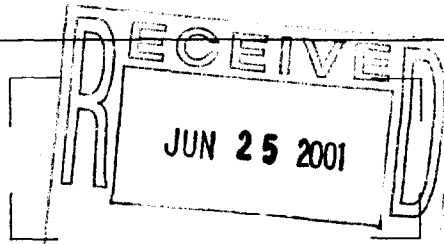


FORM PTO-1618A  
Expires 06/30/99  
OMB 0651-0027

MRD  
6/25/01



07-06-2001



101769394

### RECORDATION FORM COVER SHEET TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

#### Submission Type

- New
- Resubmission (Non-Recordation)  
Document ID # \_\_\_\_\_
- Correction of PTO Error  
Reel # \_\_\_\_\_ Frame # \_\_\_\_\_
- Corrective Document  
Reel # \_\_\_\_\_ Frame # \_\_\_\_\_

#### Conveyance Type

- Assignment  License
  - Security Agreement  Nunc Pro Tunc Assignment
  - Merger  Change of Name
  - Other \_\_\_\_\_
- Effective Date  
Month Day Year  
May 24, 2001

#### Conveying Party

Mark if additional names of conveying parties attached

Name Troon Golf, L.L.C. Execution Date  
Month Day Year  
June 1, 2001

Formerly \_\_\_\_\_

- Individual  General Partnership  Limited Partnership  Corporation  Association
- Other limited liability company
- Citizenship/State of Incorporation/Organization Delaware

#### Receiving Party

Mark if additional names of receiving parties attached

Name Imperial Bank

DBA/AKA/TA \_\_\_\_\_

Composed of \_\_\_\_\_

Address (line 1) 400 East Van Buren, Suite 900

Address (line 2) \_\_\_\_\_

Address (line 3) Phoenix Arizona 85004  
City State/Country Zip Code

- Individual  General Partnership  Limited Partnership  If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)
- Corporation  Association
- Other banking association
- Citizenship/State of Incorporation/Organization California

#### FOR OFFICE USE ONLY

07/03/2001 TDI:EL 00000077 170055 76197183

01 FC:491 40.00 CH  
02 FC:482 850.00 CH

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:  
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK  
REEL: 002324 FRAME: 0258

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Correspondent Name and Address**

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Pages** Enter the total number of pages of the attached conveyance document including any attachments. #

**Trademark Application Number(s) or Registration Number(s)**

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

**Trademark Application Number(s)**

**Registration Number(s)**

<input type="text" value="76197183"/>	<input type="text" value="76067051"/>	<input type="text" value="76067005"/>
<input type="text" value="76178047"/>	<input type="text" value="76067050"/>	<input type="text" value="76067053"/>
<input type="text" value="76067052"/>	<input type="text" value="76067006"/>	<input type="text" value="75696183"/>

<input type="text" value="2335154"/>	<input type="text" value="2344739"/>	<input type="text" value="2401306"/>
<input type="text" value="2342695"/>	<input type="text" value="2346630"/>	<input type="text" value="2396896"/>
<input type="text" value="2344740"/>	<input type="text" value="2299833"/>	<input type="text" value="2299830"/>

**Number of Properties** Enter the total number of properties involved. #

**Fee Amount** Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed  Deposit Account

Deposit Account (Enter for payment by deposit account or if additional fees can be charged to the account.) #

Authorization to charge additional fees: Yes  No

**Statement and Signature**

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Sean D. Johnson

Signature

Date Signed

Name of Person Signing

RECORDATION FORM COVER SHEET  
CONTINUATION  
TRADEMARKS ONLY

**Conveying Party**

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name

Formerly

Individual  General Partnership  Limited Partnership  Corporation  Association

Other

Citizenship State of Incorporation/Organization

**Receiving Party**

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Individual  General Partnership  Limited Partnership

Corporation  Association

Other

Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached (Designation must be a separate document from the Assignment.)

**Trademark Application Number(s) or Registration Number(s)**

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

**Trademark Application Number(s)**

75695995	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

**Registration Number(s)**

2299829	2242602	2096455
2342652	2371472	2094139
2340227	2128037	<input type="text"/>
2342651	2128036	<input type="text"/>
2241555	2128035	<input type="text"/>
2242603	2100745	<input type="text"/>
2255029	2129727	<input type="text"/>

## SECURITY AGREEMENT

THIS SECURITY AGREEMENT is made and entered into as of the 24th day of May, 2001, by TROON GOLF, L.L.C., a Delaware limited liability company (hereinafter called "Debtor"), whose chief executive office is located at 15044 North Scottsdale Road, Suite 300, Scottsdale, Arizona 85254, in favor of IMPERIAL BANK, a California banking association, and its successors and assigns (hereinafter called "Secured Party"), whose address is 400 East Van Buren, Suite 900, Phoenix, Arizona 85004.

### 1. SECURITY INTEREST

Debtor hereby grants to Secured Party a security interest (hereinafter called the "Security Interest") in all of Debtor's right, title and interest in and to the following described personal property described on Schedule A attached hereto (the "Collateral").

### 2. OBLIGATION SECURED

The Security Interest shall secure, in such order of priority as Secured Party may elect:

(a) Payment of the sum of \$4,000,000.00 according to the terms of that Revolving Promissory Note of even date herewith, made by Debtor and its Subsidiaries ("Borrower"), payable to the order of Secured Party, evidencing a revolving line of credit, all or any part of which may be advanced to Borrower, repaid by Borrower and readvanced to Borrower, from time to time, subject to the terms and conditions thereof, with interest thereon, extension and other fees, late charges and attorneys' fees, according to the terms thereof, and all extensions, modifications, renewals, restatements or replacements thereof (hereinafter called the "RLC Note");

(b) Payment of the sum of NINE MILLION AND NO/100 DOLLARS (\$9,000,000.00), with interest thereon, extension and other fees, late charges, prepayment premiums and attorneys' fees, according to the terms of that Promissory Note of even date herewith, made by Borrower, payable to the order of Secured Party, and all extensions, modifications, renewals or replacements thereof (hereinafter called the "Term Note").

(c) Payment of the sum of TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00), with interest thereon, extension and other fees, late charges, prepayment premiums and attorneys' fees, according to the terms of that Promissory Note of even date herewith, made by Borrower, payable to the order of Secured Party, and all extensions, modifications, renewals or replacements thereof (hereinafter called together with the RLC Note and the Term Note, the "Note").

(d) Payment, performance and observance by Borrower of each covenant, condition, provision and agreement contained herein and of all monies expended or advanced by Secured Party pursuant to the terms hereof, or to preserve any right of Secured Party hereunder, or to protect or preserve the Collateral or any part thereof;

(e) Payment, performance and observance by Borrower of each covenant, condition, provision and agreement contained in that Credit Agreement of even date herewith, by and between Borrower and Secured Party (as extended, modified, renewed, restated or replaced hereinafter called the "Credit Agreement") and in any other document or instrument related to the indebtedness described in subparagraph (a) above and of all monies expended or advanced by Secured Party pursuant to the terms thereof or to preserve any right of Secured Party thereunder; and

(f) Payment and performance of any and all other indebtedness, obligations and liabilities of Borrower to the Secured Party of every kind and character, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter incurred, whether such indebtedness is from time to time reduced and thereafter increased or entirely extinguished and thereafter reincurred.

All of the indebtedness and obligations secured by this Agreement are hereinafter collectively called the "Obligation."

### **3. USE; LOCATION**

3.1. The Collateral is or will be used or produced primarily for business purposes.

3.2. The Collateral will be kept at Debtor's address set forth at the beginning of this Agreement and/or at any location listed on Schedule B attached hereto.

3.3. Debtor's records concerning the Collateral will be kept at Debtor's address set forth at the beginning of this Agreement except that Eagle Ridge's records shall be kept at 444 Eagle Ridge Drive, Galena, Illinois 61036.

### **4. REPRESENTATIONS AND WARRANTIES OF DEBTOR**

4.1. Debtor is the owner of the Collateral free of all security interests or other encumbrances except the Security Interest and no financing statement covering the Collateral is filed or recorded in any public office (i) except with respect to any Permitted Liens (as defined in the Credit Agreement), (ii) except insofar as any minority ownership interest now held or hereafter acquired in any other Person is or may become subject to rights of first refusal or restrictions on transfer (collectively, the "Restrictions") and (iii) except for liquor licenses held by Troon Beverages, Inc., a Delaware corporation, and Troon Beverages of Texas, L.L.C., a Texas limited liability company, which are held for the beneficial interest of the owners under

various Management Contracts. All ownership interests currently subject to Restrictions are listed on Schedule D hereto. The address of Debtor set forth at the beginning of this Agreement is the chief executive office of Debtor.

4.2. The execution, delivery and performance by Debtor of this Agreement will not result in any breach of the terms and conditions or constitute a default under any agreement or instrument under which Debtor is a party or is obligated.

4.3. Debtor does not conduct business under any name other than that in which it has executed this Agreement and those names, if any, listed on Schedule C attached hereto.

4.4. Federal Employer Identification Number. The Debtor's Federal employer identification number is 86-0832529.

4.5. State Organization Number. The Debtor's state organization number is Delaware 2649751.

## 5. COVENANTS OF DEBTOR

5.1. Debtor shall not sell, transfer, assign or otherwise dispose of any Collateral or any interest therein (except as permitted herein) except as permitted under the Credit Agreement and shall keep the Collateral free of all security interests or other encumbrances except the Security Interest and Permitted Liens (as defined in the Credit Agreement).

5.2. Debtor shall keep and maintain the Collateral in good condition and repair and shall not use the Collateral in violation of any provision of this Agreement or any applicable statute, ordinance or regulation or any policy of insurance insuring the Collateral.

5.3. Debtor shall provide and maintain insurance insuring the Collateral against risks, with coverage in accordance with the Credit Agreement.

5.4. The Debtor will not sign or authorize the signing on its behalf or the filing of any financing statement naming it as debtor covering all or any portion of the Collateral except as permitted by the Credit Agreement.

5.5. Debtor, upon demand, shall promptly deliver to Secured Party all instruments, documents and chattel paper included in the Collateral and all invoices, shipping or delivery records, purchase orders, contracts or other items related to the Collateral. Debtor shall keep all titled vehicles properly registered with and licensed, shall provide Secured Party with the license numbers of all titled vehicles, and if requested by Secured Party shall cause the Security Interest to be shown as a valid first lien on the Certificate of Title.

5.6. Debtor shall give Secured Party immediate written notice of any change in the location of: (i) Debtor's chief executive office; (ii) Debtor's state of organization; (iii) any material part of the Collateral; or (iv) Debtor's records concerning the Collateral.

5.7. Secured Party or its agents may inspect the Collateral at reasonable times and may enter into any premises where the Collateral is or may be located. Debtor shall keep records concerning the Collateral in accordance with generally accepted accounting principles, and if applicable and unless waived in writing by Secured Party, shall place notations in its records and, when appropriate, upon the Collateral to indicate the Security Interest. Secured Party shall, after two (2) Banking Days advance notice, have free and complete access to Debtor's records and shall have the right to make extracts therefrom or copies thereof during reasonable business hours.

5.8. Debtor, at its cost and expense, shall protect and defend this Agreement, all of the rights of Secured Party hereunder, and the Collateral against all claims and demands of other parties, including without limitation defenses, setoffs, claims and counterclaims asserted by any Obligor against Debtor and/or Secured Party. Debtor shall pay all claims and charges that in the reasonable opinion of Secured Party might prejudice, imperil or otherwise affect the Collateral or the Security Interest. Debtor shall promptly notify Secured Party of any levy, distraint or other seizure by legal process or otherwise of any part of the Collateral and of any threatened or filed claims or proceedings that might in any way affect or impair the terms of this Agreement.

5.9. The Security Interest, at all times, shall be perfected and shall be prior to any other interests in the Collateral. Debtor shall act and perform as necessary and shall execute and file all security agreements, financing statements, continuation statements and other documents requested by Secured Party to establish, maintain and continue the perfected Security Interest. Debtor, on demand, shall promptly pay all costs and expenses of filing and recording, including the costs of any searches, deemed necessary by Secured Party from time to time to establish and determine the validity and the continuing priority of the Security Interest.

5.10. If Debtor shall fail to pay any taxes, assessments, expenses or charges, to keep all of the Collateral free from other security interests, encumbrances or claims, to keep the Collateral in good condition and repair, to procure and maintain insurance thereon, or to perform otherwise as required herein, Secured Party may advance the monies necessary to pay the same, to accomplish such repairs, to procure and maintain such insurance or to so perform; Secured Party is hereby authorized to enter upon any property in the possession or control of Debtor for such purposes.

5.11. All rights, powers and remedies granted Secured Party herein, or otherwise available to Secured Party, are for the sole benefit and protection of Secured Party, and Secured Party may exercise any such right, power or remedy at its option and in its sole and absolute discretion without any obligation to do so. In addition, if under the terms hereof, Secured Party is given two or more alternative courses of action, Secured Party may elect any alternative or combination of alternatives at its option and in its sole and absolute discretion. All monies advanced by Secured Party under the terms hereof and all amounts paid, suffered or incurred by Secured Party in exercising any authority granted herein, including reasonable attorneys' fees, shall be added to the Obligation, shall be secured by the Security Interest, shall bear interest at the highest rate payable on any of the Obligation until paid, and shall be due and payable by Debtor to Secured Party immediately without demand.

## **6. NOTIFICATION AND PAYMENTS; COLLECTION OF COLLATERAL; USE OF COLLATERAL BY DEBTOR**

6.1. Secured Party, after the occurrence of any Event of Default, as defined in the Credit Agreement and at any time when such Event of Default is continuing, and after notice to Debtor, may notify any or all Obligors of the existence of the Security Interest and may direct the Obligors to make all payments on the Collateral to Secured Party. Until Secured Party has notified the Obligors to remit payments directly to it, Debtor, at Debtor's own cost and expense, shall collect or cause to be collected the accounts and monies due under the accounts, documents, instruments and general intangibles or pursuant to the terms of the chattel paper. Secured Party shall not be liable or responsible for any embezzlement, conversion, negligence or default by Debtor or Debtor's agents with respect to such collections. Unless Secured Party notifies Debtor in writing that it waives one or more of the requirements set forth in this sentence, any payments or other proceeds of Collateral received by Debtor, after notification to Obligors, shall be held by Debtor in trust for Secured Party in the same form in which received, shall not be commingled with any assets of Debtor and shall be turned over to Secured Party not later than the next business day following the day of receipt. All payments and other proceeds of Collateral received by Secured Party directly or from Debtor shall be applied to the Obligation in such order and manner and at such time as Secured Party, in its sole discretion, shall determine. In addition, Debtor shall promptly notify Secured Party of the return to or possession by Debtor of goods underlying any Collateral; Debtor shall hold the same in trust for Secured Party and shall dispose of the same as Secured Party directs.

6.2. Secured Party, upon the occurrence of an Event of Default and at any time when such Event of Default is continuing, and after notice to Debtor, may demand, collect and sue on the Collateral (either in Debtor's or Secured Party's name), enforce, compromise, settle or discharge the Collateral and endorse Debtor's name on any instruments, documents, or chattel paper included in or pertaining to the Collateral; Debtor hereby irrevocably appoints Secured Party its attorney in fact for all such purposes.

6.3. Until the occurrence of an Event of Default, Debtor may: (i) use, consume and sell any inventory included in the Collateral in any lawful manner in the ordinary course of Debtor's business provided that all sales shall be at commercially reasonable prices; and (ii) subject to Paragraphs 6.1 and 6.2 above, retain possession of any other Collateral and use it in any lawful manner consistent with this Agreement.

## **7. COLLATERAL IN THE POSSESSION OF SECURED PARTY**

7.1. Secured Party shall use such reasonable care in handling, preserving and protecting the Collateral in its possession as it uses in handling similar property for its own account. Secured Party, however, shall have no liability for the loss, destruction or disappearance of any Collateral unless there is affirmative proof of a lack of due care; the lack of due care shall not be implied solely by virtue of any loss, destruction or disappearance.

7.2. Debtor shall be solely responsible for taking any and all actions to preserve rights against all Obligors; Secured Party shall not be obligated to take any such actions whether or not



the Collateral is in Secured Party's possession. Debtor waives presentment and protest with respect to any instrument included in the Collateral on which Debtor is in any way liable and waives notice of any action taken by Secured Party with respect to any instrument, document or chattel paper included in any Collateral that is in the possession of Secured Party.

## 8. EVENTS OF DEFAULT; REMEDIES

8.1. The occurrence of any of the following events or conditions shall constitute and is hereby defined to be an "Event of Default":

(a) Any failure or neglect to perform or observe any of the provisions, conditions, agreements, or covenants of this Agreement and such failure or neglect either cannot be remedied or, if it can be remedied, it continues unremedied for a period of fifteen (15) Banking Days after written notice thereof to Debtor.

(b) Any warranty, representation or statement contained in this Agreement shall be or shall prove to have been false when made or furnished.

(c) The occurrence of any default under the Note or any Event of Default under the Credit Agreement or any other document or instrument executed or delivered in connection with the Obligation.

8.2. Upon the occurrence of any Event of Default and at any time while such Event of Default is continuing, Secured Party shall have the following rights and remedies and may do one or more of the following:

(a) Without further notice or demand and without legal process, take possession of the Collateral wherever found and, for this purpose, enter upon any property occupied by or in the control of Debtor. Debtor, upon demand by Secured Party, shall assemble the Collateral and deliver it to Secured Party or to a place designated by Secured Party that is reasonably convenient to both parties.

(b) Operate the business of Debtor as a going concern, including, without limitation, extend sales or services to new customers and advance funds for such operation. Secured Party shall not be liable for any depreciation, loss, damage or injury to the Collateral or other property of Debtor as a result of such action. Debtor hereby waives any claim of trespass or replevin arising as a result of such action.

(c) Pursue any legal or equitable remedy available to collect the Obligation, to enforce its title in and right to possession of the Collateral and to enforce any and all other rights or remedies available to it.

(d) Upon obtaining possession of the Collateral or any part thereof, after notice to Debtor as provided in Paragraph 8.4 herein, sell such Collateral at

public or private sale either with or without having such Collateral at the place of sale. The proceeds of such sale, after deducting therefrom all expenses of Secured Party in taking, storing, repairing and selling the Collateral (including reasonable attorneys' fees) shall be applied to the payment of the Obligation, and any surplus thereafter remaining shall be paid to Debtor or any other person that may be legally entitled thereto. In the event of a deficiency between such net proceeds from the sale of the Collateral and the total amount of the Obligation, Debtor, upon demand, shall promptly pay the amount of such deficiency to Secured Party.

8.3. The Secured Party, so far as may be lawful, may purchase all or any part of the Collateral offered at any public or private sale made in the enforcement of Secured Party's rights and remedies hereunder.

8.4. Any demand or notice of sale, disposition or other intended action hereunder or in connection herewith, whether required by the Arizona Uniform Commercial Code or otherwise, shall be deemed to be commercially reasonable and effective if such demand or notice is given to Debtor at least fifteen (15) days prior to such sale, disposition or other intended action, in the manner provided herein for the giving of notices.

8.5. Debtor shall pay all costs and expenses, including without limitation costs of Uniform Commercial Code searches, court costs and reasonable attorneys' fees, incurred by Secured Party in enforcing payment and performance of the Obligation or in exercising the rights and remedies of Secured Party hereunder. All such costs and expenses shall be secured by this Agreement and by all deeds of trust and other lien and security documents securing the Obligation. In the event of any court proceedings, court costs and attorneys' fees shall be set by the court and not by jury and shall be included in any judgment obtained by Secured Party.

8.6. In addition to any remedies provided herein for an Event of Default, Secured Party shall have all the rights and remedies afforded a secured party under the Uniform Commercial Code and all other legal and equitable remedies allowed under applicable law. No failure on the part of Secured Party to exercise any of its rights hereunder arising during any Event of Default shall be construed to prejudice its rights upon the occurrence of any other or subsequent Event of Default or continuing thereof. No delay on the part of Secured Party in exercising any such rights shall be construed to preclude it from the exercise thereof at any time while that Event of Default is continuing. Secured Party may enforce any one or more rights or remedies hereunder successively or concurrently. By accepting payment or performance of any of the Obligation after its due date, Secured Party shall not thereby waive the agreement contained herein that time is of the essence, nor shall Secured Party waive either its right to require prompt payment or performance when due of the remainder of the Obligation or its right to consider the failure to so pay or perform an Event of Default.

8.7. Secured Party, shall have no obligation to clean-up or otherwise prepare the Collateral for sale except that any such sale will be conducted in a commercially reasonable manner for sales of this type.

## 9. MISCELLANEOUS PROVISIONS

9.1. The acceptance of this Agreement by Secured Party shall not be considered a waiver of or in any way to affect or impair any other security that Secured Party may have, acquire simultaneously herewith, or hereafter acquire for the payment or performance of the Obligation, nor shall the taking by Secured Party at any time of any such additional security be construed as a waiver of or in any way to affect or impair the Security Interest; Secured Party may resort, for the payment or performance of the Obligation, to its several securities therefor in such order and manner as it may determine.

9.2. Without notice or demand, without affecting the obligations of Debtor hereunder or the personal liability of any person for payment or performance of the Obligation, and without affecting the Security Interest or the priority thereof, Secured Party, from time to time, may: (i) extend the time for payment of all or any part of the Obligation, accept a renewal note therefor, reduce the payments thereon, release any person liable for all or any part thereof, or otherwise change the terms of all or any part of the Obligation; (ii) take and hold other security for the payment or performance of the Obligation and enforce, exchange, substitute, subordinate, waive or release any such security; (iii) join in any extension or subordination agreement; or (iv) release any part of the Collateral from the Security Interest.

9.3. Debtor waives and agrees not to assert: (i) any right to require Secured Party to proceed against any guarantor, to proceed against or exhaust any other security for the Obligation, to pursue any other remedy available to Secured Party, or to pursue any remedy in any particular order or manner; (ii) the benefits of any legal or equitable doctrine or principle of marshalling; (iii) the benefits of any statute of limitations affecting the enforcement hereof; (iv) demand, diligence, presentment for payment, protest and demand, and notice of extension, dishonor, protest, demand and nonpayment, relating to the Obligation; and (v) any benefit of, and any right to participate in, any other security now or hereafter held by Secured Party.

9.4. The terms herein shall have the meanings in and be construed under the Uniform Commercial Code. This Agreement shall be governed by and construed in accordance with the substantive laws (other than conflict laws) of the State of Arizona, except to the extent Secured Party has greater rights or remedies under Federal law, whether as a national bank or otherwise, in which case such choice of Arizona law shall not be deemed to deprive Secured Party of any such rights and remedies as may be available under Federal law. Subject to the provisions of Section 10.5 of the Credit Agreement, each party consents to the personal jurisdiction and venue of the state courts located in Maricopa County, State of Arizona in connection with any controversy related to this Agreement, waives any argument that venue in any such forum is not convenient and agrees that any litigation initiated by any of them in connection with this Agreement shall be venued in the Superior Court of Maricopa County, Arizona. The parties waive any right to trial by jury in any action or proceeding based on or pertaining to this Agreement or any of the Credit Documents as defined in the Credit Agreement.

9.5. No modification, rescission, waiver, release or amendment of any provision of this Agreement shall be made except by a written agreement executed by Debtor and a duly authorized officer of Secured Party.

9.6. This is a continuing Agreement which shall remain in full force and effect until actual receipt by Secured Party of written notice of its revocation as to future transactions and shall remain in full force and effect thereafter until all of the Obligation incurred before the receipt of such notice, and all of the Obligation incurred thereafter under commitments extended by Secured Party before the receipt of such notice, shall have been paid and performed in full.

9.7. No setoff or claim that Debtor now has or may in the future have against Secured Party shall relieve Debtor from paying or performing the Obligation.

9.8. Time is of the essence hereof. If more than one Debtor is named herein, the word "Debtor" shall mean all and any one or more of them, severally and collectively. All liability hereunder shall be joint and several. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their heirs, personal representatives, successors and assigns. The term "Secured Party" shall include not only the original Secured Party hereunder but also any future owner and holder, including pledgees, of note or notes evidencing the Obligation. The provisions hereof shall apply to the parties according to the context thereof and without regard to the number or gender of words or expressions used.

9.9. Except for telephonic notices permitted herein, any notices or other communications required or permitted to be given by this Security Agreement or any other documents and instruments referred to herein must be (i) given in writing and personally delivered or mailed by prepaid certified or registered mail or sent by overnight delivery service, or (ii) made by telefacsimile delivered or transmitted, to the party to whom such notice or communication is directed, to the address of such party as follows:

Borrower: Troon Golf, L.L.C.  
15044 North Scottsdale Road  
Suite 300  
Scottsdale, Arizona 85254  
Attention: Timothy S. Schantz, Esq.  
Telecopier: (480) 477-1010

with a copy to: Carson, Messinger, Elliott, Laughlin & Ragan, P.L.L.C.  
3300 North Central Avenue, 19th Floor  
Phoenix, Arizona 85012  
Attention: William A. Clarke, Esq.  
Telecopier: (602) 277-4507

Lender: Imperial Bank  
9920 South La Cienega Boulevard  
Suite 636  
Inglewood, California 90301  
Attention: Lending Services  
Telecopier: (310) 417-5695

With a copy to: Imperial Bank  
400 East Van Buren  
Suite 900  
Phoenix, Arizona 85004  
Attention: Ed Zulaica  
Telecopier: (602) 261-7881

Any notice to be personally delivered may be delivered to the principal offices (determined as of the date of such delivery) of the party to whom such notice is directed. Any such notice or other communication shall be deemed to have been given (whether actually received or not) on the day it is personally delivered as aforesaid; or, if mailed, on the third day after it is mailed as aforesaid; or, if transmitted by telefacsimile, on the day that such notice is transmitted as aforesaid. If transmitted by facsimile, such transmission shall be followed by first class United States Postal Service delivery of same. Any party may change its address for purposes of this Credit Agreement by giving notice of such change to the other parties pursuant to this Section 10.4.

9.10. A carbon, photographic or other reproduced copy of this Agreement and/or any financing statement relating hereto shall be sufficient for filing and/or recording as a financing statement.

9.11. If any provision of this Security Agreement conflicts with any provision of the Credit Agreement, the provision of the Credit Agreement shall control.

9.12. The capitalized terms used herein and not otherwise defined shall have the same meanings as set forth in the Credit Agreement, of even date herewith between Debtor and Debtor's Subsidiaries and Secured Party.

## 10. NON-DEBTOR BORROWER PROVISIONS

10.1. All advances of principal under the Note shall be made to Borrower subject to and in accordance with the terms thereof. It is not necessary for Secured Party to inquire into the powers of Borrower or the officers, directors, partners or agents acting or purporting to act on its behalf. Debtor is and shall continue to be fully informed as to all aspects of the business affairs of Borrower that it deems relevant to the risks it is assuming and hereby waives and fully discharges Secured Party from any and all obligations to communicate to Debtor any facts of any nature whatsoever regarding Borrower and Borrower's business affairs.

10.2. Debtor authorizes Secured Party, without notice or demand, without affecting the obligations of Debtor hereunder or the personal liability of any person for payment or performance of the Obligation and without affecting the lien or the priority of the Security Interest, from time to time, at the request of any person primarily obligated therefor, to renew, compromise, extend, accelerate or otherwise change the time for payment or performance of, or otherwise change the terms of, all or any part of the Obligation, including increase or decrease any rate of interest thereon. Debtor waives and agrees not to assert: (i) any right to require Secured Party to proceed against Borrower; (ii) the benefits of any statutory provision limiting

the liability of a surety; and (iii) any defense arising by reason of any disability or other defense of Borrower or by reason of the cessation from any cause whatsoever of the liability of Borrower. Debtor shall have no right of subrogation and hereby waives any right to enforce any remedy which Secured Party now has, or may hereafter have, against Borrower.

IN WITNESS WHEREOF, these presents are executed as of the date indicated above.

TROON GOLF, L.L.C., a Delaware limited liability  
company

By: Jon A. Munson

Name: Jon A. Munson

Title: Senior Vice President and Chief Financial Officer

DEBTOR

## SCHEDULE A

### Collateral

All of Debtor's right, title and interest in and to all Accounts (as defined in the Arizona UCC), Chattel Paper (as defined in the Arizona UCC), Documents (as defined in the Arizona UCC), Equipment (as defined in the Arizona UCC), Fixtures (as defined in the Arizona UCC), General Intangibles (as defined in the Arizona UCC) including, without limitation, trademarks and tradenames (and all related applications and registrations) listed in Exhibit A hereto, including, all Instruments (as defined in the Arizona UCC), Inventory (as defined in the Arizona UCC), Investment Property (as defined in the Arizona UCC), any Deposit Accounts (as defined in the Arizona UCC) pledged to Secured Party, Deposits, Management Contracts (as defined in that Credit Agreement between Debtor and Secured Party), Debtor's ownership interest in subsidiaries and other entities, cash, letters of credit, stock rights and other deposits, it being intended that the Collateral include all property of the Debtor other than real property, whether located in which the Debtor now has or hereafter acquires any right or interest, and the proceeds, insurance proceeds and products thereof, together with all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records related thereto, together with (i) all policies or certificates of insurance covering any of the foregoing property, and all awards, loss payments, proceeds and premium refunds that may become payable with respect to such policies; (ii) all property of Debtor that is now or may hereafter be in the possession or control of Secured Party in any capacity, including without limitation all monies owed or that become owed by Secured Party to Debtor; and (iii) all proceeds of any of the foregoing property, whether due or to become due from any sale, exchange or other disposition thereof, whether cash or non-cash in nature, and whether represented by checks, drafts, notes or other instruments for the payment of money, including, without limitation, all property, whether cash or non-cash in nature, derived from tort, contractual or other claims arising in connection with any of the foregoing property. Notwithstanding the above, the Collateral shall not include the following two vehicles: Chevrolet, model year 1999, VIN no. 3GKFK16R7XG540827 and Ford F250 model year 1999, VIN no. 1FTNX2153XEE49831. The terms herein shall have the meaning in and be construed under the Uniform Commercial Code as in effect in Arizona from time to time (the "Arizona UCC"). All property described above is hereinafter called the "Collateral."

## EXHIBIT A

TRADEMARKS AND TRADENAMES  
TRADEMARKS

Trademark	Class	Serial/Registration No.	Date Filed/Registered
1. THE POWER OF A BRAND	35	76/197183	January 19, 2001
2. TROON GOLF GOLF'S FIRST AND FOREMOST LUXURY BRAND AND DESIGN	35	76/178047	December 8, 2000
3. TROON LODGE	42	76/067052	June 8, 2000
4. TROON CLUB	42	76/067051	June 8, 2000
5. TROON RESORT	42	76/067050	June 8, 2000
6. PRIVATE CLUBS OF DISTINCTION	42	76/067006	June 8, 2000
7. TROON	42	76/067005	June 8, 2000
8. PRIVE	35	76/067053	June 8, 2000
9. TROON PACIFIC	35	75/696183	May 3, 1999
10. TROON ATLANTIC	25	75/695995	May 3, 1999
11. TROON NORTH KID AND DESIGN	28	2,335,154	March 28, 2000
12. TROON	35	2,342,695	April 18, 2000
13. TROON	42	2,344,740	April 25, 2000
14. TROON NORTH	16, 18, 20	2,344,739	April 25, 2000
15. TROON GOLF AND DESIGN	28	2,346,630	May 2, 2000
16. TROON GOLF SCHOOLS	41	2,299,833	December 14, 1999
17. TROON GOLF INSTITUTE	16	2,401,306	November 7, 2000
18. TROON GOLF	16	2,396,896	October 24, 2000
19. TROON NORTH	25	2,299,830	December 14, 1999
20. TROON GOLF INSTITUTE	41	2,299,829	December 14, 1999
21. TROON GOLF AND DESIGN	16	2,342,652	April 18, 2000
22. TROON NORTH AND DESIGN	25	2,340,227	April 11, 2000
23. EXPERIENCE TROON GOLF	16	2,342,651	April 18, 2000
24. TROON GOLF AND DESIGN	25	2,241,555	April 27, 1999
25. TROON GOLF AND DESIGN	35	2,242,603	May 4, 1999
26. TROON GOLF	41	2,255,029	June 22, 1999
27. TROON GOLF	35	2,242,602	May 4, 1999
28. TROON GOLF	28	2,371,472	July 25, 2000
29. TROON AND DESIGN	28	2,128,037	January 13, 1998
30. TROON NORTH AND DESIGN	28	2,128,036	January 13, 1998
31. TROON	28	2,128,035	January 13, 1998
32. TROON	41	2,100,745	September 30, 1997
33. TROON NORTH	28	2,129,727	January 20, 1998
34. TROON NORTH	41	2,096,455	September 16, 1997
35. TROON AND DESIGN	41	2,094,139	September 9, 1997
36. TROON GOLF AND DESIGN	35	200085224 (Japan)	August 8, 2000
37. TROON	35	200074356 (Japan)	July 4, 2000



## TRADENAMES

(a) Trade Name No. 152254, "Troon Golf" filed with the Arizona Secretary of State on December 18, 1995 and expired on December 18, 2000, but Company has re-filed with the Arizona Secretary of State.

(b) Trade Name No. 152256, "Troon Golf Consulting" filed with the Arizona Secretary of State on December 18, 1995 and expired on December 18, 2000.

(c) Trade Name No. 152255, "Troon Golf Development" filed with the Arizona Secretary of State on December 18, 1995 and expired on December 18, 2000.

(d) Trade Name No. 155949, "Troon Golf Properties" filed with the Arizona Secretary of State on March 19, 1996 and expired on March 19, 2001.

(e) Trade Name No. 158676, "Troon Golf Design" filed with the Arizona Secretary of State on May 16, 1996 and expiring on May 16, 2001.

(f) Troon Legacy (not registered).

(g) Eagle Ridge (not registered).

(h) Eagle Ridge Lease (not registered).

(i) Legacy Golf Club (not registered).

(j) Shadow Lakes Golf Club (not registered).

**SCHEDULE B**

Location of Collateral

444 Eagle Ridge Drive  
Galena, Illinois 61036

## SCHEDULE C

### DBA's

- (a) Troon Golf.
- (b) Troon Golf Consulting.
- (c) Troon Golf Development.
- (d) Troon Golf Properties.
- (e) Troon Golf Design.
- (f) Troon Legacy.
- (g) Eagle Ridge.
- (h) Eagle Ridge Lease.
- (i) Legacy Golf Club.
- (j) Shadow Lakes Golf Club.

## SCHEDULE D

### Restrictions

(A) Permitted Liens

(B) Troon Golf, L.L.C. is not permitted to transfer or encumber its ownership interest in Savannah Harbor Venture Partners LLC without first obtaining the prior consent of the Executive Committee, as defined in that certain Operating Agreement for Savannah Harbor Venture Partners LLC dated as of April 22, 1997.

(C) Neither Troon Golf, L.L.C. or Troon North Investments, L.L.C. (acting together) are permitted to directly sell, transfer, assign or otherwise dispose of their combined partnership interests in TNGLP to any person (except to an Affiliate or another Partner) without first offering to the other Partner a right of first refusal to purchase such partnership interests. There is an exclusion from this prohibition relating to the change of control in the entities which own such partnership interest.

(D) Troon Golf Australia Corporation, a Unitholder in Medallist Troon Golf Management Pty Limited (Medallist Troon), is not permitted to transfer or dispose of any of its Shares in Medallist Troon or its Units in the Medallist Troon Golf Trust without first following the right of first offer provisions contained in the Unitholders' Agreement of Medallist Troon.

(E) Troon Brentwood Equity, L.L.C., a member in Troon Brentwood, LLC (the Managing Member of BT Lakes Golf, L.L.C.) is not permitted to sell any or all of its ownership interest in Troon Brentwood, LLC without following the right of first offer provisions contained in the Operating Agreement of Troon Brentwood, LLC. There is an exclusion relating to pledging or otherwise encumbering such interest.

(F) Troon Golf, L.L.C., is not permitted to transfer or encumber its 950,000 Common Shares of stock in EZLinks Golf, Inc., a Delaware corporation, as evidenced by that certain Share Certificate No. 36 dated September 29, 2000, and such restriction shall apply to any and all other shares of stock of EZLinks Golf, Inc. that may be or become owned by the Troon Golf, L.L.C., at any time and from time to time.