
DIP CREDIT AGREEMENT

By and Among

**COMPLETE RETREATS, LLC, PREFERRED RETREATS LLC, DISTINCTIVE RETREATS, LLC,
PRIVATE RETREATS, LLC AND EACH OF THE OTHER PARTIES LISTED ON SCHEDULE A
ATTACHED HERETO, COLLECTIVELY D/B/A TANNER AND HALEY RESORTS,
each a Debtor and a Debtor-in-Possession under Chapter 11 of the Bankruptcy Code,
collectively, as the Borrowers**

And

**THE PATRIOT GROUP, LLC,
as a Lender and the Agent,**

And

**LPP MORTGAGE LTD.,
as the assignee of Beal Bank, S.S.B.,
as a Lender**

Dated as of July [], 2006

DIP CREDIT AGREEMENT

THIS DIP CREDIT AGREEMENT, dated as of July [___], 2006, is made by and among Complete Retreats, LLC, Preferred Retreats LLC, Distinctive Retreats, LLC, Private Retreats, LLC and each of the other Parties listed on Schedule A attached hereto, each a Delaware limited liability company and collectively d/b/a Tanner and Haley Resorts (each a "Borrower", and collectively, the "Borrowers"), The Patriot Group, LLC, a Delaware limited liability company ("Patriot"), both in its capacity as a lender (a "Lender") and as the agent for the Lenders under this Agreement (the "Agent"), and LPP Mortgage Ltd., ("LPP") a Texas limited partnership, as the assignee of Beal Bank, S.S.B. ("Beal"), a Texas state-chartered savings bank, and its successors and assigns in its capacity as a lender (a "Lender", and together with Patriot, the "Lenders").

INTRODUCTORY STATEMENT

1. On July 23, 2006, the Borrowers filed the Petitions with the Bankruptcy Court initiating the Cases and have continued in the possession of their assets and in the management of their business pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

2. Prior to the Borrowers filing of the voluntary petitions with the Bankruptcy Court, Patriot entered into an Amended and Restated Master Loan Agreement (as amended, modified, waived, supplemented or restated from time to time, the "Original Patriot Loan Agreement") dated as of June 20, 2005, among Patriot, Distinctive Retreats, LLC, and the other parties named therein (collectively, the "DR Borrowers"), under which Patriot agreed to loan funds to the DR Borrowers, from time to time, under various credit facilities in an aggregate amount not to exceed \$50,600,000. Additionally, prior to the Borrowers filing of the voluntary petitions with the Bankruptcy Court, Beal entered into a Loan Agreement (as amended, modified, waived, supplemented or restated from time to time, the "Original Beal Loan Agreement") dated as of December 19, 2005, among Beal, Private Retreats, LLC, and the other parties named therein (collectively, the "PR Borrowers"), under which Beal agreed to loan funds to the PR Borrowers, from time to time, in the maximum principal amount of \$28,500,000.00. The rights and duties of Beal under the Original Beal Loan Agreement have been assigned and delegated to LPP.

3. The Borrowers have requested, and the Lenders have agreed to provide the Borrowers with, a debtor-in-possession credit facility (the "DIP Facility") of up to \$10,000,000 (the "DIP Facility Commitment") to be used exclusively (i) for operating the Borrowers' businesses and (ii) for the costs and expenses of administering the Borrowers' Cases (the "DIP Loan").

4. To provide security for the repayment of the DIP Loan, and the payment of the other obligations of the Borrowers hereunder and under the other Loan Documents (including, without limitation, the Obligations of each Borrower to any Lender) the Borrowers will provide to the Lenders the following (each as more fully described herein):

(a) a joint and several allowed superpriority administrative expense claim in each of the Cases pursuant to Section 364(c)(1) of the Bankruptcy Code having priority over all

administrative expenses of the kind specified in Sections 503(b) and 507(b) of the Bankruptcy Code; and

(b) a perfected first priority Lien, pursuant to Sections 364(d)(1) and 364(c)(2) of the Bankruptcy Code, upon the Collateral of the Borrowers' estates in the Cases, including without limitation all interests of the Borrowers in real and personal property, subject only to the Carve-Out Expenses and valid, perfected, enforceable and non-avoidable liens existing as of the commencement of the Cases pursuant to Section 364(c)(3) of the Bankruptcy Code.

5. All of the claims and the Liens granted hereunder in the Cases to the Lender shall be subject to the Carve-Out Expenses to the extent provided in Section 2.12(b).

Accordingly, the parties hereto hereby agree as follows:

SECTION 1. **DEFINITIONS**

SECTION 1.01 **Defined Terms.**

“Affiliate” shall mean, as to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, a Person (a “Controlled Person”) shall be deemed to be “controlled by” another Person (a “Controlling Person”) if the Controlling Person possesses, directly or indirectly, power to direct or cause the direction of the management or policies of the Controlled Person whether by contract or otherwise.

“Agent” shall have the meaning set forth in the first paragraph of this Agreement.

“Agreement” shall mean this DIP Credit Agreement, as the same may from time to time be amended, modified or supplemented.

“Allowed Professional Fees” shall have the meaning set forth in Section 2.12(b)(iii).

“Appraisers” shall mean one or more appraisal firms that may be retained by the Agent from time to time.

“Avoidance Actions” shall mean the Borrowers' claims and causes of action arising under Section 502(d), 544, 547, 548 or 550 of the Bankruptcy Code or any other avoidance action under the Bankruptcy Code.

“Bankruptcy Code” shall mean The Bankruptcy Reform Act of 1978, as heretofore and hereafter amended, and codified as 11 U.S.C. Section 101 et seq.

“Bankruptcy Court” shall mean the United States Bankruptcy Court for the District of Connecticut or any other court having jurisdiction over the Cases from time to time.

“Beal Collateral” shall mean the Collateral listed on Schedule 2.07(b)(i) attached hereto.

“Beal DIP Liens” shall have the meaning set forth in Section 2.12(a).

“Beal Existing Loans” shall mean all existing indebtedness (whether principal, accrued interest or other amounts) owed to LPP pursuant to the Original Beal Loan Agreement in the principal outstanding amount of \$27,647,761.90.

“Borrower” and “Borrowers” shall have the meanings set forth in the first paragraph of this Agreement.

“Budget” shall have the meaning set forth in Section 2.03.

“Business Day” shall mean any day other than a Saturday, Sunday or other day on which banks in the State of New York are required or permitted to close.

“Carve-Out Expenses” shall have the meaning set forth in Section 2.12(b).

“Cases” shall mean the Borrowers’ Chapter 11 cases.

“Change of Control” shall mean (i) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the date hereof), of shares representing more than 50% of the aggregate ordinary voting power represented by the issued and outstanding capital stock of any Borrower; or (ii) the occupation of a majority of the seats (other than vacant seats) on the board of directors, managers or similar authoritative body of the any Borrower by Persons who were neither (A) nominated by the board of directors, managers or similar authoritative body of such Borrower nor (B) appointed by directors so nominated.

“Charges” shall mean all federal, state, county, city, municipal, local, foreign or other governmental taxes, levies, customs or other duties, assessments, charges, liens, and all additional charges, interest, penalties, expenses, claims or encumbrances upon or relating to (i) any Collateral, (ii) any Obligations, (iii) any employees or any payroll, income or gross receipts of any Borrower, (iv) the ownership or use of any assets by any Borrower, or (v) any other aspect of any Borrower’s business.

“Closing Date” shall mean the date on which this Agreement has been executed and the conditions precedent to the making of the Interim DIP Loan set forth in Section 4.01 have been satisfied or waived which date shall occur promptly upon entry of the Interim Order.

“Code” shall mean the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

“Collateral” shall have the meaning given to such term in Section 2.12.

“Collateral Documents” shall mean, collectively, this Agreement, the Security and Pledge Agreement, if any, and other agreements, instruments or documents that create or purport to create a Lien in favor of the Agent for the benefit of the Lenders or in favor of any Lender.

“Common Collateral” shall mean the Third-Party Secured Collateral and any other assets of the Borrowers other than the Beal Collateral and the Patriot Collateral.

“Common DIP Liens” shall have the meaning set forth in Section 2.12(a).

“Common Superpriority Claims” shall have the meaning set forth in Section 2.12(a).

“Consummation Date” shall mean the date of the substantial consummation (as defined in Section 1101 of the Bankruptcy Code) of a Reorganization Plan for any Borrower that is confirmed pursuant to an order of the Bankruptcy Court.

“DIP Facility” shall have the meaning set forth in the third paragraph of the Introductory Statement of this Agreement.

“DIP Facility Commitment” shall have the meaning set forth in the third paragraph of the Introductory Statement of this Agreement.

“DIP Facility Commitment Percentage” means, as to Patriot, fifty percent (50%), and as to LPP, fifty percent (50%).

“DIP Loan” shall have the meaning set forth in the third paragraph of the Introductory Statement of this Agreement.

“Environmental Laws” means all federal, state or commonwealth and local laws, regulations, statutes, codes, rules, resolutions, directives, orders, executive orders, consent orders, written or published guidance from regulatory agencies, judicial decrees, standards, permits, licenses and ordinances, or any judicial or administrative interpretation of any of the foregoing, pertaining to the protection of land, water, air or the environment, whether now or in the future enacted, promulgated or issued.

“Environmental Liabilities” as used herein shall mean all liabilities, obligations, responsibilities, remedial actions, removal costs, losses, damages of whatever nature, costs and expenses (including all reasonable fees, disbursements and expenses of counsel, experts and consultants and costs of investigation and feasibility studies), fines, penalties, sanctions and interest incurred as a result of any claim, suit, action or demand of whatever nature by any Person and which relate to any health or safety condition regulated under any environmental law, environmental permits or in connection with any release, threatened release, or the presence of a hazardous material.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

“ERISA Affiliate” shall mean each person (as defined in Section 3(9) of ERISA) which together with any Borrower or a Subsidiary of such Borrower would be deemed to be a single employer within the meaning of Section 414(b), (c), (m), or (o) of the Code.

“ERISA Event” shall mean (i) any “reportable event”, as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (ii) the existence with respect to any Plan of an “accumulated funding deficiency” (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (iii) the filing pursuant to Section 412(b) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (iv) the incurrence by any Borrower or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Plan; (v) the receipt by any Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or to appoint a trustee to administer any Plan; (vi) the incurrence by any Borrower or any ERISA Affiliate of any liability with respect to any withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (vii) the receipt by any Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from any Borrower or any ERISA Affiliate of any notice, concerning the imposition of withdrawal liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

“Event of Default” shall have the meaning given such term in Section 7.

“Existing Liens” shall mean the liens and security interests asserted by each Lender on or in such Lender’s pre-petition collateral.

“Existing Loans” shall mean collectively the Patriot Existing Loans and the Beal Existing Loans.

“Existing Loan Documents” shall mean collectively (i) any instrument or agreement executed by any of the Borrowers and delivered to Patriot to evidence, secure or otherwise relate to the Patriot Existing Loans and (ii) any instrument or agreement executed by any of the Borrowers and delivered to Beal or LPP to evidence, secure or otherwise relate to the Beal Existing Loans, in each case, as the same may be amended, modified, supplemented, extended or restated from time to time.

“Expenses” shall mean have the meaning given such term in Section 2.11.

“Federal Funds Effective Rate” shall mean, for any day, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for the day of such transactions received by the Agent from three Federal funds brokers of recognized standing selected by it.

“Filing Date” shall mean July 23, 2006.

“Final DIP Loan Amount” shall mean the full monetary value of the DIP Facility Commitment.

“Final Order” shall mean a final order entered by the Bankruptcy Court, approving in full the DIP Facility.

“Financial Officer” shall mean the Chief Restructuring Officer, Chief Financial Officer, Treasurer or Vice President of each of the Borrowers.

“Financial Reporting Documents” shall have the meaning set forth in Section 5.01.

“GAAP” shall mean generally accepted accounting principles applied in accordance with Section 1.02.

“Governmental Authority” shall mean any Federal, state, municipal or other governmental department, commission, board, bureau, agency, administration or instrumentality or any court with jurisdiction over the Borrowers, in each case whether of the United States or foreign.

“Gross-Up Payment” shall have the meaning set forth in Section 2.10(a).

“Indebtedness” shall mean the outstanding and unpaid amounts owed to each Lender under the Existing Loans and the DIP Facility.

“Interim DIP Loan” shall mean an interim loan amount in the aggregate amount of \$4.5 million.

“Interim Order” shall mean the interim order entered by the Bankruptcy Court approving the Interim DIP Loan.

“Leases” shall mean all of those leasehold estates in real property now owned or hereafter acquired by a Borrower, as lessee.

“Lenders” shall have the meaning given such term in the first paragraph of this Agreement.

“Lien” shall have the meaning given such term in Section 2.12(a).

“Loan Documents” shall mean this Agreement, the Collateral Documents, and any other instrument or agreement executed and delivered to the Agent or any Lender in connection herewith, in each case, as the same may be amended, modified, supplemented, extended or restated from time to time.

“LPP Debtors” shall mean the Borrowers listed on Exhibit B-2 hereof.

“Maturity Date” shall have the meaning given such term in Section 2.01(d).

“Minimum Actionable Amount” shall have the meaning set forth in Section 3.14.

“Multiemployer Plan” shall mean a “multiemployer plan” as defined in Section 4001(a)(3) of ERISA, which is maintained or contributed to by (or to which there is an obligation to contribute of) any Borrower or a Subsidiary of such Borrower or an ERISA Affiliate, and each such plan for the five-year period immediately following the latest date on which any Borrower, or a Subsidiary of such Borrower or an ERISA Affiliate maintained, contributed to or had an obligation to contribute to such plan.

“Net Proceeds” shall mean, in respect of any sale of assets, the cash proceeds of such sale after the payment of or reservation for expenses that are directly related to (or the need for which arises as a result of) the sale transaction, including, but not limited to, related costs, taxes (excluding income taxes) payable, brokerage commissions, professional expenses (other than fees of Professionals) and other similar costs that are directly related to the sale (all of which expenses shall be reasonably satisfactory to the Lenders in its reasonable judgment).

“New DIP Conditions” shall have the meaning set forth in Section 7.01(i).

“New DIP Facility” shall have the meaning set forth in Section 2.01(d).

“New DIP Facility Commitment” shall have the meaning set forth in Section 7.01(i).

“New DIP Facility Motion” shall have the meaning set forth in Section 7.01(i).

“Note” shall have the meaning set forth in Section 2.03.

“Obligations” shall mean all loans, Advances, debts, liabilities and obligations for the performance of covenants or duties or for payment of monetary amounts (whether or not such performance is then required or contingent, or amounts are liquidated or determinable) owing by any Borrower or any other obligor under any of the Loan Documents to any Lender, and all covenants and duties regarding such amounts, of any kind or nature, present or future, whether or not evidenced by any note, agreement or other instrument, arising under any of the Loan Documents.

“1-Month LIBOR Rate” means the rate described as such and published in the *Wall Street Journal* (Eastern Edition) on the applicable date which, if not a Business Day, means the immediately preceding Business Day.

“Orders” shall mean the Interim Order and the Final Order of the Bankruptcy Court.

“Other Taxes” shall mean any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement.

“Patriot Collateral” shall mean the Collateral listed on Schedule 2.07(b)(ii) attached hereto.

“Patriot Debtors” shall mean the Borrowers listed on Exhibit B-1 hereof, and shall include DR Abaco, LLC upon the filing of a voluntary petition with the Bankruptcy Court.

“Patriot DIP Liens” shall have the meaning set forth in Section 2.12(a).

“Patriot Existing Loans” shall mean all existing indebtedness (whether principal, accrued interest or other amounts) owed to Patriot pursuant to the Original Patriot Loan Agreement in the principal outstanding amount of \$25,535,584.43.

“Payee” and “Payees” shall have the meanings set forth in Section 2.10(a).

“PBGC” shall mean the Pension Benefit Guaranty Corporation, or any successor agency or entity performing substantially the same functions.

“Permitted Liens” shall mean: (i) liens imposed by law (other than environmental liens and any lien imposed under ERISA) for taxes, assessments or charges of any Governmental Authority for claims not yet due or which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with GAAP; (ii) liens of landlords, mechanics and materialmen and other valid, perfected, enforceable and unavoidable liens (other than environmental liens and any lien imposed under ERISA) in existence on the Filing Date or thereafter imposed by law and created in the ordinary course of business; (iii) liens (other than any lien imposed under ERISA) incurred or deposits (including, without limitation, surety bonds and appeal bonds) in connection with workers’ compensation, unemployment insurance and other types of social security benefits or to secure the performance of leases, contracts (other than for the repayment of Indebtedness), statutory obligations and other similar obligations or arising as a result of progress payments under government contracts; (iv) easements (including, without limitation, reciprocal easement agreements and utility agreements), rights-of-way, covenants, consents, reservations, encroachments, variations and zoning and other restrictions, charges or encumbrances (whether or not recorded) and interest of ground lessors, in each case existing as of the Filing Date and which do not interfere materially with the ordinary conduct of the business of any Borrower and which do not materially detract from the value of the property to which they attach or materially impair the use thereof to any Borrower; (v) letters of credit or deposits in the ordinary course to secure leases; and (vi) extensions, renewals or replacements of any lien referred to in paragraphs (i) through (v) above, provided, that the principal amount of the obligation secured thereby is not increased and that any such extension, renewal or replacement is limited to the property originally encumbered thereby.

“Person” shall mean any natural person, corporation, division of a corporation, partnership, trust, joint venture, association, company, estate, unincorporated organization or government or any agency or political subdivision thereof.

“Petitions” shall mean the Borrowers’ voluntary petitions filed with the Bankruptcy Court.

“Plan” shall mean a Single Employer Plan or a Multiemployer Plan.

“Prepayment Date” shall mean 35 days after the entry of the Interim Order by the Bankruptcy Court if the Final Order has not been entered by the Bankruptcy Court prior to the expiration of such 35 day period.

“Pre-Petition Payment” shall mean a payment (by way of adequate protection or otherwise) of principal or interest or otherwise on account of any pre-petition Indebtedness or trade payables (including, without limitation, in respect of reclamation claims) or other pre-petition claims against any Borrower.

“Proceeds” shall have the meaning ascribed thereto in the Uniform Commercial Code as enacted in the State of Delaware.

“Professional Fee Carve-Out” shall have the meaning set forth in Section 2.12(b)(iii).

“Regulated Substances” shall have the meaning set forth in Section 3.15.

“Reorganization Plan” shall mean a plan of reorganization in any of the Cases.

“Request for Funding” shall have the meaning set forth in Section 2.02(a).

“Reporting Date” shall have the meaning set forth in Section 5.01.

“Security and Pledge Agreement” shall have the meaning set forth in Section 4.01(c).

“Single Employer Plan” shall mean a single employer plan, as defined in Section 4001(a)(15) of ERISA, that (i) is maintained for employees of any Borrower or an ERISA Affiliate or (ii) was so maintained and in respect of which any Borrower could reasonably be expected to have liability under Title IV of ERISA in the event such Plan has been or were to be terminated.

“Subsidiary” shall mean, with respect to any Person (herein referred to as the “parent”), any corporation, association or other business entity (whether now existing or hereafter organized) of which at least a majority of the securities or other ownership interests having ordinary voting power for the election of directors is, at the time as of which any determination is being made, owned or controlled by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

“Superpriority Claim” shall have the meaning given such term in Section 2.12(a).

“Taxes” shall have the meaning give such term in Section 2.10(a).

“Third-Party Secured Collateral” shall mean the Collateral listed on Schedule 2.07(b)(iii) attached hereto.

SECTION 1.02 **Terms Generally.** The definitions in Section 1.01 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require,

any pronoun shall include the corresponding masculine, feminine and neuter forms. All references herein to Sections, Exhibits and Schedules shall be deemed references to Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided, however, that for purposes of determining compliance with any covenant set forth in Section 6, such terms shall be construed in accordance with GAAP as in effect on the date of this Agreement applied on a basis consistent with the application used in the Borrowers' audited financial statements referred to in Section 3.04.

SECTION 2. AMOUNT AND TERMS OF CREDIT

SECTION 2.01 DIP Facility; Availability.

(a) From time to time prior to the Maturity Date and subject to the provisions below, Lenders shall make advances ("Advances") to Borrowers under the DIP Facility, upon the satisfaction and acceptance by the Lenders of the applicable conditions set forth in Section 2.02, up to an aggregate outstanding principal amount not to exceed at any time the DIP Facility Commitment. Notwithstanding anything contrary contained in this Agreement, in no event will the aggregate amount of the Advances made by each Lender exceed such Lender's DIP Facility Commitment Percentage of the DIP Facility Commitment, and the obligations of the Lenders under this Agreement are several, and not joint and several, and no Lender shall have any obligation or liability for failure of the other Lender to make Advances hereunder. It is understood by all parties to this Agreement that approximately \$1,480,139.97 of the DIP Facility Commitment will be used to repay certain advances made by Patriot to certain Borrowers on or around July 18, 2006.

(b) Each Lender will fund its proportionate share of each Advance based upon its respective DIP Facility Commitment Percentage unless otherwise agreed to between Patriot and LPP.

(c) Once amounts are advanced to the Borrowers as Advances under the DIP Facility, the DIP Facility Commitment shall be reduced by the amount so advanced and may not be re-borrowed.

(d) The availability of the DIP Facility shall terminate upon the earliest of (i) September 15, 2006 (or September 30, 2006 if the New DIP Conditions are met), or such later date to which the Lenders may agree in writing, (ii) the effective date of a Reorganization Plan concerning any Borrower, or (iii) the date on which an Event of Default occurs (which earliest date is hereinafter called the "Maturity Date"). All amounts outstanding and any other obligations of the Borrowers under the DIP Facility shall be due and payable in full on the Maturity Date and no further Advances may be drawn on or after the Maturity Date. It is the intention of the parties that on or before September 15, 2006, the Borrowers will secure an \$80 million DIP financing facility from a third-party lender ("New DIP Facility") to repay in full the Existing Loans and fees (including exit fees), certain third-party secured debt, and the DIP Facility. On the Maturity Date, all obligations and indebtedness of the Borrowers to the Lenders under the DIP Facility and the Existing Loans shall be paid in full. In the event of a failure to do

so or upon the occurrence of any Event of Default, each Lender may exercise all rights and remedies with respect to its Existing Loans, Existing Liens, the DIP Facility and its Collateral.

SECTION 2.02 **Conditions to Making each Advance.** The funding of each Advance prior to the Maturity Date shall be conditioned upon the fulfillment of conditions and requirements acceptable to the Lenders in their reasonable discretion, including, without limitation:

(a) The Lenders shall receive from the Borrowers a request for funding (“Request for Funding”) in form and substance reasonably satisfactory to the Lenders, specifying, among other items, the date and the Advance requested amount, which must comply with the terms or limitations of Section 2.03. Each Request for Funding shall be submitted to each Lender by the close of business on the Friday prior to the requested Advance date and such Advance amount shall be in accordance with the Budget and disbursed on the following Wednesday subject to Section 2.03; provided that if a Request for Funding is withdrawn by the Borrowers prior to funding, the Borrowers will pay to each Lender a penalty in the amount of the actual costs and expenses incurred by each Lender due to such withdrawal;

(b) The Borrowers must have delivered the Financial Reporting Documents on the appropriate Reporting Date; and

(c) There exists no Event of Default.

SECTION 2.03 **Use of Proceeds.** Funds advanced under the DIP Facility Commitment will be used for working capital, in accordance with a detailed, line item, 13 week budget approved by the Lenders (the “Budget”), as such Budget may be extended or modified with the Lenders’ approval, for the post-petition operating expenses and other costs and expenses of administration of the Borrowers’ Cases, which shall be commenced in the Bankruptcy Court. Lenders will permit up to 10% excess on each line item with no more than an aggregate 5% excess per week under the Budget, but line item budgeted expenses not paid in any given week may be rolled over into the next succeeding week, but for not more than two weeks (this roll over limitation shall not apply to line item expenses for the United State Trustee Fees or professional fees). No DIP Loan proceeds may be used to commence or prosecute any action or contested matter to challenge the validity, perfection, priority or amount of any of the Existing Loans or Existing Liens or to assert any claim or cause of action against the Agent or any Lender. Any Budget modification request shall be provided to the Lenders at least five (5) Business Days prior to the next proposed funding date.

SECTION 2.04 **Repayment of DIP Loan; Evidence of Debt.**

(a) The Borrowers hereby unconditionally promise, and each Borrower hereby unconditionally and jointly and severally promises, to pay to each Lender, on the Maturity Date, the then unpaid principal amount of each Advance made by such Lender and accrued interest thereon and all other unpaid Obligations under the DIP Loan as well as, on the Maturity Date, all amounts then outstanding on the Existing Loans of each Lender.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrowers to such Lender resulting from

each Advance, as the case may be, made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The entries made in the accounts maintained pursuant to paragraph (b) of this Section 2.04 shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided, that the failure of any Lender or Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of any Borrower to repay the outstanding balance of, and accrued interest on, the DIP Loan in accordance with the terms of this Agreement.

(d) All Advances made hereunder by each Lender shall be evidenced by a promissory note payable to the order of such Lender in form and substance satisfactory to such Lender (each a "Note").

SECTION 2.05 Interest on Loans. Each Advance under the DIP Facility will bear cash interest at a variable rate per annum, to be determined on the date of such Advance and to be re-determined monthly thereafter on the first Business Day of each month, equal to the then applicable 1-Month LIBOR rate plus six percentage points (6%) per annum (the "Non-Default Rate"), computed on the basis of a three hundred and sixty (360) day year and assessed for the actual number of days elapsed on the amount of Advances outstanding, payable monthly in cash in arrears on the first Business Day of each month, commencing August 1, 2006; provided however that in no event shall such interest rate exceed the maximum lawful interest rate.

SECTION 2.06 Default Interest. In the event that, and for so long as, any Event of Default shall have occurred and be continuing, each Advance under the DIP Facility will bear cash interest at a rate equal to the Non-Default Rate plus 3 percentage points (3%) per annum.

SECTION 2.07 Mandatory Prepayments; Commitment Termination; Collateral.

(a) If at any time the aggregate principal amount of the outstanding Advances under the DIP Facility exceeds the DIP Facility Commitment, the Borrowers will, no later than the next Business Day, prepay an amount necessary to cause the aggregate principal amount of the outstanding Advances under the DIP Facility to be less than the DIP Facility Commitment.

(b) **Proceeds from the Sale of Collateral.**

(i) Net Proceeds from the sale of any Beal Collateral shall be applied, at the sole discretion of LPP and at the time of closing on such sale, (A) first to reduce any amount outstanding under the DIP Facility owed to LPP; then to reduce the Beal Existing Loans secured by the Beal Collateral, with the balance, if any, to be held by the Borrowers pending further order of the Court; or (B) first to reduce any amount outstanding under the Beal Existing Loans secured by the Beal Collateral, then to reduce any amount outstanding under the DIP Facility owed to LPP, with the balance, if any, to be held by the Borrowers pending further order of the Court. Net Proceeds that are applied to reduce the DIP Facility shall not be available for re-borrowing.

(ii) Net Proceeds from the sale of any Patriot Collateral shall be applied, at the sole discretion of Patriot and at the time of closing on such sale, (A) first to reduce

any amount outstanding under the DIP Facility owed to Patriot; then to reduce the Patriot Existing Loans secured by the Patriot Collateral, with the balance, if any, to be held by the Borrowers pending further order of the Court; or (B) first to reduce any amount outstanding under the Patriot Existing Loans secured by the Patriot Collateral, then to reduce any amount outstanding under the DIP Facility owed to Patriot, with the balance, if any, to be held by the Borrowers pending further order of the Court; provided that the full proceeds of any sale of any equity interest in or assets of DR Abaco, LLC shall at the time of closing on such sale be applied first to reduce any amount outstanding under the Patriot Existing Loan, then to reduce any amount outstanding under the DIP Facility owed to Patriot, with the balance, if any, to be held by the Borrowers pending further order of the Court. Net Proceeds that are applied to reduce the DIP Facility shall not be available for re-borrowing.

(c) Upon any such prepayment, the DIP Facility Commitment of each Lender shall be automatically and permanently reduced in an amount equal to the amount so prepaid.

(d) Upon the Maturity Date, the DIP Facility Commitment shall be terminated in full and the Borrowers shall pay all amounts outstanding under the DIP Facility in full (plus any accrued but unpaid interest thereon, unpaid fees and all other Obligations hereunder).

SECTION 2.08 **Optional Prepayment of Loans.** The Borrowers shall have the right at any time and from time to time to prepay any Advances, in whole or in part.

SECTION 2.09 **Pro-rata Treatment; Payments, etc.** All payments by the Borrowers, or any Borrower, hereunder or under any Note shall be (i) net of any Taxes applicable to the Borrowers and (ii) made in Dollars in immediately available funds at the office of the applicable Lender by 12:00 noon, New York City time, on the date on which such payment shall be due. Interest in respect of any Advance hereunder shall accrue from and including the date of such Advance to but excluding the date on which such Advance is paid in full. Other than Net Proceeds from the sale of any Collateral as set forth in Section 2.07(b), all payments of principal or interest of any Advance shall be applied to each Lender pro-rata based upon its DIP Facility Commitment Percentage.

SECTION 2.10 **Gross-Up for Taxes.**

(a) All payments by the Borrowers of principal of and interest on the Advances and of all fees and other amounts payable under this Agreement shall be made free and clear of, and without withholding or deduction by reason of, any present or future taxes, levies, duties, imposts, assessments or other charges levied or imposed by any Governmental Authority (other than franchise taxes and taxes on or measured by the overall net income of any Lender) (collectively, "Taxes"). If the Borrowers shall be required by law to withhold or deduct any Taxes from or in respect of any sum payable under this Agreement to the Agent, or any Lender or assignee of any Lender (each, individually, a "Payee" and collectively, the "Payees"), (i) the sum payable to such Payee or Payees, as the case may be, shall be increased as may be necessary so that, after making all required withholding or deductions, the applicable Payee or Payees receives an amount equal to the sum it would have received had no such withholding or deductions been made (the "Gross-Up Payment"), (ii) the Borrowers shall make such withholding or deductions and (iii) the Borrowers shall pay the full amount withheld or deducted

to the relevant taxation authority or other Governmental Authority in accordance with applicable law. The Borrowers shall promptly furnish to the Lenders upon request of any Lender or any such Payee, official receipts evidencing such withholding, deduction or payment.

(b) The Borrowers will indemnify the Agent and each Payee (without duplication) against, and reimburse the Agent and each Payee for, all present and future Taxes (including, without limitation, interest and penalties) levied or collected (whether or not legally or correctly imposed, assessed, levied or collected) on or with respect to this Agreement or any Loan Document or the Obligations or any portion thereof. Each such indemnification shall be on an after-tax basis, taking into account any such Taxes imposed on the amounts paid as indemnity.

(c) Without prejudice to the survival of any other term or provision of this Agreement, the obligations of Borrowers under this Section 2.10 shall survive the payment of the DIP Loan and other Obligations and the termination of the DIP Facility Commitment.

SECTION 2.11 Certain Expenses. The Borrowers shall pay, as obligations under the DIP Facility, all reasonable out of pocket costs and expenses of the Lenders (including all reasonable fees, expenses and disbursements of outside counsel and consultants) (collectively, the “Expenses”) in connection with the: (i) negotiation, preparation, execution and delivery of the documentation of the DIP Facility, (ii) enforcement or protection of any Lender’s claims, rights and remedies under the DIP Facility or the Existing Loans; (iii) administration of the DIP Facility and any amendment or waiver of any provision of the DIP Facility documentation, and (iv) the Cases.

SECTION 2.12 Priority and Liens.

(a) The Borrowers hereby covenant, represent and warrant that, upon entry of the Interim Order, (i) all amounts owing to the Lenders under the DIP Facility at all times will constitute allowed super-priority administrative expense claims, pursuant to section 364(c)(1) of the Bankruptcy Code, having priority over all administrative expenses of the kind specified in sections 105, 326, 328, 330, 331, 503(a), 503(b), 506(c), 507(a), 507(b), 726 or 1114 of the Bankruptcy Code, subject only to the Carve-Out Expenses (collectively, the “Superpriority Claim”) and (ii) all Obligations owing to the Lenders under the DIP Facility will be secured pursuant to sections 364(c)(2) and 364(d)(1) of the Bankruptcy Code by a first priority perfected security interest in and lien upon all assets (tangible, intangible, real, personal or mixed) of the Borrowers, whether now owned or hereafter acquired, including, without limitation, accounts, inventory, cash, cash collateral, equipment, capital stock in subsidiaries, membership interests in subsidiaries, investment property, instruments, chattel paper, real estate, leasehold interests, contracts, copyrights, trademarks, causes of action, including proceeds of avoidance actions, and other general intangibles, and all products, additions, accessions and proceeds thereof (the “Collateral”), all subject only to the Carve-Out Expenses (collectively, the “Liens”), senior to all liens and encumbrances except only (A) the Carve-Out Expenses and (B) liens on Collateral that are existing and valid, perfected, enforceable and unavoidable as of the Filing Date, other than liens held by on of the Lenders; provided that the Borrowers, the Agent and each Lender acknowledges and agrees that (x) in addition to the Common DIP Liens referred to in clause (z) below, Obligations owed to Patriot will be secured only by Liens on Collateral that is property of

the estates of Borrowers indebted to Patriot (either as primary obligors or guarantors) as of the Filing Date under the Patriot Existing Loans and that is property subject to Existing Liens in favor of Patriot (the "Patriot DIP Liens") and Superpriority Claims against such estates, (y) in addition to the Common DIP Liens referred to in clause (z) below, Obligations owed to LPP will be secured only by Liens on Collateral that is property of the estates of Borrowers indebted to LPP (either as primary obligors or guarantors) as of the Filing Date under the Beal Existing Loans and that is property subject Existing Liens in favor of LPP (the "LPP DIP Liens") and Superpriority Claims against such estates, and (z) if there are Borrowers that are not obligated to Patriot or LPP under Existing Loans (either as primary obligors or guarantors) as of the Filing Date, LPP and Patriot will share pari passu Liens (the "Common DIP Liens") and Superpriority Claims (the "Common Superpriority Claims") with respect to such estates and the property thereof to secure the Obligations; provided that if and to the extent such property is subject to a valid and enforceable lien prior to the Filing Date, then such Common DIP Liens shall be junior in priority to such pre-existing liens and it being more fully understood that that Patriot's Superpriority Claim vis a vis the Beal Collateral is subject to the LPP DIP Liens and Beal's Superpriority Claim vis a vis the Patriot Collateral is subject to the Patriot DIP Liens.

(b) The Liens and Superpriority Claims shall be subject only to the right of payment of the following expenses (the "Carve-Out Expenses"):

(i) statutory fees payable to the U.S. Trustee pursuant to 28 U.S.C. § 1930(a)(6);

(ii) fees payable to the Clerk of the Bankruptcy Court;

(iii) upon the declaration by the Agent of the occurrence of an Event of Default and demand for the immediate repayment in full of all Obligations (a "Carve-Out Default Notice"), the unpaid and outstanding reasonable fees and expenses actually incurred on or after the Filing Date, and approved by order of the Court pursuant to sections 326, 328, 330, or 331 of the Bankruptcy Code (collectively, the "Allowed Professional Fees") by attorneys, accountants and other professionals retained by the Borrowers or any Committee (collectively, the "Professionals") less the amount of any retainers, if any, then held by such Professionals, in a cumulative, aggregate sum not to exceed \$ [1.1 million] (the "Professional Fee Carve-Out") net of any cash Collateral released by the Lenders; and

(iv) Accrued but unpaid ordinary course of business expenses as set forth in the Budget up to \$[50,000].

(c) None of (i) the Professional Fee Carve-Out, (ii) any proceeds of the DIP Facility, or (iii) the Collateral, may be used to pay any Allowed Professional Fees or any other fees and/or expenses incurred by any Professional in connection with any of the following: (a) an assertion or joinder in (but excluding any investigation into) any claim, counter-claim, action, proceeding, application, motion, objection, defense, or other contested matter seeking any order, judgment, determination or similar relief: (i) challenging the legality, validity, priority, perfection, or enforceability of the Obligations or the Lenders' pre-petition or post-petition liens on and security interests in any Collateral, (ii) invalidating, setting aside, avoiding, or subordinating, in whole or in part, the Obligations or the Lenders' pre-petition or post-petition

liens on and security interests in any Collateral, or (iii) preventing the Lenders' assertion or enforcement of any lien, claim, right or security interest or realization upon any Collateral, (b) a request to use cash collateral (as such term is defined in section 363 of the Bankruptcy Code) without the prior written consent of the Lenders, (c) a request for authorization to obtain debtor-in-possession financing or other financial accommodations pursuant to section 364(c) or (d) of the Bankruptcy Code other than from any Lender pursuant to the terms of the financing agreements between the Borrowers and the Lenders, or either thereof (the "Financing Agreements") without the prior written consent of the Lenders, other than financing the proceeds of which will be used to immediately satisfy in full the Borrowers' obligations under the DIP Facility and the Existing Loans, (e) the commencement or prosecution of any action or proceeding of any claims, causes of action, or defenses against either Lender or any of its officers, directors, employees, agents, attorneys, affiliates, assigns, or successors, including, without limitation, any attempt to recover or avoid any claim or interest from the Lenders under Chapter 5 of the Bankruptcy Code, or (f) any act which has or could reasonably have the effect of resulting in the occurrence of an Event of Default under the Financing Agreements and/or the Interim or Final Order.

SECTION 2.13 **Right of Set-Off.** Subject to the provisions of Section 7.01, upon the occurrence and during the continuance of any Event of Default, the Agent and each Lender are hereby authorized at any time and from time to time, to the fullest extent permitted by law and without further order of or application to the Bankruptcy Court, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Agent or such Lender against any and all of the obligations of such Borrowers now or hereafter existing under the Loan Documents, irrespective of whether or not the Agent or such Lender (as applicable) shall have made any demand under any Loan Document and although such obligations may not have been accelerated. Each Lender and the Agent agree promptly to notify the Borrowers after any such set-off and application made by such Lender or by the Agent, on behalf of such Lender, as the case may be, provided, that the failure to give such notice shall not affect the validity of such set-off and application and shall not result in any liability to any Lender or the Agent. The rights of each Lender and the Agent under this Section 2.13 are in addition to other rights and remedies which such Lender and the Agent may have upon the occurrence and during the continuance of any Event of Default.

SECTION 2.14 **Payment of Obligations.** Upon the Maturity Date, the Lenders shall be entitled to immediate payment, in cash and immediately available funds, of all Obligations without further application to or order of the Bankruptcy Court.

SECTION 2.15 **No Discharge; Survival of Claims.** Each of the Borrowers agrees that (i) its indebtedness and obligations hereunder shall not be discharged by the entry of an order confirming a Reorganization Plan (and each of the Borrowers, pursuant to Section 1141(d)(4) of the Bankruptcy Code, hereby waives any such discharge) and (ii) the Superpriority Claims granted to the Agent and the Lenders pursuant to the Orders and described in Section 2.13 and the Liens granted to the Agents pursuant to the Orders and described in Sections 2.13 shall not be affected in any manner by the entry of an order confirming a Reorganization Plan.

SECTION 3. **REPRESENTATIONS AND WARRANTIES**

In order to induce the Lenders to make available the DIP Loan hereunder, the Borrowers jointly and severally represent and warrant as follows:

SECTION 3.01 **Organization and Authority.** Each of the Borrowers (i) is validly existing under the laws of the State of its organization, and is duly organized and is duly qualified as a foreign organization and is in good standing in each jurisdiction in which the failure to be so organized or so qualified would have a material adverse effect on the financial condition, operations, business, properties, assets or prospects of the Borrowers taken as a whole; (ii) subject to the entry by the Bankruptcy Court of the Interim Order (or the Final Order, when applicable) has the requisite corporate power and authority to effect the transactions contemplated hereby, and by the other Loan Documents to which it is a party, and (iii) subject to the entry by the Bankruptcy Court of the Interim Order (or the Final Order, when applicable) has all requisite organizational power and authority and, upon the entry of the Interim Order (or the Final Order, when applicable) the legal right to own, grant Liens on and operate its properties, and to conduct its business as now or currently proposed to be conducted.

SECTION 3.02 **Due Execution; No Consents.** Upon the entry by the Bankruptcy Court of the Interim Order (or the Final Order, when applicable), the execution, delivery and performance by each of the Borrowers of each of the Loan Documents to which it is a party (i) are within the respective organizational powers of each of the Borrowers, have been duly authorized by all necessary organizational action including the consent of equity holders if required, and do not (A) contravene the charter, by-laws, operating agreements or other constituent documents of any of the Borrowers, (B) violate any law (including, without limitation, the Securities Exchange Act of 1934) or regulation (including, without limitation, Regulations T, U or X of the Board of Governors of the Federal Reserve System), or any order or decree of any court or Governmental Authority, (C) conflict with or result in a breach of, or constitute a default under, any material indenture, mortgage or deed of trust entered into after the Filing Date or any material lease, agreement or other instrument entered into after the Filing Date and binding on the Borrowers or any of their properties, or (D) result in or require the creation or imposition of any lien upon any of the property of any of the Borrowers other than the Liens granted pursuant to this Agreement, the other Loan Documents or the Orders; and (ii) do not require the consent, authorization by or approval of or notice to or filing or registration with any Governmental Authority other than the entry of the Orders, the filing of financing statements, at the option of each Lender, under the Delaware Uniform Commercial Code and the filings contemplated by the Collateral Documents. This Agreement has been duly executed and delivered by each of the Borrowers. This Agreement is, and each of the other Loan Documents to which each of the Borrowers is or will be a party, when delivered hereunder or thereunder, will be, a legal, valid and binding obligation of each of the Borrowers, enforceable against each of the Borrowers in accordance with its terms and the Orders.

SECTION 3.03 **Statements Made.** The information that has been delivered in writing by the Borrowers to the Lenders or to the Bankruptcy Court in connection with any Loan Document, and any financial statement delivered pursuant hereto or thereto (other than to the extent that any such statements constitute projections), taken as a whole and in light of the circumstances in which made, contains no untrue statement of a material fact and does not omit

to state a material fact necessary to make such statements not misleading; and, to the extent that any such information constitutes projections, such projections were prepared in good faith on the basis of assumptions, methods, data, tests and information believed by the Borrowers to be reasonable at the time such projections were furnished (it being understood that projections by their nature are inherently uncertain, that no assurances can be given that projections will be realized and that actual results may in fact differ materially from any projections provided to the Lenders).

SECTION 3.04 Ownership. The organization chart attached hereto as Schedule 3.04 is true, complete and correct and includes all of the Borrowers and all Affiliates of the Borrowers (the "Organization Chart"). The Organization Chart shall remain true, complete and correct throughout the term of the DIP Loan and shall not be changed, altered or amended without prior written notice to the Lenders. Except for changes in ownership permitted by this Agreement, the Borrowers own no other Subsidiaries, whether directly or indirectly, other than the Persons listed the Organizational Chart. Other than as set forth on Organizational Chart, (i) each of the Persons listed on Organizational Chart is a wholly-owned, direct or indirect Subsidiary of the Borrowers, and (ii) the Borrowers own no other Subsidiaries, whether directly or indirectly.

SECTION 3.05 Liens. Except for the liens existing on the Filing Date as reflected on Schedule 3.05, there are no liens of any nature whatsoever on any assets of the Borrowers other than: (i) Permitted Liens; (ii) other liens permitted pursuant to Section 6.01; and (iii) liens in favor of the Agent and the Lenders. The Borrowers are not parties to any contract, agreement, lease or instrument the performance of which, either unconditionally or upon the happening of an event, will result in or require the creation of a lien on any assets of the Borrowers or otherwise result in a violation of this Agreement other than Permitted Liens and the Liens granted to the Agent and the Lenders as provided for in this Agreement.

SECTION 3.06 Compliance with Laws.

(a) Except for matters which would not reasonably be expected to have a material adverse effect on the financial condition, operations, business, properties, assets or prospects of any Borrower or the Borrowers taken as a whole the operations of the Borrowers comply in all material respects with all applicable laws.

(b) The Borrowers are not, to the best of each of their respective knowledge, in violation of any law, rule or regulation, or in default with respect to any judgment, writ, injunction or decree of any Governmental Authority the violation of which, or a default with respect to which, would have a material adverse effect on the financial condition, operations, business, properties, assets or prospects of any Borrower or the Borrowers taken as a whole.

SECTION 3.07 Insurance. All policies of insurance of any kind or nature owned by or issued to the Borrowers, including, without limitation, policies of life, fire, theft, product liability, public liability, property damage, other casualty, employee fidelity, workers' compensation, employee health and welfare, title, property and liability insurance, are in full force and effect.

SECTION 3.08 **Use of Proceeds.** The proceeds of the Advances shall be used in accordance with Section 2.03 (including for the payment of fees and transaction costs as contemplated hereby and as referred to in Section 2.11). Such proceeds may not be used in connection with the formal discovery proceedings, initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation against the Lenders or the Agent in their capacities as such or connection with the Existing Loans.

SECTION 3.09 **Litigation.** Other than as set forth on Schedule 3.09, there are no unstayed actions, suits, proceedings or investigations pending or, to the knowledge of the Borrowers, threatened against or affecting any Borrower or any of its respective properties, before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which is reasonably likely to be determined adversely to such Borrower and, if so determined adversely to such Borrower, would reasonably be expected to have a material adverse effect on the financial condition, business, properties, prospects, operations or assets of such Borrower or the Borrowers taken as a whole.

SECTION 3.10 **Margin Regulations; Investment Company Act.**

(a) The Borrowers are not engaged and will not engage, principally or as one of their important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board), or extending credit for the purpose of purchasing or carrying margin stock and no proceeds of any Advance will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock.

(b) None of the Borrowers are or are required to be registered as an “investment company” under the Investment Company Act of 1940. Neither the making of any Advance nor the consummation of the other transactions contemplated by the Loan Documents, will violate any provision of such Act or any rule, regulation or order of the Securities and Exchange Commission thereunder.

SECTION 3.11 **Ownership of Property; Liens.** Except as described in Schedule 3.11, the real estate listed in Schedule 3.11 constitutes real property owned, leased, or used in its business by a Borrower. Each Borrower holds (a) good and marketable fee simple title to all of its owned real estate, (b) valid and marketable leasehold interests in all of such Borrower’s Leases (except may be affected by the filing of the Petitions) and (c) good and marketable title to all of its other properties and assets. None of the properties and assets of any Borrower are subject to any liens, except (x) Permitted Liens, (y) as listed on Schedule 3.11, and (z) from and after the Closing Date, the Lien in favor of Agent, for itself and on behalf of the Lenders, or in favor of any Lender, pursuant to the Collateral Documents. Except as described in Schedule 3.11, each Borrower has received all deeds, assignments, waivers, consents, non-disturbance and recognition or similar material agreements, bills of sale and other documents, and duly effected all recordings, filings and other material actions necessary to establish, protect and perfect such Borrower’s right, title and interest in and to all such real estate and other assets or property. Except as described in Schedule 3.11, no Borrower owns or holds, or is obligated under or a party to, any option, right of first refusal or any other contractual right to purchase, acquire, sell, assign or dispose of any real property owned or leased by such Borrower except as set forth in

Schedule 3.12, and (iii) no material portion of any real property owned or leased by any Borrower has suffered any material damage by fire or other casualty loss which has not heretofore been completely repaired and restored to its condition before the casualty. All permits required to have been issued or appropriate to enable the real property owned or leased by any Borrower to be lawfully occupied and used for all of the purposes for which they are currently occupied and used, have been lawfully issued and are, as of the date hereof, in full force and effect.

SECTION 3.12 **Taxes.** All tax returns, reports and statements required by any Governmental Authority to be filed by Borrowers have, as of the date hereof, been filed and will, until the Maturity Date, be filed with the appropriate Governmental Authority, and no tax lien will be filed against any of the Borrowers' property. Proper and accurate amounts have been and will be withheld by Borrowers from its employees for all periods in complete compliance with all requirements of law and such withholdings have and will be timely paid to the appropriate Governmental Authorities, in each case, except to the extent that failure to so withhold or pay such amount would not reasonably be expected to have a material adverse effect of the Borrowers' business. Borrowers (including any of their predecessors) are not liable for any Charges: (i) under any agreement (including any tax sharing agreements or agreement extending the period of assessment of any Charges) or (ii) to Borrowers' knowledge, as a transferee. As of the date hereof, Borrowers have not agreed or been requested to make any adjustment under Section 481(a) of the Code, by reason of a change in accounting method or otherwise, which would reasonably be expected to have a material adverse effect on the Borrowers' business.

SECTION 3.13 **ERISA.** No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other existing ERISA Events, would reasonably be expected to result in a liability of Borrowers of more than the \$50,000.00 (the "Minimum Actionable Amount"). The present value of all accumulated benefit obligations of Borrowers under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not exceed the fair market value of the assets of such Plan by more than the Minimum Actionable Amount, and the present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Account Standards No. 87) did not exceed the fair market value of the assets of such underfunded Plans by more than the Minimum Actionable Amount. Neither Borrowers nor any ERISA Affiliate has incurred or reasonably expects to incur any withdrawal liability in excess of the Minimum Actionable Amount.

SECTION 3.14 **Hazardous Materials.** (i) Each parcel of real estate Collateral is and will be maintained free of contamination from any environmental contamination, (ii) the Borrowers are not subject to any Environmental Liabilities or, to the Borrowers' knowledge, potential Environmental Liabilities, in each case, in excess of \$50,000 in the aggregate, (iii) no notice has been received by the Borrowers identifying any of them as a "potentially responsible party" or requesting information under any environmental laws or analogous state statutes, and to the knowledge of Borrowers, there are no facts, circumstances or conditions that would reasonably be expected to result in any of the Borrowers being identified as a "potentially responsible party" under any Environmental Laws or analogous state statutes; and (iv) the Borrowers have provided to each Lender copies of all existing environmental reports, reviews and audits and all written information pertaining to actual or potential Environmental Liabilities,

in each case relating to the Borrowers. The Borrowers: (A) shall comply in all material respects with all applicable Environmental Laws and environmental permits; (B) shall notify each Lender in writing within three (3) Business Days if and when it becomes aware of any release, on, at, in, under, above, to, from or about any of their real property; and (C) shall promptly forward to each Lender a copy of any order, notice, permit, application, or any communication or report received by it in connection with any such release. "Regulated Substances" as used herein includes any substances, chemicals, materials or elements that are prohibited, limited or regulated by the Environmental Laws, or any other substances, chemicals, materials or elements that are defined as "hazardous" or "toxic," or otherwise regulated, under the Environmental Laws, or that are known or considered to be harmful to the health or safety of occupants or users of the Real Estate Collateral. The term Regulated Substances shall also include, without limitation, any substance, chemical, material or element (i) defined as a "hazardous substance" under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") (42 U.S.C. §§ 9601, et seq.), as amended by the Superfund Amendments and Reauthorization Act of 1986, and as further amended from time to time, and regulations promulgated thereunder; (ii) defined as a "regulated substance" within the meaning of Subtitle I of the Resource Conservation and Recovery Act (42 U.S.C. §§ 6991-6991i), as amended from time to time, and regulations promulgated thereunder; (iii) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act (33 U.S.C. § 1321), or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. § 1317); (iv) defined as "hazardous", "toxic", or otherwise regulated, under any Environmental Laws adopted by the state in which the real estate Collateral is located, or its agencies or political subdivisions; (v) the presence of which requires notification, investigation or remediation under any Environmental Laws or common law; (vi) the presence of which on adjacent properties would constitute a trespass by the Borrowers; (vii) which is urea formaldehyde foam insulation or urea formaldehyde foam insulation-containing materials; (viii) which is lead base paint or lead base paint-containing materials; (ix) which are polychlorinated biphenyls or polychlorinated biphenyl-containing materials; or (x) which is radon or radon-containing or producing materials.

SECTION 3.15 Survival of Representations and Warranties, Etc. All representations and warranties set forth in this Section 3 and all representations and warranties contained in any certificate delivered pursuant to this Agreement or in any of the other Loan Documents (including any such representation or warranty made in or in connection with any amendment thereto) shall constitute representations and warranties made under this Agreement. All representations and warranties made under this Agreement: (i) shall be made or deemed to be made at and as of the date hereof, (ii) shall survive the date hereof and shall not be waived by the execution and delivery of this Agreement, any investigation made by or on behalf of the Lenders and shall terminate one (1) year after all of the Obligations are satisfied in full and (iii) be deemed made on the date of each Advance hereunder (except those representations and warranties which are made only as of a date certain, which shall remain true and correct as of such date).

SECTION 4. CONDITIONS OF LENDING

SECTION 4.01 Conditions Precedent to Funding the Interim DIP Loan. The obligation of the Lenders to make the Initial DIP Loan and Advances thereunder is subject to the satisfaction (or waiver by the Lenders) of the following conditions precedent:

(a) Supporting Documents. Each Lender shall have received for each of the Borrowers a certificate of such Secretary of State, dated as of a recent date, as to the good standing of and/or payment of taxes by that entity and as to the charter documents on file in the office of such Secretary of State

(b) Interim Order. The order of the Bankruptcy Court in the form attached hereto as Exhibit A-1 (the "Interim Order"), or in such other form as the Agent and the Lenders in their sole discretion may agree, approving the Loan Documents and granting the Superpriority Claim status and senior and other Liens described in Section 2.12 shall have been entered on or before July 28, 2006, shall be in full force and effect, and shall not have been vacated, stayed, reversed, modified or amended in any respect that the Lenders determine to be adverse to their interests; and, if the Interim Order is the subject of a pending appeal in any respect, neither the making of such Loans nor the performance by the Borrowers of any of their respective obligations hereunder or under the Loan Documents or under any other instrument or agreement referred to herein shall be the subject of a presently effective stay pending appeal.

(c) The Borrowers shall duly execute and deliver to such Lender a Note evidencing any Advances made by such Lender.

(d) The Agent and the Lenders shall have received a favorable written opinion of Dechert LLP, counsel to the Borrowers, in form and substance satisfactory to the Lenders dated the date of the Interim DIP Loan.

(e) The Lenders shall have received such other information (financial or otherwise) as may be reasonably requested by the Lenders.

(f) The Lenders shall have received UCC searches (including tax liens and judgment liens) conducted in such jurisdictions in which the Borrowers conduct business and lien searches as may be reasonably satisfactory to the Agent (dated as of a date reasonably satisfactory to them), reflecting the absence of liens and encumbrances on the assets of the Borrowers other than such liens permitted hereunder and as may be reasonably satisfactory to the Lenders.

(g) Each Lender shall have been named as loss payee with respect to its Collateral, and additional insured (as its interests may appear), on such policies of insurance of each applicable Borrower as such Lender may have reasonably requested.

(h) The Lenders shall have received all documents required by this Section 4.01 reasonably satisfactory in form and substance to the Lenders.

(i) No event has occurred and is continuing that constitutes an Event of Default or would constitute an Event of Default, but for the requirement that notice be given or time elapse or both.

(j) The (i) operating agreement of DR Abaco, LLC and the Original Patriot Loan Agreement shall have been amended to the satisfaction of Patriot, and (ii) if as requested by Patriot, Distinctive Retreats, LLC has appointed a new manager acceptable to Patriot for DR Abaco, LLC.

(k) DR Abaco, LLC will execute a guaranty, in form and substance acceptable to Patriot, which guarantees all Obligations.

SECTION 4.02 **Conditions Precedent to Funding the Final DIP Loan.** The obligation of the Lenders to make the Final DIP Loan and Advances thereunder is subject to the following conditions precedent:

(a) The Lenders shall have received a notice with respect to such borrowing or issuance, as the case may be, as required by Section 2.02.

(b) All representations and warranties contained in this Agreement and the other Loan Documents shall be true and correct in all material respects on and as of the date of each Borrowing with the same effect as if made on and as of such date except to the extent such representations and warranties expressly relate to an earlier date.

(c) The Interim Order shall be in full force and effect and shall not have been vacated, stayed, reversed, modified or amended in any respect that the Lenders determine to be adverse to their interests without the prior written consent of the Lenders. The Agent and each of the Lenders shall have received a certified copy of the Final Order, in the form attached hereto as Exhibit A-2, with only such modifications as are satisfactory in form and substance to the Lenders, which, in any event, shall have been entered by the Bankruptcy Court no later than the earlier of 30 days after the entry of the Interim Order or August 31, 2006, and at the time of the extension of any further Advance, the Final Order shall be in full force and effect, and shall not have been vacated, stayed, reversed, modified or amended in any respect that the Lenders reasonably determine to be adverse to their interests and if either the Interim Order or the Final Order is the subject of a pending appeal in any respect, neither the making of the Advances nor the performance by the Borrowers of any of their respective obligations under any of the Loan Documents shall be the subject of a presently effective stay pending appeal.

(d) All Advances under and after entry of the Final Order after August 31, 2006, shall be conditional on the New DIP Facility Commitment (or an alternative New DIP Facility financing commitment in form and substance acceptable to the Lenders) being in effect.

(e) All Advances under the Interim Order shall have been borrowed and used in accordance with the Budget and any variations to which the Borrowers and the Lender agree in writing.

(f) The Borrowers shall have diligently pursued the listing for sale, but by no later than August __, 2006, listed all or substantially all of the building lots owned by DR Abaco, LLC, all the assets owned by Private Retreats Nevis, LLC and its subsidiaries for sale on terms acceptable to Patriot.

(g) No event has occurred and is continuing that constitutes an Event of Default or would constitute an Event of Default, but for the requirement that notice be given or time elapse or both.

(h) The Borrowers shall have paid to the Lenders the then unpaid balance of, all accrued and unpaid interest on and all Expenses then payable under and pursuant to this Agreement and as referred to in Section 2.11.

The request by the Borrowers for, and the acceptance by the Borrowers of, each extension of credit hereunder shall be deemed to be a representation and warranty by the Borrowers that the conditions specified in this Section 4.02 have been satisfied or waived at that time.

SECTION 5. AFFIRMATIVE COVENANTS

From the date hereof and for so long as the DIP Facility Commitment shall be in effect, shall remain outstanding or any amount shall remain outstanding or unpaid under this Agreement (other than contingent indemnification obligations in respect of which no claims giving rise thereto have been asserted), the Borrowers agree that, unless the Lenders shall otherwise consent in writing, the Borrowers will:

SECTION 5.01 **Financial Statements, Reports, etc.** Unless otherwise consented to in writing by the Lenders, the Borrowers shall provide to the Lenders no later than 3:00 p.m. on Tuesday of every week (each, a "Reporting Date"): (i) a list of planned disbursements for the next succeeding week; and (ii) (a) a full accounting of all cash receipts and expenditures incurred for the past week commencing the opening of business on the Monday of such past week up through the close of business on such past week, (b) an update on the status of the steps taken with respect to the sale process and the Borrowers' efforts to receive a commitment for the New DIP Facility, (c) an estimate of the funding required for the succeeding week to the extent it deviates from the amount set forth in the Budget, (d) any additional information reasonably required by the Lender (collectively, (i) and (ii)(a)-(d) are referred to as the "Financial Reporting Documents") and (e) a representation and warranty relating that all representations and warranties set forth herein remain true and correct in all material respects.

SECTION 5.02 **Financial Statements.** The Borrowers will furnish (i) on or before July 31, 2006, the Lenders with copies of the unaudited consolidated financial statement and schedules of the Borrowers for the fiscal year ended 2004 and (ii) on or before August 31, 2006, the Lenders with copies of the unaudited consolidated financial statement and schedules of the Borrowers for the fiscal year ended 2005; provided that upon deliver of each of (i) and (ii) above, the Borrowers will provide a representation and warranty that to each Borrower's knowledge there is no reason to believe that such financial statements are untrue or incorrect and that each financial statement fairly in all material respects evidences the financial condition and results of operations of the Borrowers on a consolidated basis as of such dates and for such periods; provided however such balance sheets and any notes thereto disclose all liabilities, direct or contingent, of the Borrowers as of the dates thereof required to be disclosed by GAAP and such financial statements were prepared in a manner consistent with GAAP.

SECTION 5.03 **Corporate Existence.** Preserve and maintain in full force and effect all governmental rights, privileges, qualifications, permits, licenses and franchises necessary or desirable in the normal conduct of its business except if such failure to preserve the same could not, in the aggregate, reasonably be expected to have a material adverse effect on the operations,

business, properties, assets, prospects or condition (financial or otherwise) of any Borrower or the Borrowers taken as a whole.

SECTION 5.04 **Insurance.** Keep its insurable properties insured at all times against such risks, including fire and other risks insured against by extended coverage, as is customary with companies of the same or similar size in the same or similar businesses (including, without limitation, casualty insurance) and which is reasonably satisfactory to the Lenders; and maintain in full force and effect public liability insurance against claims for personal injury or death or property damage occurring upon, in, about or in connection with the use of any properties owned, occupied or controlled by each Borrower, as the case may be, in such amounts (giving effect to self-insurance) and with such deductibles as are customary with companies of the same or similar size in the same or similar businesses and in the same geographic area; and maintain such other insurance or self insurance as may be required by law.

SECTION 5.05 **Obligations and Taxes.** With respect to each Borrower, pay all its material obligations arising after the Filing Date promptly and in accordance with their terms and pay and discharge promptly all material taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or in respect of its property arising after the Filing Date, before the same shall become in default, as well as all material lawful claims for labor, materials and supplies or otherwise arising after the Filing Date which, if unpaid, would become a lien or charge upon such properties or any part thereof; provided, however, that the Borrowers shall not be required to pay and discharge or to cause to be paid and discharged any such obligation, tax, assessment, charge, levy or claim so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings and the applicable Borrower or Borrowers shall have set aside on their books adequate reserves therefor.

SECTION 5.06 **Notice of Event of Default, etc.** Promptly give to each Lender notice in writing of any Event of Default or the occurrence of any event or circumstance which with the passage of time or giving of notice or both would constitute an Event of Default.

SECTION 5.07 **Access to Books and Records.** Maintain or cause to be maintained at all times true and complete books and records in accordance with GAAP of the financial operations of the Borrowers and any Subsidiaries; and provide the Agent, the Lenders and their respective representatives and advisors access to all such books and records, as well as any appraisals of the Collateral, during regular business hours, in order that the Agent and the Lenders may upon reasonable prior notice examine and make abstracts from such books, accounts, records, appraisals and other papers for the purpose of verifying the accuracy of the various reports delivered by the Borrowers and any Subsidiaries to the Agent or the Lenders pursuant to this Agreement or for otherwise ascertaining compliance with this Agreement; and at any reasonable time and from time to time during regular business hours, upon reasonable notice and with reasonable frequency, permit the Agent and the Lenders and any agents or representatives (including, without limitation, appraisers) thereof to visit the properties of the Borrowers and any Subsidiaries and to conduct examinations of and to monitor the Collateral, not more than once every month at the expense of the Borrowers.

SECTION 5.08 **Appraisals**. Permit each of the Lenders and their advisors to conduct updated appraisals of (i) real estate constituting part of a Lender's Collateral and (ii) real estate owned by Subsidiaries indebted to a Lender under Existing Loans.

SECTION 5.09 **Compliance With Terms of Leaseholds**. Make all post-petition payments and otherwise perform all obligations in respect of all Leases of real property to the extent necessary to keep such leases in full force and effect and not allow such leases to lapse or be terminated or any rights to renew such Leases to be forfeited or cancelled, notify each Lender of any default by any party with respect to such Leases and cooperate with the Agent and each Lender in all respects to cure any such default, except, in any case, where the failure to do so, either individually or in the aggregate, would not be reasonably likely to have a material adverse effect on the operations, business, properties, assets, prospects or condition (financial or otherwise) of each Borrower or the Borrowers taken as a whole.

SECTION 5.10 **Business Plan**. Make its senior officers available to discuss the Borrowers' business plan and the status and results of the Borrowers' efforts to secure the New DIP Facility.

SECTION 5.11 **Filing of Voluntary Petition**. Upon Patriot's request, file a voluntary petition with the Bankruptcy Court for DR Abaco, LLC. Upon the filing of such voluntary petition with the Bankruptcy Court, DR Abaco, LLC will be considered a Patriot Debtor.

SECTION 5.12 **Security and Pledge Agreement**. Upon the request of any Lender, the Borrowers shall duly execute and deliver to such Lender a security and pledge agreement (the "Security and Pledge Agreement") in form and substance acceptable to such Lender.

SECTION 6. **NEGATIVE COVENANTS**

From the date hereof and for so long as the DIP Facility Commitment shall be in effect, shall remain outstanding or any amount shall remain outstanding or unpaid under this Agreement (other than contingent indemnification obligations in respect of which no claims giving rise thereto have been asserted), the Borrowers will not (and except as may relate to the New DIP Facility, will not apply to the Bankruptcy Court for authority to):

SECTION 6.01 **Liens**. Incur, create, assume or suffer to exist any lien on any asset of the Borrowers, now owned or hereafter acquired by the Borrowers other than (i) liens which were existing on the Filing Date as reflected on Schedule 3.6; (ii) Permitted Liens; (iii) Liens in favor of the Agent and the Lenders securing the Obligations;

SECTION 6.02 **Merger, etc**. Consolidate or merge with or into another Person.

SECTION 6.03 **Indebtedness**. Contract, create, incur, assume or suffer to exist any indebtedness, except for (i) Indebtedness under the Loan Documents, (ii) Indebtedness incurred prior to the Filing Date and (iii) indebtedness incurred in the ordinary course of the Borrowers' business.

SECTION 6.04 **Capital Expenditures**. Make any capital expenditures except as set forth in the Budget.

SECTION 6.05 **Guaranties and Other Liabilities.** Purchase or repurchase (or agree, contingently or otherwise, so to do) the indebtedness of, or assume, guarantee (directly or indirectly or by an instrument having the effect of assuring another's payment or performance of any obligation or capability of so doing, or otherwise), endorse or otherwise become liable, directly or indirectly, in connection with the obligations, stock or dividends of any Person, except (i) by endorsement of negotiable instruments for deposit or collection in the ordinary course of business and (ii) to the extent existing on the Filing Date.

SECTION 6.06 **Chapter 11 Claims.** Incur, create, assume, suffer to exist or permit any other claim which is pari passu with or senior to the Superpriority Claims of the Lenders against the Borrowers hereunder or against any Borrower under the Existing Loan Documents, except for the Carve-Out Expenses.

SECTION 6.07 **Dividends; Capital Stock.** Declare or pay, directly or indirectly, any dividends or make any other distribution or payment, whether in cash, property, securities or a combination thereof, with respect to (whether by reduction of capital, purchase or redemption of shares or otherwise) any shares of capital stock (or any options, warrants, rights or other equity securities or agreements relating to any capital stock), or set apart any sum for the aforesaid purposes.

SECTION 6.08 **Transactions with Affiliates.** Sell or transfer any property or assets to, or otherwise engage in any other transactions with, any Affiliates or such Affiliates' shareholders, other than transactions (i) in the ordinary course of business at prices and on terms and conditions not less favorable to the Borrowers could be obtained on an arm's-length basis from unrelated third parties and (ii) transactions permitted in the Loan Documents and the transactions contemplated thereby.

SECTION 6.09 **Investments, Loans and Advances.** Purchase, hold or acquire any capital stock, evidences of indebtedness or other securities of, make or permit to exist any loans or advances to, or make or permit to exist any investment in, any other Person (all of the foregoing, "Investments"), except for ownership by any Borrower of the membership interest of any other Borrower, as listed on Organization Chart.

SECTION 6.10 **Disposition of Assets.** Sell or otherwise dispose of any assets (including, without limitation, the membership interest of any Subsidiary), or permit any of their Subsidiaries to do so, except for sales or dispositions, with the Bankruptcy Court's approval, of all or substantially all of the building lots owned by DR Abaco, LLC, all the assets owned by Private Retreats Nevis, LLC and its subsidiaries.

SECTION 6.11 **Nature of Business.** Enter into any business that is materially different from those conducted by the Borrowers on the Filing Date except as required by the Bankruptcy Code.

SECTION 7. **EVENTS OF DEFAULT**

SECTION 7.01 **Events of Default.** In the case of the happening of any of the following events and the continuance thereof beyond the applicable period of grace if any (each, an "Event of Default"):

(a) any material provision of any Loan Document shall, for any reason, cease to be valid and binding on the Borrowers;

(b) the commencement of any action or contested matter to (a) challenge the validity, perfection, priority or amount of any of the Existing Loans or the Existing Liens, (b) to assert any claim or cause of action against any of the Lenders in connection therewith; or (c) substantively consolidate the estate of any of the Borrowers with any other Borrowers or any non-debtor entity;

(c) cessation of Liens or Superpriority Claims granted with respect to the DIP Facility to be valid, perfected and enforceable in all respects;

(d) failure of the Bankruptcy Court to enter the Interim Order on or before July 28, 2006;

(e) failure of the Bankruptcy Court to enter the Final Order approving the DIP Facility in the form attached hereto as Exhibit A-2 or in such other form as may be acceptable to the Lenders, on or before the earlier of August 31, 2006, or the thirtieth (30th) day following the entry of the Interim Order;

(f) failure by the Borrowers to perform or comply in any material respect with any term, condition, covenant, representation, warranty or obligation contained herein, any of the Orders or any of the other Loan Documents, on their part to be performed or complied with where any such failure to perform or comply is not remedied within one (1) Business Day following written notice of the default; provided, however, that no notice of default or cure shall apply to any default that is the result of the entry of a court order;

(g) unless otherwise consented to in writing by the Agent, if, as of any Reporting Date, the Borrowers' cumulative cash disbursements in any week negatively varies by more than 10% excess on any line item or exceeds scheduled disbursements by more than 5% in the aggregate;

(h) on or before August 31, 2006, the Borrowers fail to provide to the Lenders an executed financing commitment for the New DIP Facility, in form and substance acceptable to the Lender, with a third-party lender (the "New DIP Facility Commitment") or (ii) on or before September 10, 2006, the Borrowers shall have failed to file with the Bankruptcy Court a motion of approval for the New DIP Facility (the "New DIP Facility Motion") (collectively, the Final Order, the New DIP Facility Commitment and the New DIP Facility Motion are referred to herein as the "New DIP Conditions");

(i) Failure of DR Abaco, LLC, to comply with the negative covenants to be added to its operating agreement.

(j) any representation or warranty made by any Borrower in this Agreement or in any Loan Document or in connection with this Agreement or the credit extensions hereunder or any statement or representation made in any report, financial statement, certificate or other document furnished by any Borrower to the Lenders under or in connection with this

Agreement, shall prove to have been false or misleading in any material respect when made or delivered;

(k) default shall be made in the payment of any (i) fees or interest on the DIP Loan and such default shall continue unremedied for more than one (1) Business Day, (ii) other amounts payable when due (other than amounts set forth in clauses (i) and (iii) hereof), and such default shall continue unremedied for more than five (5) Business Days or (iii) principal of the DIP Loan when and as the same shall become due and payable by acceleration thereof or otherwise;

(l) any of the Cases shall be dismissed or converted to a case under Chapter 7 of the Bankruptcy Code or any Borrower shall file a motion or other pleading seeking the dismissal of any of the Cases under Section 1112 of the Bankruptcy Code or otherwise; a trustee under Chapter 7 or Chapter 11 of the Bankruptcy Code, or an examiner with enlarged powers relating to the operation of the business (powers beyond those set forth in Section 1106(a)(3) and (4) of the Bankruptcy Code) under Section 1106(b) of the Bankruptcy Code, shall be appointed in any of the Cases and the order appointing such trustee, responsible officer or examiner shall not be reversed or vacated within 30 days after entry thereof; any Borrower's managers or directors shall authorize a liquidation of such Borrower's business; or an application shall be filed by any Borrower for the approval of any other Superpriority Claim (other than the Carve-Out Expenses);

(m) the Bankruptcy Court shall enter an order or orders granting relief from the automatic stay applicable under Section 362 of the Bankruptcy Code to the holder or holders of any security interest other than a Lender to permit foreclosure (or the granting of a deed in lieu of foreclosure or the like) on any material assets of any Borrower;

(n) except for DR Abaco, LLC, a Change of Control shall occur;

(o) the Borrowers shall fail to deliver the Budget when due and such default shall continue unremedied for more than one (1) Business Day;

(p) any material provision of any Loan Document shall, for any reason, cease to be valid and binding on the Borrowers, or the Borrowers shall so assert in any pleading filed in any court or any material portion of any Lien (as reasonably determined by the Agent) intended to be created by the Loan Documents or the Orders shall cease to be or shall not be a valid and perfected Lien having the priorities contemplated hereby or thereby;

(q) an order of the Bankruptcy Court shall be entered reversing, staying, vacating or (without the written consent of the Lenders) otherwise amending, supplementing or modifying in a manner adverse to the Lenders (as determined by the Lenders in their sole discretion) any of the Orders or any Loan Document;

(r) any judgment or order with respect to a post-petition event shall be rendered against any Borrower which does or would reasonably be expected to (i) cause a material adverse change in the financial condition, business, prospects, operations or assets of the Borrowers taken as a whole on a consolidated basis, (ii) have a material adverse effect on the ability of any Borrower to perform its respective obligations under any Loan Document, or (iii)

have a material adverse effect on the rights and remedies of the Agent or any Lender under any Loan Document;

(s) any Borrower shall make any Pre-Petition Payment (including, without limitation, reclamation claims) in excess of \$10,000 for any such Pre-Petition Payment or \$50,000 in aggregate for all Pre-Petition Payments other than payments authorized by the Bankruptcy Court and the Budget;

(t) secure and successfully close the New DIP Facility;

(u) upon the filing of a Petition for DR Abaco, LLC as required hereunder, DR Abaco, LLC does not become a Patriot Debtor subject to the Patriot DIP Lien and Patriot's Superpriority Claim; or

(v) any Event of Default under either the Existing Loans;

then, and in every such event and at any time thereafter during the continuance of such event, and without further order of or application to the Bankruptcy Court, any Lender may by, notice to the Borrowers (with a copy to counsel for the Official Creditors' Committee appointed in the Cases, the United States Trustee and, if applicable, the other Lender) in the cases of clauses (i) and (ii) below and by notice required by applicable law in the case of clause (iii) below, take one or more of the following actions, at the same or different times (provided, that with respect to clause (iii) below and the enforcement of Liens or other remedies with respect to the Collateral, the Agent shall, at the request of any Lenders, provide the Borrowers and their counsel (with a copy to counsel for the Official Creditors' Committee in the Cases, and to the United States Trustee for the District in which the Cases are pending), with three (3) Business Days' written notice prior to taking the action contemplated thereby, and in any hearing after the giving of the aforementioned notice, the only issue that may be raised by any party in opposition thereto being whether, in fact, an Event of Default has occurred and is continuing): (i) terminate forthwith the DIP Facility Commitment; (ii) declare the DIP Loan then outstanding to be forthwith due and payable, whereupon the principal of the DIP Loan and the Existing Loans together with accrued interest thereon and all other liabilities of the Borrowers accrued hereunder, under any other Loan Document and under the Existing Loan Documents shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrowers, anything contained herein or in any other Loan Document to the contrary notwithstanding; or (iii) exercise any and all remedies under the Loan Documents, the Existing Loan Documents and applicable law available to the exercising Lender, provided however, that the approval or consent of both Lenders shall be required to take any the actions listed in (iii) above if and to the extent that such remedy relates to any Common Collateral, which approval or consent shall not be unreasonably withheld, conditioned or delayed if such action is permitted by applicable law and is on an arms-length basis. In Lenders' exercise of their respective rights and remedies (a) Patriot may, without the consent of LPP, enforce its Patriot DIP Liens and Superpriority Claims and exercise any and all other rights or remedies with respect to the Patriot Collateral at any time and from time to time in its sole discretion without the consent or approval of LPP (Patriot shall endeavor to give prompt notice to LPP of Patriot's exercise of any such right or remedy of a material nature but failure to do so will not result in any liability to Patriot); in addition to, and without limiting the generality of the

foregoing, Patriot's rights and remedies with respect to the Patriot DIP Liens, Patriot shall have and may exercise all rights and remedies affordable to it as a lienholder provided under its Existing Loan Documents, including, without limitation, rights of judicial and non-judicial foreclosure; (b) LPP may, without the consent of Patriot, enforce its LPP DIP Liens and Superpriority Claims and exercise any and all other rights or remedies with respect to the Beal Collateral at any time and from time to time in its sole discretion without the consent or approval of Patriot (LPP shall endeavor to give prompt notice to Patriot of LLP's exercise of any such right or remedy of a material nature but failure to do so will not result in any liability to LPP); in addition to, and without limiting the generality of the foregoing, LPP's rights and remedies with respect to the LPP DIP Liens, LLP shall have and may exercise all rights and remedies affordable to it as a lienholder provided under its Existing Loan Documents, including, without limitation, rights of judicial and non-judicial foreclosure; and (c) so long as and to the extent that any Obligations are owed to a Lender, either Lender may, with the consent of the other Lender (which consent shall not be unreasonably withheld), enforce its Common DIP Liens and exercise any and all other rights or remedies with respect to the Common Collateral that is subject thereto any time and from time to time in its sole discretion, provided however that all recoveries on account of such Common Collateral and Common DIP Liens, net of actual out-of-pocket expenses incurred in obtaining such recoveries, shall be distributed equally between the Lenders.

SECTION 8. THE AGENT

SECTION 8.01 Administration by Agent. The general administration of the Loan Documents shall be by the Agent. LPP hereby irrevocably authorizes the Agent, at its discretion, to take or refrain from taking such actions as agent on its behalf and to exercise or refrain from exercising such powers under the Loan Documents as are delegated by the terms hereof or thereof, as appropriate. The Agent shall have no rights, duties or responsibilities except as set forth in this Agreement and the remaining Loan Documents.

SECTION 8.02 Sharing of Setoffs. With respect to the Common Collateral, each Lender agrees that if it shall, through the exercise of a right of banker's lien, setoff or counterclaim against any Borrower, or otherwise, obtain payment in respect of its Advances as a result of which the unpaid portion of its Advances is proportionately less than the unpaid portion of the Advances of any other Lender (a) it shall promptly purchase at par (and shall be deemed to have thereupon purchased) from such other Lender a participation in the outstanding Advances of such other Lender, so that the aggregate unpaid principal amount of each Lender's Advances and its participation in Advances of the other Lender shall be in the same proportion to the aggregate unpaid principal amount of all Advances then outstanding as the principal amount of its Advances prior to the obtaining of such payment was to the principal amount of all Advances outstanding prior to the obtaining of such payment and (b) such other adjustments shall be made from time to time as shall be equitable to ensure that the Lenders share such payment pro-rata, provided that if any such non-pro-rata payment is thereafter recovered or otherwise set aside such purchase of participations shall be rescinded (without interest). The Borrowers expressly consent to the foregoing arrangements and agree that any Lender holding (or deemed to be holding) a participation in a Advance may exercise any and all rights of banker's lien, setoff (in each case, subject to one (1) Business Day notice) or counterclaim with respect to any and all moneys owing by the Borrowers to such Lender as fully as if such Lender were the original obligee thereon, in the amount of such participation.

SECTION 8.03 **Agreement of Requisite Lenders.** Upon any occasion requiring or permitting an approval, consent, waiver, election or other action on the part of the Lenders, action shall be taken by the Agent for and on behalf or for the benefit of all Lenders, upon the written consent of Patriot and Beal, and any such action shall be binding on all Lenders. No amendment, modification, consent, or waiver shall be effective except in accordance with the provisions of Section 10.10.

SECTION 8.04 **Liability of Agents.**

(a) The Agent, when acting on behalf of the Lenders as permitted by this Agreement, may execute any of their respective duties under this Agreement by or through any of its respective officers, agents, and employees, and none of such agents nor any of their directors, officers, agents, employees or Affiliates shall be liable to the Lenders or any of them for any action taken or omitted to be taken in good faith, or be responsible to the Lenders or to any of them for the consequences of any oversight or error of judgment, or for any loss, unless the same shall happen through its gross negligence or willful misconduct. The Agent, and its respective directors, officers, agents, employees and Affiliates shall in no event be liable to LPP or to any other Lender for any action taken or omitted to be taken by them pursuant to instructions received by them from LPP. Without limiting the foregoing, neither the Agent nor any of its respective directors, officers, employees, agents or Affiliates shall be responsible to LPP or any other Lender for the due execution, validity, genuineness, effectiveness, sufficiency, or enforceability of, or for any statement, warranty, or representation in, this Agreement, any Loan Document or any related agreement, document or order, or shall be required to ascertain or to make any inquiry concerning the performance or observance by the Borrowers of any of the terms, conditions, covenants, or agreements of this Agreement or any of the Loan Documents.

(b) Neither the Agent nor any of its respective directors, officers, employees, agents or Affiliates shall have any responsibility to the Borrowers on account of the failure or delay in performance or breach by any Lender or by the Borrowers of any of their respective obligations under this Agreement or any of the Loan Documents or in connection herewith or therewith.

(c) The Agent, in its agency capacity hereunder, shall be entitled to rely on any communication, instrument, or document reasonably believed by such person to be genuine or correct and to have been signed or sent by a person or persons believed by such person to be the proper person or persons, and such person shall be entitled to rely on advice of legal counsel, independent public accountants, and other professional advisers and experts selected by such person.

SECTION 8.05 **Independent Lenders.** Each Lender acknowledges that it has decided to enter into this Agreement and to make the Advances hereunder based on its own analysis of the transactions contemplated hereby and of the creditworthiness of the Borrowers and agrees that the Agent shall bear no responsibility therefor.

SECTION 8.06 **Reimbursement and Indemnification.** LPP agrees promptly upon demand (i) to reimburse (x) the Agent for LPP's DIP Facility Commitment Percentage of any expenses and fees incurred for the benefit of LPP as authorized by LPP under this Agreement

and any of the Loan Documents, including, without limitation, counsel fees and compensation of agents and employees paid for services rendered on behalf of LPP, and any other expense incurred in connection with the operations or enforcement thereof not reimbursed by the Borrowers and (y) the Agent for LPP's DIP Facility Commitment Percentage of any expenses of the Agent incurred for the benefit of LPP that the Borrowers have agreed to reimburse pursuant to Section 10.05 and has failed to so reimburse and (ii) to indemnify and hold harmless the Agent and any of its directors, officers, employees, agents or Affiliates, on demand, in the amount of its proportionate share, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against it or any of them in any way relating to or arising out of this Agreement or any of the Loan Documents as authorized by LPP or any action taken or omitted by it or any of them under this Agreement or any of the Loan Documents as authorized by LPP to the extent not reimbursed by the Borrowers (except such as shall result from their respective gross negligence or willful misconduct).

SECTION 8.07 Notice of Transfer. The Agent may deem and treat a Lender party to this Agreement as the owner of such Lender's portion of the Advances for all purposes, unless and until the Agent has received written notice of the assignment of such Lender's interest in the DIP Loan.

SECTION 8.08 Successor Agents. The Agent may resign at any time by giving written notice thereof to the Lenders and the Borrowers. Upon such resignation by the Agent, the Lenders shall have the right to appoint a successor for such Agent. If no successor shall have been so appointed by the Lenders and shall have accepted such appointment, within 30 days after the retiring agent's giving of notice of resignation, the retiring Agent may, on behalf of the Lenders, appoint a successor agent. Upon the acceptance of any appointment as agent hereunder by a successor agent, such successor agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring agent, and the retiring agent shall be discharged from its duties and obligations under this Agreement. After any retiring Agent's resignation hereunder as agent, the provisions of this Section 8 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was agent under this Agreement.

SECTION 9. Reserved

SECTION 10. MISCELLANEOUS

SECTION 10.01 Notices. Notices and other communications provided for herein shall be in writing (including facsimile communication) and shall be mailed, transmitted by facsimile or delivered to the Borrowers at Dechert LLP, 30 Rockefeller Plaza, New York, New York 10112, Attention: Joel Levitin and Tanner and Haley, 285 Riverside Avenue, Suite 310, Westport, Connecticut 06880, Attention: Holly Etlin, to the Lenders at LPP Mortgage Ltd., 6000 Legacy Drive, Plano, Texas 75024 Attention: Phil Lewellen and The Patriot Group, LLC, One Thorndal Circle, Darien, Connecticut 06820, Attention: Charles Forbes, and to the Agent at The Patriot Group, LLC, One Thorndal Circle, Darien, Connecticut 06820, Attention: Charles Forbes or such other address as such party may from time to time designate by giving written notice to the other parties hereunder. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given

on the second Business Day after the date when sent by registered or certified mail, postage prepaid, return receipt requested, if by mail; or when receipt is acknowledged, if by any facsimile equipment of the sender; or the Business Day following the day on which the same has been delivered to a reputable national overnight air courier service; in each case addressed to such party as provided in this Section 10.01 or in accordance with the latest unrevoked written direction from such party; provided, however, that in the case of notices to the Agent or any Lender, notices shall be effective only when received by the Agent or such Lender.

SECTION 10.02 Survival of Agreement, Representations and Warranties, etc. All warranties, representations and covenants made by the Borrowers herein or in any certificate or other instrument delivered by it or on its behalf in connection with this Agreement shall be considered to have been relied upon by the Lenders and shall survive the making of the Advances herein contemplated regardless of any investigation made by any Lender or on its behalf and shall continue in full force and effect so long as any amount due or to become due hereunder is outstanding and unpaid (other than contingent indemnification obligations as to which no claim giving rise thereto has been asserted) and so long as DIP Facility Commitment has not been terminated. All statements in any such certificate or other instrument shall constitute representations and warranties by the Borrowers hereunder with respect to the Borrowers.

SECTION 10.03 Successors and Assigns.

(a) This Agreement shall be binding upon and inure to the benefit of the Borrowers, the Agent and the Lenders and their respective successors and assigns. The Borrowers may not assign or transfer any of their rights or obligations hereunder without the prior written consent of all of the Lenders. Each Lender may sell participations to any Person in all or part of any Advance, or all or part of its DIP Facility Commitment Percentage, in which event, without limiting the foregoing, the provisions of this Agreement shall inure to the benefit of each purchaser of a participation (provided that such participant shall look solely to the seller of such participation for such benefits and the Borrowers' liability, if any, under Sections 2.10 shall not be increased as a result of the sale of any such participation) and the pro rata treatment of payments, as described in Section 2.09, shall be determined as if such Lender had not sold such participation. In the event any Lender shall sell any participation, such Lender shall retain the sole right and responsibility to enforce the obligations of the Borrowers relating to the Advances, including, without limitation, the right to approve any amendment, modification or waiver of any provision of this Agreement (provided that such Lender may grant its participant the right to consent to such Lender's execution of amendments, modifications or waivers which (i) reduce any fees payable hereunder to the Lenders, (ii) reduce the amount of any scheduled principal payment on any Advance or reduce the principal amount of any Advance or the rate of interest payable hereunder or (iii) extend the maturity of the Borrowers' obligations hereunder). The sale of any such participation shall not alter the rights and obligations of the Lender selling such participation hereunder with respect to the Borrowers.

(b) Each Lender may assign to one or more Lenders or eligible assignees (including without limitation any Affiliate) all or a portion of its interests, rights and (with the consent of the assignee) obligations under this Agreement (including, without limitation, all or a

portion of its DIP Facility Commitment Percentage and the same portion of the related Advances at the time owing to it).

(c) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 10.03, disclose to the assignee or participant or proposed assignee or participant, any information relating to the Borrowers furnished to such Lender by or on behalf of the Borrowers; provided that prior to any such disclosure, each such assignee or participant or proposed assignee or participant shall agree in writing to be bound by the provisions of Section 10.04.

SECTION 10.04 Expenses. Whether or not the transactions hereby contemplated shall be consummated, the Borrowers agree to pay all reasonable out-of-pocket expenses (promptly upon written demand, together with backup documentation reasonably supporting such reimbursement request) incurred any Lender in connection with the preparation, execution, delivery and administration of this Agreement and the other Loan Documents, the making of the DIP Loan, the perfection of the Liens contemplated hereby, and all reasonable out-of-pocket expenses incurred by either of the Lenders in the monitoring of and participation in the Cases and in the enforcement or protection of the rights of any one or more of the Lenders in connection with this Agreement, the other Loan Documents or the Existing Loan Documents, including but not limited to the reasonable fees and disbursements of any counsel for and consultants to the Lenders. Such payments shall be made as of the date of the first Advance under the Interim Order and thereafter on demand upon delivery of a statement setting forth such costs and expenses.

SECTION 10.05 Indemnity. The Borrowers shall indemnify and hold harmless the Agent, each Lender and each of its affiliates and each of the respective officers, directors, members, partners, employees, agents, advisors, attorneys and representatives of each (each, an "Indemnified Party") from and against any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and disbursements of counsel), joint or several, that may be incurred by or asserted or awarded against any Indemnified Party (including, without limitation, in connection with or relating to any investigation, litigation or proceeding or the preparation of any defense in connection therewith), in each case arising out of or in connection with or by reason of the DIP Facility, the DIP Facility documentation or any of the transactions contemplated thereby, or any actual or proposed use of the proceeds of the DIP Facility, except to the extent such claim, damage, loss, liability or expense is found in a final judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct. In the case of an investigation, litigation or other proceedings to which the indemnity in this paragraph applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Borrowers, any of their directors, security holders or creditors, an Indemnified Party or any other person, or an Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated. The Borrowers further agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract, tort, or otherwise) to the Borrowers or any of their security holders or creditors for or in connection with the transactions contemplated hereby, except for direct damages (as opposed to special, indirect, consequential or punitive damages (including, without limitation, any loss of profits, business or anticipated savings)) determined in

a final judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct.

SECTION 10.06 **Releases.** The Borrowers (a) release and discharge the Lenders, and their Affiliates, agents, attorneys, officers, directors and employees, and each of their respective successors and assigns, from any and all claims and causes of action arising out of, based upon or related to, in whole or in part, the Existing Liens, the Existing Loans, any documents executed in connection therewith or relating thereto (including, without limitation, any and all security documents), any aspect of the pre-petition relationships between the Lenders and their respective Affiliates and the Borrowers, or any other acts or omissions of the Lenders, their respective Affiliates, and their respective successors and assigns, in connection with any of the Existing Loans or their pre-petition relationship with the Borrowers; (b) waive any and all claims and/or defenses (including, without limitation, offsets and counterclaims of any nature or kind) as to the validity, perfection, first priority, enforceability and avoidability (under the Bankruptcy Code or otherwise) of the indebtedness under the Existing Loans and the Existing Liens, including, without limitation, the security interests in and liens on the Collateral securing such indebtedness; and (c) agree, without further Court order and without the need for filing of any proof of claim, to the allowance of the pre-petition claims of the Lender pursuant to Sections 502 and 506 of the Bankruptcy Code on account of such indebtedness as secured claims for principal, plus accrued pre-petition and post-petition interest, fees, expenses and other amounts chargeable under the Existing Loan documents; provided, however, that all of the foregoing is subject to the "Third-Party Investigation Rights" set forth in the Orders.

SECTION 10.07 **Choice of Law.** THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL IN ALL RESPECTS BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF DELAWARE AND (TO THE EXTENT APPLICABLE) THE BANKRUPTCY CODE (PROVIDED HOWEVER, WITH RESPECT TO ANY LIEN ON ANY REAL PROPERTY, THE LAWS OF THE JURISDICTION IN WHICH SUCH REAL PROPERTY IS LOCATED SHALL GOVERN TO THE EXTENT REQUIRED BY SUCH LAWS).

SECTION 10.08 **No Waiver.** No failure on the part of the Agent or any of the Lenders to exercise, and no delay in exercising, any right, power or remedy hereunder or any of the other Loan Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law.

SECTION 10.09 **Extension of Maturity.** Should any payment of principal of or interest or any other amount due hereunder become due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day and, in the case of principal, interest shall be payable thereon at the rate herein specified during such extension.

SECTION 10.10 **Amendments, etc.** No modification, amendment or waiver of any provision of this Agreement or the Collateral Documents, and no consent to any departure by the Borrowers therefrom, shall in any event be effective unless the same shall be in writing and

signed by the Agent or the Lenders, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No amendment to this Agreement shall be effective against the Borrowers unless signed by the Borrowers.

SECTION 10.11 **Severability**. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 10.12 **Headings**. Section headings used herein are for convenience only and are not to affect the construction of or be taken into consideration in interpreting this Agreement.

SECTION 10.13 **Execution in Counterparts**. This Agreement may be executed in any number of counterparts, each of which shall constitute an original, but all of which taken together shall constitute one and the same instrument.

SECTION 10.14 **Prior Agreements**. This Agreement and the other Loan Documents represent the entire agreements of the parties with regard to the subject matter hereof and thereof and the terms of any letters and other documentation entered into between the Borrowers and any Lender or the Agent prior to the execution of this Agreement which relate to Advances to be made hereunder shall be replaced by the terms of this Agreement.

SECTION 10.15 **Further Assurances**. Whenever and so often as reasonably requested by the Agent or any Lender, the Borrowers will promptly execute and deliver or cause to be executed and delivered all such other and further instruments, documents or assurances, and promptly do or cause to be done all such other and further things, as may be necessary and reasonably required in order to further and more fully vest in the Agent and the Lenders all rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred by this Agreement and the other Loan Documents.

SECTION 10.16 **Waiver of Jury Trial**. EACH OF THE BORROWERS, THE AGENT AND EACH LENDER HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO ANY OF THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY.

SECTION 10.17 **Existing Loan Documents and Existing Liens**. Notwithstanding anything to the contrary contained in this Agreement or any other Loan Document, nothing contained herein shall limit or otherwise affect any indebtedness, liabilities, duties or obligations of any Borrower under any of the Existing Loan Documents or shall limit or affect any rights or remedies of any Lender under any of the Existing Loan Documents or with respect to any Existing Liens, all of which shall remain in full force and effect as written.

{remainder of page intentionally left blank}

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and the year first written.

THE PATRIOT GROUP, LLC,
as a Lender and the Agent

Name:
Title:

LPP Mortgage Ltd.,
as a Lender

By: Property Acceptance Corp., its general
partner

Name:
Title:

[EACH OF THE BORROWER ENTITIES
AS SET FORTH ON SCHEDULE A
HERETO],
as a Borrower

Name:
Title:

SCHEDULE A

Preferred Retreats, LLC; Complete Retreats, LLC; T&H Villas, LLC; Town Clubs, LLC; Preferred Aviation, LLC; Preferred Retreats Travel Company, LLC; Preferred Retreats Design Group, LLC; P180, LLC; Private Retreats Steamboat, LLC; Private Retreats Telluride I, LLC; Private Retreats Kamalani, LLC; Private Retreats Summit, LLC; Private Retreats Tortuga, LLC; Private Retreats Whitewing, LLC; Private Retreats Belfair, LLC; Private Retreats Cabin 4, LLC; Private Retreats Cabin 8, LLC; Private Retreats Colinas, LLC; Private Retreats Yacht Club Tortola, LLC; Private Retreats Yacht Club Mediterranean, LLC; Private Retreats Casa Dorada, LLC; Private Retreats Teton I, LLC; Private Retreats Snake River I, LLC; Private Retreats Snake River II, LLC; Private Retreats Stowe II, LLC; Private Retreats Stowe III, LLC; Private Retreats Preserve Way, LLC; Private Retreats Highpoint, LLC; Private Retreats Tortola, LLC; Private Retreats Pinecone 305, LLC; Private Retreats Deer Valley I, LLC; Private Retreats Tahoe I, LLC; Private Retreats Tahoe II, LLC; Private Retreats Tahoe III, LLC; Private Retreats Belize, LLC; Preferred Retreats Hospitality, LLC; Private Retreats Powell II, LLC; Private Retreats Steamboat II, LLC; Private Retreats Powell III, LLC; Olde Cypress I PR, LLC; Olde Cypress II PR, LLC; PR Esperanza II, LLC; PR Esperanza III, LLC; Private Retreats Powell III, LLC; PR Vegas III, LLC; Private Retreats, LLC; Legendary Retreats, LLC; European Retreats, LLC; Distinctive Retreats II, LLC; Distinctive Retreats, LLC; DR MGM I, LLC; DR MGM II, LLC; DR MGM III, LLC; DR MGM IV, LLC; DR Cerezas, LLC; Private Retreats Nevis, LLC; A&K Destinations, LLC; A&K Luxury Automobiles, LLC; Bermuda Cliffs, LLC; LR Management Company, LLC; New Retreats Holding Co., LLC; Private Retreats II, LLC; Preferred Brokerage, LLC

EXHIBIT A-1

See attachment.

EXHIBIT A-2

See attachment.

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