

**HILLANDALE GOLF COURSE
MANAGEMENT AGREEMENT**

THIS AGREEMENT is made as of this 24th day of October, 2011 by and between SunTrust Bank, as Trustee for THE DURHAM FOUNDATION – HILLANDALE GOLF COURSE FUND (hereinafter referred to as "Owner"), and AMERAZIL GOLF, LLC (hereinafter referred to "Manager");

WITNESSETH:

WHEREAS, Owner owns that certain real property transferred by several deeds from John Sprunt Hill, *et. al.*, known as Hillandale Golf Course, which includes an 18-hole golf facility including a clubhouse, snack bar, driving range, practice green, golf cart storage area, maintenance buildings, related parking and other facilities, furnishings, and equipment, and the operating supplies (the "Golf Course"), and which is located at 1600 Hillandale Road, Durham, Durham County, North Carolina 27705; and

WHEREAS, Owner and Manager have agreed that Manager, as Owner's agent, will manage the operation of the Golf Course on the following terms and conditions.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner and Manager do hereby agree as follows:

ARTICLE 1
SCOPE OF AGREEMENT

1.01 Subject Matter and Defined Terms. The subject of this Agreement is the Golf Course. The defined terms used in this Agreement (noted by being capitalized) are identified throughout this Agreement.

1.02 Grant to Manager. Owner hereby grants to Manager as its agent the sole and exclusive right to supervise and direct the management and operation of the Golf Course for the account of Owner, and Manager hereby accepts said grant and agrees that it will supervise and direct the management and operation of the Golf Course and will perform all of the services required to be performed by Manager hereunder, pursuant to the terms of this Agreement.

ARTICLE 2
TERM

2.01 Initial Term. This Agreement has an Initial Term commencing on the Effective Date and ending at midnight on the fifth year anniversary date following the Effective Date.

2.02 Renewal Terms. Upon the expiration of the Initial Term, this agreement shall be renewable upon the mutual agreement of the parties. Each party shall be required to give at least 180 days prior written notice to the other party of its intent not to renew this Agreement or such Agreement is deemed renewed until the expiration of such 180 day period.

ARTICLE 3
REVENUES AND EXPENSES

3.01 Gross Revenues: All revenues and income of any nature derived directly or indirectly from the Golf Course or from the use or operation thereof, including without limitation, daily greens fees, total room sales, food and beverage sales, rentals, gift shop and any other commercial rentals, vending machines, funds derived from salvage dispositions or liquidations managed by Manager and interest income on funds invested by Manager (and, if applicable, the gross revenues assumed in calculating the proceeds of business interruption, use, occupancy or similar insurance) shall be collected by Manager for deposit to the Bank Accounts, as defined herein, and used to pay Expenses for the operation of the Golf Course pursuant to this Agreement.

3.02 Bank Accounts.

(a) Manager will assist in the establishment of multiple accounts for the Golf Course in SunTrust Bank, or other FDIC insured bank (the "Bank Accounts"). Manager's designees shall be the authorized signatories to draw on the Bank Accounts.

(b) All sums received from the operation of the Golf Course and any and all items paid by Manager arising by virtue of management of the Golf Course shall pass through the Bank Accounts.

(c) Manager is authorized to establish, utilize and/or maintain petty cash funds, central credit card accounts and central disbursing accounts and to make deposits thereto and payments therefrom, all as the same are customary in Manager's policies and procedures so long as all such funds either flow into the Bank Accounts, as in the case of the credit card account, or flow out of the Bank Accounts in a manner that is readily reviewable by the Owner.

3.03 Transfers to Manager.

(a) As of the Effective Date of this Agreement, Owner shall deposit, or cause to be deposited within 2 business days, the sum of Fifty Thousand Dollars (\$50,000.00) ("Initial Deposit") in the Bank Accounts as directed by the Manager. All amounts in the Initial Deposit shall be utilized by Manager for Expenses in accordance with the terms of this Agreement. Any other funds transferred to Manager from Durham Foundation - Hillandale Golf Course following the Initial Deposit shall be used for capital improvements to the Golf Course, including but not limited to resurfacing the greens.

(b) As of the Effective Date of this Agreement, Owner shall transfer, or cause to be transferred within 2 business days, ownership of all equipment and supplies (excluding fixtures to real property) to Manager to be used for the care and maintenance of the Golf Course.

3.04 Expenses. All expenses shall be paid by the Manager from Gross Revenue, including but not limited to:

(a) All costs, expenses, salaries, wages or other compensation of Manager and any employees of Manager;

(b) Operating expenses, including supplies required for the operation of a golf course in accordance with established industry standards, including, but not limited to fertilizers, grass seed, cleaning supplies, office supplies and all other food, beverage and other consumable items;

(c) All furniture, furnishings and equipment required for the operation of the Golf Course in accordance with the terms of this Agreement, and including, without limitation, any specialized golf course equipment necessary for the efficient operation of any portion of the golf course, such as equipment for kitchens, laundries, public rooms, rest rooms, golf carts and golf cart maintenance, golf course maintenance, irrigation systems, commercial and parking space; and

(d) Any capital expenses pursuant to Annual Plan.

(e) Owner shall not be responsible for any shortfall in revenue below budgeted levels, or expenses, or otherwise.

3.05 Net Revenue. All remaining revenue after the payment of Expenses as provided herein shall be the property of the Manager.

ARTICLE 4 STANDARDS AND MANAGER'S CONTROL

4.01 Operating Standards. Manager agrees to operate, manage and maintain the Golf Course as a commercial golf course open to the public in accord with the "Annual Plan". Manager shall maintain the character and condition of the Golf Course and shall apply prudent and reasonable business practices in Owner's best interests in operating and managing the Golf Course. Manager shall be responsible for establishing methods and modes of security for the Golf Course, its employees and guests. Manager shall provide, without separate charge, corporate executive and administrative services in support of the Golf Course, including general supervision, planning, consultation and policy making, personnel and employee relations and the service of Manager's technical, operational and marketing experts.

4.02 Manager's Control. Manager shall have uninterrupted control in the operation of the Golf Course. Accordingly, Manager, as Owner's agent, shall, in accordance with the general scope of the Annual Plan, as defined in Section 6.02, determine rates for a round of golf consistent with rates for area commercial golf courses open to the public, cart fees, event pricing, and food and beverage prices, if any, as well as charges to guests for other Golf Club services and shall also determine the terms, performance and enforcement of policies related to guest

admittance to the Golf Course, credit, collection, entertainment, service contracts, labor and all phases of publicity and promotion.

ARTICLE 5
OPERATION OF THE GOLF COURSE

5.01 Permits and Tax Returns Related to Real Property and Personal Property.

(a) Manager, as an Operating Expense, and in accord with the Annual Plan shall obtain and keep in full force and effect all necessary registrations, licenses and permits, including, restaurant, sign, and business licenses, as may be required for the operation of the Golf Course or which may be required for Owner to be the owner of the Golf Course. Manager shall comply with and cause the Golf Course to comply with and abide by all present and future statutes, laws, rules, regulations, requirements, orders, notices, determinations and ordinances of any federal, state, county or municipal government and appropriate departments, commissions or boards having jurisdiction over the Golf Course or the workers employed at the Golf Course, including, without limiting the foregoing, the requirements of any insurance companies covering any of the risks against which the Golf Course is insured (all of the foregoing are collectively referred to as the "Laws and Regulations"). If Manager receives notice of or becomes aware of a violation or circumstances likely to result in a violation of any applicable Laws and Regulations, Manager shall immediately deliver to Owner written notice of such violation or circumstances and, subject to Owner's consent being given, take all remedial action necessary for compliance with such applicable Laws and Regulations.

(b) Manager shall assist in the timely preparation and the filing of all real property and personal property tax returns. If any additional forms are required to be filed by the Owner pursuant to applicable laws and regulations, Manager shall assist in the preparation of such documents for execution and filing by the Owner.

5.02 Supplies. Manager shall cause to be procured and maintained in the name of Owner and in accord with the Annual Plan, adequate reserves of all operating supplies that Manager deems necessary to the normal and ordinary course of operation of the Golf Course.

5.03 Personnel. Manager will hire, train, supervise, promote, direct, discharge and determine the compensation, other benefits and terms of employment of all personnel necessary to operate the Golf Course in accordance with the Annual Plan.

5.04 Sales, Marketing, and Advertising. Manager shall advertise and promote the business of the Golf Course, shall institute and supervise a sales and marketing program all to the extent and at such time(s) as Manager deems the same to be advisable, in accordance with the Annual Plan. Further, Manager shall cause the Golf Course to participate in sales and promotional campaigns and activities, including charitable activities, complimentary or discounted rounds of golf, or food and beverages, to the extent and at such time(s) as Manager deems the same to be advisable. Such sales and marketing plans will be consistent with the general scope of the Annual Plan.

5.05 Maintenance and Repairs. Manager shall make or cause to be made all repairs, replacements, corrections and maintenance items as shall be required in the normal and ordinary course of operation of the Golf Course. Manager shall investigate and advise with respect to preventative maintenance programs to be incorporated or reviewed as part of the Annual Plan. To this end, Manager is authorized to take all actions, and make and enter into all such contracts and purchase orders, as Manager deems necessary and to cause the same to be paid when due from the "Bank Account" as defined herein.

5.06 Reserve for Replacement Expenditures.

(a) Owner and Manager recognize the necessity of periodically replacing furnishings and equipment and making capital expenditures to repair and replace significant components of the Golf Course (collectively "Reserve Items"). As part of the Annual Plan, Manager shall establish budgets and estimates of the amounts necessary to establish Reserve Funds for the Reserve Items. Anticipated Reserve Items and a contingency for unanticipated Reserve Items shall be set forth in each Annual Plan which is submitted to Owner for its approval.

(b) If a condition should exist in or about the Golf Course of an emergency nature which requires capital improvements to be made in order to preserve and protect the Golf Course or assure its continued operation, or to protect the guests or employees, Manager shall take all action necessary to repair and correct any such condition, whether or not provisions have been made in the applicable Annual Plan for any such item. Owner shall not be responsible or liable for any such emergency capital repairs.

5.07 Payment of Taxes. Manager shall cause to be paid when due all taxes, assessments and governmental charges or levies (hereinafter collectively referred to as "Governmental Impositions") imposed on the Golf Course or on the operations conducted at the Golf Course or on any of Owner's property at the Golf Course, real, personal or mixed, or on any part thereof under the Manager's management and control, including all interest and penalties thereon. As used herein, Governmental Impositions related to employee compensation shall include, without limitation, all social security taxes, unemployment insurance taxes, withholding taxes and similar charges imposed on Manager in connection with any employees or personnel of Manager.

ARTICLE 6
ACCOUNTING MATTERS

6.01 Accounting System. Manager will implement a system of Accounting for the Golf Course including, for example, a Point of Sale system, and Quickbooks or other comparable software, capable of monthly income summaries to compare month to date and year to date Golf Course results as compared to budget and prior year. Manager shall provide quarterly reports including profit and loss statements to Owner.

6.02 Inspection of Accounts. All books of account and records, including electronic records and Bank Account statements, shall at all times be open to the inspection and audit of any of the Owner's authorized representatives. Any audit shall be at Owner's expense. The data and records pertaining to the management and operation of the Golf Course shall at all times be safely kept and preserved and shall be the property of Owner and, upon termination of this Agreement, shall be retained by Owner. Manager shall be entitled to a copy of all such data and records.

6.03 Annual Plan.

(a) Owner and Manager acknowledge the budgeting process to be a crucial factor to the successful operation of the Golf Course and also to be the key communication link between the parties. No later than September 15th of each calendar year, commencing with calendar year 2012, Manager shall submit to Owner, for Owner's approval, a proposed Annual Plan which consists of a proposed operating budget which includes expenditures for the following year, for Reserves for Replacements and Reserves for Capital Projects, a proposed marketing plan, and budget of revenues and expenses for the ensuing full or part year (the "Annual Plan"). Owner's comments to the proposed Annual Plan shall be submitted to Manager no later than October 15th of each such calendar year, and Owner and Manager shall meet on or before November 1st of each such calendar year and review, revise and finalize the Annual Plan. Manager shall revise the Annual Plan from time to time to reflect any unpredicted materially significant changes, variables or events but shall otherwise use its best efforts to comply with the Annual Plan and not to deviate therefrom. To the extent revenues do not achieve budgeted levels, Manager shall use its best efforts to decrease expenditures below budgeted levels by a corresponding amount provided such decrease in Manager's reasonable judgment should not materially impact property standards. Manager shall use its best efforts and expertise to prepare the Annual Plan setting forth reasonable performance objectives and goals based on facts and circumstances known by Manager at the time of the proposed Annual Plan's preparation, provided that Manager shall not be deemed to have guaranteed the success of the Annual Plan. Owner shall not be responsible for any shortfall in revenue below budgeted levels or expenses, or otherwise.

ARTICLE 7
INSURANCE

7.01 Insurance Coverage. Manager shall cause to be prepared and submit to Owner annually as part of the Annual Plan a program for insurance coverage with respect to the Golf Course for Owner's approval. Manager shall immediately implement to the extent not in place and to the extent available as of the effective date of this Agreement, the following coverages:

(a) An "all risk" policy (including, at Owner's option, difference in conditions coverage which shall include earthquake, flood, collapse and/or sinkhole) insuring all real and personal property, in an amount not less than the full replacement cost value, without coinsurance; such insurance to be written on a stipulated or agreed amount basis. Manager shall also assist Owner in determining the need to carry additional coverages available in the insurance industry from time to time.

(b) Insurance on the Golf Course against loss or damage from an accident to and/or caused by boilers, heating apparatus, pressure vessels, pressure pipes, electrical, air conditioning equipment or irrigation systems, in such amount as Owner shall deem advisable. Additional provisions providing coverage for removal of contaminated equipment and/or hazardous or toxic substances contained within such equipment to approved disposal sites shall be considered and obtained if deemed appropriate by Owner.

(c) Comprehensive general liability insurance including personal injury; discrimination and humiliation (if available); products and completed operations liability; liquor law liability (if applicable); innkeeper's legal liability; environmental impairment liability; blanket contractual liability; advertising liability; automobile liability, including owned, non-owned or hired vehicles; garage liability and garage keeper's legal liability; and having not less than \$2,000,000.00 combined single limit coverage for personal injury or death of any one person, for personal injury or death of two or more persons in any one occurrence, and for damage to property resulting from any one occurrence. These policies shall be specifically endorsed to provide that the insurance will be deemed primary and that any other insurance available to Owner shall not be called on by these policies to contribute to a loss.

(d) Workers' Compensation and Employers' Liability coverage and such similar insurance as may be required by applicable Laws and Regulations for an employer to possess and having no less than \$500,000 in such coverage.

7.02 Insurance Policies.

(a) All insurance provided for under this Article 7 shall be effected by policies issued by insurance companies licensed to do business in the State of North Carolina of good reputation and of sound financial responsibility and acceptable to both Owner and Manager. Certificates evidencing the required insurance shall be promptly delivered to Owner and Manager.

(b) All insurance policies shall be written in the name of the Owner, with Manager being named thereon as additional insured as their respective interests may appear. All other insurance policies shall be endorsed specifically to the effect that the proceeds shall be made payable to Owner and Manager jointly, as their interests may appear. All such policies of insurance shall also be endorsed specifically to the effect that such policies shall not be canceled or materially changed without at least thirty (30) days' prior written notice to Owner and Manager.

ARTICLE 8 EARLY TERMINATION

8.01 Owner's Right of Termination.

(a) Owner may elect to terminate this Agreement for cause, including, without limitation, failure by Manager to observe or perform any or all of the non-monetary covenants

and provisions of this Agreement; provided, however, that Owner shall give Manager written notice of any default on Manager's part hereunder and the opportunity to cure such default within a 90-day period or such longer period as may be necessary to cure such default provided Manager has promptly initiated and is diligently pursuing a cure, but in no event longer than 180 days from the date of Owner's written notice.

(b) If this Agreement is terminated as provided in this paragraph, all obligations of the parties shall cease and terminate as of the termination date. A termination under this paragraph shall not terminate any rights or obligations of Manager under this Agreement accruing to the date of termination. Manager shall account to Owner with respect to all matters outstanding as of the date of termination and assign to Owner all of its right, title and interest under such agreements, contracts and leases, including service contracts, with respect to the Golf Course entered into by Manager on behalf of Owner.

ARTICLE 9 SUCCESSORS, ASSIGNS AND FUTURE OWNERS

9.01 Assignment by Owner. SunTrust Bank, as Trustee of the Durham Foundation – Hillandale Golf Course Fund, may, without the consent of Manager, assign, sell or transfer its all or part of its rights and obligations under this Agreement to any third party; provided the rights and obligations of this Agreement shall bind and benefit any such assignee, successor, or transferee.

9.02 Assignment Generally. No other party, including Manager, or any subsequent assignee, successor, or transferee of the Owner, may assign all or part of its rights or obligations under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed.

ARTICLE 10 FORCE MAJEURE

10.01 Operation of Golf Course. If at any time it becomes necessary in Manager's reasonable opinion to cease or curtail operation of all or part of the Golf Course in order to protect the Golf Course and/or the health, safety and welfare of the guests and/or employees of the Golf Course for reasons of force majeure such as, but not limited to, acts of war, insurrection, civil strife and commotion, labor unrest or acts of God, then in such event Manager may cease or curtail operation of all or part of the Golf Course, re-opening or commencing operation when Manager deems that such may be done without jeopardy to the Golf Course, its guests and/or employees.

10.02 Extension of Time. It is further understood and agreed that with respect to any obligation to be performed by a party during the term of this Agreement, such party shall in no event be liable for failure to do so when prevented by any force majeure cause beyond the reasonable control of such party (except the financial inability of such party) such as strike, lockout, breakdown, accident, compliance with an order or regulation of any governmental authority, failure of supply, or inability, by the exercise of reasonable diligence, to obtain supplies, parts or employees necessary to perform such obligation, or war or other emergency.

The time within which such obligation shall be performed shall be extended for a period of time equivalent to the delay from such cause.

ARTICLE 11
GENERAL PROVISIONS

11.01 Effective Date. The Effective Date of this Agreement shall be the later of (i) the date of signing of the last party to sign this Agreement, or (ii) November 1, 2011. The provisions of this Agreement shall be in full force on the Effective Date; provided, however, the provisions of this Agreement are voidable by Owner if the transfer of the Golf Course to the City of Durham and subsequent termination of the Durham Foundation – Hillandale Golf Course Fund is not approved by the Superior Court of the County of Durham, North Carolina by March 31, 2012.

11.02 Governing Law. The laws of the State of North Carolina shall govern this Agreement.

11.03 Authorization. Owner represents that it has full power and authority to execute this Agreement and to be bound by and perform the terms hereof. Manager represents that it has full power and authority to execute this Agreement and to be bound by and perform the terms hereof.

11.04 Formalities. Any change to or modification of this Agreement must be in writing, signed by both parties hereto. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. The captions for each Article are intended for convenience only.

11.05 Owner's Right to Inspect. Owner or its designated representative shall have access to the Golf Course at any time for the purpose of inspecting the Golf Course or any portion thereof, protecting same against fire or other casualty, prevention of damage to the Golf Course or any portion thereof, or showing the Golf Course to prospective purchasers or mortgagees.

11.06 Partial Invalidity. If that any portion of this Agreement shall be declared invalid by order, decree or judgment of a court, or governmental agency having jurisdiction, this Agreement shall be construed as if such portion had not been inserted herein, except when such construction would operate as an undue hardship on Manager or Owner or constitute a substantial deviation from the general intent and purpose of such parties as reflected in this Agreement.

11.07 Time of the Essence. It is expressly agreed that time is of the essence with respect to the obligations of Manager under this Agreement.

11.08 No Third Party Beneficiaries. Owner and Manager acknowledge that this Agreement is solely for their own benefit and that of their successors and assigns, and that no

AMERAZIL, GOLF, LLC

Karl Kimball
By: Karl Kimball
KARL KIMBALL, Manager

State of North Carolina)
)
City/County of Orange) ss.

The foregoing instrument was acknowledged before me this 21st day of October, 2011 by Karl Kimball, as Manager of Amerazil Golf, LLC.

Wendy K. Bowling
Notary Public
My commission expires: July 21, 2014

