


<p>UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY Caption in Compliance with D.N.J. LBR 9004-2(c)</p> <p>STEVENS & LEE, P.C. 1415 Marlton Pike East Suite 506 Cherry Hill, NJ 08034 (856) 354-9200 John C. Kilgannon, Esq. (JK-3649)</p> <p>and</p> <p>STEVENS & LEE, P.C. 1818 Market Street, 29th Floor Philadelphia, PA 19103 (215) 575-0100 Robert Lapowsky, Esq. Marnie E. Simon, Esq.</p> <p>Counsel for the Debtor</p>	<p style="text-align: center;">FILED JAMES J. WALDRON. CLERK</p> <p style="text-align: center;">DEC 15 2009</p> <p style="text-align: center;">U.S. BANKRUPTCY COURT CAMDEN, NJ BY _____ DEPUTY</p>
<p>In re</p> <p>Ballamor Golf Holdings, Inc.,</p> <p style="text-align: center;">Debtor.</p>	<p>Chapter 11</p> <p>Case No.: 09-41341(GMB)</p>

**FINAL ORDER (A) APPROVING POST-PETITION FINANCING, AND
(B) GRANTING LIENS AND PROVIDING SUPER-PRIORITY
ADMINISTRATIVE EXPENSE STATUS PURSUANT TO 11 U.S.C. § 364**

The relief set forth on the following pages, numbered two (2) through nine (9), is hereby **ORDERED**.

12/15/09

JJB

Upon consideration of the Motion For The Entry Of Interim And Final Orders (A) Approving Post-Petition Financing, (B) Granting Liens And Providing Superpriority Administrative Expense Status Pursuant To 11 U.S.C. § 364, and (C) Providing Notice Of Final Hearing (the "Motion") by Ballamor Golf Holdings, Inc., debtor and debtor-in-possession (the "Debtor") seeking (i) authorization to obtain post-petition financing from Chester J. Ottinger, Jr. (the "Lender") for the purpose of funding essential operating and administrative costs and expenses; (ii) granting liens, security interests, and administrative claims pursuant to section 364(c) of the Bankruptcy Code; and (iii) providing related relief; and appropriate notice of the Motion having been given to the Lender, the United States Trustee and all other persons required by Fed. R. Bankr. P. 4001(c)(3); and after a hearing, this Court having determined compliance with applicable provisions of the Bankruptcy Code and Bankruptcy Rule 4001; and

WHEREAS, on November 30, 2009, this Court entered an order (the "Interim DIP Order") approving the Motion, on an interim basis, scheduling a hearing (the "Final Hearing") to consider approval of the Motion on a final basis and establishing notice requirements (the "Final Hearing Notice Requirements") relating to the Final Hearing.

WHEREAS, this Court has jurisdiction in this proceeding and over the parties and property affected hereby in accordance with 28 U.S.C. §§ 157(b) and 1334, and the subject of the Motion is a "core" proceeding as defined in 28 U.S.C. § 157(b); and

WHEREAS, on November 20, 2009, Debtor filed a petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. § 101 et seq. (the "Bankruptcy Code"); and

WHEREAS, the Debtor has requested from the Lender, and the Lender is willing to extend, a loan (the "DIP Loan") as more particularly described in the Post-Petition Loan and Security Agreement (the "DIP Loan Agreement"), attached to the Motion; and

WHEREAS, absent external financing, the Debtor lacks sufficient funds and working capital to operate and meet essential obligations including payroll, utilities and similar expenses which are necessary to maintain and maximize the value of the Debtor's estate for the benefit of its creditors; and

WHEREAS, the Debtor has been unable to procure financing in the form of unsecured credit allowable as an administrative expense under sections 364(b) and 503(b)(1) of the Bankruptcy Code or otherwise on terms more favorable than those offered by the Lender as described in the Motion and set forth herein below; and

WHEREAS, the relief requested in the Motion is in the best interest of, the Debtor, its estate, and its creditors; and

WHEREAS, the terms of the DIP Loan Agreement are fair, just, and reasonable under the circumstances, are ordinary and appropriate for secured financing to debtors-in-possession, are the result of the Debtor's exercise of prudent business judgment consistent with applicable fiduciary duties, and are supported by reasonably equivalent value and fair consideration; and

WHEREAS, the terms and conditions of the DIP Loan Agreement have been negotiated in good faith and at arm's length by and among the Debtor and the Lender, with all parties represented by counsel, and any credit extended and loans made to the Debtor pursuant to the DIP Loan Agreement and this First Interim Order shall be deemed to have been extended, issued, made, used or provided, as the case may be, in good faith as required by, and within the meaning of, section 364(e) of the Bankruptcy Code; and

WHEREAS, this Court finds good cause for the immediate entry of this order.

IT IS HEREBY ORDERED as follows:

1. The recitals above constitute findings of fact and conclusions of law.
2. The Debtor has complied with the Final Hearing Notice Requirements and, as a result, adequate notice of the Motion has been provided.
3. The Motion is granted in accordance with Bankruptcy Rule 4001 to the extent provided in this order.
4. The Debtor is authorized pursuant to 11 U.S.C. § 364(c) to immediately borrow and obtain from the Lender post-petition financing in the maximum principal amount at any one time outstanding of Five Hundred Thousand Dollars (\$500,000), inclusive of any advances effected pursuant to the authority of the Interim DIP Order, (collectively, the "Advances") in accordance with this order and the DIP Loan Agreement, and to the extent not previously executed, to execute the DIP Loan Agreement and any related Loan Documents referenced therein.

5. The Lender shall fund the Advances solely in accordance with the DIP Loan Agreement (including any conditions related to such fundings) and this order.

6. To secure the Advances, the Debtor is authorized to grant, and by the Interim DIP Order and this order it shall be deemed to have granted in favor of the Lender, (a) first priority liens upon all property of the Debtor, other than Avoidance Actions and proceeds of Avoidance Actions, not subject to an Existing Encumbrance (as defined in the DIP Loan Agreement), (b) next available priority liens upon all property of the Debtor, other than Avoidance Actions and proceeds of Avoidance Actions, subject to an Existing Encumbrance, and (c) an administrative claim against the Debtor's estate with priority over all other administrative expenses provided, however, such administrative claim shall not be payable out of the proceeds of Avoidance Actions.

7. The liens granted to the Lender pursuant to paragraph 6(a) and (b) above (the "Post-Petition Liens") are valid, duly perfected liens on the Collateral with the priority stated above without the necessity of any further action or filings by the Lender, the Debtor or any other Person.

8. The Post-Petition Liens shall not be subject to priming under 11 U.S.C. § 364(d).

9. The Debtor is authorized and directed to make payments and transfers of property of its bankruptcy estate to the Lender as provided, permitted, and/or required under the First Interim Order, this order and/or the DIP Loan Agreement, which payments and transfers shall not be avoidable or recoverable from the Lender under sections 547, 548, 549, 550, 553, or any other section of the Bankruptcy Code, or by virtue of any other claim, charge, assessment, or other liability, whether by application of

the Bankruptcy Code, other law, or otherwise. The Lender shall apply any amounts or payments received by the Lender in accordance with the DIP Loan Agreement and the First Interim Order or this order.

10. The provisions of the First Interim Order and this order are without prejudice to the rights of the Lender to pursue any and all rights and remedies under the Bankruptcy Code, the DIP Loan Agreement, or any other applicable agreement or law, including, without limitation, rights to seek adequate protection and/or additional or different adequate protection, to seek relief from the automatic stay, to seek an injunction, to oppose any request for use of cash collateral, for the grant of any interest in the Collateral, or for priority in favor of any other party, to object to any sale of assets, to object to any proposed plan of reorganization, to object to applications for allowance and/or payment of compensation of professionals or other parties seeking compensation or reimbursement from the Debtor's estate, and to recover interest and fees pursuant to section 506(b) of the Bankruptcy Code.

11. Notwithstanding any contrary provision of the DIP Loan Agreement, the First Interim Order or this order, the liens and security interests of Lender shall be subordinate to the right of payment of:

- a) statutory fees payable to the United States Trustee pursuant to 28 U.S.C. 1930(a)(6);
- b) fees payable to the Clerk of the Bankruptcy Court; and
- c) fees and expenses allowed in favor of counsel to the Debtor and counsel to the Creditors Committee, up to a maximum of

\$100,000 in the aggregate, paid to such counsel at any time during the pendency of this case.

12. No costs or expenses of administration which have been or may be incurred in the Debtor's bankruptcy cases at any time shall be charged against the Lender, its claims or the Collateral, pursuant to section 506(c) of the Bankruptcy Code, or otherwise, without the prior written consent of the Lender, and no such consent shall be implied from any other action, inaction or acquiescence by the Lender.

13. Upon the occurrence of an Event of Default, as defined in the DIP Loan Agreement and following ten (10) days written notice to the Debtor, counsel to the Creditors Committee and the Office of the United States Trustee, the automatic stay of section 362 of the Bankruptcy Code shall be deemed automatically vacated and the Lender shall be immediately permitted to, among other things, pursue any and all of its remedies against the Debtor and the Collateral provided, however, nothing herein shall be interpreted to require the Lender to make new advances to the Debtor following the occurrence of an Event of Default.

14. The following provisions of the DIP Loan Agreement shall have no force and effect:

- a) The first sentence of section 2.7;
- b) Section 2.8;
- c) Section 5.9, to the extent it provides the Lender with an indemnity for the Lender's intentionally wrongful or malicious acts; and
- d) Section 5.11, to the extent it provides the Lender with a release for the Lender's intentionally wrongful or malicious acts

15. Notwithstanding the provisions of section 5.3 of the DIP Loan Agreement, the Lender shall not be entitled to reimbursement of expenses, including counsel fees, in excess of the \$2,500 provided for in section 5.3(a) unless, (a) the Lender first provides counsel to the Debtor and counsel to the Committee with a reasonably detailed written statement of such expenses (the "Lender Expense Statement"), and (b) either (i) neither the Debtor nor the Committee object in to the Lender Expense Statement by written notice to counsel to the Lender within ten (10) days of the date of the Lender Expense Statement, or (ii) if a timely objection is provided, the Court, upon motion of the Lender, allows such expenses.

16. At all times prior to the occurrence of an Event of Default under the DIP Loan Agreement, the Lender shall be deemed to have consented to the use of cash in which the Lender has a security interest.

17. On a bi-weekly basis, the Debtor shall provide to counsel to the Committee a report detailing (a) cash receipts during the prior two week period, (b) cash disbursements during the prior two week period, (c) draws under the DIP Loan Agreement during the prior two week period, and (d) the outstanding principal balance of the DIP Loan as of the end of the prior two week period.

18. This order shall be binding on the Debtor, all parties in interest in the Debtor's bankruptcy cases, and their respective successors and assigns, including any trustee or other fiduciary appointed in the Debtor's bankruptcy case or any subsequently converted case. This order shall also inure to the benefit of the Lender, the Debtor, and their respective successors and assigns. The provisions of this order and any and all rights, remedies, privileges, and benefits in favor of the Lender provided or

acknowledged in this order, and any actions taken pursuant thereto, shall be effective immediately upon entry of this order, pursuant to Bankruptcy Rules 6004(h) and 7062, and shall continue in full force and effect, and shall survive entry of any such other order, including without limitation any order which may be entered confirming any plan of reorganization, converting the Debtor's bankruptcy case to a case under any other chapter under the Bankruptcy Code, or dismissing the Debtor's bankruptcy case. Any order dismissing the Debtor's bankruptcy case under section 1112 or otherwise shall be deemed to provide (in accordance with sections 105 and 349 of the Bankruptcy Code) that (a) the super-priority claim under § 364(c)(1) and the Lender's liens on and security interests in the Collateral shall continue in full force and effect notwithstanding such dismissal until the Obligations are indefeasibly paid and satisfied in full; and (b) this Court shall retain jurisdiction, notwithstanding such dismissal, for the purposes of enforcing the super-priority claim under § 364(c)(1) and liens and security interests in the Collateral.

19. The provisions of this order shall remain in full force and effect unless modified or vacated by subsequent order of this Court with the consent of the Lender. Pursuant to section 364(e) of the Bankruptcy Code, if any or all of the provisions of this order are hereby modified, vacated, or stayed by subsequent order of this Court, such stay, modification or vacation shall not affect the validity and the enforceability of any lien, security interest, priority, benefit, or application of payment authorized hereby with respect to any indebtedness of the Debtor to the Lender.

20. Given the need for financing, immediate implementation of this order, notwithstanding Bankruptcy Rule 6004(h), is warranted.

21. This order shall be deemed to supplement, and not supersede, the Interim DIP Order.

22. In the event of a conflict between the terms and conditions of the DIP Loan Agreement or the Interim DIP Order and this order, the terms and conditions of this order shall govern.