subsequently be made to Mortgagor evidenced by any of the Mountain Park Facility Documents, all renewals, extensions, modifications and replacement thereof, and all other indebtedness and obligations of Mortgagor and all other parties to Mortgagee under the Mountain Park Facility Documents now or hereafter existing; provided, however, that the maximum amount of the Obligations at any one time secured hereby shall not exceed twice the stated principal amount of the Mountain Park Facility Note plus interest thereon, all charges and expenses of collection incurred by Mortgagee, including court costs and reasonable attorneys' fees actually incurred (all of the foregoing collectively, the "Obligations"), Mortgagor does by these presents grant, bargain, sell, assign, release, mortgage (and grant a security interest therein) unto Mortgagee, its successors and assigns, all assets of Mortgagor, including but not limited to the following real and personal property now owned or hereafter acquired (collectively, the "Property");

(a) all right, title and interest of Mortgagor in and to the land described on Exhibit A hereto (the "Land"), including without limitation all leasehold interest;

(b) all improvements, buildings, structures, and other improvements now or hereafter located, constructed, erected, installed, affixed, placed and/or maintained in or upon the Land (the "Improvements");

(c) all rights of way or use, easements, tenements, hereditaments and appurtenances now or hereafter belonging or pertaining to the Land or the Improvements;

(d) all right, title, estate and interest, including the right of use or occupancy, which Mortgagor may now have or hereafter acquire, in, to and under (i) the Land, (ii) the land or real estate of others adjoining or adjacent to the Land, and (iii) the streets or public places, and the land occupied thereby, adjoining or adjacent to the Land;

(e) all right, title and interest of Mortgagor in and to all present and future leases of all or a portion of the Property (the "Leases"), any and all rents, income, issues, profits, revenues, royalties and benefits (collectively, the "Rent") which are now due or owing or may hereafter become due or owing by reason of any Lease or otherwise; including all guarantees and security deposits received in respect of any Lease (which shall be included in the term "Rent");

(f) all equipment, machinery, fixtures, apparatus, installations and other items of property, including all components thereof, now or hereafter located in, on or used in connection with, the Improvements or necessary to the operation or maintenance thereof, which are now or hereafter owned by Mortgagor, including, without limitation, all furnaces, boilers, heaters, electrical equipment and systems, heating, plumbing, refrigerating, ventilating, air-cooling and air-conditioning apparatus, elevators, escalators, sprinkler systems and fire and theft protection equipment, together with all replacements, modifications, alterations and additions thereto (collectively, the “Equipment and Fixtures”);

(g) all other tangible personal property now existing or hereafter acquired used in connection with the Land and Improvements, including but not limited to inventory, goods (included imbedded software), draperies, carpeting, appliances, furniture, supplies, electronic information systems, televisions, telephone systems, office equipment, cash registers, computers, monitors, electronic devices and all hardware and software supporting any of the foregoing;

(h) all cash, cash equivalents, accounts, deposit accounts, documents, investment property, contract rights, chattel paper, instruments, general intangibles, files, records, drawings, plans and specifications, accounts receivable and accounts payable ledgers, leases of personal property, warranties and guaranties related to the renting, letting or operations of the Property, supporting obligations, letters-of-credit rights, tax refunds, trademarks, trade names, service marks, logos, copyrights, good will and other intangible personal property, in each case now existing or hereafter acquired;

(i) all of Mortgagor’s rights, title and interest in and to (i) all insurance proceeds paid or payable for damage done to the Property and (ii) all awards or damages heretofore or hereafter made to or for the account of Mortgagor for the permanent or temporary taking by eminent domain or similar proceedings of, or injury to, all or any part of the Property or any interest therein, including, without limitation, any right of access thereto existing on the date hereof or hereafter acquired, as the result of or in lieu of or in anticipation of the exercise of the right of condemnation or a change in grade affecting the Property or any part thereof;

(j) all additions and accessions to, all spare and repair parts, special tools, equipment and replacement for, and all proceeds and products of the foregoing, now existing or hereafter acquired; and

(k) all other assets of any nature of Mortgagor, tangible or intangible, now existing or hereafter acquired.

(All terms which are not specifically defined utilized above to describe portions of the Property shall have the respective meanings set forth in the South Carolina Uniform Commercial Code (the “UCC”) to the extent defined or described therein.)

2. Title. Mortgagor warrants that it is the owner of fee simple marketable title to the Land, excepting only the easements and other encumbrances described on Exhibit B hereto

(“Permitted Exceptions”) and that it otherwise owns the Property free and clear of all liens, claims, encumbrances, restrictions, encroachments and interests whatsoever in favor of any third party except as described in Exhibit B.

3. Lien Priority. Other than the Permitted Exceptions, the liens and security interests created by this Mortgage on the Property are good and valid first liens and security interests superior to all other liens, security interests, encumbrances and exceptions.

4. Mortgage As Security. This Mortgage secures prompt payment to Mortgagee of the Obligations. This Mortgage also secures the performance of all covenants, conditions and agreements contained in the Mountain Park Facility Documents.

5. Satisfaction. Mortgagee will satisfy this Mortgage upon request by Mortgagor if (a) the Obligations have been paid in full, (b) any commitment to make future advances secured by this Mortgage has been terminated, and (c) all other payments required under this Mortgage and the Obligations and all other terms, conditions, covenants, and agreements contained in this Mortgage and the documents evidencing the Obligations have been paid and performed.

6. Security Agreement; Fixture Filing. This Mortgage shall create a security interest in, and Mortgagor hereby grants to Mortgagee a security interest in, the Property in favor of Mortgagee and shall constitute a security agreement under the UCC with respect to all of the Property, and Mortgagee shall be entitled to all of the rights of a secured party. This Mortgage is a financing statement covering fixtures, and it is intended that as to fixtures and the proceeds thereof, this Mortgage shall be effective as a financing statement filed as a fixture filing from the date of its filing for record in the real estate records for the County in which the Land is located. It is expressly agreed that if upon any Special Event of Default (defined below) Mortgagee shall proceed to dispose of any portion of the Property in accordance with the provisions of the UCC, thirty (30) days’ notice by Mortgagee to Mortgagor shall be deemed to be reasonable notice under any provision of the UCC requiring such notice; provided, however, that Mortgagee may, at its option, dispose of the Property in accordance with Mortgagee’s rights and remedies in respect to the real estate pursuant to the provisions of this Mortgage in lieu of proceeding under the UCC. Mortgagor will, from time to time and as often as requested by Mortgagee, execute and deliver to Mortgagee such financing statements, renewal affidavits, continuation statements, inventories or other similar documents as Mortgagee may reasonably request to perfect the security interest created by the Mortgage in all the Property, and Mortgagor authorizes Mortgagee to make any and all such filings. No failure or omission of Mortgagee to request any financing statement, renewal affidavit, continuation statement, inventory, or the like, and no failure or omission of Mortgagor to execute or deliver any thereof, will impair the effectiveness of or priority of the security interest created by this Mortgage. Mortgagor will pay all costs of filing and/or recording of this Mortgage and any financing statements, continuation or termination statements with respect thereto, and any affidavits or other instruments executed, or to be executed, to perfect, renew, continue or maintain the lien and security interest created hereby. Mortgagor hereby appoints Mortgagee, or any officer of Mortgagee, as the agent and attorney-in-fact of Mortgagor to do, at Mortgagee’s option and Mortgagor’s expense, all acts and things reasonably necessary to perfect, and continue perfected, the lien and security interest

created hereby. In the event of a foreclosure sale of personal property in which Mortgagee holds a security interest granted herein, whether such sale be held by Mortgagee or otherwise, such sale may be of the whole of such property or any portion thereof and may be held together with or separately from any foreclosure sale of the real property securing the Obligations. Such personal property need not be present at the place of sale.

7. Taxes. Mortgagor shall pay before they become delinquent all taxes, assessments and other charges which may be levied or assessed against the Property, or against Mortgagee related to this Mortgage or the Obligations, or upon Mortgagee's interest in the Property, and deliver to Mortgagee receipts showing timely payment.

8. Insurance. Mortgagor shall obtain and maintain while any Obligations are outstanding:

(a) Extended coverage casualty insurance in the amount of the replacement cost of the Property without coinsurance.

(b) Machinery insurance, which coverage shall include air conditioning, all without coinsurance, equal to the full replacement value thereof.

(c) Liability coverage against claims for death or injury to person or damage to property in such amount as is required by Mortgagee based upon normal liability coverage required by secured lenders for facilities comparable to the Property.

(d) Flood hazard coverage if the Land is located in a federally identified flood hazard area in an amount acceptable to Mortgagee.

Mortgagor shall pay all insurance premiums when due. The policies shall be with companies and in a form acceptable to Mortgagee and shall contain the standard mortgage clause and lender's loss payable clause in favor of Mortgagee and any special endorsements as may be required by Mortgagee. Unless Mortgagee otherwise agrees in writing, the original, or a "true and certified" copy, of all hazard insurance policies covering the Property shall be deposited with Mortgagee. Mortgagor shall deliver to Mortgagee certificates evidencing liability insurance. Mortgagor shall promptly give notice of any loss in excess of \$10,000 to insurance companies and Mortgagee. All proceeds from such insurance shall be applied first to the restoration of the Improvements on the Property, on such terms and conditions as approved by Mortgagee, with such approval not to be unreasonably withheld, with any remainder applied to the Obligations as deemed appropriate by Mortgagee. In the event of foreclosure of this Mortgage or other transfer of title to the Property, in extinguishment of Mortgagor's liability with respect to the Obligations, all right, title, and interest of Mortgagor in and to any insurance then in force shall pass to the purchaser or grantee.

9. Mortgagor's Covenants. Mortgagor covenants:

(a) Condition and Repair. To keep the Property in good and tenantable condition and repair, and to restore or replace damaged or destroyed Improvements and Equipment and Fixtures;

(b) Liens. To keep the Property free from liens and encumbrances not constituting Permitted Exceptions, the Mountain Park Security Instruments (defined below) and the Indenture Security Instruments;

(c) Leases and Other Mortgages. To perform all of Mortgagor's obligations and duties under any leases, mortgages or security agreements applicable to the Property and any obligation to pay or to perform required by any such lease, mortgage or security agreement;

(d) Waste. Not to commit waste or permit waste to be committed upon the Property;

(e) Conveyance. Not to sell, assign, lease, convey or otherwise transfer any legal or equitable interest in all or part of the Property, or permit the same to occur, in each case without the prior written consent of Mortgagee, which consent shall not be unreasonable conditional, delayed or withheld so long as the disposition does not involve a material portion of the Property and such action will not materially and adversely affect the ongoing operation of the Property in the ordinary course and all funds received by Mortgagor, net of reasonable transactional costs, are utilized for replacement Property or remitted to Mortgagee for application to the Obligations, all as accomplished under terms and conditions reasonably acceptable to Mortgagee and the Trustee;

(f) Alteration or Removal. Not to remove, demolish or materially alter any part of the Property, without Mortgagee's prior written consent, except Mortgagor may remove a Fixture, provided the Fixture is promptly replaced with another Fixture of at least equal value and utility;

(g) Condemnation. To pay to Mortgagee all compensation received for the taking of the Property, or any part, by condemnation proceedings (including payments in compromise of condemnation proceedings), and all compensation received as damages for injury to the Property, or any part. Subject to the terms of the Loan Documents, all proceeds from such condemnation shall be applied, first, to the restoration of the Improvements on the Property on such terms and conditions approved by Mortgagee, with such approval not to be unreasonably withheld, with any remainder applied to the Obligations as deemed appropriate by Mortgagee;

(h) Ordinances; Inspection. To comply with all laws, ordinances and regulations affecting the Property. Mortgagee and its authorized representatives may enter the Property at reasonable times to inspect it and, at Mortgagee's option, repair or restore it at Mortgagor's expense; and

(i) Defense of Title. To defend title to the Property against all claims and demands whatsoever (other than of Mortgagee).

10. Environmental Laws. Mortgagor represents, warrants and covenants to Mortgagee, except as previously disclosed to Mortgagee in writing: (a) that during the period of Mortgagor's ownership or use of the Property no hazardous waste or hazardous substance (collectively, "Hazardous Substance"), as defined under any federal, state or local laws, regulations, ordinances, codes or rules governing health, safety or the environment applicable to the Property (collectively, "Environmental Laws") has been, is or will be present, used, stored, deposited, treated, recycled or disposed of on, under, in or about the Property in a form, quantity or manner which, if known to be present on, under, in or about the Property would require cleanup, removal or some other remedial action under Environmental Laws; (b) that Mortgagor has no knowledge, after due inquiry, of any prior use or existence of any Hazardous Substance on the Property by any prior owner of or person using the Property; (c) that, without limiting the generality of the foregoing, Mortgagor has no knowledge, after due inquiry, that the Property contains asbestos, polychlorinated biphenyl components (PCBs) or underground storage tanks; (d) that there are no conditions existing currently or likely to exist during the term of this Mortgage which would subject Mortgagor to any damages, penalties, injunctive relief or clean-up costs in any governmental or regulatory action or third-party claim relating to any Hazardous Substance; (e) that Mortgagor is not subject to any court or administrative proceeding, judgment, decree, notice or finding of violation, order or citation relating to any Hazardous Substance; and (f) that Mortgagor in the past has been, at the present is, and in the future will remain in compliance with all Environmental Laws in all material respects. Mortgagor shall indemnify and hold harmless Mortgagee, their directors, officers, employees and agents from all loss, cost (including reasonable attorneys fees and expenses), liability and damages whatsoever directly or indirectly resulting from, arising out of, or based upon (i) the presence, use, generation, storage, deposit, treatment, recycling or disposal, at any time, of any Hazardous Substance on, under, in or about the Property, or the transportation of any Hazardous Substance to or from the Property, (ii) the violation or alleged violation of any Environmental Law, permit, judgment or license relating to the presence, use, generation, storage, deposit, treatment, recycling or disposal of any Hazardous Substance on, under, in or about the Property, or the transportation of any Hazardous Substance to or from the Property, or (iii) the imposition of any governmental lien for the recovery of environmental clean-up costs expended under any Environmental Law. Mortgagor shall immediately notify Mortgagee in writing of any governmental or regulatory action or third-party claim instituted or threatened in connection with any Hazardous Substance on, in, under or about the Property.

11. Authority of Mortgagee to Perform for Mortgagor. If Mortgagor fails to perform any of Mortgagor's duties set forth in this Mortgage and such failure continues for thirty (30) days after written notice thereof from Mortgagee to Mortgagor, or such shorter period as may be elected by Mortgagee in case of an emergency, Mortgagee may but shall not be obligated to perform the duties or cause them to be performed, including without limitation signing Mortgagor's name or paying any amount so required, and the cost shall be due on demand and secured by this Mortgage, bearing at the highest rate of interest applicable to past due principal under the Mountain Park Facility Documents, but not in excess of the maximum rate permitted by law, from the date of expenditure by Mortgagee to the date of payment by Mortgagor.

12. Default; Acceleration; Remedies. If (a) there is violation of any provision of the Mountain Park Facility Documents by Mortgagor or any other mortgagor, (b) there is any other default under this Mortgage or any other Mountain Park Facility Documents in the payment and/or performance of any other Obligation by Mortgagor or any other mortgagor, or (c) Mortgagor or any other mortgagor fails to timely observe or perform any of such party's covenants or duties contained in the Mountain Park Facility Documents, then, at the option of Mortgagee, Mortgagee may exercise all rights and remedies available at law or in equity, including foreclosure of this Mortgage; provided, however that so long as a Special Event of Default (as defined in the Mountain Park Facility Note) has not occurred, Mortgagee's remedies shall be limited to taking action pursuant to the cure provisions of this Mortgage on behalf of Mortgagee and commencing actions to compel specific performance, with all monetary awards added to the Obligations and fully secured by this Mortgage, but with such awards to be repaid only as otherwise provided in the Mountain Park Facility Documents as part of the Mountain Park Facility. In this regard, except upon the occurrence of a Special Events of Default, Mortgagee shall not be entitled to (i) pursue foreclosure of this Mortgage or and other judicially supervised sale of any Property, (ii) undertake non-judicial disposition of any portion of the Property, whether under any power of sale or provision of state law, including the UCC, or otherwise; or (iii) acquire title to or take possession of or take any other action against the Borrower or any portion of the Property in satisfaction or partial satisfaction of the Obligations; and Mortgagee's remedies shall be limited to those enumerated in the proviso above. If Mortgagee exercises its option to demand payment in full of all Obligations upon the occurrence and continuation of any Special Event of Default as provided in the Mountain Park Facility Note, the unpaid principal, interest owed and other sums on all Obligations, may be collected in a suit at law against Mortgagor or by foreclosure of this Mortgage, or both, or by the exercise of any other remedy available at law or equity.

13. Waiver. Mortgagee may waive any default without waiving any other subsequent or prior default by Mortgagor.

14. Assignment of Rents and Leases.

(a) Mortgagor assigns and transfers to Mortgagee, as additional security for the Obligations, all Rents of the Property. Upon the occurrence of any Special Event of Default under this Mortgage, Mortgagee shall be entitled to the Rents and may notify any or all tenants or others owing Rents to pay all such Rents directly to Mortgagee. All such payments shall be applied in such manner as Mortgagee determines to payments required under this Mortgage and the Obligations. This assignment shall be enforceable and Mortgagee shall be entitled to take any such action to enforce the assignment (including notice to tenants to pay directly to Mortgagee or the commencement of a foreclosure action) without seeking or obtaining the appointment of a receiver or possession of the Property.

(b) Upon the occurrence of any Special Event of Default, Mortgagor consents to and irrevocably authorizes and directs the tenants under the Leases, and any successors to the interests of said tenants, upon notice from Mortgagee to pay to Mortgagee the Rents due or to become due under the Leases. The tenants shall have the right to rely upon such notice from

Mortgagee and shall pay the Rents to Mortgagee without any obligation or right to determine the actual existence of the right of Mortgagee to receive the Rents, notwithstanding any notice from or claim of Mortgagor to the contrary. Mortgagor shall have no right or claim against said tenants for any Rents so paid by said tenants to Mortgagee.

(c) Upon the occurrence of any Special Event of Default, Mortgagor also hereby authorizes Mortgagee, at Mortgagee's sole option after default hereunder, to take over and assume the management, operation and maintenance of the Property and to perform all acts necessary and proper and to expend such sums out of the income of the Property as may be needful in connection therewith, in the same manner and to the same extent as Mortgagor theretofore might have done, including the right to effect new Leases, to cancel or surrender existing Leases, to alter or amend the terms of existing Leases, to renew existing Leases or to make concessions to tenants, and the undersigned hereby releases all claims against Mortgagee arising out of such management, operation and maintenance, excepting the liability of Mortgagee to account as hereinafter set forth.

(d) After (i) payment of all proper charges and expenses, including reasonable compensation to such managing agent as Mortgagee shall select and employ, and including, at Mortgagee's sole option, payment of any prior mortgage or other lien on the Property, and (ii) the accumulation of a reserve to meet taxes, assessments, sewer and water and fire and liability insurance, Mortgagee shall credit the net amount of income received by it from the Property by virtue of this assignment to any amounts due and owing to it by Mortgagor on any of the Obligations, but the manner of the application of such net income and what items shall be credited shall be determined in the sole discretion of Mortgagee. Mortgagee shall not be accountable for more moneys than it actually receives from the Property; nor shall it be liable for failure to collect Rents.

(e) Mortgagor covenants and warrants to Mortgagee that neither Mortgagor nor any previous owner of an interest in the Property has executed any prior assignment or pledge of the Rents or any of the Leases which remain in effect that are superior to this Mortgage

(f) Mortgagor shall fulfill or perform every condition and covenant to be fulfilled or performed by the lessor under any Lease.

(g) Mortgagor agrees that an entry upon the Property by Mortgagee or its agents under the terms of this instrument after a Special Event of Default shall not constitute Mortgagee as a "mortgagee in possession."

(h) Mortgagee shall not be obligated to discharge or perform the duties of a landlord to a tenant or to impose any liability as a result of the exercise of the option to collect Rents under this assignment, and it is agreed that the collection or participation therein shall be as agent only for Mortgagor. Mortgagee assumes no obligations of Mortgagor under the Leases.

15. Receiver. Upon the commencement or during the pendency of an action to foreclose this Mortgage, to the fullest extent permitted by applicable law, without regard to the

adequacy or inadequacy of the Property as security for the Obligations, Mortgagor agrees that the court may appoint a receiver of the Property (including homestead interest) without bond, and may empower the receiver to take possession of the Property and collect the rents, issues and profits of the Property and exercise such other powers as the court may grant until the confirmation of sale, and may order the rents, issues and profits, when so collected, to be held and applied as the court may direct.

16. Indemnification. Mortgagor hereby agrees to indemnify Mortgagee, its parent, subsidiaries, other affiliated entities, successors and assigns, together with all of their managers, directors, officers, employees, agents, shareholders, partners, members, lenders, attorneys and agents (the "Indemnified Parties") against and hold the Indemnified Parties harmless from any and all liability, loss or damage which any of them may or might incur related directly or indirectly to the Mountain Park Facility, the Mountain Park Facility Documents or the Indemnified Parties activities authorized pursuant to Mountain Park Facility Documents, including without limitation obligations related to any Leases. Should the Indemnified Parties incur any such liability, loss or damage, or in defense against any such claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured by this Mortgage, and Mortgagor shall reimburse the Indemnified Parties therefor immediately upon demand (with any amounts not paid within thirty (30) days after demand to bear interest at the highest rate of interest applicable to past due principal under the Mountain Park Facility Documents). Notwithstanding anything herein to the contrary, the foregoing indemnity shall not be applicable to any liability, loss or damage suffered or incurred by the Indemnified Parties as a result of their gross negligence or willful misconduct.

17. Expenses. Mortgagor shall pay all reasonable costs and expenses before and after judgment, including without limitation, attorneys' fees and expenses of obtaining title evidence, incurred by Mortgagee in protecting or enforcing its rights under this Mortgage.

18. Severability. Invalidity or unenforceability of any provision of this Mortgage shall not affect the validity or enforceability of any other provision.

19. Successors and Assigns. This Mortgage benefits Mortgagee, its successors and assigns and any holder or holders, from time to time, of the Mountain Park Facility Documents, and binds Mortgagor and its successors and assigns.

20. Notice. All notices and communications provided for herein shall be sent by first-class mail, Federal Express or Airborne Express, and addressed as follows:

If to Mortgagee:

If to Mortgagor:

or to such other address with respect to either of the parties as such party shall designate to the other in writing.

21. Governing Law. This Mortgage shall be governed by, and construed in accordance with, the laws of the State of South Carolina. All rights, powers and remedies provided in this Mortgage may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law and are intended to be limited to the extent necessary so that they will not render this Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law.

22. Entire Agreement. This Mortgage is intended by Mortgagor and Mortgagee as a final expression of this Mortgage and as a complete and exclusive statement of its terms, there being no conditions to the full effectiveness of this Mortgage. No parol evidence of any nature shall be used to supplement or modify any terms. This Mortgage and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of the Borrowers or Mortgagee but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

23. Further Assurances. Mortgagor agrees that at any time and from time to time, at the expense of Mortgagor, Mortgagor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that Mortgagee may request, in order to perfect and protect any lien, assignment or security interest granted or purported to be granted hereby or to enable Mortgagee to exercise and enforce their rights and remedies hereunder with respect to all or part of the Property.

24. Maturity Date. The maturity date of the Mountain Park Facility Note (and all other Obligations not otherwise due and payable prior to the maturity of the Mountain Park Facility Note) is twenty (20) years from the date of the Mountain Park Facility Note, but all Obligations may become due and payable on demand by the Mortgagee as specified in the Mountain Park Facility Note upon the occurrence of a Special Event of Default.

25. Subordination to Exit Facility; Additional Mortgagors. The Mountain Park Facility is being provided to Mortgagor simultaneously with a \$_____ loan (the "Exit Facility") evidenced and secured by a \$_____ promissory note (the "Exit Facility Note") and additional loan documents (collectively, the "Exit Facility Documents") in substantially the same form as the Mountain Park Facility Loan Documents except that (i) both the Mountain Park Facility Note and Exit Facility Note provide that the

Obligations shall be paid in full on a second priority basis only after payments are made on the Exit Facility Loan Documents, (ii) the Exit Facility Documents shall at all times be senior and superior in all respects to the Mountain Park Facility Documents, and (iii) the holder of the Mountain Park Facility Documents shall hold any funds received from Mortgagor or otherwise received connected to the Mountain Park Facility in trust for the benefit of the holder of the Exit Facility Documents and promptly remit the same to such holder to be applied to the Exit Facility until the Exit Facility is paid in full. This Mortgage, being one of the Mountain Park Security Instruments, is hereby made subordinated and made junior in all respects to the Exit Facility Documents.

Upon request of Mortgagee, Mortgagor shall cause any subsidiary entity that acquires any interest in the Property to promptly execute and record a security instrument substantially equivalent to this Mortgage as additional security for repayment of the Obligations, but with such changes in the form of this Mortgage as reasonably required by Mortgagee to reflect the ownership of such entity by Mortgagor and the entity's ownership of any Property related directly or indirectly to the operation of the Club Facilities.

26. **WAIVER OF JURY TRIAL. MORTGAGOR AND MORTGAGEE HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) BETWEEN OR AMONG TWO OR MORE OF MORTGAGOR, BORROWERS AND MORTGAGEE ARISING OUT OF OR IN ANY WAY RELATED TO THIS MORTGAGE, THE LOAN DOCUMENTS OR ANY OTHER RELATED DOCUMENT, OR ARISING OUT OF OR IN ANY WAY RELATED TO THE RELATIONSHIP AMONG THE PARTIES AS MORTGAGOR, BORROWER AND MORTGAGEE OR OTHERWISE. THIS PROVISION IS A MATERIAL INDUCEMENT TO MORTGAGEE TO PROVIDE THE FINANCING SECURED HEREBY.**

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27. **WAIVER OF APPRAISAL RIGHTS.** The laws of the State of South Carolina provide that in any real estate foreclosure proceeding, a defendant against whom a personal judgment is taken or asked may within thirty (30) days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE PROPERTY.

IN WITNESS WHEREOF, this Mortgage has been executed by Mortgagor as of the day and year first above written.

WITNESSES:

Witness #1

Witness #2

MORTGAGOR:

CLIFFS CLUB PARTNERS, LLC
a Delaware limited liability company

By: _____
Name: _____
Title: _____

STATE OF _____)
COUNTY OF _____)

ACKNOWLEDGMENT

I, _____, a notary public for _____, do hereby certify that _____, the _____ of CLIFFS CLUB PARTNERS, LLC, a Delaware limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and seal (where an official seal is required by law) official seal this ____ day of _____, 2012.

_____(SEAL)
Signature of Notary Public
My Commission Expires: _____

EXHIBIT A

LEGAL DESCRIPTION

Derivation:

Tax Parcel Identification:

EXHIBIT B

PERMITTED EXCEPTIONS

Attachment 3

Exit Facility

EXIT FACILITY PROMISSORY NOTE

\$ _____, 2012

FOR VALUE RECEIVED, **CLIFFS CLUB PARTNERS, LLC**, a Delaware limited liability company (“Borrower”), hereby promises to pay to the order of **THE CLIFFS CLUB HOLDINGS, LLC**, a Delaware limited liability company (together with any and all of its successors and assigns and/or any other holder of this Note, “Lender”), without offset, in immediately available funds in lawful money of the United States of America, at 4200 Marsh Landing Boulevard, Suite 100, Jacksonville, Florida 32250, the principal sum of _____ and No/100 Dollars (\$ _____), together with interest on the unpaid principal balance of this promissory note (this “Note”) from day to day outstanding as hereinafter provided.

Section 1 Payment Terms; Priority. All amounts received by Borrower or any affiliated entity on or after the date of this Note constituting “Transfer Fees” or “Reinstatement Fees” received in accordance with the Cliffs Club Master Membership Plan, dated _____, 2012, during any calendar month shall be remitted by Borrower to Lender no later than ten (10) days after the end of such calendar month and applied to the amounts due on this Note. In addition, no later than each Payment Date (defined below), an amount equal to all the Available Facilities Debt Service (defined below) generated during the Payment Period (defined below) immediately preceding the Payment Date, not to exceed the amount due on this Note, shall be remitted to Lender. “Available Facilities Debt Service” means the amount which would have equaled the Net Cash Flow (defined below) calculated in accordance with the Restructuring Agreement (defined below) for the applicable Payment Period, had the Exit Facility (defined below) and Mountain Park Facility (defined below) been paid in full prior to the applicable Payment Period. “Restructuring Agreement” means that certain Note Restructuring Agreement, dated even date herewith, between The Cliffs Club & Hospitality Group, Inc. (and various subsidiary entities) and Wells Fargo Bank, National Association, as Indenture Trustee (the “Trustee”) pursuant to that certain Trust Indenture, dated as of April 30, 2010, as amended, among such parties. “Net Cash Flow” means the

“New ClubCo Net Cash Flow” as such latter term is defined in the Joint Chapter 11 Plan dated May 22, 2012, filed by The Cliffs Club & Hospitality Group, Inc. and its affiliated debtors as the “debtors” and the Borrower as the “plan sponsor” pursuant to Chapter 11 of Title 11, United States Code, 11 U.S.C. §§ 101 et seq. (the “Bankruptcy Code”), as altered, amended, supplemented or modified from time to time, approved by confirmation order entered by the Bankruptcy Court pursuant to section 1129 of the Bankruptcy Code. “Payment Date” means the date each annual payment is due to the Trust pursuant to the Restructuring Agreement. “Payment Period” means the annual period during which Net Cash Flow is to be calculated for purpose of determining the annual amount due the Trustee on the Payment Date.

To the extent that the entire principal balance of this Note, together with all accrued and unpaid interest and all other amounts payable hereunder and under the other Exit Facility Documents (defined below), are not paid in full out of Available Facilities Debt Service by the Maturity Date (defined below), then all such amounts that remain outstanding shall be due and payable in full to Lender on the Maturity Date. “Maturity Date” means twenty (20) years from the date of this Note, or such date prior thereto that Lender is entitled to payment in full from Borrower of the entire principal balance of this Note, together with all accrued and unpaid interest based upon acceleration of the subject indebtedness as provided in Section 5 below as a result of the occurrence of a Special Event of Default (defined below).

For purposes of this Note, “Exit Facility” means the loan evidenced by this Note and all related loan documents, and “Mountain Park Facility” means the loan from Lender to Borrower evidenced by that certain \$7,500,000 promissory note of Borrower of even date herewith and all related loan documents.

All amounts received by Lender from Borrower or any affiliated entity related to the Exit Facility or Mountain Park Facility shall be applied on a first priority basis to the Exit Facility and only when the Exit Facility is paid in full, shall such amounts be applied to the Mountain Park Facility. All funds received by Lender related directly or indirectly to the Exit Facility or Mountain Park Facility shall be deemed received in trust to be applied first to the Exit Facility until the Exit Facility is paid in full and then to the Mountain Park Facility.

Section 2 Security; Loan Documents. The security for this Note includes those certain security instruments entitled Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filings and Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (as the same may from time to time be amended, restated, modified or supplemented, the “Mortgages”) granted by Borrower and certain affiliated entities (collectively, the “Mortgagors”) to Lender, conveying and encumbering all the assets of the Mortgagors (the “Property”). This Note, the Mortgages and all other documents now or hereafter securing, guaranteeing or executed in connection with the loan evidenced by this Note, as the same may from time to time be amended, restated, modified or supplemented, are herein sometimes called individually an “Exit Facility Document” and together the “Exit Facility Documents.”

Section 3 Interest.

(a) Fixed Rate. Interest on the outstanding principal balance of, and all other sums owing under this Note, which are not past due, shall accrue and be payable at a rate which is equal to eight percent (8%) per annum (the “Note Rate”). Interest shall be computed for the actual number of days which have elapsed, on the basis of a 365-day year.

(b) Default Rate. After the occurrence of a Special Event of Default (including the expiration of any applicable cure period), the Lender, in the Lender’s sole discretion and without notice or demand, may raise the rate of interest accruing on the outstanding principal balance of this Note by three hundred (300) basis points above the Note Rate (“Default Rate”), independent of whether the Lender elects to accelerate the outstanding principal balance of this Note.

(c) Prepayment. Borrower may prepay the principal balance of this Note in full at any time or in part from time to time without fee or penalty.

Section 4 Certain Provisions Regarding Payments. All payments made under this Note shall be applied, to the extent thereof, to accrued but unpaid interest, to unpaid principal, and to any other sums due and unpaid to Lender under

the Exit Facility Documents, in such manner and order as Lender may elect in its sole discretion, any instructions from Borrower or anyone else to the contrary notwithstanding.

Section 5 Default; Acceleration; Remedies. If (a) there is violation of any provision of this Note or any other Exit Facility Documents by Borrower or any other mortgagor, (b) there is any other default under this Note or in the payment and/or performance of any other obligation by any Borrower or any other mortgagor under any other Exit Facility Document, or (c) Borrower or any other mortgagor under any other Exit Facility Document fails to timely observe or perform any of such party's covenants or duties contained in the Exit Facility Documents (any such event described in the foregoing clause (a) through clause (c), an "Event of Default"), then, at the Lender's option, Lender may exercise all rights and remedies available at law or in equity, including foreclosure of the Mortgages; provided, however that so long as a Special Event of Default has not occurred, Lender's remedies shall be limited to taking action pursuant to the cure provisions of the Exit Facility Documents on behalf of Borrower and commencing actions to compel specific performance, with all monetary awards added to the Obligations and fully secured by the Exit Facility Documents, but with such awards to be repaid only as otherwise provided in the Exit Facility Documents as part of the Exit Facility. In this regard, except upon the occurrence of a Special Event of Default, Lender shall not be entitled to (i) pursue foreclosure of any Mortgage or any other judicially supervised sale of any Property, (ii) undertake non-judicial disposition of any portion of the Property pursuant to the Exit Facility Documents, whether under any power of sale or provision of state law, including the UCC, or otherwise; or (iii) acquire title to or take possession of or take any other action against the Borrower or any portion of the Property in satisfaction or partial satisfaction of the obligations secured by the Exit Facility Documents; and Lender's remedies shall be limited to those enumerated in the proviso above. Upon the occurrence of any Special Event of Default, Lender may upon written notice to Borrower demand payment in full of the unpaid principal, accrued interest and other sums due on this Note and payment of all other amounts due under the Exit Facility Documents, and all such sums may be collected in a suit at law against Mortgagor or by foreclosure, or both, and by the exercise of any other remedy available at law or equity. "Special Event of Default" means (i) any termination of that certain Master Lease between Borrower and IT-SPE, LLC, a Delaware limited liability company ("SPE") of even

date herewith (the "Master Lease") to be entered into upon conveyance of the Property from Borrower to SPE, or any action taken pursuant to the Master Lease by SPE to evict Borrower as a tenant under the Master Lease or any subtenant of Borrower; (ii) any acceleration of the indebtedness which is the subject of the Assumption Agreement (the "Junior Indebtedness"); or (iii) commencement of any proceedings or the taking of any other action to pursue foreclosure of any security instruments securing the Junior Indebtedness or any other judicially supervised sale of the Property or any portion thereof; to undertake non-judicial disposition of any portion of the Property, whether under power of sale or provision of state law, including a Uniform Commercial Code sale, or otherwise; or to otherwise acquire title or take possession of any portion of the Property in satisfaction or partial satisfaction of the Junior Indebtedness.

Section 6 Remedies Cumulative. All of the rights and remedies of Lender under this Note and the other Exit Facility Documents are cumulative of each other and of any and all other rights at law or in equity, and the exercise by Lender of any one or more of such rights and remedies shall not preclude the simultaneous or later exercise by Lender of any or all such other rights and remedies. No single or partial exercise of any right or remedy shall exhaust it or preclude any other or further exercise thereof, and every right and remedy may be exercised at any time and from time to time. No failure by Lender to exercise, nor delay in exercising, any right or remedy shall operate as a waiver of such right or remedy or as a waiver of any Event of Default.

Section 7 Costs and Expenses of Enforcement. Borrower agrees to pay to Lender on demand all costs and expenses incurred by Lender in seeking to collect this Note or to enforce any of Lender's rights and remedies under the Exit Facility Documents, including court costs and reasonable attorneys' fees and expenses, whether or not suit is filed hereon, or whether in connection with bankruptcy, insolvency or appeal.

Section 8 Heirs, Successors and Assigns. The terms of this Note and of the other Exit Facility Documents shall bind and inure to the benefit of the heirs, devisees, representatives, successors and assigns of the parties. The

foregoing sentence shall not be construed to permit Borrower to assign the Exit Facility except as otherwise permitted under the Exit Facility Documents.

Section 9 General Provisions. Time is of the essence with respect to Borrower's obligations under this Note. If more than one person or entity executes this Note as Borrower, all of said parties shall be jointly and severally liable for payment of the indebtedness evidenced hereby. Borrower and each party executing this Note as Borrower hereby severally (a) waive demand, presentment for payment, notice of dishonor and of nonpayment, protest, notice of protest, notice of intent to accelerate, notice of acceleration and all other notices (except any notices which are specifically required by this Note or any other Exit Facility Document), filing of suit and diligence in collecting this Note or enforcing any of the security herefor; (b) agree to any substitution, subordination, exchange or release of any such security or the release of any party primarily or secondarily liable hereon; (c) agree that Lender shall not be required first to institute suit or exhaust its remedies hereon against Borrower or others liable or to become liable hereon or to perfect or enforce its rights against them or any security herefor; (d) consent to any extensions or postponements of time of payment of this Note for any period or periods of time and to any partial payments, before or after maturity, and to any other indulgences with respect hereto, without notice thereof to any of them; and (e) submit (and waive all rights to object) to non-exclusive personal jurisdiction of any state or federal court located in the jurisdiction in which any of the Property is located for the enforcement of any and all obligations under this Note and the other Exit Facility Documents; (f) waive the benefit of all homestead and similar exemptions as to this Note; (g) agree that liability under this Note shall not be affected or impaired by any determination that any title, security interest or lien taken by Lender to secure this Note is invalid or unperfected; and (h) hereby subordinate to the amounts due under this Note and the Exit Facility Documents any and all rights against Borrower and any security for the payment of this Note, whether by subrogation, agreement or otherwise, until this Note is paid in full. A determination that any provision of this Note is unenforceable or invalid shall not affect the enforceability or validity of any other provision and the determination that the application of any provision of this Note to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to other persons or circumstances. This Note may not be amended except in a writing specifically intended for such purpose and executed by the party against whom

enforcement of the amendment is sought. Captions and headings in this Note are for convenience only and shall be disregarded in construing it. This Note and its validity, enforcement and interpretation shall be governed by the laws of the State of South Carolina (without regard to any principles of conflicts of laws) and applicable United States federal law. Whenever a time of day is referred to herein, unless otherwise specified such time shall be the local time of the place where payment of this Note is to be made. The words "include" and "including" shall be interpreted as if followed by the words "without limitation."

Section 10 Notices; Time. All notices, requests, consents, approvals or demands (collectively, "Notice") required or permitted by this Note to be given by any party to any other party hereunder shall, unless specified otherwise, be in writing (including facsimile (fax) transmission) and shall be given to such party at its address or fax number set forth below, or at such other address or fax number as such party may hereafter specify for the purpose by Notice to the other party. Each Notice shall be effective when actually received by the addressee or when the attempted initial delivery is refused or when it cannot be made because of a change of address of which the sending party has not been notified.

IN WITNESS WHEREOF, Borrower has duly executed this Note under seal as of the date first above written.

Borrower:

CLIFFS CLUB PARTNERS, LLC,
a Delaware limited liability company [SEAL]

By: _____
Name: _____
Title: _____

Notice Address:

CLIFFS CLUB PARTNERS, LLC, as Mortgagor

to

THE CLIFFS CLUB HOLDINGS, LLC, as Mortgagee

**MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY
AGREEMENT AND FIXTURE FILING**

Dated: As of [_____], 2012

Location: _____, South Carolina

County: _____

PREPARED BY AND UPON RECORDATION RETURN TO:

Edward G. Menzie
Nexsen Pruet, LLC
1230 Main Street
Suite 700
Columbia, SC 29201
803-253-8219
emenzie@nexsenpruet.com

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this "Mortgage"), dated as of _____, 2012, is entered into by CLIFFS CLUB PARTNERS, LLC, a Delaware limited liability company ("Mortgagor"), 4200 Marsh Landing Boulevard, Suite 100, Jacksonville, Florida 32250, in favor of THE CLIFFS CLUB HOLDINGS, LLC, 4200 Marsh Landing Boulevard, Suite 100, Jacksonville, Florida 32250, ("Mortgagee").

BACKGROUND

On the date hereof, Mortgagor acquired certain recreational facilities (the "Club Facilities") constituting substantially all the assets of various entities that owned and operated eight private recreational clubs associated with various residential communities known as the "Cliffs Communities," all in accordance with the Joint Chapter 11 Plan dated May 22, 2012, filed by The Cliffs Club & Hospitality Group, Inc. and its affiliated debtors as the "debtors" and Mortgagor as the "plan sponsor" pursuant to Chapter 11 of Title 11, United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code"), as altered, amended, supplemented or modified from time to time, approved by confirmation order entered by the Bankruptcy Court pursuant to section 1129 of the Bankruptcy Code. The assets acquired by Mortgagor are subject to various mortgages (or deeds of trust), assignments of leases and rents and security agreements (the "Indenture Security Instruments") granted to Wells Fargo Bank, National Association, as Indenture Trustee (the "Trustee") to secure \$64,050,000.00 pursuant to that certain Amended Indenture dated _____, 2012, as amended (the "Indenture"), among the Trustee, The Cliffs Club & Hospitality Group, Inc., and various other parties. In conjunction with the acquisition of the Club Facilities by Mortgagor, Mortgagee has made a loan to Mortgagor in the principal amount of \$_____ (the "Exit Facility") evidenced by a promissory note of even date herewith (the "Exit Facility Note"), conditioned upon Mortgagor securing the Exit Facility with this Mortgage and first mortgages (or deeds of trust), assignments of lease and rents and security agreements from all entities affiliated with Mortgagor who may sublease the Club Facilities (collectively, the "Exit Facility Security Instruments"). The Exit Facility Security Instruments cover all assets of each entity, whether now owned or hereafter acquired. In order to make the Exit Facility Security Instruments senior to all other mortgage liens and security interests, Mortgagor has entered into that certain Subordination and Intercreditor Agreement of even date herewith with the Trustee and Mortgagee (the "Subordination Agreement") that subordinates all liens, security interests and other rights existing under the Indenture Security Instruments in all respects to the Exit Facility Security Instruments, as well as the Mountain Park Security Instruments (hereafter defined). The Subordination Agreement or a memorandum thereof shall be recorded in each county in which an Exit Facility Security Instrument is recorded. The Exit Facility is evidenced by that certain \$_____ Promissory Note of even date herewith, the Exit Facility Security Instruments and such other and further documents and instruments evidencing, securing, guarantying or otherwise dealing with, in whole or in part, the Exit Facility or matters related thereto (collectively, the "Exit Facility Documents.")

AGREEMENT

NOW, THEREFORE, the parties hereto agree as follows:

1. Mortgage. For and in consideration for the aforesaid Exit Facility and in order to secure the payment thereof together with any and all renewals, extensions, modifications and replacements thereof, and also to secure in accordance with § 29-3-50, of the Code of Laws of South Carolina (1976), as amended, or any such successor statute as may apply, all future advances that may subsequently be made to Mortgagor evidenced by any of the Exit Facility Documents, all renewals, extensions, modifications and replacement thereof, and all other indebtedness and obligations of Mortgagor and all other parties to Mortgagee under the Exit Facility Documents now or hereafter existing; provided, however, that the maximum amount of the Obligations at any one time secured hereby shall not exceed twice the stated principal amount of the Exit Facility Note plus interest thereon, all charges and expenses of collection incurred by Mortgagee, including court costs and reasonable attorneys' fees actually incurred (all of the foregoing collectively, the "Obligations"), Mortgagor does by these presents grant, bargain, sell, assign, release, mortgage (and grant a security interest therein) unto Mortgagee, its successors and assigns, all assets of Mortgagor, including but not limited to the following real and personal property now owned or hereafter acquired (collectively, the "Property");

(a) all right, title and interest of Mortgagor in and to the land described on Exhibit A hereto (the "Land"), including without limitation all leasehold interest;

(b) all improvements, buildings, structures, and other improvements now or hereafter located, constructed, erected, installed, affixed, placed and/or maintained in or upon the Land (the "Improvements");

(c) all rights of way or use, easements, tenements, hereditaments and appurtenances now or hereafter belonging or pertaining to the Land or the Improvements;

(d) all right, title, estate and interest, including the right of use or occupancy, which Mortgagor may now have or hereafter acquire, in, to and under (i) the Land, (ii) the land or real estate of others adjoining or adjacent to the Land, and (iii) the streets or public places, and the land occupied thereby, adjoining or adjacent to the Land;

(e) all right, title and interest of Mortgagor in and to all present and future leases of all or a portion of the Property (the "Leases"), any and all rents, income, issues, profits, revenues, royalties and benefits (collectively, the "Rent") which are now due or owing or may hereafter become due or owing by reason of any Lease or otherwise; including all guarantees and security deposits received in respect of any Lease (which shall be included in the term "Rent");

(f) all equipment, machinery, fixtures, apparatus, installations and other items of property, including all components thereof, now or hereafter located in, on or used in connection with, the Improvements or necessary to the operation or maintenance thereof, which are now or hereafter owned by Mortgagor, including, without limitation, all furnaces, boilers, heaters,

electrical equipment and systems, heating, plumbing, refrigerating, ventilating, air-cooling and air-conditioning apparatus, elevators, escalators, sprinkler systems and fire and theft protection equipment, together with all replacements, modifications, alterations and additions thereto (collectively, the “Equipment and Fixtures”);

(g) all other tangible personal property now existing or hereafter acquired used in connection with the Land and Improvements, including but not limited to inventory, goods (included imbedded software), draperies, carpeting, appliances, furniture, supplies, electronic information systems, televisions, telephone systems, office equipment, cash registers, computers, monitors, electronic devices and all hardware and software supporting any of the foregoing;

(h) all cash, cash equivalents, accounts, deposit accounts, documents, investment property, contract rights, chattel paper, instruments, general intangibles, files, records, drawings, plans and specifications, accounts receivable and accounts payable ledgers, leases of personal property, warranties and guaranties related to the renting, letting or operations of the Property, supporting obligations, letters-of-credit rights, tax refunds, trademarks, trade names, service marks, logos, copyrights, good will and other intangible personal property, in each case now existing or hereafter acquired;

(i) all of Mortgagor’s rights, title and interest in and to (i) all insurance proceeds paid or payable for damage done to the Property and (ii) all awards or damages heretofore or hereafter made to or for the account of Mortgagor for the permanent or temporary taking by eminent domain or similar proceedings of, or injury to, all or any part of the Property or any interest therein, including, without limitation, any right of access thereto existing on the date hereof or hereafter acquired, as the result of or in lieu of or in anticipation of the exercise of the right of condemnation or a change in grade affecting the Property or any part thereof;

(j) all additions and accessions to, all spare and repair parts, special tools, equipment and replacement for, and all proceeds and products of the foregoing, now existing or hereafter acquired; and

(k) all other assets of any nature of Mortgagor, tangible or intangible, now existing or hereafter acquired.

(All terms which are not specifically defined utilized above to describe portions of the Property shall have the respective meanings set forth in the South Carolina Uniform Commercial Code (the “UCC”) to the extent defined or described therein.)

2. Title. Mortgagor warrants that it is the owner of fee simple marketable title to the Land, excepting only the easements and other encumbrances described on Exhibit B hereto (“Permitted Exceptions”) and that it otherwise owns the Property free and clear of all liens, claims, encumbrances, restrictions, encroachments and interests whatsoever in favor of any third party except as described in Exhibit B.

3. Lien Priority. Other than the Permitted Exceptions, the liens and security interests created by this Mortgage on the Property are good and valid first liens and security interests superior to all other liens, security interests, encumbrances and exceptions.

4. Mortgage As Security. This Mortgage secures prompt payment to Mortgagee of the Obligations. This Mortgage also secures the performance of all covenants, conditions and agreements contained in the Exit Facility Documents.

5. Satisfaction. Mortgagee will satisfy this Mortgage upon request by Mortgagor if (a) the Obligations have been paid in full, (b) any commitment to make future advances secured by this Mortgage has been terminated, and (c) all other payments required under this Mortgage and the Obligations and all other terms, conditions, covenants, and agreements contained in this Mortgage and the documents evidencing the Obligations have been paid and performed.

6. Security Agreement; Fixture Filing. This Mortgage shall create a security interest in, and Mortgagor hereby grants to Mortgagee a security interest in, the Property in favor of Mortgagee and shall constitute a security agreement under the UCC with respect to all of the Property, and Mortgagee shall be entitled to all of the rights of a secured party. This Mortgage is a financing statement covering fixtures, and it is intended that as to fixtures and the proceeds thereof, this Mortgage shall be effective as a financing statement filed as a fixture filing from the date of its filing for record in the real estate records for the County in which the Land is located. It is expressly agreed that if upon any Special Event of Default (defined below) Mortgagee shall proceed to dispose of any portion of the Property in accordance with the provisions of the UCC, thirty (30) days' notice by Mortgagee to Mortgagor shall be deemed to be reasonable notice under any provision of the UCC requiring such notice; provided, however, that Mortgagee may, at its option, dispose of the Property in accordance with Mortgagee's rights and remedies in respect to the real estate pursuant to the provisions of this Mortgage in lieu of proceeding under the UCC. Mortgagor will, from time to time and as often as requested by Mortgagee, execute and deliver to Mortgagee such financing statements, renewal affidavits, continuation statements, inventories or other similar documents as Mortgagee may reasonably request to perfect the security interest created by the Mortgage in all the Property, and Mortgagor authorizes Mortgagee to make any and all such filings. No failure or omission of Mortgagee to request any financing statement, renewal affidavit, continuation statement, inventory, or the like, and no failure or omission of Mortgagor to execute or deliver any thereof, will impair the effectiveness of or priority of the security interest created by this Mortgage. Mortgagor will pay all costs of filing and/or recording of this Mortgage and any financing statements, continuation or termination statements with respect thereto, and any affidavits or other instruments executed, or to be executed, to perfect, renew, continue or maintain the lien and security interest created hereby. Mortgagor hereby appoints Mortgagee, or any officer of Mortgagee, as the agent and attorney-in-fact of Mortgagor to do, at Mortgagee's option and Mortgagor's expense, all acts and things reasonably necessary to perfect, and continue perfected, the lien and security interest created hereby. In the event of a foreclosure sale of personal property in which Mortgagee holds a security interest granted herein, whether such sale be held by Mortgagee or otherwise, such sale may be of the whole of such property or any portion thereof and may be held together with

or separately from any foreclosure sale of the real property securing the Obligations. Such personal property need not be present at the place of sale.

7. Taxes. Mortgagor shall pay before they become delinquent all taxes, assessments and other charges which may be levied or assessed against the Property, or against Mortgagee related to this Mortgage or the Obligations, or upon Mortgagee's interest in the Property, and deliver to Mortgagee receipts showing timely payment.

8. Insurance. Mortgagor shall obtain and maintain while any Obligations are outstanding:

(a) Extended coverage casualty insurance in the amount of the replacement cost of the Property without coinsurance.

(b) Machinery insurance, which coverage shall include air conditioning, all without coinsurance, equal to the full replacement value thereof.

(c) Liability coverage against claims for death or injury to person or damage to property in such amount as is required by Mortgagee based upon normal liability coverage required by secured lenders for facilities comparable to the Property.

(d) Flood hazard coverage if the Land is located in a federally identified flood hazard area in an amount acceptable to Mortgagee.

Mortgagor shall pay all insurance premiums when due. The policies shall be with companies and in a form acceptable to Mortgagee and shall contain the standard mortgage clause and lender's loss payable clause in favor of Mortgagee and any special endorsements as may be required by Mortgagee. Unless Mortgagee otherwise agrees in writing, the original, or a "true and certified" copy, of all hazard insurance policies covering the Property shall be deposited with Mortgagee. Mortgagor shall deliver to Mortgagee certificates evidencing liability insurance. Mortgagor shall promptly give notice of any loss in excess of \$10,000 to insurance companies and Mortgagee. All proceeds from such insurance shall be applied first to the restoration of the Improvements on the Property, on such terms and conditions as approved by Mortgagee, with such approval not to be unreasonably withheld, with any remainder applied to the Obligations as deemed appropriate by Mortgagee. In the event of foreclosure of this Mortgage or other transfer of title to the Property, in extinguishment of Mortgagor's liability with respect to the Obligations, all right, title, and interest of Mortgagor in and to any insurance then in force shall pass to the purchaser or grantee.

9. Mortgagor's Covenants. Mortgagor covenants:

(a) Condition and Repair. To keep the Property in good and tenantable condition and repair, and to restore or replace damaged or destroyed Improvements and Equipment and Fixtures;

(b) Liens. To keep the Property free from liens and encumbrances not constituting Permitted Exceptions, the Mountain Park Security Instruments (defined below) and the Indenture Security Instruments;

(c) Leases and Other Mortgages. To perform all of Mortgagor's obligations and duties under any leases, mortgages or security agreements applicable to the Property and any obligation to pay or to perform required by any such lease, mortgage or security agreement;

(d) Waste. Not to commit waste or permit waste to be committed upon the Property;

(e) Conveyance. Not to sell, assign, lease, convey or otherwise transfer any legal or equitable interest in all or part of the Property, or permit the same to occur, in each case without the prior written consent of Mortgagee, which consent shall not be unreasonable conditional, delayed or withheld so long as the disposition does not involve a material portion of the Property and such action will not materially and adversely affect the ongoing operation of the Property in the ordinary course and all funds received by Mortgagor, net of reasonable transactional costs, are utilized for replacement Property or remitted to Mortgagee for application to the Obligations, all as accomplished under terms and conditions reasonably acceptable to Mortgagee and the Trustee;

(f) Alteration or Removal. Not to remove, demolish or materially alter any part of the Property, without Mortgagee's prior written consent, except Mortgagor may remove a Fixture, provided the Fixture is promptly replaced with another Fixture of at least equal value and utility;

(g) Condemnation. To pay to Mortgagee all compensation received for the taking of the Property, or any part, by condemnation proceedings (including payments in compromise of condemnation proceedings), and all compensation received as damages for injury to the Property, or any part. Subject to the terms of the Loan Documents, all proceeds from such condemnation shall be applied, first, to the restoration of the Improvements on the Property on such terms and conditions approved by Mortgagee, with such approval not to be unreasonably withheld, with any remainder applied to the Obligations as deemed appropriate by Mortgagee;

(h) Ordinances; Inspection. To comply with all laws, ordinances and regulations affecting the Property. Mortgagee and its authorized representatives may enter the Property at reasonable times to inspect it and, at Mortgagee's option, repair or restore it at Mortgagor's expense; and

(i) Defense of Title. To defend title to the Property against all claims and demands whatsoever (other than of Mortgagee).

10. Environmental Laws. Mortgagor represents, warrants and covenants to Mortgagee, except as previously disclosed to Mortgagee in writing: (a) that during the period of Mortgagor's ownership or use of the Property no hazardous waste or hazardous substance

(collectively, "Hazardous Substance"), as defined under any federal, state or local laws, regulations, ordinances, codes or rules governing health, safety or the environment applicable to the Property (collectively, "Environmental Laws") has been, is or will be present, used, stored, deposited, treated, recycled or disposed of on, under, in or about the Property in a form, quantity or manner which, if known to be present on, under, in or about the Property would require cleanup, removal or some other remedial action under Environmental Laws; (b) that Mortgagor has no knowledge, after due inquiry, of any prior use or existence of any Hazardous Substance on the Property by any prior owner of or person using the Property; (c) that, without limiting the generality of the foregoing, Mortgagor has no knowledge, after due inquiry, that the Property contains asbestos, polychlorinated biphenyl components (PCBs) or underground storage tanks; (d) that there are no conditions existing currently or likely to exist during the term of this Mortgage which would subject Mortgagor to any damages, penalties, injunctive relief or clean-up costs in any governmental or regulatory action or third-party claim relating to any Hazardous Substance; (e) that Mortgagor is not subject to any court or administrative proceeding, judgment, decree, notice or finding of violation, order or citation relating to any Hazardous Substance; and (f) that Mortgagor in the past has been, at the present is, and in the future will remain in compliance with all Environmental Laws in all material respects. Mortgagor shall indemnify and hold harmless Mortgagee, their directors, officers, employees and agents from all loss, cost (including reasonable attorneys fees and expenses), liability and damages whatsoever directly or indirectly resulting from, arising out of, or based upon (i) the presence, use, generation, storage, deposit, treatment, recycling or disposal, at any time, of any Hazardous Substance on, under, in or about the Property, or the transportation of any Hazardous Substance to or from the Property, (ii) the violation or alleged violation of any Environmental Law, permit, judgment or license relating to the presence, use, generation, storage, deposit, treatment, recycling or disposal of any Hazardous Substance on, under, in or about the Property, or the transportation of any Hazardous Substance to or from the Property, or (iii) the imposition of any governmental lien for the recovery of environmental clean-up costs expended under any Environmental Law. Mortgagor shall immediately notify Mortgagee in writing of any governmental or regulatory action or third-party claim instituted or threatened in connection with any Hazardous Substance on, in, under or about the Property.

11. Authority of Mortgagee to Perform for Mortgagor. If Mortgagor fails to perform any of Mortgagor's duties set forth in this Mortgage and such failure continues for thirty (30) days after written notice thereof from Mortgagee to Mortgagor, or such shorter period as may be elected by Mortgagee in case of an emergency, Mortgagee may but shall not be obligated to perform the duties or cause them to be performed, including without limitation signing Mortgagor's name or paying any amount so required, and the cost shall be due on demand and secured by this Mortgage, bearing at the highest rate of interest applicable to past due principal under the Exit Facility Documents, but not in excess of the maximum rate permitted by law, from the date of expenditure by Mortgagee to the date of payment by Mortgagor.

12. Default; Acceleration; Remedies. If (a) there is violation of any provision of the Exit Facility Documents by Mortgagor or any other mortgagor, (b) there is any other default under this Mortgage or any other Exit Facility Documents in the payment and/or performance of any other Obligation by Mortgagor or any other mortgagor, or (c) Mortgagor or any other

mortgagor fails to timely observe or perform any of such party's covenants or duties contained in the Exit Facility Documents, then, at the option of Mortgagee, Mortgagee may exercise all rights and remedies available at law or in equity, including foreclosure of this Mortgage; provided, however that so long as a Special Event of Default (as defined in the Exit Facility Note) has not occurred, Mortgagee's remedies shall be limited to taking action pursuant to the cure provisions of this Mortgage on behalf of Mortgagee and commencing actions to compel specific performance, with all monetary awards added to the Obligations and fully secured by this Mortgage, but with such awards to be repaid only as otherwise provided in the Exit Facility Documents as part of the Exit Facility. In this regard, except upon the occurrence of a Special Events of Default, Mortgagee shall not be entitled to (i) pursue foreclosure of this Mortgage or and other judicially supervised sale of any Property, (ii) undertake non-judicial disposition of any portion of the Property, whether under any power of sale or provision of state law, including the UCC, or otherwise; or (iii) acquire title to or take possession of or take any other action against the Borrower or any portion of the Property in satisfaction or partial satisfaction of the Obligations; and Mortgagee's remedies shall be limited to those enumerated in the proviso above. If Mortgagee exercises its option to demand payment in full of all Obligations upon the occurrence and continuation of any Special Event of Default as provided in the Exit Facility Note, the unpaid principal, interest owed and other sums on all Obligations, may be collected in a suit at law against Mortgagor or by foreclosure of this Mortgage, or both, or by the exercise of any other remedy available at law or equity.

13. Waiver. Mortgagee may waive any default without waiving any other subsequent or prior default by Mortgagor.

14. Assignment of Rents and Leases.

(a) Mortgagor assigns and transfers to Mortgagee, as additional security for the Obligations, all Rents of the Property. Upon the occurrence of any Special Event of Default under this Mortgage, Mortgagee shall be entitled to the Rents and may notify any or all tenants or others owing Rents to pay all such Rents directly to Mortgagee. All such payments shall be applied in such manner as Mortgagee determines to payments required under this Mortgage and the Obligations. This assignment shall be enforceable and Mortgagee shall be entitled to take any such action to enforce the assignment (including notice to tenants to pay directly to Mortgagee or the commencement of a foreclosure action) without seeking or obtaining the appointment of a receiver or possession of the Property.

(b) Upon the occurrence of any Special Event of Default, Mortgagor consents to and irrevocably authorizes and directs the tenants under the Leases, and any successors to the interests of said tenants, upon notice from Mortgagee to pay to Mortgagee the Rents due or to become due under the Leases. The tenants shall have the right to rely upon such notice from Mortgagee and shall pay the Rents to Mortgagee without any obligation or right to determine the actual existence of the right of Mortgagee to receive the Rents, notwithstanding any notice from or claim of Mortgagor to the contrary. Mortgagor shall have no right or claim against said tenants for any Rents so paid by said tenants to Mortgagee.

(c) Upon the occurrence of any Special Event of Default, Mortgagor also hereby authorizes Mortgagee, at Mortgagee's sole option after default hereunder, to take over and assume the management, operation and maintenance of the Property and to perform all acts necessary and proper and to expend such sums out of the income of the Property as may be needful in connection therewith, in the same manner and to the same extent as Mortgagor theretofore might have done, including the right to effect new Leases, to cancel or surrender existing Leases, to alter or amend the terms of existing Leases, to renew existing Leases or to make concessions to tenants, and the undersigned hereby releases all claims against Mortgagee arising out of such management, operation and maintenance, excepting the liability of Mortgagee to account as hereinafter set forth.

(d) After (i) payment of all proper charges and expenses, including reasonable compensation to such managing agent as Mortgagee shall select and employ, and including, at Mortgagee's sole option, payment of any prior mortgage or other lien on the Property, and (ii) the accumulation of a reserve to meet taxes, assessments, sewer and water and fire and liability insurance, Mortgagee shall credit the net amount of income received by it from the Property by virtue of this assignment to any amounts due and owing to it by Mortgagor on any of the Obligations, but the manner of the application of such net income and what items shall be credited shall be determined in the sole discretion of Mortgagee. Mortgagee shall not be accountable for more moneys than it actually receives from the Property; nor shall it be liable for failure to collect Rents.

(e) Mortgagor covenants and warrants to Mortgagee that neither Mortgagor nor any previous owner of an interest in the Property has executed any prior assignment or pledge of the Rents or any of the Leases which remain in effect that are superior to this Mortgage

(f) Mortgagor shall fulfill or perform every condition and covenant to be fulfilled or performed by the lessor under any Lease.

(g) Mortgagor agrees that an entry upon the Property by Mortgagee or its agents under the terms of this instrument after a Special Event of Default shall not constitute Mortgagee as a "mortgagee in possession."

(h) Mortgagee shall not be obligated to discharge or perform the duties of a landlord to a tenant or to impose any liability as a result of the exercise of the option to collect Rents under this assignment, and it is agreed that the collection or participation therein shall be as agent only for Mortgagor. Mortgagee assumes no obligations of Mortgagor under the Leases.

15. Receiver. Upon the commencement or during the pendency of an action to foreclose this Mortgage, to the fullest extent permitted by applicable law, without regard to the adequacy or inadequacy of the Property as security for the Obligations, Mortgagor agrees that the court may appoint a receiver of the Property (including homestead interest) without bond, and may empower the receiver to take possession of the Property and collect the rents, issues and profits of the Property and exercise such other powers as the court may grant until the

confirmation of sale, and may order the rents, issues and profits, when so collected, to be held and applied as the court may direct.

16. Indemnification. Mortgagor hereby agrees to indemnify Mortgagee, its parent, subsidiaries, other affiliated entities, successors and assigns, together with all of their managers, directors, officers, employees, agents, shareholders, partners, members, lenders, attorneys and agents (the "Indemnified Parties") against and hold the Indemnified Parties' harmless from any and all liability, loss or damage which any of them may or might incur related directly or indirectly to the Exit Facility, the Exit Facility Documents or the Indemnified Parties' activities authorized pursuant to Exit Facility Documents, including without limitation obligations related to any Leases. Should the Indemnified Parties incur any such liability, loss or damage, or in defense against any such claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured by this Mortgage, and Mortgagor shall reimburse the Indemnified Parties therefor immediately upon demand (with any amounts not paid within thirty (30) days after demand to bear interest at the highest rate of interest applicable to past due principal under the Exit Facility Documents). Notwithstanding anything herein to the contrary, the foregoing indemnity shall not be applicable to any liability, loss or damage suffered or incurred by the Indemnified Parties as a result of their gross negligence or willful misconduct.

17. Expenses. Mortgagor shall pay all reasonable costs and expenses before and after judgment, including without limitation, attorneys' fees and expenses of obtaining title evidence, incurred by Mortgagee in protecting or enforcing its rights under this Mortgage.

18. Severability. Invalidity or unenforceability of any provision of this Mortgage shall not affect the validity or enforceability of any other provision.

19. Successors and Assigns. This Mortgage benefits Mortgagee, its successors and assigns and any holder or holders, from time to time, of the Exit Facility Documents, and binds Mortgagor and its successors and assigns.

20. Notice. All notices and communications provided for herein shall be sent by first-class mail, Federal Express or Airborne Express, and addressed as follows:

If to Mortgagee:

If to Mortgagor:

or to such other address with respect to either of the parties as such party shall designate to the other in writing.

21. Governing Law. This Mortgage shall be governed by, and construed in accordance with, the laws of the State of South Carolina. All rights, powers and remedies provided in this Mortgage may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law and are intended to be limited to the extent necessary so that they will not render this Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law.

22. Entire Agreement. This Mortgage is intended by Mortgagor and Mortgagee as a final expression of this Mortgage and as a complete and exclusive statement of its terms, there being no conditions to the full effectiveness of this Mortgage. No parol evidence of any nature shall be used to supplement or modify any terms. This Mortgage and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of the Borrowers or Mortgagee but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

23. Further Assurances. Mortgagor agrees that at any time and from time to time, at the expense of Mortgagor, Mortgagor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that Mortgagee may request, in order to perfect and protect any lien, assignment or security interest granted or purported to be granted hereby or to enable Mortgagee to exercise and enforce their rights and remedies hereunder with respect to all or part of the Property.

24. Maturity Date. The maturity date of the Exit Facility Note (and all other Obligations not otherwise due and payable prior to the maturity of the Exit Facility Note) is twenty (20) years from the date of the Exit Facility Note, but all Obligations may become due and payable on demand by the Mortgagee as specified in the Exit Facility Note upon the occurrence of a Special Event of Default.

25. Mountain Park Facility; Additional Mortgagors. This Exit Facility is being provided to Mortgagor simultaneously with a \$7,500,000 loan (the "Mountain Park Facility") evidenced and secured by a \$7,500,000 promissory note (the "Mountain Park Facility Note") and additional loan documents (collectively, the "Mountain Park Facility Documents") in substantially the same form as the Exit Facility Loan Documents except that (i) both the Exit Facility Note and Mountain Park Facility Note provide that the Obligations shall be paid in full on a first priority basis before any payments are made on the Mountain Park Facility Loan Documents, (ii) the Mountain Park Facility Documents are junior and subordinate in all respects to the Exit Facility Documents, and (iii) the holder of the Mountain Park Facility Documents shall hold any funds received from Mortgagor or otherwise received connected to the Mountain Park Facility in trust for the benefit of the holder of the Exit Facility Documents

and promptly remit the same to such holder to be applied to the Obligations until the Obligations are paid in full.

Upon request of Mortgagee, Mortgagor shall cause any subsidiary entity that acquires any interest in the Property to promptly execute and record a security instrument substantially equivalent to this Mortgage as additional security for repayment of the Obligations, but with such changes in the form of this Mortgage as reasonably required by Mortgagee to reflect the ownership of such entity by Mortgagor and the entity's ownership of any Property related directly or indirectly to the operation of the Club Facilities.

26. **WAIVER OF JURY TRIAL.** MORTGAGOR AND MORTGAGEE HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) BETWEEN OR AMONG TWO OR MORE OF MORTGAGOR, BORROWERS AND MORTGAGEE ARISING OUT OF OR IN ANY WAY RELATED TO THIS MORTGAGE, THE LOAN DOCUMENTS OR ANY OTHER RELATED DOCUMENT, OR ARISING OUT OF OR IN ANY WAY RELATED TO THE RELATIONSHIP AMONG THE PARTIES AS MORTGAGOR, BORROWER AND MORTGAGEE OR OTHERWISE. THIS PROVISION IS A MATERIAL INDUCEMENT TO MORTGAGEE TO PROVIDE THE FINANCING SECURED HEREBY.

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27. **WAIVER OF APPRAISAL RIGHTS.** The laws of the State of South Carolina provide that in any real estate foreclosure proceeding, a defendant against whom a personal judgment is taken or asked may within thirty (30) days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE PROPERTY.

IN WITNESS WHEREOF, this Mortgage has been executed by Mortgagor as of the day and year first above written.

WITNESSES:

Witness #1

Witness #2

MORTGAGOR:

CLIFFS CLUB PARTNERS, LLC
a Delaware limited liability company

By: _____
Name: _____
Title: _____

STATE OF _____)
COUNTY OF _____)

ACKNOWLEDGMENT

I, _____, a notary public for _____, do hereby certify that _____, the _____ of CLIFFS CLUB PARTNERS, LLC, a Delaware limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and seal (where an official seal is required by law) official seal this ____ day of _____, 2012.

_____(SEAL)
Signature of Notary Public
My Commission Expires: _____

EXHIBIT A

LEGAL DESCRIPTION

Derivation:

Tax Parcel Identification:

EXHIBIT B

PERMITTED EXCEPTIONS

Attachment 4

Subordination and Intercreditor Agreement

SUBORDINATION AND INTERCREDITOR AGREEMENT

THIS SUBORDINATION AND INTERCREDITOR AGREEMENT (this "**Agreement**"), dated as of _____, 2012, made by, between and among **THE CLIFFS CLUB HOLDINGS, LLC**, a Delaware limited liability company ("**Senior Lender**"), **CLIFFS CLUB PARTNERS, LLC**, a Delaware limited liability company ("**Borrower**"), and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, as Indenture Trustee pursuant to that certain Indenture dated April 30, 2010, as amended, more fully described below ("**Junior Lender**").

RECITALS

A. Senior Lender has agreed to make a \$_____ loan (the "**Exit Facility**") and a loan with a maximum principal amount of \$7,500,000 (the "**Mountain Park Facility**") (the Exit Facility and Mountain Park Facility, collectively, the "**Senior Loans**") to the Borrower. The Senior Loans are evidenced by a promissory note of even date herewith in the original principal amount of \$_____ (the "**Exit Facility Note**") and promissory note of even date herewith in the original principal amount of \$7,500,000 (the "**Mountain Park Facility Note**") (the Exit Facility Note and the Mountain Park Facility Note collectively, the "**Senior Notes**").

B. Borrower's obligations under the Exit Facility Note will be secured by, among other things, security instruments entitled Mortgages (or Deeds of Trust), Assignment of Leases and Rents, Security Agreement and Fixture Filing of even date (the "**Exit Facility Mortgages**") for the Exit Facility Note encumbering all the assets of the Borrower, including property legally described on Exhibit A attached hereto (the "**Mortgaged Property**"). Borrower's obligations under the Mountain Park Facility Note will be secured by, among other things, security instruments entitled Mortgages (or Deeds of Trust), Assignment of Leases and Rents, Security Agreement and Fixture Filing of even date (the "**Mountain Park Facility Mortgages**") also encumbering all the assets of Borrower, including the Mortgaged Property. (The Exit Facility Mortgage and Mountain Park Facility Mortgages are collectively, the "**Senior Mortgages**"). The Mountain Park Facility Mortgages, by their terms, are junior and subordinate in all respects to the Exit Facility Mortgages and no payments may be made on the Mountain Park Facility Note until the Exit Facility Note is paid in full. This Agreement, the Senior Notes, the Senior Mortgages, and any other documents evidencing or securing the Senior Loans or executed in connection therewith, and any modifications, renewals and extensions thereof, are referred to herein collectively as the "**Senior Loan Documents**".

C. Borrower is now indebted to Junior Lender pursuant to that certain Assumption Agreement of even date herewith (the "**Assumption Agreement**") between Borrower and Junior Lender to evidence Borrower's assumption of \$64,050,000 in indebtedness (the "**Junior Loan**") evidenced by certain promissory notes issued pursuant to that certain Trust Indenture dated April 30, 2010, as amended by and among the Junior Lender, as indenture trustee, The Cliffs Club & Hospitality Group, Inc. and various other parties (the "**Indenture**"), as such promissory notes have been amended and restructured pursuant to that certain Note Restructuring Agreement of even date herewith by and among the Junior Lender and The Cliffs Club & Hospitality Group, Inc. and related parties. The obligations under the Junior Loan are secured by, among other things, Mortgages (or Deeds of Trust), Assignments of Leases and Rents, Security Agreements

and Fixture Filings (the “**Junior Mortgages**”) listed on Exhibit B attached hereto. The Junior Loan, Junior Mortgages and any other documents evidencing or securing the Junior Loan and any modifications, renewals and extensions thereof, are referred to herein collectively as the “**Junior Loan Documents**.”

D. It is a condition precedent to the making of the Senior Loans that Senior Lender, Junior Lender and Borrower shall have executed and delivered this Agreement.

NOW, THEREFORE, in consideration of the premises and in order to induce Senior Lender to make the Senior Loans which are secured by the Senior Mortgage, Senior Lender, Junior Lender and Borrower, intending to be legally bound, hereby agree as follows:

I. Subordination and Related Agreements

A. **Agreement to Subordinate.** Junior Lender and Borrower each agrees that the Junior Mortgages are and shall be subordinate in all respects to the Senior Mortgages to the full extent of the encumbrances on the Mortgaged Property and any other assets of Borrower, (collectively, the “**Property**”) (including any modification, extension, renewal or restatement thereof) and except for the Minimum Payments (defined below), the Junior Loan shall be subordinate, to the extent and in the manner set forth herein, in right of payment to the prior payment in full of all indebtedness of Borrower now or hereafter existing under the Senior Loan Documents (including modifications, extension or restatement of or further advances (whether obligatory or optional, for the protection of the Property, completion of improvements, compliance with law or other purposes related to the Mortgaged Property; provided, however, that as to the Exit Facility Note and the Mountain Park Note any such further advances shall not exceed the original principal amounts set forth in each of the Senior Notes, respectively) authorized under the Senior Notes, Senior Mortgages and/or other Senior Loan Documents) or any indebtedness resulting from or continuing on account of any refinancing, renewal, forbearance, assignment or extension of the indebtedness evidenced by the Senior Note, whether for principal, interest (including, without limitation, interest, as provided in the Senior Notes, accruing after the filing of a petition initiating any bankruptcy, insolvency or similar proceeding (an “**Insolvency Proceeding**”)), fees, out-of-pocket expenses, late charges, default interest, costs of collection or otherwise (all of which indebtedness shall be included in the Senior Loans). For all purposes of this Agreement, the Senior Loans shall not be deemed to have been paid in full until Senior Lender shall have received all payments on the Senior Notes and all other amounts due and owing on the Senior Loans. This subordination provision shall be applicable to all additional Property acquired after the date hereof and any revenue, income or rights associated with all additional Property. Irrespective of the foregoing, Borrower shall be required to make the Minimum Payment (as defined in the Assumption Agreement) to Junior Lender on or before each Payment Date (as defined in the Assumption Agreement), which Minimum Payment may be made irrespective of the foregoing subordination of the Junior Loan to the Senior Loans.

B. **No Commencement of Any Insolvency Proceeding.** Senior Lender and Junior Lender agrees that, so long as any of the Senior Loans shall remain unpaid, they will not commence or join with any creditor in commencing any Insolvency Proceeding.

C. **Standstill.** Unless a Special Event of Default has occurred, Senior Lender shall not be entitled to (i) pursue foreclosure of any Senior Loan Documents or and other judicially supervised sale of any Property, (ii) undertake non-judicial disposition of any portion of the Property pursuant to any Senior Loan Documents, whether under any power of sale or provision of state law, including the UCC, or otherwise; or (iii) acquire title to or take possession of or take any other action against the Borrower or any portion of the Property in satisfaction or partial satisfaction of the obligations secured by the Senior Loan Documents. “**Special Event of Default**” means (i) any termination of the Master Lease (defined below) between Borrower and IT-SPE, LLC, a Delaware limited liability company (“**SPE**”) of even date herewith (the “**Master Lease**”) to be entered into upon conveyance of the Property from Borrower to SPE, or any action taken pursuant to the Master Lease by SPE to evict Borrower as a tenant under the Master Lease or any subtenant of Borrower; (ii) any acceleration of the indebtedness secured by the Junior Loan Documents; or (iii) commencement of any proceedings or the taking of any other action to pursue foreclosure of any Junior Loan Documents or any other judicially supervised sale of the Property or any portion thereof; to undertake non-judicial disposition of any portion of the Property, whether under power of sale or provision of state law, including a Uniform Commercial Code sale, or otherwise; or to otherwise acquire title or take possession of any portion of the Property in satisfaction or partial satisfaction of the obligations secured by the Junior Loan Documents.

D. **No Change in Senior Loans.** Senior Lender will not permit the terms of any of the Senior Loan Documents to be changed in such a manner as to have any material adverse effect upon the rights or interests of Junior Lender hereunder or under the Junior Loan Documents.

E. **Obligations Hereunder Not Affected.** All rights and interests of Senior Lender under this Agreement, and all agreements and obligations of Junior Lender and Borrower under this Agreement, shall remain in full force and effect irrespective of:

1. any lack of validity or enforceability of any of the Senior Loan Documents or any other agreement or instrument relating thereto;
2. any change in the time, manner or place of payment of, or in any other term of, all or any of the Senior Loans, or any waiver of any default by Borrower or any affiliated entity granting any Senior Mortgage to Senior Lender under any of the Senior Loan Documents; or
3. any other circumstance which might otherwise constitute a defense available to, or a discharge of, Borrower from its obligations under the Senior Loan Documents.

This Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any payment on the Senior Loans is rescinded or must otherwise be returned by Senior Lender upon the insolvency, bankruptcy or reorganization of Borrower or otherwise, all as though such payment had not been made.

F. **Cure.** Junior Lender shall be entitled to cure any default that has been declared under the Senior Loan Documents (to the extent of Junior Lender’s ability to cure).

G. **Satisfaction of Senior Loan Documents.** Promptly upon the payment in full of all amounts due and owing under the Senior Loan Documents, Senior Lender shall execute and cause to be appropriately recorded satisfactions and terminations of the Senior Loan Documents.

H. **Purchase of Senior Loans.** In the event of any Special Event of Default, then at any time thereafter so long as the Senior Loans remain in default, Junior Lender or its designee shall have the right to purchase the Senior Loan Documents without recourse for the total amount then due and owing Senior Lender thereunder, or such lesser amount as may be agreed upon by Senior Lender and Junior Lender. Borrower shall have no right to participate in any manner in such transaction.

II. Miscellaneous

A. **Amendments, Etc.** No amendment or waiver of any provision of this Agreement nor consent to any departure by Junior Lender or Borrower therefrom shall in any event be effective unless the same shall be in writing and signed by Senior Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No failure on the part of Senior Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

B. **Formalities.** Junior Lender and Borrower each hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Senior Loans and this Agreement and any requirement that the Senior Lender protect, secure, perfect or insure any security interest or lien or any Property subject thereto or exhaust any right or take any action against Borrower or any other person or entity or any collateral.

C. **Expenses.** Borrower agrees to pay, upon demand, to Senior Lender the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel, which Senior Lender may incur in connection with the exercise or enforcement of any of its rights or interests hereunder.

D. **Notices.** Any notice required or permitted to be given under this Agreement shall be in writing and either shall be mailed by certified mail, postage prepaid, return receipt requested, or sent by overnight air courier service, or personally delivered to a representative of the receiving party, or sent by telecopy (provided an identical notice is also sent simultaneously by mail, overnight courier, or personal delivery as otherwise provided in this Section II. D). All such communications shall be mailed, sent or delivered, addressed to the party for whom it is intended at its address set forth below.

If to Borrower:

With copy to:

If to Senior
Lender:

With copy to:

If to Junior
Lender:

With Copy
to:

E. **Continuing Agreement; Transfer.** This Agreement is a continuing agreement and shall (a) remain in full force and effect until the Senior Loans shall have been indefeasibly paid in full, (b) be binding upon the parties hereto and their respective successors and assigns, and (c) inure to the benefit of and be enforceable by the parties hereto and their respective successors, transferees and assigns. Without limiting the generality of the foregoing clause (c), Senior Lender may assign or otherwise transfer the Senior Loan Documents to any other person or entity, and such other person or entity shall thereupon become vested with all the rights in respect thereof granted to Senior Lender herein or otherwise.

F. **Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of South Carolina.

G. **Memorandum.** A memorandum of this Agreement shall be executed by all parties hereto and recorded in each jurisdiction that any Junior Mortgage is recorded reflecting the subordination contained herein and incorporating all other terms of this Agreement by reference.

IN WITNESS WHEREOF, Senior Lender, Junior Lender and Borrower each has caused this Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

BORROWER:

CLIFFS CLUB PARTNERS, LLC

By: _____
Name: _____
Title: _____

SENIOR LENDER:

THE CLIFFS CLUB HOLDINGS, LLC

By: _____
Name: _____
Title: _____

JUNIOR LENDER:

WELLS FARGO BANK, NATIONAL
ASSOCIATION, AS INDENTURE
TRUSTEE

By: _____
Name: _____
Title: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE MORTGAGED PROPERTY

EXHIBIT B

LEGAL DESCRIPTION OF THE JUNIOR MORTGAGES

Attachment 5

Amended Schedule of Assumed Contracts

Exhibit 1 to the Plan
Attachment 6 Page 2 of 2
Amended Schedule of Assumed Contracts

Counterparty	Contract Description	Date of Contract	Cure Amount
Agricredit Acceptance, LLC	68 Club Car Golf Carts for Cliffs Valley	March 23, 2011	\$12,896.88
Agricredit Acceptance, LLC	58 Club Car Golf Carts for Keowee Falls	July 29, 2011	\$11,000.31
Ameritas Life Insurance Corp.	Certificate and Summary Plan Group Dental Insurance	December 1, 2011	\$0.00
Assurant Employee Benefits	Union Security Insurance Agreement - Life Ins.	January 1, 2011	\$0.00
Blue Choice Health Plan South Carolina	Master Group Contract	December 1, 2011	\$0.00
CBR Horses Inc.	Management agreement for equestrian center	October 1, 2011	\$0.00
Chartis	Pollution and Environmental Policy - Gas Tanks	July 1, 2012	\$0.00
Chubb	Crime non-liability insurance policy	July 1, 2012	\$0.00
Chubb (Venture Programs)	Workers' compensation insurance policy	July 1, 2012	\$0.00
Chubb (Venture Programs)	Umbrella insurance policy	July 1, 2012	\$0.00
Coca Cola Bottling Consolidated	Rebate contract for product purchases	November 1, 2010	\$0.00
Duke Energy	Slip lease	Annual	\$0.00
Duke Energy	Slip lease	Annual	\$0.00
Duke Energy	Slip lease	Annual	\$0.00
General Electric Capital Corporation / Ingersoll-Rand Financial Services	Lease of Keowee Vineyards golf cart fleet (Master Lease 230463; Equipment Schedule No. 9)	June 10, 2008	\$0.00
General Electric Capital Corporation / Ingersoll-Rand Financial Services	Lease of Keowee Springs utility cart (Master Lease 230463; Equipment Schedule No. 10)	July 1, 2008	\$0.00
General Electric Capital Corporation / Ingersoll-Rand Financial Services	Lease of Walnut Cove golf cart fleet (Master Lease 230463; Equipment Schedule No. 11)	August 21, 2008	\$0.00
General Electric Capital Corporation / Ingersoll-Rand Financial Services	Lease of Keowee Springs golf cart fleet (Master Lease 230463; Equipment Schedule No. 12)	August 7, 2008	\$0.00
General Electric Capital Corporation	Toro equipment lease (Master Lease 8394851; Equipment Schedule No. 001)	August 8, 2008	\$0.00
General Electric Capital Corporation	Toro equipment lease (Master Lease 8394851; Equipment Schedule No. 002)	August 8, 2008	\$0.00
Granite / New Hampshire	Marina Policy	July 1, 2012	\$0.00
John Deere Credit	Lease of 3 walking green mowers + trailers - KV	April 1, 2011	\$2,574.81
John Deere Credit	JD 2030A Progator +300 Gallon Sprayer - KV	June 1, 2011	\$2,200.47
John Deere Credit	Wiedemann Super 500 Vacuum and Sweeper - WC	November 10, 2010	\$2,063.40
Jonas Software USA Inc.	Assignment of Contract: Software License Agreement	April 18, 2012	\$0.00
Longview Land Company, LLC	Assignment of Option	n/a	\$0.00
Longview Land Company, LLC	Option Agreement	November 4, 2011	\$0.00
Major Business Machines	Mailing Machine at Corp Office in Mail Room	September 28, 2011	\$0.00
McCloskey, LLC	Lease for Falls Wellness Center	March 2, 2012	\$0.00
Premium Funding Associates, Inc.	New Premium Finance Agreement for Insurance	July 1, 2012	\$0.00
Sesac, Inc.	Music License	Annual	\$1,201.98
Singleton Marine Group	Management agreement for marina	October 30, 2009	\$0.00
The Cliffs at Glassy, Inc.	Chapel lease	April 30, 2010	\$22,883.60
The Cliffs Commercial Properties, LLC	Commercial Lease	March 1, 2012	\$0.00
The Cliffs Communities, Inc.	IP License agreement	January 1, 2010	\$0.00
The Cliffs Communities, Inc.	Access Fee Agreement	April 30, 2010	\$0.00
The Cliffs Communities, Inc. / The National Bank of South Carolina	Access Fee Subordination Agreement	April 30, 2010	\$0.00
The Cliffs Communities, Inc.	Equipment Lease and Purchase Option Agreement	March 1, 2012	\$0.00
The Hartford Financial Services Group, Inc.	Builders Risk Policy for MP Golf Course	September 1, 2011	\$0.00
Toro NSN	Irrigation Software Contracts	March 1, 2012	\$0.00
U.S. Foodservice	Master Distribution Agreement	July 5, 2010	\$74,628.45
VGM Financial Services	Master Lease Agreement	January 7, 2011	\$0.00
VGM Financial Services	Valley Capital Lease of Toro Equipment	July 27, 2010	\$0.00
VGM Financial Services	Valley Operating Lease of Toro Equipment	July 27, 2010	\$31,548.13
VGM Financial Services	Spring Capital Lease of Toro Equipment	July 27, 2010	\$3,857.97
VGM Financial Services	Keowee Falls Capital Lease of Toro Equipment	July 27, 2010	\$0.00
VGM Financial Services	Keowee Falls Operating Lease of Toro Equipment	July 27, 2010	\$14,930.14
VGM Financial Services	Walnut Cove Capital Lease of Toro Equipment	July 27, 2010	\$2,507.44
VGM Financial Services	Vineyards Capital Lease of Toro Equipment	July 27, 2010	\$1,067.66
VGM Financial Services	Glassy Capital Lease of Toro Equipment	July 27, 2010	\$0.00
VGM Financial Services	Glassy Operating Lease of Toro Equipment	July 27, 2010	\$8,931.48
Waterfall Investment Group, LLC	Keowee Springs 99-year lease	December 31, 2007	\$0.00
Waterfall Investment Group, LLC	Walnut Cove 99-year lease	December 31, 2007	\$0.00
Zurich (Venture Programs)	Package Property, GL, Auto, Wellness	July 1, 2012	\$0.00
		Total	\$192,292.72

Attachment 6

Indenture Trustee SPE Limited Liability Company Agreement

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LIMITED LIABILITY COMPANY AGREEMENT
OF
IT-SPE, LLC

This Limited Liability Company Agreement (together with the schedules attached hereto, this “Agreement”) of IT-SPE, LLC (the “Company”), is entered into by and among Cliffs Club Partners, LLC, a Delaware limited liability company (“Partners”), and _____, LLC, a Delaware limited liability company (the “IT Rep” and together with Partners, the “Initial Members”, and any additional Person who become admitted as an additional member or substitute member of the Company pursuant to the terms hereof and become a party hereto (each, a “Member” and, collectively, the “Members”). Capitalized terms used and not otherwise defined herein have the meanings set forth on Schedule A hereto.

The Company has been formed as a limited liability company pursuant to and in accordance with the Delaware Limited Liability Company Act (6 Del. C. § 18-101 et seq.), as amended from time to time (the “Act”) for the purposes of engaging in the business described herein;

The Members, by execution of this Agreement, wish to establish the respective rights and obligations of the Members and the rules and procedures that are to govern the business and affairs of the Company as set forth herein;

In consideration of the premises and the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Members hereby agree as follows:

Section 1. Formation of the Company

(a) On August __, 2012, _____, being an “authorized person” under the Act, executed, delivered and filed the Certificate of Formation of the Company with the Secretary of State of the State of Delaware. Upon the filing of the Certificate of Formation of the Company with the Secretary of State of the State of Delaware, _____’s powers as an “authorized person” ceased, and the Members thereupon became the designated “authorized person” within the meaning of Act. Subject to Section 6(c) of this Agreement, the Managing Member is hereby authorized to execute, deliver, file and record all such other certificates and documents, including amendments to or restatements of the Certificate of Formation, and to do such other acts as may be appropriate to comply with all requirements for the formation, continuation and operation of a limited liability company, the ownership of property and the conduct of business under the laws of the State of Delaware and any other jurisdiction in which the Company may own property or conduct business.

(b) The name of the Company is IT-SPE, LLC.

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(c) The name and address of the registered agent of the Company in the State of Delaware is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

(d) Subject to Section 6(c) of this Agreement, the Managing Member is authorized to execute, deliver and file any certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in a jurisdiction in which the Company may wish to conduct business, including, without limitation Florida, North Carolina and South Carolina.

(e) The existence of the Company as a separate legal entity shall continue until cancellation of the Certificate of Formation as provided in the Act.

Section 2. Members and Membership Units.

(a) The Initial Members were admitted to the Company as Members upon the date of this Agreement. Additional and substituted Members may be admitted to the Company as Members of the Company in accordance with the terms and conditions of Sections 17 and 19 below.

(b) The Managing Member shall at all times keep a ledger (the "Company Ledger") of the Members, the aggregate amount of capital contributions made by each of the Members, the number of Units (if any) held by each Member, and the address of each Member. The Company Ledger will be amended from time to time by the Managing Manager to the extent necessary to reflect accurately the admission of new Members, an adjustment in the number of Units issued or owned in accordance with this Agreement, or other events making an amendment to the same necessary or appropriate; provided, that, so long as the Obligations (or any part thereof) are outstanding, any change to the Company Ledger shall require the IT Rep's prior written consent. As of the date of this Agreement, the Company Ledger is as set forth as Schedule B hereto.

(c) Subject to Section 6(c), the Members may act by written consent, setting forth the action to be taken, executed by each Member.

(d) The capital structure of the Company will be divided into Units which will constitute limited liability company interests under the Delaware Act. As of the date of this Agreement, the Company has 1,000 Units. The number of Units may be increased by the Managing Member; provided, that, so long as the Obligations (or any part thereof) remains outstanding, such increase shall also require the prior written consent of the IT Rep. As of the date of this Agreement, all of the 1,000 issued and outstanding Units are held by Partners in respect of the Property which was contributed by Partners to the Company.

(e) Partners is the owner of all of the issued and outstanding Units in the Company and thus the entire economic interest in the Company and is entitled to all distributions and all allocations of profits and losses. The IT Rep is a Member of the Company with all of the rights set forth herein relative to the IT Rep, but has no economic interest in the Company.

(f) Except as otherwise provided in this Agreement, the provisions of this Agreement

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will apply to any and all equity interests (including, without limitation, the Membership Interest held by the IT Rep) of any successor or permitted assign of the Company (whether by merger, consolidation, transfer or sale of assets, conversion or otherwise) which may be issued in respect of, in exchange for, or in substitution of, any Membership Interests by reason of any reorganization, any recapitalization, reclassification, merger, consolidation, partial or complete liquidation, sale of assets, spin off, equity dividend, split, distribution to Members or combination of the Units or any other change in the Company's capital structure, in order to preserve fairly and equitably as far as practicable, the original rights and obligations of the parties hereto under this Agreement.

(g) Each Member, severally and not jointly, represents and warrants to the Company, with respect to such Member only that:

- (i) Such Member (A) was duly formed, is validly existing and is in good standing under the laws of its jurisdiction of organization, and (B) has all necessary power and authority to enter into this Agreement and to carry out the transactions contemplated herein. Such Member has all necessary power and authority to enter into this Agreement and to carry out the transactions contemplated herein.
- (ii) All actions required to be taken by or on behalf of such Member to authorize it to execute, deliver and perform its obligations under this Agreement have been taken, and this Agreement constitutes the legal, valid and binding obligation of such Member, enforceable against such Member in accordance with its terms, except as the same may be affected by bankruptcy, insolvency, moratorium or similar laws, or by legal or equitable principles relating to or limiting the rights of contracting parties generally.
- (iii) The execution and delivery of this Agreement and the consummation by such Member of the transactions contemplated hereby in the manner contemplated hereby do not and will not conflict with, or result in a breach of any terms of, or constitute a default under, any agreement or instrument or any applicable law, or any judgment, decree, writ, injunction, order or award of any Governmental Authority which is applicable to such Member or by which such Member or any material portion of its properties is bound, except for conflicts, breaches and defaults that, individually or in the aggregate, will not have a material adverse effect upon the financial condition, business or operations of such Member or upon such Member's ability to enter into and carry out such Member's obligations under this Agreement.
- (iv) The person executing this Agreement on behalf of such Member has full power and authority to bind such Member to the terms hereof.

Section 3. Principal Business Office.

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The principal business office of the Company shall be located at 4200 Marsh Landing Parkway, Suite 100, Jacksonville Beach, Florida 32250 or such other location as may hereafter be determined by the Managing Member, subject to Section 6(c) of this Agreement. The Company may have such other offices as the Managing Member may from time to time deem necessary or advisable subject to Section 6(c) of this Agreement

Section 4. Purpose.

(a) The purpose to be conducted or promoted by the Company is to engage in the following activities:

- (i) to engage in the acquisition, ownership and leasing of the Property (but not the operation thereof) and activities incidental thereto; and
- (ii) to engage in any lawful act or activity and to exercise any powers permitted to limited liability companies organized under the laws of the State of Delaware that are related or incidental to and necessary, convenient or advisable for the accomplishment of the purposes described in Section 4(a)(i).

(b) It is intended that the Company shall be operated as a Single Purpose Entity. “Single Purpose Entity” shall mean an entity, whose organizational documents contain restrictions on its activities and impose requirements intended to preserve such entity’s separateness, which restrictions are substantially similar to those contained in Section 6(c) hereof, and provide, *inter alia*, that it: (i) is organized for the limited purpose of owning and leasing one or more properties; (ii) has restrictions on its ability to incur indebtedness, dissolve, liquidate, consolidate, merge and/or sell assets; (iii) has restrictions on its ability to voluntarily file a bankruptcy petition on its own behalf; and (iv) shall conduct itself in accordance with certain “separateness covenants,” including, but not limited to, the maintenance of its books, records, bank accounts and assets separate from those of any other Person.

(c) Subject to Section 6(c) of this Agreement, the Company is hereby authorized to execute, deliver and perform, and the Managing Member or any Officer on behalf of the Company is hereby authorized to execute and deliver, the Material Contracts and all documents, agreements, certificates, or financing statements contemplated hereby or thereby or related hereto or thereto, including, without limitation, any mortgages, security agreements, and deeds in lieu, all without any further act, vote or approval of any Member, Officer or other Person notwithstanding any other provision of this Agreement.

Section 5. Powers.

Subject to Section 6(c), the Company, the Managing Member and the Officers of the Company on behalf of the Company, (a) shall have and exercise all powers necessary, convenient or incidental to accomplish its purposes as set forth in Section 4 and (b) shall have and exercise all of the powers and rights conferred upon limited liability companies formed pursuant to the Act.

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Section 6. Management.

(a) Managing Member. Subject to Section 6(c), the business and affairs of the Company shall be managed by or under the direction of the Managing Member. In performing its duties as Managing Member, the Managing Member shall consider the interests of the Company's creditors in addition to the interests of the Members.

(b) Powers. Subject to Section 6(c), the Managing Member shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise. Subject to Section 4 and this Section 6, the Managing Member has the authority to bind the Company.

(c) Limitations on the Company's Activities.

- (i) This Section 6(c) is being adopted in order to comply with certain provisions required in order to qualify the Company as a Special Purpose Entity.
- (ii) The Company hereby represents and warrants to, and covenants with, the IT Rep that since the date of the Company's formation, as of the date hereof and until such time as the Obligations shall be paid in full, without the prior express written consent of the IT Rep:
 - (A) The Company has not owned, does not own and will not own or lease any asset or property other than the Property and Related Property, the title for which Property and Related Property shall be in the Company's own name. Any Related Property hereafter acquired shall be subjected to the Exit Facility Documents, Mountain Park Facility Documents, the Lease and the Mortgages to the same extent as the Property.
 - (B) The Company has not and will not engage in any business other than the ownership and lease of the Property, the Company has and will conduct and operate its business as presently conducted and operated, and the Company has not and shall not acquire assets (other than the Property and Related Property) or conduct business in any jurisdiction other than Florida, North Carolina and South Carolina.
 - (C) The Company has not and will not enter into any contract, agreement or transaction with any Affiliate of the Company, any constituent party of the Company or any Affiliate of any constituent party other than the Material Contracts as in effect on the date of the Plan.
 - (D) The Company has not incurred and will not incur any Indebtedness, secured or unsecured, direct or contingent, senior, parity, subordinated or otherwise (including guaranteeing any

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obligation), has not and shall not incur or suffer to exist any mortgage, lien, pledge, charge, security interest or other encumbrance on its assets, including, without limitation, for the benefit of any other Person (other than statutory liens for taxes not yet due and payable), and has not and shall not become a party to or amend any indenture, mortgage, guaranty, lease (whether capital or operating), sublease, license, or other contract, agreement, or understanding, whether written or oral, other than the Material Contracts as in effect at the closing under the Plan.

- (E) The Company (x) has not made and shall not make any loans or advances to any third party (including any Affiliate or constituent party), (y) does not have and shall not acquire obligations or securities of any third party (including any Affiliate or constituent party) or otherwise purchase, acquire, or obtain any capital shares or other proprietary interest, directly or indirectly, in any other entity or related entities, or any assets of another Person (including any Affiliate or constituent Party), including by way of the formation of any subsidiary or by joint venture or partnership, or (z) shall not distribute or otherwise transfer to any Person (including any Affiliate or constituent Party) any funds except as expressly contemplated by this Agreement.
- (F) The Company has paid and will pay its debts and liabilities from its own assets as the same shall become due; provided, that, in each such case, there exists sufficient cash flow from the Lease to do so.
- (G) The Company has done or caused to be done and will do or cause to be done all things necessary to observe organizational formalities and preserve its existence, and the Company has not, will not, nor will the Company permit any constituent party to amend, modify or otherwise change this Agreement, the Certificate or Formation or other organizational documents of the Company in any manner that (x) violates the single purpose covenants set forth in this Section 6(c), or (y) amends, modifies or otherwise changes any provision thereof.
- (H) The Company has maintained and will maintain all of its books, records, financial statements and bank accounts separate from those of its Affiliates and any constituent party. The Company's assets have not and will not be listed as assets on the financial statement of any other Person; provided, however, that the Company's assets may be included in a consolidated financial statement of its Affiliates provided that (x) appropriate notation shall be made on such consolidated financial statements to indicate the separateness of the Company and such Affiliates and to indicate that the Company's assets and credit are not available to

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satisfy the debts and other obligations of such Affiliates or any other Person and (y) such assets shall be listed on the Company's own separate balance sheet. The Company has filed and will file its own tax returns (to the extent the Company is not required to be included in Partners' tax returns). The Company has maintained and will maintain its books, records, resolutions and agreements as official records.

- (I) The Company has been and will be, and at all times has and will hold itself out to the public as, a legal entity separate and distinct from any other entity (including any Affiliate of the Company or any constituent party of the Company), has and shall correct any known misunderstanding regarding its status as a separate entity, has and shall conduct business in its own name, has not and shall not identify itself or any of its Affiliates as a division or part of the other and has and shall maintain and utilize separate stationery, invoices and checks bearing its own name, and has and shall otherwise conduct itself so as to avoid any grounds or exposure as an "alter-ego" of any of its Affiliates (or any constitute party thereof).
- (J) The Company has maintained and will maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations and the Obligations; provided, that, in each case, there exists sufficient cash from the Lease to do so.
- (K) To the fullest extent permitted by law, neither the Company nor any constituent party has or will seek or effect the liquidation, dissolution, winding up, liquidation, consolidation or merger, in whole or in part, of the Company.
- (L) The Company has not and will not commingle the funds and other assets of the Company with those of any Affiliate or constituent party or any other Person, and has and will hold all of its assets in its own name.
- (M) The Company has and will maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any Affiliate or constituent party or any other Person.
- (N) The Company has not and will not guarantee or become obligated for the debts of any other Person (other than by assumption of the Modified Notes) and has not and will not hold itself out to be responsible for or have its credit or assets available to satisfy the debts or obligations of any other Person.

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- (O) The Company hereby covenants and agrees that it will comply with or cause the compliance with, (x) all the representations, warranties and covenants in this Section 6(c)(ii), and (y) all the organizational documents of the Company.
- (P) The Company has not permitted, and will not permit any Affiliate or constituent party independent access to its bank accounts.
- (Q) The Company has paid and shall pay from its own funds its own liabilities and expenses, including, without limitation, the Obligations; provided, that, in each case, there is sufficient cash from the Lease to do so.
- (R) The Company has compensated and shall compensate each of its consultants and agents from its funds for services provided to it and has paid and shall pay from its own assets all obligations of any kind incurred, including, without limitation, the Obligations; provided, that, in each case, there is sufficient cash from the Lease to do so.
- (S) Not later than ninety (90) days after and as of the end of each fiscal year and at any other time upon request from the IT Rep, the Company shall provide an Officer's Certificate certifying as to Company's continued compliance with the terms of this Section 6(c). Additionally, Company shall provide the IT Rep with such other evidence of the Company's compliance with this Section 6(c) as the IT Rep may reasonably request from time to time.
- (T) The Company has and shall remain organized solely for the purposes described in Section 4 above, and has and will preserve its existence in good standing as a limited liability company organized under the laws of the State of Delaware, and has and will preserve its foreign qualification and authority in each other jurisdiction in which the Company owns property or conducts business with respect to which the failure to preserve its qualification or authority would have a material adverse effect on the Company.
- (U) The Company has and shall observe all applicable limited liability company formalities consistent with the Act and this Agreement.
- (V) The Company has not and shall not enter into any merger or consolidation or acquire by purchase or otherwise all or substantially all of the business or assets (other than Related Property) of, or stock or other evidence of beneficial ownership of, any Person.

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- (W) The Company has not and shall not take action which would make it impossible to carry on its ordinary business as described in Section 4(a)(i).
- (X) The Company has not and shall not (x) admit any Person as a Member to the Company other than the Initial Members, or (y) create or issue any additional Units or other Membership Interests (whether of the same or different class as those existing as of the Effective Date), or (z) reclassify, recharacterize, exchange or otherwise recapitalize any Units or other Membership Interests existing as of the Effective Date.
- (Y) The Company has not and shall not establish any places of business other than those established as of the date of the closing under the Plan.
- (Z) The Company has not and shall not hire any employee or consultant; provided, that this restriction shall not prohibit the Managing Member from appointing Officers who shall not be compensated by the Company for serving in such capacities.
- (AA) The Company shall not cause or permit any Member (other than the IT Rep) to resign or withdraw as a Member of the Company.
- (BB) Unless made in a manner consistent with Section 12, the Company shall not pay any dividend or make any distribution with respect to any outstanding Units or other Membership Interest of the Company or redeem, repurchase, or otherwise acquire any outstanding Units of the Company.
- (CC) The Company shall not make any material change in accounting principles or treatment or any change in accountants or legal counsel.
- (iii) The Company shall not cause or permit any Member or Officer of the Company to take any Bankruptcy Action without the unanimous vote of all of the Members, including, without limitation, the IT Rep.
- (iv) The Company has not and shall not (nor shall it cause or permit any Member or Officer of the Company to) sell, license, transfer, pledge, hypothecate or otherwise dispose of any Company assets, except (A) as expressly contemplated by the Material Contracts as in effect on the date of the closing under the Plan, or (B) with the unanimous vote of all of the Members including, without limitation, the IT Rep.
- (v) The Company shall not cause or permit any Member or Officer to amend or terminate the Lease or other Material Contract or waive any default

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thereunder without the unanimous vote of all of the Members including, without limitation, the IT Rep.

Failure of the Company, or the Members on behalf of the Company, to comply with any of the foregoing covenants or any other covenants contained in this Agreement shall not affect the status of the Company as a separate legal entity or the limited liability of any Member.

Section 7. Officers.

(a) Officers. The Officers of the Company shall be designated by the Managing Member. The Officers of the Company, if any, shall consist of at least a President, a Secretary and a Treasurer. The Managing Member may also choose one or more Vice Presidents, Assistant Secretaries and Assistant Treasurers. Any number of offices may be held by the same person. The Managing Member may appoint such other Officers and agents as it shall deem necessary or advisable who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Managing Member. No Officers of the Company shall be entitled to any compensation from the Company. The Officers of the Company shall hold office until their successors are chosen and qualified or until their earlier resignation, removal from office or death. Any Officer may be removed at any time, with or without cause, by the Managing Member. Any vacancy occurring in any office of the Company shall be filled by the Managing Member.

(b) President. If appointed, the President shall be the chief executive officer of the Company, shall preside at all meetings of the Members, shall be responsible for the general and active management of the business of the Company and shall see that all orders and resolutions of the Managing Member are carried into effect. The President or any other Officer authorized by the President or the Managing Member shall execute all contracts, except where signing and execution thereof shall be expressly delegated by the Managing Member to some other Officer or agent of the Company.

(c) Vice President. If appointed, in the absence of the President or in the event of the President's inability to act, the Vice President, if any (or in the event there be more than one Vice President, the Vice Presidents in the order designated by the Managing Member, or in the absence of any designation, then in the order of their election), shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice Presidents, if any, shall perform such other duties and have such other powers as the Managing Member may from time to time prescribe.

(d) Secretary and Assistant Secretary. If appointed, the Secretary, if any, shall be responsible for filing legal documents and maintaining records for the Company. The Secretary shall attend all meetings of the Members and record all the proceedings of the meetings of the Company and of the Members in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or shall cause to be given, notice of all meetings of the Members, if any, and special meetings of the Members, and shall perform such other duties as may be prescribed by the Managing Member or the President, under whose supervision the Secretary shall serve. The Assistant Secretary, or if there be more than one, the Assistant Secretaries in the order determined by the Managing Member (or if there be no

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such determination, then in order of their election), shall, in the absence of the Secretary or in the event of the Secretary's inability to act, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Managing Member may from time to time prescribe.

(e) Treasurer and Assistant Treasurer. The Treasurer shall have the custody of the Company funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Company and shall deposit all moneys and other valuable effects in the name and to the credit of the Company in such depositories as may be designated by the Managing Member. The Treasurer shall disburse the funds of the Company as may be ordered by the Managing Member, taking proper vouchers for such disbursements, and shall render to the President and to the Managing Member, at its regular meetings or when the Managing Member so requires, an account of all of the Treasurer's transactions and of the financial condition of the Company. If appointed, the Assistant Treasurer, or if there shall be more than one, the Assistant Treasurers in the order determined by the Managing Member (or if there be no such determination, then in the order of their election), shall, in the absence of the Treasurer or in the event of the Treasurer's inability to act, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Managing Member may from time to time prescribe.

(f) Officers as Agents. The Officers, to the extent of their powers set forth in this Agreement or otherwise vested in them by action of the Managing Member not inconsistent with this Agreement, are agents of the Company for the purpose of the Company's business and, subject to Section 6(c), the actions of the Officers taken in accordance with such powers shall bind the Company.

(g) Duties of Officers. Except to the extent otherwise modified herein, each Officer shall have fiduciary duties identical to those of officers of business corporations organized under the General Corporation Law of the State of Delaware.

Section 8. Limited Liability.

Except as otherwise expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts, obligations and liabilities solely of the Company, and no Member shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member of the Company.

Section 9. Capital Contributions.

Partners has contributed to the Company capital of an agreed value as listed on the Company Ledger attached as Exhibit B hereto.

Section 10. Additional Contributions.

The IT Rep shall not be required to make any capital contribution to the Company at any time whatsoever. No other Member shall be required to make any capital contribution to the Company (or, in the case of Partners, in addition to the capital contributions already made and reflected in the Company Ledger attached as Schedule B hereto). However, Partners may

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contribute Related Property and may make additional cash contributions (but not contributions in any form other than cash or Related Property) to the Company at any time and from time to time. The provisions of this Agreement, including this Section 10, are intended to benefit the Members and, to the fullest extent permitted by law, shall not be construed as conferring any benefit upon any creditor of the Company (other than a Covered Person) (and no such creditor of the Company shall be a third-party beneficiary of this Agreement) and no Member shall have any duty or obligation to any creditor of the Company to make any contribution to the Company or to issue any call for capital pursuant to this Agreement.

Section 11. Allocation of Profits and Losses.

The Company's profits and losses shall be allocated to Partners.

Section 12. Modified Notes Payments and Distributions.

(a) Payments. Until payment in full of the Obligations, the Company shall pay to the IT Rep pursuant to the Modified Notes (i) all Annual Rent (as defined in the Lease) received by the Company pursuant to the Lease plus (ii) all cash contributions to the Company made by Partners for the express purpose of funding annual payments due under the Modified Notes.

(b) Distributions. Prior to payment in full of the Obligations, the Company shall not make any distributions to Partners. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not be required to make a distribution to any Member on account of its interest in the Company if such distribution would violate the Act or any other applicable law.

Section 13. Books and Records.

The Managing Member shall keep or cause to be kept complete and accurate books of account and records with respect to the Company's business in accordance with GAAP consistently applied. The books of the Company shall at all times be maintained by the Managing Member at the Company's principal place of business. Every Member and its duly authorized representatives shall have the right to inspect, audit, examine and copy the Company books, records and documents during normal business hours. The Company, and the Managing Member on behalf of the Company, shall not have the right to keep confidential from any Member any information that the Company would otherwise be permitted to keep confidential from a Member pursuant to Section 18-305 of the Act. The Company's books of account shall be kept using the method of accounting determined by the Managing Member, so long as the Obligations (or any part thereof) remain issued and outstanding, subject to approval by the IT Rep. The Company's independent auditor, if any, shall be an independent public accounting firm selected by the Managing Member.

Section 14. Reports.

(a) The Company shall and the Managing Member on the Company's behalf shall each use reasonable efforts to cause, after the end of each fiscal year, the Company's independent accountants, if any, to prepare and transmit to the Members as promptly as possible

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any such tax information as may be reasonably necessary to enable the Members to prepare their federal, state and local income tax returns relating to such fiscal year.

(b) So long as the Obligations (or any part thereof) are outstanding, the Company shall (and the Managing Member shall cause the Company to) deliver to the Members (i) within 75 days after the end of each fiscal year of the Company, a balance sheet of the Company as of the end of such fiscal year and the related statements of income, members' equity and cash flows for the fiscal year then ended, and (ii) within 45 days after the end of each fiscal quarter of the Company, a balance sheet of the Company as of the end of such fiscal quarter and the related statements of income, members' equity and cash flows for the fiscal quarter then ended, in each case, prepared in accordance with GAAP (except for the absence of footnotes), consistently applied and certified by the Company's President or Treasurer. In addition, so long as the Obligations (or any part thereof) are outstanding, the Company shall (and the Managing Member shall cause the Company to) deliver to the Members, with reasonable promptness, such other Company financial statements, budgets or reports prepared by the Company or the Managing Member for delivery to any financing source or other third party.

(c) So long as the Obligations (or any part thereof) are outstanding, the Company will permit the IT Rep and its authorized representatives, to (i) visit and inspect the Property; (ii) inspect, audit, examine and copy its books of account and records (including, without limitation, accountants' and auditors' workpapers, if any); and (iii) discuss the Company's affairs, finances, and accounts with its Officers, lawyers, accountants and other advisors, all as may be reasonably requested by the IT Rep. The parties hereto agree that (A) this Section 14(c) shall be considered the Company's express authorization and direction to its lawyers, accountants and other advisors to provide the IT Rep with unfettered information and documentation and to discuss openly with the IT Rep the Company's affairs, finances and accounts; provided, that the foregoing shall not be deemed to require the disclosure of any information which is subject to attorney-client privilege, and (B) that the IT Rep may provide this Agreement and specifically this Section 14(c) to such lawyers, accountants and other advisors as evidence of the same.

Section 15. Other Business.

Notwithstanding any duty otherwise existing at law or in equity, the Members and any Officer, employee or agent of the Company and any Affiliate of any Member may engage in or possess an interest in other business ventures (unconnected with the Company) of every kind and description, independently or with others, and neither the Company nor any Member (in its capacity as such) shall not have any rights in or to such independent ventures or the income or profits therefrom by virtue of this Agreement.

Section 16. Exculpation and Indemnification.

(a) To the fullest extent permitted by applicable law, neither any Member nor any Officer, employee or agent of the Company nor any employee, representative, agent or Affiliate of any Member (collectively, the "Covered Persons") shall be liable to the Company or any other Person who is bound by this Agreement for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Covered Person by this Agreement, except that a Covered Person shall be liable for any

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such loss, damage or claim incurred by reason of such Covered Person's gross negligence, willful misconduct, willful breach or criminal conduct.

(b) To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Covered Person by this Agreement, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's gross negligence, willful misconduct, willful breach or criminal conduct with respect to such acts or omissions; provided, however, that any indemnity under this Section 16 by the Company shall be provided out of and to the extent of the Company assets only and the Members shall not have personal liability on account thereof.

(c) To the fullest extent permitted by applicable law, expenses (including reasonable legal fees) incurred by a Covered Person defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be determined that the Covered Person is not entitled to be indemnified as authorized in this Section 16.

(d) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Covered Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to a Member might properly be paid.

(e) The foregoing provisions of this Section 16 shall survive any termination of this Agreement.

(f) Notwithstanding the foregoing, any and all indemnification obligations (i) shall be fully subordinated to the Obligations, and (ii) will not constitute a claim against the Company if cash flow under the Lease in excess of the Obligations is not sufficient to satisfy such indemnification obligations.

Section 17. Assignments.

The IT Rep may Transfer its Membership Interest in the Company (in whole or in part) to one or more Persons serving as a successor to the current Indenture Trustee, or an Affiliate of such Person so serving, at the IT Rep's discretion, upon written notice thereof to the Managing Member. So long as the Obligations (or any part thereof) remain outstanding, no Member (other than the IT Rep) may Transfer in whole or in part any portion of its Membership Interest in the Company without the express written consent of the Managing Member and the IT Rep. Thereafter, any Member may Transfer in whole or in part its Membership Interest in the

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Company only with the express written consent of the Managing Member. The Transferee of a Membership Interest in the Company shall be admitted to the Company as a substituted Member at the time such Person (i) executes a joinder agreement to this Agreement agreeing to be bound to all the terms hereof, (ii) complies with the applicable resolution, if any, of the Managing Members and, to the extent required, the IT Rep, with respect to such admission, and (iii) is named as a Member in the Company Ledger. Subject to the other provisions of this Agreement, the Managing Member is authorized to amend the Company Ledger to reflect any such Transfer. If the Member transfers all of its Membership Interest in the Company pursuant to this Section 17, such admission shall be deemed effective immediately prior to the transfer and, immediately following such admission, the transferor Member shall cease to be a member of the Company.

Section 18. Withdrawal.

The IT Rep may resign and withdraw as a Member at any time, at its discretion, upon written notice thereof to the Managing Member. On the 91st day following payment in full of the Obligations, the IT Rep shall be deemed to have resigned and withdrawn from the Company and the IT Rep's interest in the Company and all rights hereunder shall thereby terminate; provided, that, if and to the extent IT Rep is required at any point or for any reason to return any payment (or part thereof) previously made in respect of the Obligations, IT Rep's interest in the Company and rights hereunder shall be reinstated with full force and effect as if never terminated.. Subject to Section 6(c), any other Member shall have the right to resign and withdraw as a Member only with the express written consent of, and upon the terms and conditions determined by, the Managing Member, which consent may be withheld, in its sole and absolute discretion.

Section 19. Admission of Additional Members.

(a) So long as the Obligations (or any part thereof) remain outstanding, no additional Member may be admitted to the Company without the express written consent of the Managing Member and the IT Rep. Thereafter, one or more additional Members of the Company may be admitted to the Company only with the express written consent of the Managing Member. The Managing Member's approval to any admission will be deemed given in the case of a Transferee acquiring Units or other Membership Interest pursuant to Section 17.

(b) Prior to the admission of an additional Member (other than Transferees acquiring Units or other Membership Interest pursuant to Article 17), the Managing Member and, if the IT Rep's consent to said admission is required pursuant to Section 19(a), also the IT Rep will determine (i) the capital contribution (if any) of such additional Member, and (ii) the number of Units to be granted to such additional Member and the price to be paid therefor.

(c) A Person will be admitted as an additional Member at the time such Person (i) executes a joinder agreement to this Agreement agreeing to be bound to all the terms hereof, (ii) makes a capital contribution (if any is required) to the Company in an amount to be determined by the Managing Member and, if the IT Rep's consent to said admission is required pursuant to Section 19(a), also the IT Rep, (iii) complies with the applicable resolution, if any, of the Managing Members and, to the extent required, the IT Rep, with respect to such admission, (iv) is issued Units or other Membership Interest by the Company, and (v) is named as a Member in the Company Ledger. Subject to the other provisions of this Agreement, the Managing

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Member is authorized to amend the Company Ledger to reflect any issuance of Units and any such admission and any actions pursuant to this Section 19.

Section 20. Dissolution.

(a) Subject to Section 6(c), the Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following: (i) the termination of the legal existence of the last remaining Member of the Company or the occurrence of any other event which terminates the continued membership of the last remaining Member of the Company in the Company unless the Company is continued without dissolution in a manner permitted by this Agreement or the Act, (ii) the entry of a decree of judicial dissolution under Section 18-802 of the Act, or (iii) with the unanimous approval of the Members after payment in full of the Obligations. Notwithstanding the foregoing, if the Company is dissolved prior to payment in full of the Obligations, the Company's assets shall not be sold or transferred until payment in full of the Obligations (unless the proceeds from any such sale or transfer is for the purpose of payment of the Obligations). Upon the occurrence of any event that causes the last remaining Member of the Company to cease to be a Member of the Company (other than upon continuation of the Company without dissolution upon (A) an assignment by the last remaining Member of all of its Membership Interests in the Company and the admission of the Transferee pursuant to Section 17, or (ii) the resignation of the last remaining Member and the admission of an additional member of the Company pursuant to Section 19), to the fullest extent permitted by law, the representative of such Member is hereby authorized to, and shall, within ninety (90) days after the occurrence of the event that terminated the continued membership of such member in the Company, agree in writing (x) to continue the Company and (y) to the admission of the representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that terminated the continued membership of such member in the Company.

(b) Notwithstanding any other provision of this Agreement, the Bankruptcy of any Member shall not cause the Member to cease to be a member of the Company and upon the occurrence of such an event, the business of the Company shall continue without dissolution.

(c) Notwithstanding any other provision of this Agreement, each Member waives any right it might have to agree in writing to dissolve the Company upon the Bankruptcy of the Member, or the occurrence of an event that causes the Member to cease to be a member of the Company.

(d) In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act.

(e) The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company (including the Obligations) shall have been distributed to the Members in the manner provided for in this Agreement and (ii) the Certificate of Formation shall have been canceled in the manner required by the Act.

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Section 21. Waiver of Partition; Nature of Interest.

Except as otherwise expressly provided in this Agreement, to the fullest extent permitted by law, each Member hereby irrevocably waives any right or power that such Person might have to institute any proceeding at law or in equity to cause the dissolution, liquidation, winding up or termination of the Company. Except as expressly set forth in the Material Contracts, no Member shall have any interest in any specific assets of the Company, and no Member shall have the status of a creditor with respect to any distribution pursuant to Section 12 hereof. The interest of the Members in the Company is personal property.

Section 22. Benefits of Agreement; No Third-Party Rights.

Except as expressly provided herein or in the Material Contracts, none of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Company or by any creditor of any Member. Nothing in this Agreement shall be deemed to create any right in any Person (other than Covered Persons) not a party hereto, and this Agreement shall not be construed in any respect to be a contract in whole or in part for the benefit of any third Person (other than Covered Persons).

Section 23. Severability of Provisions.

Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

Section 24. Entire Agreement.

This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof.

Section 25. Binding Agreement.

Notwithstanding any other provision of this Agreement, the Members agree that this Agreement (including all of the provisions hereof) constitutes a legal, valid and binding agreement of the Members and is enforceable against the Members in accordance with its terms.

Section 26. Governing Law.

This Agreement shall be governed by and construed under the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

Section 27. Amendments.

Subject to Section 6(c), except for updates to the Company Ledger permitted hereby, this Agreement may be only modified, altered, supplemented or amended pursuant to a written agreement executed and delivered by all of the Members.

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Section 28. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement and all of which together shall constitute one and the same instrument. Facsimile and .pdf signatures shall be deemed originals for all purposes hereunder.

Section 29. Notices.

All notices, requests, demands, waivers and other communications required or permitted to be given under this Agreement will be in writing and will be deemed to have been duly given if (a) delivered personally, (b) mailed by certified or registered mail with postage prepaid, or (c) sent by next-day or overnight mail or delivery, as follows (or to such other address as the party entitled to notice will hereafter designate in accordance with the terms hereof):

If to the Company: IT-SPE, LLC
4200 Marsh Landing Parkway, Suite 100
Jacksonville Beach, Florida 32250
Attention: Managing Member
Telephone: (904) 482-1130

If to any Member: at such Member's address as set forth on his, her or its
counterpart signature page to this Agreement or in the
Company Ledger

All such notices, requests, demands, waivers and other communications will be deemed to have been received on the day delivered; provided, that such delivery is on a Business Day and confirmed by signed receipt of delivery.

Section 30. Option to Purchase.

If a Major Default occurs and is not cured within two Business Days after expiration of the notice period set forth in the definition of Major Default, the IT Rep shall have the option to purchase the Managing Member's Membership Units for One Dollar (\$1.00). Such option may be exercised by giving written notice of such election to Partners within the 60 day period following such two Business Day period.

Section 31. Effectiveness.

This Agreement shall be effective as of the time of acceptance by the Delaware Secretary of State of the filing of the Certificate of Formation with the Office of the Delaware Secretary of State on August __, 2012 (the "Effective Date").

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Section 32. Federal Tax Matters.

A designated Member, chosen from time to time by the Managing Member, will be the tax matters member (the "Tax Matters Member"), which will be considered the tax matters partner for purposes of Section 6231 of the Code. Initially, Partners will be the Tax Matters Member.

Section 33. Headings; No Strict Construction.

The headings to sections in this Agreement are for purposes of convenience only and will not affect the meaning or interpretation of this Agreement. In the event of an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof will arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

Section 34. Waiver.

Waiver by any Member hereto of any breach or default by any other Member of any of the terms of this Agreement will not operate as a waiver of any other breach or default, whether similar to or different from the breach or default waived. No waiver of any provision of this Agreement will be implied from any course of dealing between the Members hereto or from any failure by any Member to assert its or his or her rights hereunder on any occasion or series of occasions.

Section 35. Further Actions.

Each Member will execute and deliver such other certificates, agreements and documents, and take such other actions, as may reasonably be requested by the Company in connection with the continuation of the Company and the achievement of its purposes, including (a) any documents that the Company deems necessary or appropriate to continue the Company as a limited liability company in all jurisdictions in which the Company conducts or plans to conduct business, and (b) all such agreements, certificates, tax statements and other documents as may be required to be filed in respect of the Company consistent with the provisions of this Agreement.

Section 36. Successors and Assigns.

Except as herein otherwise provided to the contrary, this Agreement will be binding upon and inure to the benefit of the parties hereto, their successors and, subject to the provisions of Sections 17 and 19 hereof and all applicable laws, rules and regulations, permitted assigns.

Section 37. Rules of Construction.

(a) All references herein to Articles, Sections and Schedules will be deemed to be references to Articles and Sections of, and Schedules to, this Agreement unless the context requires otherwise. All Schedules attached hereto will be deemed incorporated herein as if set forth in its entirety herein and, unless otherwise defined therein, all terms used in any Schedule will have the meaning ascribed to such term in this Agreement.

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(b) Words in the singular include the plural and in the plural include the singular. The words “including,” “includes,” “included” and “include,” when used, are deemed to be followed by the words “without limitation.” Whenever the context may require, any pronoun will include the corresponding masculine, feminine and neuter forms. The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement will refer to this Agreement as a whole and not to any particular provision of this Agreement.

(c) Unless otherwise expressly provided herein, any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes, and all attachments thereto and instruments incorporated therein.

(Remainder of page intentionally left blank; signature page follows)

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have
duly executed this Limited Liability Company Agreement as of the Effective Date.

MEMBERS:

Cliffs Club Partners, LLC, a Delaware limited liability
company

By: _____
John Kunkel, _____

_____, LLC, a Delaware
limited liability company

By: _____

Its: _____

SCHEDULE A

Definitions

When used in this Agreement, the following terms not otherwise defined herein have the following meanings:

“Act” has the meaning set forth in the recitals to this Agreement.

“Affiliate” means, as to any Person, any other Person that is in Control of, is Controlled by or is under common Control with such Person or is a director or officer of such Person or of an Affiliate of such Person.

“Agreement” means this Limited Liability Company Agreement of the Company, together with the schedules attached hereto, as amended, restated or supplemented or otherwise modified from time to time.

“Asset Purchase Agreement” means the Asset Purchase Agreement, dated as of July __, 2012, by and among CCHG Holdings, Inc., The Cliffs Club & Hospitality Group, Inc., The Cliffs at Mountain Park Golf & Country Club, LLC, The Cliffs at Keowee Vineyards Golf & Country Club, LLC, The Cliffs at Walnut Cove Golf & Country Club, LLC, The Cliffs at Keowee Falls Golf & Country Club, LLC, The Cliffs at Keowee Springs Golf & Country Club, LLC, The Cliffs at High Carolina Golf & Country Club, LLC, The Cliffs at Glassy Golf & Country Club, LLC, The Cliffs at Valley Golf & Country Club, LLC and The Cliffs Club & Hospitality Service Company, LLC, collectively, as the Sellers, and Partners, as the Buyer.

“Bankruptcy” means, with respect to any Person, if such Person (a) makes an assignment for the benefit of creditors, (b) files a voluntary petition in bankruptcy, (c) is adjudged a bankrupt or insolvent, or has entered against it an order for relief, in any bankruptcy or insolvency proceedings, (d) files a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, (e) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding of this nature, (f) seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the Person or of all or any substantial part of its properties, or (g) if 120 days after the commencement of any proceeding against the Person seeking reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, if the proceeding has not been dismissed, or if within 90 days after the appointment without such Person’s consent or acquiescence of a trustee, receiver or liquidator of such Person or of all or any substantial part of its properties, the appointment is not vacated or stayed, or within 90 days after the expiration of any such stay, the appointment is not vacated. The foregoing definition of “Bankruptcy” is intended to replace and shall supersede and replace the definition of “Bankruptcy” set forth in Sections 18-101(1) and 18-304 of the Act.

“Bankruptcy Action” means (a) filing or consenting to the filing of any bankruptcy, insolvency or reorganization case or proceeding, (b) instituting any proceedings under any applicable insolvency law or otherwise seeking any relief under any laws relating to the relief from debts or the protection of debtors generally, (c) seeking or consenting to the appointment of

a receiver, liquidator, assignee, trustee, sequestrator, custodian or any similar official for itself or any other entity, (d) making an assignment of its assets for the benefit of its creditors or an assignment of the assets of another entity for the benefit of such entity's creditors, or (e) taking any action in furtherance of the foregoing.

"Business Day" means any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of Delaware, or is a day on which banking institutions located in the State of Delaware are authorized or required by law or other governmental action to close.

"Certificate of Formation" means the Certificate of Formation of the Company filed with the Secretary of State of the State of Delaware on June __, 2012, as amended or amended and restated from time to time.

"Clubs" means each of Cliffs Club at Glassy, LLC; Cliffs Club at Walnut Cove, LLC; Cliffs Club at Valley, LLC; Cliffs Club at Keowee Falls, LLC; Cliffs Club at Keowee Springs, LLC; Cliffs Club at Keowee Vineyards, LLC; and Cliffs Club at Mountain Park, LLC.

"Company" means IT-SPE, LLC, a Delaware limited liability company.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities or general partnership or managing member interests, by contract or otherwise. "Controlling" and "Controlled" shall have correlative meanings. Without limiting the generality of the foregoing, a Person shall be deemed to Control any other Person in which it owns, directly or indirectly, a majority of the voting interests.

"Covered Persons" has the meaning set forth in Section 16(a).

"Debt Assumption Agreement" means the Debt Assumption and Assignment Agreement, dated as of _____, 2012, by and among The Cliffs Club & Hospitality Group, Inc., each of the Restructuring Guarantors (as defined in the Note Restructuring Agreement), Partners, and the Company.

"Directly or indirectly" means, for purposes of Section 15, any and all activities undertaken by, through or on behalf of a Member, or any of a Member's Affiliates, or any and all entities with respect to which a Member or any of its Affiliates serves as contractor, agent, employee or representative or has a direct or indirect financial interest.

"Event of Default" means, as to a Material Contract, a default asserted by the other party to the Material Contract resulting in the acceleration of any indebtedness owing by the Company under the Material Contract or a termination of the Material Contract.

"Exit Facility Documents" means the documents and agreements providing to Partners that certain credit facility in the principal amount of \$_____ dated as of the date of the Company's acquisition of the Property and assumption of the Modified Notes including the note(s) issued pursuant to, and the mortgages, deeds to secure debt and other security documents securing, such credit facility.

“GAAP” means U.S. generally accepted accounting principles.

“Governmental Authority” shall mean any court, board, agency, department, commission, office or other authority of any nature whatsoever for any governmental unit (federal, state, county, municipal, city, town, special district or otherwise) whether now or hereafter in existence.

“Indebtedness” means: (a) any liability for borrowed money, (i) evidenced by a note, debenture, bond or other instrument of indebtedness, including any given in connection with the acquisition of property, assets or securities, or (ii) for the payment of rent or other amounts relating to capitalized lease obligations, (b) any liability of others of the nature described in clause (a) which the Company has guaranteed or which is otherwise its legal liability, or (c) any modification, renewal, extension, replacement or refunding of any such liability described in clause (a) or (b).

“Indenture Trustee” means Wells Fargo Bank, National Association, in its capacity as indenture trustee with respect to the Modified Notes, or any successor indenture trustee with respect thereto.

“IT Rep” has the meaning given to it in the introductory paragraph.

“Lease” means that certain Master Ground Lease for Golf Courses and Clubs, dated as of _____, 2012, between the Company, as lessor, and Partners, as lessee, .

“Legal Requirements” shall mean all statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions of Governmental Authorities affecting the Property or any part thereof, or the construction, use, alteration or operation thereof, whether now or hereafter enacted and in force, and all permits, licenses, authorizations and regulations relating thereto, and all covenants, agreements, restrictions and encumbrances contained in any instruments, either of record or known to the Company, at any time in force affecting the Property or any part thereof, including, without limitation, any which may (a) require repairs, modifications or alterations in or to the Property or any part thereof, or (b) in any way limit the use and enjoyment thereof.

“Major Default” means any of the following:

(a) a default in the payment of principal on the Modified Notes, when and as the same shall become due and payable, and a continuance of such default for three Business Days or more following the Company’s receipt of written notice from either the IT Rep or the Indenture Trustee of such default;

(b) an Event of Default by Partners under the Lease and the expiration of all grace and cure periods set forth in the Lease;

(c) The Company’s failure to perform or observe, or the Company’s violation or breach of, any other term, covenant or agreement (other than one that can be satisfied with the payment of money) contained in this Agreement or any Event of Default under a Material

Contract, which failure, violation or breach is not cured within thirty days (inclusive of any grace or cure periods contained the applicable Material Contract) after written notice thereof to the Company from the IT Rep, the Indenture Trustee or any other Person;

(d) Entry of a judgment, order, decree or arbitration award against the Company for the payment of money in excess of \$1,000,000 (to the extent not covered by insurance); provided such judgment, order, decree, or arbitration award shall not have been paid and satisfied, vacated, discharged, stayed or bonded within 30 Business Days after the entry of such judgment, order, decree or award; or

(e) Any Bankruptcy Action or event of Bankruptcy involving the Company.

“Managing Member” means Partners, unless and until a Major Default shall occur and, after a Major Default, the IT Rep.

“Material Contract” means the Lease, the Exit Facility Documents, the Mortgages, the Mountain Park Facility Documents and the Debt Assumption Agreement.

“Members” means Partners and the IT Rep as the initial members of the Company, and includes any Person admitted as an additional member of the Company or a substitute member of the Company pursuant to the provisions of this Agreement, each in its capacity as a member of the Company.

“Membership Interest” shall mean the ownership interest of the Member in the Company at any particular time, including the right of the Member to any rights or benefits to which the Member may be entitled as provided in this Agreement or the Act, together with the obligations of the Member to comply with all the provisions of this Agreement and the Act and (a) in the case of the IT Rep, shall specifically include its rights under Section 6(c), and (b) in the case of Partners, means the Units issued and outstanding and held by Partners as of the Effective Date.

“Modified Notes” means the notes in the aggregate principal amount of \$64,050,000 payable to the noteholders as modified by the Note Restructure Agreement modifying such notes.

“Mortgages” means the mortgages, deeds to secure debt and other security documents securing the Modified Notes.

“Mountain Park Facility Documents” means the documents and agreements providing to Partners that certain credit facility of up to \$7,500,000 to fund the completion of the Mountain Park Golf Course, the possible build out of the clubhouse at Mountain Park Golf Course and other uses as set forth therein, including the notes issued pursuant to, and the mortgages, deeds to secure debt and other security documents securing, such credit facility.

“Note Restructuring Agreement” means the Note Restructuring Agreement related to Series A Notes Due 2017 and Series B Notes Due 2017 issued pursuant to an Indenture, dated as of April 30, 2010, between The Cliffs Club & Hospitality Group, Inc., each of the Guarantors party thereto and Wells Fargo Bank, National Association, as trustee.

“Obligations” shall mean, in the aggregate, the obligation of the Company to pay \$64,050,000 under the Modified Notes. The term “Obligations” shall also include any judgment against the Company or its assets with respect to the foregoing.

“Officer” means an officer of the Company described in Section 7.

“Plan” means the plan of reorganization as filed May 22, 2012 in Case No. 12-1220 in the United States Bankruptcy Court for the District of South Carolina, as amended from time to time.

“Partners” has the meaning given to it in the introductory paragraph.

“Person” shall mean any individual, corporation, partnership, joint venture, limited liability company, estate, trust, unincorporated association, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

“Property” means the real property described on Schedule C hereto.

“Related Property” means any real property necessary for the operation of the golf courses operated by the Clubs that is not part of the Property and that is acquired by Partners or its Affiliates after the effective date of the Lease.

“Subleases” means those certain subleases of the Property between Partners, as lessor, and the Clubs, as lessee.

“Transfer” shall mean any sale, transfer, exchange, assignment, pledge, hypothecation or gift of Units or any Membership Interest or any beneficial interest therein, or any contract for any of the foregoing, or any voting trust or other agreement or arrangement respecting voting rights appurtenant to Units or any Membership Interest. With respect to a Member that is an entity, “Transfer” shall also include the sale, transfer or other disposition of more than 50% of the capital stock or other voting equity interests in such entity. “Transferee” means any Person receiving Units or any Membership Interest by way of Transfer.

“UCC” means the Uniform Commercial Code of the State of Delaware as in effect from time to time.

SCHEDULE B

Members

<u>Name</u>	<u>Mailing Address</u>	Agreed Value of <u>Capital Contribution</u>	<u>Units</u>
Cliffs Club Partners, LLC	4200 Marsh Landing Parkway Suite 100 Jacksonville Beach, FL 32250	\$_____*	1,000
_____, LLC, a Delaware limited liability company		0	0
Total			1,000

* Partners made an initial Capital Contribution to the Company by contributing the Property with an agreed value equal to the Consideration paid by Partners to purchase the Property pursuant to the Asset Purchase Agreement net of the liabilities assumed by the Company and to which the Property was subject upon contribution of the Property by Partners to the Company, all as finally determined by Partners.

SCHEDULE C

Description of Property

[TO COME]

#11183606_v12

Attachment 7

**Form of the Subleases by and between Cliffs Club Partners and the golf operating
subsidiaries**

SUB-LEASE

for

GOLF COURSE AND CLUB
(*[Site Specific]*)

between

a Delaware limited liability company

"Lessor"

and

a Delaware limited liability company

"Lessee"

Dated Effective: _____, 2012

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**SUB-LEASE
for
GOLF COURSE AND CLUB**

([Site Specific])

This SUB-LEASE FOR GOLF COURSE AND CLUB ("Sub-Lease") is entered into effective _____, 2012 ("Effective Date"), by _____, a Delaware limited liability company ("Lessor") and _____, a Delaware limited liability company ("Lessee").

Introduction

A. A Master Ground Lease for Golf Courses and Clubs dated _____, 2012 ("Master Lease") was entered into between _____, a Delaware limited liability company, ("Master Lessor") and _____, a Delaware limited liability company ("Master Lessee") pursuant to that certain Joint Chapter 11 Plan ("Plan") filed by Debtors and The Plan Sponsor, dated _____, 2012, in that certain Chapter 11 Bankruptcy Case entitled In re: The Cliffs Club & Hospitality Group, Inc., et. al., d/b/a The Cliffs Golf & Country Club, Chapter 11 Case No. 12-01220, in the United States Bankruptcy Court, District of South Carolina, as confirmed by that certain Order Confirming Joint Plan of Reorganization dated _____, 2012 ("Master Lease").

B. Pursuant to the Plan, Lessor has acquired ownership of certain golf courses, clubs and related facilities, including: (i) the Cliffs at [Site Specific] located in _____ Carolina ("Club"), depicted on the site plan attached as Exhibit "A-1," including that land described on the attached Exhibit "A-2" ("Land") and those buildings and other improvements described on the attached Exhibit "A-3" ("Improvements"), subject to those matters set forth on the attached Exhibit "A-4" ("Encumbrances"); and (i) those certain leasehold parcels of land ("Leasehold Parcels") depicted on the site plans attached as Exhibit "B-1," including the land described on the attached Exhibit "B-2" ("Leasehold Land") and those buildings (if any) and improvements described on the attached Exhibit "B-3" ("Leasehold Improvements"), subject to those matters set forth on the attached Exhibit "B-4" ("Leasehold Encumbrances"). The term "Club" refers to any club houses (including restaurants, bars, dining areas and banquet rooms), spas, maintenance buildings, tennis courts and other recreational facilities as well as any personalty owned and/or leased by Lessor that is associated therewith, excluding the golf courses. The Land, Improvements and Clubs are sometimes referred to herein collectively as the "Premises."

C. Pursuant to Section _____ of the Master Lease, the Master Lessee (the "Lessor" hereunder) is authorized to sublease all or any portion of the premises described in the Master Lease, and the Master Lessor has approved subleasing of the Premises described herein to "Lessee" hereunder.

D. Lessor wishes to lease the Premises to Lessee and Lessee wishes to lease the Premises from Lessor, subject to the terms and conditions of the Master Lease and in accordance with the terms of this Sub-Lease.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Lessor and Lessee agree as follows:

Article 1

Lease, Term and Rent

Section 1.01 Lease of Facilities. Lessor hereby leases (or subleases as to the Leasehold Parcels), the Premises to Lessee, and Lessee hereby leases, (or sub-subleases as to the Leasehold Parcels), the Premises from Lessor, on a non-recourse triple net basis, subject to the terms and conditions of the Master Lease and in accordance with the terms of this Sub-Lease.

Section 1.02 Term and Lease Years. This Sub-Lease shall commence on the effective date for the Plan ("Commencement Date"). "Lease Years" shall be measured from the Commencement Date and each anniversary of the effective date of the Plan shall mark the beginning of a new Lease Year until midnight EDT/EST of the last day of the _____ Lease Year, at which time the term shall expire ("Lease Term"). Lessor and Lessee shall confirm the Commencement Date and Lease Term in the Memorandum of Sub-Lease to be recorded pursuant to Section 5.17 below.

Section 1.03 Annual Rent. Lessee shall pay to Lessor in arrears annual rent equal to one-hundred percent (100%) of the "Net Cash Flow" as that term is defined on the attached Exhibit "C" ("Annual Rent"). Said Annual Rent shall be paid in arrears commencing on the _____ business day of the second full calendar month after the end of the first Lease Year and continuing on the first business day of the second full calendar month after the end of each subsequent Lease Year thereafter throughout the term. The last payment of Annual Rent shall be due on the first business day of the second full calendar month after expiration of the Lease Term ("Rent Payment Dates").

Section 1.04 Statement of Net Cash Flow. On or before each Rent Payment Date, Lessee shall submit to Lessor a statement stating for the prior Lease Year the: (i) revenues, with an itemization of the amount for each component category; (ii) expenses, with an itemization of the amount for each component category; and (iii) Net Operating Revenue ("Statement of Net Cash Flow").

Section 1.05 Records and Audits. Lessee shall keep and maintain full and accurate books of account and records from which the Net Cash Flow can be determined for each Lease Year. Lessor shall have the right from time to time during the thirty-six (36) months period following each Lease Year to inspect and audit all such books and records relating to Net Cash Flow. If any such inspection and audit discloses that the Net Cash Flow was understated, Lessee shall forthwith pay to Lessor any additional sum determined by Lessor to be payable.

Section 1.06 Accord and Satisfaction. No payment by Lessee or receipt by Lessor of any lesser amount than the amount stipulated to be paid hereunder shall be deemed other than on account of the earliest stipulated amount due; nor shall any endorsement or statement on any check or letter be deemed an accord and satisfaction. Lessor may accept any check or payment without prejudice to Lessor's right to recover the balance due or to pursue any other legal remedy available to Lessor.

Section 1.07 Lessor's Tradenames and Logo. To the extent that Lessor has the right pursuant to the Master Lease to use the tradename _____ and the associated logos, and the goodwill associated with such tradename and logos (the "**Marks**") in connection with the operation of the Club, Lessor hereby grants a royalty-free non-assignable license to Lessee to use the Marks during the Term in connection with Lessee's operation of the Club.

Section 1.08 Triple Net Lease. The Annual Rent payable hereunder shall be absolutely triple net to Lessor, so that this Sub-Lease shall yield to Lessor the annual rent specified herein during each Lease Year throughout the Term, and that all costs, expenses, and obligations of every kind and nature whatsoever relating to the Premises shall be paid by Lessee, except as explicitly excluded herein.

Section 1.09 Condition of Premises. Lessee has inspected the Premises (including, but not by way of limitation, all buildings, fixtures, equipment, furniture and other personal property) and accepts the same in their present "AS-IS" condition, without representation or warranty (express or implied) of any nature whatsoever from Lessor.

Section 1.10 Status of Master Lease. Lessee acknowledges and agrees that its rights in and to the Premises hereunder are subordinate and subject to the terms and conditions of the Master Lease. Lessee shall have no rights in and to the Premises hereunder which the Master Lessee does not have pursuant to the Master Lease. Lessee shall have no rights against Lessor hereunder which Master Lessee does not have against the Master Lessor pursuant to the Master Lease. Lessee agrees to pay each sum (except for Annual Rent pursuant to the Master Lease) and perform each obligation on the part of Lessor to be paid and/or performed pursuant to the Master Lease, to the extent relating to the Premises, and to indemnify and hold harmless Lessor from and against claims, causes of action, damages, expenses (including reasonable attorney's fees and court costs) asserted against and/or incurred by Lessor in connection with any failure by Lessee to do so.

Article 2

Obligations of Lessee

Section 2.01 Taxes. Lessee shall pay all ad valorem real estate taxes, personal property taxes, governmental assessments, federal taxes, state taxes and local taxes relating to ownership and/or operation of the Club, Improvements and/or Land ("Taxes") to the extent accruing during the Term, excluding only any gross receipts taxes on rent received by Lessor pursuant to the this Sub-Lease. Any Taxes attributable in part to period(s) before or after the Term shall be prorated on a per diem basis and Lessee shall be responsible for the portion(s)

thereof attributable to the Term. This obligation of Lessee shall survive any expiration or termination of this Sub-Lease.

Section 2.02 Compliance with Laws. Lessee shall comply, and cause the Land, Improvements and Club to comply with all applicable laws, statutes, ordinances (including, but not limited to, building codes and zoning regulations and ordinances), orders, rules, regulations and requirements of all federal, state, county and municipal governments, and the appropriate agencies, officers, departments, boards and commissions thereof, and the board of fire underwriters and/or the fire insurance rating organization or similar organization performing the same or similar functions, whether now or hereafter in force.

Section 2.03 Real Estates Taxes. Lessee shall pay all ad valorem real estate taxes coming due during the Lease Term directly to the applicable taxing authorities as and when due.

Section 2.04 Operating Responsibilities. Lessee shall: (a) maintain (or cause to be maintained) the physical condition of all Improvements in reasonable condition and perform at its expense such maintenance, repairs, replacements and/or improvements as may be necessary or appropriate to assure the same; and (b) operate (or cause to be operated) the Club continuously.

(a) Subject to the foregoing and the other terms and conditions of this Sub-Lease, Lessee shall have the authority and responsibility to: (a) determine, establish, and implement the policies, standards, and schedules for the operation and maintenance of the Premises and all matters affecting customer relations; (b) hire, train, and supervise the general manager, golf course superintendent, head golf professional, food and beverage manager, and all Premises employees; (c) supervise and direct all phases of operation of the Premises; and (d) establish accounting and payroll procedures and functions for the Premises. Lessor will cooperate with Lessee to permit and assist Lessee to carry out its duties under this Lease, provided however, Lessor shall not be required to incur any cost related thereto.

(b) Without in any way limiting Lessee's right and obligation to manage and operate the Premises, Lessee shall perform the following services, or cause the same to be performed for the Premises:

(i) enter into such contracts for the furnishing of utilities and maintenance and other services to the Premises;

(ii) make all repairs, decorations, revisions, alterations and improvements to the Premises (other than capital improvements) as shall be reasonably necessary for maintenance of the Premises in good and sanitary order, condition and repair;

(iii) incur such expenses as shall be necessary for the continuous operation and reasonable maintenance of the Premises;

(iv) apply for, and use reasonable efforts to obtain and maintain, all licenses and permits required of Lessee in connection with the operation and management

of the Premises; and Lessor agrees to execute any and all applications and such other documents as shall be reasonably required and to otherwise cooperate, in all reasonable respects, with Lessee in the application for, and obtaining and maintenance of, such licenses and permits;

(v) use reasonable efforts to do, or cause to be done, all such acts and things in and about the Premises as shall be reasonably necessary to comply with all requirements of any applicable insurance policies and any applicable laws, rules or ordinances, and to discharge any lien, encumbrance or other charge on the Premises not existing as of the date hereof or contemplated in the Plan; and

(vi) pay all ad valorem taxes or other impositions and all insurance premiums when due in connection with the Facilities.

(c) Personnel. Lessee shall employ all of the employees of the Premises and comply with all applicable employment and immigration laws in connection therewith. Lessee may cause the foregoing responsibilities to be performed by any Permitted Sub lessee.

Section 2.05 Mechanics' Liens. Lessee shall promptly pay and discharge, when due, all charges for labor, services, or materials used or incurred by it in connection with the construction and/or repair of the Premises, and shall not allow any liens to be filed against any interest in the Premises with respect to any such labor, services, or materials used or incurred by Lessee. Lessor hereby gives notice to all persons that any liens claimed by any person as the result of improving the Club pursuant to a contract with Lessee, or any other person other than the Lessor, shall extend to, and only to, the right, title, and interest, if any, of the person who contracts for said Improvements. In no event shall said lien extend to the interest of Lessor, its successors or assigns, in the Clubs. Lessor hereby expressly prohibits any such liability. Without limitation of the foregoing, Lessor may transfer such lien to a bond posted by Lessor, and recover from Lessee all costs of such bond.

Section 2.06 Compliance with Encumbrances. Lessee shall at its expense comply with all terms, conditions and requirements comprising the Encumbrances, to the extent applicable to the Club.

Section 2.07 Utilities. Lessee shall punctually pay and discharge or cause to be paid and discharged when due, all charges and deposits for gas, water, sewer service, electricity, trash removal, and other utilities or services used in connection with or furnished to the Premises during the term of this Lease. The parties agree that utility services may, at Lessor's option, be billed directly to Lessee.

Section 2.08 Payment of Expenses. Lessee shall during the Term pay and discharge punctually, as and when the same shall become due and payable, all duties, taxes, special and general assessments water rents, sewer rents, charges, and payments, together with all interest and penalties thereon, whether foreseen or unforeseen, as shall during the Term be charged, laid, levied, assessed, or imposed upon, or become due and payable, or liens upon, the Premises, or any part thereof or any interest therein, or any Improvements, appurtenances, fixtures, or equipment thereon, by virtue of any present or future law, order, statute, rule,

regulation, directive, or ordinance of the United States of America, or any city, county, or state governments having jurisdiction, or of any department, office or bureau thereof, or any other governmental authority. With respect to special assessments that are payable in installments, Lessee is obligated to pay only those installments that accrue during the Term. Lessee may, at its own cost and expense, and free of any expense to Lessor, undertake by appropriate proceedings to review or appeal any taxes, assessments or other such charges or payments levied against all or any portion of the Premises during the term of this Lease. In any event, all such taxes and assessments shall be paid by Lessee prior to the date on which said tax or assessment becomes delinquent.

Section 2.09 Title to Land and Improvements. The title to any and all Improvements made or placed upon the Land, including all motors, machinery, and utility lines installed thereon or affixed or Lessee thereto, shall immediately upon the termination, by lapse of time or otherwise, of this Lease, vest in Lessor free and clear of any and all liens, encumbrances or other matters arising by, through or under Lessee. Upon the expiration or sooner termination of this Lease, Lessee shall peaceably and quietly surrender the Premises, and all such buildings, improvements, equipment, fixtures, furnishings, furniture, motors, machinery, and utility lines, in good order, repair, and condition, reasonable wear and tear excepted. In addition, Lessee promptly will deliver to Lessor all service and employment contracts, transferable insurance policies, licenses, certificates of need, licenses, and permits, and such operating data and other information that are owned by Lessee and that Lessor may reasonably require, and, if requested by Lessor, Lessee will transfer and assign by written instrument its interest in and to such of the foregoing as may be designated by Lessor, to the extent assignable.

Section 2.10 Maintenance and Repairs. Lessee hereby covenants, throughout the term of this Lease, that Lessee will, take reasonable care of the Premises and all Improvements that are at any time located or constructed on the Land, and all equipment, fixtures, furniture, furnishings, motors, machinery, and utility lines now or hereafter Lessee thereto, and the cart paths, sidewalks, parking areas, curbs, gutters, and street lighting now or hereafter located thereon, and will keep the same in reasonable repair, order, and condition, and that Lessee will not do or suffer any waste with respect thereto, and that Lessee will, promptly make all necessary repairs, interior and exterior, structural and nonstructural, ordinary as well as extraordinary, foreseen as well as unforeseen. Lessee shall maintain the grounds and landscaping on the Property in reasonable condition. Lessor shall not be required to make any repairs, alterations, replacements, or improvements to the Premises. When used in this paragraph or elsewhere in this Lease, the term "**repairs**" shall include replacements or renewals when necessary and all such repairs made by Lessee shall be equal in quality and class to the original work.

Section 2.11 Compliance with Laws. Lessee shall, throughout the Term, and at no expense whatsoever to the Lessor, promptly comply with all laws, ordinances, orders, rules, regulations, and requirements of all federal, state, county, and municipal governments, and appropriate departments, commissions, boards, and offices thereof, foreseen and unforeseen, ordinary as well as extraordinary, and whether or not the same shall presently be within the contemplation of the parties hereto that may be applicable to the Premises or the business operations conducted thereon. No abatement, diminution, or reduction of the rent or other charges required to be paid by the Lessee pursuant to the terms of this Lease shall be

claimed by, or allowed to, the Lessee for any inconvenience, interruption, cessation, or loss of business or otherwise caused, directly or indirectly, by any present or future laws, rules, requirements, orders, directives, ordinances, or regulations of any governmental or lawful authority whatsoever, or by priorities, rationing, or curtailment of labor or materials, or by war, civil commotion, strikes or riots.

Section 2.12 Covenant to Operate. During the Term, and during normal business hours, Lessee shall continuously conduct, operate and keep open for business the golf courses, driving ranges, pro-shops, club houses, restaurants, snack bars and other Club Facilities.

Section 2.13 Mortgage. Neither Lessor nor Lessee shall mortgage any interest in Land or the leasehold interest created by this Sub-Lease, except as specifically authorized by the Plan.

Article 3

Insurance, Environmental & Losses

Section 3.01 Insurance.

(a) Casualty Insurance. Lessee shall at all times during the term of this Lease, at its own expense, insure or cause to be insured, and keep insured with an insurance company duly authorized to do business, all Improvements now or hereafter located on the Land, and all alterations, extensions, and improvements thereto and replacements thereof, together with all fixtures, furnishings, furniture, motors, machinery, utility lines, and equipment located therein or Lessee thereto, against: (i) loss or damage by fire, windstorm, flood, and the risks contemplated within the extended coverage endorsement as such endorsement may customarily be written; (ii) sprinkler leakage; (iii) vandalism and malicious mischief, (iv) boiler and machinery exposure; and (v) against such other risks as Lessee determines to be reasonably required. All such insurance policies shall be for the replacement value of all of said buildings, improvements, fixtures, furnishings, furniture, motors, machinery, utility lines and equipment. All such policies of insurance shall name the Master Lessor and the Lessor as insured's and be payable to Sub-Lessor, Lessor, Lessee, and any permitted mortgagee as their respective interests may appear. Lessee agrees to pay the premiums on said policies as and when the same become due and payable.

(b) Liability Insurance. Without limiting the indemnification obligations set forth in this Lease, including, without limitation, the indemnification obligations contained herein, Lessee agrees that it will procure, or cause to be procured, and maintain in force throughout the term of this Lease, for the benefit of Master Lessor, Lessor, Lessee, and any mortgagee, as their respective interests shall appear, a policy or policies of public liability insurance written by a company authorized to engage in the business of general liability insurance, protecting Master Lessor, Lessor and Lessee against any and all claims for injury to persons or property occurring in, upon, or about the Premises, and each and every part thereof naming Lessor as an additional insured. Such public liability policy or policies for the Premises shall have an initial combined single limit for personal injury and property damage of not less

than Two Million Dollars (\$2,000,000) with respect to injuries, death, or damages in any one occurrence. Lessee shall promptly pay when due any and all insurance premiums in connection with any policy or policies of insurance.

(c) Workers' Compensation. Lessee shall procure, or cause to be procured, and maintain in force throughout the Term, at Lessee's expense, workers' compensation insurance covering all employees of Lessee and employer's liability insurance for the Premises in an amount not less than five hundred thousand dollars (\$500,000) or as otherwise required by law, and neither of such policies shall contain a provision for participation by the insured in any loss limits.

(d) Obligation to Repair, Restore and Replace. If any Improvements at any time located on the Land shall be damaged or destroyed by any cause whatsoever during the Term of this Lease, Lessee shall, with reasonable promptness and all due diligence, repair, restore, or replace the same from the proceeds of any insurance policy maintained by Lessee hereunder so that the Improvements thereon after such repair, restoration, or replacement shall at least equal in value the Improvements situated thereon prior to such damage or destruction. All losses shall be adjusted with the insurance company or companies by Lessor. All proceeds of insurance policies shall be paid to Lessor.

(e) Blanket Policies. Any insurance coverage required by this paragraph may be by means of a policy or policies of blanket insurance covering other premises; provided, however, any such blanket policy shall specify therein the amount of the total insurance allocated to the Club.

Section 3.02

Obligations with Respect to Environmental Laws.

(a) Lessor and Lessee, as applicable, each shall comply with all applicable laws, ordinances, and regulations (including consent decrees and administrative orders) relating to public health and safety and protection of the environment, including those statutes, laws, regulations, and ordinances identified in subparagraph (i) below, all as amended and modified from time to time (collectively, "**Environmental Laws**") affecting the Premises. All governmental permits relating to the use or operation of the Club and the Improvements required by applicable Environmental Laws are and will remain in effect, and Lessor and Lessee, as applicable, shall comply with them.

(b) Lessee shall not, in violation of Environmental Laws, release, generate, manufacture, store, treat, transport, or dispose of Hazardous Material, as that term is defined in subparagraph (h) below, on, in, under, or from the Premises or the Improvements; provided, however, the Lessee shall have no responsibility with regard to the release, generation, manufacture, storage, treatment, transportation, or disposal of Hazardous Material which occurred, or results from a condition which existed, prior to the Effective Date.

(c) Lessor represents and warrants that it has no actual knowledge of any violation of the Environmental Laws including but not limited to the release, generation, manufacture, storage, treatment, transportation, or disposal of Hazardous Material in violation of Environmental Laws, on, in, under, or from the Premises which occurred, or results from a

condition which existed, prior to the effective date of this Lease. If any Hazardous Material is found on the Premises and such Hazardous Material's presence is not in compliance with the Environmental Laws and existed, or results from a condition which existed, prior to the Effective Date, then Lessor, at its own cost and expense, will cause the Master Lessor to: (i) immediately take such action as is necessary to detain the spread of and remove the Hazardous Material to the complete satisfaction of Lessee and the appropriate governmental authorities; (ii) promptly and diligently pursue the resolution of and defend against any resulting actions and proceedings arising under the Environmental Laws to the satisfaction of Lessee; and (iii) keep the Premises free of any lien imposed pursuant to the resulting breach of any Environmental Laws.

(d) The parties will promptly notify each other, in writing, if either of them has or acquires notice or knowledge that any Hazardous Material has been or is threatened to be released, discharged, disposed of, transported, or stored on, in, under, or from the Premises. Each party shall immediately notify the other, and provide copies to the other, upon receipt of all written complaints, claims, citations, demands, inquiries, reports, or notices relating to the condition of the Premises or compliance with Environmental Laws.

(e) In addition to, and without limiting, the other indemnifications contained in this Lease, Lessee hereby agrees to indemnify, defend, and hold Lessor and Lessor's affiliates, shareholders, directors, officers, employees, and agents free and harmless from and against all losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, costs, judgments, suits, proceedings, damages (including consequential damages), disbursements, or expenses of any kind (including attorneys' and experts' fees and expenses and fees and expenses incurred in investigating, defending, or prosecuting any litigation, claim, or proceeding) that may at any time be imposed upon, incurred by, or asserted or awarded against Lessor or any of them in connection with or arising from or out of Lessee's misrepresentation, inaccuracy, or breach of any warranty, covenant, or agreement contained or referred to in this Section. This indemnification is the obligation of Lessee and will survive the expiration or termination of this Lease. Lessee, its successors, and assigns waive, release, and agree not to make any claim or bring any cost recovery action against Lessor under CERCLA, as that term is defined below, or any state equivalent or any similar law now existing or enacted after this date. To the extent that Lessor is strictly liable under any such law, regulation, ordinance, or requirement, Lessee's obligation to Lessor under this indemnity will also be without regard to fault on the part of Lessee with respect to the violation or condition that results in liability to Lessor.

(f) For purposes of this Lease, "Hazardous Material" means: (i) "Hazardous substances" or "toxic substances" as those terms are defined by the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. § 9601, et seq., or the Hazardous Materials Transportation Act, 49 U.S.C. § 1802, both as amended to this date and as amended after this date; (ii) "Hazardous wastes," as that term is defined by the Resource Conservation and Recovery Act (RCRA), 42 U.S.C. § 6902, et seq., as amended to this date and as amended after this date; (iii) Any pollutant, contaminant, or hazardous, dangerous, or toxic chemical, material, or substance within the meaning of any other applicable federal, state, or local law, regulation, ordinance, or requirement relating to or imposing liability or standards of conduct concerning any hazardous, toxic, or dangerous waste substance or material, all as amended to this date or as amended after this date; (iv) crude oil or any fraction of it that is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds per

square inch absolute); (v) any radioactive material, including any source, special nuclear, or by-product material as defined at 42 U.S.C. § 2011, et seq., as amended to this date or as amended after this date; (vi) asbestos in any form or condition; and (vii) polychlorinated biphenyls (PCB's) or substances or compounds containing PCB's.

Section 3.03 Casualty and Condemnation. In the event that any portion of the Premises are damaged by fire or other casualty, or in the event any portion of the Premises are taken by eminent domain, the proceeds thereof shall be payable to Lessor.

Section 3.04 Improvements and Alterations. Lessee shall be entitled to make such improvements and alterations to the Premises as it may deem necessary or appropriate without the prior approval of Lessor.

Article 4

Events of Default and Remedies

Section 4.01 Lessee Event of Default. Each of the following shall constitute an "Event of Default" on the part of Lessee:

(a) **Rent, Taxes and Insurance.** The failure of Lessee to: (i) pay Annual Rent when due in accordance with the requirements hereof; (ii) pay all ad valorem real estate taxes, assessments, personal property taxes and other taxes when due in accordance with the requirements hereof; or (iii) keep insurance continually in full force and effect in accordance with the requirements hereof;

(b) **Payment Obligations.** The failure of Lessee to pay any other sum (i.e. other than as provided herein) required on its part to be paid hereunder, which failure results in the imposition of a lien on title to the Premises provided that Lessor gives Lessee notice thereof and a period of thirty (30) days within which to make said payment.

No other act or omission of Lessee shall constitute an "Event of Default" on the part of Lessee hereunder.

Section 4.02 Lessor Event of Default. Each of the following shall constitute an "Event of Default" on the part of Lessor:

(a) **Payment Obligations.** The failure of Lessor to pay any sum required on its part to be paid hereunder, provided that Lessee gives Lessor notice thereof and a period of ten (10) days within which to make said payment; or

(b) **Performance Obligations.** The failure of Lessor to perform any obligation required on its part to be performed hereunder, provided that Lessee gives Lessor notice thereof and a period of thirty (30) days within which to make said payment, which period may be extended for a reasonable period of time of up to an additional sixty (60) days if: (i) it is not reasonably possible to perform said obligation within thirty (30) days; (ii) Lessor promptly

institutes reasonable efforts to perform said obligation during said thirty (30) days period and thereafter diligently and continuously pursues the same to completion.

Section 4.03 Remedies of Lessor. Upon occurrence of an "Event of Default" on the part of Lessee hereunder, Lessor may at its election exercise, after thirty (30) days written notice to Lessee during which time Lessee fails to cure any such Event of Default, any and/or all of the following legal remedies:

- (a) Terminate the entire Sub-Lease and all of Lessees rights hereunder;
- (b) With or without terminating the Sub-Lease, re-enter and take possession of the Premises. No such re-entry shall be construed as an election to terminate the Sub-Lease or any portion thereof unless so stated in a written notice from Lessor to Lessee or court order.

The foregoing are the only remedies of Lessor and Lessor shall not seek any money damages based on any Event of Default on the part of Lessee.

Section 4.04 Remedies of Lessee. Upon occurrence of an "Event of Default" on the part of Lessor hereunder, Lessee may at its election exercise any and/or all of the following legal remedies:

- (a) Pay such sum and/or perform such obligation as was required to be paid and/or performed by Lessor hereunder and set-off the reasonable and necessary cost thereof against Rent next coming due hereunder;
- (b) Enforce provisions of the Sub-Lease through actions for specific performance and/or injunctive relief; and
- (c) Seek such other relief and/or remedies as may be available to Lessee pursuant to the laws of the state in which the Premises are located.

The foregoing remedies of Lessee are mutual and non-exclusive.

Section 4.05 Option to Purchase Premises. In the event that Lessor duly elects to exercise its option to purchase the Premises pursuant to Section 4.05 of the Master Lease, then in such event this Sub-Lease shall continue in full force and effect in accordance with the terms and conditions hereof.

Section 4.06 Dispute Resolution.

- (a) Resolution by the Parties. The parties hereto desire, to establish procedures to facilitate the informal an inexpensive resolution of any disputes arising out of or relating to this Agreement by mutual cooperation and without resort to litigation. To accomplish this objective, Lessor and Lessee agree to follow the procedures set forth below if a dispute arises under this Sub-Lease. The complaining party shall write a description of the alleged breach of contract or complaint and send it to the other party by certified or registered mail. This letter shall explain the nature of the complaint and refer to the relevant sections of the Sub-Lease which the complaint is based. The complaining party shall also set forth a proposed solution to

the problem, including a reasonably specific time frame within which the parties must act. The party receiving the letter must respond in writing within thirty (30) days with an explanation, including references to the relevant parts of the Sub-Lease and a response to the proposed solution. Within thirty (30) days of receipt of this response, the parties must discuss options for resolving the dispute. The complaining party must initiate the scheduling of this resolution discussion.

(b) Mediation. A settlement conference must be held within thirty (30) days of an unsuccessful resolution meeting. The settlement conference will be held at the Judicial Arbitration & Mediation Services, Inc. ("JAMS") designated by Lessee or the American Arbitration Association ("AAA") if JAMS does not have an office in _____. The complaining party may agree on a retired judge from the JAMS or AAA panel. If the parties are unable to agree, JAMS or AAA will provide a list of three (3) available judges and each party may strike one. The remaining judge will serve as the mediator at the settlement conference.

(c) Arbitration. If the dispute is not settled by the other resolution formats prescribed herein, the parties agree to submit the dispute to JAMS or AAA for binding arbitration in South Carolina. The aggrieved party may initiate arbitration by sending written notice of an intention to arbitrate by registered mail or certified mail to all parties and to JAMS or AAA. The notice must contain a description of the dispute, the amount involved, and the remedy sought. Either party may seek equitable relief from the arbitration in addition to monetary damages. The parties may agree on a retired judge from the JAMS or AAA panel. If they are unable to agree, JAMS or AAA will provide a list of three (3) available judges and each party may strike one. The remaining judge will serve as the arbitrator at the settlement conference. The arbitration shall be held in accordance with the provision of Florida law, except as specifically provided herein.

Section 4.07 Termination of Sub-Lease Upon Termination of Master Lease. Upon the Master Lessor's exercise of its right to terminate the Master Lease upon default by the Lessee in accordance with Section 5.03 of the Master Lease, if Lessor does not duly elect to exercise its option to purchase pursuant to Section 4.05 of the Master Lease, this Sub-Lease shall immediately and irrevocably terminate and be of no further effect.

Article 5

Miscellaneous

Section 5.01 Assignment, Subletting and Leasehold Mortgage. Lessee shall not assign, sublet, mortgage, encumber or transfer its leasehold interest hereunder, or any interest it holds pursuant hereto, without obtaining the prior written consent of Lessor.

Section 5.02 Waiver of Subrogation. Lessor and Lessee each waive any and all rights to recover against the other, or against the officers, directors, managers, members, shareholders, partners, joint venturers, employees, agents, customers, invitees or business visitors of the other party, for any loss or damage to such waiving party arising from any cause covered by any insurance required to be carried by such party pursuant to the provisions of this Sub-Lease or any other insurance actually carried by such party, except willful

acts of misconduct. Lessor and Lessee from time-to-time will cause their respective insurers to issue appropriate waiver of subrogation rights endorsements to all policies of insurance carried in connection with the Premises.

Section 5.03 Estoppel Certificates. Lessor and Lessee hereby covenant and agree that each of them shall, without charge, and at any time from time to time within ten (10) days after written request by the other, deliver a written instrument to the other, or to any person, firm, or corporation specified by the other, which written instrument shall state the following information: (a) that this Sub-Lease is unmodified and in full force and effect, or if there has been any modification, that the same is in full force and effect as so modified, and identifying any such modifications; (b) whether or not there are any existing defaults with respect to the terms of this Lease known by the party executing said instrument with respect to the other party, and if any such defaults are known, specifying the same; (c) the dates through which rent and all other charges hereunder have been paid; and (d) such other matters relating to the Sub-Lease as may be reasonably requested. Neither party shall be required to provide any such estoppel certificate more than twice during any rolling twelve (12) months period.

Section 5.04 Waiver. Neither the failure of either party to exercise any power given such party hereunder or to insist upon strict compliance by the other party with its obligations hereunder, nor any custom or practice of the parties at variance with the terms hereof shall constitute a waiver of either party's right to demand exact compliance with the terms hereof. The receipt by the Lessor of rent, or additional rent, or of any other payment required to be made by Lessee, or any part thereof, shall not be a waiver of any other rent or additional rent or payments then due, nor shall 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, and no waiver by the Lessor of any of the provisions hereof, or any of the Lessor's rights, remedies, privileges, or options hereunder, shall be deemed to have been made unless made by the Lessor in writing.

Section 5.05 Notice. Any notice or demand which must or may be given by either Lessor or Lessee to the other under this Lease shall be in writing and deemed given when: (i) physically received by personal delivery; or (ii) when deposited with the United States Postal Service certified or registered mail, return receipt requested, postage prepaid, or (iii) when deposited with a nationally known commercial courier service (such as Federal Express) addressed to the respective parties at the following addresses:

To Lessor:

Attention: _____

Telephone: _____

E-mail: _____

- and -

Attention: _____

Telephone: _____
E-mail: _____

To Lessee:

Attention: _____

Telephone: _____
E-mail: _____

- and -

Attention: _____

Telephone: _____
E-mail: _____

Such addresses may be changed by either party giving written notice to the other as provided in this paragraph. The telephone and e-mail information set forth above is for general information and not formal notice purposes.

Section 5.06 Binding Effect. The covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective heirs, personal representatives, successors, and permitted assigns of the parties hereto, jointly and severally. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders. This Lease and the performance thereof shall be governed, construed, interpreted, and regulated by the laws of the State in which each Club is located. The parties agree that venue for any action arising under or as a result or in connection with this Lease shall be proper in the state where the Premises are located. The section headings used herein are for indexing purposes only and are not to be used in interpreting or construing the terms of this Lease.

Section 5.07 Partial Invalidity. If any term, covenant, condition, or provision of this Sub-Lease or the application thereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, condition, and provision of this Sub-Lease shall be valid and be enforced to the fullest extent permitted by law.

Section 5.08 Entire Lease. This Sub-Lease contains the entire agreement of Lessor and Lessee with respect to the subject matter hereof. No oral statement or prior written matter shall have any force or effect except to the extent the same is incorporated herein. This Sub-Lease may not be modified or cancelled except as specifically provided herein or by a writing subscribed to by both parties.

Section 5.09 Holding Over. Should Lessee hold over in possession after the expiration or termination of this Sub-Lease without Lessor's written permission, such continued possession shall not be construed as a renewal of this Lease, but shall be construed as a tenancy at will from month-to-month at twice the monthly rent of the last month of the term of this Lease and otherwise subject to all of the terms and provisions hereof.

Section 5.10 No Joint Venture. Lessor shall in no event be construed to be a partner or joint venturer of Lessee or any permitted assignee or sublessee, and Lessor shall not be responsible for any of Lessee's debts or liabilities or the debts or liabilities of any permitted assignee or sublessee.

Section 5.11 Indemnity. Lessee hereby agrees to defend, indemnify and hold Lessor harmless of and from any and all losses, damages, claims or expenses, including reasonable attorneys' fees, arising from Lessee's use of the Premises, or from the conduct of Lessee's business or from any activity, work or things done, permitted or suffered by the Lessee, its agents, employees, contractors or invitees, in or about the Premises or elsewhere, or from any negligence of Lessee, its agents, contractors, employees, or invitees other than expenses for which Lessor would otherwise be responsible hereunder, or losses, damages, claims or expenses resulting from Lessor's negligence or willful misconduct. Lessor shall not be liable to Lessee, or any employee, agent, contractor or invitee of Lessee, or to the general public, for any injury or damage to person or property for any reason whatsoever, and, with respect to injury or damage caused by any defect in the Premises, until Lessor shall have received written notice of the existence of the same and shall have had a reasonable time in which to correct the same.

Section 5.12 Limitation of Lessee Liability. Notwithstanding anything to the contrary provided in this Lease, it is specifically understood and agreed that only those failures of Lessee to perform a covenant, term or condition of this Sub-Lease expressly identified in Section 5.01 shall constitute a default under this Sub-Lease and that, in the event of such default, Lessor's only remedies will be those expressly set forth in Section 5.03. Without limiting the foregoing, it is understood and agreed that the Lessee's obligations under this Sub-Lease are non-recourse to the Lessee and that in no event shall Lessor have any right to obtain a money judgment or levy execution against the Lessee or any property of Lessee.

Section 5.13 Time. Time is of the essence of this Sub-Lease and each and every provision hereof.

Section 5.14 Impartial Interpretation. This Sub-Lease is the result of negotiations between Lessor and Lessee and, therefore, the language contained in this Lease shall be construed as a whole according to its fair meaning and not strictly for or against either Lessor or Lessee.

Section 5.15 Force Majeure. "Force Majeure" means the following events or circumstances, to the extent that they cause the delay of performance of any obligation hereunder incurred by the claiming party and such delay is beyond the reasonable control of the party claiming the Force Majeure: (a) strikes or lockouts (excluding Lessee's employees, contractors, or workforce) or impracticability in procuring materials or suitable substitute materials or failure of utilities necessary for performance; (b) acts of God, tornadoes, hurricanes, floods, drought, sinkholes, fires and other casualties, landslides, and earthquakes; and (c) acts of war, terrorism, blockades, insurrection, riots, civil disturbances, or national calamities. Notwithstanding anything to the contrary contained in this Lease, all of the parties' obligations hereunder shall be subject to the provisions hereof. For any Force Majeure resulting in a delay in either party's performance, provided that the claiming party is duly and diligently working to end the Force Majeure and minimize the impact of the Force Majeure, the performance of the party claiming Force Majeure shall be extended by one day for each day of delay in such party's performance attributable to the Force Majeure event. Any party claiming Force Majeure must provide the other party with immediate notice of the Force Majeure once the party knows of (or should have know of) the Force Majeure event. The notice must describe the Force Majeure event, the anticipated duration of the Force Majeure, and actions to be taken by the claiming party to end the Force Majeure and minimize its impact.

Section 5.16 Memorandum of Lease. Lessor and Lessee agree that a Memorandum of Sub-Lease in the form and content set forth on the attached Exhibit "D" shall be executed and recorded in the local public records of the county where the Premises are located. This Sub-Lease shall not be recorded in any public records without the prior written consent of both Lessor.

Section 5.17 Brokers. Lessor and Lessee each: (a) represents to the other that it has not dealt with any real estate broker, agent or finder in connection with this transaction; and (b) agrees to indemnify and hold harmless the other from all losses; damages and expenses (including reasonable attorneys' fees) incurred by the other due to any breach by the indemnifying party of its representation and warranty set forth above.

Section 5.18 Attorneys' Fees. In the event that either Lessor or Lessee institutes legal proceedings to enforce its rights hereunder, the party prevailing therein shall be entitled to recover reasonable attorneys' fees, paralegal fees, expert witness fees, and court costs (all of the foregoing including those in preparation for filing suit, in defense of such suit, at trial, on appeal and/or in bankruptcy from the party not prevailing therein).

Signature Page for Lessor

The undersigned acknowledges that it approves and agrees to be bound by the terms of this SUB-LEASE FOR GOLF COURSE AND CLUB with an effective date of _____, 2012 and acknowledges that it has executed said document effective as of the date first set forth therein. This Signature Page for Lessor is attached to and made a part of said Sub-Lease for Golf Course and Club.

Signed in the presence of:

LESSOR:

1) _____,
Name: _____ a Delaware limited liability company

2) _____ By: _____
Name: _____ Name: _____
Title: _____

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on _____, 2012 by _____, as _____ of _____, a Delaware limited liability company, on behalf of said company. Said person did not take an oath but is personally known to me.

[NOTARY SEAL]

Notary Public
Name: _____
My Commission Expires: _____

Signature Page for Lessee

The undersigned acknowledges that it approves and agrees to be bound by the terms of this SUB-LEASE FOR GOLF COURSE AND CLUB with an effective date of _____, 2012 and acknowledges that it has executed said document effective as of the date first set forth therein. This Signature Page for Lessee is attached to and made a part of said Sub-Lease for Golf Course and Club.

Signed in the presence of:

LESSEE:

1) _____
a Delaware limited liability company

Name: _____

2) _____ By: _____

Name: _____

Name: _____

Title: _____

STATE OF _____)

)

COUNTY OF _____)

The foregoing instrument was acknowledged before me on _____, 2012 by _____ as _____ of _____, a _____, on behalf of said _____. Said person did not take an oath but is personally known to me.

[NOTARY SEAL]

Notary Public

Name: _____

My Commission Expires: _____

Signature Page for Consent of Master Lessor

The undersigned acknowledges that it consents to that certain SUB-LEASE FOR GOLF COURSE AND CLUB with an effective date of _____, 2012 and acknowledges that it has executed said document effective as of the date first set forth therein. This Signature Page for Master Lessor is attached to and made a part of said Sub-Lease for Golf Course and Club.

Signed in the presence of:

Master Lessor:

1) _____
Name: _____ a Delaware limited liability company

2) _____
Name: _____ By: _____
Name: _____ Title: _____

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on _____, 2012 by _____ as _____ of _____, a _____, on behalf of said _____. Said person did not take an oath but is personally known to me.

[NOTARY SEAL]

Notary Public
Name: _____
My Commission Expires: _____

EXHIBIT "A-1"

Club Site Plan

EXHIBIT "A-2"

Land

Including all easements and other appurtenants related thereto.

EXHIBIT "A-3"

Improvements

Including all other buildings, structures, and improvements now existing or hereafter constructed upon said land during the term of this Sub-Lease. The term "Golf Course" refers to any portions of the Land used for fairways, greens, sand traps, rough areas, cart paths, ponds and related facilities, including buildings and other improvements used primarily for golfing activities.

EXHIBIT "A-4"

Encumbrances

EXHIBIT "B-2"

Leasehold Site Plan

EXHIBIT "B-2"

Leasehold Land

Leasehold Parcel No. 1

Lease dated _____ between “_____” as Landlord and “_____” as Tenant, as: (a) memorialized by that certain _____ recorded on _____ as _____; (b) as assigned by _____ to _____ pursuant to that certain _____ dated _____ and recorded _____ as _____; and (c) as further assigned by _____ to _____ pursuant to that certain _____ dated _____ and recorded _____, all among the official records of _____, _____.

Leasehold Parcel No. 2

Lease dated _____ between “_____” as Landlord and “_____” as Tenant, as: (a) memorialized by that certain _____ recorded on _____ as _____; (b) as assigned by _____ to _____ pursuant to that certain _____ dated _____ and recorded _____ as _____; and (c) as further assigned by _____ to _____ pursuant to that certain _____ dated _____ and recorded _____, all among the official records of _____, _____.

Leasehold Parcel No. 3

Lease dated _____ between “_____” as Landlord and “_____” as Tenant, as: (a) memorialized by that certain _____ recorded on _____ as _____; (b) as assigned by _____ to _____ pursuant to that certain _____ dated _____ and recorded _____ as _____; and (c) as further assigned by _____ to _____ pursuant to that certain _____ dated _____ and recorded _____, all among the official records of _____, _____.

EXHIBIT "B-3"

Leasehold Improvements

EXHIBIT "B-4"

Leasehold Encumbrances

EXHIBIT C

Definition of Let Cash Flow:

The term "Net Cash Flow" means:

EXHIBIT "D"

Memorandum of Sub-Lease

MEMORANDUM OF SUB-LEASE
("[Site Specific] Club")

THIS MEMORANDUM OF SUB-LEASE is entered into effective _____, 2012,
by _____, a Delaware limited liability company ("Lessor") and
_____, Delaware limited liability company ("Lessee").

Lessor and Lessee entered into a certain Sub-Lease dated _____, 2012 ("Sub-Lease"), pertaining to that certain golf course and club facilities commonly known as " _____ " and located on that land described on the attached Exhibit "A" ("Land"). Capitalized terms used herein have the meanings ascribed thereto in the Sub-Lease.

1. Sub-Lease. The Land, and the rights of Lessee to use the Land, are subject to the terms and conditions of the Sub-Lease, which is subject to that certain Master Lease dated _____, 2012 was entered into between _____, a Delaware limited liability company, and _____, a Delaware limited liability company pursuant to that certain Joint Chapter 11 Plan ("Plan") filed by Debtors and The Plan Sponsor, dated _____, 2012, in that certain Chapter 11 Bankruptcy Case entitled In re: The Cliffs Club & Hospitality Group, Inc., et. al., d/b/a The Cliffs Golf & Country Club, Chapter 11 Case No. 12-01220, in the United States Bankruptcy Court, District of South Carolina, as confirmed by that certain Order Confirming Joint Plan of Reorganization dated _____, 2012 ("Master Lease").

2. Term and Extensions. The Sub-Lease has a Lease Term that commences on _____, 2012, and expires at midnight EDT/EST on _____, unless duly extended. Subject to certain conditions, Lessee may extend the Lease Term for up to _____ additional periods of _____ years each.

3. Notice of No Liens. Lessor hereby gives notice to all persons that any liens claimed by any person as the result of work pursuant to a contract with Lessee, or any other person other than the Lessor, shall extend to, and only to, the right, title, and interest, if any, of the person who contracts for said Improvements. In no event shall said lien extend to the interest of Lessor, its successors or assigns, in the Land and improvements located thereon. Lessor hereby expressly prohibits any such liability.

4. Notice. All parties are hereby put on notice to consult with Lessor and/or Lessee as appropriate with regards to matters relating to the Land and/or Sub-Lease.

[Signature Pages Attached]

Signature Page for Lessor

The undersigned acknowledges that it approves and agrees to be bound by the terms of this Memorandum of Sub-Lease with an effective date of _____, 2012 and acknowledges that it has executed said document effective as of the date first set forth therein. This Signature Page for Lessor is attached to and made a part of said Memorandum of Sub-Lease.

Signed in the presence of:

LESSOR:

1) _____,
Name: _____ a Delaware limited liability company

2) _____ By: _____
Name: _____ Name: _____
Title: _____

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on _____, 2012 by _____, as _____ of _____, a Delaware limited liability company, on behalf of said company. Said person did not take an oath but is personally known to me.

[NOTARY SEAL]

Notary Public
Name: _____
My Commission Expires: _____

Signature Page for Lessee

The undersigned acknowledges that it approves and agrees to be bound by the terms of this Memorandum of Sub-Lease with an effective date of _____, 2012 and acknowledges that it has executed said document effective as of the date first set forth therein. This Signature Page for Lessee is attached to and made a part of said Memorandum of Sub-Lease.

Signed in the presence of:

LESSEE:

1) _____
a Delaware limited liability company

Name: _____

2) _____ By: _____

Name: _____

Name: _____ Title: _____

STATE OF _____)

_____)

COUNTY OF _____)

The foregoing instrument was acknowledged before me on _____, 2012 by _____ as _____ of _____, a _____, on behalf of said _____. Said person did not take an oath but is personally known to me.

[NOTARY SEAL]

Notary Public

Name: _____

My Commission Expires: _____

EXHIBIT "A"

Land
("["*Site Specific*"] Club")