U.S. BANKRUPTCY COURT
District of South Carolina

Case Number: **12-01220-jw**

ORDER CONFIRMING FIRST AMENDED AND RESTATED JOINT CHAPTER 11 PLAN FILED BY THE DEBTORS AND THE PLAN SPONSOR

The relief set forth on the following pages, for a total of 128 pages including this page, is hereby ORDERED.

FILED BY THE COURT
08/17/2012

Entered: 08/17/2012

John E. Waites

Chief US Bankruptcy Judge
District of South Carolina

UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA

In re: **The Cliffs Club & Hospitality Group, Inc., *et al.*,[1] *d/b/a* The Cliffs Golf & Country Club,** **Debtors.**	**CHAPTER 11** **Case No. 12-01220** **Jointly Administered**

ORDER CONFIRMING FIRST AMENDED AND RESTATED JOINT CHAPTER 11 PLAN FILED BY THE DEBTORS AND THE PLAN SPONSOR

The First Amended and Restated Joint Chapter 11 Plan Filed by the Debtors and the Plan Sponsor dated June 30, 2012 (with such amendments stated on the record at the hearing held on July 2, 2012 and as modified by amendments filed on July 27, 2012) [Dkt. No. 616, Ex. A] (as the same may be amended, supplemented or otherwise modified from time to time, the "Plan")[2] having been filed by The Cliffs Club & Hospitality Group, Inc. and its affiliated debtors in the above-captioned Chapter 11 cases, as debtors and debtors-in-possession (collectively, the "Debtors"), and Cliffs Club Partners, LLC (the "Plan Sponsor"), and having

[1] The Debtors, followed by the last four digits of their respective taxpayer identification numbers and Chapter 11 case numbers, are as follows: The Cliffs Club & Hospitality Group, Inc. (6338) (12-01220); CCHG Holdings, Inc. (1356) (12-01223); The Cliffs at Mountain Park Golf & Country Club, LLC (2842) (12-01225); The Cliffs at Keowee Vineyards Golf & Country Club, LLC (5319) (12-01226); The Cliffs at Walnut Cove Golf & Country Club, LLC (9879) (12-01227); The Cliffs at Keowee Falls Golf & Country Club, LLC (3230) (12-01229); The Cliffs at Keowee Springs Golf & Country Club, LLC (2898) (12-01230); The Cliffs at High Carolina Golf & Country Club, LLC (7576) (12-01231); The Cliffs at Glassy Golf & Country Club, LLC (6559) (12-01234); The Cliffs Valley Golf & Country Club, LLC (6486) (12-01236); and Cliffs Club & Hospitality Service Company, LLC (9665) (12-01237).

[2] Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Plan if defined therein, otherwise as defined in the Asset Purchase Agreement.

been transmitted to creditors, equity security holders and other parties in interest; and the Court having conducted the Confirmation Hearing on August 6, 2012; and the Court having reviewed and considered the Debtors' Memorandum of Law in Support of Confirmation of the Plan, the Ballot Declaration (as defined below), the declarations filed in support of the Plan by Katie S. Goodman, Chief Restructuring Officer of the Debtors, and of John Kunkel, a representative of the Plan Sponsor; and the Court having considered the objections filed (as described below), the evidence and testimony presented at the Confirmation Hearing, exhibits, records, and any remaining objections and arguments of counsel presented at the Confirmation Hearing,

THE COURT HEREBY FINDS AND CONCLUDES AS FOLLOWS:

A. Jurisdiction. The Court has jurisdiction over the Chapter 11 Cases and the subject matter of the Confirmation Hearing pursuant to 28 U.S.C. §§ 157 and 1334. Plan confirmation is a "core proceeding" pursuant to 28 U.S.C. § 157(b)(2), and this Court has jurisdiction to enter this Confirmation Order with respect thereto. The Debtors are eligible for relief under Bankruptcy Code Section 109, and the Debtors and Plan Sponsor are proper proponents of the Plan under section 1121(a) of the Bankruptcy Code.

B. Venue. Venue of the Chapter 11 Cases is proper before this Court pursuant to 28 U.S.C. § 1408.

C. Judicial Notice. This Court takes judicial notice of the docket of the Chapter 11 Cases maintained by the Clerk of the Court, including, without limitation, all pleadings, all documents filed, all orders entered, and all evidence and arguments made, proffered or adduced at the hearings held before this Court during the pendency of the Chapter 11 Cases, and of the proofs of claim maintained by BMC Group, Inc., the duly-appointed claims agent in the Chapter 11 Cases.

D. Voting Solicitation. The Debtors and Plan Sponsor solicited votes on the Plan by distributing copies of the Disclosure Statement, the Plan, a notice of the Confirmation Hearing, and a Ballot to be executed by holders of Claims in Classes 1, 3, 4, 5, 6 and 7 on the Plan in conformance with Rules 2002 and 3017 of the Federal Rules of Bankruptcy Procedure (the "Rules").

E. Notice. Notice of the Confirmation Hearing, the deadline to vote on the Plan, and the deadline to object to the Plan were provided in conformance with Rules 2002, 3017 and 3020 and the Order Approving Disclosure Statement And Fixing Time For Filing Acceptances Or Rejections Of Plan, Combined With Notice Thereof [Dkt. No. 478] (the "Disclosure Statement Approval Order") to creditors, holders of Interests, and other parties in interest, as evidenced by the various affidavits of service filed with this Court. The Court finds that notice of the Plan, of the transactions contemplated thereby, and of the Confirmation Hearing have been reasonable, adequate and sufficient in all respects.

F. Tabulation of Acceptances. Upon the Declaration of Balloting Agent Regarding Solicitation and Tabulation of Votes in Connection with the First Amended and Restated Joint Chapter 11 Plan Filed by the Debtors and the Plan Sponsor (the "Ballot Declaration"), the Debtors certified that they received the requisite acceptances both in number and amount from all impaired classes of creditors for confirmation of the Plan as required under Bankruptcy Code Section 1126. As evidenced by the Ballot Declaration and based upon the record before the Court, the solicitation and tabulation of acceptances and rejections of the Plan by the Debtors and their counsel was accomplished in a proper, fair and lawful manner in accordance with the Disclosure Statement Approval Order, all applicable sections of the Bankruptcy Code, and all applicable sections of the Rules. The Holder of the Class 2 Bridge

Lender Claim is unimpaired and is, therefore, deemed to accept the Plan. Holders of Class 8 Equity Interests will not receive or retain any property under the Plan on account of such Equity Interests and are, therefore, deemed to reject the Plan. Ballots were transmitted to holders of Claims in Classes 1, 3, 4, 5, 6 and 7 (the "Voting Classes") in accordance with the Disclosure Statement Approval Order. The Debtors and the Plan Sponsor solicited votes for the Plan from the Voting Classes in good faith and in a manner consistent with the Bankruptcy Code. As of the date of the Ballot Declaration, creditors entitled to vote to accept or to reject the Plan voted in the numbers and percentages stated in the Ballot Declaration. At least two-thirds in dollar amount and more than one-half in number of the Creditors in Classes 1, 3, 4, 5, 6 and 7 who voted on the Plan voted to accept the Plan. The Ballot Declaration complies with Local Bankruptcy Rule 3018-1.

G. Modifications, Supplements and Memorandum in Support. The Debtors filed modifications (the "Modifications") to the Plan via that certain Statement of Changes Made By Amendment to the First Amended and Restated Joint Chapter 11 Plan Filed by the Debtors and the Plan Sponsor dated June 30, 2012 [Dkt. No. 616] filed on July 27, 2012. The Debtors filed their Plan Supplement in several installments, on July 1, 2012 and July 27, 2012 (references in this Order to the "Plan Supplement" refer to the various installments of the Plan Supplement on a consolidated basis). The Debtors filed their Memorandum of Law in Support of Confirmation of the First Amended and Restated Joint Chapter 11 Plan of the Debtors and Plan Sponsor on August 4, 2012.

H. Objections. Objections or responses to confirmation of the Plan were filed or asserted as follows (collectively, the "Objections"):

1. Keowee Investment Properties, LLC's Limited Objection to Confirmation of Plan [Dkt. No. 623];

2. James B. Anthony's Objection to the Debtors' Plan of Reorganization [Dkt. No. 626];

3. Keowee Falls Investment Group, LLC's Objection to Confirmation of the First Amended and Restated Joint Chapter 11 Plan filed by the Debtors and the Plan Sponsor as supplemented by the Debtors and the Plan Sponsor [Dkt. No. 627];

4. Objection to Confirmation of the Plan filed by Catherine and Daniel Goldberg [Dkt. No. 628];

5. Limited Response of Wells Fargo Bank, N.A., as Indenture Trustee, to Confirmation of Joint Chapter 11 Plan Filed by the Debtors and the Plan Sponsor [Dkt. No. 629]; and

6. Objection of Bruce Cassidy, Jr. to Confirmation of First Amended and Restated Joint Chapter 11 Plan Filed by the Debtors and the Plan Sponsor [Dkt. No. 630], as amended by the Amended Objection of Bruce Cassidy, Jr. to Confirmation of First Amended and Restated Joint Chapter 11 Plan Filed by the Debtors and the Plan Sponsor [Dkt. No. 632].

The Debtors filed responses to the Objections, as follows:

1. Debtors' Response to James B. Anthony's Objection to the Debtors' Plan of Reorganization [Dkt. No. 646];

2. Debtors' Response to Keowee Falls Investment Group, LLC's Objection to Confirmation of the First Amended and Restated Joint Chapter 11 Plan filed by the Debtors and the Plan Sponsor as supplemented by the Debtors and the Plan Sponsor [Dkt. No. 639];

3. Debtors' Response to Objection to Confirmation of the Plan filed by Catherine and Daniel Goldberg [Dkt. No. 648]; and

4. Debtors' Response to Objection of Bruce Cassidy, Jr. to Confirmation of First Amended and Restated Joint Chapter 11 Plan Filed by the Debtors and the Plan Sponsor [Dkt. No. 644].

Prior to the commencement of the Confirmation Hearing, the following Objections were withdrawn or resolved: (i) Keowee Investment Properties, LLC's Limited Objection to Confirmation of Plan [Dkt. No. 623], which was resolved pursuant to that certain Assumption Agreement Regarding Memberships by and between The Cliffs Club & Hospitality Group,

Inc., The Cliffs at Keowee Springs Golf & Country Club, LLC, Keowee Investment Properties, LLC ("KIP") and Cliffs Clubs Partners, LLC, which agreement provides, among other things, that purchasers of lots from KIP, its successors and assigns, shall have the right to purchase memberships in the New Clubs from the Plan Sponsor, its successors and assigns, from and after the Effective Date subject to terms and conditions set forth in that agreement, and which agreement the Debtors are authorized herein to enter into to resolve KIP's objection to confirmation; and (ii) the Amended Objection of Bruce Cassidy, Jr. to Confirmation of First Amended and Restated Joint Chapter 11 Plan Filed by the Debtors and the Plan Sponsor [Dkt. No. 632], which was resolved pursuant to that certain Stipulation And Consent Order By And Among The Debtors, The Plan Sponsor, And Bruce Cassidy, Jr. [Dkt. No 647].

Each of the outstanding Objections to confirmation of the Plan[3] not withdrawn or resolved prior to the commencement of the Confirmation Hearing is overruled and denied, upon the Court's consideration of the evidence, testimony and arguments of counsel presented at the Confirmation Hearing that collectively forms the basis of the Court's findings below.

I. Reasonable Classification of Claims and Equity Interests (Section 1122 and Section 1123(a)(1), (2), and (3)). The Plan designates Claims and Interests, in compliance with Bankruptcy Code Section 1123 (a)(1), (a)(2), and (a)(3), in the following eight classes: Indenture Trustee – Note Holder Claims (Class 1), Bridge Loan Claim (Class 2), Mechanic's Lien Claims (Class 3); Other Senior Secured Party Claims (Class 4); General Unsecured Claims (Class 5); Administrative Convenience Claims (Class 6), Club Member Claims (Class 7), and Equity Interests (Class 8). The Holder of the Class 2 Claim is unimpaired and is,

[3] The Court notes that the Limited Response of Wells Fargo Bank, N.A., as Indenture Trustee, to Confirmation of Joint Chapter 11 Plan Filed by the Debtors and the Plan Sponsor [Dkt. No. 629] does not assert an objection to confirmation of the Plan, but rather reserves the Indenture Trustee's rights with respect to certain documents necessary to complete the transaction contemplated by the Plan.

therefore, deemed by law to have accepted the Plan. The Holders of Interests in Class 8 will not receive or retain any property under the Plan on account of such Interests and are, therefore, deemed to reject the Plan. Holders of Claims in Classes 1, 3, 4, 5, 6 and 7 are impaired. The Plan specifies the treatment of each impaired Class. The classification of Claims and Interests in Article III of the Plan is reasonable and necessary, has a rational, justifiable, and good faith basis, and places Claims and Interests in a particular Class where such Claims or Interests are substantially similar to the other Claims and Interests of such Class. Specifically, the Court finds that Club Members who are members at The Cliffs at High Carolina Golf & Country Club, LLC are properly classified as Holders of Class 7 Club Member Claims because their Claims are substantially similar to the other Claims of such Class, and such classification is reasonable and necessary, and has a rational, justifiable, and good faith basis. Therefore, the Plan satisfies the requirements of Bankruptcy Code Section 1123(a)(1), (2), and (3).

J. No Discrimination (Section 1123(a)(4)). Article IV of the Plan provides for all holders of Claims and Interests within a particular Class to receive identical treatment under the Plan on account of such Claims and Interests unless such holder has expressly consented to less favorable treatment, and therefore the Plan satisfies the requirements of Bankruptcy Code Section 1123(a)(4).

K. Implementation of the Plan (Section 1123(a)(5)). Article VII and other provisions of the Plan provide adequate means for implementation of the Plan, including: (a) substantive consolidation of the Debtors and their respective Estates for all purposes relating to the Plan, including for purposes of voting, confirmation, and Distributions; (b) the sale transaction and the transfer of substantially all assets of the Debtors to the Plan Sponsor subject

to Permitted Liens (which include the liens of the Indenture Trustee) and free and clear of all other Liens, Claims and Encumbrances; (c) the transfer of the sum of $100,000 and the Retained Actions to the Liquidation Trustee for the pro rata benefit of the holders of Allowed Rejecting Member Claims; (d) the payment of Allowed Administrative Convenience Claims, and the transfer to the Liquidation Trustee of the sum of $2,861,601 over a three-year period for the pro rata benefit of the Holders of Allowed General Unsecured Claims under the Plan; (e) procedures governing the liquidation and payment of Claims; (f) the effectuation of documents and further transactions by the Debtors, Plan Sponsor, the Indenture Trustee, the Indenture Trustee SPE, and the Liquidation Trustee, including without limitation the modification of the Indenture as attached hereto as Exhibit A; (g) the payment of any and all United States Trustee fees by the Liquidation Trustee in the lead Chapter 11 Case until a final decree is entered in the Chapter 11 Cases. Article V of the Plan also specifies the procedures by which distributions will be made to holders of Allowed Claims in Classes 1-7. Accordingly, the Plan provides adequate, proper, and legal means for its implementation, thereby satisfying the requirements of Bankruptcy Code Section 1123(a)(5).

L. Equity Securities (Section 1123(a)(6)). The Debtors are liquidating in Chapter 11 and therefore there will be no reorganized debtors.

M. Selection of Officers and Directors (Section 1123(a)(7)). The Debtors are liquidating in Chapter 11 and therefore there will be no reorganized debtors.

N. Impairment or Unimpairment of Claims or Interests (Section 1123(b)(1)). Article IV of the Plan impairs or leaves unimpaired each class of Claims and Interests in accordance with Bankruptcy Code Section 1123(b)(1), and therefore the Plan complies with Bankruptcy Code Section 1123(b)(1).

O. Assumption or Rejection of Executory Contracts and Unexpired Leases (Section 1123(b)(2)). Pursuant to Article VI of the Plan and subject to the terms of paragraphs 17 and 18 of this Order, the Debtors have exercised sound business judgment in determining that all executory contracts and unexpired leases that exist between the Debtors and any other person or entity shall be deemed rejected by the Debtors as of the Effective Date, except for any executory contract or unexpired lease: (a) that has been assumed or rejected pursuant to an order of the Court entered before the Confirmation Date; (b) as to which a motion for approval of the assumption of such executory contract or unexpired lease is pending on the Effective Date; or (c) that is specifically designated or generally described as a contract or lease to be assumed on the Schedule of Assumed Contracts, as amended [Dkt. No. 651]. The cure amounts specified, if paid, will satisfy in full the Debtors' obligations under Bankruptcy Code Section 365(b)(1)(A)-(B). The non-debtor party to each Executory Contract or Unexpired Lease to be assumed is adequately assured of future performance. Accordingly, the Plan complies with Bankruptcy Code Section 1123(b)(2).

P. Settlement and Compromise (Section 1123(b)(3)(A)). Pursuant to Article X, Section 10.03 of the Plan, the entry of this Confirmation Order constitutes the approval, pursuant to Rule 9019, of the settlement between and among the Debtors, holders of Claims in Class 1 and 7, the Plan Sponsor, the Indenture Trustee, the Releasees and the Committee as to the terms of the consensual joint Chapter 11 Plan. The terms of the agreement as embodied in the Plan represent a proposed compromise and settlement among the Debtors, the Holders of Claims in Class 1 and 7, the Plan Sponsor, the Indenture Trustee, the Releasees and the Committee with respect to the following issues: (1) the treatment of the Class 1 Claims, the treatment of the Class 7 Claims of Accepting Club Members, and the treatment of Claims for

adequate protection arising under the orders of the Bankruptcy Court approving the DIP Facility and authorizing the use of the Indenture Trustee's Cash Collateral; (2) the value of the Debtors' Estates on an individual and a consolidated basis, and the proper method for determining such a value; (3) whether the Estate of each Debtor should be treated separately for purposes of making payments to holders of Claims; (4) other issues having to do with the rights of certain Estates, Claims, or classes of Claims vis-à-vis other Estates, Claims, or classes of Claims; (5) whether and to what extent the Indenture Trustee Claims are secured considering potential challenges to their alleged liens and Claims; (6) the assertion by the Indenture Trustee of substantial Deficiency Claims that would participate in a Distribution to holders of Class 5 Claims; and (7) whether there is any value in any of the Debtors for any holders of Unsecured Claims if the guarantees supporting the Indenture Trustee Claims are enforced against each of such Debtors, and whether and to what extent such guarantees are entitled to be enforced against each of such Debtors. After considering the factors set forth in In re Justice Oaks II, Ltd., 898 F.2d 1544, 1549 (11th Cir.), cert denied, 498 U.S. 959 (1990), and the standards set forth in In re Bond, 16 F.3d 408, 1994 WL 20107, *3 (4th Cir., Jan. 26, 1994), with respect to the evaluation of the settlements under Rule 9019, the Court concludes that the settlement provided for in Article X, Section 10.03, including, without limitation, the release of the Indenture Trustee, the Plan Sponsor and its affiliates and the Committee, reflects a reasonable balance of the risks and expenses of litigation against the benefits of an early resolution of these disputes, and is both fair and equitable and in the best interests of the Debtors, the Estates, and all holders of Claims and Interests. Accordingly, the settlement set forth in Article X, Section 10.03, complies with Bankruptcy Code Section 1123(b)(3)(A).

Q. Assignment and Pursuit of Certain Causes of Action (Section 1123(b)(3)(B)). Article X, Section 10.11 of the Plan provides that, from and after the Effective Date, the Liquidation Trustee will have the right to prosecute any avoidance, equitable subordination, or other Cause of Action arising under Bankruptcy Code Sections 105, 502(d), 510, 542-551, and 553 that belongs to the Debtors and that has not been expressly compromised, settled, or released pursuant to Article X, Section 10.03, or any other provision of the Plan, or by Order of the Court entered prior to the Confirmation Date. Except for any Cause of Action that has been expressly compromised, settled, or released pursuant to the Plan or an order of the Court entered prior to the Confirmation Date, nothing contained in the Plan or this Order shall be deemed to be a waiver or relinquishment of any right or Cause of Action that the Debtors or the Liquidation Trustee may have, or which the Liquidation Trustee may choose to assert on behalf of the Estates pursuant to any provision of the Bankruptcy Code or applicable law, including: (a) any claim against any person or entity, to the extent that such person or entity asserts a cross-claim, counterclaim, and/or Claim for setoff seeking affirmative relief against any of the Debtors, their officers, directors or representatives; (b) the turnover of any property of the Estates; and (c) Causes of Action against current and former directors, shareholders, officers, professionals, and other persons relating to acts or omissions occurring on or prior to the Petition Date. The provisions of the Plan and the provisions of this Order comply with and are consistent with Bankruptcy Code Section 1123(b)(3)(B).

R. Plan Compliance with Provisions of Bankruptcy Code (Section 1129(a)(1)). The Plan complies with all applicable provisions of the Bankruptcy Code, including, without limitation, Bankruptcy Code Sections 1122 and 1123. Therefore, the Plan satisfies the requirements of Bankruptcy Code Section 1129(a)(1). In addition, in accordance with

Bankruptcy Rule 3016(a), the Plan is dated and identified with the names of the Debtors and Plan Sponsor as proponents of the Plan.

S. Proponent Compliance with Provisions of the Bankruptcy Code (Section 1129(a)(2)). The Debtors and the Plan Sponsor, as proponents of the Plan, have complied with the applicable provisions of the Bankruptcy Code, including, without limitation, Bankruptcy Code Sections 1125 and 1129(a)(2).

T. Plan Proposed in Good Faith (Section 1129(a)(3)). The Plan has been proposed in good faith and not by any means forbidden by law, and any Objections to confirmation of the Plan to the contrary are specifically overruled and denied in light of the Court's consideration of the evidence and arguments presented at the Confirmation Hearing and otherwise in support of confirmation of the Plan. The Plan has been proposed by the Debtors and Plan Sponsor with the honest intent to implement an orderly liquidation strategy that will provide for Distributions to the Debtors' creditors and enable the Clubs operated by the Debtors to emerge from Chapter 11 as going concerns. The Plan is the product of extensive arms-length negotiations among the Debtors, the Plan Sponsor, the Indenture Trustee, the Advisory Board, the Negotiating Group, and the Committee. The Plan reflects these negotiations, and is reflective of the interests of all the Estate's constituencies. In determining that the Plan has been proposed in good faith, in addition to the foregoing, the Court examined the totality of the circumstances surrounding the filing of the Chapter 11 Cases and the formulation of the Plan and has concluded that there is a reasonable likelihood that the Plan will achieve a result consistent with the objectives and purposes of the Bankruptcy Code. The Debtors and the Plan Sponsor have satisfied the requirements of Bankruptcy Code Section 1129(a)(3).

U. Payment of Costs and Expenses (Section 1129(a)(4)). Any payments made or to be made by the Debtors or by a person acquiring property under the Plan, for services or for costs and expenses in or in connection with the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, have, to the extent required by the Bankruptcy Code, the Bankruptcy Rules, or the various orders of this Court, been approved by, or are subject to the approval of, this Court as reasonable. Therefore, the Plan satisfies the requirements of Bankruptcy Code Section 1129(a)(4).

V. Disclosure of Identities of Officers, Directors and Insiders (Section 1129(a)(5)). The Debtors have disclosed the identities and affiliations of those individuals proposed to serve, after entry of this Order, as directors and officers of the Debtors; and the appointment to, or continuance in, such offices of such individuals, is consistent with the interests of creditors and equity security holders and with public policy. Accordingly, the Plan satisfies the requirements of Bankruptcy Code Section 1129(a)(5).

W. No Rate Change (Section 1129(a)(6)). The Plan does not provide for any rate change over which a governmental regulatory commission will have jurisdiction. Therefore, Bankruptcy Code Section 1129(a)6) is not applicable to the Debtors.

X. Best Interests of Creditors (Section 1129(a)(7)). With respect to each Class of impaired Claims and Interests in the Debtors, each holder of a Claim or Interest of such class either (a) has accepted the Plan, or (b) will receive or retain under the Plan on account of such Claim or Interest, property of a value, as of the Effective Date of the Plan, that is not less than the amount that such holder would so receive or retain if the Debtors were liquidated on such date under Chapter 7 of the Bankruptcy Code. Any Objections to confirmation of the Plan to the contrary are specifically overruled and denied in light of the Court's consideration of the

evidence and arguments presented at the Confirmation Hearing and otherwise in support of confirmation of the Plan. Therefore, the Plan satisfies the requirements of Bankruptcy Code Section 1129(a)(7).

Y. Plan Acceptance (Section 1129(a)(8)). As evidenced by the Ballot Declaration, each Class entitled to vote has accepted the Plan or is not impaired under the Plan and thus is conclusively deemed to have accepted the Plan pursuant to Bankruptcy Code Section 1126(f)(4). Therefore, with respect to each Class other than Class 8 Equity Interests the Plan satisfies the requirements of Bankruptcy Code Section 1129(a)(8).

Z. Plan Treatment of Administrative Claims, Priority Claim and Tax Claims (Section 1129(a)(9)). The Plan satisfies the requirements of Bankruptcy Code Section 1129(a)(9) because, except to the extent that the holder of a particular Claim has agreed to different treatment of such Claim, Article III, Sections 3.02 - 3.06 of the Plan provide that Administrative Claims, Priority Claims, DIP Facility Claims and Tax Claims will be treated in accordance with Bankruptcy Code Section 1129(a)(9).

AA. Acceptance by at Least One Impaired Class (Section 1129(a)(10)). The Plan has been accepted by all Classes of creditors entitled to vote, and therefore, has been accepted by at least one Class of Claims that is impaired under the Plan (which acceptance has been determined without including any acceptance of the Plan by any insider). Therefore the Plan satisfies the requirements of Bankruptcy Code Section 1129(a)(10).

BB. Feasibility (Section 1129(a)(11)). The Plan proposes the liquidation of the Debtors, and in light of the Court's consideration of the evidence and arguments presented at the Confirmation Hearing and otherwise in support of confirmation of the Plan, specifically including testimony and evidence regarding the wherewithal and intent of the Plan Sponsor to

close the transaction contemplated by the Plan, the Court finds that the liquidation proposed by the Plan is feasible. Any Objections to confirmation of the Plan to the contrary are specifically overruled and denied in light of the Court's consideration of the evidence and arguments presented at the Confirmation Hearing and otherwise in support of confirmation of the Plan. Thus the provisions of Bankruptcy Section 1129(a)(11) have been satisfied.

CC. Payment of Fees (Section 1129(a)(12)). Bankruptcy Code Section 1129(a)(12) requires payment of all fees payable under 28 U.S.C. § 1930. Article III, Section 3.03(b) of the Plan provides that all such fees and charges payable will be paid as and when due until a final decree is entered in the Chapter 11 Cases. Accordingly, the Plan satisfies the requirements of Bankruptcy Code Section 1129(a)(12).

DD. Retiree Benefits (Section 1129(a)(13)). The Debtors have not obligated themselves to provide retiree benefits, as that term is defined in Bankruptcy Code Section 1114. Therefore, Bankruptcy Code Section 1129(a)(13) is not applicable to the Debtors.

EE. Domestic Support Obligations (Section 1129(a)(14)). The Debtors are not required by any judicial or administrative order, or by statute, to pay a qualified domestic support obligation and so the provisions of Bankruptcy Code Section 1129(a)(14) are satisfied.

FF. Requirements applicable to Individual Debtors (Section 1129(a)(15)). The Debtors are not individuals, and so the provisions of Bankruptcy Code Section 1129(a)(15) do not apply to the Debtors.

GG. Requirements applicable to not for profit entities (Section 1129(a)(16)). The Debtors are not corporations or trusts that are not moneyed, business or commercial corporations or trusts, and so the provisions of Bankruptcy Code Section 1129(a)(16) do not apply to the Debtors.

HH. Cramdown (Section 1129(b)). The Plan does not discriminate unfairly and it is fair and equitable with respect to Class 8 Equity Interests, the sole class that is impaired and has not accepted the Plan, in light of the fact that holders of Class 8 Equity Interests receive nothing under the Plan, and the Plan complies with the absolute priority rule under § 1129(b)(2)(C)(ii). Thus, the Plan satisfies the requirements of Bankruptcy Code Section 1129(b).

II. No Other Plan (Section 1129(c)). Other than the Plan, no reorganization plan has been filed with respect to the Debtors' Chapter 11 Cases. Therefore the requirements of Bankruptcy Code Section 1129(c) have been satisfied.

JJ. Avoidance of Taxes or Application of Securities Laws (Section 1129(d)). No party in interest that is a governmental unit (as defined in the Bankruptcy Code) has objected to the Plan on the grounds that the principal purpose of the Plan is the avoidance of taxes or the avoidance of the application of Section 5 of the Securities Act of 1933, and the Court finds this is not the principal purpose of the Plan; therefore, the Plan satisfies the requirements of Bankruptcy Code Section 1129(d).

KK. Release, Injunction and Exculpation. In light of the Court's consideration of the evidence and arguments presented at the Confirmation Hearing and otherwise in support of confirmation of the Plan, specifically including that: (i) the release, injunction, and exculpation provisions of the Plan are necessary to the reorganization of the Debtor, (ii) the beneficiaries of the release, injunction, and exculpation provisions of the Plan provided a substantial contribution to the Plan in the form of services and actions essential to the success of the Plan; and (iii) the Plan and the release, injunction, and exculpation provisions were overwhelmingly accepted by the Creditors, **except as otherwise set forth herein (see paragraph 29 below)**,

the release, injunction, and exculpation provisions set forth in the Plan: (a) are within the jurisdiction of this Court under 28 U.S.C. § 1334; (b) are each an essential means of implementing the Plan pursuant to Bankruptcy Code Section 1123(a)(5); (c) are integral elements of the settlements and compromises incorporated in the Plan; (d) confer material benefits on, and thus, are in the best interests of, the Debtors, their estates, their creditors, and other parties in interest; and (e) are, under the facts and circumstances of the Chapter 11 Cases, consistent with and permitted pursuant to Sections 105, 524, 1123, 1129, and all other applicable provisions of the Bankruptcy Code. In light of the Court's consideration of the evidence and arguments presented at the Confirmation Hearing and otherwise in support of confirmation of the Plan, the Court specifically finds that each of the following parties to be released under the Plan provided a substantial contribution to the Plan in the form of services and actions essential to the success of the Plan: (a) the Debtors, (b) the CRO, (c) the DIP Lender, (d) the Bridge Lender, (e) the Indenture Trustee, any Negotiating Group member (provided he or she is an Accepting Club Member), any Advisory Board member (provided he or she is an Accepting Club Member), and any Note Holder who votes a Class 1 Claim to accept the Plan, (f) the Plan Sponsor, (g) the Committee, (h) officers and directors of CMAG, CMAHG or CIPOC provided they are an Accepting Club Member, (i) the respective current and former officers, directors, employees, agents, stockholders, shareholders, managers, members, affiliates, partners, attorneys, advisors and professionals of the parties identified in subclauses (a) through (h); (j) and any Club Member who is an Accepting Club Member, and (k) the current and former directors, members, and managers of the Debtors or of the Parents who are D&O Releasees under the Plan. Moreover, in light of the Court's consideration of the evidence and arguments presented at the Confirmation Hearing and otherwise in support of confirmation of the Plan,

the Court finds that all Creditors that are affected by the release, injunction, and exculpation provisions of the Plan have manifested their consent to those provisions by approving of and accepting the terms of the Plan, and that no evidence exists of any confusion by the voting parties in light of the overwhelming acceptance of the Plan by the Creditors. Further, reasonable, adequate, and sufficient notice of and opportunity to be heard with respect to such releases, injunctions, and exculpation has been provided under the circumstances and such notice and opportunity has complied with all provisions of the Bankruptcy Code, Bankruptcy Rules, and all other rules and law, including without limitation, Bankruptcy Rules 2002(c)(3), 3016(c), 3017(f) and 3020.

LL. Exemption from Transfer Taxes and Securities Laws. All transfers and issuances, if any, by the Debtors and Plan Sponsor are transfers under the Plan free from the imposition of taxes of the kind specified in Bankruptcy Code Section 1146(c) and are subject to the exemptions of Bankruptcy Code Section 1145. Without in any way limiting the foregoing, the modification of the payment obligation under the Notes with respect to the Class 1 Claims and of the Indenture to which the Class 1 Claims are subject are, and shall be deemed, exempt from any Federal, state or local law relating to the registration or regulation of securities and/or indentures.

MM. Modifications and Supplements to the Plan Do Not Require Resolicitation. The Modifications and the supplemental information contained in the Plan Supplement do not materially or adversely affect or change the treatment of any Claim against or Interest in the Debtors. Accordingly, pursuant to Bankruptcy Code Section 1127(b) and Bankruptcy Rule 3019, the Modifications do not require additional disclosure under Bankruptcy Code Section 1125 or the resolicitation of acceptances or rejections of the Plan under Bankruptcy Code

Section 1126, nor do they require that holders of Claims against or Interests in the Debtors be afforded an opportunity to change previously cast acceptances or rejections of the Plan as filed with the Court. Due and sufficient notice of each Modification has been given in the Chapter 11 Cases. Each Modification is an essential element of this Order and each Modification, including the terms and conditions thereof, is fully incorporated herein. The Plan, as modified by the Modifications, shall be the Plan confirmed hereby.

NN. Good Faith Solicitation. Based on the record before the Court, the Debtors, the Plan Sponsor and their respective counsel have formulated and filed the Plan, obtained approval of the Disclosure Statement, and solicited votes on the Plan all in good faith and in compliance with the applicable provisions of the Bankruptcy Code and are entitled to the protections afforded by Bankruptcy Code Section 1125(e) and the exculpatory, injunctive, and release provisions set forth in the Plan.

OO. Good Faith. The Debtors, the Plan Sponsor, the Indenture Trustee, the Advisory Board, the Negotiating Group, the Committee, the DIP Lenders, the Bridge Lender, the Liquidation Trustee, and each of their respective members, employees, officers, directors, agents, advisors, attorneys, and financial advisors, have acted in good faith and in compliance with the applicable provisions of the Bankruptcy Code with respect to the administration of the Plan, the solicitation of acceptances with respect thereto, and the property to be distributed thereunder and are entitled to the protections afforded by Bankruptcy Code Section 1125(e) and the exculpatory, injunctive, and release provisions set forth in the Plan.

PP. Beneficial. Compared with the alternative of liquidation, the Plan is highly beneficial to all Classes of creditors, including without limitation, the holders of Class 1 Indenture Trustee – Note Holder Claims.

QQ. Retention of Jurisdiction. The Court may properly, and hereby does, retain jurisdiction over the Debtors with respect to the matters set forth in Article XI of the Plan and paragraph 22 of this Order.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. Confirmation. The Plan, including the Modifications (Dkt. Entry No. 616), shall be, and hereby is, confirmed, having met the requirements of Bankruptcy Code Section 1129. Any and all objections to the Plan not previously withdrawn are hereby overruled in their entirety. The terms of the Plan are incorporated herein and are an integral part of this Order. Any reference to the Plan contained herein shall be deemed to include the Modifications. The provisions of this Order are integrated with each other and are mutually dependent and not severable.

2. Findings of Fact and Conclusions of Law. The findings of this Court set forth above and the conclusions of law stated herein shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding by Bankruptcy Rule 9014. To the extent any provision designated herein as a finding of fact is more properly characterized as a conclusion of law, it shall be so deemed, and vice-versa.

3. Compliance with Bankruptcy Code Sections 1122 and 1123. The Plan complies with the requirements of Bankruptcy Code Sections 1122 and 1123.

4. Modifications. The Debtors have reserved the right (in coordination with the Plan Sponsor) to alter, amend, or modify the Plan after Confirmation on such notice and hearing as the Court deems appropriate.

5. Plan Classification Controlling. The classification of Claims and Interests for purposes of distributions provided for under the Plan shall be governed solely by the terms of

the Plan. The classifications and amounts of claims, if any, set forth in the Ballots tendered or returned by the Debtors' creditors in connection with voting on the Plan: (a) were set forth on the Ballots solely for purposes of voting to accept or reject the Plan, (b) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect, the actual classification of such Claims under the Plan for distribution purposes, and (c) shall not be binding on the Debtors, the Liquidating Trust, or the Liquidation Trustee.

6. Confirmation Hearing Record. The record of the Confirmation Hearing shall be, and hereby is, closed as of August 6, 2012.

7. Implementation of the Plan. In accordance with Bankruptcy Code Section 1142, the implementation and consummation of the Plan in accordance with its terms shall be, and hereby is, authorized and approved, and the Debtors, the Liquidation Trustee, or any other person designated by the Debtors to act on their behalf pursuant to the Plan shall be, and they hereby are, authorized, empowered, directed, and ordered to execute, deliver, file, and record contracts, instruments, releases, indentures, and other agreements or documents, whether or not such document, agreement, indenture, release, instrument, or contract is specifically referred to in the Plan or the Disclosure Statement, and to take any action necessary or appropriate to implement, effectuate, and consummate the Plan in accordance with its terms. The entry of this Order constitutes approval of the Asset Purchase Agreement [Dkt. Entry No. 615-1 and 641], as may be amended, and transactions contemplated therein and, accordingly, the Debtors are authorized to transfer the Purchased Assets to the Plan Sponsor subject to the Permitted Liens and free and clear or all other liens, claims and encumbrances. Entry of this Order shall constitute a finding that: (i) as of the Petition Date, the aggregate outstanding principal and accrued interest under the Notes is approximately $73,531,505; (ii) the Debtors' obligations

under the Notes are due and payable in full, without defense, counterclaim or right of offset, excepting only that the payment obligation under the Notes is modified and governed completely by the terms of the Plan and the transaction contemplated by the Plan; (iii) the documents evidencing the Debtors' obligations under the Notes and the liens and security interests granted in connection therewith (the "Note Documents") are hereby deemed ratified, confirmed, and reaffirmed by the Debtors, and the liens and security interests granted by the Debtors in favor of the Trustee pursuant to the Note Documents shall be unaffected except as provided in the Plan but shall be subordinate to liens securing the Exit Facility and the Mountain Park Facility; (iv) notwithstanding any existing provision in the Notes or in any other Note Documents to the contrary, as of the Effective Date the Trustee shall have an Allowed Claim in the amount of $64,050,000 in complete satisfaction of all obligations under the Notes; (v) from and after the Effective Date, the Notes shall not bear any interest; (vi) in accordance with the provisions of the Plan, the Notes shall be repaid in annual payments, on the fifth business day of the second full month after each anniversary of the Effective Date, commencing on the fifth business day of the second full month after the first anniversary of the Effective Date, each in the amount equal to the greater of $1 million or the IT Percentage Of New ClubCo Net Cash Flow with a balloon payment of the remaining allowed claim, if any, on the twentieth anniversary of the first payment envisioned and required herein; (vii) subject to the terms and conditions set forth in the Plan, the Notes shall be governed by the terms of the Indenture, as modified and amended by this Order such that it shall be deemed to be as set forth in Exhibit A hereto; and (viii) subject to the terms and conditions set forth in the Plan, on the Effective Date, the Debtors shall assign and the Plan Sponsor shall assume the modified payment obligation under the Notes; immediately following the assignment and assumption of the modified payment

obligation under the Notes pursuant to subsection (viii) hereof, the Plan Sponsor shall assign and the Indenture Trustee SPE shall assume the modified payment obligation under the Notes, whereupon the Debtors and the Plan Sponsor shall be released from the modified payment obligation under the Notes. The entry of this Order constitutes authorization for the Debtors to take or to cause to be taken all corporate and limited liability company actions necessary or appropriate to consummate and implement the provisions of the Plan prior to, on and after the Effective Date, and all such actions taken or caused to be taken will be deemed to have been authorized and approved by the Bankruptcy Court, including, without limitation, the execution and delivery of the Asset Purchase Agreement. Subject to the terms and conditions of the Asset Purchase Agreement, all such actions will be deemed to have occurred and will be in effect pursuant to applicable non-bankruptcy law and the Bankruptcy Code, without any requirement of further action by the stockholders, directors or members of the Debtors. On the Effective Date, the CRO is authorized and directed to execute and deliver the agreements, documents and instruments contemplated by the Plan, any Plan Supplement and the Sale Documents in the name of and on behalf of the Debtors. Furthermore, the Debtors are hereby authorized and directed to take all actions necessary or appropriate to enter into, implement, and consummate the documents created, amended, supplemented, modified or adopted in connection with the Plan. Upon the satisfaction, or waiver by the Plan Sponsor, of the conditions precedent to closing the transaction contemplated by the Plan, the occurrence of the Effective Date, and the closing of the transaction contemplated by the Plan, the Debtors, the Plan Sponsor, and the Liquidation Trustee are hereby authorized and directed to make all payments and distributions required under the Plan and to implement the Plan in all respects.

8. The Sale Transaction. The Debtors as sellers ("Sellers") and the Plan Sponsor as buyer ("Buyer") are bound by the Asset Purchase Agreement; Buyer has no liability or obligation whatsoever arising from the Chapter 11 Cases except, from, after and in the event that all conditions precedent to the Plan Sponsor's obligation to consummate the transaction contemplated by, and set forth in, the Asset Purchase Agreement and the Plan have been satisfied or waived by the Plan Sponsor, as and to the extent set forth in the Asset Purchase Agreement, the Plan and the New ClubCo Membership Plan; Buyer acquires each Acquired Asset free and clear of all Liens, claims and encumbrances except as otherwise stated in the Asset Purchase Agreement, the Plan or the New ClubCo Membership Plan; Buyer's payment of the cash portion of the Consideration paid at Closing may, at Buyer's option, be funded in part pursuant to borrowings under the Exit Costs Financing Agreements (as defined in the Asset Purchase Agreement), which borrowings may be in such amounts as are necessary to fund all Excess Bankruptcy Expenses (as defined in the Asset Purchase Agreement), it being understood that Sellers and the Indenture Trustee will use good faith efforts to attempt to have the Excess Bankruptcy Expenses not exceed four million dollars, and the liens securing the Exit Costs Financing Agreements will be a first priority lien upon all assets of Buyer, including without limitation, the Acquired Assets, such liens (and the liens securing the Mountain Park Facility, which facility is hereby approved and authorized) on the Transferred Assets will be senior to the Trustee Liens pursuant to this Order and the Subordination Agreement; Buyer has no successor liability; and in accordance with Section 1146 of the Bankruptcy Code, the transactions contemplated by the Asset Purchase Agreement shall not be subject to any Transaction Taxes.

9. Binding Effect. Pursuant to Bankruptcy Code Section 1141, the Plan and this Order shall be legally binding upon and inure to the benefit of the Debtors, the Plan Sponsor, the Estates, the Consolidated Estate, the Indenture Trustee, the Committee, the Liquidation Trustee, the holders of Claims, the holders of Interest, all other parties in interest in the Chapter 11 Cases, and their respective successors and assigns. Any federal, state, commonwealth, local, or other governmental agency or department is hereby directed and ordered to accept any and all documents and instruments necessary, useful, or appropriate to effectuate, implement, or consummate the transactions contemplated by the Plan or herein.

10. Binding Effect of Prior Bankruptcy Court Orders. Pursuant to Bankruptcy Code Section 1141, effective as of the Confirmation Date, but subject to the occurrence of the Effective Date and subject to the terms of the Plan and this Order, all prior orders of this Court entered in the Chapter 11 Cases and all documents and agreements executed by the Debtors as authorized and directed thereunder, shall be, and hereby are, binding upon, and shall inure to the benefit of the Debtors, the Plan Sponsor, the Indenture Trustee, the Committee and the Liquidation Trustee, the Estates, the Consolidated Estate, the Holders of Claims, the Holders of Interests, all other parties in interest in the Chapter 11 Cases, and their respective successors and assigns.

11. Exemption from Transfer Taxes. Pursuant to Bankruptcy Code Section 1146(c), the issuance, transfer, or exchange of notes or equity securities under the Plan, the creation of any mortgage, deed of trust, deed to secure debt, or other security interest, the making or assignment of any lease or sublease, or the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including any merger agreement or agreement of consolidation, deed, bill of sale, or assignment in

connection with any of the transactions contemplated under the Plan, including to or by the Indenture Trustee SPE, shall not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax. All sale transactions consummated by the Debtors and approved by the Bankruptcy Court after the Petition Date and through and including the Effective Date, including the transfer effectuated under the Plan, the sale by the Debtors of property pursuant to Bankruptcy Code Section 363(b), and the assumption, assignment, and sale by the Debtors of unexpired leases of non-residential real property pursuant to Bankruptcy Code Section 365, shall be deemed to have been made under, in furtherance of, or in connection with the Plan and, thus, shall not be subject to any stamp, real estate transfer, mortgage recording, or similar tax. Consistent with the foregoing, each recorder of deeds or similar official for any county, city, or governmental unit in which any instrument is to be recorded shall be, and hereby is, ordered, and directed to accept such instrument without requiring the payment of any documentary stamp tax, deed stamps, stamp tax, transfer tax, intangible tax, or similar tax.

12. **Exemption from Securities Laws.** No new Notes or securities are being issued under the Plan. To the extent it is deemed that a security was issued under the Plan, the exemption from the requirements of Section 5 of the Securities Act of 1933, 15 U.S.C. § 77e, and any other Federal, state or local law regulating or requiring registration for the offer or sale of a security, provided for in Bankruptcy Code Sections 1145 and 105, shall apply to any such security.

13. **Indenture.** No new indenture is being entered under the Plan. Pursuant to Section 1123(a)(5)(F) and the Plan, the Indenture is modified by Exhibit A attached hereto.

14. Vesting of Debtors' Assets; Sale Free and Clear. On the Effective Date, pursuant to Bankruptcy Code Sections 1141(b) and (c), all property of the Estates and the Consolidated Estate shall either be transferred to the Plan Sponsor subject to the Permitted Liens and free and clear of all other Liens, Claims, and encumbrances or to the Liquidation Trustee free and clear of all Liens, Claims and encumbrances. The Debtors are authorized to transfer all of Purchased Assets to the Plan Sponsor and such property shall be transferred and vested in the transferee subject only to the Permitted Liens and free and clear of all other Liens, Claims and encumbrances and any other interests of any kind. Without limiting the foregoing, the transfer to the Plan Sponsor shall be free and clear of any interest or asserted easement that grants or purports to grant membership in or access to the Clubs, the New Clubs or the Acquired Assets on which the Clubs operate or on which the New Clubs will operate. On the Effective Date, the transfer of assets by the Debtors as described in this paragraph shall be legal, binding, and effective transfers of property and will, to the fullest extent permitted by the Bankruptcy Code and applicable non-bankruptcy law, vest in the transferee thereof good title to the property transferred free and clear of all liens, claims and encumbrances, except as otherwise specified in the Plan. From and after the Effective Date, the Plan Sponsor and the Liquidation Trustee may operate their businesses and may use, acquire, and dispose of property free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules and in all respects as if there were no pending Cases, except as provided in the Plan.

15. Liquidation Trustee. On the Effective Date, the Liquidating Trust will be formed, and in accordance with the terms of the Plan, for the pro rata benefit of the holders of Allowed General Unsecured Claims, Allowed Administrative Convenience Claims, Allowed Rejecting Member Claims and other Claims as provided in the Plan, the Plan Sponsor will

either pay or transfer to the Liquidation Trustee amounts sufficient to satisfy Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Mechanic's Lien Claims, Allowed Other Senior Secured Party Claims and Allowed Administrative Convenience Claims in full (not otherwise paid by the Debtors or the Plan Sponsor on or before the Effective Date), together with General Unsecured Claims Sponsor Funding (payable in three annual installments), the Post-Effective Date Administration Plan Sponsor Funding, and the Rejecting Member Fund, and the Debtors will transfer to the Liquidating Trust the Retained Actions. With respect to the duties assigned to her in the Plan, the Liquidation Trustee shall be the representative of the Estates and the Consolidated Estate as contemplated by Bankruptcy Code Section 1123(b)(3)(B); provided, however, that the Liquidation Trustee shall not have the power to waive any privilege held by the Debtors, the Estates, or the Consolidated Estate.

16. Powers of the Liquidation Trustee. Pursuant to Article VII, Section 7.06, the Liquidation Trustee shall have the powers, without approval of this Court, (a) to pursue, compromise, or decline to pursue Retained Actions based upon the Liquidation Trustee's assessment of the net benefit to holders of Claims in Class 7 in connection therewith (taking into account the costs and expenses projected to be incurred in connection therewith and the likelihood of success on the merits); (b) to retain professionals, including Debtors' counsel: (i) to advise and assist in all aspects of Distributions by the Liquidation Trustee to creditors, (ii) to assist with Retained Actions and the pursuit and evaluation of the same, (iii) for any other purpose deemed necessary by the Liquidation Trustee; (c) to pay or cause to be paid from the funds transferred to the Liquidating Trust in accordance with paragraph 15 above all costs and expenses incurred by the Liquidation Trustee and Distributions, including the fees of the Liquidation Trustee and such professionals, which costs and expenses shall have priority over

Distributions to holders of Claims; (d) to determine the amount of Retained Proceeds and retain Cash as necessary to ensure appropriate Distributions of the funds transferred to the Liquidating Trust in accordance with paragraph 15 above pursuant to the Plan; (e) to invest the funds transferred to the Liquidating Trust in accordance with paragraph 15 above in appropriate accounts or to purchase certificates of deposit from any federally insured depository institution, and to pay any taxes due on account of interest earned; and (f) to take other necessary and appropriate actions relative to the funds transferred to the Liquidating Trust in accordance with paragraph 15 above as may be customary for a claims administrator or disbursing agent under a Chapter 11 plan.

17. Rejection of Contracts and Leases. Subject to paragraph 18 below, all executory contracts and unexpired leases that exist between the Debtors and any other person or entity shall be deemed rejected by the Debtors as of the Effective Date, except for any executory contract or unexpired lease: (a) that has been assumed or rejected pursuant to an order of the Court entered before the Confirmation Date; (b) as to which a motion for approval of the assumption of such executory contract or unexpired lease is pending on the Effective Date; or (c) that is specifically designated or generally described as a contract or lease to be assumed in the Schedule of Assumed Contracts, as amended, attached as an exhibit to the Plan or the Plan Supplement. Unless otherwise specified in such exhibit, each executory contract and unexpired lease listed on such exhibit shall include all modifications, amendments, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affects such executory contract or unexpired lease, without regard to whether such agreement, instrument, or other document is itself listed on such exhibit. The listing of a document in such exhibit, including an insurance policy or

agreement or a provider agreement, shall not constitute an admission by the Debtors that such document is an executory contract or unexpired lease or that the Debtors have any liability thereunder. Nothing in the Plan or this Order shall cause the rejection of any executory contract or unexpired lease entered into by the Debtors after the Petition Date.

18. Approval of Assumption and Assignment and Rejection. The entry of this Order shall, subject to and upon the occurrence of the Effective Date, constitute: (a) the approval, pursuant to Bankruptcy Code Section 365(a) and 1123(b)(2), of the assumption by the Debtors and the assignment to the Plan Sponsor of those contracts listed on the Schedule of Assumed Contracts, as amended, attached as an exhibit to the Plan or Plan Supplement, and of the rejection of other executory contracts pursuant to Article VI of the Plan; and (b) the extension of time, pursuant to Bankruptcy Code Section 365(d)(4), within which the Debtors may assume, assume and assign, or reject any unexpired lease of non-residential real property specified in Article VI of the Plan through the Effective Date.

Notwithstanding anything to the contrary in the Plan, upon Confirmation of the Plan, the occurrence of the Effective Date, and the payment of $74,628.45 to U.S. Foods, Inc. f/k/a U.S. Foodservice, Inc. ("U.S. Foods") on or about the Effective Date pursuant to the Plan and in connection with the assumption and assignment of the Debtors' contract with U.S. Foods (the "U.S. Foods Contract") listed in the Schedule of Assumed Contracts, as amended, the Debtors, their estates, and any and all subsequent assignees, transferees, or non-debtor third-parties on behalf of the Debtors or their estates: (i) shall be barred and precluded from asserting any Avoidance Action or Cause of Action against U.S. Foods, and (ii) shall not object to U.S. Foods' claims filed in the Debtors' cases relating to the U.S. Foods Contract. The payment of $74,628.45 to U.S. Foods on or about the Effective Date as set forth above shall be in full and

final satisfaction of any claim that U.S. Foods and its affiliates, subsidiaries, representatives and assigns have or may have with respect to the U.S. Foods Contract against the Debtors, the Plan Sponsor, the Liquidating Trust and each of their respective affiliates, subsidiaries, representatives and assigns, and U.S. Foods shall not file any new claims in the Debtors' cases or amend any existing claims. U.S. Foods shall be barred and precluded from objecting to the Debtors' assumption and assignment of the U.S. Foods Contract on any grounds, and any objections by U.S. Foods to confirmation of the Plan are hereby deemed withdrawn or denied. The Retained Actions transferred from the Debtors to the Liquidating Trust shall not include any claims against U.S. Foods, and the schedule of Retained Potential Preferential Transfer Claims shown in Attachment 10 to the Plan Supplement is hereby modified to deem deleted the entry showing a retained potential claim against U.S. Foods in the amount of $287,930.

19. **Corporate Action.** Pursuant to Article VII, Section 7.08 of the Plan, this Order shall constitute approval of an authorization for all matters provided for under the Plan that would otherwise require approval of stockholders or directors of one or more of the Debtors, and as of the Effective Date, such approval and authorization shall be deemed to have occurred and shall be in effect from and after the Effective Date pursuant to the applicable general corporation law of the states in which the Debtors are incorporated, without any requirement for further action by the stockholders or directors of the Debtors.

20. **Substantive Consolidation of the Debtors.** Substantive consolidation of the Debtors and their respective Estates is appropriate based on: (a) the substantial identity among the Debtors and the manner in which the Debtors historically conducted their businesses, (b) the nature of the Claims against the Debtors and the manner in which many creditors dealt with the Debtors, and (c) the lack of actual prejudice to creditors that will result from substantive

consolidation. See, e.g., In re: Geo. W. Park Seed Co., Inc., et al, Ch. 11 Case No. 10-02431-JW (Bankr. SC, July 22, 2010) (*Order Granting Substantive Consolidation*); In re: It's Greek to Me, Inc., Ch. 11 Case No. 11-05686-JW (Bankr. SC, April 3, 2012) (*Order Authorizing Substantive Consolidation*). Furthermore, substantive consolidation of the Debtors will not prejudice the rights of their respective creditors. Therefore, the entry of this Order shall constitute the approval by the Court, pursuant to Bankruptcy Code Sections 105(a) and 1123(a)(5)(C), effective as of the Effective Date, of the substantive consolidation of the Debtors and their respective Estates for all purposes relating to the Plan, including for purposes of voting, confirmation, and Distributions. On and after the Effective Date, subject to the provisions of the following paragraph: (i) all assets and liabilities of such Debtors shall be treated as though they were pooled, (ii) no Distributions shall be made under the Plan on account of any Claim held by any one of such Debtors against any other of such Debtors; (iii) no Distributions shall be made under the Plan on account of any Interest held by any one of such Debtors in any other of such Debtors; (iv) all guarantees of any one of such Debtors of the obligations of any other of such Debtors shall be eliminated so that any Claim against any one of such Debtors and any guarantee thereof executed by any other of such Debtors shall be one obligation of the Consolidated Estate; (v) any joint liability (including, but not limited to, joint and several liability) of any of the Debtors with one another will be deemed to be a single obligation of the Consolidated Estate; and (vi) every Claim filed or to be filed in the Case of any one of such Debtors shall be deemed filed against the Consolidated Estate and shall be one Claim against and obligation of the Consolidated Estate. Upon entry of this Order, BMC Group, Inc., the duly-appointed claims agent in these Chapter 11 Cases, shall be authorized to

make appropriate revisions to the official claims register in light of the substantive consolidation of the Debtors and their respective Estates.

21. Releases. In light of the Court's consideration of the evidence and arguments presented at the Confirmation Hearing and otherwise in support of confirmation of the Plan, as well as the specific findings of the Court set forth herein (see paragraph KK above), upon the occurrence of the Effective Date, except as otherwise set forth herein (see paragraph 29 below), the following releases under the Plan are hereby deemed appropriate and approved as modified below consistent with the record of the Confirmation Hearing:

> **Releases by Debtors. (i) Effective as of the Effective Date, and except as otherwise provided in the Plan or the Confirmation Order, for good and valuable consideration, the adequacy of which is hereby confirmed, the Debtors, each in its individual capacity and as Debtors and Debtors in possession, will be deemed to have forever released, and waived the Releasees and the D&O Releasees from any and all claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action and liabilities (other than the rights of the Debtors or the Liquidation Trustee to enforce the Plan and the contracts, instruments, releases, indentures and other agreements or documents delivered thereunder), whether for tort, contract, violations of federal or state securities laws, or otherwise, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or part on any act, omission, transaction, event or other occurrence, including actions in connection with indebtedness for money borrowed by the Debtors, taking place on or prior to the Effective Date in any way relating to the Debtors, the Chapter 11 Cases, or the Plan; provided, however, that (a) no Releasee or D&O Releasee will be released from any Claims, obligations, suits, judgments, debts or Causes of Action arising out of or in connection with indebtedness for money borrowed by any such person from the Debtors or for acts of gross negligence or willful misconduct; and (b) no Cause of Action against any insurer arising out of or relating to matters for which the Debtors would otherwise be liable or suffer an insurable loss will be released, including without limitation, any Cause of Action against the Debtors' directors and officers insurance carrier(s); and (c) nothing herein or in the Plan shall release any claim, debt, demand or cause of action of any name or nature held by the Debtors against James B. Anthony, Lucas Anthony or Timothy Cherry.**

Releases by Holders of Claims and Interests. Effective as of the Effective Date, and except as otherwise provided in the Plan or the Confirmation Order, to the fullest extent permitted under applicable law, in consideration for the obligations of the Persons set forth below under the Plan and, if applicable, the Cash, securities, contracts, releases and other agreements or documents to be delivered in connection with the Plan, each Holder of a Claim or Interest who votes in favor of the Plan or is presumed to have voted in favor of the Plan pursuant to section 1126(f) of the Bankruptcy Code will be deemed to have forever waived and released (i) the Debtors, (ii) the Liquidation Trustee, (iii) the Liquidating Trust, (iv) the Releasees, and (v) the D&O Releasees from any and all claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action and liabilities (other than the rights of such Holders of Allowed Claims under the Plan to enforce the Plan and the contracts, instruments, releases, indentures and other agreements or documents delivered thereunder), whether for tort, contract, violations of federal or state securities laws, or otherwise, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or part on any act, omission, transaction, event or other occurrence, including actions in connection with indebtedness for money borrowed by the Debtors, taking place on or prior to the Effective Date in any way relating to the Debtors, the Chapter 11 Cases, or the Plan; provided, however, that this Section 10.03(b): (a) will not release any Releasees or the D&O Releasees from liability for acts of gross negligence or willful misconduct or any Causes of Action held by a Governmental Unit existing as of the Effective Date based on (i) any criminal laws of the United States or any domestic state, city or municipality or (ii) sections 1104-1109 and 1342(d) of ERISA; and (b) nothing herein or in the Plan shall release any claim, debt, demand or cause of action of any name or nature held by any party against James B. Anthony, Lucas Anthony or Timothy Cherry.

The Court specifically notes that each Holder of a Claim or Interest who did not vote in favor of the Plan or is not presumed to have voted in favor of the Plan pursuant to section 1126(f) of the Bankruptcy Code shall not be subject to the release provisions set forth in Section 10.03(b) of the Plan.

22. Retention of Jurisdiction. Pursuant to Article XI of the Plan, this Court shall retain jurisdiction after the confirmation of the Plan to the fullest extent legally permissible and for any purpose, including all jurisdiction necessary to ensure that the provisions of the Plan are carried out. To the extent that the jurisdiction of this Court over such matters is exclusive

jurisdiction, it shall remain so. In addition the Court shall retain jurisdiction after the entry of this Order for the following specific purposes, to: (a) classify or establish the priority or secured or unsecured status of any Claim (whether Filed before or after the Effective Date and whether or not contingent, Disputed or unliquidated) or resolve any dispute as to the treatment of any Claim pursuant to the Plan; (b) grant or deny any applications for allowance of compensation or reimbursement of expenses pursuant to sections 328, 330, 331 or 503(b) of the Bankruptcy Code or otherwise provided for in the Plan, for periods ending on or before the Effective Date; (c) determine and resolve any matters related to the assumption, assumption and assignment or rejection of any executory contract or unexpired lease to which any Debtors are a party or with respect to which any Debtors may be liable, and to hear, determine and, if necessary, liquidate any Claims arising therefrom; (d) ensure that all payments due under the Plan and performance of the provisions of the Plan are accomplished as provided herein and resolve any issues relating to Distributions to Holders of Allowed Claims pursuant to the provisions of the Plan; (e) construe, take any action and issue such orders, prior to and following the Confirmation Date and consistent with section 1142 of the Bankruptcy Code, as may be necessary for the enforcement, implementation, execution and consummation of the Plan and all contracts, instruments, releases, indentures and other agreements or documents created in connection with the Plan, including, without limitation, the Disclosure Statement and the Confirmation Order, for the maintenance of the integrity of the Plan and protection of the Debtors or the Liquidation Trustee in accordance with sections 524 and 1141 of the Bankruptcy Code following consummation; (f) determine and resolve any case, controversies, suits or disputes that may arise in connection with the consummation, interpretation, implementation or enforcement of the Plan (and all Exhibits to the Plan and a Plan

Supplement) or the Confirmation Order, including the indemnification and injunction provisions set forth in and contemplated by the Plan or the Confirmation Order, or any Entity's rights arising under or obligations incurred in connection therewith; (g) hear any application of the Debtors or the Liquidation Trustee to modify the Plan after the Effective Date pursuant to section 1127 of the Bankruptcy Code and Section 12.04 of the Plan or modify the Disclosure Statement, the Confirmation Order or any contract, instrument, release, indenture or other agreement or document created in connection with the Plan, the Disclosure Statement or the Confirmation Order, or remedy any defect or omission or reconcile any inconsistency in any Bankruptcy Court order, the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release, indenture or other agreement or document created in connection with the Plan, the Disclosure Statement or the Confirmation Order, in such manner as may be necessary or appropriate to consummate the Plan, to the extent authorized by the Bankruptcy Code and the Plan; (h) issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Entity with consummation, implementation or enforcement of the Plan or the Confirmation Order; (i) enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked or vacated; (j) determine any other matters that may arise in connection with or relating to the Plan, the Disclosure Statement, the Confirmation Order, the Liquidating Trust, or any contract, instrument, release, indenture or other agreement or document created in connection with the Plan, the Disclosure Statement, or the Confirmation Order, except as otherwise provided in the Plan; (k) determine such other matters and for such other purposes as may be provided in the Confirmation Order; (l) hear and determine any other matters related hereto and not inconsistent with chapter 11 of the

Bankruptcy Code; (m) hear and determine disputes arising in connection with the interpretation, implementation or enforcement of the Plan or the Liquidating Trust; (n) enter one or more Final Decrees closing each of the Chapter 11 Cases; (o) determine and resolve any and all controversies relating to the rights and obligations of the Liquidation Trustee in connection with the Chapter 11 Cases; (p) allow, disallow, determine, liquidate or estimate any Claim, including the compromise, settlement and resolution of any request for payment of any Claim, the resolution of any Objections to the allowance of Claims and to hear and determine any other issue presented hereby or arising hereunder, including during the pendency of any appeal relating to any Objection to such Claim (to the extent permitted under applicable law); (q) permit the Debtors (and the Liquidation Trustee, to the extent provided for in the Plan, or the Liquidating Trust Agreement) to recover all assets of the Debtors and Property of their Estates, wherever located; (r) hear and determine any motions or contested matters involving taxes, tax refunds, tax attributes and tax benefits and similar or related matters with respect to the Debtors or the Debtors' Estates arising prior to the Effective Date or relating to the period of administration of the Chapter 11 Cases, including, without limitation, matters concerning federal, state and local taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code; (s) hear and determine any motions, applications, adversary proceedings, contested matters and other litigated matters pending on, Filed or commenced after the Effective Date that may be commenced by the Liquidation Trustee thereafter, including Retained Actions, proceedings with respect to the rights of the Liquidation Trustee to recover Property under sections 542, 543 or 553 of the Bankruptcy Code, or proceedings to otherwise collect to recover on account of any claim or Cause of Action that the Debtors may have had; (t) consider and act on the compromise of any Claim against, or Interest in, the Debtor, or any Cause of

Action asserted on behalf of the Debtors' Estates; provided, however, that there will be no requirement that the Debtors or the Liquidation Trustee seek Bankruptcy Court approval of compromises and settlements except as provided herein; and (u) hear any other matter not inconsistent with the Bankruptcy Code.

23. Term of Stays and Injunctions. Unless otherwise provided herein, or in the Plan, or in a separate Final Order of the Court, all injunctions and stays arising under or entered during the Chapter 11 Cases under Bankruptcy Code Section 105 or 362 and in existence on the Confirmation Date shall remain in full force and effect until the later of the Effective Date or the date indicated in such applicable order.

24. Exculpation. In light of the Court's consideration of the evidence and arguments presented at the Confirmation Hearing and otherwise in support of confirmation of the Plan, as well as the specific findings of the Court set forth herein (see paragraph KK above), upon the occurrence of the Effective Date, except as otherwise set forth herein (see paragraph 29 below), the following exculpation provisions of the Plan are hereby approved as modified below consistent with the record of the Confirmation Hearing:

> **Exculpation. None of the Debtors, the Liquidation Trustee, or any Exculpated Person, nor any of their respective members, employees, officers, directors, agents, advisors, attorneys, or financial advisors, will have or incur any liability to any Person, including, without limitation, any Holder of a Claim or Interest or any other party in interest, or any of its agents, employees, representatives, financial advisors, attorneys or affiliates or any of their successors or assigns, for any act taken or omission made in connection with, relating to, or arising out of, the Chapter 11 Cases, filing, negotiating, prosecuting, administering, formulating, implementing, confirming or consummating this Plan, or the Property to be distributed under this Plan, including all activities leading to the promulgation and confirmation of the Plan, the Disclosure Statement (including any information provided or statement made in the Disclosure Statement or omitted therefrom), or any contract, instrument, release or other agreement or document created in connection with or related to the Plan or the administration of the Debtors or these Chapter 11 Cases, provided, however,**

that the foregoing exculpation will not apply to any act of gross negligence or willful misconduct, and in all respects they will be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under the Plan. The entry of the Confirmation Order will constitute the determination by the Bankruptcy Court that the Debtors, the CRO, the Committee, the Indenture Trustee, the Advisory Board, the Negotiating Group, the DIP Lender, the Plan Sponsor, and each of their respective members, employees, officers, directors, agents, advisors, attorneys, and financial advisers will have acted in good faith and in compliance with the applicable provisions of the Bankruptcy Code pursuant to, among others, Sections 1125(e) and 1129(a)(3) of the Bankruptcy Code, with respect to the foregoing. Nothing herein will be construed, however, to relieve the Debtors, the Liquidation Trustee, the Plan Sponsor, or any other party, from performing its respective obligations under the Plan. Nothing herein or in the Plan shall exculpate James B. Anthony, Lucas Anthony or Timothy Cherry. For the avoidance of doubt, the execution and delivery by the CRO on behalf of the Debtors of any documents contemplated under the Plan is only in her representative capacity and not individually, and neither she nor GGG Partners, LLC shall have any liability thereunder.

25. Retained Actions Preserved. From and after the Effective Date, the Liquidation Trustee shall have the right to prosecute any of the Retained Actions, including without limitation, avoidance, equitable subordination, equitable disallowance, or recovery arising under Bankruptcy Code Sections 105, 502(d), 510, 542 through 551, and 553, that belongs to the Debtors as of the Confirmation Date and has not been expressly compromised, settled, or released pursuant to the Plan or by an order of this Court entered prior to the entry of this Order.

EXCEPT FOR ANY CAUSE OF ACTION THAT HAS BEEN EXPRESSLY COMPROMISED, SETTLED, OR RELEASED PURSUANT TO THE PLAN OR AN ORDER OF THE COURT ENTERED PRIOR TO THE ENTRY OF THIS ORDER, ALL CLAIMS AND CAUSES OF ACTION OF THE DEBTORS AND THEIR ESTATES SHALL SURVIVE CONFIRMATION, AND THE ASSERTION OF CLAIMS AND CAUSES OF ACTION BY THE LIQUIDATION TRUSTEE SHALL

NOT BE BARRED OR LIMITED BY ANY ESTOPPEL, WHETHER JUDICIAL, EQUITABLE, OR OTHERWISE.

Nothing herein shall prevent the Liquidation Trustee from waiving, releasing, or compromising any of the Retained Actions.

26. Plan Distributions. Any Distributions under the Plan will be received and retained free of and from any obligations to hold or transfer the same to any other Creditor, and will not be subject to levy, garnishment, attachment or other legal process by any Holder by reason of claimed contractual subordination rights, which rights will be waived and this Order constitutes an injunction enjoining any Person from enforcing or attempting to enforce any contractual, legal or equitable subordination rights to Property distributed under the Plan, in each case other than as provided in the Plan.

27. Discharge of Claims and Termination of Interests. Except as provided for in the Plan or herein, the rights afforded in the Plan and the Distributions to be made thereunder shall be in exchange for and in complete satisfaction, discharge, and release of all existing debts and Claims, and shall terminate all Interests, to the extent provided for in the Plan, of any kind, nature, or description whatsoever, including any interest accrued on such Claims after the Petition Date, against or in the Debtors or any of their assets or properties, to the fullest extent permitted by Bankruptcy Code Section 1141. Except as provided in the Plan, upon the Effective Date, all existing Claims against the Debtors and Interests shall be precluded and enjoined from being asserted against the Plan Sponsor, its successors, or the Liquidation Trustee or any of their assets or properties, any other or further Claim or Interest based on any act or omission, transaction, or other activity of any kind or nature that occurred prior to the

Confirmation Date, whether or not such holder has filed a proof of claim or proof of interest or has voted to accept the Plan.

28. Permanent Injunction. In light of the Court's consideration of the evidence and arguments presented at the Confirmation Hearing and otherwise in support of confirmation of the Plan, as well as the specific findings of the Court set forth herein (see paragraph KK above), upon the occurrence of the Effective Date, except as otherwise set forth herein (see paragraph 29 below), this Order shall operate as an injunction as follows:

CLAIMS AND INTERESTS. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED FOR IN THE PLAN OR THE CONFIRMATION ORDER, AND TO THE FULLEST EXTENT AUTHORIZED OR PROVIDED BY THE BANKRUPTCY CODE, INCLUDING SECTIONS 524 AND 1141 THEREOF, THE ENTRY OF THE CONFIRMATION ORDER WILL, PROVIDED THAT THE EFFECTIVE DATE OCCURS, PERMANENTLY ENJOIN ALL PERSONS THAT HAVE HELD, CURRENTLY HOLD OR MAY HOLD A CLAIM OR OTHER DEBT OR LIABILITY OR AN INTEREST OR OTHER RIGHT OF AN EQUITY SECURITY HOLDER THAT IS IMPAIRED OR TERMINATED PURSUANT TO THE TERMS OF THE PLAN FROM TAKING ANY OF THE FOLLOWING ACTIONS AGAINST THE DEBTORS, THE LIQUIDATING TRUST, THE LIQUIDATION TRUSTEE, OR THE PROPERTY OF ANY OF THE FOREGOING ON ACCOUNT OF ANY SUCH CLAIMS, DEBTS OR LIABILITIES OR SUCH TERMINATED INTERESTS OR RIGHTS: (A) COMMENCING, CONDUCTING OR CONTINUING IN ANY MANNER, DIRECTLY OR INDIRECTLY, ANY SUIT, ACTION OR OTHER PROCEEDING OF ANY KIND; (B) ENFORCING, LEVYING, ATTACHING, COLLECTING OR OTHERWISE RECOVERING IN ANY MANNER OR BY ANY MEANS, WHETHER DIRECTLY OR INDIRECTLY, ANY JUDGMENT, AWARD, DECREE OR ORDER; (C) CREATING, PERFECTING OR ENFORCING IN ANY MANNER, DIRECTLY OR INDIRECTLY, ANY LIEN OR ENCUMBRANCE OF ANY KIND; (D) ASSERTING ANY SETOFF, OFFSET, RIGHT OF SUBROGATION OR RECOUPMENT OF ANY KIND, DIRECTLY OR INDIRECTLY, AGAINST ANY DEBT, LIABILITY OR OBLIGATION DUE TO ANY OF THE DEBTORS; AND (E) PROCEEDING IN ANY MANNER IN ANY PLACE WHATSOEVER, INCLUDING EMPLOYING ANY PROCESS, THAT DOES NOT CONFORM TO OR COMPLY WITH OR IS INCONSISTENT WITH THE PROVISIONS OF THE PLAN; PROVIDED, HOWEVER, THAT THIS INJUNCTION WILL NOT APPLY TO (A) ANY CLAIMS CREDITORS MAY ASSERT UNDER THE PLAN TO ENFORCE THEIR RIGHTS THEREUNDER TO THE EXTENT PERMITTED BY THE BANKRUPTCY CODE OR (B) ANY CLAIMS CREDITORS OR OTHER THIRD PARTIES MAY HAVE AGAINST EACH OTHER, WHICH CLAIMS ARE NOT RELATED TO THE DEBTORS, IT BEING UNDERSTOOD, HOWEVER, THAT ANY DEFENSES, OFFSETS OR COUNTERCLAIMS OF ANY KIND OR NATURE WHATSOEVER WHICH THE DEBTORS MAY HAVE OR ASSERT IN RESPECT OF ANY OF THE CLAIMS OF THE TYPE DESCRIBED IN (A) OR (B) OF THIS PROVISO ARE FULLY PRESERVED.

RELEASED CLAIMS. AS OF THE EFFECTIVE DATE, THE CONFIRMATION ORDER WILL CONSTITUTE AN INJUNCTION PERMANENTLY ENJOINING ANY PERSON THAT HAS HELD, CURRENTLY HOLDS OR MAY HOLD A CLAIM, DEMAND, DEBT, RIGHT, CAUSE OF ACTION OR LIABILITY THAT IS RELEASED PURSUANT TO THE PLAN FROM ENFORCING OR ATTEMPTING TO ENFORCE ANY SUCH CLAIM, DEMAND, DEBT, RIGHT, CAUSE OF ACTION OR LIABILITY AGAINST (I) ANY DEBTOR, (II) THE LIQUIDATING TRUST, (III) ANY RELEASEE, (IV) ANY D&O RELEASEE, OR (V) ANY EXCULPATED PERSON, OR ANY OF ITS PROPERTY, BASED ON, ARISING FROM OR RELATING TO, IN WHOLE OR IN PART, ANY ACT, OMISSION, OR OTHER OCCURRENCE TAKING PLACE ON OR PRIOR TO THE EFFECTIVE DATE WITH RESPECT TO OR IN ANY WAY RELATING TO THE CHAPTER 11 CASE, ALL OF WHICH CLAIMS, DEMANDS, DEBTS, RIGHTS, CAUSES OF ACTION OR LIABILITIES WILL BE DEEMED RELEASED ON AND AS OF THE EFFECTIVE DATE; PROVIDED, HOWEVER, THAT WITH RESPECT TO THE FORMER DIRECTORS, OFFICERS AND EMPLOYEES OF THE DEBTORS, THIS INJUNCTION WILL APPLY ONLY TO THE ENFORCEMENT OF CLAIMS, DEMANDS, DEBTS, RIGHTS, CAUSES OF ACTION OR LIABILITIES WITH RESPECT TO WHICH SUCH FORMER DIRECTORS, OFFICERS AND EMPLOYEES WOULD BE ENTITLED TO INDEMNIFICATION FROM THE DEBTORS UNDER CONTRACT OR LAW; AND, PROVIDED FURTHER, HOWEVER, THAT THIS INJUNCTION WILL NOT APPLY TO (A) ANY CLAIMS CREDITORS MAY ASSERT UNDER THE PLAN TO ENFORCE THEIR RIGHTS THEREUNDER TO THE EXTENT PERMITTED BY THE BANKRUPTCY CODE OR (B) ANY CLAIMS CREDITORS OR OTHER THIRD PARTIES MAY HAVE AGAINST EACH OTHER, WHICH CLAIMS ARE NOT RELATED TO THE DEBTORS, IT BEING UNDERSTOOD, HOWEVER, THAT ANY DEFENSES, OFFSETS OR COUNTERCLAIMS OF ANY KIND OR NATURE WHATSOEVER WHICH THE DEBTORS MAY HAVE OR ASSERT IN RESPECT OF ANY OF THE CLAIMS OF THE TYPE DESCRIBED IN (A) OR (B) OF THIS PROVISO ARE FULLY PRESERVED.

29. No Releases for James B. Anthony, Lucas Anthony, Vicki Anthony, Timothy Cherry, Cliffs Communities, Inc., "DevCo" entities, non-debtor affiliates of the Debtors, et al. Notwithstanding anything to the contrary in this Order, the Plan or anything else in the record in these Chapter 11 Cases, neither James B. Anthony, Lucas Anthony, Vicki Anthony, Timothy Cherry, Cliffs Communities, Inc., nor any non-debtor affiliates of the Debtors (specifically any of the non-debtor affiliates of the Debtors that were dedicated to the development and sale of residential real estate, unimproved company lots and finished homes at the "Cliffs" communities (generally referred to the "DevCos"))

(collectively, the "Specifically Non-Released Parties") shall be released from any claims pursuant to any provision of the Plan. The inclusion of any Specifically Non-Released Party on any list of parties subject to Plan release provisions, specifically including Attachment 7 to the Plan Supplement [Dkt. No. 470-8], shall be deemed deleted. For the avoidance of doubt, neither the Debtors, the Liquidation Trustee, the Plan Sponsor nor any Holder of a Claim or Interest shall be deemed to have released any claims against any of the Specifically Non-Released Parties, and any and all claims and rights that the Debtors, the Liquidation Trustee, the Plan Sponsor and any Holder of a Claim or Interest may have against the Specifically Non-Released Parties are hereby expressly preserved, specifically including any claims or rights held by the Indenture Trustee and the Note Holders against James B. Anthony pursuant to the Indenture in its original form dated April 30, 2012, any guaranty thereunder, or otherwise. Moreover, for the avoidance of doubt, with the exception of U.S. Foods (as set forth herein at paragraph 18) and any Accepting Club Members, no party listed on Attachment 10 to the Plan Supplement [Dkt. No. 470-10] shall be released from any claims pursuant to any provision of the Plan.

30. **No Successor Liability.** Except as otherwise expressly provided in the Plan or the Asset Purchase Agreement, the Debtors, the Liquidation Trustee, and the Plan Sponsor do not, pursuant to the Plan or otherwise, assume, agree to perform, pay, or indemnify or otherwise have any responsibilities for any liabilities or obligations of the Debtors or any other party relating to or arising out of the operations of or assets of the Debtors, whether arising prior to, on, or after the Effective Date. The Liquidating Trust, the Liquidation Trustee, and the Plan Sponsor are not, and will not be, successors to the Debtors by reason of any theory of law or equity, and none will have any successor or transferee liability of any kind or character,

except that the Liquidation Trustee and the Liquidating Trust will assume the obligations specified in the Plan, the Liquidating Trust Agreement, the other Liquidating Trust Documents, and the Confirmation Order and the Plan Sponsor will assume the obligations specified in the Asset Purchase Agreement.

31. Post-Effective Date Fees and Expenses. From and after the Effective Date, the Liquidation Trustee shall, in the ordinary course of business and without the necessity for Court approval, pay the reasonable fees and expenses incurred after the Effective Date by professionals retained by the Liquidation Trustee, including fees and expenses incurred in connection with the implementation and consummation of the Plan.

32. Post-Effective Date Notice Limited. From and after the Effective Date, any person seeking relief from this Court in the Chapter 11 Cases shall be required to provide notice only to the Debtors, the Liquidation Trustee, the Plan Sponsor, the United States Trustee, and their respective counsel, to any person whose rights are directly affected by the relief sought, and to other parties in interest, who, after the entry of this Order, file a request for such notice with the clerk of the Court and serve a copy of such notice on counsel for the Debtors, the Plan Sponsor and the Liquidation Trustee.

33. Dissolution of Committee. The Committee shall be dissolved as of the Effective Date, except that after the Effective Date, the Committee may prosecute, evaluate, object to (if necessary), and appear at the hearing to consider applications for final allowance of compensation and reimbursement of expenses of professionals and of members of the Committee. Each member of the Committee shall be discharged from its duties and responsibilities as of the Effective Date. Nothing herein shall preclude the members of the

Committee from participating in the Chapter 11 Cases, at their own expense, as they may deem necessary to protect their interests.

34. Plan Sponsor Financing. The Plan Sponsor may modify operative documents relevant to the Exit Facility and the Mountain Park Facility prior to the Effective Date without further notice or approval of this Court, provided that such documents as executed on the Effective Date are substantially in conformance with the documents attached as exhibits to the Plan Supplement. Both the Exit Facility and the Mountain Park Facility are approved and authorized, and each shall be secured by liens and interests that in all respects are senior to, and have priority over, all other liens, claims and encumbrances existing as of the Effective Date.

35. Administrative Bar Date (Non-Professional Fees). Requests for payment of Administrative Claims must be filed with the Claims Agent, substantially in the form attached as an exhibit to the Confirmation Notice, and served on counsel for the Debtors and counsel for the Plan Sponsor no later than (x) the Administrative Claim Bar Date, which is thirty (30) days after the Effective Date, or (y) such later date, if any, as this Court shall order upon application made prior to the end of the Administrative Claim Bar Date; provided, however, that Allowed Ordinary Course Trade Claims shall be paid in the ordinary course of business of New ClubCo and/or its sublessees in accordance with the terms and subject to the conditions of any agreements governing or relating thereto. Holders of Administrative Claims (including, without limitation, the holders of any Claims for federal, state or local taxes) that are required to file a request for payment of such Claims and that do not file such requests by the applicable bar date shall be forever barred from asserting such Claims against any of the Debtors, their Estates, the Consolidated Estate, the Plan Sponsor, the Liquidation Trustee or the Indenture Trustee.

36. Administrative Bar Date (Professional Fees and Expenses). All requests for compensation or reimbursement of Professional Fee Claims pursuant to sections 327, 328, 330(a), 331, 503 or 1103 of the Bankruptcy Code for services rendered prior to the Effective Date, not already filed, shall be filed and served on the counsel to the Debtors, counsel for the Plan Sponsor, the United States Trustee, counsel to the Committee and such other entities that are designated by the Bankruptcy Rules, this Order or other order of this Court, no later than sixty (60) days after the Effective Date, unless such date is otherwise modified by order of this Court. Holders of Professional Fee Claims that are required to file and serve applications for final allowance of Professional Fee Claims and that do not file and serve such applications by the required deadline shall be forever barred from asserting such Claims against the Debtors, their Estates, the Consolidated Estate, the Plan Sponsor, the Liquidation Trustee or the Indenture Trustee, and such Professional Fee Claims shall be deemed discharged as of the Effective Date. The provisions of this paragraph shall not apply to the compensation of either BMC Group, Inc., GGG Partners, LLC or Katie S. Goodman as CRO, each of which shall be compensated pursuant the terms of the Orders approving its retention and compensation in these Chapter 11 Cases. The provisions of this paragraph shall not apply to any professional providing services pursuant to and subject to the limits contained in the Order Authorizing Debtors to Retain and Compensate Professionals Used in the Ordinary Course of Business entered in the Chapter 11 Cases on or about March 26, 2012. Objections to any Professional Fee Claims must be filed and served on counsel for the Debtors, counsel for the Plan Sponsor and the requesting party on or before twenty one (21) days after the filing and service of such request.

37. Bar Date for Rejection Damage Claims. Claims arising out of the rejection of any executory contract or unexpired lease pursuant to Article VI of the Plan must be filed with

the Bankruptcy Court no later than the later of (a) thirty (30) days after the Effective Date, or (b) thirty (30) days after the entry of an order rejecting such executory contract or unexpired lease. Any such Claim not filed within such time period shall be forever barred. Any such Claim shall be treated as a General Unsecured Claim in Class 5 or a Rejecting Member Claim in Class 7, as determined by the Liquidation Trustee, subject to Court review on a motion by the claimant.

38. **Effect of Reference to the Plan in this Confirmation Order.** The failure to reference or discuss any particular provision of the Plan in this Order shall have no effect on the validity, binding effect, and enforceability of such provision, and each provision of the Plan shall have the same validity, binding effect, and enforceability as if fully set forth in this Order.

39. **Substantial Consummation.** On the Effective Date and after the closing of the transaction contemplated by the Plan, which the Debtors and Plan Sponsor believe will be on the same day, the Plan shall be deemed to be substantially consummated under Bankruptcy Code Sections 1101 and 1127(b).

40. **Notice.** Pursuant to Rule 3020(c), on or before the tenth (10th) day following the entry of this Order, the Debtors shall serve notice of: (i) entry of this Confirmation Order; (ii) the deadline established herein for filing certain Administrative Claims and the deadline established herein for filing final fee applications for professionals; (iii) the deadline established herein for filing rejection damage claims, and (iv) such other matters that the Debtors deem appropriate as provided in Rule 2002(f) and pursuant to the Plan, in the form attached hereto as Exhibit B, which form is hereby approved (the "Confirmation Notice"). The Confirmation Notice shall be mailed by the Debtors to all parties on the Master Service List, creditors, holders of Interests, parties to rejected executory contracts and unexpired leases, and

other parties that are entitled to receive notice by first class mail, postage prepaid; provided, however, that the Confirmation Notice need not be mailed to any person if a previous mailing to such person has been returned as undeliverable by the United States Postal Service, unless the Debtors have been informed in writing of a corrected address for such person.

41. **Headings.** Headings utilized herein are for convenience and reference only, and shall not constitute part of the Plan or this Order for any other purpose.

42. **Inconsistencies.** In the event of any inconsistencies between the Plan and the Disclosure Statement, any exhibit to the Plan or the Disclosure Statement, or any other instrument or document created or executed pursuant to the Plan, the Plan shall govern.

43. **Final Order/No Rule 3020(e) Stay.** This Order is a Final Order, and the period in which an appeal must be filed shall commence immediately upon the entry hereof in accordance with Federal Rule of Bankruptcy Procedure 3020(e). The Debtors and the Plan Sponsor having proffered good and sufficient evidence of financial exigencies facing the Debtors and the substantial likelihood of imminent irreparable harm in the event of a delay in the consummation of the transaction envisioned in the Plan and the Asset Purchase Agreement, the fourteen (14) day stay set forth in Rule 3020(e) is hereby waived, and the Effective Date may occur, at the option of the Plan Sponsor, immediately upon the satisfaction or the Plan Sponsor's waiver of all of the conditions set forth in Article IX, Section 9.02 of the Plan.

44. **Applicable Non-Bankruptcy Law.** Pursuant to Bankruptcy Code Sections 105, 1123(a), 1142 and 1145, the provisions of this Confirmation Order, the Plan, and any amendments or modifications thereto shall apply and be enforceable notwithstanding any otherwise applicable non-bankruptcy law.

45. **Service.** Counsel for the Debtors is directed to coordinate service of a copy of this Order on all parties on the Master Service List within three (3) days of the entry of this Order, in accordance with the provisions of the Order Establishing Certain Notice, Case Management and Administrative Procedures [Docket Entry No. 121], and to coordinate filing a certificate of service with the Clerk of Court.

AND IT IS SO ORDERED.

Prepared and presented by:

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Exhibit A

Indenture

THE CLIFFS CLUB & HOSPITALITY GROUP, INC.

INDENTURE TERMS AS MODIFIED AND APPROVED BY [THE BANKRUPTCY COURT ORDER]

WELLS FARGO BANK, NATIONAL ASSOCIATION,

Trustee

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[***to be conformed***]

INDENTURE TERMS by and among The Cliffs Club & Hospitality Group, Inc. (the "Issuer" and sometimes "CCHG"), a South Carolina corporation and issuer of the Notes (as defined below) and Wells Fargo Bank, National Association, a national banking association (the "Trustee"), as trustee, as provided and approved by the Confirmation Order.

Reference is made to the following:

The Issuer previously has issued Series A Notes due 2017 in the original principal amount of $39,800,000 (the "Series A Notes") and Series B Notes due 2017 in the original principal amount of $24,250,000 (the "Series B Notes"; the Series A Notes and Series B Notes, collectively, the "Notes") pursuant to that certain Indenture, dated as of April 30, 2010 (the "Indenture"), by and among the Issuer, certain guarantors from time to time party thereto and the Trustee, to complete the construction of certain core amenities at golf and country clubs comprising The Cliffs Golf & Country Club Communities (the "Clubs"), discharging certain existing indebtedness, funding maintenance and revitalization projects at the Clubs and for other purposes relating to the operations of the Clubs.

On February 28, 2012, the Issuer, CCHG Holdings, Inc., The Cliffs at Mountain Park Golf & Country Club, LLC, The Cliffs at Keowee Vineyards Golf & Country Club, LLC, The Cliffs at Walnut Cove Golf & Country Club, LLC, The Cliffs at Keowee Falls Golf & Country Club, LLC, The Cliffs at Keowee Springs Golf & Country Club, LLC, The Cliffs at High Carolina Golf & Country Club, LLC, The Cliffs at Glassy Golf & Country Club, LLC, The Cliffs at Valley Golf & Country Club, LLC and The Cliffs Club & Hospitality Service Company, LLC (together with the Issuer, the "Debtors") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq.

On May 22, 2012, the Debtors and the Plan Sponsor filed the Plan and the related Disclosure Statement, pursuant to which, among other things, the Debtors will sell substantially all of their assets to Cliffs Club Partners, LLC (the "Plan Sponsor"), which, simultaneously with the acquisition of such assets, will assume (the "Initial Assumption") the obligation to pay $64,050,000 in satisfaction of all amounts due or to become due under the Notes (the "Obligation"); the Plan Sponsor, immediately following such acquisition and assumption, will transfer all such acquired assets to IT-SPE, LLC (the "Company"), which, simultaneously with the acquisition of such assets, will assume the Obligation of Plan Sponsor (the "Subsequent Assumption"). Upon the Initial Assumption by the Plan Sponsor, the Debtors will be released from, and shall have no liability in respect of, any obligations under the Indenture or the Notes. Upon the Subsequent Assumption by the Company, the Plan Sponsor will be released from, and shall have no liability in respect of the Obligation, or any other obligations of the Debtors (or otherwise) under the Indenture or the Notes. The payment terms of the Notes are to be modified in accordance with the Plan and the Confirmation Order.

Set forth below are the terms of the Indenture as modified and approved by the Confirmation Order:

ARTICLE 1

DEFINITIONS AND INCORPORATION

BY REFERENCE

Section 1.01 Definitions. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in [the Plan]. In addition,

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; provided that beneficial ownership of 10% or more of the Voting Stock of a Person will be deemed to be control. For purposes of this definition, the terms "controlling," "controlled by" and "under common control with" have correlative meanings.

"Agent" means any Registrar, co-registrar, Paying Agent or additional paying agent.

"Bankruptcy Law" means Title 11, U.S. Code or any similar federal or state law for the relief of debtors.

"Board of Directors" means:

(1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;

(2) with respect to a partnership, the board of directors of the general partner of the partnership;

(3) with respect to a limited liability company, board of directors of the limited liability company or any committee thereof duly authorized to act on behalf of such board or the managing member or members or any controlling committee of managing members thereof; and

(4) with respect to any other Person, the board or committee of such Person serving a similar function.

"Business Day" means any day other than a Legal Holiday.

"Capital Lease Obligation" means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with GAAP, and the stated maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"Capital Stock" means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"Cash Equivalents" means:

(1) United States dollars;

(2) obligations of, or obligations directly and unconditionally guaranteed as to principal and interest by, the U.S. government or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States of America and have maturities not in excess of one year;

(3) federal funds, unsecured certificates of deposit, time deposits, demand deposits, banker's acceptances, and repurchase agreements having maturities of not more than 90 days of any commercial bank organized under the laws of the United States of America or any state thereof or the District of Columbia, the short-term debt obligations of which are rated A-1+ (or the equivalent) by each of the Rating Agencies and, if it has a term in excess of three months, the long-term debt obligations of which are rated AA (or the equivalent) by each of the Rating Agencies, and that (a) is at least "adequately capitalized" (as defined in the regulations of its primary Federal banking regulator) and (b) has Tier 1 capital (as defined in such regulations) of not less than $10 billion;

(4) deposits that are fully insured by the Federal Deposit Insurance Corp. (FDIC);

(5) commercial paper rated A-1+ (or the equivalent) by each of the Rating Agencies and having a maturity of not more than 90 days; and

(6) any money market funds that (a) has substantially all of its assets invested continuously in the types of Investments referred to in clause (2) above, (b) has net assets of not less than $5.0 billion, and (c) has the highest rating obtainable from either S&P or Moody's.

Notwithstanding the foregoing, "Cash Equivalents" (i) shall exclude any security with the Standard & Poor's "r" symbol (or any other Rating Agency's corresponding symbol) attached to the rating (indicating high volatility or dramatic fluctuations in their expected returns because of market risk), as well as any mortgage-backed securities and any security of the type commonly known as "strips"; (ii) shall be limited to those instruments that have a predetermined fixed dollar of principal due at maturity that cannot vary or change; and (iii) shall exclude any investment where the right to receive principal and interest derived from the underlying investment provides a yield to maturity in excess of 120% of the yield to maturity at par of such underlying investment. Interest may either be fixed or variable, and any variable interest must be

tied to a single interest rate index plus a single fixed spread (if any), and move proportionately with that index.

"CCHG" means The Cliffs Club & Hospitality Group, Inc.

"Closing Date" means the date of the initial issuance of the Notes.

"Clubs" means, collectively, The Cliffs at Mountain Park Golf & Country Club, The Cliffs at Keowee Vineyards Golf & Country Club, The Cliffs at Walnut Cove Golf & Country Club, The Cliffs at Keowee Falls Golf & Country Club, The Cliffs at Keowee Springs Golf & Country Club, The Cliffs at High Carolina Golf & Country Club, The Cliffs at Glassy Golf & Country Club and The Cliffs Valley Golf & Country Club, as they may be renamed from time to time.

"Collateral" means any and all assets encumbered pursuant to the Security Documents.

"Company" means IT-SPE, LLC.

"Confirmation Order" means that certain order dated on or about August 17, 2012 entered by the United States Bankruptcy Court for the District of South Carolina in connection with the Plan.

"Continuing" means, with respect to any Default or Event of Default, that such Default or Event of Default has not been cured or waived.

"Corporate Trust Office of the Trustee" will be at the address of the Trustee specified in Section 13.01 hereof or such other address as to which the Trustee may give notice to the Issuer.

"Debtors" has the meaning assigned to it in the recitals to this Indenture.

"Deemed Principal" means the original principal amount of the Notes (but in no event more than $64,050,000) reduced, upon each payment by the Issuer to the Trustee or Paying Agent of amounts in respect of the Notes (without regard to amounts actually received by the Holders), by such amount so paid by the Issuer (without reduction for any fees, charges or costs of the Trustee, or any other costs or expenses), including, without limitation, payment of Installments, the Balloon Payment and any redemption amounts.

"Default" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"Effective Date" means the effective date of the Plan.

"Equity Interests" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exit Facility" means a senior facility secured by all assets of the Plan Sponsor, the Company and each of their respective subsidiary entities associated with ownership of assets or operation of the Clubs, to be provided by NewCo to fund the Exit Costs to the extent that such Exit Costs exceed the sum of: (i) the Transfer Fees; and (ii) the Maximum Exit Equity Infusion, which will be payable together with eight percent (8%) interest, from cash flow of the Plan Sponsor and which facility will be secured by liens senior to all other liens.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect from time to time.

"Government Securities" means direct obligations of, or obligations guaranteed by, the United States of America, and the payment for which the United States pledges its full faith and credit.

"Holder" means a Person in whose name a Note is registered.

"Improvements" means all buildings, structures and other improvements, now or at any time situated, placed or constructed upon any land which is part of the Properties.

"Imputed Tax Amount" means, with respect to each calendar year, an amount equal to forty percent (40%) of all ordinary business income and all separately stated items of the Plan Sponsor and its subsidiaries (without consolidating with the Plan Sponsor's parent or other affiliates) for such calendar year.

"Indebtedness" means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and Trade Payables), whether or not contingent:

(1) in respect of borrowed money;

(2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);

(3) in respect of banker's acceptances; or

(4) representing Capital Lease Obligations in respect of sale and leaseback transactions.

"Indenture" means this Indenture, as amended or supplemented from time to time.

"Insolvency or Liquidation Proceeding" means:

(1) any case commenced by or against the Issuer under Title 11, U.S. Code or any similar federal or state law for the relief of debtors, any other proceeding for the reorganization, recapitalization or adjustment or marshalling of the assets or liabilities of the Issuer, any

receivership or assignment for the benefit of creditors relating to the Issuer or any similar case or proceeding relative to the Issuer or its creditors, as such, in each case whether or not voluntary;

(2) any liquidation, dissolution, marshalling of assets or liabilities or other winding up of or relating to the Issuer, in each case whether or not voluntary and whether or not involving bankruptcy or insolvency; or

(3) any other proceeding of any type or nature in which substantially all claims of creditors of the Issuer are determined and any payment or distribution is or may be made on account of such claims.

"Interested Holders" means the Company, the Plan Sponsor, NewCo, or any Affiliate, shareholder, person or entity affiliated with any of them, other than Representative.

"Investments" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including guarantees or other obligations), advances or capital contributions (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP.

"Issuer" means The Cliffs Club & Hospitality Group, Inc., a South Carolina corporation, and any and all successors thereto; provided that, unless the context otherwise requires, following the acquisition of the Issuer's assets and assumption of the Obligation by Plan Sponsor, references to Issuer shall be deemed to refer to the Plan Sponsor and that, unless the context otherwise requires, following the acquisition of such assets and assumption of the Obligation by Company, references to Issuer shall be deemed to refer to the Company (and not to the Plan Sponsor). Notwithstanding the foregoing, the designation of the Company (or the Plan Sponsor) as the "Issuer" hereunder is intended solely to reflect that the Company is assuming the payment Obligation and is designated to act for CCHG hereunder with respect to actions required or permitted to be taken by CCHG as Issuer hereunder, but in no event shall the Plan Sponsor or the Company be deemed to be issuers of any Notes or other securities issued prior to, on or after the date hereof.

"Issuer Year" means each 12 month period ending on an anniversary of the Closing Date.

"IT Percentage Of Plan Sponsor Net Cash Flow" means fifty percent (50%) of Plan Sponsor Net Cash Flow equal to or below one hundred ten percent (110%) of the annual projected Plan Sponsor Net Cash Flow set forth on the Projections and seventy-five percent (75%) of all Plan Sponsor Net Cash Flow in excess of one hundred ten percent (110%) of the annual projected Plan Sponsor Net Cash Flow set forth on the Projections.

"Legal Holiday" means a Saturday, a Sunday or a day on which banking institutions in the City of New York or at a place of payment are authorized by law, regulation or executive order to remain closed. If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue on such payment for the intervening period.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in an asset.

"Major Default" shall have the meaning ascribed to it in the Operating Agreement.

"Management Fee" means an annual fee of four percent (4%) of Gross Revenues (as defined in the Plan), payable to NewCo in connection with its general oversight and supervision of the operations, maintenance and finances of the Clubs.

"Maturity Date" means _____, 203[2].

"Moody's" means Moody's Investors Service, Inc.

"Mortgage" means those certain mortgages, deeds of trust, assignment of rents and leases and fixture filings encumbering the Properties executed from time to time to secure the Note Obligations, as the same may from time to time be modified or replaced in accordance with the terms of the Note Documents.

"Mountain Park Facility" means a facility of up to $7.5 million (with an expected maximum of $5 million) secured by all assets of the Plan Sponsor, the Company and each of their respective subsidiary entities associated with ownership of assets or operation of the Clubs, to be provided by NewCo for the purpose of funding golf course and amenity construction on what was Debtor owned property on the Effective Date at the Mountain Park golf course, which facility will be secured by liens senior to all liens other than those securing the Exit Facility and which will be payable in full without interest from cash flow of the Plan Sponsor.

"Net Cash Flow" means all Plan Sponsor Revenues minus all disbursements (including, but not limited to, all personnel costs, general and administrative costs, utilities, leases, property taxes, maintenance, supplies, materials, payment of the Exit Facility, payment of the Mountain Park Facility, overhead-related and all other costs, Plan payments not the subject of a NewCo Equity Infusion, the Management Fee and capital expenses for any purpose other than construction of new facilities); provided however, distributions to NewCo or its parent in excess of the Imputed Tax Amount shall not be considered disbursements for purposes hereof.

"NewCo" means The Cliffs Club Holdings, LLC.

"NewCo Equity Infusion" means payments by NewCo to Plan Sponsor as capital contributions and not loans from and after the Effective Date to fund the following: (i) an amount not to exceed the Maximum Exit Equity Infusion (as defined in the Plan) necessary to satisfy the Exit Costs (as defined in the Plan) to the extent the Exit Costs exceed the Transfer Fees (as defined in the Plan); (ii) $1,000,000 to fund the Reserve Account (as defined in the Plan); (iii) Plan payment obligations to trade and other unsecured creditors not constituting Exit Costs; (iv) capital improvements for new facility construction, but not for repair, maintenance or

improvements of existing facilities; (v) negative operating cash flow; and (vi) any shortfall in Plan Sponsor's operating revenues needed to satisfy the annual rent obligations to the Company.

"Note Debt" means, as of any date of determination, the Deemed Principal outstanding under the Notes.

"Note Documents" means, collectively, this Indenture and the Security Documents.

"Note Lien" means a Lien granted under a Security Document, at any time, upon any property of the Company to secure the Note Obligations.

"Note Obligations" means the Note Debt and all other Obligations in respect thereof.

"Noteholder Committee" means a committee of 5 Holders elected from time to time in accordance with procedures established by the Requisite Holders.

"Notes" has the meaning assigned to it in the preamble to this Indenture.

"Obligations" means any fees, indemnifications, reimbursements, expenses and other liabilities payable under the Note Documents.

"Officer" means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary or any Vice-President of such Person.

"Officer's Certificate" means a certificate signed on behalf of the Issuer by at least one Officer of the Issuer that meets the requirements of Section 13.03 hereof.

"Operating Agreement" means the operating agreement of the Company, as it may be amended from time to time in accordance with its terms.

"Opinion of Counsel" means an opinion from legal counsel who is reasonably acceptable to the Trustee, that meets the requirements of Section 13.03 hereof. The counsel may be an employee of or counsel to the Issuer or the Trustee.

"Payment Date" means the fifth business day of _____ each year, commencing _____, 201[3]. *[the second full month after the first anniversary of the Closing of the transaction]*

"Permitted Liens" means (i) liens senior to the lien of the Security Documents on Collateral securing the Exit Facility and the Mountain Park Facility and (ii) other liens on the Collateral if, and only to the extent, Permitted under the Operating Agreement.

"Permitted under the Operating Agreement", or similar phrases, with respect to any action, event, or circumstance (collectively "Actions"), means such Action (i) is not specifically prohibited by the terms of the Operating Agreement, or (ii) although prohibited by the terms of

the Operating Agreement (x) has been waived or consented to by the Representative, or (y) has not yet constituted a Major Default under the Operating Agreement.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"Plan" means the Joint Chapter 11 Plan filed by the Debtors and the Plan Sponsor, dated May 22, 2012, in Case No. 12-01220 in the United States Bankruptcy Court for the District of South Carolina, as altered, amended, supplemented or modified from time to time in accordance with the terms thereof.

"Plan Sponsor" means Cliffs Club Partners, LLC.

"Plan Sponsor Revenues" means all revenues of the Plan Sponsor, all Access Fees received by the Plan Sponsor, as well as revenues of affiliated lessees and sublessees Plan Sponsor engaged in operation of the Clubs (including, but not limited to, Access Fees (as defined in the Plan), net Membership Initiation Fees, Annual Dues net of Dues Credits (each as defined in the Plan), food & beverage, rental, golf, tennis, wellness, merchandise, and all other revenues).

"Projections" means those financial projections of the Plan Sponsor, attached as Exhibit E to the First Amended and Restated Disclosure Statement related to the Plan, and attached hereto as Exhibit D.

"Properties" means all or any portion of the real property owned or leased (as lessee) by the Company and/or acquired by the Plan Sponsor from the Debtors, together with any additional Acquired Golf Property owned or leased (as lessee) by the Plan Sponsor or Company and made subject to the Mortgage.

"Qualified Funds" means funds from an Individual Retirement Account which is not subject to Title I of the Employee Retirement Income Security Act of 1974, as amended.

"Representative" means [IT Representative LLC]

"Responsible Officer," when used with respect to the Trustee, means any officer within the corporate trust department of the Trustee (or any successor group of the Trustee) or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and who has direct responsibility for the administration of this Indenture, and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject, and who has direct responsibility for the administration of this Indenture.

"Requisite Holders" means (i) with respect to direction of any exercise of remedies hereunder, the Holders of at least a majority in principal amount of the Outstanding Notes, provided that at any time that Interested Holders own more than 20% in principal amount of the Outstanding Notes, the "Requisite Holders" for such purpose shall be the Holders of a percentage of the principal amount of the Outstanding Notes at least equal to the greater of (a) 20% or (b) 70% minus the percentage of the principal amount of the Outstanding Notes owned

by Interested Holders; provided that if the Trustee receives conflicting directions from two groups of Requisite Holders as to the exercise of any remedy, the Trustee shall exercise any remedy directed by any such group of Requisite Holders even if objected to by another group of Requisite Holders; (ii) with respect to any instruction to the Representative hereunder or the direction, consent or approval with respect to the removal or appointment of the Trustee or any successor Trustee or any other Person that may be appointed or removed hereunder at the direction or with the consent or approval of the Requisite Holders or any waiver of any provision, right or default hereunder, or with respect to any consent to any amendment of this Indenture, the Holders of at least a majority in principal amount of the Outstanding Notes, provided that at any time that Interested Holders own more than 20% in principal amount of the Outstanding Notes, the "Requisite Holders" for such purpose shall be the Holders of a percentage of the principal amount of the Outstanding Notes at least equal to the lesser of (a) 80% or (b) 30% plus the percentage of the principal amount of the Outstanding Notes owned by Interested Holders; and (iii) with respect to the establishment or amendment of procedures for the Noteholder Committee, the Holders of at least a majority in principal amount of the Outstanding Notes, provided that at any time that Interested Holders own more than 20% in principal amount of the Outstanding Notes, the "Requisite Holders" for such purpose shall be the Holders of a percentage of the principal amount of the Outstanding Notes at least equal to the lesser of (a) 80% or (b) 30% plus the percentage of the principal amount of the Outstanding Notes owned by Interested Holders. Notwithstanding the foregoing, (A) the Requisite Holders shall not be entitled to direct the exercise of any remedies pursuant to clause (i) above with respect to any provision, right or default waived pursuant to clause (ii) above if such waiver is in effect at the time of the applicable direction, and (B) a waiver of a default pursuant to clause (ii) shall constitute a retraction of any prior direction to exercise remedies relating to such waived default.

"S&P" means Standard & Poor's Ratings Group.

"Securities Act" means the Securities Act of 1933, as amended.

"Security Documents" means the Mortgage and all security agreements, pledge agreements, lease assignments, collateral assignments, collateral agency agreements, control agreements, or other grants or transfers for security executed and delivered by the Issuer or the Company creating (or purporting to create) a Lien upon Collateral in favor of the Trustee, for the benefit of the holders of the Note Obligations, in each case, as amended, modified, renewed, restated or replaced, in whole or in part, from time to time, in accordance with its terms or the Plan.

"Subsidiary" means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership or limited liability company of which (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"Taxes" means all real estate and personal property taxes, assessments, fees, taxes on rents or rentals, water rates or sewer rents, facilities and other governmental, municipal and utility district charges or other similar taxes or assessments now or hereafter levied or assessed or imposed against the Issuer or any of its properties or rents therefrom or which may become Liens upon any of the Properties, without deduction for any amounts reimbursable to the Issuer by third parties.

"Trade Payables" means unsecured amounts payable in the ordinary course and which would under GAAP be regarded as ordinary expenses, including amounts payable to suppliers, vendors, contractors, mechanics, materialmen or other Persons providing property or services to such Person and the capitalized amount of any ordinary course financing leases.

"Trustee" means Wells Fargo Bank, National Association, until a successor replaces it in accordance with the applicable provisions of this Indenture and thereafter means the successor serving hereunder.

"Voting Stock" of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

Section 1.02 Other Definitions.

Term	Defined in Section
"Asset Sale Redemption"	3.09
"Authentication Order"	2.01
"Balloon Payment	3.01
"Covenant Defeasance"	8.03
"Event of Default"	6.01
"Installment"	3.01
"Legal Defeasance"	8.02
"Maturity Date"	3.01
"Paying Agent"	2.03
"Payment Account"	4.01
"Payment Default"	6.01
"Registrar"	2.03

Section 1.03 Rules of Construction.

Unless the context otherwise requires:

(a) a term has the meaning assigned to it;

(b) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(c) "or" is not exclusive;

(d) words in the singular include the plural, and in the plural include the singular;

(e) "will" shall be interpreted to express a command;

(f) provisions apply to successive events and transactions; and

(g) references to sections of or rules under the Securities Act will be deemed to include substitute, replacement of successor sections or rules adopted by the Securities and Exchange Commission from time to time.

ARTICLE 2

THE NOTES

Section 2.01 Form and Dating.

The Notes (other than those outstanding on the date hereof, which, for the avoidance of doubt, will not be reissued in connection with approval of the Plan, but which will be modified pursuant to the Plan) and the Trustee's certificate of authentication will be substantially in the form of Exhibit A hereto. The Notes may have notations, legends or endorsements required by law. Each Note will be dated the date of its authentication. All Notes issued under this Indenture shall be in all respects entitled, equally and ratably with all other Notes, to the benefits hereof without preference, priority or distinction on account of the actual time or times of authentication and delivery, all in accordance with the terms and provisions of this Indenture.

To the extent any provision of any Note conflicts with the express provisions of this Indenture or the Plan, the provisions of this Indenture or the Plan, as the case may be, shall govern and be controlling.

Section 2.02 Sealing and Authentication.

Provided that the seal of the Issuer has been stamped on a Note, no signature of any Officer of the Issuer shall be required on a Note in order for such Note to be validly issued hereunder.

A Note will not be valid until authenticated by the manual signature of the Trustee. The signature will be conclusive evidence that the Note has been authenticated under this Indenture.

The Trustee will, upon receipt of a written order of the Issuer signed by an Officer of the Issuer (an "Authentication Order"), authenticate Notes for replacement of outstanding Notes

under this Indenture. The aggregate principal amount of Notes outstanding at any time may not exceed the aggregate principal amount of Notes authorized for issuance by the Issuer pursuant to one or more Authentication Orders, but in any event shall not exceed $64,050,000 (for purposes of which any replacement Notes or Notes issued in connection with any conversion, transfer, partial redemption or similar event shall be excluded).

The Trustee may appoint an authenticating agent acceptable to the Issuer to authenticate and deliver the Notes. An authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication and delivery by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or an Affiliate of the Issuer.

Section 2.03 Registrar and Paying Agent.

The Issuer will maintain an office or agency where Notes may be presented for registration of transfer or for exchange ("Registrar") and an office or agency where Notes may be presented for payment ("Paying Agent"). The Registrar will keep a register of the Notes and of their transfer and exchange. The Issuer may appoint one or more co-registrars and one or more additional paying agents. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent. The Issuer may change any Paying Agent or Registrar without notice to any Holder. The Issuer will notify the Trustee in writing of the name and address of any Agent not a party to this Indenture. If the Issuer fails to appoint or maintain another entity as Registrar or Paying Agent, the Trustee shall act as such. The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar.

The Issuer initially appoints the Trustee to act as the Registrar and Paying Agent.

Section 2.04 Paying Agent to Hold Money in Trust.

The Issuer will require each Paying Agent other than the Trustee to agree in writing that the Paying Agent will hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal of the Notes, and will notify the Trustee in writing of any default by the Issuer in making any such payment.

While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Issuer at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Issuer) will have no further liability for the money. If the Issuer acts as Paying Agent, it will segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Issuer, the Trustee will serve as Paying Agent for the Notes.

Section 2.05 Holder Lists.

The Trustee will preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders. If the Trustee is not the Registrar, the Issuer will furnish to the Trustee at least seven Business Days before each Payment Date and

at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders of Notes.

Section 2.06 Transfer.

(a) Transfer of Notes. Upon request by a Holder of Notes and such Holder's compliance with the provisions of this Section 2.06(a), the Registrar will register the transfer of Notes. Prior to such registration of transfer, the requesting Holder must present or surrender to the Registrar the original Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing. In addition, the requesting Holder must provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.06(a).

(1) Notes may be transferred to and registered in the name of Persons who take delivery of such Note only if the Registrar receives:

(A) a certificate in the form of Exhibit B hereto from the transferor, including certifications in items (1) through (5) and supporting documentation thereof as applicable;

(B) a certificate in the form of Exhibit C hereto from the transferee, including certifications in items (1) through (6) thereof as applicable; and

(C) if the Issuer so requests, an Opinion of Counsel in form reasonably acceptable to the Issuer and the Registrar to the effect that the transfer is made in compliance with an exemption from registration under the Securities Act and any applicable securities laws of any state of the United States and the restrictions on transfer contained herein.

(2) Any transfer or purported transfer which does not comply with the terms of this Section 2.06(a) (except as may otherwise be provided in this Indenture) shall be void *ab initio*.

(b) Legends. The following legends will appear on the face of all Notes as they are replaced or transferred after the date hereof under this Indenture to ensure that a prospective transferee is aware of the transfer restrictions and other matters applicable to the Notes.

(1) Private Placement Legend. Such Notes shall bear the legend in substantially the following form:

THE ISSUANCE OF THESE NOTES HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR APPLICABLE STATE LAWS AND THE NOTES MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, OFFERED, PLEDGED OR OTHERWISE DISTRIBUTED FOR VALUE UNLESS SUCH SALE, TRANSFER, ASSIGNMENT, OFFER, PLEDGE OR OTHER DISTRIBUTION FOR VALUE IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SUCH ACT AND APPLICABLE STATE LAWS.

(2) Additional Restrictive and Other Legends Applicable to Notes. Each such Note shall bear a legend in substantially the following form:

NEITHER THIS NOTE NOR ANY INTEREST HEREIN SHALL BE TRANSFERRED TO A "BENEFIT PLAN INVESTOR" EXCEPT AN INDIVIDUAL RETIREMENT ACCOUNT ("IRA") WHICH IS NOT SUBJECT TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), OR TO ANY ENTITY IN WHICH A "BENEFIT PLAN INVESTOR" OTHER THAN AN IRA WHICH IS NOT SUBJECT TO TITLE I OF ERISA IS OR WILL INVEST. FOR THE AVOIDANCE OF DOUBT, THE TERM "BENEFIT PLAN INVESTOR" INCLUDES ALL EMPLOYEE BENEFIT PLANS SUBJECT TO PART 4, SUBTITLE B, TITLE I OF ERISA, ANY PLAN TO WHICH SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, APPLIES AND ANY ENTITY, INCLUDING AN INSURANCE COMPANY GENERAL ACCOUNT, WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS," AS DEFINED UNDER 29 CFR SECTION 2510.3-101 AND SECTION 3(42) OF ERISA, BY REASON OF A PLAN'S INVESTMENT IN SUCH ENTITY.

THE HOLDER HEREOF ACKNOWLEDGES AND AGREES THAT THE PAYMENT AND OTHER TERMS HEREOF ARE SUBJECT TO THE PLAN CONFIRMATION ORDER (THE "ORDER") ISSUED BY THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF SOUTH CAROLINA IN BANKRUPTCY CASE NO. 12-01220 (the "BANKRUPTCY CASE") AND THAT AMONG OTHER THINGS, THE PRINCIPAL AMOUNT DUE HEREUNDER IS SUBJECT TO DOWNWARD ADJUSTMENT TO ACCOUNT FOR CERTAIN FEES, ASSESSMENTS, REIMBURSEMENTS AND OTHER COSTS AND AMOUNTS (THE "CHARGEABLE AMOUNTS") TO BE DEDUCTED FROM AMOUNTS PAID BY IT-SPE (THE "COMPANY") TO THE TRUSTEE IN RESPECT OF THE NOTES AND OTHERWISE DUE UNDER THE NOTES, INCLUDING THIS NOTE, ALL AS DESCRIBED IN THE INDENTURE. THE HOLDER FURTHER ACKNOWLEDGES AND AGREES THAT (I) THE CHARGEABLE AMOUNTS ARE NOT FIXED OR OTHERWISE PRE-DETERMINED AND MAY BE SIGNIFICANT AND SUBSTANTIAL, (II) THE HOLDER SHALL HAVE NO CLAIM OR OTHER RECOURSE AGAINST THE COMPANY FOR ANY OF THE CHARGEABLE AMOUNTS SET OFF AGAINST OR OTHERWISE CHARGED AGAINST THIS NOTE, AND (III) THE COMPANY'S SOLE OBLIGATION WITH RESPECT TO THE PRINCIPAL DUE UNDER THE NOTES IS TO MAKE AGGREGATE PAYMENTS (AT THE TIMES PROVIDED IN THE INDENTURE) TO THE TRUSTEE EQUAL TO SUCH PRINCIPAL AMOUNT, REGARDLESS OF WHETHER SUCH AMOUNTS (OR ANY PORTION THEREOF) ARE PAID BY THE TRUSTEE TO THE HOLDERS OF THE NOTES (INCLUDING THE HOLDER HEREOF).

(c) General Provisions Relating to Transfers.

(1) To permit registrations of transfers, the Issuer will seal and the Trustee will authenticate Notes upon receipt of an Authentication Order in accordance with Section 2.02 hereof or at the Registrar's request.

(2) No service charge will be made to a Holder of a Note for any registration of transfer or conversion, but the Issuer may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith.

(3) The Registrar will not be required to register the transfer of any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(4) All Notes issued upon any registration of transfer of Notes will be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Notes surrendered upon such registration of transfer.

(5) Neither the Registrar nor the Issuer will be required:

(A) to issue or register the transfer of any Notes during a period beginning at the opening of business 15 days before the day of mailing of a notice of redemption of Notes under Section 3.02 hereof and ending at the close of business on the day of such mailing;

(B) to register the transfer of any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part; or

(C) to register the transfer of any Note between a record date and the next succeeding Payment Date.

(6) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Issuer may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment on such Notes and for all other purposes, and none of the Trustee, any Agent or the Issuer shall be affected by notice to the contrary.

(7) The Trustee will authenticate Notes in accordance with the provisions of Section 2.02 hereof.

(8) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.06 to effect a registration of transfer may be submitted by facsimile or in pdf.

Section 2.07 Replacement Notes.

(a) If any mutilated Note is surrendered to the Trustee or the Issuer and the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, the Issuer will issue and the Trustee, upon receipt of an Authentication Order, will authenticate a replacement Note if the Trustee's requirements are met. An indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Trustee and the Issuer to protect the Issuer, the Trustee, any Agent and any authenticating agent from any loss that any of them may suffer if a Note is replaced. The Issuer and the Trustee may charge for their expenses in replacing a Note.

(b) Every replacement Note is an additional obligation of the Issuer and will be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder.

Section 2.08 Outstanding Notes.

(a) The Notes outstanding at any time are all the Notes authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation, and those described in this Section 2.08 as not outstanding. Except as set forth in Section 2.09 hereof, a Note does not cease to be outstanding because the Issuer or an Affiliate of the Issuer holds the Note.

(b) If a Note is replaced pursuant to Section 2.07 hereof, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a protected purchaser.

(c) If the Deemed Principal amount of any Note is considered paid under Section 4.01 hereof, it ceases to be outstanding.

(d) If the Paying Agent (other than the Issuer, a Subsidiary Guarantor or an Affiliate of any thereof) holds, on a redemption date or Maturity Date, money sufficient to pay Notes payable on that date, then on and after that date such Notes will be deemed to be no longer outstanding and will cease to accrue interest.

Section 2.09 Interested Holders.

For the purpose of determining whether the Requisite Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, the Trustee may require, and will be protected in conclusively relying on, a certification in any such direction, waiver or consent as to whether the applicable Holder is an Interested Holder.

Section 2.10 Temporary Notes.

Until certificates representing Notes are ready for delivery, the Issuer may prepare and the Trustee, upon receipt of an Authentication Order, will authenticate temporary Notes. Temporary Notes will be substantially in the form of certificated Notes but may have variations that the Issuer consider appropriate for temporary Notes. Without unreasonable delay, the Issuer will prepare and the Trustee will, upon receipt of an Authentication Order, authenticate definitive Notes in exchange for temporary Notes. Holders of temporary Notes will be entitled to all of the benefits of this Indenture.

Section 2.11 Cancellation.

The Issuer at any time may deliver Notes to the Trustee for cancellation. The Registrar and Paying Agent will forward to the Trustee any Notes surrendered to them for registration of transfer, conversion or payment. The Trustee and no one else will cancel all Notes surrendered for registration of transfer, conversion, payment, replacement or cancellation and will dispose of canceled Notes in accordance with its customary procedures (subject to the record retention requirement of the Exchange Act). Confirmation of the destruction or disposal of all canceled Notes will be delivered to the Issuer. The Issuer may not issue new Notes to replace Notes that they have paid or that have been delivered to the Trustee for cancellation.

Section 2.12 CUSIP Numbers.

The Issuer in issuing the Notes may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers. The Issuer will promptly notify the Trustee in writing of any change in the "CUSIP" numbers.

ARTICLE 3

PAYMENT AND REDEMPTION

Section 3.01 Payment.

(a) Payment in respect of principal on the Notes shall be made by the Issuer to the Trustee in annual installments (in the amount described below) (each, an "Installment") on the fifth business day of _____ each year, commencing _____, 201[3] *[the second full month after the first anniversary of the Closing of the transaction]* and continuing until the earlier of (i) _____, 203[2] (the "Maturity Date") or (ii) the Issuer's having made aggregate principal payments to the Trustee or Paying Agent equal to $64,050,000 in respect of the Notes, *provided however*, in the event that the Issuer has not, on or prior to the Maturity Date, made aggregate principal payments to the Trustee or Paying Agent equal to $64,050,000 in respect of the Notes, then any remaining balance thereof, shall be paid on the Maturity Date (the "Balloon Payment"). Each Installment shall be in an amount equal to the greater of (x) $1,000,000 or (y) the IT Percentage Of Plan Sponsor Net Cash Flow for the most recently concluded Issuer Year.

(b) Notwithstanding any provision of this Indenture or the Notes to the contrary, in no event shall the Issuer be obligated to pay hereunder or otherwise in respect of or under the Notes, an aggregate amount in excess of $64,050,000.

(c) Within 60 days after receipt of each Installment or the Balloon Payment, the Trustee shall deliver to each holder of a Note its pro rata share of funds available from each Installment or the Balloon Payment after deducting such fees and costs incurred by the Trustee as permitted under this Indenture. The Trustee shall provide a notice with each such payment that describes the new Deemed Principal amount outstanding after applying the amount received in the relevant Installment or the Balloon Payment.

Section 3.02 Notices to Trustee.

If the Issuer elects to redeem Notes pursuant to the optional redemption provisions of Section 3.08 hereof, it must furnish to the Trustee, at least 45 days but not more than 60 days before a redemption date, an Officer's Certificate setting forth:

(a) the clause of this Indenture pursuant to which the redemption shall occur;

(b) the redemption date;

(c) the principal amount of Notes to be redeemed; and

(d) the redemption price.

Section 3.03 Selection of Notes to Be Redeemed.

(a) If less than all of the Notes are to be redeemed at any time, the Trustee will select Notes for redemption on a pro rata basis (or based on a method that most nearly approximates a pro rata selection as the Trustee deems fair and appropriate) unless otherwise required by law.

(b) In the event of partial redemption by lot, the particular Notes to be redeemed will be selected, unless otherwise provided herein, not less than 30 nor more than 60 days prior to the redemption date by the Trustee from the outstanding Notes not previously called for redemption.

(c) The Trustee will promptly notify the Issuer in writing of the Notes selected for redemption and, in the case of any Note selected for partial redemption, the principal amount thereof to be redeemed. Notes and portions of Notes so selected will be in amounts of $1.00 or whole multiples of $1.00. Except as provided in the preceding sentence, provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption. The Trustee's determination of Notes for redemption shall be final and binding on all parties.

Section 3.04 Notice of Redemption.

(a) At least 30 days but not more than 60 days before a redemption date, the Issuer will mail or cause to be mailed, by first class mail, a notice of redemption to each Holder whose Notes are to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of this Indenture pursuant to Articles 8 and 11 hereof.

(b) The notice will identify the Notes (including CUSIP Numbers, if any) to be redeemed and will state:

(1) the redemption date;

(2) the redemption price;

(3) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the redemption date upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion will be issued upon cancellation of the original Note;

(4) the name and address of the Paying Agent;

(5) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price; and

(6) the paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed.

(c) At the Issuer's request, the Trustee will give the notice of redemption in the Issuer's name; provided, however, that the Issuer has delivered to the Trustee, at least 45 days prior to the redemption date, an Officer's Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph. The notice, if mailed in the manner provided herein, shall be presumed to have been given, whether or not the Holder receives such notice.

Section 3.05 Effect of Notice of Redemption.

Once notice of redemption is mailed in accordance with Section 3.04 hereof, Notes called for redemption become irrevocably due and payable on the redemption date at the redemption price once all conditions, if any, to such redemption are satisfied.

Section 3.06 Deposit of Redemption.

Not later than 10:00 a.m., New York City time, on the redemption, the Issuer will deposit with the Trustee or with the Paying Agent money sufficient to pay the redemption or purchase price of all Notes to be redeemed on that date. The Trustee or the Paying Agent will promptly return to the Issuer any money deposited with the Trustee or the Paying Agent by the Issuer in excess of the amounts necessary to pay the redemption or purchase price of all Notes to be redeemed. The Trustee shall deposit all funds received from the Issuer with respect to redemption or purchase under this Article 3 into the Payment Account.

Section 3.07 Notes Redeemed in Part.

Upon surrender of a Note that is redeemed in part, the Issuer will issue and, upon receipt of an Authentication Order, the Trustee will authenticate for the Holder a new Note equal in principal amount to the unredeemed portion of the Note surrendered.

Section 3.08 Optional Redemption.

(a) At any time, the Issuer may on any one or more occasions redeem any Notes in whole or in part at the Deemed Principal amount thereof.

(b) Except as otherwise expressly provided, any redemption pursuant to this Section 3.08 shall be made pursuant to the provisions of Sections 3.02 through 3.07 hereof.

ARTICLE 4

COVENANTS

Section 4.01 Payment of Notes.

The Issuer will pay or cause to be paid each Installment, the Balloon Payment or redemption price of the Notes on the dates and in the manner provided herein. Each Installment, the Balloon Payment or redemption price will be considered paid on the date due if the Paying Agent, if other than the Issuer, holds as of 10:00 a.m. Eastern Time on the due date money deposited by the Issuer in immediately available funds equal to such amounts then due. The Trustee will establish a payment account (the "Payment Account") into which the Issuer shall deposit such funds for the payment of Deemed Principal or redemption price on such due dates.

Section 4.02 Maintenance of Office or Agency.

The Issuer will maintain an office or agency (which shall be the Corporate Trust Office of the Trustee or any other office of the Trustee designated by the Trustee, but at no cost to the Issuer) where Notes may be surrendered for registration of transfer and where notices and demands to or upon the Issuer in respect of the Notes and this Indenture may be served.

The Issuer may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission will in any manner relieve the Issuer of its obligation to maintain the office or agency described in the preceding paragraph. The Issuer will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

Section 4.03 Compliance Certificate.

So long as any of the Notes are outstanding, the Issuer will deliver to the Trustee, within five Business Days after any Officer becomes aware of any Default or Event of Default, an Officer's Certificate specifying such Default or Event of Default and what action the Issuer is taking or proposes to take with respect thereto.

Section 4.04 Stay, Extension and Usury Laws.

The Issuer covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law has been enacted.

Section 4.05 Permitted Liens

The Issuer shall not incur any Liens on Collateral other than Permitted Liens.

Section 4.06 Sale of Assets.

The Issuer will not sell any of its assets except as Permitted under the Operating Agreement.

Section 4.07 Transactions with Affiliates.

The Issuer will not make any payment to or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase, acquire or lease any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Issuer (each, an "Affiliate Transaction") unless such Affiliate Transaction is Permitted under the Operating Agreement.

Section 4.08 Restrictions on Activities.

The Issuer will not engage in any business other than as Permitted under the Operating Agreement.

Section 4.09 Limitation on Sale and Leaseback Transactions.

The Issuer will not enter into any sale and leaseback transactions other than as Permitted under the Operating Agreement.

Section 4.10 Insurance.

The Issuer will:

(a) keep the Properties, or cause the Properties to be kept, insured as may be required by the Security Documents;

(b) maintain such other insurance, to such extent and against such risks (and with such deductibles, retentions and exclusions), including fire and other risks insured against by extended coverage and coverage for acts of terrorism, as is required by the Security Documents;

(c) maintain such other insurance as may be required by law; and

[(d) as of the Closing Date, obtain title insurance on all real property Collateral insuring the Trustee's Lien on that property (and naming the Trustee as loss payee for the benefit of the present and future holders of the Note Obligations), subject only to Permitted Liens.]

ARTICLE 5

SUCCESSORS

Section 5.01 Merger, Consolidation, or Sale of Assets.

Unless Permitted under the Operating Agreement, the Issuer will not, directly or indirectly: (1) consolidate or merge with or into another Person; (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of its respective properties or assets in one or more related transactions, to another Person; or (3) lease all or substantially all of its respective properties and assets in one or more related transactions, to another Person.

ARTICLE 6

DEFAULTS AND REMEDIES

Section 6.01 Events of Default.

Each of the following is an "Event of Default":

(1) default in the payment when due (at maturity, upon redemption or otherwise) of the Installments, Balloon Payment or redemption price of the Notes, and a continuance of such default for three Business Days or more following the Company's receipt of written notice from either the Representative or the Trustee of such default (a "Payment Default");

(2) the occurrence of a Major Default that remains uncured within two Business Days (as defined in the Operating Agreement) after expiration of the notice period set forth in the definition of Major Default in the Operating Agreement;

(3) the Issuer pursuant to or within the meaning of Bankruptcy Law:

(A) commences a voluntary case,

(B) consents to the entry of an order for relief against it in an involuntary case,

(C) consents to the appointment of a custodian of it or for all or substantially all of its property,

(D) makes a general assignment for the benefit of its creditors, or

(E) generally is not paying its debts as they become due; or

(4) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(A) is for relief against the Issuer in an involuntary case;

(B) appoints a custodian of the Issuer or for all or substantially all of the property of either the Issuer;

and the order or decree remains unstayed and in effect for 60 consecutive days.

Section 6.02 Acceleration.

In the case of an Event of Default specified in clause (3) or (4) of Section 6.01 hereof, all outstanding Deemed Principal on the outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the Requisite Holders may, by written notice to the Trustee declare all the Notes to be due and payable immediately.

Section 6.03 Other Remedies.

(a) If an Event of Default occurs and is continuing, but subject to the provisions of Section 3.01(b) hereof, the Trustee may pursue any available remedy to collect the payment of Deemed Principal of the Notes or to enforce the performance of any provision of the Notes or this Indenture.

(b) The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder of a Note in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

Section 6.04 Waiver of Past Defaults.

The Requisite Holders by written notice to the Trustee may, on behalf of the Holders of all of the Notes waive any existing Default or Event of Default and its consequences hereunder, except a continuing Default or Event of Default in the payment of Installments or the Balloon Payment; provided, however, that the Requisite Holders may rescind an acceleration and its consequences, including any related Payment Default that resulted from such acceleration. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 6.05 Control by Requisite Holders.

The Requisite Holders may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture that the Trustee determines may be unduly prejudicial to the rights of other Holders of Notes (it being understood that the Trustee does not have an affirmative duty to ascertain whether or not such actions or forbearances are unduly prejudicial to such Holders) or that may involve the Trustee in personal liability.

Section 6.06 Limitation on Suits.

In case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under this Indenture at the request or direction of any Holders unless such Holders have offered to the Trustee indemnity or security satisfactory to it against any loss, liability or expense. Except to enforce the right to receive the Deemed Principal when due, no Holder of a Note may pursue any remedy with respect to this Indenture or the Notes unless:

(1) such Holder has previously given the Trustee written notice that an Event of Default is continuing;

(2) The Requisite Holders make a written request to the Trustee to pursue the remedy;

(3) such Holder or Holders offer and, if requested, provide to the Trustee security or indemnity reasonably satisfactory to the Trustee against any loss, liability or expense;

(4) the Trustee does not comply with such request within 60 days after receipt of the request and the offer of security or indemnity; and

(5) during such 60-day period, Holders of a majority in aggregate principal amount of the then Outstanding Notes do not give the Trustee a direction inconsistent with such request.

Section 6.07 Rights of Holders of Notes to Receive Payment.

Notwithstanding any other provision of this Indenture but subject to (i) any cure or other rights and (ii) the provisions of Section 3.01(b) hereof, the right of any Holder of a Note to receive payment of Deemed Principal of the Note, on or after the respective due dates expressed in the Note (including in connection with an offer to purchase), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder; provided, however, that a Holder shall not have the right to institute any such suit for the enforcement of payment if and to the extent that the institution or prosecution thereof or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the Lien of this Indenture upon any property subject to such Lien.

Section 6.08 Collection Suit by Trustee.

If an Event of Default specified in Section 6.01(1) hereof occurs and is continuing, but subject to Section 3.01(b) hereof, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Issuer for the amount equal to $64,050,000 less all Installments and redemption amounts paid by Issuer prior thereto.

Section 6.09 Trustee May File Proofs of Claim.

Subject to the provisions of Section 3.01(b) hereof, the Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel to which they are entitled hereunder) and the Holders of the Notes allowed in any judicial proceedings relative to the Issuer (or any other obligor upon the Notes), its creditors or its property and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under this Indenture. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under this Indenture out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in

liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10 Priorities.

If the Trustee collects any money pursuant to this Article 6, it shall pay out the money in the following order:

First: to the Trustee, its agents and attorneys for amounts due under this Indenture, including, but not limited to, payment of all compensation, expenses and liabilities incurred and indemnities, and all advances made, by the Trustee and the costs and expenses of collection;

Second: to Holders of Notes for amounts due and unpaid on the Notes for Deemed Principal or redemption price, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes; and

Third: to the Issuer or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Holders of Notes pursuant to this Section 6.10.

Section 6.11 Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by a Holder of a Note pursuant to Section 6.07 hereof, or a suit by Holders of more than 10% in aggregate principal amount of the then outstanding Notes.

ARTICLE 7

TRUSTEE

Section 7.01 Duties of Trustee.

(a) If an Event of Default has occurred and is continuing, the Trustee will exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(1) the duties of the Trustee will be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) The Trustee may not be relieved from liabilities for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(1) this paragraph does not limit the effect of paragraph (b) of this Section 7.01;

(2) the Trustee will not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee will not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05 hereof.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b), and (c) of this Section 7.01.

(e) No provision of this Indenture will require the Trustee to expend or risk its own funds or incur any liability in the performance of its duties hereunder or in the exercise of any of its rights or powers, if the Trustee shall have reasonable grounds for believing that repayment of funds or indemnities reasonably satisfactory to it against such risk or liability is not reasonably assured to it. The Trustee will be under no obligation to exercise any of its rights and powers under this Indenture at the request of any Holders, unless such Holder has offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

(f) The Trustee will not be liable for interest on any money received by it except as the Trustee may agree in writing with the Issuer. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(g) The Trustee shall not be required to take notice or be deemed to have notice or knowledge of any Default or Event of Default unless a Responsible Officer of the Trustee shall have received written notice thereof.

(h) In no event shall the Trustee be responsible for lost profits, special indirect or consequential damages or punitive damages arising out of, in connection with, or as a result of, this Indenture.

Section 7.02 Rights of Trustee.

(a) The Trustee may conclusively rely upon any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officer's Certificate or an Opinion of Counsel or both. The Trustee will not be liable for any action it takes or omits to take in good faith in reliance on such Officer's Certificate or Opinion of Counsel. The Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel will be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon. All cost and expense in connection with or related to any such Opinion of Counsel shall be paid solely from Installments or the Balloon Payment.

(c) The Trustee may act through its attorneys and agents and will not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee will not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Issuer will be sufficient if signed by an Officer of the Issuer.

(f) The Trustee will be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee indemnity or security reasonably satisfactory to it against the losses, liabilities and expenses that might be incurred by it in compliance with such request or direction.

(g) The Trustee shall not be personally liable with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with the direction of Holders relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

(h) The right of the Trustee to perform any discretionary act enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its gross negligence or willful misconduct.

(i) The Trustee shall not be deemed to have notice of any Default or Event of Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Notes and this Indenture.

(j) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder.

(k) The Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder.

(l) The Trustee may request that the Issuer deliver a certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture.

Section 7.03 Individual Rights of Trustee.

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuer or any Affiliate of the Issuer with the same rights it would have if it were not Trustee. However, in the event that the Trustee acquires any conflicting interest it must eliminate such conflict within 90 days or resign. Any Agent may do the same with like rights and duties. The Trustee is also subject to Sections 7.09 hereof.

Section 7.04 Trustee's Disclaimer.

The Trustee will not be responsible for and makes no representation as to the validity or adequacy of this Indenture, the Notes or any Collateral, it shall not be accountable for the Issuer's use of the proceeds from the Notes or any money paid to the Issuer or upon the Issuer's direction under any provision of this Indenture, it will not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it will not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than its certificate of authentication.

Section 7.05 Notice of Defaults.

If a Default or Event of Default occurs and is continuing and if it is known to the Trustee, the Trustee will mail to Holders of Notes a notice of the Default or Event of Default within 90 days after it occurs. Except in the case of a Default or Event of Default in payment of an Installment or the Balloon Payment when due, the Trustee may withhold the notice if and so long as it in good faith determines that withholding the notice is in the interests of the Holders of the Notes.

Section 7.06 Compensation and Indemnity.

(a) The Trustee shall be paid (solely from the Installments, Balloon Payment, redemption payments or proceeds of the sale of Collateral after an Event of Default) from time to time such compensation for its acceptance of this Indenture and services hereunder in accordance with a written schedule provided by the Trustee to the Issuer and/or as otherwise agreed from time to time in writing. The Trustee's compensation will not be limited by any law on compensation of a trustee of an express trust. The Trustee will be reimbursed (solely from the

Installments, Balloon Payment, redemption payments or proceeds of the sale of Collateral after an Event of Default), promptly for all reasonable disbursements, advances and expenses incurred or made by it in addition to the compensation for its services. Such expenses will include the reasonable compensation, disbursements and expenses of the Trustee's agents and counsel.

(b) The Trustee shall be indemnified (solely from the Installments, Balloon Payment, redemption payments or proceeds of the sale of Collateral after an Event of Default) against any and all losses, liabilities, damages, claims or expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture, including the costs and expenses of enforcing this Indenture against the Issuer (including this Section 7.06) and defending itself against any claim (whether asserted by the Issuer, any Holder or any other Person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable to its gross negligence or willful misconduct. Notwithstanding anything to the contrary herein, the Issuer shall not be responsible for any fees and expenses incurred by the Trustee prior to the Effective Date.

(c) For the sake of clarity, the Trustee acknowledges and agrees that any and all compensation, reimbursements, indemnifications or other amounts payable to it pursuant to this Indenture shall be paid solely from the Installments, Balloon Payment, redemption payments or proceeds of the sale of Collateral after an Event of Default hereunder and shall not be in addition to the $64,050.000 otherwise payable by Issuer in respect of the Notes.

(d) To secure the payments due to the Trustee in this Section 7.06, the Trustee will have a Lien prior to the Notes on all money or property held or collected by the Trustee. Such Lien will survive the satisfaction and discharge of this Indenture.

(e) When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(3) or (4) hereof occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

Section 7.07 Replacement of Trustee.

(a) Subject to Section 7.09 hereof, a resignation or removal of the Trustee and appointment of a successor Trustee will become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.07.

(b) Subject to Section 7.09 hereof, the Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Issuer. The Requisite Holders may remove the Trustee by so notifying the Trustee and the Issuer in writing. The Issuer may remove the Trustee if:

(1) the Trustee fails to comply with any of its obligations hereunder;

(2) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(3) a custodian or public officer takes charge of the Trustee or its property; or

(4) the Trustee becomes incapable of acting.

(c) If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Issuer will promptly appoint a successor Trustee.

(d) If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Issuer, or the Requisite Holders may, at the expense of the Holders (to be paid solely from the Installments, Balloon Payment, redemption payments or proceeds of the sale of Collateral after an Event of Default), petition any court of competent jurisdiction for the appointment of a successor Trustee.

(e) If the Trustee, after written request by any Holder who has been a Holder for at least six months, fails to comply with Section 7.09 hereof, such Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(f) A successor Trustee will deliver a written acceptance of its appointment to the retiring Trustee and to the Issuer. Thereupon, the resignation or removal of the retiring Trustee will become effective, and the successor Trustee will have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee will mail a notice of its succession to Holders. The retiring Trustee will promptly transfer all property held by it as Trustee to the successor Trustee; provided, all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.06 hereof.

Section 7.08 Successor Trustee by Merger, etc.

If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act will be the successor Trustee.

Section 7.09 Eligibility; Disqualification.

There will at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of the United States of America or of any state thereof that is authorized under such laws to exercise corporate trust powers, that is subject to supervision or examination by federal or state authorities and that has a combined capital and surplus of at least $100 million as set forth in its most recent published annual report of condition.

Section 7.10 Appointment of Co-Trustee or Separate Trustee.

(a) Notwithstanding any other provisions hereof, at any time, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the trust fund or property securing the same may at the time be located, the Trustee shall have the power and shall execute and deliver all instruments to appoint one or more Persons approved by the Trustee to act as co-trustee or co-trustees, jointly with the Trustee, or separate trustee or separate trustees, of all or any part of the trust fund, and to vest in such Person or Persons, in such capacity for the benefit of the Holders, such title to the trust fund, or any part thereof, and, subject to the other provisions

of this Section 7.10, such powers, duties, obligations, rights and trusts as the Trustee may consider necessary or desirable. No co-trustee or separate trustee hereunder shall be required to meet the terms of eligibility as a successor trustee under Section 7.10 hereunder and no notice to Holders of the appointment of co-trustee(s) or separate trustee(s) shall be required hereunder.

(b) In the case of any appointment of a co-trustee or separate trustee pursuant to this Section 7.10, all rights, powers, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon and exercised or performed by the Trustee and such separate trustee or co-trustee jointly, except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed by the Trustee, the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the trust fund or any portion thereof in any such jurisdiction) shall be exercised and performed by such separate trustee or co-trustee at the direction of the Trustee. No trustee hereunder shall be held liable be reason of any act or omission of any other trustee hereunder. The Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee.

(c) Any notice, request or other writing given to the Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Indenture and the conditions of this Article 7. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument or appointment, either jointly with the Trustee or separately, as may be provided therein, subject to all the provisions of this Indenture, specifically including every provision of this Indenture relating to the conduct of, affecting the liability of, or affording protection to, the Trustee. Every such instrument shall be filed with the Trustee.

(d) Any separate trustee or co-trustee may, at any time, constitute the Trustee, its agent or attorney in fact, with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect of this Indenture on its behalf and in its name. If any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall vest in and be exercised by the Trustee, to the extent permitted by law, without the appointment of a new or successor trustee.

ARTICLE 8

LEGAL DEFEASANCE AND COVENANT DEFEASANCE

Section 8.01 Option to Effect Legal Defeasance or Covenant Defeasance.

The Issuer may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an Officer's Certificate, elect to have either Section 8.02 or 8.03 hereof be applied to all outstanding Notes upon compliance with the conditions set forth below in this Article 8.

Section 8.02 Legal Defeasance and Discharge.

Upon the Issuer's exercise under Section 8.01 hereof of the option applicable to this Section 8.02, the Issuer will, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be deemed to have been discharged from their obligations with respect to all outstanding Notes (and the Note Documents) on the date the conditions set forth below are satisfied (hereinafter, "Legal Defeasance"). For this purpose, Legal Defeasance means that the Issuer will be deemed to have paid and discharged the entire indebtedness represented by the outstanding Notes (and the Note Documents), which will thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 hereof and the other Sections of this Indenture referred to in clauses (1) and (2) below, and to have satisfied all their other obligations under such Notes, the Note Documents and this Indenture (and the Trustee, on demand of and at the expense of the Issuer, shall execute proper instruments acknowledging the same), except for the following provisions which will survive until otherwise terminated or discharged hereunder:

(1) the rights of Holders of outstanding Notes to receive payments in respect of the Deemed Principal of such Notes when such payments are due from the trust referred to in Section 8.04 hereof;

(2) the Issuer's obligations with respect to such Notes under Article 2 concerning issuing temporary Notes, registration of Notes and mutilated, destroyed, lost or stolen Notes and Section 4.02 hereof;

(3) the rights, powers, trusts, duties and immunities of the Trustee hereunder and the Issuer's obligations in connection therewith; and

(4) this Article 8.

Subject to compliance with this Article 8, the Issuer may exercise its option under this Section 8.02 notwithstanding the prior exercise of its option under Section 8.03 hereof.

Section 8.03 Covenant Defeasance.

Upon the Issuer's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, Issuer will, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be released from each of its obligations under the covenants contained in Sections 4.05, 4.06, 4.07, 4.08, 4.09, and 4.10 hereof with respect to the outstanding Notes on and after the date the conditions set forth in Section 8.04 hereof are satisfied (hereinafter, "Covenant Defeasance"), and the Notes will thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but will continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes will not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Notes and Note Documents, the Issuer may omit to comply with and will have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply will not constitute a Default or an Event of Default under Section 6.01 hereof, but, except as specified above, the remainder of this Indenture and such

Notes and Note Documents will be unaffected thereby. In addition, upon the Issuer's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, Section 6.01(2) hereof will not constitute an Event of Default with respect to the Notes. In addition, the Collateral will be released and the Note Documents will be terminated and released upon Covenant Defeasance.

Section 8.04 Conditions to Legal or Covenant Defeasance.

In order to exercise either Legal Defeasance or Covenant Defeasance under either Section 8.02 or 8.03 hereof:

(1) the Issuer shall irrevocably deposit with the Trustee, in trust, for the benefit of the Holders, cash in U.S. dollars, Government Securities, or a combination thereof, an amount equal to $64,050,000 less all Installments and redemption amounts paid by Issuer prior thereto, and the Issuer must specify the particular redemption date, which shall be no later than 30 days after the date of such deposit;

(2) no Default or Event of Default shall have occurred and be continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit (and any similar concurrent deposit relating to other Indebtedness), and the granting of Liens to secure such borrowings);

(5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than this Indenture and the agreements governing any other Indebtedness being defeased, discharged or replaced) to which the Issuer or by which the Issuer is bound;

(6) the Issuer shall deliver to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of preferring the Holders of Notes over the other creditors of the Issuer with the intent of defeating, hindering, delaying or defrauding any creditors of the Issuer or others; and

(7) the Issuer shall deliver to the Trustee an Officer's Certificate and an Opinion of Counsel (all cost and expense in connection with or related to any such Opinion of Counsel shall be paid by the Issuer), each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Section 8.05 Deposited Money and Government Securities to be Held in Trust; Other Miscellaneous Provisions.

(a) Subject to Section 8.06 hereof, all money and non-callable Government Securities (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.05, the "Trustee") pursuant to Section 8.04 hereof in respect of the outstanding Notes will be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Issuer acting as Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of Deemed

Principal, but such money need not be segregated from other funds except to the extent required by law.

(b) Any tax, fee or other charge imposed on or assessed against the cash or non-callable Government Securities deposited pursuant to Section 8.04 hereof or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Notes, shall be deducted solely from such cash or non-callable Government Securities deposited pursuant to Section 8.04 hereof.

(c) Notwithstanding anything in this Article 8 to the contrary, the Trustee will deliver or pay to the Issuer from time to time upon the request of the Issuer any money or non-callable Government Securities held by it as provided in Section 8.04 hereof which are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

Section 8.06 Repayment to Issuer.

Any money deposited with the Trustee or any Paying Agent, or then held by the Issuer, in trust for the payment of the Deemed Principal of any Note, and remaining unclaimed for two years after such amounts have become due and payable shall be paid to the Issuer on its request or (if then held by the Issuer) will be discharged from such trust; and the Holder of such Note will thereafter, subject to Sections 3.01(b) and 4.01(b) hereof, be permitted to look only to the Issuer for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Issuer as trustee thereof, will thereupon cease, any unclaimed balance of such money then remaining will be repaid to the Issuer.

Section 8.07 Reinstatement.

If the Trustee or Paying Agent is unable to apply any U.S. dollars or non-callable Government Securities in accordance with Section 8.02 or 8.03 hereof, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Issuer's obligations under this Indenture and the Notes and the Note Documents will be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 hereof until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or 8.03 hereof, as the case may be; provided, however, that, if the Issuer makes any payment of principal of any Note following the reinstatement of its obligations, the Issuer will be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE 9

AMENDMENT, SUPPLEMENT AND WAIVER

Section 9.01 Without Consent of Holders of Notes.

(a) Notwithstanding Section 9.02 of this Indenture, without the consent of any Holder of Notes, the Issuer and the Trustee may amend or supplement this Indenture or the Notes or the Note Documents:

(1) to cure any ambiguity, omission, mistake, defect or inconsistency;

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(3) to provide for the assumption of the Issuer's obligations to the Holders of the Notes and Note Documents by a successor to the Issuer pursuant to Article 5 hereof;

(4) to make any change that would provide any additional rights or benefits to the Holders of the Notes or that does not materially adversely affect the legal rights hereunder of any Holder;

(5) to release Collateral in accordance with the terms of this Indenture;

(6) to comply with Section 5.01 hereunder; or

(7) to make any amendment to the provisions of this Indenture relating to the transfer and legending of Notes as permitted hereunder, including, without limitation to facilitate the issuance and administration of the Notes or to remove legends or restrictions that are no longer applicable; provided, however, that (i) compliance with this Indenture as so amended would not result in Notes being transferred in violation of the Securities Act or any applicable securities law and (ii) such amendment does not materially and adversely affect the rights of Holders to transfer Notes as otherwise permitted hereunder.

(b) Upon the request of the Issuer accompanied by a resolution of the Board of Directors authorizing the execution of any such amended or supplemental indenture, and upon receipt by the Trustee of the documents described in Section 7.02(b) hereof, the Trustee will join with the Issuer in the execution of any amended or supplemental indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee will not be obligated to enter into such amended or supplemental indenture that affects its own rights, duties or immunities under this Indenture or otherwise.

Section 9.02 With Consent of Holders of Notes.

(a) Except as provided below in this Section 9.02, the Issuer and the Trustee may amend or supplement this Indenture and the Notes and the Note Documents with the consent of the Holders of at least a majority in aggregate principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Notes), and, subject to Sections 6.04 and 6.07 hereof, any existing Default or Event of Default (other than a Default or Event of Default in the payment of an Installment or Balloon Payment, except a Payment Default resulting from an acceleration that has been rescinded) or compliance with any provision of this Indenture or the Notes or the Note Documents may be waived with the consent of the Requisite Holders. Section 2.08 hereof shall determine which Notes are considered to be "outstanding" for purposes of this Section 9.02.

(b) Upon the request of the Issuer accompanied by a resolution of the Board of Directors authorizing the execution of any such amended or supplemental indenture, and upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the Holders of Notes as aforesaid, and upon receipt by the Trustee of the documents described in Section 7.02(b) hereof, the Trustee will join with the Issuer in the execution of such amended or supplemental indenture unless such amended or supplemental indenture directly affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but will not be obligated to, enter into such amended or supplemental Indenture.

(c) It is not be necessary for the consent of the Holders of Notes under this Section 9.02 to approve the particular form of any proposed amendment, supplement or waiver, but it is sufficient if such consent approves the substance thereof.

(d) After an amendment, supplement or waiver under this Section 9.02 becomes effective, the Issuer will mail to the Holders of Notes affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Issuer to mail such notice, or any defect therein, will not, however, in any way impair or affect the validity of any such amended or supplemental indenture or waiver. Subject to Sections 6.04 and 6.07 hereof, the Requisite Holders may waive compliance in a particular instance by the Issuer with any provision of this Indenture or the Notes or the Note Documents. However, without the consent of each Holder affected, an amendment, supplement or waiver under this Section 9.02 may not (with respect to any Notes held by a non-consenting Holder):

(1) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of or change the fixed maturity of any Note or alter or waive any of the provisions with respect to the redemption of the Notes;

(3) waive a Default or Event of Default in the payment of Deemed Principal or redemption price of the Notes (except a rescission of acceleration of the Notes by the Requisite Holders and a waiver of the Payment Default that resulted from such acceleration);

(4) make any Note payable in money other than that stated in the Notes;

(5) make any change in the provisions of this Indenture relating to waivers of past Defaults or the rights of Holders of Notes to receive payments of Deemed Principal or redemption price of the Notes;

(6) waive a redemption payment with respect to any Note;

(7) release all or substantially all of the Collateral from the Lien hereunder, except in accordance with the terms of this Indenture; or

(8) make any change in the preceding amendment and waiver provisions.

Section 9.03 Revocation and Effect of Consents.

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder of a Note is a continuing consent by the Holder of a Note and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder of a Note or subsequent Holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the amendment, supplement or waiver becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

Section 9.04 Notation on or Exchange of Notes.

(a) The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Issuer in exchange for all Notes may issue and the Trustee shall, upon receipt of an Authentication Order, authenticate new Notes that reflect the amendment, supplement or waiver.

(b) Failure to make the appropriate notation or issue a new Note will not affect the validity and effect of such amendment, supplement or waiver.

Section 9.05 Trustee to Sign Amendments, etc.

The Trustee will sign any amended or supplemental indenture authorized pursuant to this Article 9 if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. The Issuer may not sign an amended or supplemental indenture until the Board of Directors of the Issuer approves it. In executing any amended or supplemental indenture, the Trustee shall receive and (subject to Section 7.01 hereof) will be fully protected in conclusively relying upon, in addition to the documents required by Section 13.02 hereof, an Officer's Certificate and an Opinion of Counsel stating that the execution of such amended or supplemental indenture is authorized or permitted by this Indenture and that all conditions precedent relating to such amended or supplemental indenture have been met. All cost and expense in connection with or related to any such Opinion of Counsel shall be paid by the Issuer.

ARTICLE 10 INSTRUCTIONS TO REPRESENTATIVE; NOTEHOLDER COMMITTEE

Section 10.01 Instructions to Representative

The Requisite Holders may, on their own initiative or upon request of the Representative, instruct the Representative in writing as to granting or withholding any approval or consent, or taking or refraining from taking any action, that is requested or permitted from or by the Representative hereunder or under the Operating Agreement.

Section 10.02 Noteholder Committee

The Trustee may consult with the Noteholder Committee with respect to any act or matter within the Trustee's discretion under this Indenture, and the Noteholder Committee shall be entitled to communicate with the Trustee, and, upon the Noteholder Committee's request, receive and review any information obtained by the Trustee from any source pertaining to the

Notes, the security for the Notes or the Trustee's rights or duties under this Indenture, provided that the foregoing consultations and communications shall not be substituted for any required consent or action by the Requisite Holders hereunder, and provided further that no consent, waiver, approval or other action of the Noteholder Committee shall be required in any circumstances or for any purpose hereunder.

ARTICLE 11

SATISFACTION AND DISCHARGE

Section 11.01 Satisfaction and Discharge.

This Indenture will be discharged and will cease to be of further effect as to all Notes issued hereunder and all Liens securing the Notes and Obligations under the Indenture and the other Note Documents will be released, when:

(1) either:

(a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for which payment money has been deposited in trust, have been delivered to the Trustee for cancellation; or

(b) all Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year or are to be called for redemption within one year and the Issuer has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, Government Securities, or a combination thereof, in such amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the Deemed Principal of the Notes not delivered to the Trustee for cancellation for principal or redemption price of the Notes to the date of maturity or redemption;

(2) in respect of subclause (b) of clause (1) of this Section 11.01, no Default or Event of Default has occurred and is continuing on the date of the deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit and any similar deposit relating to other Indebtedness and, in each case, the granting or Liens to secure such borrowings) and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Issuer is a party or by which the Issuer is bound (other than with respect to the borrowing of funds to be applied concurrently to make the deposit required to effect such satisfaction and discharge and any similar concurrent deposit relating to other Indebtedness, and in each case the granting of Liens to secure such borrowings); and

(3) the Issuer has delivered irrevocable instructions to the Trustee under this Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be.

In addition, the Issuer must deliver an Officer's Certificate and an Opinion of Counsel, subject to customary assumptions and exclusions, to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied. In addition, nothing in this Section 11.01 will be deemed to discharge those provisions of Section 7.06 hereof, that, by their terms, survive the satisfaction and discharge of this Indenture. All cost and expense in connection with or related to any such Opinion of Counsel shall be paid solely from Installments or the Balloon Payment.

Section 11.02 Application of Trust Money.

Subject to the provisions of Section 8.06 hereof, all money deposited with the Trustee pursuant to Section 11.01 hereof shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Issuer acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal for whose payment such money has been deposited with the Trustee; but such money need not be segregated from other funds except to the extent required by law.

If the Trustee or Paying Agent is unable to apply any money or Government Securities in accordance with Section 11.01 hereof by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Issuer's [and any Guarantor's] obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 11.01 hereof; provided that if the Issuer has made any payment of Deemed Principal or redemption price any Notes because of the reinstatement of its obligations, the Issuer shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money or Government Securities held by the Trustee or Paying Agent.

Section 11.03 Repayment to Issuer.

Any money deposited with the Trustee or any Paying Agent, or then held by the Issuer, in trust for the payment of the principal of any Note, that would have been due if the Notes were called for redemption on the date of such deposit, and remaining unclaimed for two years after such amounts have become due and payable shall be paid to the Issuer on its request or (if then held by the Issuer) will be discharged from such trust; and the Holder of such Note will thereafter, subject to Section 3.01(b) hereof, be permitted to look only to the Issuer for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Issuer as trustee thereof, will thereupon cease, and any unclaimed balance of such money then remaining will be repaid to the Issuer.

ARTICLE 12

COLLATERAL AND SECURITY

Section 12.01 Security Interest.

The due and punctual payment of the Deemed Principal of the Notes when and as the same shall be due and payable, whether on a Payment Date, at maturity, by acceleration,

repurchase, redemption or otherwise, and performance of all other obligations of the Issuer to the Holders of Notes or the Trustee and the Notes (including, without limitation, the Note Documents), according to the terms hereunder or thereunder, are secured as provided in the Security Documents. Each Holder of Notes, by its acceptance thereof, consents and agrees to the terms of the Security Documents (including, without limitation, the provisions providing for foreclosure and release of Collateral) as the same may be in effect or may be amended from time to time in accordance with their terms and authorizes and appoints Wells Fargo Bank, National Association, as the Trustee, and each Holder of Notes directs the Trustee to enter into the Security Documents and to perform its obligations and exercise its rights thereunder in accordance therewith. The Issuer consents and agrees to be bound by the terms of the Security Documents, as the same may be in effect from time to time, and agrees to perform its obligations thereunder in accordance therewith. The Issuer will do or cause to be done all such acts and things as may be required by the provisions of the Security Documents, to assure and confirm to the Trustee the security interest in the Collateral contemplated by the Security Documents or any part thereof, as from time to time constituted, so as to render the same available for the security and benefit of this Indenture and of the Notes.

Section 12.02 Equal and Ratable Sharing of Collateral by Holders of Note Debt. Notwithstanding:

(a) anything to the contrary contained in the Security Documents;

(b) the time of incurrence of any Note Obligations;

(c) the order or method of attachment or perfection of any Liens security any Note Obligations;

(d) the time or order of filing or recording of financing statements or other documents filed or recorded to perfect any Liens securing any Note Obligations;

(e) the time of taking possession or control over any Liens securing any Note Obligations;

(f) that any Note Lien may not have been perfected or may be or have become subordinated, by equitable subordination or otherwise, to any other Lien; or

(g) the rules for determining priority under any law governing relative priorities of Liens,

all Note Liens granted at any time by the Issuer will secure, all present and future Note Obligations.

Section 12.03 Release of Liens in Respect of Notes.

The Trustee's Liens upon the Collateral will no longer secure the Notes outstanding under this Indenture or any other Obligations under this Indenture, and the right of the Holders of the Notes and holders of such other Obligations to the benefits and proceeds of the Trustee's Liens on the Collateral will terminate and be discharged:

(a) upon satisfaction and discharge of this Indenture as set forth in Article 11 hereof;

(b) upon a Legal Defeasance or Covenant Defeasance of the Notes as set forth in Article 8 hereof;

(c) upon payment by the Issuer to the Trustee or Paying Agent of $64,050,000 in respect of the Notes;

(c) upon payment in full and discharge of all Notes outstanding under this Indenture and all Obligations that are outstanding, due and payable under this Indenture at the time the Notes are paid in full and discharged; or

(d) in whole or in part, with the consent of the holders of the requisite percentage of Notes in accordance with the provisions set forth in Article 9 hereof.

In addition, the Trustee's Liens on the Collateral will be released upon the terms and subject to the conditions set forth herein.

Section 12.04 Relative Rights.

Nothing in the Note Documents shall:

(a) impair, as to the Issuer and the Holders of the Notes, the obligation of the Issuer to pay Deemed Principal of the Notes in accordance with their terms or any other obligation of the Issuer; or

(b) affect the relative rights of Holders of Notes as against any other creditors of the Issuer.

Section 12.05 Further Assurances.

The Issuer will (with all related cost and expense to be paid from Installments or the Balloon Payment) execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register, any and all such further acts, deeds, conveyances, security agreements, mortgages, assignments, estoppel certificates, financing statements and continuations thereof, termination statements, notices of assignment, transfers, certificates, assurances and other instruments as may be reasonably required from time to time in order:

(1) to carry out more effectively the express purposes of the Security Documents;

(2) to subject to the Liens created by any of the Security Documents any of the properties, rights or interests required to be encumbered thereby and contemplated thereby; and

(3) to perfect and maintain the validity, effectiveness and priority of any of the Security Documents and the Liens intended to be created thereby and contemplated thereby.

ARTICLE 13

MISCELLANEOUS

Section 13.01 Notices.

(a) Any notice or communication by the Issuer, on the one hand, or the Trustee, on the other hand, to the others is duly given if in writing and delivered in Person or by first class mail (registered or certified, return receipt requested), facsimile or pdf transmission or overnight air courier guaranteeing next day delivery, to the others at the following addresses:

If to the Issuer:

with copies to:

If to the Trustee:

Wells Fargo Bank, National Association
[7000 Central Parkway NE
Suite 550
Atlanta, GA 30328
Facsimile No.: (770) 551-5118]
Attention: Corporate Trust Services

(b) The Issuer or the Trustee, by notice to the others, may designate additional or different addresses for subsequent notices or communications.

(c) All notices and communications (other than those sent to Holders) will be deemed to have been duly given: (i) at the time delivered by hand, if personally delivered; (ii) five Business Days after being deposited in the mail, postage prepaid, if mailed; (iii) when receipt acknowledged, if transmitted by facsimile; and (iv) the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

(d) Any notice or communication to a Holder will be mailed by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery to its address shown on the register kept by the Registrar.

(e) If a notice or communication is mailed in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

(f) If the Issuer mails a notice or communication to Holders, they will mail a copy to the Trustee and each Agent at the same time.

Section 13.02 Certificate and Opinion as to Conditions Precedent.

Upon any request or application by the Issuer to the Trustee to take any action under this Indenture, the Issuer shall, to the extent requested by the Trustee, furnish to the Trustee either or both of the following:

(1) an Officer's Certificate in form and substance reasonably satisfactory to the Trustee (which must include the statements set forth in Section 13.03 hereof) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied; and/or

(2) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee (which must include the statements set forth in Section 13.03 hereof and which may be based on an Officer's Certificate with respect to factual matters) stating that, in the opinion of such counsel, all such conditions precedent have been satisfied. All cost and expense in connection with or related to any such Opinion of Counsel shall be paid by the Issuer.

Section 13.03 Statements Required in Certificate or Opinion.

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture must include:

(1) a statement that the Person making such certificate or opinion has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition, as applicable, has been satisfied; and

(4) a statement as to whether or not, in the opinion of such Person, such condition or covenant, as applicable, has been satisfied.

Section 13.04 Rules by Trustee and Agents.

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

Section 13.05 No Personal Liability of Directors, Officers, Employees and Stockholders.

No director, officer, employee, incorporator. manager (or managing member), direct or indirect member, partner or stockholder of the Issuer or any Affiliate of the Issuer, as such, will have any liability for any obligations of the Issuer under the Notes, this Indenture, the Note Documents, the Security Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

Section 13.06 Governing Law; Waiver of Jury Trial.

THE INTERNAL LAW OF THE STATE OF NEW YORK WILL GOVERN AND BE USED TO CONSTRUE THIS INDENTURE, THE NOTES AND THE NOTE DOCUMENTS WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY. FURTHER, ALL OF THE PARTIES TO THIS INDENTURE, THE NOTES AND THE NOTE DOCUMENTS, INCLUDING, BUT NOT LIMITED TO THE HOLDERS, THE ISSUER, AND THEIR RESPECTIVE AFFILIATES, WILL SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS OF NEW YORK WITH RESPECT TO ANY DISPUTES ARISING THEREUNDER OR RELATING THERETO.

EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES OR THE TRANSACTION CONTEMPLATED HEREBY.

Section 13.07 No Adverse Interpretation of Other Agreements.

This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Issuer or its Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

Section 13.08 Successors.

All agreements of the Issuer in this Indenture and the Notes will bind its successors. All agreements of the Trustee in this Indenture will bind its successors.

Section 13.09 Severability.

In case any provision in this Indenture or in the Notes is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

Section 13.10 Counterpart Originals.

The parties may sign any number of copies of this Indenture. Each signed copy will be an original, but all of them together represent the same agreement. The exchange of copies of this Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

Section 13.11 Table of Contents, Headings, etc.

The Table of Contents, Cross-Reference Table and Headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and will in no way modify or restrict any of the terms or provisions hereof.

Section 13.12 Force Majeure.

In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 13.13 U.S.A. Patriot Act.

The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Trustee, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to this Indenture agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the U.S.A. Patriot Act.

Section 13.14 Amended Indenture.

The terms set forth herein are intended to, and shall supersede and replace the Indenture in its entirety.

EXHIBIT A

[Face of Note]

Note due 203[2]

EXHIBIT A

[Face of Note]

Note due 203[2]

No. $

THE CLIFFS CLUB & HOSPITALITY GROUP, INC. (the "Issuer"), or any other entity that assumes the Issuer's obligations under this Note in accordance with the Indenture referenced herein, promises to pay to _____, the principal sum of _____ DOLLARS (as adjusted from time to time as described on the reverse of this Note) on _____, 203[2].

Record Date:

THE CLIFFS CLUB & HOSPITALITY GROUP, INC.,

a South Carolina corporation

Seal:

This is one of the Notes referred to

in the within-mentioned Indenture:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By:

Authorized Signatory

Dated:

[Back of Note]

Note due 203[2]

THE ISSUANCE OF THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR APPLICABLE STATE LAWS AND THIS NOTE MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, OFFERED, PLEDGED OR OTHERWISE DISTRIBUTED FOR VALUE UNLESS SUCH SALE, TRANSFER, ASSIGNMENT, OFFER, PLEDGE OR OTHER DISTRIBUTION FOR VALUE IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SUCH ACT AND APPLICABLE STATE LAWS.

NEITHER THIS NOTE NOR ANY INTEREST HEREIN SHALL BE TRANSFERRED TO A "BENEFIT PLAN INVESTOR" OR TO ANY ENTITY IN WHICH A "BENEFIT PLAN INVESTOR" IS OR WILL INVEST. FOR THE AVOIDANCE OF DOUBT, THE TERM "BENEFIT PLAN INVESTOR" INCLUDES ALL EMPLOYEE BENEFIT PLANS SUBJECT TO PART 4, SUBTITLE B, TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), ANY PLAN TO WHICH SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, APPLIES AND ANY ENTITY, INCLUDING AN INSURANCE COMPANY GENERAL ACCOUNT, WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS," AS DEFINED UNDER 29 CFR SECTION 2510.3-101 AND SECTION 3(42) OF ERISA, BY REASON OF A PLAN'S INVESTMENT IN SUCH ENTITY.

THE HOLDER HEREOF ACKNOWLEDGES AND AGREES THAT THE PAYMENT AND OTHER TERMS HEREOF ARE SUBJECT TO THE JOINT CHAPTER 11 PLAN (THE "PLAN") AND RELATED CONFIRMATION ORDER (THE "ORDER") ISSUED BY THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF SOUTH CAROLINA IN BANKRUPTCY CASE NO. 12-01220 (THE "BANKRUPTCY CASE") AND THAT AMONG OTHER THINGS, THE PRINCIPAL AMOUNT DUE HEREUNDER IS SUBJECT TO DOWNWARD ADJUSTMENT TO ACCOUNT FOR CERTAIN FEES, ASSESSMENTS, REIMBURSEMENTS AND OTHER COSTS AND AMOUNTS (THE "CHARGEABLE AMOUNTS") TO BE DEDUCTED FROM AMOUNTS PAID BY IT-SPE (THE "COMPANY") TO THE TRUSTEE IN RESPECT OF THE NOTES AND OTHERWISE DUE UNDER THE NOTES, INCLUDING THIS NOTE, ALL AS DESCRIBED IN THE INDENTURE. THE HOLDER FURTHER ACKNOWLEDGES AND AGREES THAT (I) THE CHARGEABLE AMOUNTS ARE NOT FIXED OR OTHERWISE PRE-DETERMINED AND MAY BE SIGNIFICANT AND SUBSTANTIAL, (II) THE HOLDER SHALL HAVE NO CLAIM OR OTHER RECOURSE AGAINST THE COMPANY FOR ANY OF THE CHARGEABLE AMOUNTS SET OFF AGAINST OR OTHERWISE CHARGED AGAINST THIS NOTE, AND (III) THE COMPANY'S SOLE OBLIGATION WITH RESPECT TO THE PRINCIPAL DUE UNDER THE NOTES IS TO MAKE

AGGREGATE PAYMENTS (AT THE TIMES PROVIDED IN THE INDENTURE) TO THE TRUSTEE EQUAL TO SUCH PRINCIPAL AMOUNT, REGARDLESS OF WHETHER SUCH AMOUNTS (OR ANY PORTION THEREOF) ARE PAID BY THE TRUSTEE TO THE HOLDERS OF THE NOTES (INCLUDING THE HOLDER HEREOF).

Capitalized terms used herein have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

(1) Interest. No interest shall be payable on this Note under any circumstances.

(2) Principal Payments. Principal hereunder shall be payable in annual installments (in the amount described below) (each, a "Note Installment") on the fifth business day of _____ each year, commencing _____, 201[3] *[the second full month after the first anniversary of the Closing of the transaction]* and continuing until the earlier of (i) _____, 203[2] (the "Maturity Date") or (ii) the Issuer's having made aggregate principal payments to the Trustee or Paying Agent equal to $64,050,000 in respect of the Notes, *provided however*, in the event that the Issuer has not, on or prior to the Maturity Date, made aggregate principal payments to the Trustee or Paying Agent equal to $64,050,000 in respect of the Notes, then any remaining Deemed Principal (as hereafter defined) hereof, shall be paid on the Maturity Date (subject to reduction for the Pro Rata Fraction (as hereafter defined) hereof of any Chargeable Amounts not previously assessed). Each Note Installment shall be in an amount equal to (A) the product obtained by multiplying (x) the Pro Rata Fraction hereof, by (y) the Annual Amount, less (B) the product obtained by multiplying (x) the Pro Rata Fraction hereof, by (y) the Chargeable Amounts not previously assessed. For purposes hereof, the term,

> "Annual Amount" shall mean the greater of (a) $1,000,000 or (b) the IT Percentage Of Plan Sponsor Net Cash Flow (as defined in the Indenture) for the most recently concluded Issuer Year (as defined in the Indenture);
>
> "Pro Rata Fraction" shall mean with respect to any of the Notes (including this Note), on any date of determination thereof, a fraction (a) the numerator of which is the then outstanding Deemed Principal of such Note, and (b) the denominator of which is the then outstanding aggregate Deemed Principal of all Notes;
>
> "Deemed Principal" shall mean with respect to any of the Notes (including this Note) the original principal amount of such Note reduced, upon each payment by Issuer to the Trustee or Paying Agent of amounts in respect of the Notes (including, without limitation, all Installments (as defined in the Indenture), the Balloon Payment (as defined in the Indenture) and any redemption payments in respect of any Notes), by such payment multiplied by the Pro Rata Fraction (calculated immediately prior to such payment) of such Note.

In no event shall the aggregate amount of principal payable hereunder exceed the initial principal amount hereof less the Pro Rata Fraction of all Chargeable Amounts.

(3) Method of Payment. The Notes will be payable as to principal at the office or agency of the Paying Agent and Registrar; provided that payment by wire transfer of immediately available funds will be required with respect to principal on all Notes the Holders of which will have provided wire transfer instructions to the Issuer or the Paying Agent. Such payment will be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

(4) Paying Agent and Registrar. Initially, Wells Fargo Bank, National Association, the Trustee under the Indenture, will act as Paying Agent and Registrar. The Issuer may change the Paying Agent or Registrar as provided in the Indenture. The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar.

(5) Indenture. The Issuer issued the Notes under an Indenture dated as of _____, 2012, by and among The Cliffs Club & Hospitality Group, Inc., certain of its affiliates and the Trustee, as amended by and in accordance with the Order (the "Indenture"). Pursuant to the Order, the Issuer has sold substantially all of its assets to Cliffs Club Partners, LLC (the "Plan Sponsor"), which, simultaneously with the acquisition of such assets, assumed (the "Initial Assumption") the obligation to pay $64,050,000 in satisfaction of all amounts due or to become due under the Notes (the "Obligation"); the Plan Sponsor, immediately following such acquisition and assumption, transferred all such acquired assets to IT-SPE, LLC (the "Company"), which, simultaneously with the acquisition of such assets, assumed the Obligation of Plan Sponsor (the "Subsequent Assumption"). **Upon the Initial Assumption by the Plan Sponsor, the Issuer was released from, and was released of liability in respect of, any obligations of the Issuer (or otherwise) under the Indenture or this Note. Upon the Subsequent Assumption by the Company, the Plan Sponsor was released from, and was relieved of liability in respect of the Obligation, or any other obligations of the Issuer (or otherwise) under the Indenture or this Note.**

The Notes are subject to all such terms, and Holders are referred to the Indenture and the Plan for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture or the Plan, the provisions of the Indenture or Plan, as the case may be, shall govern and be controlling.

(6) Optional Redemption.

(a) At any time, the Issuer may on any one or more occasions redeem any Notes in whole or in part at a redemption price equal to 100% of the Deemed Principal amount thereof. Any such redemption shall be made pursuant to the applicable provisions of the Indenture.

(b) If less than all of the Notes are to be redeemed at any time, the Trustee will select Notes for redemption on a pro rata basis (or based on a method that most nearly approximates a pro rata selection as the Trustee deems fair and appropriate) unless otherwise required by law.

(7) Notice of Redemption. At least __ days but not more than 60 days before a redemption date, the Issuer will mail or cause to be mailed, by first class mail, a notice of redemption to each Holder whose Notes are to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is

issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture pursuant to Articles 8 or 11 thereof. Notes and portions of Notes selected will be in amounts of $1.00 or whole multiples of $1.00 in excess thereof; except that if all of the Notes of a Holder are to be redeemed or purchased, the entire outstanding Deemed Principal amount of Notes held by such Holder shall be redeemed or purchased.

(8) Denominations, Transfer, Conversion. The Series A Notes are in registered form without coupons in initial denominations of [$50,000]. The transfer of Notes may be registered as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Issuer may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Issuer need not register the transfer or conversion of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, the Issuer need not register the transfer of any Notes for a period of 15 days before the mailing of a notice of redemption of Notes to be redeemed or during the period between a record date and the next succeeding principal payment date.

(9) Persons Deemed Owners. The registered Holder of a Note may be treated as the owner of it for all purposes. Only registered Holders have rights under the Indenture.

(10) Amendment, Supplement and Waiver. Subject to certain exceptions, the Indenture, the Notes or the Note Documents may be amended or supplemented with the consent of the Requisite Holders (as defined in the Indenture) of the then outstanding Notes, and any existing Default or Event of Default or compliance with any provision of the Indenture or the Notes or the Note Documents may be waived with the consent of the Requisite Holders of the then outstanding Notes. Without the consent of any Holder of Notes, the Indenture, the Notes or the Note Documents may be amended or supplemented to cure any ambiguity, defect or inconsistency, to provide for uncertificated Notes in addition to or in place of certificated Notes, to provide for the assumption of the Issuer's obligations to Holders of the Notes and Note Documents by a successor to the Issuer pursuant to the Indenture, or to make any change that would provide any additional rights or benefits to the Holders of the Notes or that does not adversely affect the legal rights under the Indenture of any Holder.

(11) Defaults and Remedies. Events of Default consist of those occurrences that constitute an Event of Default, as defined in the Indenture.

Certain Events of Default are subject to waiver or cure as provided in the Indenture.

In case an Event of Default occurs and is continuing, the Indenture Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any Holders of Notes unless such Holders have offered to the Indenture Trustee reasonable indemnity or security against any loss, liability or expense. Except to enforce the right to receive payment of principal when due, no Holder of a Note may pursue any remedy with respect to the Indenture or the Notes unless (1) such Holder has previously given the Indenture Trustee written notice that an Event of Default is continuing; (2) the Requisite Holders of the then outstanding Notes make a written request to the Indenture Trustee to pursue the remedy; (3) such Holder or Holders offer and, if requested, provide to the Indenture Trustee security or

indemnity reasonably satisfactory to the Indenture Trustee against any loss, liability or expense; (4) the Indenture Trustee does not comply with such request within 60 days after receipt of the request and the offer of security or indemnity; and (5) during such 60-day period, the Requisite Holders of the then outstanding Notes do not give the Indenture Trustee a direction inconsistent with such request.

The Requisite Holders of the then outstanding Notes, by written notice to the Indenture Trustee may, on behalf of the Holders of all of the Notes, rescind an acceleration or waive any existing Default or Event of Default and its consequences under the Indenture, if the rescission would not conflict with any judgment or decree, except a continuing Default or Event of Default in the payment of principal of the Notes.

(12) Trustee Dealings with Issuer. The Trustee, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Issuer or any of its Affiliates, and may otherwise deal with the Issuer or any of its Affiliates, as if it were not the Trustee.

(13) No Recourse Against Others. No director, officer, employee, incorporator manager (or managing member), direct or indirect member, advisory board member, partner, or shareholder of the Issuer, the Company or the Plan Sponsor as such, will have any liability for any obligations of the Issuer the Company or the Plan Sponsor or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

(14) Authentication. This Note will not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

(15) Abbreviations. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

(16) GOVERNING LAW. THE INTERNAL LAW OF THE STATE OF NEW YORK WILL GOVERN AND BE USED TO CONSTRUE THE INDENTURE, THIS NOTE AND THE NOTE GUARANTEES WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

The Issuer will furnish to any Holder upon written request and without charge a copy of the Indenture.

ASSIGNMENT FORM

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to:

_____
(Insert assignee's legal name)
(Insert assignee's soc. sec. or tax I.D. no.)
(Print or type assignee's name, address and zip code)

and irrevocably appoint _____
to transfer this Note on the books of the Issuer. The agent may substitute another to act for him.

Date:_____

Your Signature:_____
(Sign exactly as your name appears on the face of this Note)

SWORN TO BEFORE ME this ___ day of , 20__.

NOTARY PUBLIC

EXHIBIT B

FORM OF CERTIFICATE OF TRANSFER

[Issuer]
Attention:

Wells Fargo Bank, National Association
Wells Fargo Bank – DAPS Reorg.
MAC N9303-121
608 2nd Avenue South
Minneapolis, MN 55479
Telephone No.: (877) 872-4605
Fax No.: (866) 969-1290
Email: DAPSReorg@wellsfargo.com

Re: Notes due 2032

Reference is hereby made to the Indenture, dated as of _____, 2012 as modified by the Confirmation Order described below (the "Indenture"), among The Cliffs Club & Hospitality Group, Inc. (the "Issuer"), certain of its Affiliates and Wells Fargo Bank, National Association, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____ , (the "Transferor") owns and proposes to transfer Note(s) (the "Transferred Notes") in the principal amount of $_____ (the "Transfer"), to _____ (the "Transferee") in accordance with the terms of the Indenture.

In connection with the Transfer, the Transferor hereby certifies that:

1. The Transferor understands that the original Issuer of the Transferred Notes together with certain of its affiliates, filed voluntary petitions for relief under Chapter 11 of title 11 of the United States Code 11 U.S.C. §§ 101 et seq., and were debtors in the bankruptcy case No. 12-01220 in the United States Bankruptcy Court for the District of South Carolina (the "Bankruptcy Case"). Transferor further understands that pursuant to the Joint Chapter 11 Plan filed by the Issuer, its affiliated debtors and Cliffs Club Partners, LLC (the "the Plan Sponsor"), dated May 22, 2012, in the Bankruptcy Case (the "Plan"), and the Confirmation Order issued in connection therewith (the "Confirmation Order") the payment terms of all Notes issued under the Indenture (including the Transferred Notes) have been substantially modified.

2. The Transferor has been provided with a copy of, has read, and fully understands the terms and conditions of the Plan and the Confirmation Order and recognizes (and has

informed Transferee) that any new Notes issued to Transferee to reflect the transfer of the Transferred Notes will contain terms that reflect the modifications of the Notes effected by the Plan and the Confirmation Order, including without limitation, the elimination of all interest on the Notes and the deduction of significant fees and other amounts from principal amounts payable in respect of the Notes.

3. The Transfer is being effected in compliance with the transfer restrictions applicable to the Note and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act or other applicable exemption from the registration requirements of the Securities Act, and the Transferor hereby further certifies that the Transferor has not engaged in any general solicitation within the meaning of Regulation D under the Securities Act, and the Transfer complies with the transfer restrictions applicable to the Note and the requirements of the exemption claimed, which certification is supported by (1) a certificate executed by the Transferee in the form of Exhibit C to the Indenture and (2) if requested by the Registrar, an Opinion of Counsel provided by the Transferor or the Transferee (a copy of which the Transferor has attached to this certification), to the effect that such Transfer is in compliance with the Securities Act.

4. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred Note will be subject to the restrictions on transfer enumerated in the Indenture and the Securities Act.

5. In connection with the Transfer, the Transferor hereby further certifies that:

The Note is being transferred to a Person that the Transferor reasonably believes is not a "benefit plan investor" within the meaning of Section 3(42) of ERISA and 29 C.F.R. § 2510.3-101(f)(2) (other than an IRA which is not subject to Title I of ERISA) or any entity in which a "benefit plan investor" (other than an IRA which is not subject to Title I of ERISA) is or will invest. For the avoidance of doubt, the term "benefit plan investor" includes all employee benefit plans subject to Part 4, Subtitle B, Title I of ERISA, any plan to which Section 4975 of the Code applies and any entity, including an insurance company general account, whose underlying assets include "plan assets," as defined under 29 C.F.R. § 2510.3-101 and Section 3(42) of ERISA, by reason of a plan's investment in such entity.

The Trustee and the Issuer are each entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuer.

[INSERT NAME OF TRANSFEROR]

By:

Name:

Title:

Dated:

EXHIBIT C

FORM OF CERTIFICATE FROM

ACQUIRING ACCREDITED INVESTOR

[Issuer]

Wells Fargo Bank, National Association
[Wells Fargo Bank – DAPS Reorg.
MAC N9303-121
608 2nd Avenue South
Minneapolis, MN 55479
Telephone No.: (877) 872-4605
Fax No.: (866) 969-1290
Email: DAPSReorg@wellsfargo.com]

Re: Notes due 2032

Reference is hereby made to the Indenture, dated as of April 30, 2010 as modified by the Confirmation Order described below (the "Indenture"), among The Cliffs Club & Hospitality Group, Inc. (the "Issuer"), certain of its Affiliates and Wells Fargo Bank, National Association, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____, (the "Transferor") owns and proposes to transfer the Note(s) (the "Transferred Notes") in the nominal principal amount of $_____ (the "Transfer"), to _____ (the "Transferee") in accordance with the terms of the Indenture.

In connection with the Transfer, the Transferee hereby certifies that:

1. The Transferee understands that the original Issuer of the Transferred Notes together with certain of its affiliates, filed voluntary petitions for relief under Chapter 11 of title 11 of the United States Code 11 U.S.C. §§ 101 et seq., and were debtors in the bankruptcy case No. 12-01220 in the United States Bankruptcy Court for the District of South Carolina (the "Bankruptcy Case"). Transferee further understands that pursuant to the Joint Chapter 11 Plan filed by the Issuer, its affiliated debtors and Cliffs Club Partners, LLC (the "the Plan Sponsor"), dated May 22, 2012, in the Bankruptcy Case (the "Plan"), and the Confirmation Order issued in connection therewith (the "Confirmation Order") the payment terms of all Notes issued under the original indenture applicable to the Notes (including the Transferred Notes) have been substantially modified.

2. The Transferee has been provided with a copy of, has read, and fully understands the terms and conditions of the Plan and the Confirmation Order and recognizes that any new Notes issued to Transferee to reflect the transfer of the Transferred Notes will contain terms that reflect the modifications of the Notes effected by the Plan and the

Confirmation Order, including without limitation, the elimination of all interest on the Notes and the deduction of significant fees and other amounts from principal amounts payable in respect of the Notes.

3. The Transferee (a) is an "accredited investor" or "sophisticated purchaser" as defined under Regulation D under the Securities Act and (b) is purchasing the Note for his or her own account and not for distribution or resale to others.

4. The Transferee has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of his or her investment in the Note, and the Transferee is able to bear the economic risk of his or her investment.

5. The Transferee understands that any subsequent transfer of the Note is subject to certain restrictions and conditions set forth in the Indenture and the Transferee agrees to be bound by, and not to resell, pledge or otherwise transfer the Note except in compliance with, such restrictions and conditions in the Indenture and the Securities Act. The Transferee further understands that the Note being purchased will bear one or more legends to the foregoing effect.

6. In connection with the Transfer, the Transferee hereby further certifies that:

The Transferee is not a "benefit plan investor" within the meaning of Section 3(42) of ERISA and 29 C.F.R. § 2510.3-101(f)(2) (other than an IRA which is not subject to Title I of ERISA) or any entity in which a "benefit plan investor" (other than an IRA which is not subject to Title I of ERISA) is or will invest. For the avoidance of doubt, the term "benefit plan investor" includes all employee benefit plans subject to Part 4, Subtitle B, Title I of ERISA, any plan to which Section 4975 of the Code applies and any entity, including an insurance company general account, whose underlying assets include "plan assets," as defined under 29 C.F.R. § 2510.3-101 and Section 3(42) of ERISA, by reason of a plan's investment in such entity.

The Trustee and the Issuer are each entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

This certificate and the statements contained herein are made for the Trustee's benefit and the benefit of the Issuer.

[INSERT NAME OF TRANSFEROR]

By:

Name:

Title:

Dated:

EXHIBIT D

PLAN SPONSOR PROJECTIONS

Exhibit B

Confirmation Notice

UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA

In re: **The Cliffs Club & Hospitality Group, Inc., *et al.*,[1] *d/b/a* The Cliffs Golf & Country Club,** **Debtors.**	**CHAPTER 11** **Case No. 12-01220** **Jointly Administered**

NOTICE OF CONFIRMATION OF CHAPTER 11 PLAN;
PERMANENT INJUNCTION, AND VARIOUS DEADLINES

PLEASE TAKE NOTICE that on August __, 2012, the United States Bankruptcy Court for the District of South Carolina (the "Court") entered the Findings of Fact, Conclusions of Law and Order (the "Confirmation Order") confirming the First Amended and Restated Joint Chapter 11 Plan dated June 30, 2012, as amended (the "Plan")[2] filed by The Cliffs Club & Hospitality Group, Inc.; CCHG Holdings, Inc.; The Cliffs at Mountain Park Golf & Country Club, LLC; The Cliffs at Keowee Vineyards Golf & Country Club, LLC; The Cliffs at Walnut Cove Golf & Country Club, LLC; The Cliffs at Keowee Falls Golf & Country Club, LLC; The Cliffs at Keowee Springs Golf & Country Club, LLC; The Cliffs at High Carolina Golf & Country Club, LLC; The Cliffs at Glassy Golf & Country Club, LLC; The Cliffs Valley Golf & Country Club, LLC; and Cliffs Club & Hospitality Service Company, LLC (the "Debtors") and Cliffs Club Partners, LLC (the "Plan Sponsor").

PLEASE TAKE FURTHER NOTICE that copies of the Confirmation Order may be inspected in the offices of the Clerk of the Bankruptcy Court during normal business hours or downloaded from the Bankruptcy Court's website at http://www.scbc.uscourts.gov. Please note that prior registration with the PACER Service Center and payment of a fee may be required to access such documents. Parties in interest may sign up for a PACER account by visiting the PACER website at http://pacer.psc.uscourts.gov or by calling (800) 676-6856.

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[1] The Debtors, followed by the last four digits of their respective taxpayer identification numbers and Chapter 11 case numbers, are as follows: The Cliffs Club & Hospitality Group, Inc. (6338) (12-01220); CCHG Holdings, Inc. (1356) (12-01223); The Cliffs at Mountain Park Golf & Country Club, LLC (2842) (12-01225); The Cliffs at Keowee Vineyards Golf & Country Club, LLC (5319) (12-01226); The Cliffs at Walnut Cove Golf & Country Club, LLC (9879) (12-01227); The Cliffs at Keowee Falls Golf & Country Club, LLC (3230) (12-01229); The Cliffs at Keowee Springs Golf & Country Club, LLC (2898) (12-01230); The Cliffs at High Carolina Golf & Country Club, LLC (7576) (12-01231); The Cliffs at Glassy Golf & Country Club, LLC (6559) (12-01234); The Cliffs Valley Golf & Country Club, LLC (6486) (12-01236); and Cliffs Club & Hospitality Service Company, LLC (9665) (12-01237).

[2] Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Plan. To the extent there is any inconsistency between this document and the Plan, the provisions of the Plan shall control.

Additionally, copies of the Confirmation Order are available for free download via an unofficial version of the case docket accessible through the Debtors' claims, notice and balloting agent, BMC Group, Inc., at www.bmcgroup.com/cliffs. Requests for copies of the Confirmation Order may also be made to counsel for the Debtors at the contact information shown below.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Plan, the automatic stay of Section 362 of the United States Bankruptcy Code in existence on the date of the confirmation of the Plan shall continue in full force and effect until the Effective Date of the Plan, and the Debtors and their Estates shall be entitled to all of the protections afforded thereby.

PLEASE TAKE FURTHER NOTICE that the Confirmation Order approves, among other things, the following permanent injunction:

> ***CLAIMS AND INTERESTS. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED FOR IN THE PLAN OR THE CONFIRMATION ORDER, AND TO THE FULLEST EXTENT AUTHORIZED OR PROVIDED BY THE BANKRUPTCY CODE, INCLUDING SECTIONS 524 AND 1141 THEREOF, THE ENTRY OF THE CONFIRMATION ORDER WILL, PROVIDED THAT THE EFFECTIVE DATE OCCURS, PERMANENTLY ENJOIN ALL PERSONS THAT HAVE HELD, CURRENTLY HOLD OR MAY HOLD A CLAIM OR OTHER DEBT OR LIABILITY OR AN INTEREST OR OTHER RIGHT OF AN EQUITY SECURITY HOLDER THAT IS IMPAIRED OR TERMINATED PURSUANT TO THE TERMS OF THE PLAN FROM TAKING ANY OF THE FOLLOWING ACTIONS AGAINST THE DEBTORS, THE LIQUIDATING TRUST, THE LIQUIDATION TRUSTEE, OR THE PROPERTY OF ANY OF THE FOREGOING ON ACCOUNT OF ANY SUCH CLAIMS, DEBTS OR LIABILITIES OR SUCH TERMINATED INTERESTS OR RIGHTS: (A) COMMENCING, CONDUCTING OR CONTINUING IN ANY MANNER, DIRECTLY OR INDIRECTLY, ANY SUIT, ACTION OR OTHER PROCEEDING OF ANY KIND; (B) ENFORCING, LEVYING, ATTACHING, COLLECTING OR OTHERWISE RECOVERING IN ANY MANNER OR BY ANY MEANS, WHETHER DIRECTLY OR INDIRECTLY, ANY JUDGMENT, AWARD, DECREE OR ORDER; (C) CREATING, PERFECTING OR ENFORCING IN ANY MANNER, DIRECTLY OR INDIRECTLY, ANY LIEN OR ENCUMBRANCE OF ANY KIND; (D) ASSERTING ANY SETOFF, OFFSET, RIGHT OF SUBROGATION OR RECOUPMENT OF ANY KIND, DIRECTLY OR INDIRECTLY, AGAINST ANY DEBT, LIABILITY OR OBLIGATION DUE TO ANY OF THE DEBTORS; AND (E) PROCEEDING IN ANY MANNER IN ANY PLACE WHATSOEVER, INCLUDING EMPLOYING ANY PROCESS, THAT DOES NOT CONFORM TO OR COMPLY WITH OR IS INCONSISTENT WITH THE PROVISIONS OF THE PLAN; PROVIDED, HOWEVER, THAT THIS INJUNCTION WILL NOT APPLY TO (A) ANY CLAIMS CREDITORS MAY ASSERT UNDER THE PLAN TO ENFORCE THEIR RIGHTS***

THEREUNDER TO THE EXTENT PERMITTED BY THE BANKRUPTCY CODE OR (B) ANY CLAIMS CREDITORS OR OTHER THIRD PARTIES MAY HAVE AGAINST EACH OTHER, WHICH CLAIMS ARE NOT RELATED TO THE DEBTORS, IT BEING UNDERSTOOD, HOWEVER, THAT ANY DEFENSES, OFFSETS OR COUNTERCLAIMS OF ANY KIND OR NATURE WHATSOEVER WHICH THE DEBTORS MAY HAVE OR ASSERT IN RESPECT OF ANY OF THE CLAIMS OF THE TYPE DESCRIBED IN (A) OR (B) OF THIS PROVISO ARE FULLY PRESERVED.

RELEASED CLAIMS. AS OF THE EFFECTIVE DATE, THE CONFIRMATION ORDER WILL CONSTITUTE AN INJUNCTION PERMANENTLY ENJOINING ANY PERSON THAT HAS HELD, CURRENTLY HOLDS OR MAY HOLD A CLAIM, DEMAND, DEBT, RIGHT, CAUSE OF ACTION OR LIABILITY THAT IS RELEASED PURSUANT TO THE PLAN FROM ENFORCING OR ATTEMPTING TO ENFORCE ANY SUCH CLAIM, DEMAND, DEBT, RIGHT, CAUSE OF ACTION OR LIABILITY AGAINST (I) ANY DEBTOR, (II) THE LIQUIDATING TRUST, (III) ANY RELEASEE, (IV) ANY D&O RELEASEE, OR (V) ANY EXCULPATED PERSON, OR ANY OF ITS PROPERTY, BASED ON, ARISING FROM OR RELATING TO, IN WHOLE OR IN PART, ANY ACT, OMISSION, OR OTHER OCCURRENCE TAKING PLACE ON OR PRIOR TO THE EFFECTIVE DATE WITH RESPECT TO OR IN ANY WAY RELATING TO THE CHAPTER 11 CASE, ALL OF WHICH CLAIMS, DEMANDS, DEBTS, RIGHTS, CAUSES OF ACTION OR LIABILITIES WILL BE DEEMED RELEASED ON AND AS OF THE EFFECTIVE DATE; PROVIDED, HOWEVER, THAT WITH RESPECT TO THE FORMER DIRECTORS, OFFICERS AND EMPLOYEES OF THE DEBTORS, THIS INJUNCTION WILL APPLY ONLY TO THE ENFORCEMENT OF CLAIMS, DEMANDS, DEBTS, RIGHTS, CAUSES OF ACTION OR LIABILITIES WITH RESPECT TO WHICH SUCH FORMER DIRECTORS, OFFICERS AND EMPLOYEES WOULD BE ENTITLED TO INDEMNIFICATION FROM THE DEBTORS UNDER CONTRACT OR LAW; AND, PROVIDED FURTHER, HOWEVER, THAT THIS INJUNCTION WILL NOT APPLY TO (A) ANY CLAIMS CREDITORS MAY ASSERT UNDER THE PLAN TO ENFORCE THEIR RIGHTS THEREUNDER TO THE EXTENT PERMITTED BY THE BANKRUPTCY CODE OR (B) ANY CLAIMS CREDITORS OR OTHER THIRD PARTIES MAY HAVE AGAINST EACH OTHER, WHICH CLAIMS ARE NOT RELATED TO THE DEBTORS, IT BEING UNDERSTOOD, HOWEVER, THAT ANY DEFENSES, OFFSETS OR COUNTERCLAIMS OF ANY KIND OR NATURE WHATSOEVER WHICH THE DEBTORS MAY HAVE OR ASSERT IN RESPECT OF ANY OF THE CLAIMS OF THE TYPE DESCRIBED IN (A) OR (B) OF THIS PROVISO ARE FULLY PRESERVED.

PLEASE TAKE FURTHER NOTICE that the confirmed Plan provides, among other things, the following deadlines:

a. **Administrative Claims Bar Date:** Requests for payment of Administrative Claims must be filed with the Claims Agent, substantially in the form attached hereto as Exhibit A, and served on counsel for the Debtors and counsel for the Plan Sponsor no later than (x) the Administrative Claim Bar Date, which is thirty (30) days after the Effective Date, or (y) such later date, if any, as the Bankruptcy Court shall order upon application made prior to the end of the Administrative Claim Bar Date; provided, however, that Allowed Ordinary Course Trade Claims shall be paid in the ordinary course of business of New ClubCo and/or its sublessees in accordance with the terms and subject to the conditions of any agreements governing or relating thereto. Holders of Administrative Claims (including, without limitation, the holders of any Claims for federal, state or local taxes) that are required to file a request for payment of such Claims and that do not file such requests by the applicable bar date shall be forever barred from asserting such Claims against any of the Debtors, their Estates, the Consolidated Estate, the Plan Sponsor, the Liquidation Trustee or the Indenture Trustee.

b. **Professionals Fees and Expenses:** All requests for compensation or reimbursement of Professional Fee Claims pursuant to sections 327, 328, 330(a), 331, 503 or 1103 of the Bankruptcy Code for services rendered prior to the Effective Date, not already filed, shall be filed and served on the counsel to the Debtors, counsel for the Plan Sponsor, the United States Trustee, counsel to the Committee and such other entities that are designated by the Bankruptcy Rules, the Confirmation Order or other order of the Bankruptcy Court, no later than sixty (60) days after the Effective Date, unless such date is otherwise modified by order of the Bankruptcy Court. Holders of Professional Fee Claims that are required to file and serve applications for final allowance of Professional Fee Claims and that do not file and serve such applications by the required deadline shall be forever barred from asserting such Claims against the Debtors, their Estates, the Consolidated Estate, the Plan Sponsor, the Liquidation Trustee or the Indenture Trustee, and such Professional Fee Claims shall be deemed discharged as of the Effective Date. The provisions of this paragraph do not apply to the compensation of either BMC Group, Inc., GGG Partners, LLC or Katie S. Goodman as CRO, each of which shall be compensated pursuant the terms of the Orders approving its retention and compensation in these Chapter 11 Cases. The provisions of this paragraph do not apply to any professional providing services pursuant to and subject to the limits contained in the Order Authorizing Debtors to Retain and Compensate Professionals Used in the Ordinary Course of Business entered in the Chapter 11 Cases on or about March 26, 2012. Objections to any Professional Fee Claims must be filed and served on counsel for the Debtors, counsel for the Plan Sponsor and the requesting party on or before twenty one (21) days after the filing and service of such request.

c. **Rejection Damages Claims Bar Date:** Claims arising out of the rejection of any executory contract or unexpired lease pursuant to Article VI of the Plan must be filed with the Bankruptcy Court no later than the later of (a) thirty (30) days after the Effective Date, or (b) thirty (30) days after the entry of an order rejecting such executory contract or unexpired lease. Any Claim not filed within such time period shall be forever barred.

Dated: August __, 2012 Respectfully submitted,

/s/ Däna Wilkinson
Däna Wilkinson
District Court I.D. No. 4663
LAW OFFICE OF DÄNA WILKINSON
365-C East Blackstock Road
Spartanburg, SC 29301
864.574.7944 (Telephone)
864.574.7531 (Facsimile)
danawilkinson@danawilkinsonlaw.com

-and-

/s/ J. Michael Levengood
Gary W. Marsh
Georgia Bar No. 471290
J. Michael Levengood
Georgia Bar No. 447934
Bryan E. Bates
Georgia Bar No. 140856
MCKENNA LONG & ALDRIDGE LLP
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gmarsh@mckennalong.com
mlevengood@mckennalong.com
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Attorneys for the Debtors and Debtors in Possession

HOLLAND & KNIGHT

/s/ John Monaghan
John Monaghan
10 St. James Avenue, 11th Floor
Boston, MA 02116
Telephone: (617) 523-5834
Facsimile: (617) 523-6850

and

NEXSEN PRUET, LLC

/s/ Julio E. Mendoza, Jr.
Julio E. Mendoza, Jr.
1230 Main Street, Suite 700
Columbia, SC 29201
Telephone: (803) 771-8900
Facsimile: (803) 727-1478

Attorneys for Cliffs Club Partners, LLC, Plan Sponsor

Exhibit A

UNITED STATES BANKRUPTCY COURT		PROOF OF ADMINISTRATIVE EXPENSE CLAIM
In re: NOTE: See reverse for list of Debtors and Case Numbers	Case Number:	

This form should ONLY be used to make a claim for an administrative expense arising after the commencement of the case pursuant to 11 U.S.C. §§ 503, 365(d)(3), 365(d)(10).

Name of Creditor and Address	☐ Check box if you are aware that anyone else has filed a claim for administrative expense relating to your claim. Attach copy of statement giving particulars. ☐ Check box if you have never received any notices from the bankruptcy court in this case. ☐ Check box if the address differs from the address on the envelope sent to you by the court.
If above address is incorrect, or if notices should be sent to a different address, please complete the following:	Telephone No. of Creditor: Tax I.D. # / SS # of Creditor:
Account Or Other Number By Which Creditor Identifies Debtor:	Check here ☐ replaces if this claim ☐ amends a previously filed claim, dated _____

1. BASIS FOR CLAIM:

- ☐ Goods sold
- ☐ Services performed
- ☐ Money loaned
- ☐ Personal injury/wrongful death
- ☐ Taxes
- ☐ Other _____
- ☐ Severance Agreement
- ☐ Refund
- ☐ Real Property Lease
- ☐ Personal Property Lease
- ☐ Other Contract
- ☐ Property Damage
- ☐ Retiree Benefits as defined in 11 U.S.C. § 1114(a)
- ☐ Wages, salaries, and compensation (Fill out below)
  Your SS# _____
  Unpaid Compensation for services performed
  From: _____ (Date) to: _____ (Date)

2. Date administrative expense was incurred:

3. If court judgment, date obtained: _____

4. Total Amount Of Administrative Expense claim: $_____

☐ Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.

5. **Credits:** The amount of all payments on this claim has been credited and deducted for the purpose of making this administrative expense claim request.
6. **Supporting Documents**. *Attach copies of supporting documents*, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary.
7. **Date-Stamped Copy:** To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.

The original of this completed administrative expense claim request form must be sent by mail or hand delivered so that it is received on or before **[no deadline has been set]**, to:

If via U.S. Mail:

If via courier, delivery by hand or overnight service:

NO FAXES ACCEPTED. Creditors are requested to send a duplicate copy of the administrative claim request in addition to the original and any acknowledgement copy.

This Space Is For Court Use Only

Date	Sign and print the name and title, if any, of the creditor or other person authorized to file this administrative claim request (attach copy of power of attorney, if any):

Penalty for presenting fraudulent claim: Fine of up to $500,000 or imprisonment for up to five years, or both. 18 U.S.C. §§ 152 and 3571.