

## ARTICLE 8 BANKRUPTCY PROCEDURES

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

## ARTICLE 9 REGULATORY MATTERS

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

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

9.2. Cooperation. In connection with the efforts referenced in Section 9.1 to obtain all requisite approvals and authorizations for the transactions contemplated by this Agreement under the HSR Act, any other Antitrust Law, or any state law, if any, each of the parties shall use reasonable best efforts to (a) cooperate with each other in connection with any filing or submission and in connection with any investigation or other inquiry, including any proceeding initiated by a private party; (b) keep the other parties informed in all material respects of any material communication received by such party from, or given by such party to, any Government and of any material communication received or given in connection with any proceeding by a private party, in each case regarding any of the transactions contemplated hereby and (c) permit the other party to review any material communication given to it by, and consult with each other in advance of any meeting or conference with any Government, including in connection with any proceeding by a private party. The foregoing obligations in this Section 9.2 shall be subject to any attorney-client, work product or other privilege, and each of the parties hereto shall coordinate and cooperate fully with the other parties hereto in exchanging such information and providing such assistance as such other parties may reasonably request in connection with the foregoing and in seeking early termination of any applicable waiting periods under Antitrust Law. The parties will not take any action that will have the effect of delaying, impairing or impeding the receipt of any required authorizations, consents, Orders or approvals.

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

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

9.5. Liquor License.

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

(b) If the Liquor Licenses have not been issued as of the date that Closing is otherwise required to occur under this Agreement, then at Closing Sellers shall, and shall use their commercially reasonable efforts to cause the current holders of the liquor licenses for the Country Clubs (the "**License Holders**") to, as applicable, enter into an interim liquor agreement ("**Interim Liquor Agreement**") (which Interim Liquor Agreement may provide for new facilities leases and management agreements relating to the food and beverage operations of the New Country Clubs) that will permit Buyer to continue the sale of alcoholic beverages at the New Country Clubs from and after the Closing Date consistent with the practices and procedures in effect as of the date hereof, provided that the Interim Liquor Agreement is, in the judgment of Sellers and Buyer, all acting reasonably and in good faith, permitted by applicable Law and local custom or practice. The Interim Liquor Agreement shall (i) be in form and substance reasonably satisfactory to Sellers and Buyer, (ii) provide for the indemnification by Buyer of Sellers and their Affiliates and their respective directors, officers and employees with respect to all liabilities related to the sale or consumption of alcoholic beverages at the Country Clubs from and after the Closing Date, and (iii) expire on the earlier to occur of issuance or transfer to Buyer of the

Liquor Licenses or the date that is one hundred eighty (180) days after the Closing Date as reasonably extended by the mutual agreement of the parties.

## ARTICLE 10 TAXES

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

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

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

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

10.3. Retention of Tax Records. After the Closing Date and until the expiration of all statutes of limitation applicable to Sellers' liabilities for Taxes, Buyer shall retain possession of all accounting, business, financial and Tax records and information that (a) relate to the Acquired Assets and are in existence on the Closing Date and (b) come into existence after the Closing Date but relate to the Acquired Assets before the Closing Date. In addition, from and after the Closing Date, Buyer shall provide to Sellers and their Related Persons (after reasonable notice and during normal business hours) access to the books, records, documents and other information relating to the Acquired Assets as Sellers may reasonably deem necessary to

(i) properly prepare for, file, prove, answer, prosecute and defend any Tax Return, claim, filing, tax audit, tax protest, suit, proceeding or answer or (ii) administer or complete any cases under chapter 11 of the Bankruptcy Code of or including Sellers. Such access shall include reasonable access to any computerized information systems that contain data regarding the Acquired Assets and/or Assumed Liabilities.

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

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

## ARTICLE 11 CONDITIONS PRECEDENT TO PERFORMANCE BY PARTIES

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

(a) Bankruptcy Matters.

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

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

(b) Antitrust and Regulatory Approvals. If applicable, the waiting periods for the transactions contemplated under this Agreement under the HSR Act, and any other Antitrust Law shall have expired or terminated and the Regulatory Approvals on

Schedule 11.1(b) shall have been provided and requisite notice has been provided by Buyer to relevant Government authorities.

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

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

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

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

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

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

more of the Bankruptcy Cases by, the Persons identified in Schedule 11.2(d)-1 in a form set forth in Exhibit J.

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

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

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

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

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

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

(c) Representations and Warranties of Sellers. The representations and warranties made by Sellers in ARTICLE 4 of this Agreement shall be true and correct in

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

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

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

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

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

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

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

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

(k) Limitations on Claims. As of the Closing: (i) amounts due and reserved for payment of Claims for Professional Fees and Administrative Claims and the amount due on the DIP Facility shall not in the aggregate exceed \$7,771,000 plus cash on hand; (ii) Priority Claims shall not exceed \$1,943,432; (iii) Claims secured by Mechanic's Liens shall not exceed \$1,850,000 and claims associated with cures of Assigned Contracts shall not exceed \$925,000.

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

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

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

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

(i) Sellers are bound by this Agreement;

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

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

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

(vi) Buyer has no successor liability; and



(vii) in accordance with Section 1146 of the Bankruptcy Code, the transactions contemplated by this Agreement shall not be subject to any Transaction Taxes.

(p) SPE Operating Agreement. Buyer and the Indenture Trustee shall have become parties to the SPE Operating Agreement.

(q) SPE Lease. IT SPE shall have executed and delivered the SPE Lease.

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

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

(t) Confirmation Order in Effect. The Confirmation Order shall be in effect.

(u) Confirmation Order a Final Order. The Confirmation Order shall be a Final Order.

## ARTICLE 12 TERMINATION AND EFFECT OF TERMINATION

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

### 12.2. Termination Without Default.

(a) This Agreement may be terminated at any time before Closing:

(i) by mutual written consent of Sellers and Buyer;

(ii) by Buyer, if a Confirmation Order has not been entered by September 1, 2012;

(iii) by Buyer, anytime after September 30, 2012 (the "***Termination Date***"), if any condition contained in Section 11.1 has not been satisfied or waived as of such time; *provided, however*, that Buyer shall not have the right to terminate this Agreement under this Section 12.2(a)(iii) if Buyer's failure to fulfill any of its obligations under this Agreement is the reason that the Closing has not occurred on or before said date;

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

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

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

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

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

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

12.5. Termination on Buyer's Default.

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

**ARTICLE 13**  
**SELLERS' AGENT**

13.1. Appointment and Reliance.

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

13.2. Authority.

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

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

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

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

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

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

(f) appoint or provide for successor agents;

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

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

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

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

**ARTICLE 14**  
**MISCELLANEOUS**

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

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

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

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

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

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

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

14.7. Disclosure Schedule Supplements. From time to time prior to the Closing, Sellers shall supplement or amend the schedules attached to this Agreement with respect to any

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

14.8. No Recourse Against Third Parties.

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

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

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

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

If to any Seller:

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

Copy to:

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

If to Buyer:

The Cliffs Club Partners, LLC  
Mr. John Kunkel  
4315 Pablo Oaks Court  
Jacksonville, FL 32224  
Attention: [ ]



Facsimile: [ ]

Copy to:

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

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

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

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

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

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

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

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

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

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

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

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

## ARTICLE 15 DEFINITIONS

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

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

***"Administrative Claims"*** means a claim for costs and expenses of administration of the kind described in Sections 503(b) and 507(a)(2) of the Bankruptcy Code (other than Professional Fees), plus costs and expenses relating to the transfer of Permits, as described in Section 9.4 hereof.

***"Affiliate"*** means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under direct or indirect common control with such first Person where "control" means the possession, directly or indirectly, of the power to direct or cause the

direction of the management policies of a Person, through the ownership of voting securities, by contract, as trustee, executor or otherwise.

**"Affiliated Owners"** means \_\_\_\_\_ and \_\_\_\_\_ [The Affiliates that own the real property at Keowee Falls and High Carolina]

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

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

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

**"Assumption Agreement"** means the Assignment and Assumption Agreement substantially in the form of Exhibit B hereto.

**"Bankruptcy Code"** means Title 11 of the United States Code.

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

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

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

**"Business Records"** means all books, files and records to the extent they apply exclusively to the Acquired Assets, including member lists, customer lists, historical member and customer files, reports, plans, data, accounting and tax records, test results, product specifications, drawings, diagrams, training manuals, engineering data, safety and Environmental Reports and documents, maintenance schedules, operating and production records, inventory records, business plans, and marketing and all other studies, documents and records but excluding any Retained Books and Records.

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

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

**"Code"** means the Internal Revenue Code of 1986, as amended.

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

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

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

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

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

**"Debt Assumption and Assignment Agreement"** means the Debt Assumption and Assignment Agreement attached hereto as Exhibit O.

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

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

**"Environmental Laws"** means all currently existing and future federal, state, provincial, municipal, local and foreign statutes, ordinances, rules, Orders, regulations, remediation standards, and other provisions having the force of law for protection of the environment, including the federal Comprehensive Environmental Response, Compensation and Liability Act

of 1980, 42 U.S.C. Sec. 9601 *et seq.*, as amended, the federal Resource Conservation and Recovery Act, 42 U.S.C. Sec. 6901 *et seq.*, as amended, and related state statutes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

***“Permitted Liens”*** means: (i) all Liens in existence on the date of this Agreement set forth on Schedule 15.1-1 attached hereto; (ii) Liens included in the Assumed Liabilities; (iii) the exclusions from coverage and exceptions to title relating to the Owned Real Property and the Leased Real Property as set forth in the Commitment; and (iv) matters relating to the Owned Real Property shown on the Exiting Surveys and any new Survey obtained by Buyer as provided

in Section 11.3(a). Notwithstanding anything to the contrary set forth above, "Permitted Liens" shall not include: (a) any Excluded Liabilities, or (b) any Liens relating to Excluded Assets.

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

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

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

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

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

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

**"Related Real Property"** means the real property and Improvements located at [Keowee Falls, Walnut Cove and High Carolina] described in Schedule 15.1 attached hereto.

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



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

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

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

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

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

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

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

**“Taxes”** means all taxes, however denominated, including any interest, penalties or additions to tax that may become payable in respect thereof, imposed by any Government, which taxes shall include all income taxes, Transaction Taxes, payroll and employee withholding, unemployment insurance, social security (or similar), sales and use, excise, franchise, gross receipts, occupation, real and personal property, stamp, transfer, workmen’s compensation, customs duties, registration, documentary, value added, alternative or add-on minimum, estimated, environmental (including taxes under section 59A of the Code) and other obligations of the same or a similar nature, whether arising before, on or after the Closing Date.

**“Title Insurance Company”** means \_\_\_\_\_.

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

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

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

<u>Term</u>	<u>Section</u>
Accepting Employee .....	7.6(a)
Accounts Receivable .....	1.2(j)
Acquired Assets .....	1.1
Action .....	1.4
Additional Assets .....	11.3(n)
Affiliate .....	15.1
Agreement .....	Preamble
Allocation Schedule .....	10.4
Assigned Contracts .....	1.1(c)
Assumed Liabilities .....	1.3
Assumption Agreement .....	15.1
Bankruptcy Code .....	15.1
Bankruptcy Court .....	15.1
Benefits .....	7.6(b)
Business Day .....	15.1
Business Records .....	15.1
Buyer .....	Preamble
Buyer Group .....	14.8
Buyer Transaction Documents .....	5.2
Claim Over .....	14.8
Claims .....	1.1(k)
Clayton Act .....	15.1
Closing .....	3.1
Closing Date .....	3.1
Code .....	15.1
Consent .....	15.1
Consideration .....	2.1
Contract .....	15.1
Debtor .....	Preamble
Employee Benefit Plan .....	15.1
Environmental Laws .....	15.1
Environmental Reports .....	15.1
Equipment .....	1.1(b)
ERISA .....	15.1
Excluded Assets .....	1.2
Excluded Liabilities .....	1.4
Federal Trade Commission Act .....	15.1

Final Order .....	15.1
Funding Loans Agreements .....	15.1
Funding Loans Liens.....	15.1
Government.....	15.1
Hazardous Materials .....	15.1
Holdings .....	<i>Background Information</i>
HSR Act .....	15.1
Improvements .....	15.1
Indenture Trustee .....	<i>Background Information</i>
Intellectual Property .....	4.15 , 1.1(f)
Inventory .....	1.1(d)
IT SPE.....	<i>Background Information</i>
Knowledge of Seller .....	15.1
Law .....	4.3
License Holders .....	9.5(b) , 9.5(b)
Licensed Intellectual Property .....	4.15
Lien .....	15.1
Liquor Licenses.....	9.5(a)
Material Adverse Effect.....	15.1
Material Contracts.....	4.7
Membership Plan .....	7.10
Non-Recourse Person.....	14.8
Order .....	4.3
Organizational Documents.....	4.3
Owned Intellectual Property .....	4.15
Permits .....	1.1(g)
Permitted Liens .....	15.1
Person.....	15.1
Plan .....	<i>Background Information</i>
Regulatory Approvals .....	15.1
Related Person .....	15.1
Retained Books and Records .....	15.1
Rule .....	15.1
Rules .....	15.1
Seller .....	<i>Preamble</i>
Seller Transaction Documents .....	4.2
Seller's Knowledge.....	15.1
Sherman Act.....	15.1
SPE Lease .....	15.1
SPE Operating Agreement.....	15.1
Subsidiary .....	15.1
Tax Return .....	15.1
Taxes.....	15.1
Termination Date .....	12.2(a)(iii)
Termination Order .....	12.2(a)(v)
Third Person.....	14.8

Transaction Documents .....	5.2
Transaction Taxes .....	10.1
Transferred Assets .....	<i>Background Information</i>
Trustee Liens.....	<i>Background Information</i>

*(Signatures are on the following page.)*

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

THE CLIFFS CLUB PARTNERS, LLC

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

THE CLIFFS CLUB & HOSPITALITY  
GROUP, INC.

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

CCHG Holdings, Inc.

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

THE CLIFFS AT MOUNTAIN PARK GOLF & COUNTRY CLUB, LLC

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

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

THE CLIFFS AT KEOWEE VINEYARDS GOLF & COUNTY CLUB, LLC

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

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

THE CLIFFS AT WALNUT COVE GOLF & COUNTY CLUB, LLC

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

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

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

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

THE CLIFFS AT KEOWEE FALLS GOLF & COUNTY CLUB, LLC

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

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

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

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

THE CLIFFS AT KEOWEE SPRINGS GOLF & COUNTY CLUB, LLC

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

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

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

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

THE CLIFFS AT HIGH CAROLINA GOLF & COUNTY CLUB, LLC

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

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

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

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

THE CLIFFS AT GLASSY GOLF & COUNTRY CLUB, LLC

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

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

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

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

THE CLIFFS VALLEY GOLF & COUNTRY CLUB, LLC

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

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

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

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

CLIFFS CLUB & HOSPITALITY SERVICE COMPANY, LLC

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

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

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

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