

TAB A



MASTER LEASE AGREEMENT

Ingersoll-Rand Financial Services, a  
division of CITCapital Commercial  
Leasing Corporation  
8001 Ridgepoint Drive  
Irving, TX 75063

Lease No

230463

For CITCapital Use

THE CLIFFS COMMUNITIES, INC

LESSEE NAME

Address 800 FIRE PINK WAY 856 CLUB HOUSE DRIVE  
City ANDRUH SUNSET State SC Zip 29530-2965  
County PICKENS Fed Tax ID 87093904

Lessor may from time to time lease equipment to Lessee pursuant to an Equipment Schedule (individually "Schedule" and, collectively, "Schedules") which Schedules shall become a part of this Master Lease Agreement ("Master Lease Agreement") and which shall be subject to the terms, provisions and conditions hereof and thereof. The Schedules shall incorporate all terms, provisions and conditions of this Master Lease Agreement as if set forth fully in each Schedule. Each of the Schedules is a separate lease distinct and separable from such of the other Schedules. The equipment leased under each Schedule shall also include all accessories, attachments, proceeds, replacements and repairs to such equipment, and shall be referred to herein as "Equipment".

1a NO WARRANTIES. LESSOR ACKNOWLEDGES THAT LESSOR IS NOT THE MANUFACTURER OF THE EQUIPMENT NOR THE MANUFACTURER'S OR VENDOR'S AGENT, NOR IS THE MANUFACTURER OR VENDOR AN AGENT OF THE LESSOR. LESSOR MAKES NO EXPRESS OR IMPLIED WARRANTIES OF ANY KIND INCLUDING BUT NOT LIMITED TO THOSE REGARDING MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO SUCH LEASED EQUIPMENT AND HEREBY DISCLAIMS THE SAME AS TO LESSOR. LESSOR LEASES THE EQUIPMENT "AS IS". THE OBLIGATIONS OF LESSEE TO MAKE PAYMENTS PURSUANT TO THE MASTER LEASE AGREEMENT ARE ABSOLUTE AND UNCONDITIONAL, REGARDLESS OF ANY CLAIM OF SET-OFF, DEFENSE, COUNTERCLAIM OR OTHER CLAIM AGAINST LESSOR. IN NO EVENT SHALL LESSOR HAVE ANY LIABILITY FOR NOR SHALL LESSEE HAVE ANY REMEDY AGAINST LESSOR FOR CONSEQUENTIAL, SPECIAL, INCIDENTAL, OR PUNITIVE DAMAGES, OR ANY LOSS OF PROFITS OR SAVINGS, LOSS OF USE, OR ANY OTHER COMMERCIAL LOSS. LESSEE HAS made the selection of the above Equipment based upon its own judgment, and expressly disclaims, any reliance upon any statements or representations made by Lessor. Lessor is not responsible for any repairs, service or defects in the leased Equipment or the operation thereof.

1b DELIVERY AND ACCEPTANCE. Lessee shall inspect the Equipment within five (5) business days after delivery thereof to Lessee. Unless, within said period Lessee gives written notice to Lessor specifying any defects in or any other proper objections to the Equipment, it shall be conclusively presumed that Lessee has fully accepted the Equipment, that it is in full compliance with the terms of the Master Lease Agreement and is in good condition and repair. If Lessee cancels or terminates this Master Lease Agreement prior to acceptance of the Equipment, Lessee agrees to assume all of Lessor's obligations under any purchase agreement for the Equipment, and Lessee agrees to indemnify and defend Lessor from any claims including any demands for payments by the manufacturer or vendor of the Equipment in addition, Lessee's advance payments are forfeited to Lessor as liquidated damages. Lessee hereby agrees that the signature of any person or party on the Delivery and Acceptance Certificate in the space designated for Lessee, as or on behalf of Lessee, may be unconditionally relied on by Lessor as valid and binding upon Lessee and Lessee waives all rights to object, contest or otherwise claim that such signature was not authorized by Lessee for the purposes contained in the Delivery and Acceptance Certificate.

2 TITLE. Lessor shall have the right at any time, and from time to time, to inspect the Equipment. The parties hereto agree that there is no sale of the Equipment to Lessee. No right, title or interest in the Equipment shall pass to Lessee other than, conditioned upon Lessee's compliance with and fulfillment of the terms and conditions of this Master Lease Agreement and any applicable Schedule, the Lessee shall have the conditional right to maintain possession and use the Equipment for the full term. Said Equipment shall always remain and be deemed personal property even though said Equipment may hereafter become attached or affixed to realty. Lessor assigns, to the extent they are assignable, to Lessee, without representation, warranty or recourse to Lessor, any warranties received by Lessor with respect to the Equipment leased herein with such assignment remaining in effect until the termination of the Schedule lease term (whether by default or otherwise). It is the intention of the parties hereto that this contract constitutes a lease for tax and other purposes, however, if for purposes of perfection, this contract is interpreted by any court as a lease intended as security, Lessee hereby grants to Lessor a security interest in the Equipment and all proceeds thereof, and Lessee authorizes Lessor to file a financing statement describing the Equipment and all proceeds thereof.

3 TAXES. Lessee shall, at Lessee's expense, comply with all laws, regulations and orders relating to the Equipment or to this Master Lease Agreement, and shall be responsible for payment of all license fees, assessments and sales, use, equipment, excise and other taxes (including, without limitation, personal property taxes) or penalties and interest now and hereafter imposed by any governmental body or agency upon any Equipment leased hereby or the use thereof, and does assume the risk of liability arising from or pertaining to the possession, operation or use of such Equipment. Lessee does hereby covenant to indemnify Lessor, hold it safe and harmless and to defend Lessor against any and all claims, costs, expenses, damages and liabilities arising from or pertaining to taxes, fees and assessments relating to the use, possession or operation of such Equipment. Any charges and/or expenses paid by Lessor which is the responsibility of Lessee under the Master Lease Agreement, shall become immediately due from Lessee to Lessor. This paragraph shall survive the expiration of this Master Lease Agreement. In the event that any taxes (including, without limitation, personal property taxes), fees, license fees, assessments and sales, use, equipment, excise and other taxes or penalties and interest attributable to the Equipment are found due after the expiration hereof, then upon demand, Lessee shall immediately remit same to Lessor.

4 POSSESSION, LOCATION OF EQUIPMENT AND ASSIGNMENT. Lessee agrees not to sell, assign, sublet, pledge or otherwise encumber or suffer a lien upon or against any interest in this Master Lease Agreement or the Equipment leased herein or pursuant to any Schedule, or to remove said Equipment from the place of installation set forth herein without Lessor's prior written consent. Lessor or any assignee or successor of Lessor shall have the right to transfer, sell, assign, or grant a security interest in all or any portion of this Master Lease Agreement, any Schedule hereto, one or more items of Equipment, or the indebtedness and/or obligations hereunder or under any Schedule, to one or more assignees, without notice, acknowledgment or consent from Lessee. LESSEE WAIVES, RELINQUISHES, DISCLAIMS AND AGREES THAT IT WILL NOT ASSERT AGAINST ANY ASSIGNEE OF LESSOR ANY CLAIMS, COUNTERCLAIMS, CLAIMS IN RECOUPMENT, ABATEMENT, REDUCTION, DEFENSES, OR SET-OFFS FOR BREACH OF WARRANTY OR FOR ANY OTHER REASON INCLUDING THE RIGHT TO WITHHOLD PAYMENT OF ANY MONIES WHICH MAY BECOME DUE UNDER THIS MASTER LEASE AGREEMENT EXCEPT DEFENSES THAT CANNOT BE WAIVED UNDER THE UNIFORM COMMERCIAL CODE.

5 POWER OF ATTORNEY AND FINANCING STATEMENT. LESSEE HEREBY APPOINTS LESSOR OR ANY OFFICER, EMPLOYEE OR DESIGNEE OF LESSOR OR ANY ASSIGNEE OF LESSOR (OR ANY DESIGNEE OF SUCH ASSIGNEE) AS LESSEE'S ATTORNEY-IN-FACT, IN BENEFIT OF LESSOR'S NAME TO: (a) PREPARE, EXECUTE AND SUBMIT ANY NOTICE OR PROOF OF LOSS IN ORDER TO REALIZE THE BENEFITS OF ANY INSURANCE POLICY INSURING THE EQUIPMENT; (b) PREPARE, EXECUTE, AND FILE ANY INSTRUMENT WHICH, IN LESSOR'S OPINION, IS NECESSARY TO PERFECT AND/OR GIVE PUBLIC NOTICE OF THE INTERESTS OF LESSOR IN THE EQUIPMENT; AND (c) ENDORSE THE SALE, LEASE OR OTHER REMITTANCE REPRESENTING PROCEEDS OF ANY INSURANCE RELATING TO THE EQUIPMENT OR THE PROCEEDS OF with an interest and is irrevocable so long as any indebtedness hereunder remains unpaid. Lessee further agrees, if Lessor so requests, to execute any instrument or financing statement(s) necessary to protect Lessor's security and other interests in the Equipment and to pay a uniform commercial code ("UCC") filing fee to cover Lessor's cost for such filing(s) and other documentation cost. In addition, Lessee also agrees, if permitted by applicable law, that a carbon, photographic or other reproduction of (i) this Master Lease Agreement or (ii) any Schedule or (iii) a financing statement, may be filed as a financing statement. Lessee authorizes Lessor or any officer, employee or designee of Lessor or any assignee of Lessor (or any designee of such assignee) to file a financing statement describing the Equipment. Lessee authorizes Lessor or any officer, employee or designee of Lessor (or any assignee of Lessor or any designee of such assignee) to file financing statements covering assets of Lessee other than the Equipment described herein.

6 MASTER LEASE AGREEMENT. This Master Lease Agreement consisting of the foregoing and the following pages, correctly sets forth the entire Master Lease Agreement between Lessor and Lessee. No agreements or understandings shall be binding on either of the parties hereto unless specifically set forth in this Master Lease Agreement. The term "Lessee" as used herein shall mean and include any and all Lessees who sign hereunder, each of whom shall be jointly and severally bound thereby. Lessee agrees that Lessor's depositing or endorsing of any check or other negotiable instrument shall not be deemed an acceptance of the Master Lease Agreement by Lessor until Lessor signs below.

Page 1 of 5 of Master Lease Agreement between  
Corporation (Lessor)

THE CLIFFS COMMUNITIES, INC.

(Lessor) and CITCapital Commercial Leasing

700307 Rev 09/2004  
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Ingersoll-Rand Financial Services is a division of CITCapital Commercial Leasing Corporation

ORIGINAL FOR CITCAPITAL

Lessee's Initials

RC

1179844 2 0 XC.20041130194029



7 **TERMINATION VALUE:** "Termination Value" as of any date shall mean an amount equal to all accrued and unpaid Rental Payments and all other amounts then due and remaining unpaid plus the then present worth of all unaccrued Rental Payments plus either (a) the then present worth of the Purchase Option Price, or (b) if no purchase option is offered, the present worth of the Fair Market Value (as defined below) of the Equipment in the same condition as when received by Lessee, reasonable wear and tear from the normal use thereof alone excepted, as well as in the condition required upon its return determined in accordance with the "Return of Equipment" provision below in this Master Lease Agreement. Present worth shall be determined by discounting such unaccrued Rental Payments from their respective due dates at the Termination Value Rate and by discounting the Purchase Option Price or the Fair Market Value of the Equipment, whichever is applicable, from the last day of the Term at the Termination Value Rate, compounded at the same intervals as such Rental Payments are payable. The term "Fair Market Value" of the Equipment as used herein shall be determined on the basis of, and shall be equal in amount to, the value which the Equipment would obtain in an arms-length sale transaction between an informed and willing buyer-user (other than a buyer currently in possession) and an informed and willing seller under no compulsion to sell and assuming that the Equipment is then in the condition required under the terms of the Master Lease Agreement. If Lessor and Lessee are unable to agree upon a determination of the Fair Market Value of such Equipment, such value shall be determined in accordance with the foregoing definition by a qualified independent appraiser selected by Lessor. The appraiser shall be instructed to make such determination within a period of 45 days following appointment and shall promptly communicate such determination in writing to Lessor and Lessee. The appraiser's determination of such Fair Market Value shall be conclusively binding upon both Lessor and Lessee. The expenses and fees of the appraiser shall be borne by Lessee.

8 **DEFAULT AND REMEDIES:** Time is of the essence for this Master Lease Agreement. No waiver by Lessor or any breach or default shall constitute a waiver of any other breach or default by Lessee or waiver of any of Lessor's rights. If Lessee fails to pay any rent or other amount herein provided within ten (10) days after the same is due and payable, or if Lessee fails to pay when due any amount owed by it to Lessor or any affiliate (including, without limitation, any direct or indirect parent, subsidiary or sister entity), successor or assignee of Lessor under any other document, agreement or instrument, or if Lessee fails to observe, keep or perform any other provision of this Master Lease Agreement required to be observed, kept or performed by Lessee, or if Lessee ceases doing business as a going concern, or a petition is filed by or against Lessee under the Bankruptcy Code or any amendment thereto (including a petition for reorganization), or if a receiver is appointed for Lessee or its Equipment, or if Lessee becomes insolvent, makes an assignment for the benefit of creditors, or offers a composition or extension of its indebtedness or if Lessee, without Lessor's prior written consent, attempts to remove, sell, transfer, encumber, sublet or part with the possession of said Equipment, or if Lessor deems itself insecure, or if there shall occur an (i) appropriation, (ii) confiscation, (iii) retention, or (iv) seizure of control, custody or possession of the Equipment by any governmental authority including, without limitation, any municipal, state, federal or other governmental entity or any governmental agency or instrumentality (all such priorities, agencies and instrumentalities shall hereinafter be collectively referred to as "Governmental Authority"), or if anyone in the control, custody or possession of the Equipment or the Lessee is accused or alleged or charged (whether or not subsequently arraigned, indicted or convicted) by any Governmental Authority to have used the Equipment in connection with the commission of any crime (other than a misdemeanor moving violation), or if there shall be a material adverse change in any of the (i) condition (financial or otherwise), business, performance, prospects, operations or properties of the Lessee, (ii) legality, validity or enforceability of this Agreement, (iii) perfection or priority of the lien granted in favor of Lessor pursuant to this Agreement, (iv) ability of the Lessee to repay the indebtedness or perform its obligations under this Agreement or (v) rights and remedies of the Lessor under the Agreement are impaired, or if there shall be a death of a majority owner of Lessee or guarantor of the obligations of Lessee under this Agreement, or if except for the security interest, lien or reservation of title in favor of Lessor or its agent shall have the right to lien, claim or encumbrance on any of the Equipment securing the indebtedness or obligation of Lessee to Lessor Lessor or its agent shall have the right to exercise any one or more of the following remedies: (a) to declare the entire amount of all rent due and to become due under the full term of the Master Lease Agreement to be immediately due and payable, without notice or demand to Lessee, (b) declare all other debts then owing by Lessee to Lessor or any affiliate (including, without limitation, any direct or indirect parent, subsidiary or sister entity), successor or assignee of Lessor to be immediately due and payable, (c) to enter upon Lessee's premises, with or without notice, court order or other process of law, to take possession of any or all items of Equipment without demand or notice wherever same may be located, (d) to exercise all rights and remedies of a secured party or lessor under the UCC. Upon retaking possession of any or all items of Equipment Lessor, at its option, may: (i) rent the repossessed Equipment or any part thereof, to any third party on such terms and conditions as Lessor may determine, or (ii) sell the Equipment, or any part thereof, at a public auction or at private sale, and may credit the amount so realized, less expenses incurred in connection with such disposition, to the unpaid balance under this Master Lease Agreement calculated as follows: (i) the Termination Value under the Master Lease Agreement or, at Lessor's option, only the applicable Schedule directly relating to the default, plus (ii) all other amounts due under or in connection with the Master Lease Agreement (the "Stipulated Damages"). Payment of the Stipulated Damages to Lessor by Lessee shall not relieve Lessee of its obligations under this Master Lease Agreement. Lessee hereby waives any and all damages occasioned by such taking of possession. Any sale taking of possession shall not constitute a termination of the Master Lease Agreement, and shall not relieve Lessee of its original obligation hereunder unless Lessor expressly so notifies Lessee in writing. Lessor or its affiliates, at their sole discretion, shall have the right of set off with regard to any agreement between the parties. In order to secure Lessee's obligations to Lessor hereunder, Lessee grants to Lessor a security interest in and to the Equipment and all proceeds thereof including, accounts, chattel paper, documents, general intangibles and instruments arising from the sale, lease, rent or other disposition of the Equipment. The grant of the security interest in this Master Lease Agreement does not grant Lessee the right to sell, lease, rent or otherwise dispose of the Equipment which rights are, except upon the prior written consent of Lessor, denied to Lessee. Lessor may sell the Equipment without giving any warranties as to the Equipment. Lessor may disclaim any warranties of title, possession, quiet enjoyment, or the like. This procedure will not be considered to adversely affect the commercial reasonableness of any sale of the Equipment.

9 **ATTORNEY'S FEES.** Should any legal proceedings be instituted by Lessor to recover any monies due and to become due herein, and/or for the possession of the Equipment, Lessee shall be liable for and pay for all reasonable attorneys' fees, experts' fees and costs incurred including allocated costs for in-house counsel.

10 **DELINQUENCY CHARGES.** For each rental payment or other sum due under this Master Lease Agreement or any Schedule which is not paid when due, Lessee agrees to pay Lessor a delinquency charge calculated thereon at the rate of 1 1/2% per month for the period of delinquency or, at Lessor's option, 5% of such rental payment or other sum due under this Master Lease Agreement or any Schedule, provided that such a delinquency charge is not prohibited by law, otherwise at the highest rate Lessee can legally obligate itself to pay and/or Lessor can legally collect. Lessee agrees to reimburse Lessor immediately upon demand for any amount charged to Lessor by any depository institution because a check, draft or other order made or drawn by or for the benefit of Lessee is returned unpaid for any reason and, if allowed by law, to pay Lessor an additional handling charge in the amount of \$25.00 or in the event applicable law limits or restricts the amount of such reimbursement and/or handling charge, the amounts chargeable under this provision will be limited and/or restricted in accordance with applicable law.

11 **NON-WAIVER OF DEFAULT.** Lessor's rights and remedies hereunder are cumulative and not alternative. Lessor's inaction with respect to an event of default shall not be a waiver of such default and Lessor's waiver of default shall not be a waiver of any other or future default.

12 **NOTICES.** For the purposes of this Master Lease Agreement, any notices and demands required to be given shall be given to the parties in writing and by certified mail at the address herein set forth, or to such other address as the parties may hereinafter substitute by written notice.

13 **MAINTENANCE:** Lessee, at its own cost and expense, shall keep all Equipment in good repair, condition and working order, and shall furnish all parts, mechanisms, devices and servicing required thereof. In the event the Equipment is destroyed or substantially damaged as to render said Equipment unusable, Lessor may, at its option, require Lessee to replace the Equipment or pay Lessor the Termination Value under the applicable Schedule relating to the destroyed or substantially damaged Equipment, plus all other amounts due under or in connection with this Master Lease Agreement. Payment of the Liquidation Value to Lessor by Lessee shall not relieve Lessee of its obligations under this Master Lease Agreement.

14 **INDEMNITY.** Lessee shall indemnify Lessor against and hold Lessor (which term as used herein includes Lessor's successors, assigns, agents, and servants) harmless to Lessee, its successors or assigns or any other person with respect to any liabilities (as "Liabilities" is herein defined), and Lessee hereby assumes liability for, and hereby agrees, at its sole cost and expense, to indemnify, defend, protect and save Lessor and keep it harmless from and against, any and all Liabilities. The term "Liabilities" as used herein shall include any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements of whatsoever kind and nature, including legal fees and expenses, (whether or not any transaction contemplated hereby is consummated) imposed on, incurred by or asserted against Lessor or the Equipment (whether by way of strict or absolute liability or otherwise) and in any way relating to or arising out of this Master Lease Agreement or the selection, manufacture, purchase, acceptance, ownership, delivery, non-delivery, lease, possession, use, operation, condition, servicing, maintenance, repair, improvement, alteration, replacement, storage, return or other disposition of the Equipment (including without limitation, (i) claims as a result of latent or patent defects, whether or not discoverable by Lessor or Lessee, (ii) claims for trademark, patent or copyright infringement, and (iii) tort claims of any kind (whether based on Lessor's alleged negligence or otherwise but specifically excluding claims based on Lessor's employee's sole gross negligence or willful misconduct), including claims for injury or damage to property, or injury or death to any person (including Lessee's employees) or, for any interruption of service, loss of business, anticipatory profits, or consequential damages. The indemnities arising under this paragraph shall survive payment of all other obligations under this Lease and the termination of this Lease. Lessee agrees that upon written notice by Lessor of the assertion of such a claim, damage, action, obligation, liability or lien, Lessee shall assume full responsibility for the defense thereof. The provisions of this paragraph shall survive the termination of the Master Lease Agreement.



15 **INSURANCE:** Lessee shall bear all risk of loss to the Equipment and Lessee shall procure Equipment damage insurance against all risks from every cause whatsoever, in the amount of the replacement cost of the Equipment and public liability and Equipment damage insurance covering the Equipment in a sufficient amount and from insurance companies satisfactory to Lessor. Said insurance policies shall: (i) be in the joint names of Lessee and Lessor, (ii) provide for the giving of thirty (30) days notice to Lessor prior to alteration or cancellation thereof, (iii) name Lessor as additional insured and provide payment of the proceeds to Lessor and Lessee as their interests may appear. Lessee shall deliver copies of such policies to Lessor. Lessee appoints Lessor as Lessee's Attorney in Fact to make claim for, receive payment of and do all acts necessary to collect the proceeds of such insurance. Such proceeds shall be the sole property of Lessor and shall be used for the repair or replacement of Equipment or toward payment of Lessee's obligation under this Master Lease Agreement, at the sole option of Lessor.

16 **PAYMENTS BY LESSOR:** In the event Lessee fails to procure Equipment damage insurance as required above prior to the commencement date of the Master Lease Agreement, Lessor, at its option, without notice to Lessee, may procure the appropriate Equipment damage insurance and bill Lessee for the premium due thereunder. Lessee agrees to pay Lessor for the cost of said insurance premium in the manner set forth in Lessor's billing schedule. In the event Lessee issues a purchase order to Lessor covering Equipment to be leased herein, it is agreed that such a purchase order is issued for purposes of authorization and Lessee's internal use only, and none of its terms and conditions shall modify the terms and conditions of this Master Lease Agreement and/or related documentation, or affect Lessee's responsibility to Lessor as defined in this Master Lease Agreement.

17 **FINANCIAL STATEMENTS:** Lessor may require from time to time, and Lessee agrees to furnish, statements setting forth the financial condition and operations of Lessee and guarantor(s). Lessee warrants that all credit and financial information submitted to Lessor herewith, or at any other time during the term of this Master Lease Agreement, is true, complete and correct.

18 **PRIOR POSSESSION:** In the event Lessee has possession of the Equipment, by prior lease or otherwise, prior to the commencement date of this Master Lease Agreement, Lessee hereby waives any claim which may arise out of any alleged defect in the Equipment.

19 **GOVERNING LAW. THIS MASTER LEASE AGREEMENT IS GOVERNED BY THE LAWS OF THE STATE OF TEXAS, BUT ONLY TO THE EXTENT SUCH LAW IS NOT PREEMPTED BY FEDERAL LAW OR REGULATION.**

20 **MAXIMUM RATE:** If any provision hereof or any remedy provided for is invalid under any applicable law, such provision shall be inapplicable and deemed omitted, but the remaining provisions hereof, including the remaining default remedies, shall be given effect in accordance with the manifest intent hereof. No provision of this Master Lease Agreement shall require the payment or the collection of any amount that would be considered interest in excess of the maximum permitted by applicable law. If any such excess is hereby provided for, or shall be adjudicated to be so provided, in this Master Lease Agreement or otherwise in connection with this Master Lease Agreement, the provisions of this paragraph shall govern and prevail and neither Lessee nor the guarantors, successors, or assigns of Lessee shall be obligated to pay the excess amount or any other excess sum paid for the use, forbearance, or detention of credit pursuant hereto or advanced in connection herewith. In the event Lessor ever receives, collects, or applies any such amount of rent or other charges, such amount which would be in excess of the maximum amount permitted by applicable law shall be applied as a payment and reduction of the amounts due under the Master Lease Agreement, and, if the payments under the Master Lease Agreement have been paid in full, any remaining excess shall forthwith be paid to Lessee. In determining whether or not the amounts paid or payable exceeds the Maximum Rate, Lessee and Lessor shall, to the extent permitted by applicable law, (i) characterize any non-rental payment as an expense, fee, or premium rather than as interest, (ii) exclude voluntary prepayments and the effects thereof, and (iii) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of any payments determined to be interest throughout the entire contemplated term of the Master Lease Agreement so that interest for the entire term does not exceed the Maximum Rate. The term "Maximum Rate" shall mean the lesser of (A) the highest rate which Lessor may lawfully accrue, charge or receive from Lessee, or (B) the highest rate which Lessee can obligate itself to pay Lessor. In the event no rate is specified in this Master Lease Agreement and a rate must be implied herein or agreed to between Lessor and Lessee, the Lessor and Lessee hereby agree to the Maximum Rate as the rate of interest agreed to between Lessor and Lessee.

21 **GENERAL PROVISIONS. THIS MASTER LEASE AGREEMENT CONTAINS THE FINAL, ENTIRE AGREEMENT AMONG THE LESSEE AND LESSOR AND SUPERSEDES ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS, AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE LESSEE AND/OR LESSOR. THERE ARE NO ORAL AGREEMENTS BETWEEN THE LESSEE AND LESSOR.** Lessee understands and agrees that neither the Equipment supplier nor its sales personnel or the manufacturer or its sales personnel are agents of Lessor. No supplier or agent of the manufacturer or supplier is authorized to bind Lessor or to waive or modify any term herein. No waiver by Lessor of any provision hereof shall constitute, a waiver of any other term. **THIS MASTER LEASE AGREEMENT IS SUBJECT TO THE TERMS AND CONDITIONS PRINTED HEREIN WHICH ARE MADE A PART HEREOF AND WHICH LESSEE ACKNOWLEDGES THAT IT HAS READ.** The terms, conditions and provisions of this Master Lease Agreement may be amended or waived only by an instrument in writing signed by the Lessee and the Lessor. This Master Lease Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The only copy of any Schedule which constitutes "Checklist Paper" (as that term is defined in the UCC) is the original executed copy designated as "Lessor's Copy".

22 **LOCATION OF LESSEE:** If Lessee is a corporation, limited liability company, limited partnership or other registered organization, its state of incorporation is in the state set forth immediately below its signature on the last page of this Agreement. (b) If Lessee is an individual, his/her principal place of residence is at the address set forth immediately below its signature on the last page of this Agreement. (c) If Lessee is an organization, its place of business or if it has more than one place of business its chief executive office, is located at the address set forth immediately below its signature on the last page of this Agreement. Lessee agrees that it will not without the prior written consent of Lessor change its state of organization if it is a corporation, limited liability company, limited partnership or other registered organization or the location of its chief executive office or its place of business if it is an organization. If Lessee is an individual, Lessee must notify Lessor in writing of a change in his/her principal place of residence 30 days prior to such change.

23 **APPLICATION OF PAYMENTS:** All payments made by Lessee to Lessor with reference to this Master Lease Agreement shall be applied first to any indebtedness which is not secured, then to late charges, then to any other fees or other amounts payable hereunder other than the indebtedness secured by a purchase money security interest in the Equipment, until all of such indebtedness is paid in full, and then to the indebtedness secured by a purchase money security interest in the Equipment in the order in which that indebtedness was incurred. This provision controls over any conflicting provision or language in this Master Lease Agreement or in any other agreement between Lessor and Lessee unless the parties mutually agree in writing in a subsequent agreement to override this provision.

24 **RETURN OF EQUIPMENT:** If Lessee does not exercise, or is precluded from exercising, an option to purchase the Equipment, if any, at the expiration of the Term or any renewal term, Lessee shall, at Lessee's sole cost and expense, return all, but not less than all, of the Equipment to Lessor immediately upon the expiration of the Term or any renewal term, at Lessee's sole cost and expense and properly insured. Lessee shall return the Equipment unencumbered to Lessor at a place to be designated by Lessor, and in the same condition as when received by Lessee, reasonable wear and tear resulting from normal use thereof alone allowed and pursuant to the terms and conditions contained in Lessor's Standard Return Conditions for equipment similar to the Equipment (a copy of which has been delivered to Lessee in conjunction with this Lease). In the event Lessee does not return the Equipment within twenty (20) days after the expiration of the initial term, or any subsequent renewal term, and without written notice, Lessee shall pay to Lessor rent at the rate of double the monthly rate as designated in the applicable Schedules. The payment and acceptance of said rent shall not be deemed a waiver of any right herein.

25 **PRIVACY WAIVER:** Lessor may receive from and disclose to any individual, corporation, business trust, association, company, partnership, joint venture, or other entity (herein collectively, the "Entity"), including, without limiting the generality of the foregoing, Lessor's parent or any affiliate or any subsidiary of Lessor and any credit reporting agency or other entity whether or not related to Lessor for any purpose, information about Lessee's accounts, credit application and credit experience with Lessor and Lessee authorizes any Entity to release to Lessor any information related to Lessee's accounts, credit experience and account information regarding the Lessee. This shall be continuing authorization for all present and future disclosures of Lessee's account information, credit application and credit experience on Lessee made by Lessor, or any Entity requested to release such information to Lessor.



28 DEBIT TRANSACTIONS: Lessor may, but shall not be required to offer Lessee the option of paying any of Lessee's obligations to Lessor through printed checks ("Debit Transactions") drawn pursuant to this authorization upon Lessee's checking account, using Lessee's checking account number, bank routing code and other information which Lessee provides to Lessor prior to the first Debit Transaction. Lessee authorizes Lessor to initiate Debit Transactions from Lessee's checking account in the amount necessary to pay the rental payments, delinquency charges, or such other amounts as may now or hereafter be due hereunder or under any other present or future agreement with or which is held by Lessor, plus a fee of ten dollars (\$10.00) for each Debit Transaction initiated by Lessor. In the event applicable law prohibits or restricts the amount of such fee, the fee chargeable under this provision shall be limited and/or restricted in accordance with applicable law. Lessor may from time to time increase or decrease the Debit Transaction fee upon prior written notice addressed to Lessee's last known address as shown on the records of Lessor and such increase or decrease shall be effective as stated in the written notice. Unless prohibited by applicable law, Lessee's continued use of Debit Transactions after the effective date specified in such notice shall conclusively establish Lessee's agreement to pay the new Debit Transaction fee stated therein. Lessee authorizes Lessor or any officer, employee or designee of Lessor to endorse Lessee's name as drawer on any printed check drawn in accordance with this authorization. Until cancelled by Lessee, this authorization shall be valid for all Debit Transactions Lessor initiates in payment of Lessee's obligations hereunder or under any other present or future agreement with or which is held by Lessor. This authorization may be canceled at any time by Lessee giving at least three (3) business days prior written notice to Lessee's bank and Lessor. Payment by Debit Transactions is not required by Lessor nor is its use a factor in the approval of credit.

#### IMPORTANT INFORMATION ABOUT ESTABLISHING A RELATIONSHIP WITH CITICAPITAL

To help the United States Government fight terrorism and money laundering, Federal law requires us to obtain, verify, and record information that identifies each person or business that opens an account or establishes a relationship. What this means for you when you open an account or establish a relationship, we will ask for your name, street address, date of birth, and identification number, such as a social security number or taxpayer identification number. For businesses, we will ask for the business name, street address and tax identification number. Federal law requires us to obtain this information. We may also ask to see your driver's license or other identifying documents that will allow us to identify you. We appreciate your cooperation.

THIS MASTER LEASE AGREEMENT CANNOT BE CANCELED AND IS FOR BUSINESS PURPOSES ONLY. By execution hereof the undersigned hereby certifies that he has read this Master Lease Agreement, including all pages hereof and that she or he is duly authorized to execute this Master Lease Agreement on behalf of Lessee.

2 FEBRUARY  
Accepted this 20th day of February, 2005  
LESSOR Ingersoll-Rand Financial Services, a division of  
Citicapital Commercial Leasing Corporation  
BY Pamela Rhane  
PRINT NAME PAMELA RHANE  
TITLE Documentation Supervisor

Executed this 10th day of JANUARY, 2005  
LESSEE NAME THE CLIFFS COMMUNITIES, INC  
BY [Signature]  
PRINT NAME KEN COSTANZO  
TITLE COO  
Federal Tax ID # or SSN 570959664  
Date of Birth N/A  
(Individual/Sole Proprietor)  
State of Organization SC  
Principal Residence/Chief Executive Office/Place of Business  
200 FIRE PINK WAY  
LANDRUM SC 29358

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700307 Rev 08/2004  
1.00

ORIGINAL FOR CITICAPITAL

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Lessee's Initials  
KC