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SC Court of Appeals

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM BEAUFORT COUNTY
Marvin H. Dukes, Master in Equity

Case No. 2014-CP-07-0380

JMT Capital Holdings, LLC

v.

Daufuskie Island Properties, LLC,
and its successor in interest, Ace
Basin Investments, LLC,.....Appellant,

v.

Raymond Travaglione,.....Respondent.

APPELLANT'S REPLY TO RESPONDENT'S RETURN OF
APPELLANT'S MOTION TO STAY APPEAL AND MEMORANDUM
IN SUPPORT & MOTION FOR LEAVE TO REPLY OUT OF TIME

Appellant, Ace Basin Investments, LLC, by and through the undersigned counsel, hereby submits this Reply to Respondent's Objection to Appellant's Motion to Stay the Appeal Pending the Disposition of the Underlying Action ("Return") and moves for leave to reply out of time. For the reasons set forth below the Appellant's Motions should be granted.

REPLY TO RESPONDENT'S RETURN

1. Respondent's Motion does not comply with the requirements of South Carolina of Appellate Court Rule 240(e).

As a preliminary matter, Respondent's Return does not follow the requirements of the South Carolina of Appellate Court Rules, and because Respondent failed to move for leave to enlarge the time limit or file outside of the time limit this Court should deem Respondent to have consented to Appellant's motion. Rule 240(e), SCACR, requires any party opposing a motion to do so within ten days from the date of service of the motion, stating that a party's failure to timely file "may be deemed a consent by that party to relief sought in the motion or petition."

Pursuant to Rule 240(b), SCACR, an attorney may be served by mailing a copy to him at his last known address. Rule 240(b), SCACR, goes on to state that "[s]ervice by mail is complete upon mailing".

In this particular case, Appellant's Motion was mailed on November 20, 2014, thus Respondent had ten days from that date, per Rule 240(e), SCACR, to respond to the motion. Rule 263(a), SCACR, indicates that time does not being to run until the day after the designated period begins, so a response would be timely if served on or before December 1, 2014. Respondent's Return was served December 8, 2014. [See Resp. Return Certificate of Service]. Because of the Respondent's tardiness, she should be deemed to consent, and

the Court should grant Appellant's motion to stay.

Although Rule 240(e), SCACR, gives the court the discretion to enlarge or limit the time for filing the return, Respondent failed to move for leave to file outside of the time limit, and this court has not enlarged the time limit for filing the return. The rule is explicit, using the imperative "shall".

Respondent is not free to disregard the requirements of the Rules without leave from this Court. Procedurally, without such leave, the only other option presented by Rule 240(e), SCACR, is for the Respondent's failure to timely file to be deemed consent to the motion, her Return to be disregarded, and the motion to stay granted.

2. Respondent Failed to Address the Substantive Grounds of the Motion to Stay.

As detailed above, Respondent's motion is out of time, and the Respondent should be deemed to consent to Appellant's motion. Appellant's motion was based upon two principles fundamental to our system of limited judicial review: judicial economy and avoiding moot decisions. Appellant maintains that Travaglione's Guaranty is satisfied if the Appellant receives either \$500,000.00, plus default interest, and attorney's fees and costs or title to the property in the foreclosure action below. [See Contingent Promissory Note – Housing Parcel and Contingent Promissory Note – School Parcel, attached together hereto as Exhibit 1, (collectively as the "Note") and the Agreement

for Land School Site and the Agreement for Land Housing Parcel and Amenities Parcel, attached hereto together as Exhibit 2, (collectively as the "Land Agreements").] The Appellant is willing to stipulate to such. Respondent did not address either principle in her motion but rather focused on an alleged procedural defect and the "procedural posture" of the case. The Respondent's failure to address the issues raised by Appellant's Motion to Stay is an implicit acknowledgement that it is in the interests of judicial economy to stay this potentially moot Appeal and serves as consent to the substantive grounds of the motion. The Court should grant the Appellant's motion to stay.

3. Appellant's Motion to Stay Satisfies the Requirements of Rule 240(c).

Respondent states that Rule 240(c) requires every motion to be accompanied with a memorandum of law and citation of supporting authorities. There are no further specifics as to what constitutes a memorandum of law. Appellant's failure to label its motion as a 'Motion and Memorandum of Law' does not change the substance of its motion and memorandum. Further, there is no mandatory authority in either South Carolina case law or statutes governing the stay of an Appeal. Appellant's motion is based judicial economy and the avoidance of moot decisions, two principles of limited judicial review inherent to our system of common law.

Appellant's evocation of common law principles should satisfy Rule 240(c). To deny the motion solely for failure to explicitly cite authorities for such principles would place form over substance in the unprecedented abandonment of the very essence of the common law. Indeed, the stay would avoid the unnecessary expenditure of time, money, and judicial resources if the Appellant prevails below.

4. Appellant's Choice of Procedural Posture Is Irrelevant to the Current Status of this Appeal.

Respondent argues that the Appellant chose to file a Third-Party Complaint rather than wait until the conclusion of the foreclosure action to bring claims against Travaglione to collect any deficiency under the terms of the Guaranty Agreement [*See* Resp. Return P.3 and Exhibit 1 of Third-Party Comp. Resp. Exhibit 2 (the "Guaranty").] And the Appellant should not be allowed to "complain of the situation it finds itself in." [Resp. Return P.3.] This argument has no bearing on the motion before the Court, which is based on the Court's stated goal of judicial economy. Further, this argument relies on the false premise that Travaglione was not a necessary party.

At the outset of the litigation, Appellant determined that Travaglione's liability would be determined by the outcome of the pending foreclosure, so Travaglione was a necessary party to the underlying foreclosure action. Judicial economy demanded his inclusion because structuring the litigation in

this manner would resolve all of the common issues of the litigation once and for all parties. Further, his inclusion would ensure that all of Appellant's claims stemming from the transaction were heard.

The Guaranty is ambiguous. It contains two conflicting terms for its satisfaction, and incorporates by reference, the Land Agreements, which have an additional provision for terminating the Note. The Land Agreements both state "[a]lternatively, Travaglione may satisfy the Note and Mortgage by transfer of the Property back to DIRBS [assignor of Ace Basin]...". [See Exhibit 2 Section 3 Paragraph d.] Because of this ambiguity, Appellant determined that the risk of re-litigating the same issues in multiple actions and the pending litigation's role in determining any potential liability of Travaglione required his inclusion in the foreclosure action below.

The fact that the Appellant chose to pursue its interests in this fashion below is not grounds for denying a motion to stay before this Court. Rather, it is the present facts and circumstances of the appeal that should be considered, and here judicial economy favors staying the appeal pending a potentially dispositive decision.

5. The Decision of the Lower Court is Potentially Dispositive of this Appeal.

Respondent argues that the decision below has no bearing on this appeal. However, South Carolina jurisprudence holds that "[a] case is moot

when judgment, if rendered, will have no practical effect upon the existing controversy.” Peterson Outdoor Adver. Corp. v. Beaufort Cnty., 291 S.C. 533, 535, 354 S.E.2d 563, 564 (1987). In this particular case, there is a strong possibility that the decision below will mean that a “judgment, if rendered, will have no practical effect upon the existing controversy” as it stands at the time a judgment is eventually rendered. The Appellant maintains that Ace Basin has first priority in the property in the underlying foreclosure action and is entitled to possession of the property. If that is the result of the foreclosure action, Travaglione’s guaranty, by the terms of the incorporated documents, will be satisfied and extinguished. Further, these Notes are for a principal amount of Five Hundred Thousand Dollars and 00/100 (\$500,000.00) plus default interest, fees, and attorney’s fees and costs. Even the Respondent acknowledges that it is possible for the Foreclosure to render the Guaranty satisfied, “...unless a foreclosure sale in the Foreclosure Action yields enough funds to pay Daufuskie in full, the issue to be decided in this appeal...will at some point have to be decided.” [Resp. Return P.4.] Although Respondent baldly asserts that Ace Basin has a slim chance (with which we wholeheartedly disagree), even the Respondent acknowledges that this appeal is potentially moot if the Appellant receives the title to the property or \$500,000 plus accruals and reasonable attorney’s fees and costs; the Guaranty

is satisfied by its terms; and this appeal is dispositively resolved by the decision below. Thus, this Appeal should be stayed.

SUPPLEMENTAL MOTION TO REPLY OUT OF TIME

1. Appellant's Motion to Reply Out of Time in Support of Appellant's Motion to Stay.

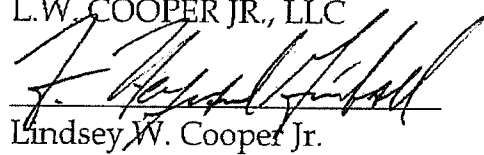
In the event that this Court allows the Respondent's Return, Appellant moves this Court to allow it to reply out of time. Appellate called the Court of Appeals to inquire about the status of this Appeal on Monday, December 15, 2014, and, upon follow up conference the next morning, the Case Manager confirmed that the Court had not received a Return from the Respondent. However, due to administrative oversights both the Case Manager and Counsel for the Appellant were incorrect. Respondent's certificate of service for the Return is dated December 8, 2014. [See Resp. Return Certificate of Service p.138] It is believed that the return was received by this office in the Friday afternoon mail. However, due to administrative oversight the Return was not brought to Counsel for Appellant's attention until late Tuesday afternoon at which point a Reply was already out of time. Appellant conferred with the Case Manager at the earliest possible time after receipt to alert her of Respondent's Return and worked to file this Reply in as timely a manner as possible under the circumstances. As such this Court should grant Appellant leave to reply out of time and consider the foregoing arguments.

CONCLUSION

For the reasons set for the Respondent should be deemed to consent to Appellant's motion and this Appeal should be stayed.

December 18, 2014

THE LAW OFFICES OF
L.W. COOPER JR., LLC



Lindsey W. Cooper Jr.
F. Heyward Grimball
36 Broad Street
Charleston, SC 29401
Telephone: 843.375.6622
Facsimile: 843.375.6623

*Counsel to Ace Basin Investments,
LLC*

Other Counsel of Record:

Tara E. Nauful
Dawn M. Hardesty
Adams and Reese LLP
211 King Street, #330
Charleston, SC 29401
Direct: 843.410.1102
Direct Fax: 843.302.8212
tara.nauful@arlaw.com

Attorneys for Raymond Travaglione

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM BEAUFORT COUNTY
Marvin H. Dukes, Master in Equity

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SC Court of Appeals

Appellate Case No. 2014-002290

Daufuskie Island Properties, LLC,
and its successor in interest, Ace
Basin Investments, LLC, Appellant,

v.

Raymond Travaglione, Respondent.

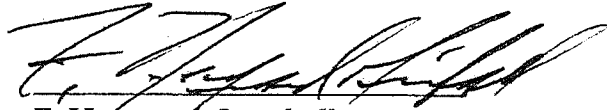
PROOF OF SERVICE

I certify that I have served Appellant's Reply to the Respondent's Return of Appellant's Motion to Stay the Appeal Pending the Disposition of the Hearing Below and Motion to Reply Out of Time on Raymond Travaglione by depositing a copy of it in the United States Mail, postage prepaid, on December 18, 2014, addressed to his attorney of record, Tara E. Nauful, 211 King Street, #330 Charleston, SC 29401.

December 18, 2014

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THE LAW OFFICES OF
L.W. COOPER JR., LLC



F. Heyward Grimball
36 Broad Street
Charleston, SC 29401
Telephone: 843.375.6622
Facsimile: 843.375.6623

*Counsel to Daufuskie Island
Properties, LLC, and its successor in
interest Ace Basin Investments, LLC*

CONTINGENT
PROMISSORY NOTE - HOUSING PARCEL

Date: June 2, 2006

Amount: \$400,000.00

FOR VALUE RECEIVED, VDM/T LAND COMPANY, LLC, a South Carolina limited liability company (the "Borrower") promises to pay to the order of DAUFUSKIE ISLAND PROPERTIES LLC d/b/a DAUFUSKIE ISLAND RESORT AND BREATHE SPA, whose address is 421 Squire Pope Road, Hilton Head Island, SC 29925 ("DIRBS"), in lawful money of the United States of America, the principal sum of FOUR HUNDRED THOUSAND AND NO/100 DOLLARS (\$400,000.00) without interest from the date hereof, the principal balance and all other sums due thereunder due and payable on or before July 1, 2010.

This Note may be prepaid in whole or in part without penalty. Any such prepayment shall be applied first to the outstanding interest accrued to date and thereafter to a reduction or elimination of the principal.

If, for any reason, any of said payments are not made promptly on the date due, there shall be a late charge of \$0.05 for each \$1.00 of the payment due. Should any payment be past due for more than twenty (20) days, the holder may at his option declare the entire loan due and payable. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of a subsequent default.

If default be made in the performance of or compliance with any of the covenants and conditions of the mortgage or any other instrument securing this Note, then in any of said events, said principal sum with all accrued interest thereon shall become at once due and payable at the option of holder thereof and be collectible without further notice. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default. The unpaid principal balance of this Note and any instrument securing this Note shall bear an interest rate of eight percent (8%) per annum after default until paid in full.

If this Note be placed in the hands of an attorney for collection after the same shall for any reason become due, or if collected by legal proceedings, or through the probate or bankruptcy courts, or under foreclosure proceedings under the mortgage securing this Note, then all costs of collection, including reasonable attorney fees, shall be added hereto secured and collectible as the principal hereof.

The undersigned expressly agrees to remain and continue bound for the payment of the principal provided for by the terms of this Note notwithstanding any extension or extensions of the time of, or for the payment of said principal or interest, or any change or changes in the amount or amounts agreed to be paid under and by virtue of the obligation to pay provided for in this Note, or any change or changes by way of release or surrender of any real property or collateral held as security for this Note and waive all and every kind of notice of such extension or extensions, change or changes and agree that the same may be made without the joinder of the undersigned.

Presentment, protest, and notice are hereby waived.

This Note is secured by a mortgage of even date conveying property in Beaufort County, South Carolina briefly described as the Mortgage - Housing Parcel.

This Note is subject to the terms of that certain Agreement For Land Housing Parcel & Amenities Parcel of August 19, 2004 which provides that this Note shall be cancelled without any payment hereunder in the event the Borrower shall cause a "School" to be constructed and operated on certain

McNair/Box #13 00124

EXHIBIT

1

property acquired by Borrower from Dausfuskie Island Properties, LLC simultaneously herewith for a period of Five (5) consecutive years from the date of completion of construction of said School as more particularly described in said Agreement except as otherwise tolled as therein provided.

THIS NOTE IS NOT NEGOTIABLE AND PAYMENT IS SUBJECT TO THE CONTINGENCIES CONTAINED IN THAT CERTAIN AGREEMENT FOR LAND HOUSING PARCEL & AMENTIEIS PARCEL SITE OF AUGUST 19, 2004.

WITNESS the hand and seal of the signer hereof this 2 day of June, 2006.

VDM/T LAND COMPANY, LLC
A South Carolina limited liability company

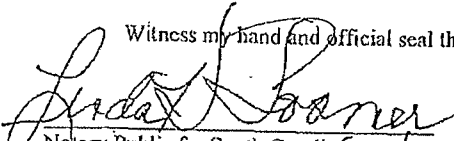
By: 
RAYMOND M. TRAVAGLIONE
Its: Manager


STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

ACKNOWLEDGMENT

I, the undersigned Notary, do hereby certify Raymond Travaglione as Manager of VDM/T Land Company, LLC personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this 2 day of June, 2006.


Notary Public for South Carolina
My commission Expires: 12/21/14

McNair/Box #13 00125 

**CONTINGENT
PROMISSORY NOTE - SCHOOL PROPERTY**

Date: June 2, 2006

Amount: \$100,000.00

FOR VALUE RECEIVED, VDM/T LAND COMPANY, LLC, a South Carolina limited liability company (the "Borrower") promises to pay to the order of DAUFUSKIE ISLAND PROPERTIES LLC d/b/a DAUFUSKIE ISLAND RESORT AND BREATHE SPA, whose address is 421 Squire Pope Road, Hilton Head Island, SC 29925 ("DIRBS"), in lawful money of the United States of America, the principal sum of ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000.00) without interest from the date hereof, the principal balance and all other sums due thereunder due and payable on or before July 1, 2010.

This Note may be prepaid in whole or in part without penalty. Any such prepayment shall be applied first to the outstanding interest accrued to date and thereafter to a reduction or elimination of the principal.

If, for any reason, any of said payments are not made promptly on the date due, there shall be a late charge of \$0.05 for each \$1.00 of the payment due. Should any payment be past due for more than twenty (20) days, the holder may at his option declare the entire loan due and payable. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of a subsequent default.

If default be made in the performance of or compliance with any of the covenants and conditions of the mortgage or any other instrument securing this Note, then in any of said events, said principal sum with all accrued interest thereon shall become at once due and payable at the option of holder thereof and be collectible without further notice. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default. The unpaid principal balance of this Note and any instrument securing this Note shall bear an interest rate of eight percent (8%) per annum after default until paid in full.

If this Note be placed in the hands of an attorney for collection after the same shall for any reason become due, or if collected by legal proceedings, or through the probate or bankruptcy courts, or under foreclosure proceedings under the mortgage securing this Note, then all costs of collection, including reasonable attorney fees, shall be added hereto secured and collectible as the principal hereof.

The undersigned expressly agrees to remain and continue bound for the payment of the principal provided for by the terms of this Note notwithstanding any extension or extensions of the time of, or for the payment of said principal or interest, or any change or changes in the amount or amounts agreed to be paid under and by virtue of the obligation to pay provided for in this Note, or any change or changes by way of release or surrender of any real property or collateral held as security for this Note and waive all and every kind of notice of such extension or extensions, change or changes and agree that the same may be made without the joinder of the undersigned.

Presentment, protest, and notice are hereby waived.

This Note is secured by a mortgage of even date conveying property in Beaufort County, South Carolina briefly described as the Mortgage - School Property.

This Note is subject to the terms of that certain Agreement For Land School Site of August 19, 2004 which provides that this Note shall be cancelled without any payment hereunder in the event the Borrower shall cause the Property which is described in said Mortgage to be sued for the construction and

McNair/Box # 9 00332

operation of a school and associated training and recreational facility for a period of Five (5) consecutive years from the date of the commencement of the first full school year as described in said Agreement except as otherwise tolled as therein provided.

THIS NOTE IS NOT NEGOTIABLE AND PAYMENT IS SUBJECT TO THE CONTINGENCIES CONTAINED IN THAT CERTAIN AGREEMENT FOR LAND SCHOOL SITE OF AUGUST 19, 2004.

WITNESS the hand and seal of the signer hereof this 2 day of June, 2006.

VDM/T LAND COMPANY, LLC
A South Carolina limited liability company

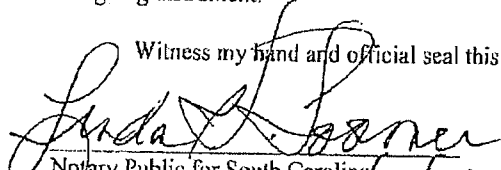
By: 
RAYMOND M. TRAVAGLIONE
Its: Manager

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

ACKNOWLEDGMENT

I, the undersigned Notary, do hereby certify Raymond Travaglione as Manager of VDM/T Land Company, LLC personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this 2 day of June, 2006.


Notary Public for South Carolina
My commission Expires: 12/21/14

McNair/Box # 9 00333

covenants and restrictions were recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in **Book 470 at Page 1399** which assignment was made pursuant to that certain Waiver and Termination Agreement recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in **Book 697 at Page 708** (the "Covenants"). The Property is subject to the Covenants; and

WHEREAS, the parties hereto have held numerous discussions relating to the construction by IJGA of a school and associated educational and training facilities (the "School"), student housing and other training facilities at the Resort and the parties have agreed to certain terms and conditions for the same and desire to memorialize their agreements as more particularly set forth herein in the Lease and License Agreement and the Agreement for Land -School Site.

NOW THEREFORE, for Ten and No/100 Dollars (\$10.00), the mutual promises and covenants hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Land Use.

a. The parties hereto agree to the construction of residential housing units (hereinafter "Student Housing Units") and related amenities which may include swimming pools, exercise and fitness facilities, tennis courts, practice areas and other recreational facilities as more particularly described herein upon that certain approximate ten (10) acre parcel owned by DIRBS of real property located in Melrose Plantation and more particularly described in Exhibit "A-1" attached hereto (the "Housing Parcel"); and

b. The parties hereto agree to the improvement of a certain approximate thirty-five (35) acre parcel owned by DIRBS located in the Northwest corner of the property known as the "Eigleberger Tract" on Daufuskie Island, as more particularly described in Exhibit "A-2" attached hereto, for use as a practice and amenities area for the students of IJGA (the "Amenities Parcel").

2. Student Housing Units.

a. Plans and Specifications. Promptly upon the execution of this Agreement, IJGA shall prepare plans and specifications for the construction of Student Housing Units on the Housing Parcel. The style and design of the Student Housing Units constructed on the Housing Parcel shall be subject to the Melrose ARB guidelines and review process. Plantation Home styling similar to the Plantation Homes development on Haig Point on Daufuskie Island is appropriate for the Housing Parcel. Such plans and specifications (the "Housing Parcel Plans and Specifications") shall be subject to review and prior written approval of DIRBS, which review and approval shall not be unreasonably withheld or delayed.

b. Construction. Upon final approval of the Plans and Specifications for the Student Housing Units to include issuance of all required permits, release of the Property from

the CCA mortgage and closing and thereafter over time and as required to fill the needs of the Student population enrolled in the School, and in accordance with applicable laws and regulations regarding housing of this type, construct Student Housing Units on the Housing Parcel up to a maximum of the equivalent of eighty-five bedrooms. The Student Housing Units shall generally be equivalent to seventeen (17) five (5) bedroom residences (or be readily convertible for use as a five (5) bedroom residence) and shall be designed and constructed to a standard of quality equal to or greater than that existing in Melrose subject to any special requirement imposed by law or regulation for the nature of use thereof. It is the intention of the parties that, in the event that the School ceases to exist or no longer operates within Melrose, that the Student Housing Units constructed on the Housing Parcel may be readily marketable to purchasers of residential real estate in Melrose. Any and all costs of construction, including but not limited to permits, utilities, service charges and fees, landscaping, contractor and architectural fees, shall be the responsibility of and paid for by IJGA. Any contractors or contracts for said construction shall be subject to prior written approval by DIRBS, which approval shall not be unreasonably withheld or delayed. Upon commencement, IJGA shall diligently continue and use its best efforts to complete construction by March, 2006.

3. Transfer of Housing Parcel.

- a. Transfer. Upon final written approval of the Housing Parcel Plans and Specifications by DIRBS and the Melrose ARB of the Student Housing Units, DIRBS shall convey marketable title to the Housing Parcel in fee-simple by a limited warranty deed to Travaglione or his assigns as hereinabove described. If an Owner's Title Commitment can be issued by an ALTA title insurance company without any unusual or extraordinary exceptions, this shall constitute evidence of marketable title.
- b. Closing Expenses. The parties hereto agree that the Housing Parcel has an allocated value of Four Hundred Thousand and No/100 Dollars (\$400,000.00). At the closing of the transfer of the Housing Parcel to Travaglione as set forth herein, Travaglione shall be responsible for the payment of any and all transfer fees, including the Deed recording fee, as required by Section 12-24 of the Code of Laws of South Carolina 1976, as amended (formerly referred to as "Documentary Stamps"), as well as all financing costs, legal fees in connection with the title examination, title insurance costs, any other fees for recording, and any loan documentation and for any local or county transfer fees as applicable. DIRBS shall be responsible for preparation of the deed and its own attorney's fees.
- c. Prorations. All county property taxes, applicable water and sewer charges, maintenance assessments and other applicable charges shall be prorated as of the closing date.
- d. Purchase Price. In consideration of the transfer of the Housing Parcel, Travaglione, as the sole shareholder and president of IJGA, and any heir, successor or assigns, shall cause the School to be operated for a period of at least five (5) consecutive years, which period shall commence with the first full school year following the completion of the Construction thereof (the "Contingency Period"). The Contingency Period shall be tolled for any disruption caused by

occurrences or events beyond the control of IJGS, to include fire or casualty, extreme weather, acts of terrorism, war or any other act of God (hereinafter a "Tolling Event"). The period tolled shall equal the amount of time the school is unable to operate due to such Tolling Event. In the event the School fails to operate during the entire Contingency Period, Travaglione, his heirs, successors or assigns, shall be responsible for and pay DIRBS the allocated land value hereinabove described. Repayment shall be made in accordance with and as described in a contingent promissory note of Travaglione (the "Note") in favor of DIRBS in the form attached hereto as Exhibit "B". The Note shall be secured by a mortgage (the "Mortgage") in favor of DIRBS in the form attached hereto as Exhibit "C" which Mortgage shall be subordinate to any financing required by IJGA to improve the Property. Alternatively, Travaglione may satisfy the Note and Mortgage by transfer of the Property back to DIRBS free and clear of all monetary liens and with all buildings and improvements removed therefrom unless otherwise agreed to by DIRBS. Upon expiration of the Contingency Period and satisfaction of the requirements of this section, DIRBS shall return to Travaglione the Note and Mortgage marked "paid and satisfied."

4. Assessments. As each Student Housing Unit is completed, and commencing upon the date that a certificate of occupancy is obtained for each Student Housing Unit constructed on the Housing Parcel, such Student Housing Unit shall be subject to the then current annual single Melrose improved lot assessment. Any portion of a complete year shall be *pro rated* accordingly. The maximum density for the Housing Parcel being seventeen (17) residential units, at the buildout IHGA shall be responsible for seventeen (17) Melrose improved lot assessments.

5. Amenities Parcel.

a. The Amenities Parcel may be improved by IJGA to provide amenities to Students at the School including golf driving ranges, practice facilities, baseball diamonds and baseball practice fields; pools, pool facilities, exercise and fitness areas, tennis courts and common use areas (the "Recreational Facilities"). All such Recreational Facilities, if any, shall be subject to the prior written approval of DIRBS, with respect to design, land use and density. Design and construction of such Recreational Facilities shall be in keeping with the design, construction and quality existing in the Resort and Daufusukie Island.

b. Plans and Specifications. Promptly upon the execution of this Agreement, IJGA shall prepare plans and specifications for the construction of the Recreational Facilities. Such plans and specifications shall incorporate the design and features reasonably compatible with the Resort and its buildings, use for educational, recreational and training purposes, and be in keeping with the design and architectural standards of Melrose and Daufuskie Island generally. Such plans and specifications (the "Amenities Parcel Plans and Specifications") shall be subject to review and prior written approval of DIRBS, which review and approval shall not be unreasonably withheld or delayed.

c. Construction. Upon final approval of the Plans and Specifications to include issuance of all required permits, release of the Property from the CCA mortgagee and closing, IJGA shall promptly commence construction of the Recreational Facilities in accordance with the Amenities Parcel Plans and Specifications. Any and all costs of construction, including but not limited to permits, utilities, service charges and fees, landscaping, contractor and architectural fees, shall be the responsibility of and paid for

by IJGA. Any contractors or contracts for said construction shall be subject to prior written approval by DIRBS, which approval shall not be unreasonably withheld or delayed.

6. Transfer of Amenities Parcel.

(a) The parties hereto have agreed to the transfer of the Amenities Site to Travaglione for the allocated purchase price of Five Hundred Thousand and No/100 Dollars (\$500,000.00) (the "Amenities Parcel Purchase Price"). Payment shall be in the form of credits of ten percent (10%) of all real estate sales and guest room revenues received by the DIRBS attributable to IJGA or Travaglione from the IJGA database of parents of Students and any other party referred by or associated with IJGA Students, Travaglione, his successors and assigns ("Attributed Credits"). All Attributed Credits are subject to in depth verification by DIRBS and IJGA, and Travaglione shall provide any and all information reasonably required to so verify. In addition, the parties hereto agree to an annual accounting of such Attributed Credits against the Amenities Parcel Purchase Price. Transfer shall occur upon approval of the Plans and Specifications by DIRBS. DIRBS shall convey marketable title to the Amenities site in fee simple by a limited warranty deed to Travaglione or his assigns as hereinabove provided. If an Owner's Title Commitment can be issued by an ALTA title insurance company without any unusual or extraordinary exceptions, this shall constitute evidence of Marketable Title. The Amenities Parcel Purchase Price shall be paid on or before five (5) years from the date of this Agreement if not paid by then in cash credits. Repayment shall be made in accordance with and as described in a promissory note of Travaglione (the "Note") in favor of DIRBS in a form attached hereto as Exhibit "___". The Note shall be secured by a mortgage (the "Mortgage") in favor of DIRBS in a form attached hereto as Exhibit "C".

b. Closing Expenses. The parties hereto agree that the Property has an allocated value of Five Hundred Thousand and No/100 Dollars (\$500,000.00). At the closing of the transfer of the Amenities Parcel to Travaglione as set forth herein, Travaglione shall be responsible for the payment of any and all transfer fees, including the Deed recording fee, as required by Section 12-24 of the Code of Laws of South Carolina 1976, as amended (formerly referred to as "Documentary Stamps"), as well as all financing costs, legal fees in connection with the title examination, title insurance costs, any other fees for recording, and any loan documentation and for any local or county transfer fees as applicable. DIRBS shall be responsible for preparation of the deed and its own attorney's fees.

c. Prorations. All county property taxes, applicable water and sewer charges, maintenance assessments and other applicable charges shall be prorated as of the closing date.

d. Amenities Parcel. In addition to the payment of the Amenities Parcel Purchase Price as provided in Section 6 (a) hereinabove, consideration of the transfer of the Amenities Parcel, Travaglione, as the sole shareholder and president of IJGA, and any heir, successor or assigns, shall cause the School to be operated for a period of at least

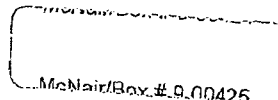
five (5) consecutive years, which period shall commence with the first full school year following the completion of the construction of the School (the "Contingency Period"). The Contingency Period shall be tolled for any disruption caused by occurrences or events beyond the control of IJGA, to include fire or casualty, extreme weather, acts of terrorism, war or any other act of God. In the event the School fails to operate during the entire Contingency Period, Travaglione, his heirs, successors and assigns, shall be responsible for and pay DIRBS the allocated land value hereinabove described, less any Attributed Credits. Repayment shall be made in accordance with and as described in a promissory note of Travaglione (the "Note") in favor of DIRBS in the form attached hereto as Exhibit "B-2". The Note shall be secured by a mortgage (the "Mortgage") in favor of DIRBS in the form attached hereto as Exhibit "C-2" which Mortgage shall be subordinate to any financing required by Travaglione to improve the Amenities Parcel.

7. ClubCorp of America. DIRBS has disclosed to IJGA and Travaglione certain debt of DIRBS which is secured by a mortgage encumbering the Property. The parties hereto agree that this Agreement is subject to the agreement of ClubCorp of America ("CCA") to release the Property from the CCA mortgage. DIRBS shall use its best efforts to cause said mortgage to be released for the properties that are the subject of this Agreement on or before closing.

8. Right of First Refusal. Travaglione hereby acknowledges and agrees that, in the event Travaglione desires to sell the Property and any improvements thereon, it shall be offered for sale to DIRBS for the same price at which the highest bonafide offer has been made for the Property and any improvements, and DIRBS shall have thirty (30) days within which to exercise its option to purchase the Property and improvements at this price. In the event DIRBS fails or refuses, within thirty (30) days after receipt of written notice of the price terms, to exercise its option to purchase the Property and improvements at the offered price, then Travaglione shall have the right to sell the Property. This paragraph shall not be construed to impair the right of foreclosure of a mortgage on the Property and improvements thereon. This right of first refusal shall not apply to any transfer to family members pursuant to any trust agreement, will, or intestacy, nor shall it apply to a transfer to any entity acquiring the business and assets of IJGA.

9. Condition of the Property. Travaglione hereby acknowledges and agrees that he shall accept the Property "as is, where is" with all faults accepted to the extent expressly provided otherwise in this Agreement. Travaglione shall, at his sole option, conduct prior to closing such investigations of the Property including, but not limited to, the physical and environmental conditions thereof as he deems necessary to satisfy himself as to the condition of the Property and shall rely solely upon the same and not upon any information provided by or on behalf of DIRBS or its agents or employees with respect thereto, other than such representations, warranties and covenants as are expressly set forth in this Agreement. DIRBS shall remove existing garbage and debris existing on the Property as of the date of this Agreement.

10. Default. In the event any party hereto fails to perform any of its obligations under



this Agreement, the non-defaulting party shall be entitled to any and all remedies at law or in equity as available under South Carolina law.

11. Commissions. Each party hereto hereby represents and warrants to the other that they have not involved a real estate or other broker or sales representative in this transaction and that no such broker or sales representative is entitled to a commission or brokerage fee of any kind. Each party agrees that, should any claim be made for brokerage commissions or finders fees by any broker or finder by, through, or on account of any acts of set party or its representatives, said party shall indemnify and hold the other party free and harmless from and against any and all loss, liability, cost, damage and expense in connection therewith.

12. Miscellaneous.

a. Notices. Notices will be addressed to DIRBS at the address as follows: Mr. Darren Smith, P.O. Drawer 23285, Hilton Head Island, South Carolina 29925 with a copy to Walter J. Nester, III, c/o McNair Law Firm, P.A., P.O. Drawer 3, Hilton Head Island, South Carolina 29938. To IJGA c/o Ray Travaglione 7 Office Park Road, Suite 105, Post Office Box 5580, Hilton Head Island, SC 29938 with a copy to Charles A. Scarminach, Esq. c/o Novit, Scarminach & Akins, P.A., PO Drawer 14, 52 New Orleans Road, The Jade Building, #400, Hilton Head Island, SC 29928. All written notices pursuant to this Agreement are to be sent either by Certified Mail, Return Receipt Requested, by hand delivery, or by express courier service such as Federal Express. Changes to these official addresses may be designated by either party in writing to the other from time to time during the term hereof.

b. Binding Effect. This Agreement shall be binding upon the parties hereto, and their respective heirs, representatives, successors and assigns for the Term hereof.

c. Titles and Paragraph Headings. The titles and paragraph headings used herein are for purposes of convenience only and are not to be considered substantive in matters of construction.

d. Entire Agreement. Except as otherwise herein provided, this Agreement contains the entire agreement between IJGA, DIRBS and Travaglione relating to the matters described herein and supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, between the parties. This Agreement shall not be amended or modified, and no waiver of any provision hereof shall be effective, unless set forth in written instrument executed by the parties hereto.

e. Separability Clause. Should any provision of this Agreement be void or become unenforceable at law or in equity, the remaining provisions hereof shall remain in full force and effect.

f. Governing law. This Agreement shall be governed by the laws of the State of South Carolina.

g. Litigation. If either party is required to institute suit against the other party to enforce its rights under this Agreement and if such party obtains a valid judgment against the other party, the non-prevailing party agrees to pay all reasonable costs, expenses, and reasonable attorney fees of the prevailing party attributable to the enforcement of this Agreement.

h. Counterparts. For the convenience of the parties, this Agreement may be executed in facsimile counterparts and each fully executed counterpart shall be deemed to be an original instrument.


i. No Partnership. DIRBS does not in any way or for any purpose become a partner of IJGA in the conduct of its business. IJGA is granted herein only a leasehold interest and a non-exclusive revocable license, not subject to levy and sale, and not assignable except as provided herein.

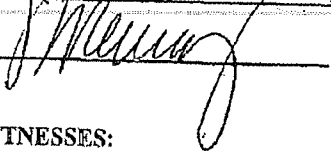
j. Assignment. This Agreement is binding upon and shall inure to the benefit of the heirs, legal representatives, successors and assigns of the parties. The rights of IJGA pursuant to this Agreement may not be assigned or transferred without the express written consent of DIRBS. Provided, however, this agreement and the rights hereby created may be assigned to any entity acquiring the business and assets of IJGA upon prior written approval of DIRBS, which approval shall not be unreasonably withheld, provided, however, assignment to Clear Channel Communications, Inc. or any affiliated entity thereof acquiring the assets of business and assets of IJGA is hereby approved. Any attempt by IJGA to assign this Agreement without such consent shall be deemed by DIRBS a default of IJGA and DIRBS shall not be bound by any such assignment. This agreement shall be binding and enforceable against any successor to DIRBS acquiring the Resort or any part thereof.

k. Travaglione Option and Right of First Refusal. Except in the event IJGA and/or Travaglione is in default under this or any other agreement or obligation to DIRBS, DIRBS hereby grants to Travaglione the right and option to purchase at any time prior to the sale thereof by DIRBS that certain property known and described as Lot 350 Melrose Plantation, as more particularly described on Exhibit "D" attached hereto, for the purchase price then existing in the DIRBS real estate sales records. Further, in the event DIRBS desires to sell the Property and any improvements thereon, it shall be offered for sale to Travaglione for the same price at which the highest bonafide offer has been made for the Property and any improvements, and Travaglione shall have thirty (30) days within which to exercise its option to purchase the Property and improvements at this price. In the event Travaglione fails or refuses, within thirty (30) days after receipt of written notice of the price terms, to exercise its option to purchase the Property and improvements at the offered price, then DIRBS shall have the right to sell the Property. This paragraph shall not be construed to impair the right of foreclosure of a mortgage on the Property and improvements thereon. This right of first refusal shall not apply to any transfer to family members pursuant to any trust agreement, will, or intestacy, nor shall it apply to a transfer to any entity acquiring the business and assets of IJGA.


IN WITNESS WHEREOF, the parties hereto have executed the Agreement the day and year first above written.

WITNESSES:



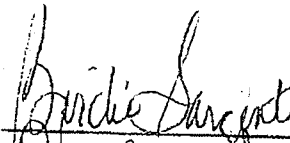


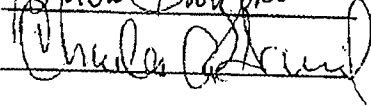
DAUFUSKIE ISLAND PROPERTIES LLC



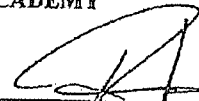
By: Darren Smith
Its: Managing Director

WITNESSES:



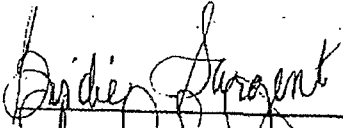


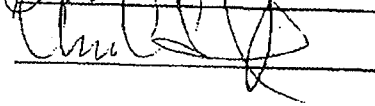
INTERNATIONAL JUNIOR GOLF
TOUR, INC. d/b/a
INTERNATIONAL JUNIOR GOLF
ACADEMY




By: Ray Travaglion
Its: President

WITNESSES:







Ray Travaglion, individually

EXHIBIT "A-1"
THE HOUSING PARCEL

DIP - IJGA - Land - Housing - V6Clean.rtf

McNair/Box.#.0.00429

EXHIBIT "A-1"
THE AMENITIES PARCEL

DIP - IJGA - Land - Housing - V6Clean.rtf

McNair/Box # 9 00430

EXHIBIT "B-1"

HOUSING PARCEL PROMISSORY NOTE

McNair/Box # 9 00431

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT) AGREEMENT FOR LAND
) SCHOOL SITE

THIS AGREEMENT FOR LAND - SCHOOL SITE (hereinafter "Agreement") is made effective the 19th day of August, 2004, by and between DAUFUSKIE ISLAND PROPERTIES LLC d/b/a DAUFUSKIE ISLAND RESORT & BREATHE SPA with an address of 421 Squire Pope Road, Hilton Head Island, South Carolina 29925 ("DIRBS"), the INTERNATIONAL JUNIOR GOLF TOUR, INC., d/b/a INTERNATIONAL JUNIOR GOLF ACADEMY with an address of 7 Office Park Road, Suite 105A, Hilton Head Island, South Carolina 29928 ("IJGA"), and RAYMOND TRAVAGLIONE or his assigns upon prior written approval of DIRBS, which approval shall not be unreasonably withheld or delayed, to include any corporation, partnership or limited liability company formed by him to acquire title of the Property (as hereinafter defined) with an address of 7 Office Park Road, Suite 105-A, Hilton Head Island, SC 29928 ("Travaglione").

WITNESSETH:

WHEREAS, DIRBS owns and operates the Daufuskie Island Resort & Breathe Spa which includes certain real and personal property, amenities and facilities on Daufuskie Island, South Carolina operated as a full service golf resort (the "Resort"); and

WHEREAS, IJGA provides various in-residence instructional programs for male and female students (the "Students"); and

WHEREAS, Travaglione is the President and sole shareholder of IJGA; and

WHEREAS, DIRBS and IJGA have entered into an agreement whereby DIRBS shall make available certain of the facilities and accommodations within the Resort to provide for the housing, schooling and training of the Students (the "Lease and License Agreement"), which Lease and License Agreement is incorporated herein by reference hereto; and

WHEREAS, as part of the Lease and License Agreement by and between DIRBS, Travaglione and IJGA, DIRBS has agreed to transfer that certain 1.0 acre of real property located within Melrose Plantation ("Melrose") but not subject to the Covenants, as more particularly described herein (the "Property") for the construction of a school building for the Students as well as other real property, as described in that certain Agreement for Land-Housing Parcel and Amenities Parcel, which Agreement for Land-Housing Parcel and Amenities is incorporated herein by reference hereto; and

WHEREAS, the Melrose Property Owners' Association, Inc. (the "Melrose POA") is a South Carolina not-for-profit property owners' association whose members consist of all of the property owners within Melrose and is the assignee of all of the declarant's rights under the covenants and restrictions applicable to Melrose which covenants and restrictions were recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Book 470 at Page 1399 which assignment was made pursuant to that certain Waiver and Termination Agreement recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Book 697 at Page 708 (the "Covenants"); and

WHEREAS, the parties hereto have held numerous discussions relating to the construction by IJGA of a school, student housing and other training facilities at the Resort and the parties have agreed to certain terms and conditions for the same and desire to memorialize their agreements as more particularly set forth herein in the Lease and License Agreement and the Agreement for Land -Housing Parcel.

NOW THEREFORE, for Ten and No/100 Dollars (\$10.00), the mutual promises and covenants hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Land Use. The parties hereto agree to the use of the Property for the construction of a school and associated educational, training and recreational facilities by IJGA (collectively the "School"), said Property hereinafter referred to as the "School Parcel."

2. School.

a. Plans and Specifications. Promptly upon the execution of this Agreement, IJGA shall prepare plans and specifications for the construction of the School. Such plans and specifications shall incorporate the design and features reasonably compatible with the Resort and its buildings, use for educational purposes, and be in keeping with the design and architectural standards of Melrose and Daufuskie Island generally. Such plans and specifications (the "School Parcel Plans and Specifications") shall be subject to review and prior written approval of DIRBS, which review and approval shall not be unreasonably withheld or delayed. The School Parcel Plans and Specifications are not subject to review and approval by the Melrose Property Owners Association.

b. Construction. Upon final approval of the School Parcel Plans and Specifications to include issuance of all required permits, release of the Property from the CCA mortgage and closing, IJGA shall promptly commence construction of the School in accordance with the School Parcel Plans and Specifications. Any and all costs of Construction, including but not limited to permits, utilities, service charges and fees, landscaping, contractor and architectural fees, shall be the responsibility of and paid for by IJGA. Any contractors or contracts for said Construction shall be subject to prior written approval by DIRBS, which approval shall not be unreasonably withheld or delayed.

3. Transfer of School Site.

a. Transfer. Upon final written approval of the Plans and Specifications by DIRBS, DIRBS shall convey marketable title to the School Parcel in fee-simple by a limited warranty deed to Travaglione or his assigns (as hereinabove described). If an Owner's Title Commitment can be issued by an ALTA title insurance company without any unusual or extraordinary exceptions, this shall constitute evidence of marketable title.

b. Closing Expenses. The parties hereto agree that the School Parcel has an allocated value of One Hundred Thousand and No/100 Dollars (\$100,000.00). At the closing of the transfer of the School Parcel to Travaglione as set forth herein, Travaglione shall be responsible for the payment of any and all transfer fees, including the Deed recording fee, as required by Section 12-24 of the Code of Laws of South Carolina 1976, as amended (formerly referred to as "Documentary Stamps"), as well as all financing costs, legal fees in connection with the title examination, title insurance costs, any other fees for recording, and any loan documentation and for any local or county transfer fees as applicable. DIRBS shall be responsible for preparation of the deed and its own attorney's fees.

c. Prorations. All county property taxes, applicable water and sewer charges, maintenance assessments and other applicable charges shall be prorated as of the closing date.

d. Purchase Price. In consideration of the transfer of the School Parcel, Travaglione, as the sole shareholder and president of IJGA, and any heir, successor or assigns, shall cause the School to be operated for a period of at least five (5) consecutive years, which period shall commence with the first full school year following the completion of the Construction thereof (the "Contingency Period"). The Contingency Period shall be tolled for any disruption caused by occurrences or events beyond the control of IJGS, to include fire or casualty, extreme weather, acts of terrorism, war or any other act of God (hereinafter a "Tolling Event"). The period tolled shall equal the amount of time the school is unable to operate due to such Tolling Event. In the event the School fails to operate during the entire Contingency Period, Travaglione, his heirs, successors or assigns, shall be responsible for and pay DIRBS the allocated land value hereinabove described. Repayment shall be made in accordance with and as described in a contingent promissory note of Travaglione (the "Note") in favor of DIRBS in the form attached hereto as Exhibit "B". The Note shall be secured by a mortgage (the "Mortgage") in favor of DIRBS in the form attached hereto as Exhibit "C" which Mortgage shall be subordinate to any financing required by IJGA to improve the Property. Alternatively, Travaglione may satisfy the Note and Mortgage by transfer of the Property back to DIRBS free and clear of all monetary liens and with all buildings and improvements removed therefrom unless otherwise agreed to by DIRBS. Upon expiration of the Contingency Period and satisfaction of the requirements of this section, DIRBS shall return to Travaglione the Note and Mortgage marked "paid and satisfied."

4. ClubCorp of America. DIRBS has disclosed to IJGA and Travaglione certain debt of DIRBS which is secured by a mortgage encumbering the School Parcel. The parties hereto agree that this Agreement is subject to the agreement of ClubCorp of America ("CCA") to release the Property from the CCA mortgage. DIRBS shall use its best efforts to cause said CCA mortgage to be released with respect to the School Parcel on or before closing.

5. Right of First Refusal. Travaglione hereby acknowledges and agrees that, in the event Travaglione, his heirs, successors or assigns, desires to sell the Property and any improvements thereon, it shall be offered for sale to DIRBS for the same price at which the highest bonafide offer has been made for the Property and any improvements, and DIRBS shall have thirty (30) days within which to exercise its option to purchase the Property and improvements at this price. In the event DIRBS fails or refuses, within thirty (30) days after receipt of written notice of the price terms, to exercise its option to purchase the Property and improvements at the offered price, then Travaglione shall have the right to sell the Property. This paragraph shall not be construed to impair the right of foreclosure of a mortgage on the Property and improvements thereon. This right of first refusal shall not apply to any transfer to family members or pursuant to any trust agreement, will or other intestacy, nor shall it apply to a transfer to any entity acquiring the business and assets of IJGA.

6. Condition of the Property. Travaglione hereby acknowledges and agrees that he shall accept the Property "as is, where is" with all faults accepted to the extent expressly provided otherwise in this Agreement. Travaglione shall, at his sole option, conduct prior to closing such investigations of the Property including, but not limited to, the physical and environmental conditions thereof as he deems necessary to satisfy himself as to the condition of the Property and shall rely solely upon the same and not upon any information provided by or on behalf of DIRBS or its agents or employees with respect thereto, other than such representations, warranties and covenants as are expressly set forth in this Agreement.

7. Default. In the event any party hereto fails to perform any of its obligations under this Agreement or the Lease and License Agreement or the Agreement for Land Use -Housing Parcel, the non-defaulting party shall be entitled to any and all remedies at law or in equity as available under South Carolina law.

8. Commissions. Each party hereto hereby represents and warrants to the other that they have not involved a real estate or other broker or sales representative in this transaction and that no such broker or sales representative is entitled to a commission, or brokerage fee of any kind. Each party agrees that, should any claim be made for brokerage commissions or finders fees by any broker or finder by, through, or on account of any acts of set party or its representatives, said party shall indemnify and hold the other party free and harmless from and against any and all loss, liability, cost, damage and expense in connection therewith.

9. Miscellaneous.

a. Notices. Notices will be addressed to DIRBS at the address as follows: Mr. Darren Smith, P.O. Drawer 23285, Hilton Head Island, South Carolina 29925 with a copy to Walter J. Nester, III, c/o McNair Law Firm, P.A., P.O. Drawer 3, Hilton Head Island, South Carolina 29938. To IJGA c/o Ray Travaglione 7 Office Park Road, Suite 105, Post Office Box 5580, Hilton Head Island, SC 29938 with a copy to Charles A. Scarminach, Esq. c/o Novit, Scarminach & Akins, P.A., PO Drawer 14, 52 New Orleans Road, The Jade Building, #400, Hilton Head Island, SC 29928. All written notices pursuant to this Agreement are to be sent either by Certified Mail, Return Receipt Requested, by hand delivery, or by express courier service such as Federal Express. Changes to these official addresses may be designated by either party in writing to the other from time to time during the term hereof.

a. Binding Effect. This Agreement shall be binding upon the parties hereto, and their respective heirs, representatives, successors and assigns for the Term hereof.

b. Titles and Paragraph Headings. The titles and paragraph headings used herein are for purposes of convenience only and are not to be considered substantive in matters of construction.

c. Entire Agreement. Except as otherwise herein provided, this Agreement contains the entire agreement between IJGA, DIRBS and Travaglione relating to the matters described herein and supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, between the parties. This Agreement shall not be amended or modified, and no waiver of any provision hereof shall be effective, unless set forth in written instrument executed by the parties hereto.

d. Separability Clause. Should any provision of this Agreement be void or become unenforceable at law or in equity, the remaining provisions hereof shall remain in full force and effect.

e. Governing law. This Agreement shall be governed by the laws of the State of South Carolina.

f. Counterparts. For the convenience of the parties, this Agreement may be executed in facsimile counterparts and each fully executed counterpart shall be deemed to be an original instrument.

g. Litigation. If either party is required to institute suit against the other party to enforce its rights under this Agreement and if such party obtains a valid judgment against the other party, the non-prevailing party agrees to pay all

reasonable costs, expenses, and reasonable attorney fees of the prevailing party attributable to the enforcement of this Agreement.

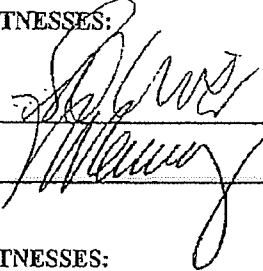
h. Assignment. This Agreement is binding upon and shall inure to the benefit of the heirs, legal representatives, successors and assigns of the parties. The rights of IJGA, pursuant to this Agreement may not be assigned or transferred without the express written consent of DIRBS providing, however, this Agreement and the rights hereby created may be assigned to any entity acquiring the business and assets of IJGA upon prior written approval of DIRBS, which approval shall not be unreasonably withheld provided, however, assignment to clear Channel Communications, Inc. or any affiliated entity thereof acquiring the business and assets of IJGA is hereby approved with notice of not less than fifteen (15) days of such Assignment. Any attempt by IJGA to assign this Agreement without such consent shall be deemed by DIRBS a default of IJGA and DIRBS shall not be bound by any such assignment. This Agreement shall be binding and enforceable against any successor to DIRBS acquiring the Resort or any part thereof.

i. No Partnership. DIRBS does not in any way or for any purpose become a partner of IJGA in the conduct of its business. IJGA is granted herein only a leasehold interest and a non-exclusive revocable license, not subject to levy and sale, and not assignable except as provided herein.


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IN WITNESS WHEREOF, the parties hereto have executed the Agreement the day and year first above written.

WITNESSES:

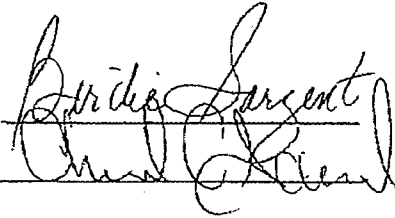


DAUPUSKIE ISLAND PROPERTIES LLC

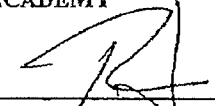


By: Darren Smith
Its: Managing Director

WITNESSES:

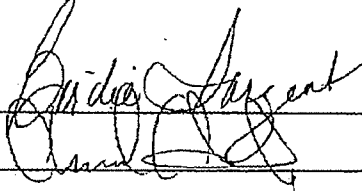



INTERNATIONAL JUNIOR GOLF
TOUR, INC. d/b/a
INTERNATIONAL JUNIOR GOLF
ACADEMY



By: Ray Travaglione
Its: President

WITNESSES:





Ray Travaglione, Individually

EXHIBIT "A"
THE PROPERTY

DIP - IJGA - Land - School - V6c/can.doc

McNair/Box #13 00139

EXHIBIT "B"

PROMISSORY NOTE



RECEIVED
DEC 18 2014
SC Court of Appeals

F. HEYWARD GRIMBALL

HEYWARD@LWCOOPER.COM

December 18, 2014

VIA FACSIMILE

Honorable Jenny Abbott Kitchings
Clerk of Court
South Carolina Court of Appeals
PO Box 11629
Columbia, SC 29211

Re: *JMT Cap. Hldgs, LLC v. VDM/T Land Co., et al., LLC,*
Appellate Case No. 2014-002290.

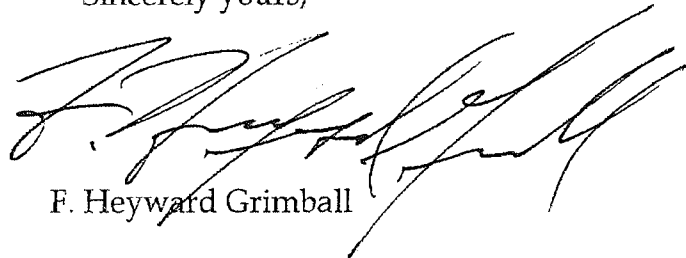
To Whom It May Concern:

I hope you are well. Please find the latest filing of the Appellant in the above captioned case attached. Pursuant to Rule 262, SCACR, it will immediately sent by U.S. Mail to the clerk.

I appreciate your cooperation in this matter. If you have any questions, please contact me at 843.375.6622.

Many thanks.

Sincerely yours,



F. Heyward Grimball



RECEIVED
DEC 18 2014
SC Court of Appeals

F. HEYWARD GRIMBALL

HEYWARD@LWCOOPER.COM

December 18, 2014

VIA FIRST CLASS MAIL

Honorable Jenny Abbott Kitchings
Clerk of Court
South Carolina Court of Appeals
PO Box 11629
Columbia, SC 29211

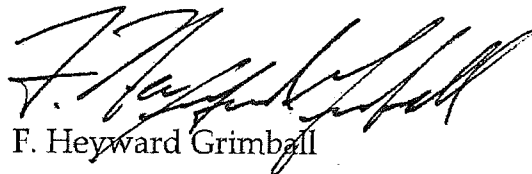
Re: JMT Cap. Hldgs, LLC v. VDM/T Land Co., et al., LLC,
Appellate Case No. 2014-002290.

To Whom It May Concern:

Enclosed please find an original and seven (7) copies of Appellant Daufuskie Island Properties, LLC and its successor in interest, Ace Basin Investments, LLC's Reply to Respondent's Return of Appellant's Motion to Stay the Appeal, which includes a Motion to Reply out of Time, two exhibits, and a certificate of service. Please time stamp one copy of the Reply and Exhibits and return them to this office in the prepaid, preaddressed envelope enclosed. If you have questions, please contact me at 843.375.6622.

Many thanks.

Sincerely,



F. Heyward Grimball

Enclosure: As stated

cc (via First-Class Mail with enclosures):

Tara E. Nauful

Adams and Reese LLP

211 King Street, #330

Charleston, SC 29401

Direct: 843.410.1102

Direct Fax: 843.302.8212

tara.nauful@arlaw.com