

Attachment 1

Asset Purchase Agreement

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 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) pursuant to the Debt Assumption and Assignment Agreement, all obligations under the Note Restructuring 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 Buyer's liabilities and obligations under or relating to the Note Restructuring Agreement 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.