

Regular Workshop – October 21, 2013
Agenda Item 8

- Agenda Item:** Colony Update on Compliance with Resolution 2012-07
- Presenter:** Town Manager and Staff
- Summary:** On September 13, 2013 The Town Manager invited the Colony Association to provide a brief status report at the October 21, 2013 Regular Workshop Meeting. The presentation will give the various Colony interests an opportunity to explain progress toward compliance with Resolution 2012-07. Town Staff have prepared a PowerPoint presentation to summarize the Town's involvement to date.
- Attachments:** Invitation to Colony Association for Update on compliance with Resolution 2012-07;
Powerpoint Presentation;
10-14-13 Letter, Warren to Mayor transmitting Fourth Colony Report on Progress in Resolving Pending Litigation.
- Recommended Action:** Pending discussion, provide direction to Manager.



TOWN OF LONGBOAT KEY

Incorporated November 14, 1955

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September 13, 2013

Jay Yablon, Esq.
President, Colony Beach and Tennis Club Association, Inc.
910 Northumberland Drive
Schenectady, NY 12309

Re: Update on Compliance with Resolution 2012-07

Mr. Yablon,

In order for the Town Commission to gain a better understanding of the Colony progress in meeting the requirements of Resolution 2012-07, the Town is requesting the Colony Association make a brief status report at the October 21, 2013 Commission Workshop. We have all been reading and listening to various accounts of court actions, property maintenance activities, etc. This workshop presentation will give the various Colony interests an opportunity to explain progress toward compliance with Resolution 2012-07 and describe progress made to have this property a productive part of the Town.

If the Association is anticipating a request for an additional extension beyond the December 31, 2013 deadline provided for in Resolution 2012-07, please be reminded that any such request will need to conform to Town Code 158.138(B)(8).

Should you have any questions regarding this letter or its contents, please contact the Anne Ross, Assistant Town Manager at (941) 316-1999.

Sincerely,

Dave Bullock
Town Manager

Cc via email: Anne Ross, Assistant Town Manager; Robin Meyer, PZB Director; Juan Florensa, PWK Director; Maggie Mooney-Portale, Town Attorney; David Persson; Denise Barnett, United States Trustee; Michael C Markham; Blake Fleetwood; Ruth Kreindler; Andy Adams; Bill Maloney; Charles Bartlett; David Siegal; Don Hemke; Greg Vanhowe; Randy Langley; Morgan Bentley; Jordi Guso; Roberta Colton; Jeffrey Warren; David Siegal; Dean Feltham; Elsie Kearns; George Spoil; Jeffery Warren; Jordi Guso; Larry Stritzel; Murray Klauber; Neal Sivyler; Ruth Kreindler; Steve Reid; Bill Levine; Kurt Schultheis; Bob Erazmus



RESOLUTION 2012-07 STATUS UPDATE

TOWN COMMISSION WORKSHOP
OCTOBER 21, 2013



NONCONFORMING USE OR STRUCTURE SECTION 158.138(B)(8)

- **Not Used or Occupied, Vacant for Period of One Year
Deemed Abandoned**
- **Abandonment Removes Nonconforming Status**
- **Extensions due to Legal Restraints Permissible through
Town Commission Action**



LOSS OF NONCONFORMING STATUS

- **Must Comply with T-6 Zoning (6 Units/Acre)**
 - 103 Units Allowed on 17.3 Acres
 - Loss of 134 Units of the Existing 237 Units



COLONY USE TIMELINE

- Colony Closed on August 15, 2010
- Potentially Abandoned August 15, 2011
- Association Requested One Year Extension May 2011
- Town Commission Granted Extension through December 31, 2012 (Resolution 2011-17)
- Association Requested Second Extension July 30, 2012 (Resolution 2012-07)



RESOLUTION 2012-07

- **Grants Extension Until Earlier of: Final Determination Concerning Control is Established or December 31, 2013**
- **Requires Quarterly Litigation Progress Reports**
- **Requires Development Plan for Re-Opening Within 90 Days of Final Control Determination**
- **Requires Cash Bond to Guarantee Maintenance of Property**



PROPERTY MAINTENANCE REQUIREMENTS

- **Maintain Vermin and Pest Control Programs**
- **Secure all Unsafe Buildings and Stairways**
- **Restore and Maintain Landscaping and Irrigation
Visible to Public at Pre-Shutdown Condition**



OUTSTANDING PROPERTY MAINTENANCE ITEMS

- **Mid-Rise Fire Alarm System Operation & Monitoring**
 - Building posted on June 17, 2013
 - Entrance into building requires Building Official Notification & Fire Watch
 - Association has contracted for repair, however forward progress has not been made since early September
 - Building Official preparing detailed report for Commission



POLICE CALL SUMMARY FOR 1620 GMD

- **23 Cases Investigated during 2012 or 2/month**
- **28 Cases Investigated during 2013 prior to Association Installation of Security Fencing and Entrance Lock (June 2013) or 5/month**
- **9 cases Investigated since June 2013 or 3/month**



NEXT STEPS

- **Nonconformance Extension Expires December 2013**
- **Colony Association May Request Further Extension**



TOWN COMMISSION OPTIONS UPON EXTENSION REQUEST

- **Deny Extension Request**
- **Grant Extension Request with Conditions Requirements Established in Resolution 2012-07**
- **Grant Extension Request with New Conditions**



END OF ITEM

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October 14, 2013

VIA OVERNIGHT DELIVERY

The Honorable James L. Brown, Mayor
and Members of Town Commission
Town of Longboat Key
501 Bay Isles Road
Longboat Key, Florida 34228

RE: Fourth Colony Report on Progress in Resolving Pending Litigation

Dear Mayor Brown and Commissioners:

This letter will serve as the fourth quarterly report by our client, Colony Beach & Tennis Club Association, Inc. (the “**Association**”), provided in compliance with Town Resolution 2012-07 describing the progress in resolving pending litigation that impacts control of The Colony (the entire site including the Condominium Parcel¹ and Out Parcels, as defined in the Town Resolution).

On September 20, 2013, Donald Hemke and I met with Dave Bullock, Maggie Mooney-Portale, Anne Ross, and Robin Meyer and provided them with an update on the status of matters. We are preparing to participate in the Town Workshop that has been scheduled for Monday, October 21, 2013. This report is provided as a formal update to you and the members of the Town Commission. At the Town Workshop we will make a presentation and answer any questions or provide any additional information that is requested by any of the Commissioners.

• **Status of a Negotiated Settlement.**

On September 26, 2013, the Association entered into a Settlement Agreement and Mutual Release (the “**Global Settlement Agreement**”) with William Maloney, as Chapter 7 Trustee for Colony Beach & Tennis Club, Inc., Colony Beach & Tennis Club, Inc., a debtor-in-possession, Colony Beach, Inc., a debtor-in-possession, Resorts Management, Inc., a debtor-in-possession,

¹ Capitalized terms that are not otherwise defined shall have the meaning ascribed to such terms in the Town Resolution.

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October 14, 2013
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Colony Investors, Inc., Dr. Murray J. Klauber and Katherine Klauber Moulton achieving a resolution of all claims, counterclaims, administrative claims, third party claims, appeals and disputes involving the Association asserted, related to or arising in (a) the Chapter 11 case of the Association, including the adversary proceedings related to claims arising from the rejection of the Recreational Facilities Lease and the adversary proceeding related to claims by the Partnership, (b) the Chapter 7 case of the Partnership, and (c) the administratively consolidated Chapter 11 cases of Colony Beach and Tennis Club, Inc., Colony Beach, Inc. and Resorts Management, Inc. (collectively, the "**Klauber Entities Cases**"). The resolution also includes the transfer of all property rights that relate to the Resort, including the Out Parcels (4 parcels of real property that are not currently submitted to condominium ownership), to the Association. A complete copy of the Global Settlement Agreement is attached.

The Global Settlement Agreement is subject to Bankruptcy Court approval in the Association's confirmed Chapter 11 case, the Partnership's Chapter 7 case and the Klauber Entities Cases. It is also subject to Unit Owner approval. At hearings in the Klauber Entities Cases on October 10, 2013, attorneys for Colony Lender, LLC ("**CL**") and Carolyn L. Field, as Trustee of the Carolyn L. Field Family Trust ("**Field**") raised objections to approval of the Global Settlement Agreement. Also, attorneys for Kenneth Byers, Jr. ("**Byers**"), one of the Unit Owners, requested the Bankruptcy Court to delay approval of the Global Settlement Agreement, but eventually withdrew that request. Both CL and Byers presented different proposed developers who they wanted the Unit Owners to select to become the development partner of the Unit Owners for the New Resort. As the Association has not finalized a development agreement with JHM Group of Companies, the Association is considering its options. The Bankruptcy Court scheduled hearings starting on November 7, 2013 to consider approvals of the Global Settlement Agreement in each of the three proceedings.

- **Status of Adversary Proceeding Against Colony Lender.**

Although the Association was expecting that Colony Lender would be satisfied with the Global Settlement Agreement and thereby obviate the need for further litigation regarding the disputed claims against the Partnership by CL, the objection to the Global Settlement Agreement by CL signaled that the Bankruptcy Court will be required to resolve the dispute over the claims against the Partnership that CL acquired in 2010. At the October 10 hearings, the Association advised the Bankruptcy Court that it would be filing a motion for summary judgment of these issues to be argued at the hearings set to begin on November 7.

- **Status of State Court Foreclosure.**

The foreclosure trial by CL against Dr. Klauber and entities that he owned and controlled was completed. Although the Association is not involved in those matters, we obtained a copy of the judgment entered by the State Court. A copy is attached. The Bankruptcy Court had modified the automatic stay to allow CL to resume its trial of the state court foreclosure action, and has entered an Order that would permit CL to proceed with a foreclosure sale as to certain properties

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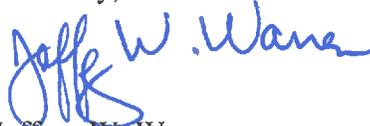
after December 5, 2013 if further relief is not obtained through approval of the Global Settlement Agreement or other means. A copy of this Order is attached.

- **Stay of Monetary Claims Pending in Federal Court Litigation.**

All of the appeals and litigation involving claims against the Association remain stayed to enable the Association to focus on resolutions of matters and avoid the expense of the litigation.

We would be happy to provide more details about these matters if requested.

Sincerely,



Jeffrey W. Warren

cc: Jay Yablon, President of the Association
Donald E. Hemke, Esq., (via dhemke@carltonfields.com)
Dave Bullock, Town Manager (via dbullock@longboatkey.org)
Maggie Mooney-Portale, Esq., Town Attorney (via mmooney-portale@sarasotalawfirm.com)
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**COLONY BEACH AND TENNIS CLUB RESORT
SETTLEMENT AGREEMENT AND MUTUAL RELEASE**

This Settlement Agreement and Mutual Release (the "Agreement") is made and entered into this 26th day of September, 2013 (the "Effective Date"), by and among Colony Beach & Tennis Club Association, Inc. (the "Association"); William Maloney (the "Trustee"), as Chapter 7 Trustee for Colony Beach & Tennis Club, Ltd. (the "Partnership"); Colony Beach & Tennis Club, Inc., a debtor-in-possession ("CBTC"); Colony Beach, Inc., a debtor in possession ("CBI"); Resorts Management, Inc., a debtor in possession ("RMI"); Colony Investors, Inc. ("CI"); Dr. Murray J. Klauber ("Dr. Klauber"); and Katherine Klauber Mouton ("Ms. Moulton").

RECITALS

A. The Association was established as a condominium association pursuant to that certain Declaration of Condominium of Colony Beach & Tennis Club dated November 29, 1973 recorded in the Official Records for Sarasota County, Florida, Book 1025, Page 200 and subsequently amended by that certain amendment dated October 29, 1981 recorded in the Official Records for Sarasota County, Florida, Book 1478, Page 145 (as amended, the "Declaration").

B. The Association's membership consists of the owners (the "Unit Owners") of the existing two hundred and thirty seven condominium units (the "Units") and seven accessory units (the "Accessory Units") at the condominium identified as Colony Beach & Tennis Club, a Condominium Resort Hotel, located at 1620 Gulf of Mexico Drive, Longboat Key, Sarasota County, Florida ("The Colony"). The Association is managed by a Board of Directors (the "Association Board").

C. Pursuant to the Declaration and Florida condominium law the Unit Owners hold legal and equitable title in all condominium property not included in the Units and the Accessory Units in undivided 1/244th shares (the "Common Elements") as provided in the Declaration that governs the parcel of land, comprised of approximately 15 acres (the "Colony Site").

D. Concurrently with the establishment of the condominium, the Partnership was formed to operate and manage the condominium units at The Colony as rental accommodations in the operation of a resort hotel (the "Resort"). The Partnership was responsible for all aspects of operation of the Resort. Dr. Klauber is the president and principal of RMI, which was the general partner of the Partnership. All but five Unit Owners were the limited partners of the Partnership and were required under the Partnership to make their Units available for occupancy by third parties as a rental accommodation for the Resort.

E. In May 2007, the Partnership commenced a lawsuit against the Association based on the Partnership's claims that the Association (i) was in default of its obligation to fund the shortfall of certain operating expenses of the Partnership and (ii) had failed to assess its members to pay for repairs and replacement of the common areas of the condominium (the "Partnership State Court Action").

F. On October 29, 2008, the Association filed a voluntary petition for relief under Chapter 11, Title 11 of the United States Code (the "Bankruptcy Code"), Case No. 8:08-bk-16972-KRM (the "Association Bankruptcy Case"), in the United States Bankruptcy Court for the Middle District of Florida, Tampa Division (the "Bankruptcy Court").

G. On November 5, 2008, the Association removed the Partnership State Court Action to the Bankruptcy Court in an adversary proceeding styled *Colony Beach & Tennis Club, Ltd. v. Colony Beach & Tennis Club Association, Inc.*, 8:08-ap-00567-KRM ("AP 567"). In AP 567, the Partnership sought to

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recover damages against the Association ("**Partnership's AP 567 Claims**") and the Association asserted counterclaims against the Partnership and CBTC and third party claims against RMI.

H. In November 2009, the Bankruptcy Court entered judgment in favor of the Association on all of the Partnership's AP 567 Claims and denied the Association's counterclaims as moot. The Partnership appealed the Bankruptcy Court's ruling (the "**AP 567 Direct Appeal**"). On July 27, 2011, the United States District Court for the Middle District of Florida (the "**District Court**") reversed the Bankruptcy Court's ruling and, on October 12, 2011, the District Court remanded proceedings to the Bankruptcy Court to recommend an amount of damages to be awarded to the Partnership and to reconsider certain aspects of the Association's counterclaims.

I. On October 24, 2012, the Bankruptcy Court, in compliance with instructions on remand from the District Court, made a report and recommendation to the District Court that a judgment against the Association be awarded to the Partnership in the amount of \$23,146,503.25 and that the Association's counterclaims be denied. The Association filed an objection to the Bankruptcy Court's report and recommendation to the District Court. However, before the District Court was able to rule on the Bankruptcy Court's report and recommendation, on January 11, 2013, CBTC filed a Chapter 11 bankruptcy. As a result of CBTC's bankruptcy filing, on February 6, 2013, the District Court stayed the AP 567 Direct Appeal.

J. On October 24, 2012, the Bankruptcy Court vacated its prior judgment in favor of the Association in AP 567. The Association appealed the order vacating the prior AP 567 judgment to the District Court (the "**AP 567 Related Appeal**"); however, as a result of CBTC's bankruptcy filing, the District Court has stayed the AP 567 Related Appeal.

K. After the Bankruptcy Court initially entered judgment in favor of the Association in AP 567, on March 17, 2010, the Bankruptcy Court entered orders granting the Association attorney's fees in the amount of \$449,786.50 (the "**AP 567 Fees Award**") and costs in the amount of \$22,666.43. The Partnership appealed the AP 567 Fees Award to the District Court (the "**AP 567 Fees Appeal**"), which is stayed pending the outcome of the AP 567 Direct Appeal.

L. When The Colony was formed, the following real property was excluded from the Colony Site and the condominium: (i) approximately 0.22 acres and improved by a swimming pool ("**Parcel A**"), (ii) approximately 0.72 acres and improved by a spa and housekeeping buildings ("**Parcel B**"), (iii) approximately 1.15 acres and improved by six tennis courts ("**Parcel C**"), (iv) approximately 1.20 acres and improved by six tennis courts ("**Parcel D**") (collectively, the "**Out Parcels**").

M. On November 29, 1973, the Association, controlled at that time by the original developer of The Colony, entered into a 99-year lease (the "**Rec. Facilities Lease**") of the Out Parcels, Accessory Unit B (also known as the Locker Room Unit), and Accessory Unit D (also known as the Meeting Room and Clubhouse Unit) (collectively, the "**Rec. Lease Properties**"). The Rec. Lease Properties are owned by four (4) separate entities as tenants in common with each owning an undivided interest in the whole (collectively, the "**Lessors**"). The current Lessors are CBI (as to 35%); CBTC (as to 45%); BreakPointe, LLC ("**BreakPointe**"), as successor-in-interest to William W. Merrill ("**Mr. Merrill**"), Trustee of the William W. Merrill Revocable Trust (the "**Merrill Trust**") (as to 5%); and Colony Lender, LLC ("**Colony Lender**"), as successor-in-interest to Carolyn L. Field ("**Mrs. Field**"), Trustee of the Carolyn L. Field Family Trust (the "**Field Trust**") (as to 15%).

N. In February 2008, the Association commenced a lawsuit against the Lessors under the Rec. Facilities Lease seeking, among other things, declaratory judgment that the Rec. Facilities Lease was unconscionable as a matter of law (the "**Rec. Lease State Court Action**"). On November 5, 2008, the

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Association removed the Rec. Lease State Court Action to the Bankruptcy Court in an adversary proceeding styled *Colony Beach & Tennis Club Association, Inc. v. Colony Beach & Tennis Club, Inc. et al.*, 8:08-ap-00568-KRM (“AP 568”).

O. During the Association Bankruptcy Case, the Association rejected the Rec. Facilities Lease effective as of November 10, 2008, which rejection was affirmed by the District Court in March 2010. The Lessors filed various proofs of claim in the Association’s bankruptcy for damages based upon the Association’s rejection of the Rec. Facilities Lease (the “Rec. Lease Claims”).

P. In January 2010, the Bankruptcy Court entered judgment in AP 568 determining that the Rec. Facilities Lease was unconscionable and unenforceable against the Association and disallowing all of the Rec. Lease Claims in their entirety. CBI and CBTC appealed the Bankruptcy Court’s ruling to the District Court (the “AP 568 Direct Appeal”). On July 27, 2011, the District Court reversed the Bankruptcy Court’s ruling and, on October 12, 2011, the District Court remanded proceedings to the Bankruptcy Court to recommend an amount of damages to be awarded to the Lessors. On October 24, 2012, the Bankruptcy Court, in compliance with instructions on remand of the District Court, made a report and recommendation to the District Court that the Lessors’ claims in the Association’s bankruptcy should be allowed in the aggregate amount of \$2,223,391.70. The Association filed an objection to the Bankruptcy Court’s report and recommendation to the District Court. However, before the District Court was able to rule on the Bankruptcy Court’s report and recommendation, on January 11, 2013, CBI and CBTC filed Chapter 11 bankruptcies. As a result of CBI and CBTC’s bankruptcy filings, on February 6, 2013, the District Court stayed the AP 568 Direct Appeal.

Q. On October 24, 2012, the Bankruptcy Court vacated its prior judgment in favor of the Association in AP 568. The Association appealed the order vacating the prior AP 568 judgment to the District Court (the “AP 568 Related Appeal”); however, as a result of CBI and CBTC’s bankruptcy filings, the District Court has stayed the AP 568 Related Appeal.

R. By orders dated September 25, 2009 and October 26, 2009 (collectively, the “Confirmation Orders”), the Bankruptcy Court confirmed the Association’s Chapter 11 plan of reorganization (the “Association’s Plan”). The Partnership appealed the Confirmation Orders to the District Court and, on July 30, 2010, the District Court affirmed the Bankruptcy Court’s entry of the Confirmation Orders. Under the Association’s Plan and the Confirmation Orders, the Association is required to pay any allowed claims of the Partnership, CBTC, CBI, RMI, the Lessors, or Dr. Klauber, in quarterly installments over 5 years together with 6% annual interest only after exhaustion of all of the Association’s appeal rights.

S. On October 5, 2009, the Partnership filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court, Case No. 8:09-bk-22611-KRM (the “Partnership’s Bankruptcy Case”). In August 2010, the Bankruptcy Court converted the Partnership’s case to a Chapter 7 liquidation and William Maloney was appointed the Trustee to oversee the liquidation of the Partnership.

T. In March 2010, the Association filed a complaint against the Partnership in the Bankruptcy Court, Adv. Pro. No. 8:10-ap-00242-KRM, seeking to eject the Partnership from possession of the Units and common areas at the Resort. In August 2010, the Bankruptcy Court entered an order and a final judgment ejecting the Partnership from its use and possession of the Units and common areas at the Resort. Although the Bankruptcy Court’s ruling was not appealed, in April 2012, the Trustee filed a motion to vacate the order and final judgment granting ejectment of the Partnership from the Resort. On October 24, 2012, the Bankruptcy Court denied the Trustee’s motion to vacate the order and final judgment granting ejectment of the Partnership from The Colony. This order was never appealed and, as

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such, the order and final judgment granting ejectment of the Partnership from The Colony is final and non-appealable.

U. During the Association's Chapter 11 case, the Partnership sought a \$261,459.25 claim against the Association for certain administrative expenses alleged to have been paid by the Partnership on behalf of the Association subsequent to the commencement of the Association Bankruptcy Case. On November 12, 2009, the Bankruptcy Court entered an order denying the Partnership's administrative expense claim. Although the Bankruptcy Court's ruling was not appealed, the Trustee filed a motion to vacate the Bankruptcy Court's denial of the administrative expense claim. On October 24, 2012, the Bankruptcy Court denied the Trustee's motion to vacate. On November 19, 2012, the Trustee appealed the Bankruptcy Court's denial of the motion to vacate to the District Court (the "**Admin. Expense Appeal**"). However, as a result of the Chapter 11 bankruptcies of CBI and CBTC and the resulting stay of the AP 567 Direct Appeal, on March 14, 2013, the District Court stayed the Admin. Expense Appeal.

V. In April 2009, Bank of America, N.A. ("**Bank of America**") filed a complaint against CBI, the Partnership, Dr. Klauber, CI, RMI, CBTC, Colony Special Services, Inc. ("**CSS**"), and Le Tannique, Inc. ("**LTI**") in the Twelfth Judicial Circuit Court in and for Sarasota County, Florida, Case No. 2009-CA-6946-NC (the "**State Court Foreclosure Action**") to, among other things, foreclose Bank of America's alleged real estate mortgage on the real estate interests of CBI, CBTC and Dr. Klauber in the Rec. Lease Properties and in Accessory Unit A (also known as the Bar and Restaurant Unit), Accessory Unit B (also known as the Locker Room Unit), Accessory Unit D (also known as the Meeting Room and Club House Unit), Accessory Unit F (also known as the Men's Shop Unit), Accessory Unit G (also known as the Gift Shop Unit), and Penthouse Unit 501 (collectively, the "**Klauber Entity Collateral**"). The complaint filed in the State Court Foreclosure Action described three (3) loan transactions referred to as "Loan 1," "Loan 2," and "Loan 3." As of March 19, 2009, Bank of America alleged that it was owed (i) \$2,366,836.32 in principal on Loan 1 by CBI, plus interest, and \$155,700, plus interest, expenses and fees pursuant to an ISDA 2002 Master Agreement with CBI relating to Loan 1, (ii) \$1,420,101.76 in principal on Loan 2 by CBI, plus interest, and \$93,500, plus interest, expenses and fees pursuant to an ISDA Master Agreement with CBI relating to Loan 2, and (iii) \$2,647,526.52 in principal on Loan 3 by the Partnership, plus interest, and \$174,000 plus interest, expenses and fees pursuant to an ISDA Master Agreement with the Partnership.

W. In March 2010, Colony Lender acquired Bank of America's claims in the State Court Foreclosure Action for an undisclosed consideration and substituted into the State Court Foreclosure Action as plaintiff. Certain issues regarding the amounts claimed by Colony Lender in the State Court Foreclosure Action were heard by the State Court judge during a trial the week of August 26, 2013. The outcome of this hearing is not presently known.

X. On December 21, 2009, Bank of America filed Proof of Claim No. 136 in the Partnership's Bankruptcy Case, which asserted a claim against the Partnership in the amount of \$3,742,080.25 secured by a lien on all assets of the Partnership. On March 11, 2010, Bank of America transferred the Bank of America Claim to Colony Lender. On October 29, 2012, Colony Lender filed an Amended Proof of Claim No. 136 in the Partnership Bankruptcy Case ("**Amended Claim No. 136**"), which asserted a claim against the Partnership in the amount of \$13,383,708.40 secured by a lien on certain assets of the Partnership, including the judgment awarded to the Partnership in AP 567. In addition, in Amended Claim No. 136, Colony Lender asserted that it was entitled to a priority of \$400,824.06 for taxes or penalties allegedly owed to governmental units. On March 7, 2013, the Association filed a complaint to challenge the claims and liens asserted by Colony Lender derivatively on behalf of the Trustee in an adversary proceeding styled *Colony Beach & Tennis Club Association, Inc. v. Colony Lender, LLC*, 8:13-ap-00196-KRM ("**AP 196**"). Colony Lender filed its response and answer to the complaint in AP 567 on July 17, 2013.

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Y. On January 11, 2013, CBI, CBTC and RMI (collectively, the “**Klauber Entity Debtors**”) filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court, Case Nos. 8:13-bk-00348-KRM (the “**CBTC Bankruptcy Case**”), Case Nos. 8:13-bk-00350-KRM (the “**CBI Bankruptcy Case**”), and Case Nos. 8:13-bk-00354-KRM (the “**RMI Bankruptcy Case**”) (collectively, the “**Klauber Entity Bankruptcy Cases**”). On February 27, 2013, the Bankruptcy Court entered an order for the joint administration of the Klauber Entity Bankruptcy Cases. On April 30, 2013, the Klauber Entity Debtors filed a joint plan of reorganization (the “**Klauber Entity Plan**”) and a joint disclosure statement. The Klauber Entity Plan contemplated that this Agreement would be finalized and incorporated into the Klauber Entity Plan as a global resolution of the various disputes described in this Agreement. On June 18, 2013, the hearing on final approval of the disclosure statement and confirmation of the Klauber Entity Plan was continued in open court until September 5, 2013 (the “**Continued Confirmation Hearing**”). The Klauber Entity Debtors filed amendments to the Klauber Entity Plan and disclosure statement on August 26, 2013 attaching a redacted copy of a draft of this Agreement.

Z. Colony Lender has asserted the following claims in the Klauber Entity Bankruptcy Cases: (i) Amended Proof of Claim No. 3-2 in the CBTC Bankruptcy Case asserting a claim in the amount of \$13,612,775.71, with \$6,396,220.00 secured by a lien on assets of CBTC; (ii) Amended Proof of Claim No. 1-2 in the CBI Bankruptcy Case asserting a claim in the amount of \$13,612,775.71, with \$6,396,220.00 secured by a lien on assets of CBI; and (iii) Amended Proof of Claim No. 1-2 in the RMI Bankruptcy Case asserting a claim in the amount of \$13,612,775.71, with \$6,396,220.00 secured by a lien on assets of RMI. On February 21, 2013, CBTC, CBI, and RMI filed a complaint challenging the claims and liens asserted by Colony Lender in the Klauber Entity Bankruptcy Cases in an adversary proceeding styled *Colony Beach & Tennis Club, Inc. v. Colony Lender, LLC*, 8:13-ap-00151-KRM (“**AP 151**”). Colony Lender filed its response and answer to the complaint in AP 151 on March 18, 2013.

AA. On June 13, 2013, the Klauber Entity Debtors filed a motion to value the collateral of Colony Lender in the Klauber Entity Bankruptcy Cases seeking entry of an order determining the value of Colony Lender’s collateral for purposes of the Klauber Entity Plan. On August 5, 2013, Colony Lender filed an opposition to the motion to value collateral attaching an appraisal prepared by Hettema Saba of Sarasota, Florida providing a final opinion of market value of the Klauber Entity Collateral purportedly constituting collateral of Colony Lender as of July 8, 2013.

BB. While the foregoing disputes and appeals have been ongoing, the Association has been engaged in negotiations for the redevelopment of The Colony (the “**Project**”). The Association intends to re-develop The Colony as a 4-star, family-oriented destination condominium resort.

CC. On October 1, 2012, the Town of Longboat Key, Florida (the “**Town**”) adopted a resolution (“**Resolution 2012-07**”) granting a request of the Association for an extension of time to comply with certain regulations governing nonconforming uses and structures for The Colony, allowing additional time to reopen the tourism resort development at The Colony, and related matters. Resolution 2012-07 provides that The Colony may be redeveloped or maintained at the existing density of 237 tourism units provided, among other things, that (i) determinations of control of the Colony Site and the Out Parcels be made, and (ii) within ninety (90) days after such determinations, a complete development plan for re-opening The Colony, in a form acceptable to the Town, be reviewed by the Town Manager. If the determination of control of the entire Colony Site, including the Out Parcels, is not reached on or before December 31, 2013, the extension terminates unless further extended by the Town Commission after a properly noticed and advertised public hearing.

DD. In furtherance of the Project, and as an integral aspect of the Project, the Association will seek an extension from the Town of the time to reopen the tourism resort development at The Colony preserving the existing number of Units approved for The Colony Site and seeking to develop additional

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tourism condominium units as the Colony Site. The Association intends to prepare and submit to the Unit Owners as part of the Project a conditional plan of termination of the condominium pursuant to Section 718.117 of the Florida Statutes (the “**Plan of Termination**”). The Association will negotiate a development agreement with JHM Development Group of Florida, LLC or another developer (the “**Development Partner**”) whereby the Development Partner, upon approval of the Unit Owners, will become the exclusive developer to assist in implementing the Project.

EF. Dr. Klauber is currently defending claims made by the Association for unpaid condominium fees assessed against his Units in the Twelfth Judicial Circuit Court in and for Sarasota County, Florida, Case No. 2010-CA-1908 (the “**Association Foreclosure Action**”). Dr. Klauber has asserted certain counterclaims against the Association in the Association Foreclosure Action.

FF. The Parties to this Agreement desire to settle fully and finally all differences, disputes and claims among them (collectively, the “**Colony Disputes**”), without limitation or reservation whatsoever, and to reduce such settlement to writing, and desire to avoid the uncertainty and cost of further litigation between the Parties.

GG. The Parties have determined that this Agreement satisfactorily and fairly accomplishes these purposes and have agreed that the Colony Disputes shall be resolved by the transactions and considerations exchanged pursuant to this Agreement.

SETTLEMENT

NOW THEREFORE, in consideration of the matters described above, and in consideration of the mutual promises, covenants and obligations set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is being hereby acknowledged, the Parties, intending to be legally bound, agree, subject to (a) the entry by the Bankruptcy Court of the Approval Orders (as defined below), (b) the Approval Orders becoming Final (as defined below) and (c) an accepting vote of the Unit Owners, as follows:

1. **Definitions.** For the purposes of this Agreement, in addition to the definitions set forth in the preamble and recitals of this Agreement, each of the following terms shall have the following respective meaning:

(a) “**Approval Orders**” shall mean the orders of the Bankruptcy Court approving this Agreement in all respects.

(b) “**Association Recovery Claims**” shall mean any right or the assertion of any right to payment from a Party, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured, arising from, in connection with, relating in any way to, any claim asserted or that could have been asserted, by the Association in (i) the Partnership State Court Action, (ii) AP 567, (iii) the Rec. Lease State Court Action, (iv) AP 568, (v) the Association’s Bankruptcy Case, (vi) the Partnership’s Bankruptcy Case, (vi) the Klauber Entity Bankruptcy Cases, and (viii) the Association’s Foreclosure Action; provided, however, the term shall not include any claim arising out of or expressly preserved under this Agreement.

(c) “**Bankruptcy Cases**” shall mean the following bankruptcy cases pending in the Bankruptcy Court: (a) In re Colony Beach & Tennis Club Association, Inc., Chapter 11 Case No. 8:08-bk-16972-KRM; (b) In re Colony Beach & Tennis Club, Ltd., Chapter 7 Case No. 8:09-bk-22611-KRM; (c) In re Colony Beach & Tennis Club, Inc., Chapter 11 Case No. 8:13-bk-00348-

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KRM; (d) In re Colony Beach, Inc., Chapter 11 Case No. 8:13-bk-00350-KRM; and (e) In re Resorts Management, Inc., Chapter 11 Case No. 8:13-bk-00354-KRM.

(d) **“Bankruptcy Rules”** shall mean the Federal Rules of Bankruptcy Procedure.

(e) **“Closing Date”** shall mean the first Business Day that is 60 days after the Approval Orders have become Final and all other conditions to the effectiveness of this Agreement set forth in Paragraph 3 have been satisfied or otherwise waived in writing by the Parties. It is intended that the Closing Date shall occur no later than February 28, 2014.

(f) **“Colony Lender Recovery Claims”** shall mean any right or the assertion of any right to payment from a Party, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured, arising from, in connection with, relating in any way to, (i) claims asserted by Bank of America, (ii) the State Court Foreclosure Action, (iii) claims filed or that could have been filed in the Partnership’s Bankruptcy Case, including Amended Claim No. 136, (iv) claims filed or that could have been filed in the Klauber Entity Bankruptcy Cases, or (v) claims filed or that could have been filed in the Association’s Bankruptcy Case; provided, however, the term shall not include any claim arising out of or expressly preserved under this Agreement.

(g) **“Debtors”** shall mean (a) the Association, as Reorganized Debtor under the confirmed plan of reorganization in its Bankruptcy Case; (b) the Partnership, as debtor in its Bankruptcy Case; and (c) CBTC, CBI and RMI, as debtors-in-possession in their respective pending Bankruptcy Cases.

(h) **“Final”** shall mean with respect to the Approval Orders (a) at least fourteen (14) days (as calculated pursuant to Rules 8002 and 9006 of the Bankruptcy Rules) have elapsed since the date each Approval Order is docketed on the docket of the Bankruptcy Court and (b) there has been no appeal, reversal, reconsideration, stay, or modification, or any motion, petition or other request whatsoever filed with the Bankruptcy Court for reversal, reconsideration, stay or modification (or if an appeal, or motion, petition or other request for reversal, reconsideration, stay or modification has been filed, the Approval Order has been affirmed in its entirety, or the appeal or motion, petition or other request for reversal, reconsideration, stay or modification has been dismissed or otherwise denied pursuant to an order that is final and that is not subject to further appeal, reversal, reconsideration, stay, modification or review under applicable law), unless the foregoing requirements have been waived in writing by each of the Parties.

(i) **“Klauber Parties”** shall mean Dr. Klauber, Ms. Moulton, CBTC, CBI, RMI, and CI.

(j) **“Klauber Parties Recovery Claims”** shall mean any right or the assertion of any right to payment from a Party, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured, arising from, in connection with, relating in any way to, any claim asserted or that could have been asserted, by one or more of the Klauber Parties in (i) the Partnership State Court Action, (ii) AP 567, (iii) the Rec. Lease State Court Action, (iv) AP 568, (v) the Association’s Bankruptcy Case, (vi) the Partnership’s Bankruptcy Case, (vii) the Klauber Entity Bankruptcy Cases, and (viii) the Association’s Foreclosure Action; provided, however, the term shall not include any claim arising out of or expressly preserved under this Agreement.

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(k) **"Net Partnership Judgment Proceeds"** shall mean the proceeds of the Partnership Judgment payable to the Trustee after satisfaction of (i) the Partnership Administrative Expense Claims and (ii) the Partnership Priority Claims.

(l) **"Parties"** shall mean the Association, the Klauber Parties and the Trustee and each of them and their respective heirs, successors, guardians, personal representatives, and assigns, including, but limited to each of their present and former (i) members, (ii) shareholders, (iii) limited partners, (iv) officers, (v) directors, (vi) agents, (vii) servants, (viii) employees, (ix) attorneys, and (x) representatives. Whenever a Party is individually identified in a provision in this Agreement, the reference to the Party shall include all of the extended persons or entities associated with that Party.

(m) **"Permitted Encumbrances"** shall mean those encumbrances expressly listed on Schedule "1."

(n) **"Partnership Recovery Claims"** shall mean any right or the assertion of any right to payment from a Party, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured, arising from, in connection with, relating in any way to, any claim asserted or that could have been asserted, by the Partnership or the Trustee in (i) the Partnership State Court Action, (ii) AP 567, (iii) the Rec. Lease State Court Action, (iv) AP 568, (v) the Association's Bankruptcy Case, (vi) the Partnership's Bankruptcy Case, (vii) the Klauber Entity Bankruptcy Cases, and (viii) the Association's Foreclosure Action; provided, however, the term shall not include any claim arising out of or expressly preserved under this Agreement.

(o) **"Related Relief"** means an order or orders of the Bankruptcy Court entered in the Bankruptcy Cases (a) forever releasing the Colony Disputes; (b) permanently enjoining any creditor of any Party from asserting any claim, defense, or right against a Party on, under, relating in any way to, or in connection with the Colony Disputes; (c) dismissing with prejudice any claims asserted in the Colony Disputes; (d) channeling any claim by any creditor of any Party against a Party related to the Colony Disputes, so that any such claim or right may be asserted and enforced solely against the distributions to be made pursuant to the Approval Orders; and (e) permanently enjoining the Parties, and each of them and their respective heirs, successors, guardians, personal representatives, successor Chapter 7 Trustees and assigns from instituting or maintaining any legal or quasi-legal action against a Party in or before any court, administrative agency or governmental entity seeking recovery under the Colony Disputes, any part thereof, or any interest therein; provided, however, the term shall not include any claim arising out of or expressly preserved under this Agreement.

(p) Where the context so indicates or requires, each defined term stated in the singular includes the plural, each defined term stated in the plural includes the singular, and each reference to the masculine gender shall include the feminine.

(q) All capitalized terms not defined in this Definitions section shall have the meaning assigned to them elsewhere in this Agreement.

(r) The term "or" shall include "and," and the term "and" shall include "or," where necessary to provide each Party to this Agreement with the maximum protection against claims by other Parties to this Agreement, and otherwise to provide each Party with the full benefit of each provision of this Agreement benefitting it, or where the context otherwise requires.

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2. **Recitals.** Each of the statements, representations and other information contained in the above recitals is expressly incorporated herein and is represented by the Parties to be true and correct.

3. **Effective Date; Closing Date; Closing.** This Agreement shall become effective upon signing by all parties and, except as otherwise provided in this Agreement, the settlements contemplated by this Agreement shall be consummated on the Closing Date, which is subject to and contingent upon (i) the entry of the Approval Orders by the Bankruptcy Court, with each Approval Order becoming Final and, without limitation, including the Related Relief, (ii) a favorable vote of the Unit Owners approving the actions of the Association contemplated by this Agreement, and (iii) the acceptance by CI, which acceptance will not be unreasonably withheld, of the collateral proposed to be pledged to secure the payment of the Consulting Obligations as defined in Paragraph 8(b); by way of example, an escrow of the amounts due pending receipt of final Town approval of the Project shall be deemed acceptable. The closing (the "Closing") of the transactions contemplated by this Agreement shall take place at the offices of Bush Ross, P.A., 1801 N. Highland Ave., Tampa, Florida 33602 or such other place or places as the Parties shall agree, at 10:00 a.m. Eastern Standard Time on the Closing Date, unless the Parties agree otherwise.

4. **Approval by the Bankruptcy Court.**

(a) **Court Approval in Partnership's Bankruptcy Case.** On or before September 26, 2013, the Trustee will file with the Bankruptcy Court in the Partnership's Bankruptcy Case a motion seeking an Approval Order. In connection with such motion, the Trustee shall use his best efforts to expeditiously obtain approval of this Agreement by the Bankruptcy Court. If the Bankruptcy Court declines in any respect to enter the Approval Order, does not enter the Approval Order within 60 days of this Agreement, or enters the Approval Order but the Approval Order does not become a Final Order within 90 days of this Agreement, the settlement contemplated by this Agreement shall be null and void (including the releases and covenants contained in paragraph 10 hereof), the Parties shall have all rights, claims and defenses that they had before execution of this Agreement, and nothing set forth herein or in any papers or in any hearing related to the motion shall be used for any reason in litigation relating to the Colony Disputes. The Parties may, by written agreement, extend the deadlines set forth in this Section 4(a).

(b) **Court Approval in Association's Bankruptcy Case.** On or before September 26, 2013, the Association's Board will file with the Bankruptcy Court in the Association's Bankruptcy Case a motion seeking an Approval Order. In connection with such motion, the Association's Board shall use its best efforts to expeditiously obtain approval of this Agreement by the Bankruptcy Court. If the Bankruptcy Court declines in any respect to enter the Approval Order, does not enter the Approval Order within 60 days of this Agreement, or enters the Approval Order but the Approval Order does not become a Final Order within 90 days of this Agreement, the settlement contemplated by this Agreement shall be null and void (including the releases and covenants contained in paragraph 10 hereof), the Parties shall have all rights, claims and defenses that they had before execution of this Agreement, and nothing set forth herein or in any papers or in any hearing related to the motion shall be used for any reason in litigation relating to the Colony Disputes. The Parties may, by written agreement, extend the deadlines set forth in this Section 4(b).

(c) **Court Approval in Klauber Entities Bankruptcy Cases.** On or before September 26, 2013, the Klauber Entity Debtors will file with the Bankruptcy Court in the Klauber Entity Bankruptcy Cases an amended Klauber Entity Plan (the "New Plan") incorporating this Agreement and seeking an Approval Order as part of confirmation of the New

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Plan. In connection with such filing, the Klauber Entity Debtors shall use their best efforts to expeditiously obtain approval of this Agreement by the Bankruptcy Court. Notwithstanding the requirement of expeditious action, the Parties agree to support the Klauber Entity Debtors in seeking a short 30-day continuance of the Continued Confirmation Hearing. If the Bankruptcy Court declines in any respect to enter the Approval Order in the Klauber Entity Bankruptcy Cases, does not enter the Approval Order within 60 days of this Agreement, or enters the Approval Order but the Approval Order does not become a Final Order within 90 days of this Agreement, the settlement contemplated by this Agreement shall be null and void (including the releases and covenants contained in paragraph 10 hereof), the Parties shall have all rights, claims and defenses that they had before execution of this Agreement, and nothing set forth herein or in any papers or in any hearing related to the confirmation of the New Plan shall be used for any reason in litigation relating to the Colony Disputes. The Parties may, by written agreement, extend the deadlines set forth in this Section 4(c).

(d) **Unit Owner Approval.** The Association Board will promptly file the requisite notice of a meeting of the Unit Owners for the purpose of seeking an affirmative vote of the Unit Owners approving this Agreement and binding the Association to the terms and conditions of this Agreement pursuant to the confirmed Association's Plan, subject to the entry of the Approval Orders. In connection with such vote, the Association Board shall use its best efforts to expeditiously obtain approval of this Agreement by the Unit Owners. If the Unit Owners decline in any respect to approve this Agreement or do not vote to approve this Agreement within 60 days of this Agreement, the settlement contemplated by this Agreement shall be null and void, the Parties shall have all rights, claims and defenses that they had before execution of this Agreement, and nothing set forth herein or in any papers or in any proceeding seeking a favorable vote regarding the Agreement shall be used for any reason in litigation relating to the Colony Disputes. The Parties may, by written agreement, extend the deadlines set forth in this Section 4(d).

(c) **Expense of Seeking Approvals.** The Parties to this Agreement will cooperate with each other in seeking approvals of this Agreement and may participate at their own expense in any proceedings relating to same.

(f) **Implementation Costs.** All costs and expenses of any Party's performance of its obligations hereunder and the consummation of the transactions contemplated herein shall be borne by that Party. Without limiting the generality of the foregoing, each Party shall be responsible for the costs and expenses of its own attorneys.

5. Resolution of Disputed Litigation.

(a) **Resolution of AP-567 and Related Appeals.** On the Closing Date, and provided the Court has approved the provisions of Paragraph 9 of this Agreement, in full and complete satisfaction of any claims that were or could have been asserted in AP-567:

(i) the Association shall consent to the entry of a final judgment in favor of the Trustee in AP-567 in the amount of Two Million Three Hundred Thousand and 00/100 Dollars (\$2,300,000.00) (the "**Partnership Judgment**") substantially in the form attached hereto as **Exhibit "A"** to be satisfied by either:

(A) a lump-sum payment of Two Million Seventy Thousand and 00/100 Dollars (\$2,070,000.00) on the Closing Date; or

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(B) payments consistent with the terms of the Association's Plan (over 5 years in quarterly installments at 6% interest) beginning on the Closing Date; provided, however, that a third party approved by the Association may acquire or satisfy the Partnership Judgment for an immediate cash payment to the Trustee equal to the remaining principal amount of the Partnership Judgment, with a discount of 10% of the unpaid balance, at any time; provided, however, that if the Association defaults in the payments due to the Partnership hereunder, the Partnership shall be entitled to entry of an amended judgment against the Association in AP-567 increasing the amount of the Partnership Judgment to \$3,000,000.00, less the amounts paid, if any, to the Partnership from and after the Closing Date if the Association does not cure the default within fifteen days after receiving notice of the default; and

(ii) the Parties to the AP 567 Direct Appeal, the Ap 567 Related Appeal, the AP 567 Fees Appeal, and the Admin. Expense Appeal shall promptly seek the dismissal, with prejudice, of such appeals.

(b) **Resolution of AP-568 and Related Appeals.** On the Closing Date, in full and complete satisfaction of the AP-568 Claims:

(i) the Association shall consent to the entry of a final judgment in favor of the Lessors in AP-568 in the amount of Five Hundred Thousand and 00/100 Dollars (\$500,000.00) (the "**Rejection Damages Judgment**") substantially in the form attached hereto as **Exhibit "B"** to be satisfied by either:

(A) a lump-sum payment of Four Hundred and Fifty Thousand and 00/100 Dollars (\$450,000.00) on the Closing Date; or

(B) payments consistent with the terms of the Association's Plan (over 5 years in quarterly installments at 6% interest) beginning on the Closing Date; provided, however, that a third party approved by the Association may acquire or satisfy the Rejection Damages Judgment for an immediate cash payment to the Lessors equal to the remaining principal amount of the Rejection Damages Judgment, with a discount of 10% of the unpaid balance, at any time;

(ii) the Parties to the AP 568 Direct Appeal and the AP 568 Related Appeal shall promptly seek the dismissal, with prejudice, of such appeals; and

(iii) all payments of the Rejection Damages Judgment shall be paid to the disbursing agent designated in the order confirming the New Plan to be allocated among the Lessors pursuant to their respective ownership interests in the Rec. Lease Properties after first payment of the Klauber Entity Administrative Expense Claims, as defined below, including any allowed attorney fees related to AP 568 or as otherwise directed by a final order of the Bankruptcy Court in the Klauber Entities Bankruptcy Cases.

6. **Transfer of Assets to Association.**

(a) **Transfer of Resort Assets to Association.** On the Closing Date, the Trustee and the Klauber Parties shall transfer to the Association, or its assignee, all of the rights, title and interest that the Trustee and the Klauber Parties control with respect to all of the real, personal or

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intangible property and any other asset located at, related to, or used in connection with the Resort (collectively, the “Resort Assets”) including, without limitation:

(i) all of their right, title and interest in the entities related to the Resort, including but not limited to (i) LTI, (ii) CSS, (iii) Monkey Room, Inc., and (iv) Colony Beach Realty, Inc.;

(ii) The Rec. Lease Properties, free and clear of all liens, claims, encumbrances and rights of co-owners, other than the Permitted Encumbrances and Colony Lender’s liens, by deed in substantially the form attached hereto as **Exhibit “C”**;

(iii) Accessory Unit A (also known as the Bar and Restaurant Unit), Accessory Unit F (also known as the Men’s Shop Unit), and Accessory Unit G (also known as the Gift Shop Unit), free and clear of all liens, claims and encumbrances, other than the Permitted Encumbrances and Colony Lender’s liens, by deed in substantially the form attached hereto as **Exhibit “C”**;

(iv) All other condominium units and all other real estate interests at the Resort owned, possessed or leased by them, including Accessory Unit C (also known as the Pro Shop Unit) and Accessory Unit E (also known as the Food and Beverage Service Unit), free and clear of all liens, claims and encumbrances, other than the Permitted Encumbrances, by deed in substantially the form attached hereto as **Exhibit “C”**;

(v) all voting rights and other control and management rights with respect to the Resort or the Association;

(vi) any equipment, furniture or fixtures owned by them and used or previously used in connection with the Resort;

(vii) any interest in or rights related to the Partnership;

(viii) any insurance claim rights, including the insurance claims that relate to policies issued in favor of the Partnership or the Klauber Parties by Navigators Insurance Company and the defense expenses associated with defending the Partnership or the Klauber Parties as to claims; and

(ix) all intellectual property rights, including but not limited to, all trade names, trademarks (whether registered or common law), copyrights, any goodwill assets, as well as all guest and vendor lists, databases etc. owned, possessed or leased by the seller related to the Resort.

(b) **Transfers Exempt from Taxes.** As part of the Approval Orders in the Klauber Entity Bankruptcy Cases, the Parties shall seek entry of a Final order providing that any conveyances under the New Plan shall be exempt from documentary stamp taxes or other related transfer taxes in accordance with § 1146(a) of the Bankruptcy Code.

7. Resolution of Colony Lender Recovery Claims.

(a) **Payment to Colony Lender.** Colony Lender shall receive either (i) a cash payment on the Closing Date or such other consideration agreed to by the Association, the

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Development Partner and Colony Lender, or (ii) such amounts under the Plan of Termination as determined to be fair and reasonable in accordance with Section 718.117 of the Florida Statutes.

(b) **Disallowance of Claims.** Amended Claim No. 136 in the Partnership Bankruptcy Case shall be disallowed in its entirety, with prejudice, and Colony Lender shall receive no distribution in the Partnership Bankruptcy Case with any such rights being channeled to the payments that Colony Lender will receive under Section 7(a). In addition, any remaining Colony Lender claims asserted in the Klauber Entity Bankruptcy Cases shall be disallowed in their entirety, with prejudice, and Colony Lender shall receive no distribution in the Klauber Entity Bankruptcy Cases.

(c) **Dismissal of Appeals and State Court Foreclosure Action.** The Parties to AP 151 and AP 196 shall promptly seek the dismissal, with prejudice, of such adversary proceedings. In addition, the Parties to the State Court Foreclosure Action shall promptly seek the dismissal, with prejudice, of such action.

8. Resolution of Klauber Parties Related Claims.

(a) **Payment to Klauber Entity Debtors.** As additional consideration for the conveyance of the Klauber Parties' Resort Assets to the Association, the Association shall issue the Klauber Entity Debtors an interest-bearing promissory note in the principal amount of Three Hundred Thousand and 00/100 Dollars (\$300,000.00) (the "**Klauber Entity Note**") in substantially the form attached hereto as **Exhibit "D"** payable over 5 years in quarterly installments at 6% interest beginning on the Closing Date; provided, however, that a third party approved by the Association may acquire or satisfy the Klauber Entity Note for an immediate cash payment to the Klauber Entity Debtors equal to the remaining principal amount due under the Klauber Entity Note, with a discount of 10% of the unpaid balance, at any time.

(b) **Klauber Family Consulting Agreement.** On the Closing Date, the Association and the Development Partner shall enter into a consulting agreement (the "**Klauber Family Consulting Agreement**") with CI. The Klauber Family Consulting Agreement shall be in substantially the form attached hereto as **Exhibit "E"**, and is intended to provide that a meaningful and continued relationship will exist with members of Dr. Klauber's family (the "**Klauber Family**") to ensure the success of the Project. The aggregate amount of compensation to be paid under the Klauber Family Consulting Agreement (the "**Consulting Obligation**") will be Two Million Nine Hundred and Fifty Thousand and 00/100 Dollars (\$2,950,000.00), which will include (a) a payment of Five Hundred Thousand and 00/100 Dollars (\$500,000.00) to be paid on the Closing Date (the "**Advance Payment**") and (b) Two Million Four Hundred and Fifty Thousand and 00/100 Dollars (\$2,450,000.00) to be paid on terms consistent with the Association's Plan (over 5 years in quarterly installments at 6% interest) beginning on the earlier of the date that the Town approves the plans and specifications for the Project and construction of the Project commences or the date that is six months from the Closing Date (the "**Commencement Date**"); provided, however, that a third party approved by the Association may satisfy the Consulting Obligation for an immediate cash payment to CI equal to the remaining principal amount of the Consulting Obligation, with a discount of 10% of the unpaid balance, at any time. To secure the payment of the Consulting Obligation, on the Closing Date, the Association shall secure the Consulting Obligation by collateral reasonably acceptable to CI. If the Association defaults in the payments due to CI hereunder, CI shall be entitled to enforce its rights against the Association and the collateral if the Association does not cure the default within fifteen days after receiving notice of the default.

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(c) In addition to the support of the Association and the Development Partner under the Klauber Family Consulting Agreement, Dr. Klauber and Ms. Moulton, individually, agree to support and assist the Association with respect to all zoning and development approvals with the Town or otherwise, without additional consideration. Without limiting the foregoing, Dr. Klauber and Ms. Moulton will assist the Association and the Development Partner in presentations to the Town regarding the Project and in obtaining the necessary building, environmental and other permits from the Town and other governmental entities (collectively, the "Permits"). If the Association has not received all of the Permits as of the Commencement Date, the Association will nevertheless be required to pay the Consulting Obligations. As long as the Association and Development Partner are not in default in the payment of the Consulting Obligation, Dr. Klauber and Ms. Moulton will not, directly or indirectly, take any action, or fail to take any action, which would impair the ability of the Association and the Development Partner to complete the Project and obtain the Permits. Without limiting the foregoing, neither Dr. Klauber, Ms. Moulton, nor shall any person or entity under their direct control, object to, fail to support or disparage the Project: (a) before any governmental or quasi-governmental agency, including the Town; (b) to any staff member of, or consultant to, a governmental or quasi-governmental agency, including the Town; or (c) publicly through any media outlet.

(d) **Resolution of Claims against the Klauber Parties.** On the Closing Date, any Party that holds a claim against any of the Klauber Parties, other than claims allowed under Sections 9(a) and 10(a) of this Agreement, shall waive and release any such claims and, to the extent that any such claim has been asserted in any of the Bankruptcy Cases, such claim shall be withdrawn or disallowed.

(e) **Dismissal of Association Foreclosure Action.** On or before ten (10) days from the execution of this Agreement by all Parties, the Association shall pay CI the sum of \$50,000.00. Upon receipt of this payment, the Parties to the Association Foreclosure Action shall promptly seek the dismissal, without prejudice, of the Association Foreclosure Action. On the Closing Date, the Parties to the Association Foreclosure Action shall confirm that all claims involving the Parties asserted or that could be asserted in the Association Foreclosure Action are released and barred. The Association will retain all of its lien and enforcement rights as to collection of unpaid condominium assessments against successor owners of units for which condominium assessments are unpaid

(f) **Permanent Recognition of Klauber Family Contributions to the Resort.** The Association will memorialize, as an integral and permanent aspect of the Resort, an appropriate recognition of the contribution of the Klauber Family to the development and vision of the Resort and the Town of Longboat Key community.

(g) **Noncompetition and Non-solicitation Covenants.**

(i) In consideration of the acquisition of the Klauber Parties' Resort Assets as contemplated in Section 6 of this Agreement, for a period of five (5) years after the Closing Date, the Klauber Parties, with the exception of Ms. Moulton, will not, on their behalf or on behalf of any other person, except for or on behalf of the Association or the Development Partner pursuant to the Klauber Family Consulting Agreement, directly or indirectly, engage in business in the resort hotel industry (the "Competitive Business") within the State of Florida (the "Territory"), or own, manage, operate, join, control, participate in or be connected with any person who is, directly or indirectly, engaged in any business competitive with the Competitive Business in the Territory.

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(ii) Each of the Klauber Parties acknowledges that the covenants contained in Section 8(g)(i) of this Agreement are fair and reasonable in order to protect the Association and the Development Partner and were a material and necessary inducement for the Association to agree to the terms of this Agreement. Each of the Klauber Parties further acknowledges that any remedy at law for any breach or threatened or attempted breach of the covenants contained in Section 8(g)(i) of this Agreement may be inadequate and that the violation of any of the covenants contained in Section 8(g)(i) of this Agreement will cause irreparable and continuing damage to the Association and the Development Partner. Accordingly, the Association and the Development Partner shall be entitled to specific performance or any other mode of injunctive and/or other equitable relief to enforce its rights hereunder, including without limitation an order restraining any further violation of such covenants, or any other relief a court might award, without the necessity of showing any actual damage or irreparable harm or the posting of any bond or furnishing of other security, and that such injunctive relief shall be cumulative and in addition to any other rights or remedies to which the Association and the Development Partner may be entitled. The covenants in Section 8(g)(i) of this Agreement shall run in favor of the Association and the Development Partner and their respective successors and assigns.

9. **Resolution and Payment of Claims Against the Partnership.**

(a) **Allowance and Payment of Claims.** On the Closing Date, the following claims filed in the Partnership Bankruptcy Case shall be deemed allowed and shall be paid as follows:

(i) Any claims for administrative expenses asserted by the Parties or their respective professionals in the Partnership Bankruptcy Case, regardless of whether such administrative expense claims were incurred while the Partnership Bankruptcy Case was under Chapter 7 or Chapter 11 of the Bankruptcy Code, including but not limited to, the administrative expense claims of William Maloney, Trustee, Bill Maloney Consulting, Berger Singerman LLP, Trenam Kemker, P.A., and Icard Merrill, P.A. (collectively, the "Partnership Administrative Expense Claims") shall be deemed allowed and, to the extent approved by the Bankruptcy Court, shall be paid from the proceeds of the Partnership Judgment;

(ii) Any claims of Icard Merrill, P.A., Berger Singerman LLP or Trenam Kemker, P.A. related to the legal services rendered in the disputes, appeals and related proceedings that could give rise to a charging lien, substantial contribution claim or related claim against the Partnership or its estate as a result of this Agreement shall be paid in full from the Partnership Judgment and specifically included in their entirety as a Partnership Administrative Expense Claim. The Association further agrees that any insurance recoveries it receives after payment of its expenses incurred in such recovery, shall be immediately paid to the Trustee for accelerated payment of the allowed amount of the claims of such law firms in the Partnership Bankruptcy Case;

(iii) Any unsecured claims entitled to priority under § 507 of the Bankruptcy Code listed on Schedule "2" as "Allowed" (the "Partnership Priority Claims") shall be deemed allowed and paid in accordance with § 1129(a)(9)(A) and (B) of the Bankruptcy Code from the proceeds of the Partnership Judgment; and

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(iv) Any unsecured non-priority claims listed on **Schedule "3"** as "Allowed" shall be deemed allowed and shall be paid from the Net Partnership Judgment Proceeds in accordance with the priorities established under the Bankruptcy Code.

(b) **Subordination of Claims.** On the Closing Date, all claims listed on **Schedule "4"** as being "Subordinate" shall be deemed consensually subordinated and shall not receive any distribution from the Partnership Bankruptcy Case, unless and until all other allowed claims are satisfied in full. Specifically, all claims by the Association, including but limited to claims previously allowed by order of the Bankruptcy Court, and all claims by Unit Owners, shall not receive any distribution in the Partnership Bankruptcy Case, unless and until all other allowed claims are satisfied in full.

(c) **Objections to Claims.** The Trustee shall object to and seek the disallowance, in accordance with the Bankruptcy Code and Bankruptcy Rules, of all claims listed on **Schedule "5"** as being "Objectable."

(d) **Assistance with Objections.** From the Effective Date and through the Closing Date and thereafter, the Association and Ms. Moulton shall reasonably assist the Trustee, as requested, in seeking the disallowance of any claims against the Partnership, including any and all appeals related to such objections.

10. Resolution and Payment of Claims Against the Klauber Entity Debtors.

(a) **Allowance and Payment of Claims.** On the Closing Date, the following claims filed in the Klauber Entity Bankruptcy Cases shall be deemed allowed and shall be paid as follows:

(i) Any claims for administrative expenses asserted by the Parties or their respective professionals in the Klauber Entity Bankruptcy Cases, including but not limited to, any administrative expense claims of Johnson Pope Bokor Ruppel & Burns, P.A. (collectively, the "**Klauber Entity Administrative Expense Claims**") shall be deemed allowed and shall be paid, subject to approval of the Bankruptcy Court, from the proceeds of the Rec. Lease Judgment payable to CBI and CBTC;

(ii) Any claims of Icard Merrill, P.A. related to the legal services rendered in the appeals and related proceedings in AP 568 that could give rise to a charging lien, substantial contribution claim or related claim against the Klauber Entity Debtors or their estates as a result of this Agreement shall be paid in full from the Rejection Damages Judgment. The Association further agrees that any insurance recoveries it receives after payment of its expenses incurred in such recovery, shall be immediately paid to the disbursing agent in the Klauber Entities Bankruptcy Cases for accelerated payment of the allowed amount of the claims of Icard Merrill in the Klauber Entities Bankruptcy Cases;

(iii) The secured claim of First Federal shall be paid One Hundred Thousand and 00/100 Dollars (\$100,000.00) under the New Plan in full satisfaction of First Federal's allowed secured claim and First Federal shall not be entitled to any further distributions under the New Plan.

(iv) Any claims for outstanding real property taxes on any real property owned by the Klauber Entity Debtors listed on **Schedule "6"** that are determined to be "Allowed" (the "**Klauber Entity Property Tax Claims**") shall be paid by the transferee

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of such real property under the New Plan pursuant to § 1129(a)(9)(C) and (D) of the Bankruptcy Code;

(v) Any unsecured claims entitled to priority under § 507 of the Bankruptcy Code listed on **Schedule "7"** that are determined to be "Allowed" (the "**Klauber Entity Priority Claims**") shall be paid in accordance with § 1129(a)(9)(A) and (B) of the Bankruptcy Code from the proceeds of the Rejection Damages Judgment payable to CBI and CBTC; and

(vi) Any unsecured non-priority claims listed on **Schedule "8"** that are determined to be "Allowed" shall be paid a pro rata distribution of the remaining funds for distribution until paid in full.

(b) **Subordination of Claims.** All claims listed on **Schedule "9"** as being "Subordinated" shall be deemed "Allowed" for purposes of voting on the New Plan, but shall be consensually subordinated to payment of all other claims upon confirmation of the New Plan. Specifically, all claims of the Association and Unit Owners shall be subordinated to payment of other claims.

(c) **Objections to Claims.** The Klauber Entity Debtors shall object to and seek the disallowance, in accordance with the Bankruptcy Code and Bankruptcy Rules, of all claims listed on **Schedule "10"** as being "Objectable."

(d) **Association's Assistance with Objections.** From the Effective Date and through the Closing Date and thereafter, the Association shall reasonably assist the Klauber Entity Debtors, as requested, in seeking the disallowance of any claims against the Klauber Entity Debtors, including any and all appeals related to such objections.

11. Releases and Covenants Not to Sue.

(a) **Mutual Release.** Upon the Closing Date, each of the Parties, on behalf of himself, herself, or itself shall be deemed to remise, release and forever discharge each of the other Parties and their business units, past, present and future agents, general agents, members, brokers, representatives, heirs, successors, affiliates, subsidiaries, parents, predecessors, assigns, officers, stockholders, limited partners, directors, principals, attorneys, employees, partners, independent contractors, consultants, experts, administrators, insurers, reinsurers, and indemnitors of and from any and all, and all manner of, action and actions, cause and causes of action, suits, debts, breaches of duty, other breaches, notes, dues, sums of money, accounts, reckonings, undertakings, bonds, bills, specialties, covenants, contracts, controversies, agreements, guarantees, indemnifications, promises, liens, variances, trespasses, damages, judgments, taxes, interest, penalties, assessments, extents, executions, expenses, claims, demands and liabilities whatsoever of every kind and nature, whether known or unknown, direct or consequential, foreseen or unforeseen, matured or unmatured, developed or undeveloped, discoverable or undiscoverable, whether or not well-founded in fact or in law, and whether in law or equity or otherwise, which such party ever had, now have, shall or may have against each other arising out of, on, in connection with, or in any way relating to the Association Recovery Claims, the Partnership Recovery Claims or the Klauber Parties Recovery Claims; provided, however, that none of the claims or obligations preserved or created by this Agreement shall be deemed released by the foregoing.

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(b) **Covenants Not to Sue or File.** Effective upon Closing, this Agreement represents, and is intended to effectuate, the complete and final resolution of all disputes among the Association, the Trustee, the Partnership and the Klauber Parties with respect to the Association Recovery Claims, the Partnership Recovery Claims and the Klauber Entities Recovery Claims. Therefore, upon Closing and following without in any way limiting the scope or effect of the releases provided in Section 11(a) above:

(i) The Association agrees never to file or institute against the Partnership, the Trustee or the Klauber Parties any claim, allegation, demand, suit, action, cause of action, or proceeding of any kind or nature whatsoever, whether at law, in equity or otherwise, in or before any court, administrative agency, arbitral or alternative dispute resolution panel or authority or other tribunal wherever situated, asserting, directly or indirectly, any claim, demand, right or cause of action of any kind or nature whatsoever, whether legal, equitable, fixed, contingent, matured, unmatured, liquidated, unliquidated, foreseeable, unforeseeable, known or unknown. Suspected, disclosed or undisclosed, hidden or concealed, whether on behalf of the Association or on behalf of any person or entity not a signatory to this Agreement, arising out of, on, in connection with, or in any way relating to the Association Recovery Claims; provided, however, that this covenant not to sue or file shall not apply to any action taken by the Association to enforce any obligation arising out of, or preserved under, or to remedy any violation of, this Agreement.

(ii) The Trustee and the Partnership agree never to file or institute against the Association or the Klauber Parties any claim, allegation, demand, suit, action, cause of action, or proceeding of any kind or nature whatsoever, whether at law, in equity or otherwise, in or before any court, administrative agency, arbitral or alternative dispute resolution panel or authority or other tribunal wherever situated, asserting, directly or indirectly, any claim, demand, right or cause of action of any kind or nature whatsoever, whether legal, equitable, fixed, contingent, matured, unmatured, liquidated, unliquidated, foreseeable, unforeseeable, known or unknown. Suspected, disclosed or undisclosed, hidden or concealed, whether on behalf of the Trustee or the Partnership or on behalf of any person or entity not a signatory to this Agreement, arising out of, on, in connection with, or in any way relating to the Partnership Recovery Claims; provided, however, that this covenant not to sue or file shall not apply to any action taken by the Partnership or Trustee to enforce any obligation arising out of, or preserved under, or to remedy any violation of, this Agreement.

(iii) The Klauber Parties agree never to file or institute against the Partnership, the Trustee or the Association any claim, allegation, demand, suit, action, cause of action, or proceeding of any kind or nature whatsoever, whether at law, in equity or otherwise, in or before any court, administrative agency, arbitral or alternative dispute resolution panel or authority or other tribunal wherever situated, asserting, directly or indirectly, any claim, demand, right or cause of action of any kind or nature whatsoever, whether legal, equitable, fixed, contingent, matured, unmatured, liquidated, unliquidated, foreseeable, unforeseeable, known or unknown. Suspected, disclosed or undisclosed, hidden or concealed, whether on behalf of the Association or on behalf of any person or entity not a signatory to this Agreement, arising out of, on, in connection with, or in any way relating to the Klauber Entities Recovery Claims; provided, however, that this covenant not to sue or file shall not apply to any action taken by the Klauber Parties to enforce any obligation arising out of, or preserved under, or to remedy any violation of, this Agreement.

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(c) **Remedy for Breach of Covenant.** If any Party violates its respective covenant not to sue or file set forth in Section 10 of this Agreement, this Agreement may be pleaded in bar of any such claim, allegation, demand, suit, action, cause of action, or proceedings, and the Party against whom such claim, allegation, demand, suit, action, cause of action, or proceeding is commenced shall be entitled to injunctive relief, and to recover its reasonable attorneys' fees incurred as a result of such violation from the Part that committed the violation.

12. **No Third Party Release or Discharge.** Nothing in this Agreement (including, without limitation, the releases and the covenants not to sue set forth in Section 11 of this Agreement) is intended, and nothing herein or therein shall be construed, to release or discharge any right or claim against any person or entity other than the Association, the Partnership, the Trustee, and the Klauber Parties with respect to the matters covered by this Agreement.

13. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement, and the signature pages from any counterpart may be appended to any other counterpart to assemble fully-executed counterparts. Counterparts of this Agreement also may be exchanged via electronic facsimile machines, and an electronic facsimile of any party's signature shall be deemed to be an original signature for all purposes.

14. **Effectiveness of Agreement Notwithstanding Lack of Agreement with Colony Lender, BreakPointe, or Field Trust.** The Parties will seek to include Colony Lender, LLC, Breakpointe, LLC and Carolyn L. Field, Trustee of the Carolyn L. Field Family Trust as additional parties to this Agreement. However, in the event that Colony Lender, BreakPointe, or the Field Trust do not agree to become parties to this Agreement, this Agreement shall nevertheless be effective as to the Parties and such of the additional parties who agree to the provisions of this Agreement and this Agreement shall be binding on the Parties that have executed this Agreement or such additional parties who have agreed to be bound by this Agreement.

15. **Entire Agreement.** This Agreement sets forth all of the promises, covenants, agreements, conditions and understandings between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, or conditions, express or implied.

16. **Modification.** The terms of this Agreement shall not be altered, amended, modified or otherwise changed in any respect except by a writing duly executed by all the Parties hereto.

17. **Construction.** Should any provision of this Agreement require interpretation, the Parties agree that the judicial body interpreting or construing such provision shall not apply any assumption that the terms of this Agreement shall be more strictly construed against any Party because of the rule of construction that an instrument is to be construed more strictly against the drafting party, each Party hereby acknowledging and agreeing that all Parties and their respective agents have participated in the preparation of this Agreement.

18. **Successors and Assigns.** The legal rights and obligations of this Agreement are intended to, and shall, inure to the benefit of and be binding upon the signatories to this Agreement and their respective legal representatives, successors, and assigns.

19. **Choice of Law.** This Agreement shall be construed under and governed by federal bankruptcy law and the internal laws of the State of Florida.

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20. **Jurisdiction.** All parties to this Agreement consent to jurisdiction of the Bankruptcy Court for the interpretation and enforcement of this Agreement.

21. **Representations and Warranties.** Subject to entry of the Approval Orders and the vote of the Unit Owners, each of the Parties signing this Agreement represents and warrants for itself to the other Parties hereto that:

(a) it is (where applicable) duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has all requisite power and authority to execute, deliver and perform its obligations under or in connection with this Agreement;

(b) the execution, delivery and performance of this Agreement (i) have been duly authorized by all requisite action, (ii) do not and will not violate any (1) provision of law, statute, rule or regulation applicable to it, or of its constitutive documents, as applicable, (2) order, writ, injunction, decree or regulation of any court, governmental authority or arbitration or alternative dispute resolution tribunal, or (3) indenture, instrument, contract, agreement, arrangement, undertaking, commitment or understanding to which it is or will be a party or by which it or any of its property is or may be bound, and (iii) are not and will not be in conflict with, and will not result in a breach of or constitute (alone or with notice or lapse of time or both) a default under any such indenture, instrument, contract, agreement, arrangement, undertaking, commitment or understanding;

(c) the execution of this Agreement is made with the legal capacity and power required to create a binding and enforceable contract;

(d) this Agreement, at the time of execution and delivery and thereafter, constitutes or will constitute its legal, valid and binding obligation, enforceable against it in accordance with the terms of this Agreement;

(e) no action, consent, or approval of, or registration or filing with, or any other action by, any governmental agency or official, bureau, commission or court is required in connection with its execution, delivery and performance of this Agreement, or for the legality, validity, binding effect or enforceability of this Agreement against it, except as set forth in Section 4 of this Agreement;

(f) this Agreement has been executed and delivered in good faith, pursuant to arms' length negotiations, and for value and valuable consideration;

(g) they are the sole current legal and beneficial owner of the claims released pursuant to this Agreement and they have not assigned, pledged or contracted to assign or pledge any such claim or any portion of such claim to any other person, with the exception of Colony Lender, whose claims will be extinguished on the Closing Date; and

(h) there are no other persons or entities that have any interest in, or entitlement to, the claims released pursuant to this Agreement and no other individuals or entities have made a claim to them for the proceeds of the claims, or any portion thereof, with the exception of Colony Lender, whose claims will be extinguished on the Closing Date.

22. **Costs and Fees.** Each party to this Agreement shall bear its own costs and attorney's fees incurred in connection with the Colony Disputes, and the negotiation, preparation and execution of

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this Agreement and any other agreements or instruments executed in accordance with the terms of this Agreement.

23. **No Admissions; Inadmissibility.** This Agreement, and the settlement it memorializes, is entered into for purposes of compromise, and neither the fact of this Agreement nor any of its provisions shall constitute an admission as to the merit or lack of merit of any claim or defense asserted in the Colony Disputes. Except as expressly provided in this Agreement, nothing contained in this Agreement, no document or communication exchanged by the Parties in the negotiation or furtherance of this Agreement, and no act by the Parties in connection with the negotiation, execution or implementation of this Agreement, shall be construed as an admission or concession by any Party, including without limitation any admission or concession by any Party regarding the existence or non-existence of liability for the Colony Disputes, or any other claims. This Agreement, and the settlement it memorializes, shall not be admissible as evidence by any Party with respect to the claims and defenses asserted in the Colony Disputes, and shall only be admissible to prove and enforce the terms of this Agreement. No Party nor its attorneys or agents may invoke, refer to, rely upon, or use the terms of this Agreement, or any aspect of the negotiation, execution, or implementation of the Agreement, in any litigation, proceeding or forum of any kind or nature whatsoever for the purpose of attempting to establish or prove the acceptance or rejection by any Party of any particular interpretation of any statute, regulation or agreement with respect to any claim. This Agreement, and the settlement it memorializes, shall not be interpreted as, or constitute an admission of any liability or wrongdoing by any party. The Parties are entering into this Agreement solely for the purposes of compromising and resolving certain disputes among them respecting the Colony Disputes in order to avoid further litigation with respect thereto, on the mutual understanding that the substance of the Agreement and any related negotiations or acts of implementation fall within the provisions of Rule 408 of the Federal Rules of Evidence and any similar evidentiary rule or principle that precludes the introduction of evidence regarding settlement negotiations and agreements.

24. **Headings.** The descriptive headings of the paragraphs of this Agreement are inserted for convenience only, do not constitute a part of this Agreement, and shall not affect in any way the meaning or interpretation of this Agreement.

25. **Further Assurances.** Each Party covenants and agrees to execute any and all further agreements, certificates, documents, pleadings and instruments, and to take all further action which may be required under applicable law or which otherwise may be appropriate, in order to effectuate the transactions contemplated by this Agreement. Upon request, each Party agrees to execute such further documents and take such further actions.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto, intending to be legally bound hereby, have caused this Agreement to be executed and delivered as of the day and year first above written.

**COLONY BEACH & TENNIS CLUB
ASSOCIATION, INC.**

By: _____

Name: _____

Title: _____

**WILLIAM MALONEY, AS CHAPTER 7
TRUSTEE FOR COLONY BEACH &
TENNIS CLUB, LTD.**

By: William Maloney

Name: WILLIAM MALONEY

Title: Ch 7 Trustee

COLONY BEACH & TENNIS CLUB, INC.

By: _____

Name: _____

Title: _____

COLONY BEACH, INC.

By: _____

Name: _____

Title: _____

RESORTS MANAGEMENT, INC.

By: _____

Name: _____

Title: _____

EXECUTION COPY

IN WITNESS WHEREOF, the Parties hereto, intending to be legally bound hereby, have caused this Agreement to be executed and delivered as of the day and year first above written.

COLONY BEACH & TENNIS CLUB ASSOCIATION, INC.

By: _____
Name: _____
Title: _____

WILLIAM MALONEY, AS CHAPTER 7 TRUSTEE FOR COLONY BEACH & TENNIS CLUB, LTD.

By: _____
Name: _____
Title: _____

COLONY BEACH & TENNIS CLUB, INC.

By: Murray J Klauber
Name: MURRAY J KLAUBER
Title: President

COLONY BEACH, INC.

By: Murray J Klauber
Name: MURRAY J KLAUBER
Title: President

RESORTS MANAGEMENT, INC.

By: Murray J Klauber
Name: MURRAY J KLAUBER
Title: President

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COLONY INVESTORS, INC.

By: Murray J. Klauber

Name: MURRAY J. KLAUBER

Title: President

DR. MURRAY J. KLAUBER

By: Dr. Murray J. Klauber

Name: DR. MURRAY J. KLAUBER

Title: self

KATHERINE KLAUBER MOUTON

By: _____

Name: _____

Title: _____

INDEX TO EXHIBITS AND SCHEDULES
to
COLONY BEACH AND TENNIS CLUB RESORT
SETTLEMENT AGREEMENT AND MUTUAL RELEASE

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Exhibit "B" -	Rejection Damages Judgment
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Schedule "2" -	Allowed Priority Claims Asserted Against Partnership
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EXHIBIT "A"
TO
COLONY BEACH AND TENNIS CLUB RESORT
SETTLEMENT AGREEMENT AND MUTUAL RELEASE

PARTNERSHIP JUDGMENT

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

In re:

Case No. 8:08-bk-16972-KRM
Chapter 11

COLONY BEACH AND TENNIS CLUB
ASSOCIATION, INC.,

Debtor.

COLONY BEACH & TENNIS CLUB, LTD.,

Plaintiff,

vs.

Adv. Pro. No.: 8:08-ap-00567-KRM

COLONY BEACH AND TENNIS CLUB
ASSOCIATION, INC.,

Defendant.

COLONY BEACH AND TENNIS CLUB
ASSOCIATION, INC.,

Third-Party Plaintiff,

vs.

RESORTS MANAGEMENT, INC., AND
COLONY BEACH & TENNIS CLUB, INC.,

Third-Party Defendants.

FINAL JUDGMENT

THIS PROCEEDING came before the Court to consider the entry of a Final Judgment in this adversary proceeding in accordance with the Colony Beach and Tennis Club Resort Settlement Agreement and Mutual Release (the "**Settlement Agreement**") entered into between the parties effective September 26, 2013, and approved by Orders of this Court entered in (a) the

Chapter 7 case of Plaintiff, Colony Beach & Tennis Club, Ltd. (the “Partnership”), Case No. 8:09-bk-22611-KRM (Bankr. Doc. No. ___); (b) the Chapter 11 cases of Colony Beach and Tennis Club, Inc. (“CBTC”), Case No. 8:13-bk-00348-KRM (Bankr. Doc. No. ___), and Resorts Management, Inc. (“RMI”), Case No. 8:13-bk-00354-KRM (jointly administered with CBTC); and (c) the Chapter 11 case of Colony Beach & Tennis Club Association, Inc. (the “Association”), Case No. 8:08-bk-16972-KRM (Bankr. Doc. No. ___). Accordingly, it is:

ORDERED:

1. The claims of the Partnership seeking recovery of damages against the Association for an alleged breach of (a) an agreement entered into on December 1, 1984 (the “1984 Agreement”) and (b) the Declaration of Condominium, Articles of Incorporation of the Association, and the Bylaws of the Association, asserted in Count I of the Complaint, are granted as provided herein.

2. The Association’s Objection to Claim No. 13 of Colony Beach & Tennis Club, Ltd. is overruled and Claim No. 13 is allowed in the amount of \$2,300,000.00, which William Maloney, as Chapter 7 Trustee for the Partnership, may recover from the Association in accordance with the terms of (a) the Plan of Reorganization Under Chapter 11 of the United States Bankruptcy Code for Colony Beach and Tennis Club Association, Inc. Dated As of February 6, 2009 (Bankr. Doc. No. 101), as modified by (a) the First Modification to the Debtor’s Plan of Reorganization Under Chapter 11 of the United States Bankruptcy Code for Colony Beach and Tennis Club Association, Inc. Dated As of February 6, 2009 (Bankr. Doc. No. 214) and (b) the *ore tenus* modification made at the July 31, 2009 confirmation hearing (as modified, the “Plan”), as confirmed by this Court by orders dated September 25, 2009 and

October 26, 2009 (Bankr. Doc. Nos. 268 and 284) and (b) the Settlement Agreement, as approved by this Court.

3. By agreement of the parties, Claim No. 14 is disallowed in its entirety.

4. The request of the Partnership seeking declaratory relief that the Association is obligated to assess its members for the deficiency amounts of the Partnership for the fiscal year beginning May 1, 2007 (and subsequent years) and to additionally assess its members for the cost of the major work and, on a continuing basis, to maintain The Colony condominium as a “first class resort hotel,” asserted in Count II of the Complaint, is denied as moot.

5. The request of the Partnership seeking temporary and permanent injunctive relief requiring the Association to assess its members for the deficiency amounts of the Partnership for the fiscal year beginning May 1, 2007 and for the costs of the major work required, asserted in Count III of the Complaint, is denied as moot.

6. The request of the Association seeking declaratory relief that the 1984 Agreement is *ultra vires* and invalid, asserted in Count I of the Amended Counterclaim, is denied as moot.

7. The claims of the Association seeking (a) an equitable accounting of the Partnership, asserted in Count II of the Amended Counterclaim, and (b) recovery of damages against the Partnership for breach of the 1984 Agreement, asserted in Count III of the Amended Counterclaim, are denied as moot.

8. The claims of the Association seeking recovery of damages against RMI asserted in (a) Count I of the Amended Third-Party Complaint for breach of fiduciary duty under the 1984 Agreement, (b) Count II of the Amended Third-Party Complaint for breach of contract under the 1984 Agreement, and (c) Count III of the Amended Third-Party Complaint for indemnification under the 1984 Agreement are denied as moot.

9. The claims of the Association seeking recovery of damages against CBTC asserted in (a) Count IV of the Amended Third-Party Complaint for breach of contract under the 1984 Agreement and a management agreement and (b) Count V of the Amended Third-Party Complaint for breach of fiduciary duty under the 1984 Agreement are denied as moot.

10. The Court shall retain jurisdiction to consider entry of an amended final judgment pursuant to, and in accordance with, the Settlement Agreement.

DONE and **ORDERED** in Chambers in Tampa, Florida on _____.

K. RODNEY MAY
United States Bankruptcy Judge

Attorney Jeffrey W. Warren is directed to serve a copy of this order on all interested parties and file a proof of service within 3 days of entry of the order.

EXHIBIT "B"
TO
COLONY BEACH AND TENNIS CLUB RESORT
SETTLEMENT AGREEMENT AND MUTUAL RELEASE

REJECTION DAMAGES JUDGMENT

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

In re:

Case No. 8:08-bk-16972-KRM
Chapter 11

COLONY BEACH AND TENNIS
CLUB ASSOCIATION, INC.,

Debtor.

COLONY BEACH & TENNIS
CLUB ASSOCIATION, INC.,

Plaintiff,

vs.

Adv. Pro. No.: 8:08-ap-00568-KRM

COLONY BEACH & TENNIS CLUB, INC.,
COLONY BEACH, INC., WILLIAM W.
MERRILL, TRUSTEE OF THE WILLIAM W.
MERRILL REVOCABLE TRUST, AND
CAROLYN L. FIELD, TRUSTEE OF THE
CAROLYN L. FIELD FAMILY TRUST,

Defendants.

FINAL JUDGMENT

THIS PROCEEDING came before the Court to consider the entry of a Final Judgment in this adversary proceeding in accordance with the Colony Beach and Tennis Club Resort Settlement Agreement and Mutual Release (the "**Settlement Agreement**") entered into between the parties effective September 26, 2013, and approved by Orders of this Court entered in (a) the Chapter 7 case of Plaintiff, Colony Beach & Tennis Club, Ltd. (the "**Partnership**"), Case No. 8:09-bk-22611-KRM (Bankr. Doc. No. ___); (b) the Chapter 11 cases of Colony Beach and Tennis Club, Inc. ("**CBTC**"), Case No. 8:13-bk-00348-KRM (Bankr. Doc. No. ___), and Colony

Beach, Inc. (“CBI”), Case No. 8:13-bk-00350-KRM (jointly administered with CBTC); and (c) the Chapter 11 case of Colony Beach & Tennis Club Association, Inc. (the “Association”), Case No. 8:08-bk-16972-KRM (Bankr. Doc. No. ___). Accordingly, it is:

ORDERED:

1. The Debtor’s Objections to (a) Claim No. 19 of William W. Merrill, Trustee of the William W. Merrill Revocable Trust, (b) Claim No. 20 of Carolyn L. Field, Trustee of the Carolyn L. Field Family Trust, (c) Claim No. 16 of CBI, and (d) Claim No. 21 of CBTC and CBI are overruled, in part, and sustained, in part, and such Claims are collectively allowed in the amount of \$500,000.00 (the “Allowed Rejection Damages Claim”), which the holders of such claims may recover from the Association in accordance with (a) the terms of the Plan of Reorganization Under Chapter 11 of the United States Bankruptcy Code for Colony Beach and Tennis Club Association, Inc. Dated As of February 6, 2009 (Bankr. Doc. No. 101), as modified by (a) the First Modification to the Debtor’s Plan of Reorganization Under Chapter 11 of the United States Bankruptcy Code for Colony Beach and Tennis Club Association, Inc. Dated As of February 6, 2009 (Bankr. Doc. No. 214) and (b) the *ore tenus* modification made at the July 31, 2009 confirmation hearing (as modified, the “Plan”), as confirmed by this Court by orders dated September 25, 2009 and October 26, 2009 (Bankr. Doc. Nos. 268 and 284) and (b) the Settlement Agreement, as approved by this Court.

2. All payments of the Allowed Rejection Damages Claim shall be paid to the disbursing agent designated in the Order approving the Settlement Agreement and confirming the New Plan as provided in the Settlement Agreement to be allocated among the holders of the claims resolved by this Final Judgment in accordance with such orders of this Court. .

3. The request of the Association seeking declaratory relief that the Recreational Facilities Lease is unconscionable as a matter of law asserted in Count II of the Amended Complaint is denied as moot.

4. The request of the Association seeking declaratory relief that the rent escalation clause contained in the Recreational Facilities Lease is void and unenforceable as a matter of law asserted in Count III of the Amended Complaint is denied as moot.

DONE and **ORDERED** in Chambers in Tampa, Florida on _____.

K. RODNEY MAY
United States Bankruptcy Judge

Attorney Jeffrey W. Warren is directed to serve a copy of this order on all interested parties and file a proof of service within 3 days of entry of the order.

EXHIBIT "C"
TO
COLONY BEACH AND TENNIS CLUB RESORT
SETTLEMENT AGREEMENT AND MUTUAL RELEASE

DEED TO ASSOCIATION

EXHIBIT C

This instrument was prepared
by and should be returned to:
Jeffrey W. Warren, Esquire
Bush Ross, P.A.
Post Office Box 3913
Tampa, FL 33601

*Property Appraiser's Identification Nos.: Parcel 0009-04-1240; Parcel 0009-04-1241; Parcel 0009-04-1242;
Parcel 0009-04-1243; Parcel 0009-04-1245; Parcel 0009-04-1246; Parcel 0009-04-1247; Parcel 0009-04-1248;
Parcel 0009-04-1249; Parcel 0009-04-1250; Parcel 0009-04-1251; and Parcel 0009-04-1222*

QUIT CLAIM DEED

THIS QUIT CLAIM DEED is made and executed the ____ day of _____, 2013, by *Colony Beach, Inc.*, a Florida corporation, whose address is Post Office Box 8130, Longboat Key, Florida 34228, *Colony Beach and Tennis Club, Inc.*, a Florida corporation, whose address is Post Office Box 8130, Longboat Key, Florida 34228, *Colony Investors, Inc.*, a Florida corporation, whose address is Post Office Box 8130, Longboat Key, Florida 34228, and *Dr. Murray J. Klauber*, whose address is Post Office Box 8130, Longboat Key, Florida 34228, as Grantors, and *Colony Beach and Tennis Club Association, Inc.*, a Florida corporation, whose address is 1620 Gulf of Mexico Drive, Longboat Key, Florida 34228, as Grantee.

(Whenever used herein the terms "Grantor" and "Grantee" include all the parties to this instrument and the heirs, legal representatives, successors and assigns of individuals, and the successors and assigns of corporations):

WITNESSETH: That the Grantor, for and in consideration of the sum of \$10.00 and other valuable considerations, receipt of which is hereby acknowledged, by these presents does hereby remise, release, and quit-claim unto the Grantee, all the right, title, interest, claim and demand which the Grantor has in and to that certain land situate in Sarasota County, Florida (the "Property"), to-wit:

See Exhibit A attached hereto and incorporated by reference herein.

TO HAVE AND TO HOLD, the same together with all and singular the appurtenances thereunto belonging or in anywise appertaining, and all the estate, right, title, interest, lien, equity and claim whatsoever of the said Grantor, either in law or equity, to the only proper use and benefit of said Grantee forever.

[Signatures to follow on next page]

EXECUTED as of the date first stated.

Signed and delivered
in the presence of:

COLONY BEACH, INC.

Print Name: _____

By: _____

Print Name: _____

Name: _____

Title: _____

STATE OF FLORIDA

COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 2013,
by _____, who is: ___ personally known to me or ___ who has produced
_____ as identification (check one).

Name: _____
NOTARY PUBLIC
Commission Number: _____
Commission Expiration Date: _____

EXECUTED as of the date first stated.

Signed and delivered
in the presence of:

COLONY BEACH AND TENNIS CLUB, INC.

Print Name: _____

By: _____

Print Name: _____

Name: _____

Title: _____

STATE OF FLORIDA

COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 2013,
by _____, who is: ___ personally known to me or ___ who has produced
_____ as identification (check one).

Name: _____

NOTARY PUBLIC

Commission Number: _____

Commission Expiration Date: _____

EXECUTED as of the date first stated.

Signed and delivered
in the presence of:

DR. MURRAY J. KLAUBER

Dr. Murray J. Klauber

Print Name: _____

Print Name: _____

STATE OF FLORIDA

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2013,
by Dr. Murray J. Klauber, who is: ___ personally known to me or ___ who has produced
_____ as identification (check one).

Name: _____
NOTARY PUBLIC
Commission Number: _____
Commission Expiration Date: _____

EXECUTED as of the date first stated.

Signed and delivered
in the presence of:

COLONY INVESTORS, INC.

Print Name: _____

By: _____

Name: _____

Print Name: _____

Title: _____

STATE OF FLORIDA

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2013,
by _____, who is: ___ personally known to me or ___ who has produced
_____ as identification (check one).

Name: _____

NOTARY PUBLIC

Commission Number: _____

Commission Expiration Date: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF REAL PROPERTY

PARCEL 1:

Parcel A

Begin at a point on the North line of U.S. Government Lot 4 in Section 17, Township 36 South, Range 17 East, Sarasota County, Florida, 613.5 feet West of the Northeast corner of said Lot 4, said point being in the center of the John Ringling Parkway pavement; thence South 46 deg West 996.0 feet; thence South 44 deg East, 364.68 feet; thence North 46 deg East, 46.03 feet to the principal PLACE OF BEGINNING; thence along the arc of a curve deflecting left an arc distance of 148.35 feet; thence chord of which bears South 31 deg 49 min 36 sec East, a chord distance of 120.63 feet, said curve having a radius of 68.00 feet; thence along the arc of a curve deflecting to the left an arc distance of 87.65 feet, the chord of which bears North 4 deg 28 min 24 sec East, a chord distance of 61.24 feet; said curve having a radius of 31.00 feet; thence along the arc of a curve deflecting to the right an arc distance of 49.43 feet, the chord which of bears North 47 deg 01 min 36 sec West, a chord distance of 47.27 feet; said curve having a radius of 48.00 feet; thence North 74 deg 31 min 36 sec West, 36.46 feet to the principal PLACE OF BEGINNING.

Parcel B

Begin at a point on the North line of U.S. Government Lot 4 in Section 17, Township 36 South, Range 17 East, Sarasota County, Florida, 613.5 feet West of the Northeast corner of said Lot 4, said point being in the center of the John Ringling Parkway pavement; thence South 46 deg West, 50.00 feet to the West right-of-way line of said Parkway (Gulf of Mexico Drive); thence South 44 deg East, 590.00 feet along the West right-of-way line of said Parkway (Gulf of Mexico Drive) to the principal PLACE OF BEGINNING; thence South 46 deg West, 165.00 feet; thence South 44 deg East, 190.00 feet; thence North 46 deg East, 165.00 feet; thence North 44 deg West, 190.00 feet to the principal PLACE OF BEGINNING.

Parcel C

Begin on the North line of U.S. Government Lot 4 in Section 17, Township 36 South, Range 17 East, Sarasota County, Florida, 613.5 feet West of the Northeast corner of said Lot 4, said point being in the center of the John Ringling Parkway pavement; thence South 46 deg West, 50.00 feet to the West right-of-way line of said parkway (Gulf of Mexico Drive); thence South 44 deg East, 155.00 feet along the West right-of-way line of said Parkway (Gulf of Mexico Drive); thence South 46 deg West, 120.91 feet; thence South 44 deg East, 65.00 feet; thence South 46 deg West, 90.93 feet; thence South 44 deg East, 62.00 feet; thence South 46 deg West, 50.00 feet to the principal PLACE OF BEGINNING; thence continuing South 46 deg West, 325.00 feet; thence North 44 deg West, 20.00 feet; thence South 46 deg West, 60.00 feet; thence South 44

deg East, 159.00 feet; thence North 46 deg East, 60.00 feet; thence North 44 deg West, 20.00 feet; thence North 46 deg East, 325.00 feet; thence North 44 deg West, 119.00 feet to the principal PLACE OF BEGINNING.

Parcel D

Begin at a point on the North line of Government Lot 4 in Section 17, Township 36 South, Range 17 East, Sarasota County, Florida, 613.5 feet West of the Northeast corner of said Lot 4, said point being in the center of the John Ringling Parkway pavement; thence South 46 deg West, 50.00 feet to the West right-of-way line of said Parkway (Gulf of Mexico Drive); thence South 44 deg East, 155.00 feet along the West right-of-way line of said Parkway (Gulf of Mexico Drive) to the principal PLACE OF BEGINNING; thence South 46 deg West, 120.91 feet; thence South 44 deg East, 65.00 feet; thence South 46 deg West, 90.93 feet; thence South 44 deg East, 245.00 feet; thence North 46 East, 90.93 feet; thence North 44 deg West, 65.00 feet; thence North 46 deg East, 120.91 feet to a point on the West right-of-way line of said Parkway (Gulf of Mexico Drive); thence North 44 deg West, 245.00 feet to the principal PLACE OF BEGINNING

Parcel E

Locker Room Unit B and Meeting Room and Club House Unit D of COLONY BEACH & TENNIS CLUB, a Condominium according to the Declaration thereof recorded in Official Records Book 1025, Pages 200 through 277, inclusive, and as per Condominium Plat Book 7, Pages 12 through 12F, inclusive, public records of Sarasota County, Florida, together with all appurtenances thereto.

PARCEL 2:

Unit A, also known as Bar and Restaurant of COLONY BEACH & TENNIS CLUB, a Condominium according to the Declaration thereof recorded in Official Records Book 1025, Pages 200 through 277, inclusive, and as per Condominium Plat Book 7, Pages 12 through 12F, inclusive, and amendments thereto, public records of Sarasota County, Florida.

PARCEL 3

Penthouse Unit 501 of COLONY BEACH & TENNIS CLUB, a Condominium according to the Declaration thereof recorded in Official Records Book 1025, Pages 200 through 277, inclusive, and as per Condominium Plat Book 7, Pages 12 through 12F, inclusive, and amendments thereto, public records of Sarasota County, Florida.

PARCEL 4

Units F and G of COLONY BEACH & TENNIS CLUB, a Condominium according to the Declaration thereof recorded in Official Records Book 1025, Pages 200 through 277, inclusive, and as per Condominium Plat Book 7, Pages 12 through 12F, inclusive, and amendments thereto, public records of Sarasota County, Florida.

PARCEL 5

Pro Shop Unit C and Food & Beverage Service Unit E and any and all other condominium units and all other real estate interests at COLONY BEACH & TENNIS CLUB, a Condominium according to the Declaration thereof recorded in Official Records Book 1025, Pages 200 through 277, inclusive, and as per Condominium Plat Book 7, Pages 12 through 12F, inclusive, public records of Sarasota County, Florida, together with all appurtenances thereto.

Each of the above-described parcels together with all the improvements now or hereafter erected on such property and all fixtures now or hereafter attached thereto, together with each and every tenements, hereditaments, easements, rights, powers, privileges, immunities and appurtenances thereunto belonging or in anywise appertaining and the reversion and reversions, remainder and remainders, and also all the estate, right, title, interest, homestead, right of dower, separate estate, property, possession and claim whatsoever in law as well as in equity of any mortgagor of, in and to the same in every part and parcel there of unto mortgagee in fee simple.

EXHIBIT "D"
TO
COLONY BEACH AND TENNIS CLUB RESORT
SETTLEMENT AGREEMENT AND MUTUAL RELEASE

KLAUBER ENTITY NOTE

INTEREST BEARING SECURED PROMISSORY NOTE

\$300,000.00

Date of Execution: _____, 2013

Place of Execution: _____

FOR VALUE RECEIVED, the undersigned (the "Maker") hereby promises to pay to the order of [NAME OF DISBURSING AGENT UNDER NEW PLAN], its successors or assigns (collectively, the "Holder"), whose address is _____, the principal amount of THREE HUNDRED THOUSAND AND NO/100 DOLLARS (\$300,000.00) (the "Principal Amount"), with interest thereon, in accordance with the following terms and conditions:

1. The rate of interest accruing on the Principal Amount of this note (the "Note") outstanding from time to time shall be a fixed rate of interest equal to six percent (6%) per annum. Interest shall begin to accrue on the Date of Execution.

2. The principal and interest shall be payable in lawful money of the United States of America at the Holder's address written above, or at such other place as Holder may designate in writing, as follows:

The entire Principal Amount of this Note, together with interest accruing thereon at an annual rate of six percent (6%) shall be payable in twenty (20) equal installments, each of SEVENTEEN THOUSAND TWO HUNDRED EIGHT AND 70/100 DOLLARS (\$17,208.70), commencing on _____, 2014 and continuing quarterly thereafter through _____, 2019 (the "Maturity Date"), all in accordance with the amortization schedule attached hereto as Schedule A.

3. The Maker shall have the privilege and option, without penalty or forfeiture, to pay the remaining principal amount of this Note less a ten percent (10%) discount at any time prior to the Maturity Date, together with accrued interest outstanding on the remaining principal through the date of payment.

4. A default under this Note shall be and constitute a default under any and all other notes or other evidences of indebtedness and any instruments of security in which Maker is liable and of which Holder is the holder. A default under any and all other note(s) or other evidence(s) of indebtedness or other mortgages encumbering the Security or any instruments of security in which Maker is liable shall also constitute a default under this Note.

5. If (a) default be made in the payment of any installment due under this Note, and such default continues for a period of thirty (30) days from the date when due, (b) default be made under any of the terms or conditions of the Mortgage, and such default continues for a period of thirty (30) days after written notice from Holder of such default, (c) default be made in the payment or performance by Maker of any and all other liabilities or evidences of indebtedness or instruments of security in which the Maker is liable and which are held by the Holder, whether now existing or hereafter incurred, or (d) all or any part of the Security is sold or

transferred without Holder's prior written consent, the entire principal sum and any accrued interest shall immediately become due and payable without notice, at the option of Holder. Failure to exercise this option shall not constitute a waiver of the right to exercise the same at any other time. Upon such default, the principal of the Note and any part thereof, and accrued and unpaid interest, if any, shall bear interest at the highest legal rate permissible under applicable law. All parties liable for the payment of this Note agree to pay Holder its reasonable attorney's fee for the services and expenses of counsel employed after maturity or default to collect this Note (including any trials, appeals, bankruptcy proceedings or administrative matters relating to such enforcement proceedings), or to protect or enforce the security hereto, whether or not suit be brought.

6. As used herein, the words "Maker" and "Holder" shall be deemed to include Maker and Holder as defined herein and their respective heirs, personal representatives, successors and assigns.

7. This Note is executed and delivered at the Place of Execution and shall be construed and enforced in accordance with the laws of the State of Florida.

Colony Beach and Tennis Club Association, Inc.

By: _____
Its: _____

SCHEDULE A

[to be provided prior to Closing Date]

EXHIBIT "E"
TO
COLONY BEACH AND TENNIS CLUB RESORT
SETTLEMENT AGREEMENT AND MUTUAL RELEASE

KLAUBER FAMILY CONSULTING AGREEMENT

CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT (the "**Consulting Agreement**"), made and entered into this ____ day of _____ 2014 by and between COLONY BEACH & TENNIS CLUB ASSOCIATION, INC. (the "**Company**"), _____ (the "**Development Partner**"), and COLONY INVESTORS, INC. ("**Consultant**").

BACKGROUND INFORMATION

The Company desires to engage the Consultant to perform certain services in accordance with this Consulting Agreement. The Consultant desires to provide such services in accordance with this Consulting Agreement. Accordingly, for valuable considerations and the mutual benefits which will accrue to the parties, the parties agree as follows:

OPERATIVE PROVISIONS

1. **Services.** The Consultant shall consult with the Company and the Development Partner regarding development, design, operations, personnel, marketing, and concept development and strategic business planning with respect to the redevelopment of the Colony Beach & Tennis Club (the "**Project**"), as a four-star condominium resort hotel, located at 1620 Gulf of Mexico Drive, Longboat Key, Sarasota County, Florida (the "**Resort**") at the appropriate times as determined by the parties. In addition, the Consultant agrees to fully support and assist the Company and the Development Partner with respect to all zoning and development approvals, with the Town of Longboat Key, Florida (the "**Town**") or otherwise, necessary and appropriate to achieve an overall success of the Resort. The Consultant will also meet with the Company's Board of Directors and representatives of the Development Partner, from time to time, for providing input on the Resort's progress and direction.

2. **Term.** The term of this Consulting Agreement shall commence upon execution (the "**Execution Date**") and remain in full force and effect until it expires automatically at the end of the fifth anniversary after the Commencement Date, as defined below (the "**Term**").

3. **Compensation.** The aggregate amount of compensation to be paid by the Company to the Consultant (the "**Consulting Obligation**") will be Two Million Nine Hundred Fifty Thousand and 00/100 Dollars (\$2,950,000.00), which will include (a) a payment of Five Hundred Thousand and 00/100 Dollars (\$500,000.00) to be paid on the Closing Date¹ (the "**Advance Payment**") and (b) Two Million Four Hundred and Fifty Thousand and 00/100 Dollars (\$2,450,000.00) to be paid on terms consistent with the Association's Plan (over 5 years in quarterly installments at 6% interest) beginning on the earlier of the date the Town approves the plans and specifications for the Project and construction of the Project commences or the date that is six months from the Closing Date (the "**Commencement Date**"); provided, however, that a third party approved by the Company may satisfy the Consulting Obligation for an immediate cash payment to Consultant equal to the remaining principal amount of the Consulting

¹ Capitalized terms used in this Consulting Agreement, and not otherwise defined, shall have the meanings ascribed to them in that certain Colony Beach and Tennis Club Resort Settlement Agreement and Mutual Release dated September 26, 2013.

Obligation, with a discount of 10% of the unpaid balance, at any time. To secure the payment of the Consulting Obligation, on the Closing Date, the Company shall secure the Consulting Obligation by collateral reasonably acceptable to Consultant. The Company shall also pay the Consultant's its pre-approved out-of-pocket expenses which are reasonable and necessary for the performance of the work contemplated by this Consulting Agreement and supported by appropriate documentation.

4. Confidentiality and Conflict of Interest.

(a) During or after the expiration of this Consulting Agreement, the Consultant shall not communicate or divulge to, or use for the benefit of, any individual, association, partnership, trust, corporation or other entity except the Company, any proprietary information of the Company received by the Consultant by virtue of performing its duties under this Consulting Agreement, without first being in receipt of the Company's written consent to do so.

(b) The restrictions on the Consultant's disclosure of the Company's proprietary information set out herein do not apply to such information which (i) is now, or which hereafter, through no act or failure to act on the part of the Consultant, becomes generally known or available to the public; or (ii) is required to be disclosed by a court of competent jurisdiction or by an administrative or quasi-judicial body having jurisdiction over the subject matter after the Consultant has given the Company reasonable prior notice of such disclosure requirement.

(c) The Consultant agrees that, during the term of this Agreement, it shall not, directly or indirectly, be engaged by any competitor of the Company in the resort hotel industry. The Consultant further agrees that, during the term of this Agreement, the Consultant shall not, directly or indirectly, solicit or hire any employee of the Resort. Those employees who directly worked for the Consultant prior to being employed by the Company or those persons employed by the Resort on a temporary basis at the direction of the Consultant shall not be restricted for hire by the Consultant at anytime.

5. Independent Contractor. It is mutually understood and agreed between the parties that, in doing work under the provisions of this Consulting Agreement, the Consultant shall act as independent contractors and not as agents or employees of the Company or the Development Partner. The means and methods employed for performing any of the work under this Consulting Agreement shall be at the option of the Consultant subject to the provisions of this Consulting Agreement. The Company shall have no liability for and the Consultant agree that it is responsible for the payment of all required Federal taxes pursuant to the Federal Insurance Contributions Act, the Social Security Act, the Federal Unemployment Tax Act, and all income tax withholding. Further the parties agree that the Company shall not provide any employee benefits to the Consultant pursuant to any federal or state law or regulation.

6. Termination.

(a) The Consultant can terminate the Consulting Agreement if the Company has failed to pay the compensation set forth in Section 3 of this Consulting Agreement and such

failure continues for fifteen (15) days after the date that the Consultant has provided written notice of such default to the Company without the Company curing such default. If the Consultant terminates this Consulting Agreement pursuant to this Section 6(a), then the compensation payable to the Consultant for the balance of the Term of this Consulting Agreement shall be immediately due and payable.

(b) The Company can terminate the Consulting Agreement if the Consultant willfully refuses to perform the services described in Section 1 or materially breaches the obligations under Section 4 of this Consulting Agreement and such failure continues for fifteen (15) days after the date that the Company has provided written notice of such default to the Consultant without the Consultant curing such default. Death or disability of Dr. Klauber and/or Ms. Moulton shall not be a breach of this Agreement, nor shall same provide a right to terminate the Consulting Agreement or reduce in any way the payment obligations to Consultant.

(c) The Company can terminate the Consulting Agreement if Dr. Murray J. Klauber, Jr. ("Dr. Klauber") or Katherine Klauber Moulton ("Ms. Moulton") fail to perform or breach the obligations required of them under the Colony Beach and Tennis Club Resort Settlement Agreement and Mutual Release made and entered into on September 3, 2013 and such failure continues for fifteen (15) days after the date that the Company has provided written notice of such default to the Consultant without the Consultant causing a cure of such default. . If the Company terminates this Consulting Agreement pursuant to Section 6(b) or Section 6(c), then no further compensation shall be payable to Consultant.

7. Notices. All notices or other communications required or permitted to be given pursuant to this Consulting Agreement shall be in writing and shall be made by: (a) certified mail, return receipt requested; (b) Federal Express, Express Mail, or similar overnight delivery or courier service; or (c) delivery (in person or by facsimile or similar telecommunication transmission) to the party to whom it is to be given, to the following addresses or to such other address as any party hereto may have designated by written notice forwarded to the other party in accordance with the provisions of this Section 7;

If to the Company: Colony Beach and Tennis Club Association, Inc.
1620 Gulf of Mexico Drive
Longboat Key, Florida 34228
Attention: Jay Yablon, President

with a copy to: Jeffrey W. Warren, Esq.
Bush Ross, P.A.
1801 N. Highland Avenue
Tampa, Florida 33602

If to the Consultant: Colony Investors, Inc.
c/o Dr. Murray J. Klauber
Post Office Box 8130
Longboat Key, Florida 34228

with a copy to: Katherine Klauber Moulton

316 West Flamingo Drive
Sarasota, Florida 34236

And

Charles J. Bartlett, Esq.
Icard, Merrill, Cullis, Timm, Furen & Ginsburg, P.A.
2033 Main Street, Suite 600
Sarasota, Florida 34237

If to the Development
Partner:

With a copy to:

Any notice or other communication given by certified mail shall be deemed given at the time of certification thereof, except for a notice changing a party's address which shall be deemed given at the time of receipt thereof. Any notice given by other means permitted by this Section 7 shall be deemed given at the time of receipt thereof.

8. Assignment.

(a) The Consultant agrees that it will not sell, assign, or transfer this Consulting Agreement or any part thereof or interest therein, except to an entity owned by members of the Klauber family, either by power of attorney or otherwise and that any such sale, assignment, transfer or subletting shall give the Company the right to immediately cancel the remaining Term of this Consulting Agreement.

(b) At any time, the Company may replace the Consultant with a third party for an immediate cash payment to the Consultant equal to the remaining compensation due for the Term of this Consulting Agreement with a discount of ten percent (10%) of the unpaid balance.

9. Amendments. No amendment of this Consulting Agreement shall be valid unless the same is made in accordance with the provisions of this Consulting Agreement and by an instrument in writing signed by the Company and by the Consultant; and in case of any such alteration or amendment, so much of this Consulting Agreement as is not necessarily thereby changed shall remain in force; and no act or conduct of either party shall be held to operate as a waiver of any provision or provisions of this Consulting Agreement unless in the form of a writing signed by the party against which it is asserted.

10. **Work Product.** All documents or any other materials prepared by or used by the Consultant specifically for the Company arising out of the performance of the services under this Consulting Agreement, shall be owned by Company as and when produced, and the Consultant shall not be entitled to use such work product for any other purpose without the express written consent of the Company.

The Company, the Development Partner, and Consultant have caused this instrument to be executed as of the date first written above.

**COLONY BEACH & TENNIS CLUB
ASSOCIATION, INC.**

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

COLONY INVESTORS, INC.

By: _____

Name: _____

Title: _____

SCHEDULE "1"
TO
COLONY BEACH AND TENNIS CLUB RESORT
SETTLEMENT AGREEMENT AND MUTUAL RELEASE

PERMITTED ENCUMBRANCES

PERMITTED ENCUMBRANCES

SUBJECT TO:

1. Defects, liens, encumbrances, adverse claims or other matters, if created, first appearing in the Public Records or attaching subsequent to the effective date hereof.
2. Rights or claims of parties in possession not shown by the Public Records.
3. Easements or claim or easements, not shown by the Public Records.
4. Encroachments, overlaps, boundary line disputes and other matters which could be disclosed by an accurate survey and inspection of the premises.
5. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records.
6. Utility Easement in favor of Florida Power and Light Company, a Florida corporation, recorded in Deed Book 91, Page 245, Public Records Sarasota County, Florida.
7. Deed Restrictions as set forth and contained in that certain Warranty Deed recorded August 26, 1963 in Official Records Book 438, Page 851, Public Records Sarasota County, Florida.
8. Easement Deed in favor of Longboat Utility Company, Inc., a Florida corporation, recorded March 31, 1966 in Official Records Book 572, Page 541, Public Records Sarasota County, Florida.
9. Easement Deed in favor of the Town of Longboat Key, a municipal corporation of the State of Florida, recorded October 12, 1973 in Official Records Book 1019, Page 1659, Public Records Sarasota County, Florida.
10. Terms, conditions, covenants, restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin), easements, master agreements, reservations, leases, rules, bylaws, assessments and other provisions which may be contained in and established by the Declaration of Condominium of Colony Beach & Tennis Club, A Condominium Resort Hotel, recorded November 30, 2003 in Official Records Book 1025, Page 200; as amended by Amendment to the Declaration of Condominium of Colony Beach & Tennis Club, A Condominium Resort Hotel, recorded December 8, 1980 in Official Records Book 1409, Page 1844; Amendment to the Declaration of Condominium of Colony Beach & Tennis Club, A Condominium Resort Hotel, recorded November 19, 1981 in Official Records Book 1478, Page 145; Amendment to By-Laws of Colony Beach & Tennis Club Association, Inc., recorded April 3, 1996 in Official Records Book 2837, Page 1341; Amendment to Bylaws of Colony Beach & Tennis Club Association, Inc. recorded May 29, 2008 in Official Records Instrument #2008073613; Amendment to Bylaws of Colony Beach & Tennis Club Association, Inc. recorded June 4, 2008 in Official Records Instrument #2008076978, all of the Public Records County, Florida. (Note: The Right of First Refusal has expired by its own terms as set forth in said declaration)
11. Terms, conditions and provisions of that certain Recreational Facilities Lease as shown under Exhibit "D" of that certain Declaration of Condominium of Colony Beach & Tennis Club, A Condominium Resort Hotel, recorded November 30, 2003 in Official Records Book 1025, Page 200; as affected by Assignment of Lessor's Interest Under Recreational Facilities Lease recorded April 8, 1974 in

Official Records Book 1038, Page 557; Assignment of Lessor's Interest Under Recreational Facilities Lease recorded April 8, 1974 in Official Records Book 1038, Page 595; Partial Assignment of Lessor's Interest Under Recreational Facilities Lease recorded July 9, 1974 in Official Records Book 1048, Page 1921; Assignment of Lessor's Interest Under Recreational Facilities Lease recorded November 17, 1975 in Official Records Book 1098, Page 702; Agreement recorded February 9, 1982 in Official Records Book 1494, Page 774; Amendment to Recreational Facilities Lease recorded February 9, 1982 in Official Records Book 1494, Page 777; as affected by Quit Claim Deed and Assignment recorded December 21, 1983 in Official Records Book 1641, Page 1782; Assignment and Assumption of Recreational Facilities Lease recorded February 10, 1988 in Official Records Book 2008, Page 1693; Assignment and Assumption of Recreational Facilities Lease recorded April 18, 1991 in Official Records Book 2290, Page 1628, all of the Public Records Sarasota County, Florida.

12. Such statement of facts, including easements and the right of ingress and egress, as show and set forth in Condominium Plat Book 7, Page 12, et seq., together with any additions and amendments as may be made from time to time.
13. Easement in favor of Florida Power & Light Company, a Florida corporation, recorded May 23, 1975 in Official Records Book 1079, Page 1647, Public Records Sarasota County, Florida.
14. Easement by and between Colony Beach, Inc., a Florida corporation, and W. W. Merrill, as trustee, recorded January 6, 1977 in Official Records Book 1152, Page 1523, Public Records Sarasota County, Florida.
15. Agreement by and between Colony Beach, Inc., a Florida corporation, and W. W. Merrill, as trustee, recorded January 6, 1977 in Official Records Book 1152, Page 1529, Public Records Sarasota County, Florida.
16. Grant of Easement in favor of Storer Cable TV of Florida, Inc., recorded March 30, 1990 in Official Records Book 2198, Page 2573, Public Records Sarasota County, Florida.
17. Board of Trustees of the Internal Improvement Trust Fund of the State of Florida, Resolution, recorded February 24, 1993 in Official Records Book 2482, Page 609, Public Records Sarasota County, Florida.
18. Coastal Construction Setback/Control Line as recorded September 12, 1978 in Official Records Book 1258, Page 2048; and March 2, 1989 in Official Records Book 2102, Page 2632, all of the Public Records Sarasota County, Florida; and if the subject property abuts the mean highwater line of the Gulf of Mexico, Atlantic Ocean, or the Straits of Florida, the right to use such property may be affected by the provisions of sections 161.052 and 161.053, Florida Statutes.
19. Subject to the undivided interest of the Unit Owners in and to the common elements.

SCHEDULE "2"
TO
COLONY BEACH AND TENNIS CLUB RESORT
SETTLEMENT AGREEMENT AND MUTUAL RELEASE

ALLOWED PRIORITY
CLAIMS ASSERTED AGAINST PARTNERSHIP

Colony Beach and Tennis Club Resort
Settlement Agreement
Schedule Z
Partnership Priority Claims

	<u>Claim No.</u>	<u>Claimant</u>	<u>Priority Amount</u>
503(b) Claims			
Chapter 7		William Maloney, Trustee	\$ 92,250.00 (est.)
		Bill Maloney, Consultant (not filed)	\$ 30,966.00
		Berger Singerman (not filed)	\$ 75,000.00 (est.)
		Trenam Kemker (not filed)	\$ 113,000.00 (est.)
Chapter 11		Postpetition Sales & Tourist Development Tax (April 2010 M.O.R.)	\$ 45,638.08
		Tencon (Doc. 460)	\$ 45,000.00
		Town of Longboat Key (Doc. 497)	\$ 33,592.82
		Trenam Kemker (Doc. 280)(10/5/09-2/19/10)	\$ 178,887.36
		Trenam Kemker (Doc. 437)(2/20/10-12/16/10)	\$ 147,006.66
		Icard Merrill (Doc. 431)	\$ 32,714.94
124		Icard Merrill	\$ 126,317.01
		Icard Merrill	\$ 388,528.44
		Field & Breakpointe, LLC (493)	\$ 50,000.00
		Pre-conversion wages (374)	\$ 27,145.28
		Katie Moulton (Doc. 476)	\$ 77,609.96
		Bill Maloney, Chapter 11 Trustee (not filed)	\$ 70,000.00 (est.)
		Berger Singerman (not filed)	\$ 35,585.00 (est.)
507(a)(4) Claims		Employee Wage Claims*	\$ 76,762.46
		* Aggregate of filed and scheduled claims, unsecured employee wage claims treated as priority	
507(a)(7) Claims		Guest Deposit Claims**	\$ 254,186.25
		** Aggregate of filed and scheduled claims, unsecured guest deposit claims treated as priority	
507(a)(8) Claims		Town of Longboat Key (filed as secured claim, treated as priority)	\$ 50,904.78
	103	Sarasota Tax Collector (filed as secured claim, treated as priority)	\$ 22,051.25
	377	Sarasota Tax Collector	\$ 32,984.39
	378	Sarasota Tax Collector	\$ 10,417.24
	382	Sarasota Tax Collector	\$ 287.93
	383	Sarasota Tax Collector	\$ 91,982.09
	104	Florida Department of Revenue	\$ 18,621.24
	39	Internal Revenue Services	\$ 1,323.86
		Other scheduled 507(a)(8) claims	
		Total	\$ 2,128,763.04

SCHEDULE "3"
TO
COLONY BEACH AND TENNIS CLUB RESORT
SETTLEMENT AGREEMENT AND MUTUAL RELEASE

ALLOWED UNSECURED NON-PRIORITY
CLAIMS ASSERTED AGAINST PARTNERSHIP

Colony Beach and Tennis Club Resort
Settlement Agreement
Schedule 3
Partnership Unsecured Claims

<u>Claim No.</u>	<u>Claimant</u>	<u>Priority</u>	<u>Amount</u>
3	Micros Systems, Inc.	\$	17,947.74
4	Garber's Travel Services, Inc.	\$	1,541.79
6	Vocus	\$	9,813.25
8	Golf Coast Golf Cars, Inc.	\$	218.37
9	Sarasota Convention & Vistors Bureau	\$	3,675.00
14	American Express Travel Related Services Co., Inc.	\$	4,880.21
22	SUBTOTAL Compliance Network	\$	260.00
25	Crothers, William	\$	10,000.00
27	TECO	\$	1,571.96
32	Waste Management	\$	7,170.09
35	Burrelles, Luce	\$	838.99
43	Moulton, Katherine & Michael	\$	20,000.00
45	CIT Technology Financing Services, Inc.	\$	15,444.81
47	Idearc Media (f/k/a Verizon Directories)	\$	19.50
48	Idearc Media (f/k/a Verizon Directories)	\$	3,118.65
53	Florida Power & Light Co.	\$	48,187.37
56	Byers, Ken	\$	50,000.00
58	CIT Technology Financing Services, Inc.	\$	5,593.84
60	Citibank South Dakota NA	\$	419.83
61	Orchid Mania	\$	85.00
72	HD Supply Facilities Maintenance	\$	1,446.42
75	Swift, Jon F.	\$	2,720.00
76	XPEDX-Tampa	\$	40,217.90
78	Marlin Leasing Corp.	\$	2,402.35
79	Marlin Leasing Corp.	\$	10,039.08
80	Marlin Leasing Corp.	\$	31,462.79
81	Ready Care Industries	\$	106.25
82	Hill Manufacturing Co., Inc.	\$	436.18
94	Guardian Insurance	\$	5,569.48
100	Tropex Plant Services & Leasing	\$	567.00
107	Squires Sanders & Dempsey LLP	\$	147,686.55
109	AT&T Services, Inc.	\$	11,171.67
111	FEDEX Customer Information Services	\$	1,085.60
112	Travel Click Inc.	\$	7,948.55
122	Hearst Magazines	\$	4,851.00
123	Longboat Hardware	\$	206.95
128	Graybar Electric Company	\$	624.35
135	American Express Travel Related Services Co., Inc.	\$	91,271.75
139	Tencon Beach Association	\$	27,384.75
140	Dodge's Money Center	\$	424.34

Colony Beach and Tennis Club Resort
Settlement Agreement
Schedule 3
Partnership Unsecured Claims

<u>Claim No.</u>	<u>Claimant</u>	<u>Priority</u>	<u>Amount</u>
141	Great-West Life & Annuity Ins. Co.	\$	58,444.33
142	Comcast of West Florida, Inc.	\$	12,351.42
151	SimplexGrinnell	\$	319.19
152	American Associated Cos., Inc.	\$	8,107.34
183	Guardian Life Insurance Co.	\$	5,569.48
384	Kunkel Miller & Hament	\$	6,058.94
387	Laundry Plus	\$	7,259.68
389	ALSCO	\$	2,342.49
394	Leba Zaborny	\$	617.40
397	Kings Wholesale	\$	300.70
402	SYSCO	\$	2,880.76
403	Pak-Rite Rentals, Inc.	\$	6,790.00
413	Friendly Pool Service	\$	759.00
415	David A. Branson	\$	5,549.91
Sch. F	Green Traurig	\$	199,387.15
Sch. F	AAA Travel Agency	\$	92.00
Sch. F	ACC Business	\$	7,637.82
Sch. F	Air Waves Travel, Inc.	\$	130.00
Sch. F	All Appliance Parts	\$	94.42
Sch. F	American Tours International	\$	64.00
Sch. F	Arrow Environmental Svcs.	\$	292.25
Sch. F	AT&T	\$	66.05
Sch. F	AT&T Teleconference	\$	108.75
Sch. F	BCD Travel	\$	30.00
Sch. F	Beverly Clark	\$	895.00
Sch. F	Carlson Wagonlit	\$	758.00
Sch. F	Certegy Check Services	\$	150.00
Sch. F	Charter Voyages	\$	222.80
Sch. F	Cherry Bekaert & Holland	\$	18,000.00
Sch. F	Cintas Corporation	\$	786.06
Sch. F	Citizens	\$	3,736.93
Sch. F	Coast 2 Coast	\$	59.60
Sch. F	Corporate Connection A/V, Inc.	\$	336.20
Sch. F	Cortez Floral Company	\$	228.47
Sch. F	Covenant Admin. Servcs.	\$	422.29
Sch. F	CSC OPS, LLC	\$	262.00
Sch. F	Dex Imaging, Inc.	\$	5,254.31
Sch. F	Diane Horowitz Travel	\$	240.00
Sch. F	Edward Don & Company	\$	51.90
Sch. F	eROI, Inc.	\$	2,085.13

Colony Beach and Tennis Club Resort
Settlement Agreement
Schedule 3
Partnership Unsecured Claims

<u>Claim No.</u>	<u>Claimant</u>	<u>Priority</u>	<u>Amount</u>
Sch. F	Evolution Salon Source	\$	203.16
Sch. F	ExpertPay Finance	\$	575.93
Sch. F	FDOR Child Support	\$	76.00
Sch. F	Fishkind & Associates, Inc.	\$	36,822.62
Sch. F	Flat Iron Capital	\$	14,586.22
Sch. F	Floor Care Solutions	\$	89.00
Sch. F	Florida Laundry Solutions, LLC	\$	647.36
Sch. F	Food & Wine-American	\$	4,206.00
Sch. F	Food Network Magazine	\$	4,851.00
Sch. F	FPL Energy Services	\$	3,135.03
Sch. F	Garber's Travel Service	\$	1,389.00
Sch. F	GE Capital	\$	1,169.49
Sch. F	Great West Healthcare	\$	41,833.62
Sch. F	Hasler Financial Services	\$	826.48
Sch. F	Hideaway International, Inc.	\$	641.25
Sch. F	ING Life Insurance and Annuity Company	\$	1,478.53
Sch. F	JP Morgan Chase Legal	\$	216.30
Sch. F	Keeton's Office Supply Co.	\$	2,018.16
Sch. F	Kings Wholesale	\$	375.70
Sch. F	Klauber, Susan Bassett	\$	25,000.00
Sch. F	Les Clefs D'Or USA	\$	550.00
Sch. F	Manatee Apparel	\$	561.70
Sch. F	Massage Market	\$	241.50
Sch. F	Michael's On East	\$	25,000.00
Sch. F	Naturzone Pest Control	\$	2,058.68
Sch. F	New Pass, Inc.	\$	260.00
Sch. F	New South Publishing	\$	1,100.00
Sch. F	NH Dept. Health & H. Svcs.	\$	158.40
Sch. F	Night Auditors of America, Inc.	\$	1,120.00
Sch. F	Nordlie Tampa Bay, Inc.	\$	6,047.24
Sch. F	NSPEC, Inc.	\$	534.73
Sch. F	Oasis Refreshment	\$	54.84
Sch. F	One Image Media Group	\$	1,110.00
Sch. F	Regal Limousine	\$	192.00
Sch. F	Sarasota Glass & Mirror	\$	164.49
Sch. F	Sarasota Trophy & Awards	\$	217.42
Sch. F	Silver Star Promotions	\$	602.98
Sch. F	Sir Speedy	\$	881.58
Sch. F	Spotlight Graphics	\$	633.44
Sch. F	Sprint	\$	124.96

Colony Beach and Tennis Club Resort
Settlement Agreement
Schedule 3
Partnership Unsecured Claims

<u>Claim No.</u>	<u>Claimant</u>	<u>Priority Amount</u>
Sch. F	St. Petersburg Times	\$ 529.65
Sch. F	Ten Con Beach Association	\$ 9,128.25
Sch. F	Tennis Magazine	\$ 22,010.00
Sch. F	The American Academy of Hospitality Sciences	\$ 12,500.00
Sch. F	The Observer Group	\$ 1,828.60
Sch. F	The Trophy Case	\$ 53.25
Sch. F	Thomas, David	\$ 25,000.00
Sch. F	Tourist Bureau Marketing, Inc.	\$ 63.60
Sch. F	Travelclick	\$ 9,303.65
Sch. F	Travelink Services, Inc.	\$ 56.70
Sch. F	Travelnow.Com	\$ 193.60
Sch. F	Travelweb, LLC	\$ 514.10
Sch. F	Tri-Tech	\$ 1,488.60
Sch. F	United Refrieration, Inc.	\$ 5,472.86
Sch. F	Univeral Companies	\$ 68.22
Sch. F	USA Mobility Wireless, Inc.	\$ 171.00
Sch. F	Virtual-Agent Services, Inc.	\$ 3,928.79
Sch. F	Visit Florida	\$ 1,500.00
Sch. F	Warren, Valerie	\$ 25,000.00
Sch. F	Zephyrhills	\$ 120.85
Total		\$ 1,247,837.66

SCHEDULE "4"
TO
COLONY BEACH AND TENNIS CLUB RESORT
SETTLEMENT AGREEMENT AND MUTUAL RELEASE

CONSENSUALLY SUBORDINATED
CLAIMS ASSERTED AGAINST PARTNERSHIP

Colony Beach and Tennis Club Resort
Settlement Agreement
Schedule 4
Partnership Subordination Claims

<u>Claim No.</u>	<u>Claimant</u>	<u>Priority Amount</u>
Sch. F	Klauber, Murray J. Association (Doc. 493)	\$ 1,052,158.11 \$ 280,000.00
55	Byers, Ken	\$ 44,805.20
149	Siudara, Leonard	\$ 10,200,000.00
153	Sokol, Martin & Ami	\$ 69,614.00
154	Joyce, Brenda	\$ 69,614.00
155	Sung, John J.	\$ 69,614.00
156	Birck, Michael & Katherine	\$ 69,614.00
157	Rossi, Mary Lynn	\$ 69,614.00
158	Silver, John & Donna	\$ 69,614.00
159	Wickey, Robert & Penny	\$ 69,614.00
160	Wickey, Robert & Penny	\$ 69,614.00
161	Wickey, Robert & Penny	\$ 69,614.00
162	Lawson, III, Ronald A.	\$ 69,614.00
163	Wilder, Alfred	\$ 69,614.00
164	Ross, Stuart & Joan	\$ 69,614.00
165	Abrams, Jerry	\$ 34,807.00
166	Coffey, John & Anne	\$ 69,614.00
167	Daily, Dennis & Pamela	\$ 69,614.00
168	Daily, Dennis & Pamela	\$ 69,614.00
169	Firestone, Gregory	\$ 69,614.00
170	Kearns, Thomas & Elsie	\$ 69,614.00
171	Guerrera, Joseph B.	\$ 69,614.06
172	Kearns, Thomas & Elsie	\$ 69,614.00
173	Coles, Michael H.	\$ 69,614.00
174	Erazmus, Robert & Margaret	\$ 69,614.00
175	Hino, Peter & Rochelle	\$ 69,614.00
176	Wehrlin, George & Delores	\$ 34,707.00
177	Wehrlin, George & Delores	\$ 69,614.00
178	Rogers, Edward & Elyse	\$ 69,614.00
179	Peruzzi, Robert	\$ 69,614.00
180	DeMunbrun, Murphy & Lori	\$ 69,614.00
181	Butcher, Pam (Rogers)	\$ 69,614.00
182	Sommerstein, Robert & Lynn	\$ 69,614.00
184	Rao, Katikineni V.	\$ 69,614.00
185	Bounds, Janet	\$ 69,614.00
186	Sivitz, Shirley	\$ 69,614.00
187	Spiegel, Barry	\$ 69,614.00
189	Cooper, Sanford & Carol	\$ 69,614.00
190	Ames, William & Lynette	\$ 69,614.00
191	Gerloff, Barbara	\$ 69,614.00

Colony Beach and Tennis Club Resort
Settlement Agreement
Schedule 4
Partnership Subordination Claims

<u>Claim No.</u>	<u>Claimant</u>	<u>Priority Amount</u>
Sch. F	Klauber, Murray J.	\$ 1,052,158.11
192	Freeman, James G. & Pavillard, Michelle A.	\$ 34,807.00
193	McCarthy, John & Cathleen	\$ 69,700.00
194	3JS, Ltd. #6	\$ 69,614.00
195	Cooper, Sanford & Carol	\$ 69,614.00
196	Sparr, Irwin M.	\$ 69,614.00
197	Sparr, Jeffrey	\$ 35,000.00
198	Sundquist, Eric & Eugenie	\$ 69,614.00
199	Ratcliffe, Gillian	\$ 34,807.00
200	Childs, Philip & Jo	\$ 69,614.00
201	Guerrera, Joseph B.	\$ 69,614.00
202	Rosenthal, Robert & Kitt	\$ 69,614.00
203	Margolis, Philip & Nancy	\$ 69,614.00
204	Rosenthal, Philip J. and Barbara Pearson	\$ 69,614.00
205	Kreindler, Ruth B.	\$ 69,614.00
206	Birnbaum, Jerome & Sheila	\$ 69,614.00
207	Lipton, Helene	\$ 69,614.00
208	Rentschler, Carl & Susan	\$ 69,614.00
209	Rabin, Sheldon & Carol	\$ 169,614.00
210	Dorfman, Sheldon	\$ 69,614.00
211	Dorfman, Sheldon	\$ 69,614.00
212	Boulay, Luc & Georgina	\$ 69,614.00
213	Goldblatt, Sheila	\$ 69,614.00
214	Goldblatt, Sheila	\$ 69,614.00
215	Mogen, Trustee, John A.	\$ 69,614.09
216	Bank, David & Susan	\$ 34,812.00
217	Bank, David & Susan	\$ 69,614.00
218	529053 Ontario LTD	\$ 69,614.00
219	HMF Famcorp, Inc.	\$ 69,614.00
220	Reuben, David & Lesley	\$ 69,614.00
221	Freedman, Steve	\$ 34,807.00
222	Hollings, Richard	\$ 69,614.00
223	Schlageter, Robert	\$ 69,614.00
224	Hoey, Richard & Nancy	\$ 69,614.00
225	Conner, Margaret A.	\$ 69,614.00
226	Schmidt, Kevin	\$ 69,614.00
227	Goldberg, Trustee, Laurence	\$ 69,614.00
228	Suringa, Dirk & Jean	\$ 69,614.00
229	Yablon, Jay & Deborah	\$ 69,614.00
230	Yablon, Jay & Deborah	\$ 69,614.00
231	Tolbert, James A.	\$ 69,614.00

Colony Beach and Tennis Club Resort
Settlement Agreement
Schedule 4
Partnership Subordination Claims

<u>Claim No.</u>	<u>Claimant</u>	<u>Priority Amount</u>
Sch. F	Klauber, Murray J.	\$ 1,052,158.11
232	Carmelita Esposito	\$ 69,614.00
233	Kohnstamm, Peter L.	\$ 69,614.00
234	McMahon, Thomas & Patrica	\$ 69,614.00
235	TRISSET I	\$ 69,614.00
236	Leeman, Sonya A.	\$ 69,614.00
237	Foti, Anthony & Beatrice	\$ 34,807.00
238	Foti, Anthony & Beatrice	\$ 69,614.00
239	Van Der Velde, John & Marilyn	\$ 69,614.00
240	O'Connor, Timothy & Avice	\$ 69,614.09
241	Vadnal, Jon & Terri	\$ 69,614.00
242	Hillier, Colson & Patricia	\$ 69,614.00
243	DeFazio, Delores	\$ 69,614.00
244	Kotcher, Raymond & Betsy	\$ 69,614.00
245	Scott, John & Sharon	\$ 69,614.00
246	Belamaric, John & Marilyn	\$ 69,614.00
247	Belamaric, John & Marilyn	\$ 69,614.00
248	Nair, Kesav & Saras	\$ 34,807.00
249	Lay, David	\$ 69,614.00
250	Spezio, Carl & Noreen	\$ 69,614.00
251	Kulig, Robert & Kathleen	\$ 34,807.00
252	Renco Financial Ltd. Ptnsp.	\$ 69,614.00
253	Slattery, Wayne & Paula	\$ 69,614.00
254	Thompson, Cynthia	\$ 34,807.00
255	Layton, George & Moya	\$ 34,807.00
256	Maceda, Sixto & Lilia	\$ 69,614.00
257	Rosovsky, Jay & Barbara	\$ 69,614.00
258	Stoneham, Elaine	\$ 69,614.00
259	Erazmus, Walter and Vicki	\$ 69,614.00
260	Dalton, Scott & Judith	\$ 69,614.00
261	Hollings, Richard	\$ 69,614.00
262	Hoey, Richard & Nancy	\$ 69,614.00
263	Reuben, David & Lesley	\$ 69,614.00
264	Suringa, Dirk & Jean	\$ 69,614.00
265	Bradley, James M.	\$ 69,614.00
266	Taylor, Bruce	\$ 69,614.00
267	Attai, Kazem & Nayer	\$ 69,614.00
268	Coyne, Robert & Susan	\$ 69,614.00
269	Haskin, Lauren	\$ 69,614.00
270	Barbara R Mitchell	\$ 69,614.00
271	Thompson, Stephen	\$ 69,614.00

Colony Beach and Tennis Club Resort
Settlement Agreement
Schedule 4
Partnership Subordination Claims

<u>Claim No.</u>	<u>Claimant</u>	<u>Priority Amount</u>
Sch. F	Klauber, Murray J.	\$ 1,052,158.11
272	Rabin, Jules & Sylvia	\$ 69,614.00
273	Tolbert, James A.	\$ 69,614.00
274	Pidgeon, Ronald & Jette	\$ 69,614.00
275	Pidgeon, Ronald & Jette	\$ 69,614.00
276	Honculada, Allan & Caroline	\$ 69,614.00
277	Eckhart, David	\$ 69,614.00
278	Maxian, Bruce & Constance	\$ 69,614.00
279	Castell, Jeff	\$ 69,614.00
280	Christie, Ann	\$ 69,614.00
281	Dennis, James & Alicia	\$ 69,614.00
282	Pearson Runway Corp.	\$ 69,614.00
283	Hurst, Fred & Davida	\$ 69,614.00
284	Adams, William A.	\$ 69,614.00
285	Adams, William A.	\$ 69,614.00
286	Adams, William A.	\$ 69,614.00
287	Adams, Andy & Dotty	\$ 69,614.00
288	Adams, Andy & Dotty	\$ 69,614.00
289	Kalicinsky, George	\$ 69,614.00
290	Priest, James D. and Ilona G.	\$ 69,614.00
291	Parsons, Pamela K.	\$ 69,614.00
292	Keifer, John W. (Ttee)	\$ 69,614.00
293	Sabatelle, Robert & Laurie	\$ 69,614.00
294	Schlorf, Donna	\$ 69,614.00
295	Goodman, Susan	\$ 69,614.00
296	Goodman, Susan	\$ 69,614.00
297	Gettinger, Robert	\$ 69,614.00
298	Pahud, Margot Brown	\$ 69,614.00
299	Eckhart, David	\$ 69,614.00
300	Shea, James T. & Judith	\$ 69,614.00
301	Farina, Edward	\$ 69,614.00
302	Young, Terrance	\$ 69,614.00
303	Hawk, Andrew & Kathy	\$ 69,614.00
304	Wolf, Carl & Marion	\$ 69,614.00
305	Harris, Burton H.	\$ 34,807.00
306	Scott, John & Sharon	\$ 69,614.00
307	Coyne, Robert & Susan	\$ 69,614.00
308	Sahakian, Roxie (Ttee)	\$ 69,614.00
309	Kollar, Charles & Susan	\$ 69,614.00
310	Klinges, Karl	\$ 69,614.00
311	Hunt, Thomas & Dann, Laurie	\$ 69,614.00

Colony Beach and Tennis Club Resort
Settlement Agreement
Schedule 4
Partnership Subordination Claims

<u>Claim No.</u>	<u>Claimant</u>	<u>Priority Amount</u>
Sch. F	Klauber, Murray J.	\$ 1,052,158.11
312	Levy, Blossom	\$ 69,614.00
313	Cinimor Holdings, Inc.	\$ 69,614.00
314	Abramson, Harvey & Newman, Neal	\$ 69,614.00
315	Levy, Stan & Carol	\$ 79,614.00
316	Burr, Gertrude T.	\$ 69,614.00
317	Chang, Jean	\$ 69,614.00
318	Goldstone, Alvin & Gay	\$ 69,614.00
319	Eckstein, Roland & Gloria	\$ 69,614.00
320	Palmer, Lorraine	\$ 69,614.00
321	Humphrey, Mitchell & Kathleen	\$ 69,614.00
322	Freeman, James G. & Pavillard, Michelle A.	\$ 34,807.00
323	Fauchere, Alan and Law, MaryJane	\$ 69,614.00
324	Siudara, Leonard	\$ 69,614.00
325	Mitchell, Barbara	\$ 69,614.00
326	Forrest, Sheila	\$ 69,614.00
327	Hutchins, Sandy	\$ 69,614.00
328	Barry, Frank	\$ 69,614.00
329	Corey, Michael	\$ 69,614.00
330	Brian W. Hands	\$ 69,614.00
331	Brian W. Hands	\$ 69,614.00
332	Thomson, Laurle	\$ 69,614.00
333	Johnson, Robal	\$ 35,000.00
334	Portz, Jr., Arthur G.	\$ 69,614.00
335	Addison, Elizabeth A.	\$ 69,614.00
336	Addison, Elizabeth A.	\$ 69,614.00
337	Kalicinsky, George & Christlne	\$ 69,614.00
338	Ratcliffe, Susan	\$ 69,614.00
339	Javorsky, Howard	\$ 69,614.00
340	Powell, Issac & Sandra	\$ 69,614.00
341	Katz, Lawrence & Janette	\$ 69,614.00
342	Cawood, William & Julie	\$ 69,614.00
343	Sokol, Gerald M. (Ttee)	\$ 69,614.00
344	Parsons, Pamela K.	\$ 69,614.00
345	Nale Developments, Inc	\$ 69,614.00
346	Nale Developments, Inc	\$ 69,614.00
347	Nale Developments, Inc	\$ 69,614.00
348	Hands, Jeffrey	\$ 69,614.00
349	Blake Fleetwood	\$ 69,614.00
350	William B. Finneran	\$ 69,614.00
351	Stern, Jeffrey & Susan	\$ 69,614.00

Colony Beach and Tennis Club Resort
Settlement Agreement
Schedule 4
Partnership Subordination Claims

<u>Claim No.</u>	<u>Claimant</u>	<u>Priority Amount</u>
Sch. F	Klauber, Murray J.	\$ 1,052,158.11
352	Eissenstat, Philip & Jaqueline	\$ 69,614.00
353	Leap Longboat, LLC	\$ 69,614.00
354	David & Patrice Ryan, Richard & Rosemary Detskas	\$ 69,614.00
355	Rodney Robio	\$ 69,614.00
356	Glen Liuolsi	\$ 69,614.00
357	Liebert Turner & Pilar Turner	\$ 69,614.00
358	John & Roselee Niceford	\$ 69,625.00
359	Glenn Haroldson & Nancy Haroldson	\$ 69,614.00
360	C&N Realty Co	\$ 69,614.00
361	Charles J Schafer & Maureen P Schafer	\$ 69,614.00
362	Charles S Gamble	\$ 69,614.00
363	Jeffrey M Stern	\$ 69,614.00
364	Gregory E Montone & Barbara J Montone	\$ 69,614.00
365	Graham Properties and Investments LLC	\$ 69,614.00
366	Dennis P Barrett Trustee	\$ 69,614.00
367	David & Patrice Ryan, Richard & Rosemary Detskas	\$ 69,614.00
368	Lenore R Fuhrer	\$ 69,614.00
370	Comprehensive Transportation Svcs	\$ 69,614.00
371	Robert D Musgjerd	\$ 69,614.00
373	Leanne Rees	\$ 69,614.00
374	John S Gydosh	\$ 125,000.00
375	Szabo, Zoltan	\$ 69,614.00
376	Piercey, Michael C., MD	\$ 69,614.00

Total \$ 26,535,712.55

EXECUTION COPY

SCHEDULE "5"
TO
COLONY BEACH AND TENNIS CLUB RESORT
SETTLEMENT AGREEMENT AND MUTUAL RELEASE

OBJECTIONABLE
CLAIMS ASSERTED AGAINST PARTNERSHIP

Colony Beach and Tennis Club Resort
Settlement Agreement
Schedule 5
Partnership Objectionable Claims

<u>Claim No.</u>	<u>Claimant</u>	<u>Priority Amount</u>	<u>Notes</u>
1	Manatee County Tax Collector	\$ 7,820.49	Not a lien on debtor's property
2	Manatee County Tax Collector	\$ 695.86	Not a lien on debtor's property
379	Sarasota Tax Collector	\$ 875.77	Not a lien on debtor's property
381	Sarasota Tax Collector	\$ 283,979.78	Not a lien on debtor's property
23	Tygris Vendor Finance, Inc.	\$ 2,201.10	Collateral abandoned
33	Flatiron Capital, a Division of Wells Fargo Bank	\$ 65,174.99	Collateral abandoned
113	Verizon Credit, Inc.	\$ 2,198.32	Collateral abandoned
116	Imperial Premium Finance Inc.	\$ 59,191.90	Collateral abandoned
125	Alliance Laundry Systems, LLC	\$ 12,135.90	Not a lien on debtor's property/collateral abandoned
404	Iron Mountain	\$ 31,739.97	Collateral abandoned
420	Iron Mountain	\$ 4,753.65	Collateral abandoned
		Total	
		\$ 470,767.73	

SCHEDULE "6"
TO
COLONY BEACH AND TENNIS CLUB RESORT
SETTLEMENT AGREEMENT AND MUTUAL RELEASE

KLAUBER ENTITY PROPERTY TAX CLAIMS

Colony Beach and Tennis Club Resort
Settlement Agreement
Schedule 6
Klauber Entity Property Tax Claims

Town of Longboat Key \$ 5,915.45

Sarasota County Tax Collector* \$ 402,862.07 **All amounts taken from tax collector's website and are subject to change*

<u>Parcel Name</u>	<u>Tax Year</u>	<u>If paid by 8/31/13</u>
Parcel A	2012	\$ 3,163.35
	2011	\$ 3,356.82
	2010	\$ 4,762.52
Parcel B	2012	\$ 18,686.85
	2011	\$ 20,786.78
	2010	\$ 27,147.34
Parcel C	2012	\$ 12,607.72
	2011	\$ 13,321.81
	2010	\$ 19,041.49
Parcel D	2012	\$ 12,607.72
	2011	\$ 13,321.81
	2010	\$ 19,041.49
Unit A	2012	\$ 38,051.79
	2011	\$ 42,307.94
	2010	\$ 54,145.55
Unit B	2012	\$ 3,611.20
	2011	\$ 4,042.54
	2010	\$ 5,263.26
Unit C	2012	\$ 4,604.71
	2011	\$ 5,141.11
	2010	\$ 6,563.10
	2009	\$ 9,711.96
Unit D	2012	\$ 5,629.72
	2011	\$ 6,272.92
	2010	\$ 8,182.56
Unit E	2012	\$ 5,109.30
	2011	\$ 5,706.99
	2010	\$ 7,436.74
	2009	\$ 9,028.33
Unit F	2012	\$ 2,491.58
	2011	\$ 2,794.26
	2010	\$ 5,327.21
Unit G	2012	\$ 993.47
	2011	\$ 1,129.83
	2010	\$ 1,470.30
Total	\$	<u>402,862.07</u>

SCHEDULE "7"
TO
COLONY BEACH AND TENNIS CLUB RESORT
SETTLEMENT AGREEMENT AND MUTUAL RELEASE

KLAUBER ENTITY PRIORITY CLAIMS

**Colony Beach and Tennis Club Resort
Settlement Agreement
Schedule 7
Klauber Entity Priority Claims**

	<u>Claim No.</u>	<u>Claimant</u>	<u>Priority Amount</u>
CBTC Priority Claims			
	4	Internal Revenue Service	\$ 26,899.35
	7	Icard Merrill	\$ 200,000.00
	11	Fla. Dept. of Revenue	\$ 32,217.47
	14	Sarasota County Tax Collector Johnson Pope	\$ 39,089.94 \$ 50,000.00
CBI Priority Claims			
	2	Internal Revenue Service	\$ 2,000.00
RMI Priority Claims			
	3	Internal Revenue Service	\$ 2,000.00
		Total	\$ <u>352,206.76</u>

SCHEDULE "8"
TO
COLONY BEACH AND TENNIS CLUB RESORT
SETTLEMENT AGREEMENT AND MUTUAL RELEASE

UNSECURED NON-PRIORITY CLAIMS
ASSERTED AGAINST KLAUBER ENTITY DEBTORS

Colony Beach and Tennis Club Resort
Settlement Agreement
Schedule 8
Klauber Entity Unsecured Claims

	<u>Claim No.</u>	<u>Claimant</u>	<u>Unsecured Amount</u>
CBTC Unsecured Claims			
	4	Internal Revenue Service	\$ 146,377.70
	6	Direct Capital Corp.	\$ 38,160.56
	10	Fla. Dept. of Revenue	\$ 1,646.06
	11	Fla. Dept. of Revenue	\$ 96,544.69
	Sch. F	American Express	\$ 12,599.00
	Sch. F	American Express	\$ 17,527.00
	Sch. F	Chase	\$ 20,884.00
	Sch. F	David Branson	\$ 10,000.00
	Sch. F	FPL	\$ 1,687.31
	Sch. F	Micros Systems	\$ 6,345.10
	Sch. F	Open Table	\$ 3,429.50
	Sch. F	Sam's Club	\$ 18,100.69
	Sch. F	Susan Bassett-Klauber	\$ 40,000.00
	Sch. F	Vista Serv	\$ 8,803.94
CBI Unsecured Claims			
	2	Internal Revenue Service	\$ 1,000.00
	Sch. F	Steve Hutton	\$ 7,121.00
RMI Unsecured Claims			
	2	Ken Byers	\$ 103,802.45
	3	Internal Revenue Service	\$ 1,000.00
	Sch. F	Bill Dennis	\$ 54,000.00
	Sch. F	Bruce Bozzi	\$ 75,000.00
	Sch. F	David Thomas	\$ 25,000.00
	Sch. F	John Leffler	\$ 25,000.00
	Sch. F	Katherine Moulton	\$ 20,000.00
	Sch. F	Mark Pierce	\$ 5,000.00
	Sch. F	Michael's on East	\$ 25,000.00
	Sch. F	Patricia Finneran	\$ 100,000.00
	Sch. F	Squire Sanders	\$ 147,687.00
	Sch. F	Susan Bassett-Klauber	\$ 55,000.00
	Sch. F	Valerie and Bill Warren	\$ 25,000.00
	Sch. F	William Crothers	\$ 10,000.00
	Total		\$ 1,101,716.00

SCHEDULE "9"
TO
COLONY BEACH AND TENNIS CLUB RESORT
SETTLEMENT AGREEMENT AND MUTUAL RELEASE

CONSENSUALLY SUBORDINATED
CLAIMS ASSERTED AGAINST KLAUBER ENTITY DEBTORS

Colony Beach and Tennis Club Resort
 Settlement Agreement
 Schedule 9
 Klauber Entity Subordination

	<u>Claim No.</u>	<u>Claimant</u>	<u>Priority Amount</u>
CBTC Claims	8	Colony Beach & Tennis Club Association, Inc.	\$ 8,805.16
	9	Colony Beach & Tennis Club Association, Inc.	unliquidated
CBI Claims	4	Colony Beach & Tennis Club Association, Inc.	\$ 8,805.16
RMI Claims	6	Colony Beach & Tennis Club Association, Inc.	\$ 15,000,000.00
	7	Colony Beach & Tennis Club Association, Inc.	\$ 280,000.00
	10	William Malony, as Ch. 7 Trustee	unliquidated
Total			\$ <u>15,297,610.32</u>

SCHEDULE "10"
TO
COLONY BEACH AND TENNIS CLUB RESORT
SETTLEMENT AGREEMENT AND MUTUAL RELEASE

OBJECTIONABLE CLAIMS
ASSERTED AGAINST KLAUBER ENTITY DEBTORS

Colony Beach and Tennis Club Resort
Settlement Agreement
Schedule 10
Klauber Entity Objectable Claims

	<u>Claim No.</u>	<u>Claimant</u>	<u>Priority</u>	<u>Amount</u>	<u>Notes</u>
CBTC Unsecured Claims					
	1	Manatee County Tax Collector	\$	5,864.96	Not a lien on debtor's property
	2	Manatee County Tax Collector	\$	379.11	Not a lien on debtor's property
CBI Unsecured Claims					
	None				
RMI Unsecured Claims					
	None				
			Total	<u>\$ 6,244.07</u>	

IN THE CIRCUIT COURT OF THE TWELFTH JUDICIAL CIRCUIT
IN AND FOR SARASOTA COUNTY, STATE OF FLORIDA

COLONY LENDER, LLC

Plaintiff,

vs.

COLONY BEACH, INC., et al.,

Defendants.

STAMPED IN ERROR

2013 SEP 3 PM 9:21

FILED FOR RECORD

CASE NO.: 2009 CA 006946 NC

FILED FOR RECORD
2013 SEP -3 PM 3:15
CLERK OF CIRCUIT COURT
SARASOTA COUNTY FL

FINAL JUDGMENT AS TO PLAINTIFF'S COMPLAINT

THIS MATTER was tried before this Court on August 26 and August 27, 2013, as to Plaintiff's Complaint.

The Court makes note of the extensive history of the litigation of this matter and relies on the court file, pleadings, exhibits, and stipulations as to the factual background in this case.

The Court notes that this matter has been bi-furcated for trial. The Defendants' Counterclaim shall be separately tried at a time to be determined by the Court or by stipulation of the parties.

Preliminary Determination by the Court

The Court has considered the Defendants' argument as it relates to whether this Court has jurisdiction to hear this matter, or whether it is judicially practical to hear these matters in light of the concurrent litigation in Federal Bankruptcy Court.

The Court in determining the aforementioned has considered the Motion to Stay Proceedings pending completion of federal arbitration. The Court denied the motion.



The Court has reviewed previous Orders from the Federal Bankruptcy Court and has determined that it is practical and proper to hear these matters within the mandate of the existing orders of the Bankruptcy Court.

Findings

The Court has reviewed the evidence introduced at trial, the law presented by the attorneys, the stipulations and the matters judicially noticed and heard the arguments presented by the parties through counsel.

The Court heard the testimony of the following witnesses:

Joseph Martens
David Siegel
Robert Piper
Shirley De LaCanal
Leigh A. Kuhn
Dr. Murray Klauber

The Court has considered the following:

1. Whether the Court has jurisdiction to hear this matter. The Court determines that it has jurisdiction to decide the matters at issue.
2. The standing of the Plaintiff to bring this action. The Court finds the Plaintiff has standing.
3. The execution of the notes, guaranties, agreements, and other loan and collateral documents presented at trial have been considered.
4. The Court has reviewed the legal descriptions of the properties at issue.
5. The Court has reviewed and has noted the parties whose interest in and possession of the properties at issue will be foreclosed upon.
6. The Court has reviewed the documents and heard the testimony as it relates to the current lawful owner of the notes, guaranties and related documents presented.
7. The Court has considered the issues of the notice of default and acceleration.

8. The Court has reviewed the default notices and finds the notices of default were validly given to the Defendants.
9. The Court has considered the default rates and their effective dates.
10. The Court has considered the testimony of the Defendant and the Affirmative Defenses offered in this matter.

After careful consideration the Court finds in favor of the Plaintiff as to all the Counts presented for the Court's consideration.

It is therefore ORDERED AND ADJUDGED that:

1. Except as to Defendant, Colony Beach and Tennis Club, Ltd., Plaintiff Colony Lender, LLC shall recover from all Defendants, jointly and severally, the sum of \$14,350,237.07, as of August 26, 2013, plus a per diem amount after August 26, 2013, of \$3,598.37 for a total sum of \$14,357,433.00, as of the date of this Judgment, plus interest at the statutory rate of 4.75% from the date of this Judgment, as follows:

- a. Loan 1 – principal of \$2,366,836.32 and interest of \$2,458,701.64; and
- b. Loan 2 – principal of \$1,420,101.76 and interest of \$1,469,773.05; and
- c. Loan 3 – principal of \$2,647,526.52 and interest of \$2,750,316.54; and
- d. CBI Swap Agreement – principal of \$249,200.00 and interest of \$207,074.95; and
- e. Partnership Swap Agreement – principal of \$174,000.00 and interest of \$144,586.76; and
- f. Real Estate Taxes 2008 – principal of \$156,087.76 and interest of \$70,317.57; and
- g. Real Estate Taxes 2009 – principal of \$178,878.59 and interest of \$46,776.77; and

h. Real Estate Taxes 2010 – principal of \$9,929.75 and interest of \$129.09.

For all of which let execution issue.

2. As to Defendant, Colony Beach and Tennis Club, Ltd., Colony Lender shall recover the sum of \$5,716,429.82, as of August 26, 2013, plus a per diem amount after August 27, 2013 of \$1,409.57, for a total of \$5,719,248.90, as of the date of this Judgment, plus interest at the rate of 4.75% from the date of this Judgment as follows:

- a. Loan 3 – principal \$2,647,526.52 and interest of \$2,750,316.54;
- b. Partnership Swap Agreement principal of \$174,000.00 and interest of \$144,586.76.

3. Plaintiff Colony Lender, LLC holds a lien for the total sum contained in paragraphs 1 and 2, superior to all claims or estates of Defendants on the following described property in Sarasota County, Florida: *See attached Exhibits A, B, C, and D (the "Property")*

4. If the total sum with interest at the rate described in paragraphs 1 and 2, and all costs accrued subsequent to this Judgment are not paid, the Court reserves jurisdiction to order the Clerk of this Court to sell the Property at public sale to the highest bidder for cash, in accordance with section 45.031, Florida Statutes.

5. If a sale is ordered, Plaintiff shall advance all subsequent costs of this action and shall be reimbursed for them by the Clerk if Plaintiff is not the purchaser of the Property, provided, however that the purchaser of the Property shall be responsible for the documentary stamps payable on the certificate of title. If Plaintiff is the purchaser of the Property, the Clerk shall credit Plaintiff's bid with the total sum with interest and costs accruing subsequent to this Judgment, or such part of it, as is necessary to pay the bid in full.

6. On filing the certificate of title the Clerk shall distribute the proceeds of the sale, so far as they are sufficient, by paying: first, all of Plaintiff's costs; second, documentary stamps affixed to the certificate; third, the total sum due to Plaintiff, less the items paid, plus interest at the rate prescribed by law from this date of this Judgment to the date of the sale; and by retaining any remaining amount pending the further Order of this Court.

7. On filing the certificate of sale, Defendants and all persons claiming under or against Defendants since the filing of the notice of lis pendens shall be foreclosed of all estate or claim in the Property, except as to claims or rights under chapter 718 or chapter 720, Florida Statutes, if any.

8. Upon the filing of the certificate of title, the person named on the certificate of title shall be let into possession of the Property.

9. Colony Beach, Inc.'s Federal Employer Identification Number is 59-1651686 and last known address is 1620 Gulf of Mexico Drive, Longboat Key, FL 34228.

10. Colony Beach and Tennis Club, Ltd.'s Federal Employer Identification Number is 59-1513550 and known address is 1620 Gulf of Mexico Drive, Longboat Key, FL 34228.

11. Murray Klauber's Social Security Number is unknown and his last known address is 1620 Gulf of Mexico Drive, Longboat Key, FL 34228.

12. Colony Investor, Inc.'s Federal Employer Identification Number is 591747077 and last known address is 1620 Gulf of Mexico Drive, Longboat Key, FL 34228.

13. Resorts Management, Inc.'s Federal Employer Identification Number is 591673749 and last known address is 1620 Gulf of Mexico Drive, Longboat Key, FL 34228.

14. Colony Beach and Tennis Club, Inc.'s Federal Employer Identification Number is 591304286 and last known address is 1620 Gulf of Mexico Drive, Longboat Key, FL 34228.

15. Colony Special Services, Inc.'s Federal Employer Identification Number is 592044227 and last known address is 1620 Gulf of Mexico Drive, Longboat Key, FL 34228.

16. Le Tennique, Inc.'s Federal Employer Identification Number is 591362089 and last known address is 1620 Gulf of Mexico Drive, Longboat Key, FL 34228.

17. Colony Lender, LLC's address is c/o David M. Siegal, Esq. Assaf & Siegal, PLLC, 16 Corporate Woods Blvd. Albany, NY 12211-2350

18. Jurisdiction of this action is retained to enter further orders that are proper including, without limitation, a deficiency judgment, costs and attorneys fees.

19. The Court reserves jurisdiction for the purpose of all further orders as necessary and proper to enforce this Final Judgment.

NOTICE: issuance of a writ of possession does not exempt Plaintiff from complying with Federal law requiring notice to tenants residing on the Property.

NOTICE PURSUANT TO §45.031, FLORIDA STATUTES (2012)

If this property is sold at public auction, there may be additional money from the sale after payment of persons who are entitled to be paid from the sale proceeds pursuant to this Final Judgment.

If you are a subordinate lienholder claiming a right to funds remaining after the sale, you must file a claim with the Clerk no later than sixty (60) days after the sale. If you fail to file a claim, you will not be entitled to any remaining funds.

If you are the property owner with a homestead claim on the most recently approved tax rolls, you may claim these funds yourself. You are not required to have a lawyer or any other representation and you do not have to assign your rights to anyone else in order for you to claim any money to which you are entitled. Please check with the Clerk

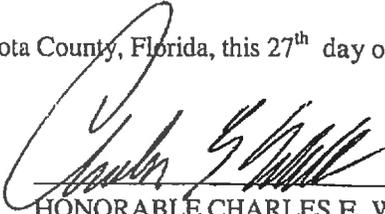
of Court for your county within ten (10) days after the sale to see if there is additional money from the foreclosure sale that the clerk has in the registry of the Court.

Sarasota County Clerk of Court
2000 Main Street Sarasota, Florida 34237 (941) 861-7400 www.sarasotaclerk.com

If you decide to sell your home or hire someone to help you claim the additional money, you should read very carefully all papers you are required to sign, ask someone else, preferably an attorney who is not related to the person offering help to you, to make sure that you understand what you are signing and that you are not transferring your property or the equity in your property without the proper information. If you cannot afford to pay an attorney, you may contact the local legal services listed below to see if you qualify financially for their services. If they cannot assist you, they may be able to refer you to a local bar referral agency or suggest other options. If you choose to contact one of the services listed below, you should do so as soon as possible after the receipt of this notice.

Sarasota County
Legal Aid of Manasota Sarasota Office 1900 Main Street, Suite 302 Sarasota, Florida 34236 (941)366-0038 Venice Office 7810 South Tamiami Trail Suite A6 Venice, Florida 34293 (941) 492-4631
Gulfcoast Legal Services 1750 17th Street, Bldg. 1 Sarasota, Florida 34236 (941)366-1746 www.gulfcoastlegal.org

DONE AND ORDERED in Sarasota County, Florida, this 27th day of August, 2013.


HONORABLE CHARLES E. WILLIAMS
CIRCUIT COURT JUDGE

Copies to:

Charles J. Bartlett, Esq.
Michael W. Cochran, Esq.
Icard, Merrill, Cullis, Timm, Furen & Ginsburg, P.A.
2033 Main St., Ste. 600
Sarasota, FL 34237

Michael D. Assaf, Esq.
David M. Siegal, Esq.
Assaf & Siegal, PLLC
16 Corporate Woods Blvd.
Albany, NY 12211-2350

Morgan R. Bentley, Esq.
Kevin R. Bruning, Esq.
Bentley & Bruning, P.A.
783 S. Orange Ave., Ste. 220
Sarasota, FL 34236

EXHIBIT "A"

LEGAL DESCRIPTION OF REAL PROPERTY

As to Colony Beach & Tennis Club, Inc. a 45% interest; and
As to Colony Beach, Inc., a 35% interest in:

PARCEL 1:

Parcel A

Begin at a point on the North line of U.S. Government Lot 4 in Section 17, Township 36 South, Range 17 East, Sarasota County, Florida, 613.5 feet West of the Northeast corner of said Lot 4, said point being in the center of the John Ringling Parkway pavement; thence South 46 deg West 996.0 feet; thence South 44 deg East, 364.68 feet; thence North 46 deg East, 46.03 feet to the principal PLACE OF BEGINNING; thence along the arc of a curve deflecting left an arc distance of 148.35 feet; thence chord of which bears South 31 deg 49 min 36 sec East, a chord distance of 120.63 feet, said curve having a radius of 68.00 feet; thence along the arc of a curve deflecting to the left an arc distance of 87.65 feet, the chord of which bears North 4 deg 28 min 24 sec East, a chord distance of 61.24 feet; said curve having a radius of 31.00 feet; thence along the arc of a curve deflecting to the right an arc distance of 49.43 feet, the chord which of bears North 47 deg 01 min 36 sec West, a chord distance of 47.27 feet; said curve having a radius of 48.00 feet; thence North 74 deg 31 min 36 sec West, 36.46 feet to the principal PLACE OF BEGINNING.

Parcel B

Begin at a point on the North line of U.S. Government Lot 4 in Section 17, Township 36 South, Range 17 East, Sarasota County, Florida, 613.5 feet West of the Northeast corner of said Lot 4, said point being in the center of the John Ringling Parkway pavement; thence South 46 deg West, 50.00 feet to the West right-of-way line of said Parkway (Gulf of Mexico Drive); thence South 44 deg East, 590.00 feet along the West right-of-way line of said Parkway (Gulf of Mexico Drive) to the principal PLACE OF BEGINNING; thence South 46 deg West, 165.00 feet; thence South 44 deg East, 190.00 feet; thence North 46 deg East, 165.00 feet; thence North 44 deg West, 190.00 feet to the principal PLACE OF BEGINNING.

Parcel C

Begin on the North line of U.S. Government Lot 4 in Section 17, Township 36 South, Range 17 East, Sarasota County, Florida, 613.5 feet West of the Northeast corner of said Lot 4, said point being in the center of the John Ringling Parkway pavement; thence South 46 deg West, 50.00 feet to the West right-of-way line of said parkway (Gulf of Mexico Drive); thence South 44 deg East, 155.00 feet along the West right-of-way line of said Parkway (Gulf of Mexico Drive);

thence South 46 deg West, 120.91 feet; thence South 44 deg East, 65.00 feet; thence South 46 deg West, 90.93 feet; thence South 44 deg East, 62.00 feet; thence South 46 deg West, 50.00 feet to the principal PLACE OF BEGINNING; thence continuing South 46 deg West, 325.00 feet; thence North 44 deg West, 20.00 feet; thence South 46 deg West, 60.00 feet; thence South 44 deg East, 159.00 feet; thence North 46 deg East, 60.00 feet; thence North 44 deg West, 20.00 feet; thence North 46 deg East, 325.00 feet; thence North 44 deg West, 119.00 feet to the principal PLACE OF BEGINNING.

Parcel D

Begin at a point on the North line of Government Lot 4 in Section 17, Township 36 South, Range 17 East, Sarasota County, Florida, 613.5 feet West of the Northeast corner of said Lot 4, said point being in the center of the John Ringling Parkway pavement; thence South 46 deg West, 50.00 feet to the West right-of-way line of said Parkway (Gulf of Mexico Drive); thence South 44 deg East, 155.00 feet along the West right-of-way line of said Parkway (Gulf of Mexico Drive) to the principal PLACE OF BEGINNING; thence South 46 deg West, 120.91 feet; thence South 44 deg East, 65.00 feet; thence South 46 deg West, 90.93 feet; thence South 44 deg East, 245.00 feet; thence North 46 deg East, 90.93 feet; thence North 44 deg West, 65.00 feet; thence North 46 deg East, 120.91 feet to a point on the West right-of-way line of said Parkway (Gulf of Mexico Drive); thence North 44 deg West, 245.00 feet to the principal PLACE OF BEGINNING.

Parcel E

Locker Room Unit B and Meeting Room and Club House Unit D of COLONY BEACH & TENNIS CLUB, a Condominium according to the Declaration thereof recorded in Official Records Book 1025, Pages 200 through 277, inclusive, and as per Condominium Plat Book 7, Pages 12 through 12F, inclusive, public records of Sarasota County, Florida, together with all appurtenances thereto.

As to Colony Beach, Inc., a 100% interest in:

PARCEL 2:

Unit A, also known as Bar and Restaurant of COLONY BEACH & TENNIS CLUB, a Condominium according to the Declaration thereof recorded in Official Records Book 1025, Pages 200 through 277, inclusive, and as per Condominium Plat Book 7, Pages 12 through 12F, inclusive, and amendments thereto, public records of Sarasota County, Florida.

As to Murray J. Klauber, a 100% interest in:

PARCEL 3:

Penthouse Unit 501 of COLONY BEACH & TENNIS CLUB, a Condominium according to the Declaration thereof recorded in Official Records Book 1025, Pages 200 through 277, inclusive, and as per Condominium Plat Book 7, Pages 12 through 12F, inclusive, and amendments thereto, public records of Sarasota County, Florida.

As to Colony Beach & Tennis Club, Inc., a 45% interest; and
As to Colony Beach, Inc., a 35% interest.

PARCEL 4:

Units F and G of COLONY BEACH & TENNIS CLUB, a Condominium according to the Declaration thereof recorded in Official Records Book 1025, Pages 200 through 277, inclusive, and as per Condominium Plat Book 7, Pages 12 through 12F, inclusive, and amendments thereto, public records of Sarasota County, Florida.

(A) Each of the above-described parcels together with all the improvements now or hereafter erected on such property and all fixtures now or hereafter attached thereto, together with each and every tenements, hereditaments, easements, rights, powers, privileges, immunities and appurtenances thereunto belonging or in anywise appertaining and the reversion and reversions, remainder and remainders, and also all the estate, right, title, interest, homestead, right of dower, separate estate, property, possession and claim whatsoever in law as well as in equity of any mortgagor of, in and to the same in every part and parcel there of unto mortgagee in fee simple.

(B) Together with a security interest in all personal property, excluding household goods which are not purchased with the proceeds of the notes, and fixtures affixed to or located on the property described above in Exhibit "A."

(C) Together with all rents, leases, issues, profits, revenue, income proceeds and other benefits from the property described in Exhibit "A."

(D) All insurance policies and proceeds thereof and all condemnation proceeds, awards, damages, and claims relating to or derived from the property described in paragraphs (A), (B) and (C) hereof.

(E) Everything referred to in paragraphs (A), (B), (C) and (D) hereof and any additional property hereafter acquired by an mortgagor and subject to the lien of the mortgage or any part of the properties described herein.

EXHIBIT "B"

As to Colony Beach & Tennis Club, Inc. ("CB&TCP"), a 45% interest in Parcel 1 and Parcel 4; as to Colony Beach, Inc. ("CBI"), a 35% interest in Parcel 1 and Parcel 4, and as to MURRAY J. KLAUBER ("Klauber"), a 100% interest as to Parcel 3. The term "Debtor" herein means as applicable CB&TCI, CBI or Klauber.

The following described collateral if marked with an [x] in Section "A" plus the property described in Sections B and C below:

A. Types of Collateral (check as applicable)

Accounts: Any and all accounts including health-care insurance receivables, and other rights of Debtor to the payment for goods sold or leased or for services rendered whether or not earned by performance, including, without limitation, contract rights, book debts, checks, notes, drafts, instruments, chattel paper, acceptances, and any and all amounts due to Debtor from a factor or other forms of obligations and receivables, now existing or hereafter arising.

Inventory:

Blanket Lien: Any and all of Debtor's goods held as inventory, or

Specific Inventory: Limited to any and all of Debtor's goods held as inventory which are specifically described in the space below, whether now owned or hereafter acquired, including without limitation, any and all such goods held for sale or lease or being processed for sale or lease in Debtor's business, as now or hereafter conducted, including all materials, goods and work in process, finished goods and other tangible property held for sale or lease or furnished or to be furnished under contracts of service or used or consumed in Debtor's business, along with all documents (including documents of title) covering such inventory including the following (attach schedule if necessary):

Equipment:

Blanket Lien: Any and all of Debtor's goods held as equipment, or

Specific Equipment: Limited to any and all of Debtor's goods held as equipment which are specifically described in the space below, including, without limitation, all machinery, tools, dies, furnishings, or fixtures, wherever located, whether now owned or hereafter acquired, together with all accessories, parts, fittings, accessories, equipment, and special tools now or hereafter affixed to any part thereof or used in connection therewith including the following (attach schedule if necessary): and all of Debtor's goods held as equipment located on the property described in Exhibit "B" attached hereto and made a part hereof.

Fixtures:

Blanket Lien: Any and all of Debtor's goods held as fixtures, or

Specific Fixtures: Limited to any and all of Debtor's goods held as fixtures which are specifically described in the space below, whether now existing or hereafter acquired. These goods are or will become fixtures on the following described real estate in Sarasota County, Florida (State), owned by: Debtor (name of owner) more particularly described as follows: Insert legal description (or attach schedule) of property, not street address, including the following (attach schedule if necessary): See Exhibit "B" attached hereto and made a part hereof.

Instruments and/or Investment Documents:

Blanket Lien: Any and all of Debtor's instruments, including promissory notes, documents, and other writings of any type, or

Specific Instruments and/or Investment Documents: Limited to any and all of Debtor's instruments, promissory notes, documents, and other writings of any type which are specifically described in the space below, which evidence a right to the payment of money and which are of a type that is transferred in the ordinary course of business by delivery with any necessary indorsement or assignment, whether now owned or hereafter acquired, including, without limitation, negotiable instruments, promissory notes, and documents of title owned or to be owned by Debtor, certificate of deposit, and all liens, security agreements, leases and other contracts securing or otherwise relating to any of said instruments or documents including the following (attach schedule if necessary):

General Intangibles:

Blanket Lien: Any and all of Debtor's general intangible property, including payment intangibles, or

Specific General Intangibles: Limited to any and all of Debtor's general intangible property, including payment intangibles, which is specifically described in the space below, whether now owned or hereafter acquired by Debtor or used in Debtor's business currently or hereafter, including, without limitation, all patents, trademarks, service marks, trade secrets, copyrights and exclusive licenses (whether issued or pending), literary rights, contract rights and all documents, applications, materials and other matters related thereto, all inventions, all manufacturing, engineering and production plans, drawings, specifications, processes and systems, all trade names, goodwill and all chattel paper, documents and instruments relating to such general intangibles including the following (attach schedule if necessary):

Letter of credit rights:

Blanket Lien: Any and all of Debtor's right to payment under any letter of credit, or

Specific Letter of Credit Right: Limited to any and all of Debtor's right to payment under that/those certain Letter(s) of Credit identified as follows:

Chattel Paper:

Blanket Lien: Any and all of Debtor's chattel paper, or

Specific Chattel Paper: Limited to any and all of rights of Debtor to in and under the following identified chattel paper:

Investment Property:

Blanket Lien: Any and all of Debtor's investment property, or

Specific Investment Property: Limited to any and all of Debtor's rights in and to the following described investment property:

Documents:

Blanket Lien: Any and all of Debtor's documents, or

Specific documents: Limited to any and all of Debtor's rights in and under the following described documents:

Deposit Accounts:

Blanket Lien: Any and all of Debtor's deposit accounts, or

Specific deposit accounts: Limited to any and all of Debtor's rights in and under the following described deposit accounts:

Others:

B. Substitutions, Proceeds and Related Items. Any and all substitutes and replacements for, accessions, attachments and other additions to, tools, parts and equipment now or hereafter added to or used in connection with, and all cash or non-cash proceeds and products of, the Collateral (including, without limitation, all income, benefits and property receivable, received or distributed which results from any of the Collateral, such as dividends payable or distributable in cash, property or stock; insurance distributions of any kind related to the Collateral, including, without limitation, returned premiums, interest, premium and principal payments; redemption proceeds and subscription rights; and shares or other proceeds of conversions or splits of any securities in the Collateral); any and all choses in action and causes of action of Debtor, whether now existing or hereafter arising, relating directly or indirectly to the Collateral (whether arising in contract, tort or otherwise and whether or not currently in litigation); all certificates of title, manufacturer's statements of origin, other documents, accounts and chattel paper, whether now existing or hereafter arising directly or indirectly from or related to the Collateral; all warranties, wrapping, packaging, advertising and shipping materials used or to be used in connection with or related to the Collateral; all of Debtor's books, records, data, plans, manuals, computer software, computer tapes, computer systems, computer disks, computer programs, source codes and object codes containing any information, pertaining directly or indirectly to the Collateral and all rights of Debtor to retrieve data and other information pertaining directly or indirectly to the Collateral from third parties, whether now existing or hereafter arising; and all returned, refused, stopped in transit, or repossessed Collateral, any of which, if received by Debtor, upon request shall be delivered immediately to Bank.

C. Balances and Other Property. The balance of every deposit account of Debtor maintained with Bank and any other claim of Debtor against Bank, now or hereafter existing, liquidated or unliquidated, and all money, instruments, securities, documents, chattel paper, credits, claims, demands, income, and any other property, rights and interests of Debtor which at any time shall come into the possession or custody or under the control of Bank or any of its agents or affiliates for any purpose, and the proceeds of any thereof. Bank shall be deemed to have possession of any of the Collateral in transit to or set apart for it or any of its agents or affiliates.

EXHIBIT "C"

As to: Colony Beach and Tennis Club, Ltd. ("Debtor.").

The following described collateral if marked with an [x] in Section "A" plus the property described in Sections B and C below

A. Types of Collateral (check as applicable)

Accounts: Any and all accounts including health-care insurance receivables, and other rights of Debtor to the payment for goods sold or leased or for services rendered whether or not earned by performance, including, without limitation, contract rights, book debts, checks, notes, drafts, instruments, chattel paper, acceptances, and any and all accounts due to Debtor from a factor or other forms of obligations and receivables, now existing or hereafter arising.

Inventory:

Blanket Lien: Any and all of Debtor's goods held as inventory, or

Specific Inventory: Limited to any and all of Debtor's goods held as inventory which are specifically described in the space below, whether now owned or hereafter acquired, including without limitation, any and all such goods held for sale or lease or being processed for sale or lease in Debtor's business, as now or hereafter conducted, including all materials, goods and work in process, finished goods and other tangible property held for sale or lease or furnished or to be furnished under contracts of service or used or consumed in Debtor's business, along with all documents (including documents of title) covering such inventory including the following (attach schedule if necessary):

Equipment:

Blanket Lien: Any and all of Debtor's goods held as equipment, or

Specific Equipment: Limited to any and all of Debtor's goods held as equipment which are specifically described in the space below, including, without limitation, all machinery, tools, dies, furnishings, or fixtures, wherever located, whether now owned or hereafter acquired, together with all accessories, parts, fittings, accessories, equipment, and special tools now or hereafter affixed to any part thereof or used in connection therewith including the following (attach schedule if necessary): and all of Debtor's goods held as equipment located on the property described in Exhibit "B" attached hereto and made a part hereof.

Fixtures:

Blanket Lien: Any and all of Debtor's goods held as fixtures, or

Specific Fixtures: Limited to any and all of Debtor's goods held as fixtures which are specifically described in the space below, whether now existing or hereafter acquired. These goods are or will become fixtures on the following described real estate in Sarasota County, Florida (State), owned by Debtor (name of owner) more particularly described as follows: _____ (insert legal description (or attach schedule) of property, not street address), including the following (attach schedule if necessary): See Exhibit "B" attached hereto and made a part hereof.

Instruments and/or Investment Documents:

Blanket Lien: Any and all of Debtor's instruments, including promissory notes, documents, and other writings of any type, or

Specific Instruments and/or Investment Documents: Limited to any and all of Debtor's instruments, promissory notes, documents, and other writings of any type which are specifically described in the space below, which evidence a right to the payment of money and which are of a type that is transferred in the ordinary course of business by delivery with any necessary indorsement or assignment, whether now owned or hereafter acquired, including, without limitation, negotiable instruments, promissory notes, and documents of title owned or to be owned by Debtor, certificates of deposit, and all leases, security agreements, leases and other contracts securing or otherwise relating to any of said instruments or documents including the following (attach schedule if necessary): _____

General Intangibles:

Blanket Lien: Any and all of Debtor's general intangible property, including payment intangibles, or

Specific General Intangibles: Limited to any and all of Debtor's general intangible property, including payment intangibles, which is specifically described in the space below, whether now owned or hereafter acquired by Debtor or used in Debtor's business currently or hereafter, including, without limitation, all patents, trademarks, service marks, trade secrets, copyrights and exclusive licenses (whether issued or pending), literary rights, contract rights and all documents, applications, materials and other matters related thereto, all inventions, all manufacturing, engineering and production plans, drawings, specifications, processes and systems, all trade names, goodwill and all chattel paper, documents and instruments relating to such general intangibles including the following (attach schedule if necessary):

Letter of credit rights

Blanket Lien: Any and all of Debtor's rights to payment under any letter of credit, or

Specific Letter of Credit Right: Limited to any and all of Debtor's right to payment under that/those certain Letter(s) of Credit identified as follows:

Chattel Paper:

Blanket Lien: Any and all of Debtor's chattel paper, or

Specific Chattel Paper: Limited to any and all of rights of Debtor to in and under the following identified chattel paper:

Investment Property:

Blanket Lien: Any and all of Debtor's investment property, or

Specific Investment Property: Limited to any and all of Debtor's rights in and to the following described investment property:

Documents:

Blanket Lien: Any and all of Debtor's documents, or

Specific documents: Limited to any and all of Debtor's rights in and under the following described documents:

Deposit Accounts:

Blanket Lien: Any and all of Debtor's deposit accounts, or

Specific deposit accounts: Limited to any and all of Debtor's rights in and under the following described deposit accounts:

Other:

B. Substitutions, Proceeds and Related Items. Any and all substitutes and replacements for, accessions, attachments and other additions to, tools, parts and equipment now or hereafter added to or used in connection with, and all cash or non-cash proceeds and products of, the Collateral (including, without limitation, all income, benefits and property receivable, received or distributed which results from any of the Collateral, such as dividends payable or distributable in cash, property or stock; insurance distributions of any kind related to the Collateral, including, without limitation, returned premiums, interest, premium and principal payments; redemption proceeds and subscription rights; and shares or other proceeds of conversions or splits of any securities in the Collateral); any and all choses in action and causes of action of Debtor, whether now existing or hereafter arising, relating directly or indirectly to the Collateral (whether arising in contract, tort or otherwise and whether or not currently in litigation); all certificates of title, manufacturer's statements of origin, other documents, accounts and chattel paper, whether now existing or hereafter arising directly or indirectly from or related to the Collateral; all warranties, wrapping, packaging, advertising and shipping materials used or to be used in connection with or related to the Collateral; all of Debtor's books, records, data, plans, manuals, computer software, computer tapes, computer systems, computer disks, computer programs, source codes and object codes containing any information, pertaining directly or indirectly to the Collateral and all rights of Debtor to retrieve data and other information pertaining directly or indirectly to the Collateral from third parties, whether now existing or hereafter arising; and all returned, refused, stopped in transit, or repossessed Collateral, any of which, if received by Debtor, upon request shall be delivered immediately to Bank.

C. Balances and Other Property. The balance of every deposit account of Debtor maintained with Bank and any other claim of Debtor against Bank, now or hereafter existing, liquidated or unliquidated, and all money, instruments, securities, documents, chattel paper, credits, claims, demands, income, and any other property, rights and interests of Debtor which at any time shall come into the possession or custody or under the control of Bank or any of its agents or affiliates for any purpose, and the proceeds of any thereof. Bank shall be deemed to have possession of any of the Collateral in transit to or set apart for it or any of its agents or affiliates.

EXHIBIT "D"

As to: Le Tennique, Inc. (the "Debtor")

The following described collateral

All inventory, furniture, furnishings, fixtures, equipment, leasehold interests, leasehold improvements, contract rights, accounts receivable, deposits, accounts, tradenames, trademarks and general intangibles, and all other personal property, tangible and intangible, comprising the business presently known as Le Tennique situate in or upon that certain real property described in Exhibit "A" (the "Property") and which items now are or may be hereafter in and upon the Property, whether the same be attached or unattached, and whether the same be detached or detachable, which are owned in either absolute title or as to the lessee's interest therein at any time by the Debtor, together with the proceeds thereof including all insurance proceeds as well as all replacements, additions and accessions at any time in the future.

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

In re:

COLONY BEACH AND TENNIS CLUB INC.,
COLONY BEACH, INC.,
RESORTS MANAGEMENT, INC.,

Case No. 8:13-bk-00348-KRM
Case No. 8:13-bk-00350-KRM
Case No. 8:13-bk-00354-KRM

(Jointly Administered under
Case No. 8:13-bk-00348-KRM)

Debtors.

Chapter 11

_____ /

ORDER MODIFYING STAY

THIS CASE came on for hearing on September 5, 2013, on Colony Lender's Motion to (i) Classify Debtor, Colony Beach and Tennis Club, Inc., As a Single-Asset Real Estate Debtor, (ii) For Relief From the Automatic Stay and (iii) To Convert Case to Chapter 7 or to Dismiss Chapter 11 Case (Doc. No. 24).

The Court previously granted partial stay relief to permit Colony Lender to pursue its state court foreclosure action against the debtor through the entry of final judgment, but required further order from this Court prior to conducting a foreclosure sale (Doc. No. 97). Having received a final judgment in the state court foreclosure action on August 27, 2013, Colony Lender has requested complete relief from the automatic stay for the purpose of conducting a foreclosure sale of the properties, upon which it recently foreclosed.

Accordingly, for the reasons stated on the record in open court, which shall constitute the decision of the Court, it is hereby **ORDERED**:

(1) Colony Lender's Motion for Relief from Stay is **GRANTED IN PART**;

- (2) Colony Lender shall be allowed to conduct a foreclosure sale on the real estate collateral only, provided that no foreclosure sale contemplated by this order shall take place prior to December 5, 2013;
- (3) The remainder of Colony Lender's Motion for Relief from Stay, as it relates to any other collateral in which Colony Lender claims a security interest, is continued to October 10, 2013, at 3:00 p.m.

DONE and ORDERED in Chambers at Tampa, Florida, on October 10, 2013



K. Rodney May
United States Bankruptcy Judge

Attorney Michael D. Assaf, Esq., is directed to serve a copy of this order on interested Parties and file a proof of service within 3 days of entry of the order.



End of Agenda Item