

**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

**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**

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”), hereby give notice of the following amendments to the First Amended and Restated Joint Chapter 11 Plan Filed by the Debtors and the Plan Sponsor dated June 30, 2012 (the “Plan”). The Plan, as modified in accordance with the amendments below, is attached hereto as Exhibit A. A “redline” showing such amendments to the Plan as originally filed is attached hereto as Exhibit B.

I. PLAN INTRODUCTION

1. The following clause:

“(vi) otherwise cooperate fully with the consummation of the Plan”

is amended to read:

“(vi) otherwise cooperate fully with the consummation of the Plan, including without limitation, executing and delivering any settlement agreement and complying with any and all conditions of any settlement agreement”

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).

The following “redline” comparison shows the changes to the Plan as originally filed:

“(vi) otherwise cooperate fully with the consummation of the Plan, including without limitation, executing and delivering any settlement agreement and complying with any and all conditions of any settlement agreement”

2. The following sentence:

“The New Clubs will operate the Clubs and complete the Mountain Park golf course. The Plan Sponsor pursuant to the Mountain Park Facility will provide funds for that completion.”

is amended to read:

“The New Clubs will operate the Clubs and complete the Mountain Park golf course. The Plan Sponsor pursuant to the Mountain Park Facility will provide the balance of the funds for that completion.”

The following “redline” comparison shows the changes to the Plan as originally filed:

“The New Clubs will operate the Clubs and complete the Mountain Park golf course. The Plan Sponsor pursuant to the Mountain Park Facility will provide the balance of the funds for that completion.”

II. PLAN ARTICLE I: DEFINITIONS, INTERPRETATION AND EXHIBITS

1. The following definitions are added:

- (a) “Acquired Golf Property” means all real property and improvements thereon constituting part of a golf course not constituting Real Property Collateral, inclusive of property popularly known as Keowee Springs and Walnut Cove, but not including property popularly known as High Carolina.
- (b) “Amenity Access Rights” means a license or other right to use property or amenities popularly known as the Mountain Park driving range, the Glassy Chapel and the Glassy Overlook, which properties shall not constitute part of the Real Property Collateral or the Acquired Golf Property.

- (c) “IT Percentage Of New ClubCo Net Cash Flow” means fifty percent (50%) of New ClubCo Net Cash Flow equal to or below one hundred ten percent (110%) of the annual projected New ClubCo Net Cash Flow set forth on the Plan Sponsor’s Projections attached as Exhibit E to the Disclosure Statement and seventy-five percent (75%) of all New ClubCo Net Cash Flow in excess of one hundred ten percent (110%) of the annual projected New ClubCo Net Cash Flow set forth on the Plan Sponsor’s Projections attached as Exhibit E.

2. The following definitions are amended:

- (a) **“Imputed Tax Amount” is amended to read:**

“Imputed Tax Amount” shall mean, with respect to each calendar year, an amount equal to forty percent (40%) of all ordinary business income and all separately stated items of New ClubCo and its subsidiaries (without consolidating with New ClubCo’s parent or other affiliates) for such calendar year.

The following “redline” comparison shows the changes to the Plan as originally filed:

“Imputed Tax Amount” shall mean, with respect to each calendar year, an amount equal to forty percent (40%) of all ordinary business income and all separately stated items of ~~NewCo~~New ClubCo and its subsidiaries (without consolidating with ~~NewCo~~New ClubCo’s parent or other affiliates) for such calendar year.

- (b) **“Mountain Park Facility” is amended to read:**

“Mountain Park Facility” means a facility of up to \$7.5 million (with an expected maximum of \$5 million) secured by all assets of New ClubCo, Indenture Trustee SPE and each of their respective subsidiary entities associated with ownership of assets or operation of the New Clubs, the documents relating to which will evidence the obligation to pay to NewCo all amounts provided by NewCo, either prior to or after the Effective Date, 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 New ClubCo prior to any allocation of New ClubCo Net Cash Flow to payments under the Lease other than the

Guaranteed Minimum Lease Payment.

The following “redline” comparison shows the changes to the Plan as originally filed:

“Mountain Park Facility” means a facility of up to \$7.5 million (with an expected maximum of \$5 million) secured by all assets of New ClubCo, Indenture Trustee SPE and each of their respective subsidiary entities associated with ownership of assets or operation of the New Clubs, ~~to be the~~ documents relating to which will evidence the obligation to pay to NewCo all amounts provided by NewCo, either prior to or after the Effective Date, 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 New ClubCo prior to any allocation of New ClubCo Net Cash Flow to payments under the Lease other than the Guaranteed Minimum Lease Payment.

(c) “New ClubCo Net Cash Flow” is amended to read:

“New ClubCo Net Cash Flow” means all New ClubCo 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 expenditures 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.

The following “redline” comparison shows the changes to the Plan as originally filed:

“New ClubCo Net Cash Flow” means all New ClubCo 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 expenditures for any purpose other than construction of new facilities); provided, however, distributions to NewCo ~~s~~ or its parent in excess of the Imputed Tax Amount shall not be considered disbursements for purposes hereof.

(d) “New ClubCo Revenues” is amended to read:

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

The following “redline” comparison shows the changes to the Plan as originally filed:

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

(e) The following clause in the definition of “Releasees”:

“(vi) otherwise cooperate fully with the consummation of the Plan”

is amended to read:

“(vi) otherwise cooperate fully with the consummation of the Plan, including without limitation, executing and delivering any settlement agreement and complying with any and all conditions of any settlement agreement.”

The following “redline” comparison shows the changes to the Plan as originally filed:

“(vi) otherwise cooperate fully with the consummation of the Plan, including without limitation, executing and delivering any settlement agreement and complying with any and all conditions of any settlement agreement”

(f) “Sale Consideration” is amended to read:

“Sale Consideration” means the following consideration to be provided by a Plan Sponsor: (a) payment in full, in Cash, of the DIP Loan at the Closing, (b) payment in full, in Cash, of the Bridge Loan at the Closing; (c) payment in full, in Cash, of all Professional Fees and Administrative Claims at

Closing, or, to the extent any such Claim is Allowed after the Closing, as soon as practicable thereafter, (d) payment in full, in Cash, of all Priority Claims at Closing, or, to the extent any such Claim is Allowed after the Closing, as soon as practicable thereafter, (e) payment in full, in Cash, on the Effective Date of all claims that are Allowed, exclusive of interest and attorneys' fees, and that are secured by Mechanic's Liens, except that no installment will be paid earlier than the day after each such Mechanic's Lien is Allowed, (f) to the Liquidation Trustee, for the Pro Rata benefit of General Unsecured Claims, the General Unsecured Claims Plan Sponsor Funding, (g) payment of Accepting Club Member Claims as to those holders of Member Claims that elect the New Membership Option in accordance with the Vesting Schedule, (h) to the Liquidation Trustee, for the Pro Rata benefit of Rejecting Club Member Contingent Claims, a single aggregate cash payment to the Liquidation Trustee of \$100,000 to be paid at the Closing, (i) to the Liquidation Trustee, for post-Effective Date case administration the Post-Effective Date Administration Plan Sponsor Funding, (j) commitment by the Plan Sponsor, or an Affiliate of the Plan Sponsor, of up to eighty five million dollars (\$85,000,000) to acquire, joint venture, land bank or otherwise gain control of lots, (k) advance the balance of up to \$7.5 million dollars (\$7,500,000) in funding not advanced prior to the Effective Date pursuant to the Mountain Park Facility, (l) satisfaction of the Cure Amounts, (m) establishment of the Reserve Account; (n) payment in full in Cash of the Administrative Convenience Class Claims by paying the sum of \$56,000 for the Administrative Convenience Claims Fund to the Liquidation Trustee for Distribution to the holders of Allowed Administrative Convenience Class Claims; (o) enter into the Lease(s) and (p) commitment by the Plan Sponsor, or an Affiliate of the Plan Sponsor to fund negative operating cash flow of New ClubCo, including, but not limited to, amounts necessary to satisfy the Minimum Lease Payment

The following "redline" comparison shows the changes to the Plan as originally filed:

"Sale Consideration" means the following consideration to be provided by a Plan Sponsor: (a) payment in full, in Cash, of the DIP Loan at the Closing, (b) payment in full, in Cash, of the Bridge Loan at the Closing; (c) payment in full, in Cash, of all Professional Fees and Administrative Claims at Closing, or, to the extent any such Claim is Allowed after the Closing, as soon as practicable thereafter, (d) payment in full, in Cash, of all Priority Claims at Closing, or, to the extent any such Claim is Allowed after the Closing, as soon as practicable thereafter, (e) payment in full, in Cash, on the Effective Date of all claims that are Allowed, exclusive of interest and

attorneys' fees, and that are secured by Mechanic's Liens, except that no installment will be paid earlier than the day after each such Mechanic's Lien is Allowed, (f) to the Liquidation Trustee, for the Pro Rata benefit of General Unsecured Claims, the General Unsecured Claims Plan Sponsor Funding, (g) payment of Accepting Club Member Claims as to those holders of Member Claims that elect the New Membership Option in accordance with the Vesting Schedule, (h) to the Liquidation Trustee, for the Pro Rata benefit of Rejecting Club Member Contingent Claims, a single aggregate cash payment to the Liquidation Trustee of \$100,000 to be paid at the Closing, (i) to the Liquidation Trustee, for post-Effective Date case administration the Post-Effective Date Administration Plan Sponsor Funding, (j) commitment by the Plan Sponsor, or an Affiliate of the Plan Sponsor, of up to eighty five million dollars (\$85,000,000) to acquire, joint venture, land bank or otherwise gain control of lots, (k) advance the balance of up to \$7.5 million dollars (\$7,500,000) in funding not advanced prior to the Effective Date pursuant to the Mountain Park Facility, (l) satisfaction of the Cure Amounts, (m) establishment of the Reserve Account; (n) payment in full in Cash of the Administrative Convenience Class Claims by paying the sum of \$56,000 for the Administrative Convenience Claims Fund to the Liquidation Trustee for Distribution to the holders of Allowed Administrative Convenience Class Claims; (o) enter into the Lease(s) and (p) commitment by the Plan Sponsor, or an Affiliate of the Plan Sponsor to fund negative operating cash flow of New ClubCo, including, but not limited to, amounts necessary to satisfy the Minimum Lease Payment.

III. PLAN ARTICLE III

1. Section 3.07(b) is amended to read:

Treatment: Class 1 Indenture Trustee – Note Holder Claims are Impaired. The Indenture Trustee shall have an Allowed Claim in the amount of \$64,050,000, which shall be treated as follows: on the Effective Date, (i) the Allowed Secured Claims of the Note Holders represented by the Indenture Trustee will be satisfied through a combination of (x) a modification of the payment obligations under the Notes to provide for repayment of \$64,050,000, without interest, to the Indenture Trustee in twenty (20) annual payments beginning on the fifth business day of the second full calendar month following the one year anniversary of the Effective Date in the amount of the greater of \$1 million or the IT Percentage Of New ClubCo Net Cash Flow and with a balloon payment of the remaining principal, if any, at maturity, and (y) the modification of the Prepetition Facility Documents, including without limitation, the Pledge and Security Agreement and the Collateral Trust Agreement to subordinate

the Liens of the Indenture Trustee to the Exit Facility and the Mountain Park Facility, after which the Debtors will transfer the Real Property Collateral and substantially all other property of the Debtors to the Plan Sponsor, subject only to the Permitted Liens and otherwise free and clear of all liens, claims and encumbrances, and the Plan Sponsor will assume the payment obligations under the modified Notes until the Indenture Trustee SPE assumes the payment obligations under the modified Notes, as described below, followed by the Plan Sponsor's and/or Indenture Trustee SPE's execution of the Exit Facility and the Mountain Park Facility, and then the Plan Sponsor will contribute the Real Property Collateral, the Acquired Golf Property and provide the Amenity Access Rights to the Indenture Trustee SPE, subject to the Permitted Liens, in return for a 100% economic and managing membership interest in the Indenture Trustee SPE (the Indenture Trustee will hold a 0% non-economic membership interest in the Indenture Trustee SPE), and the Indenture Trustee SPE will assume the payment obligations under the modified Notes, all in satisfaction of the Note Holder Claims against the Debtors and the Guarantors of the Note Holder Claims (provided, however, that James B. Anthony will not receive a release without satisfaction of the following: (a) he becomes a D&O Releasee; and (b) he and any non-Debtor affiliates he directly or indirectly owns or controls: (i) waive and release any and all claims of any kind against the Debtors; (ii) transfer and convey to the Debtors or to the Plan Sponsor all real property, personal property and other assets used by the Debtors, or necessary to operate the businesses of the Debtors, or which is necessary to satisfy any condition precedent under the Plan or the Asset Purchase Agreement; (iii) fully cooperate with the transfer of the Acquired Assets, the Sale and the orderly transition of the Debtors' businesses to the Plan Sponsor; (iv) do not object to or oppose confirmation of the Plan; (v) vote to accept the Plan to the extent he or any of them hold a Claim entitled to vote, and (vi) otherwise cooperate fully with the consummation of the Plan, including without limitation, executing and delivering any settlement agreement and complying with any and all conditions of any settlement agreement) as well as against NewCo or New ClubCo arising under the Notes or the Notes as modified and amended. Then, the Indenture Trustee SPE will enter into the Lease(s) with New ClubCo (or its subsidiary entities, at the sole option and in the sole discretion of New ClubCo) and New ClubCo, in turn, shall enter into subleases with its subsidiaries or affiliates. From and after the Effective Date, the Debtors will have no liability to the Indenture Trustee or to the Note Holders. Upon receipt of title to the Real Property Collateral, the Acquired Golf Property and the Amenity Access Rights, the Indenture Trustee SPE will execute such documents as are required to evidence its assumption of the payment obligations under the modified Notes and underlying security interest(s) as

modified pursuant to the Plan and to secure the obligations thereunder. In the event the Indenture Trustee SPE defaults under the Note Restructuring Agreement subsequent to the Effective Date, the Indenture Trustee will have a number of remedies, including without limitation, the following: (i) the right to foreclose on the assets subject to its liens; (ii) the right to record deeds in lieu of foreclosure which will be executed by Indenture Trustee SPE providing for the transfer of the Real Property Collateral and the Acquired Golf Property to the IT Representative, LLC and delivered to an escrow agent on the Effective Date; and (iii) the right to acquire the 100% economic member interest of the Plan Sponsor in the Indenture Trustee SPE for one dollar (\$1.00). The enforceability of the aforementioned remedies upon a default or subsequent bankruptcy of the Indenture Trustee SPE is not absolute. The foregoing will be effectuated and governed by the terms of certain operative documents, which will include but will not be limited to: Note Restructuring Agreement by and between the Debtors and the Indenture Trustee; Assumption Agreement by and between Cliffs Club Partners and the Indenture Trustee; Assumption Agreement by and between Indenture Trustee SPE and the Indenture Trustee; Master Lease by and between Indenture Trustee SPE and Cliffs Club Partners; Mortgages/Deeds of Trust by and between Indenture Trustee SPE and the Indenture Trustee; Security Agreement by and between Indenture Trustee SPE and the Indenture Trustee; Collateral Assignment of IP/License Agreement by and between Indenture Trustee SPE and the Indenture Trustee; Deeds in Lieu/Escrow Agreement by and between Indenture Trustee SPE and the Indenture Trustee; Amendment to Indenture; Indenture Trustee SPE Operating Agreement; Establishment of IT Representative, LLC; and Subleases by and between Cliffs Club Partners and the golf operating subsidiaries. Each of the Note Holders by voting its Class 1 Claim to accept the Plan is deemed to consent to the use of the Indenture Trustee's cash collateral by the Debtors to fund Distributions under the Plan, to the subordination of its Liens to those of the Exit Facility and the Mountain Park Facility and to all other provisions of the Plan that affect the Note Holders. By accepting the Plan, the Note Holders and the Indenture Trustee will be deemed to waive the right: (i) to any dues credits or club credits; (ii) the right to any subordinate lien securing their Membership Deposit obligations; and (iii) the right to any deficiency claim against the Debtors and Guarantors of the Note Holder Claims (but not their Membership Deposit Obligations that are treated under Plan Class 7).

The following "redline" comparison shows the changes to the Plan as originally filed:

Treatment: Class 1 Indenture Trustee – Note Holder Claims are Impaired.

The Indenture Trustee shall have an Allowed Claim in the amount of \$64,050,000, which shall be treated as follows: on the Effective Date, (i) the Allowed Secured Claims of the Note Holders represented by the Indenture Trustee will be satisfied through a combination of (x) a modification of the ~~terms of payment obligations under~~ the Notes to provide for repayment of \$64,050,000, without interest, to the Indenture Trustee in twenty (20) annual payments beginning on the fifth business day of the second full calendar month following the one year anniversary of the Effective Date in the amount of the greater of \$1 million or ~~50% of the IT Percentage Of~~ New ClubCo Net Cash Flow and with a balloon payment of the remaining principal, if any, at maturity, ~~all paid through the Indenture Trustee to the Note Holders subject to the terms of the Notes and Indenture, as may be modified and amended,~~ and (y) the modification of the Prepetition Facility Documents, including without limitation, the Pledge and Security Agreement and the Collateral Trust Agreement to subordinate the Liens of the Indenture Trustee to the Exit Facility and the Mountain Park Facility, after which the Debtors will transfer the Real Property Collateral and substantially all other property of the Debtors to the Plan Sponsor, subject only to the Permitted Liens and otherwise free and clear of all liens, claims and encumbrances, and the Plan Sponsor will assume the payment obligations under the modified Notes until the Indenture Trustee SPE assumes the payment obligations under the modified Notes, as described below, followed by the Plan Sponsor's and/or Indenture Trustee SPE's execution of the Exit Facility and the Mountain Park Facility, and then the Plan Sponsor will contribute ~~these assets~~ the Real Property Collateral, the Acquired Golf Property and provide the Amenity Access Rights to the Indenture Trustee SPE, subject to the Permitted Liens, in return for a 100% economic and managing membership interest in the Indenture Trustee SPE (the Indenture Trustee will hold a 0% non-economic membership interest in the Indenture Trustee SPE), and the Indenture Trustee SPE will assume the payment obligations under the modified Notes, all in satisfaction of the Note Holder Claims against the Debtors and the Guarantors of the Note Holder Claims (provided, however, that James B. Anthony will not receive a release without satisfaction of the following: (a) he becomes a D&O Releasee; and (b) he and any non-Debtor affiliates he directly or indirectly owns or controls: (i) waive and release any and all claims of any kind against the Debtors; (ii) transfer and convey to the Debtors or to the Plan Sponsor all real property, personal property and other assets used by the Debtors, or necessary to operate the businesses of the Debtors, or which is necessary to satisfy any condition precedent under the Plan or the Asset Purchase Agreement; (iii) fully cooperate with the transfer of the Acquired Assets, the Sale and the orderly transition of the Debtors' businesses to the Plan Sponsor; (iv) do not object to or oppose confirmation

of the Plan; (v) vote to accept the Plan to the extent he or any of them hold a Claim entitled to vote, and (vi) otherwise cooperate fully with the consummation of the Plan, including without limitation, executing and delivering any settlement agreement and complying with any and all conditions of any settlement agreement) as well as against NewCo or New ClubCo arising under the Notes or the Notes as modified and amended. Then, the Indenture Trustee SPE will enter into the Lease(s) with New ClubCo (or its subsidiary entities, at the sole option and in the sole discretion of New ClubCo) and New ClubCo, in turn, shall enter into subleases with its subsidiaries or affiliates. From and after the Effective Date, the Debtors will have no liability to the Indenture Trustee or to the Note Holders. Upon receipt of title to the Real Property Collateral, the Acquired ~~Assets~~ Golf Property and the Amenity Access Rights, the Indenture Trustee SPE will execute such documents as are required to evidence its assumption of the payment obligations under the modified Notes and underlying security interest(s) as modified pursuant to the Plan and to secure the obligations thereunder. In the event the Indenture Trustee SPE defaults under the Note Restructuring Agreement subsequent to the Effective Date, the Indenture Trustee will have a number of remedies, including without limitation, the following: (i) the right to foreclose on the assets subject to its liens; (ii) the right to ~~require~~record deeds in lieu of foreclosure which will be executed by Indenture Trustee SPE providing for the transfer of the Real Property Collateral and the Acquired Golf Property to the IT Representative, LLC and delivered to an escrow agent on the Effective Date; and (iii) the right to acquire the 100% economic member interest of the Plan Sponsor in the Indenture Trustee SPE for one dollar (\$1.00). The enforceability of the aforementioned remedies upon a default or subsequent bankruptcy of the Indenture Trustee SPE is not absolute. The foregoing will be effectuated and governed by the terms of certain operative documents, which will include but will not be limited to: Note Restructuring Agreement by and between the Debtors and the Indenture Trustee; Assumption Agreement by and between Cliffs Club Partners and the Indenture Trustee; Assumption Agreement by and between Indenture Trustee SPE and the Indenture Trustee; Master Lease by and between Indenture Trustee SPE and Cliffs Club Partners; Mortgages/Deeds of Trust by and between Indenture Trustee SPE and the Indenture Trustee; Security Agreement by and between Indenture Trustee SPE and the Indenture Trustee; Collateral Assignment of IP/License Agreement by and between Indenture Trustee SPE and the Indenture Trustee; Deeds in Lieu/Escrow Agreement by and between Indenture Trustee SPE and the Indenture Trustee; Amendment to Indenture; Indenture Trustee SPE Operating Agreement; Establishment of IT Representative, LLC; and Subleases by and between Cliffs Club Partners and the golf operating subsidiaries. Each

of the Note Holders by voting its Class 1 Claim to accept the Plan is deemed to consent to the use of the Indenture Trustee's cash collateral by the Debtors to fund Distributions under the Plan, to the subordination of its Liens to those of the Exit Facility and the Mountain Park Facility and to all other provisions of the Plan that affect the Note Holders. By accepting the Plan, the Note Holders and the Indenture Trustee will be deemed to waive the right: (i) to any dues credits or club credits; (ii) the right to any subordinate lien securing their Membership Deposit obligations; and (iii) the right to any deficiency claim against the Debtors and Guarantors of the Note Holder Claims (but not their Membership Deposit Obligations that are treated under Plan Class 7).

IV. PLAN ARTICLE VII

1. The following clause in Section 7.01:

“(vi) otherwise cooperate fully with the consummation of the Plan”

is amended to read:

“(vi) otherwise cooperate fully with the consummation of the Plan, including without limitation, executing and delivering any settlement agreement and complying with any and all conditions of any settlement agreement.”

The following “redline” comparison shows the changes to the Plan as originally filed:

“(vi) otherwise cooperate fully with the consummation of the Plan, including without limitation, executing and delivering any settlement agreement and complying with any and all conditions of any settlement agreement”

V. PLAN ARTICLE X

1. The following clause in Section 10.01(b):

“(vi) otherwise cooperate fully with the consummation of the Plan”

is amended to read:

“(vi) otherwise cooperate fully with the consummation of the Plan, including without limitation, executing and delivering any settlement agreement and

complying with any and all conditions of any settlement agreement.”

The following “redline” comparison shows the changes to the Plan as originally filed:

“(vi) otherwise cooperate fully with the consummation of the Plan, including without limitation, executing and delivering any settlement agreement and complying with any and all conditions of any settlement agreement”

2. The following clause in Section 10.02:

“(vi) otherwise cooperate fully with the consummation of the Plan”

is amended to read:

“(vi) otherwise cooperate fully with the consummation of the Plan, including without limitation, executing and delivering any settlement agreement and complying with any and all conditions of any settlement agreement.”

The following “redline” comparison shows the changes to the Plan as originally filed:

“(vi) otherwise cooperate fully with the consummation of the Plan, including without limitation, executing and delivering any settlement agreement and complying with any and all conditions of any settlement agreement”

3. Section 10.03 is amended to read:

(a) 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 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).

For the avoidance of doubt, any releases of James B. Anthony, Lucas Anthony or Timothy Cherry are each conditioned upon the satisfaction by James B. Anthony of the following: (a) he becomes a D&O Releasee; and (b) he and any non-Debtor affiliates he directly or indirectly owns or controls: (i) waive and release any and all claims of any kind against the Debtors; (ii) transfer and convey to the Debtors or to the Plan Sponsor all real property, personal property and other assets used by the Debtors, or necessary to operate the businesses of the Debtors, or which is necessary to satisfy any condition precedent under the Plan or the Asset Purchase Agreement; (iii) fully cooperate with the transfer of the Acquired Assets, the Sale and the orderly transition of the Debtors' businesses to the Plan Sponsor; (iv) do not object to or oppose confirmation of the Plan; (v) vote to accept the Plan to the extent he or any of them hold a Claim entitled to vote, and (vi) otherwise cooperate fully with the consummation of the Plan, including without limitation, executing and delivering any settlement agreement and complying with any and all conditions of any settlement agreement.

(b) 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) 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. For the avoidance of doubt, any releases of James B. Anthony, Lucas Anthony or Timothy Cherry (pursuant to this Plan Section 10.03(b)) are each conditioned upon the satisfaction by James B. Anthony of the following: (a) he becomes a D&O Releasee; and (b) he and any non-Debtor affiliates he directly or indirectly owns or controls: (i) waive and release any and all claims of any kind against the Debtors; (ii) transfer and convey to the Debtors or to the Plan Sponsor all real property, personal property and other assets used by the Debtors, or necessary to operate the businesses of the Debtors, or which is necessary to satisfy any condition precedent under the Plan or the Asset Purchase Agreement; (iii) fully cooperate with the transfer of the Acquired Assets, the Sale and the orderly transition of the Debtors' businesses to the Plan Sponsor; (iv) do not object to or oppose confirmation of the Plan; (v) vote to accept the Plan to the extent he or any of them hold a Claim entitled to vote, and (vi) otherwise cooperate fully with the consummation of the Plan, including without limitation, executing and delivering any settlement agreement and complying with any and all conditions of any settlement agreement.

The following "redline" comparison shows the changes to the Plan as originally filed:

(a) 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 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). For the avoidance of doubt, any releases of James B. Anthony, Lucas Anthony or Timothy Cherry are each conditioned upon the satisfaction by James B. Anthony of the following: (a) he becomes a D&O Releasee; and (b) he and any non-Debtor affiliates he directly or indirectly owns or controls: (i) waive and release any and all claims of any kind against the Debtors; (ii) transfer and convey to the Debtors or to the Plan Sponsor all real property, personal property and other assets used by the Debtors, or necessary to operate the businesses of the Debtors, or which is necessary to satisfy any condition precedent under the Plan or the Asset Purchase Agreement; (iii) fully cooperate with the transfer of the Acquired Assets, the Sale and the orderly transition of the Debtors' businesses to the Plan Sponsor; (iv) do not object to or oppose confirmation of the Plan; (v) vote to accept the Plan to the extent he or any of them hold a Claim entitled to vote, and (vi) otherwise cooperate fully with the consummation of the Plan, including without limitation, executing and delivering any settlement agreement and complying with any and all conditions of any settlement agreement.

(b) 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) 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. For the avoidance of doubt, ~~James B. Anthony is not being released by unless: (a) he becomes a D&O Releasee; and (b) he and any non-debtor Affiliates he directly or indirectly owns or controls: (i) waive and release any and all claims of any kind against the Debtors; (ii) transfer and convey to the Debtors or to the Plan Sponsor all real property, personal property and other assets used by the Debtors, or necessary to operate the businesses of the Debtors, or which is necessary to satisfy any condition precedent under the Plan or the Asset Purchase Agreement; and (iii) fully cooperate with the transfer of the Acquired Assets, the Sale and the orderly transition of the Debtors' businesses to the Plan Sponsor.~~ Any releases of James B. Anthony, Lucas Anthony or Timothy Cherry (pursuant to this Plan Section 10.03(b)) are each conditioned upon the satisfaction by James B. Anthony of the following: (a) he becomes a D&O Releasee; and (b) he and any non-Debtor affiliates he directly or indirectly owns or controls: (i) waive and release any and all claims of any kind against the Debtors; (ii) transfer and convey to the Debtors or to the Plan Sponsor all real property, personal property and other assets used by the Debtors, or necessary to operate the businesses of the Debtors, or which is necessary to satisfy any condition precedent under the Plan or the Asset Purchase Agreement; (iii) fully cooperate with the transfer of the Acquired Assets, the Sale and the orderly transition of the Debtors' businesses to the Plan Sponsor; (iv) do not object to or oppose confirmation of the Plan; (v) vote to accept the Plan to the extent he or any of them hold a Claim entitled to vote, and (vi) otherwise cooperate fully with the consummation of the Plan, including without limitation, executing and delivering any settlement agreement and complying with any and all conditions of any settlement agreement.

VI. EXHIBIT 1 TO THE PLAN - SCHEDULE OF ASSUMED CONTRACTS

- 1. The Schedule of Assumed Contracts has been amended as reflected on Exhibit 1 to the Plan, as modified, attached hereto as Exhibit A.**

[signature follows]

Dated: July 27, 2012

Respectfully submitted,

/s/ Däna Wilkinson

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Attorneys for the Debtors and Debtors in Possession

Exhibit A

**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

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

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)**

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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).

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INTRODUCTION

This first amended and restated joint chapter 11 plan (as amended or modified hereafter in accordance with its terms, the "Plan"), dated June 30, 2012, is proposed 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 affiliated debtors in the above-captioned Chapter 11 Cases, as debtors and debtors in possession, together with the Plan Sponsor. Reference is made to the Disclosure Statement accompanying the Plan for a discussion of the Debtors' history, business, results of operations, historical financial information, properties, projections for future operations and risk factors, a summary and analysis of the Plan, and certain related matters. The Debtors and the Plan Sponsor are the proponents of the Plan within the meaning of section 1129 of the Bankruptcy Code.

In summary, provided the Plan is Confirmed by the Bankruptcy Court and becomes effective, the Allowed Claims held by creditors of the Debtors will receive Distributions and be deemed satisfied through consideration provided to the Debtors and undertakings by the Plan Sponsor in exchange for a transfer of substantially all assets of the Debtors to entities owned in whole or in part, and managed by, the Plan Sponsor. In general, the Plan provides that: (i) the Allowed Secured Claims of the Note Holders represented by the Indenture Trustee will be satisfied through a combination of (x) a modification of the terms of the Notes to provide for repayment of \$64,050,000, without interest, in twenty (20) annual payments beginning on the one year anniversary of the Effective Date in the amount of the greater of \$1 million or 50% of New ClubCo Net Cash Flow and with a balloon payment of the remaining principal, if any, at maturity, all paid through the Indenture Trustee to the Note Holders subject to the terms of the Notes and Indenture, as may be modified and amended, and (y) the modification of the Prepetition Facility Documents, including without limitation, the Pledge and Security Agreement and the Collateral Trust Agreement to subordinate the Liens of the Indenture Trustee to the Exit Facility and the Mountain Park Facility, after which the Debtors will transfer the Real Property Collateral and substantially all other property of the Debtors to the Plan Sponsor, subject only to the Permitted Liens and otherwise free and clear of all liens, claims and encumbrances, and the Plan Sponsor will assume the payment obligations under the modified Notes until the Indenture Trustee SPE assumes the payment obligations under the modified Notes, as described below, followed by the Plan Sponsor's and/or Indenture Trustee SPE's execution of the Exit Facility and the Mountain Park Facility, and then the Plan Sponsor will contribute these assets to the Indenture Trustee SPE, subject to the Permitted Liens, in return for a 100% economic and managing membership interest in the Indenture Trustee SPE (the Indenture Trustee will hold a 0% non-economic membership interest in the Indenture Trustee SPE), and the Indenture Trustee SPE will assume the payment obligations under the modified Notes, all in satisfaction of the Note Holder Claims against the Debtors and the Guarantors of the Note Holder Claims (provided, however, that James B. Anthony will not receive a release without satisfaction of the following: (a) he becomes a D&O Releasee; and (b) he and any non-Debtor affiliates he directly

or indirectly owns or controls: (i) waive and release any and all claims of any kind against the Debtors; (ii) transfer and convey to the Debtors or to the Plan Sponsor all real property, personal property and other assets used by the Debtors, or necessary to operate the businesses of the Debtors, or which is necessary to satisfy any condition precedent under the Plan or the Asset Purchase Agreement; (iii) fully cooperate with the transfer of the Acquired Assets, the Sale and the orderly transition of the Debtors' businesses to the Plan Sponsor; (iv) do not object to or oppose confirmation of the Plan; (v) vote to accept the Plan to the extent he or any of them hold a Claim entitled to vote, and (vi) otherwise cooperate fully with the consummation of the Plan, including without limitation, executing and delivering any settlement agreement and complying with any and all conditions of any settlement agreement) as well as against NewCo or New ClubCo arising under the Notes or the Notes as modified and amended, after which the Indenture Trustee SPE will enter into the Lease(s) with New ClubCo (or its subsidiary entities, at the sole option and in the sole discretion of New ClubCo) and New ClubCo, in turn, shall enter into subleases with its subsidiaries or affiliates; (ii) the DIP Facility will be repaid by the Plan Sponsor in full, in Cash, on the Effective Date in full and final satisfaction, settlement and release of such DIP Facility Claims; (iii) the Allowed Secured Claim of the Bridge Lender represented by the Indenture Trustee will be satisfied on the Effective Date by the Plan Sponsor; (iv) the Plan Sponsor will, in conjunction with the Debtors, undertake commercially reasonable efforts to obtain substantially all other property used by the Debtors in connection with the operation of the Clubs, receipt of which is a condition to the Plan Sponsor's obligation to close the transaction contemplated herein, and, upon receipt of title to such assets, will contribute that title to the Indenture Trustee SPE, subject to the Permitted Liens and otherwise free and clear of all liens, claims and encumbrances; and (v) the Liquidating Trust will be formed, and 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), and the Rejecting Member Fund, while the Debtors will transfer to the Liquidation Trustee the Retained Actions, with such transfers to be free and clear of all liens, claims and encumbrances for the purpose of making Distributions to Creditors who will be the beneficiaries of the Liquidating Trust.

Club Members in good standing may elect between two options for Distribution towards their claims, either: (i) new membership in New ClubCo, which, through eight subsidiary entities, will adopt the New ClubCo Membership Plan and will offer memberships to Club Members in good standing and to new members; or (ii) absent an affirmative election in conjunction with Plan voting, treatment as a Rejecting Club Member Claim. A Club Member's election to join New ClubCo will constitute full and final satisfaction and waiver of any and all Claims against the Debtors including Rejection Claims. As more specifically provided in the New ClubCo Membership Plan, every rejoining Club Member will pay a one-time Transfer Fee, which will be used toward satisfaction of the Exit Costs, and will thereafter be responsible for Annual Dues. Rejoining Club Members who were not in good standing on the Plan Confirmation Date will also pay a one-time Membership Reinstatement Fee if such Rejoining Club Members wish to reinstate their membership initiation deposit Claims in accordance with the Vesting Schedule and the New ClubCo Membership Plan. If Transfer Fees exceed Exit

Costs, Rejoining Club Members will receive back their pro rata share of any excess in the form of Dues Credits. If such Exit Costs exceed the total amount of the Transfer Fees, then the Plan Sponsor will fund such excess Exit Costs through the Equity Infusion and then, if there remain unsatisfied Exit Costs, through the Exit Facility. Every rejoining Club Member who on or before August 9, 2012 elects to join and on or before the Effective Date pays the applicable Transfer Fee and Reinstatement Fee, if applicable, will be entitled to Distributions to be applied to repayment of the initiation deposit they paid to the Debtors prior to the Bankruptcy Cases in accordance with the Vesting Schedule and the New ClubCo Membership Plan and will receive a release by the Debtors.

No refund or resigned list designation for Member Deposit Obligations will carry over from the Debtors to the New ClubCo Membership Plan.

The New Clubs will operate the Clubs and complete the Mountain Park golf course. The Plan Sponsor pursuant to the Mountain Park Facility will provide the balance of the funds for that completion.

ALL CREDITORS OF AND HOLDERS OF INTERESTS IN THE DEBTORS ARE ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. SUBJECT TO CERTAIN RESTRICTIONS AND REQUIREMENTS SET FORTH IN SECTION 1127 OF THE BANKRUPTCY CODE, BANKRUPTCY RULE 3019 AND THE PLAN, THE DEBTORS (WITH THE CONSENT OF THE PLAN SPONSOR) RESERVE THE RIGHT TO ALTER, AMEND, MODIFY, REVOKE OR WITHDRAW THE PLAN PRIOR TO ITS SUBSTANTIAL CONSUMMATION.

Capitalized terms used herein will have the meanings set forth in Article I hereof. At the request of the Debtors, the Bankruptcy Court has entered an Order to jointly administer the Chapter 11 Cases. Accordingly, the Plan is being proposed as a joint plan of the Debtors and the Plan Sponsor. Claims against, and Interests in, the Debtors (other than the DIP Facility Claim, Administrative Claims and Priority Tax Claims) are classified in Article II hereof and the treatment thereof is described in Article III hereof.

ARTICLE I DEFINITIONS, INTERPRETATION AND EXHIBITS

Section 1.01 Definitions. Unless the context requires otherwise, the following terms will have the following meanings whether presented in the Plan or the Disclosure Statement with initial capital letters or otherwise. As used herein:

“Accepting Club Member Claims” means all Allowed Club Member Claims held by Accepting Club Members.

“Accepting Club Members” means all Members In Good Standing who on or before August 9, 2012 indicate on their Ballot an election of the New Club Membership Option, and, who on or before the Effective Date: (i) enter into the New ClubCo Membership Plan, (ii) pay

the applicable Transfer Fee and Reinstatement Fee, if applicable; and (iii) commit to pay the Annual Dues for the first year following the Effective Date.

“Access Fees” means a fee to be paid to New ClubCo equal to eight percent (8%) of the gross purchase price obtained by a First Generation Seller of any Undeveloped Lot, or eight percent (8%) of the Lot Sale Percentage obtained by a First Generation Seller of any Developed Lot, at the closing of any such sale in exchange for which the purchaser of such Undeveloped Lot or Developed Lot, and any subsequent purchaser of such Undeveloped Lot or Developed Lot, shall be eligible to apply for membership in the New Clubs, provided, however, that payment of an Access Fee shall not be required from the seller of a Developed Lot or Undeveloped Lot in which NewCo or any insider or affiliate of NewCo holds an interest for the purchaser of such lot to apply for membership in the New Clubs until and unless the Resolution Date occurs.

“Acquired Assets” means all assets of all of the Debtors other than those assets that constitute Excluded Assets under the Asset Purchase Agreement.

“Acquired Golf Property” means all real property and improvements thereon constituting part of a golf course not constituting Real Property Collateral, inclusive of property popularly known as Keowee Springs and Walnut Cove, but not including property popularly known as High Carolina.

“Adequate Protection Claims” means all liens and claims of the Prepetition Senior Secured Parties granted pursuant to the Cash Collateral Order or subsequent order of the Bankruptcy Court.

“Administrative Claim” means a Claim for: (a) any cost or expense of administration (including, without limitation, the fees and expenses of Professionals) of the Chapter 11 Cases asserted or arising under sections 503, 507(a)(2), 507(b) or 1114(e)(2) of the Bankruptcy Code including, but not limited to (i) any actual and necessary post-Petition Date cost or expense of preserving the Debtors’ Estates or operating the business of the Debtors, (ii) any post-Petition Date cost, indebtedness or contractual obligation duly and validly incurred or assumed by any of the Debtors in the ordinary course of its business, (iii) compensation or reimbursement of expenses of Professionals to the extent Allowed by the Bankruptcy Court under sections 327, 328, 330, 331, 503 or 1103 of the Bankruptcy Code, and (iv) all Allowed Claims that are entitled to be treated as Administrative Claims pursuant to a Final Order of the Bankruptcy Court under section 546 of the Bankruptcy Code; (b) any fees or charges assessed against the Debtors’ Estates under section 1930 of title 28 of the United States Code; and (c) any Allowed administrative claim or superpriority claim granted to the Prepetition Senior Secured Parties pursuant to the Financing Order.

“Administrative Claim Bar Date” means the first Business Day that is thirty (30) days following the Effective Date, and in the case of Professional Fee Claims the first Business Day that is sixty (60) days following the Effective Date, except as specifically set forth in the Plan or a Final Order.

“Administrative Convenience Claims” means Holders of Allowed General Unsecured Claims, other than claims of Club Members arising from or associated with their membership in one or more Clubs, within the Convenience Class Cap.

“Administrative Convenience Claims Fund” means the amount of the Allowed Administrative Convenience Claims to be paid on the Effective Date by the Plan Sponsor to the Liquidation Trustee.

“Advisory Board” means the current and past members of the advisory board established pursuant to the Stockholders Agreement dated April 30, 2010 entered into by and between The Cliffs Club & Hospitality Group, Inc. and CCHG Holdings, Inc. and not the advisory board contemplated by the Club Membership Agreement.

“Affiliate” will have the meaning set forth in section 101(2) of the Bankruptcy Code.

“Allowed” means, with reference to any Claim, (a) any Claim against the Debtors that has been listed by the Debtors in the Schedules, as such Schedules may have been amended by the Debtors from time to time in accordance with Bankruptcy Rule 1009, as liquidated in amount and not disputed or contingent, and with respect to which no contrary proof of claim has been filed, (b) any Claim specifically allowed under the Plan, (c) any Claim the amount or existence of which has been determined or allowed by a Final Order, (d) any contingent Claim by a Club Member to any Membership Deposit Obligations in the amounts specified in any of the Debtors’ Schedules, or (e) any Claim as to which a proof of claim has been timely filed before the Bar Date (or the Administrative Claim Bar Date if an Administrative Claim), provided that at the time of the Effective Date the Debtors have not identified such Claim as being objectionable in part or in whole and no objection to the allowance thereof has been filed by the Claims Objection Deadline; provided, however, that the term Allowed, with reference to any Claim, will not include (x) any unliquidated claim or (y) interest or attorneys’ fees on or related to any Claim that accrues from and after the Petition Date unless otherwise expressly provided for in the Plan.

“Allowed Claim” means a Claim that is Allowed.

“Allowed Interest” means an Interest that is Allowed.

“Amenity Access Rights” means a license or other right to use property or amenities popularly known as the Mountain Park driving range, the Glassy Chapel and the Glassy Overlook, which properties shall not constitute part of the Real Property Collateral or the Acquired Golf Property.

“Amnesty Program Lot” means a Developed Lot or an Undeveloped Lot, title to which is held by an individual or individuals who were eligible to apply for membership to one or more of the Clubs but who, as of August 31, 2012, had not become a member or members of the Club.

“Annual Dues” means, for the first year following the Effective Date and subject to adjustment thereafter, \$10,380 for Full Golf, \$9,340 for Home Golf, \$8,300 for Non-Resident Golf, \$5,280 for Full Sports, \$4,225 for Non-Resident Sports, \$3,720 for Wellness and \$1,860 for Social. Certain dues exceptions may apply as provided in the New ClubCo Membership Plan.

“Asset Purchase Agreement” means that certain Asset Purchase Agreement between the Debtors and the Plan Sponsor that will be attached as an Exhibit to a Plan Supplement.

“Assumed Contracts” means those certain executory contracts and unexpired leases to be assumed by the Debtors and assigned to the Plan Sponsor as set forth on the Schedule of Assumed Contracts identified in Exhibit 1 hereto or as it may be attached to and/or amended in any Plan Supplement.

“Assumed Liabilities” means those liabilities of the Debtors assumed by the Plan Sponsor pursuant to the Asset Purchase Agreement.

“Avoidance Actions” means any and all Causes of Action which a trustee, the Debtors in possession, the Estates or other appropriate party in interest with standing, including the Liquidation Trustee, may assert under sections 502, 510, 541, 542, 543, 544, 545, 547, 548, 549, 550, 551, or 553 of the Bankruptcy Code (other than those which are released or dismissed as part of and pursuant to the Plan) or under other similar or related state or federal statutes or common law, including fraudulent conveyance laws.

“Ballot” means the forms of ballots accompanying the Disclosure Statement upon which Holders of Impaired Claims and Interests entitled to vote on the Plan will, among other things, indicate their acceptance or rejection of the Plan in accordance with the instructions regarding voting and on which Club Members and holders of Claims arising under Club Membership Agreements may elect to receive an Accepting Club Member Claim.

“Bankruptcy Code” means the Bankruptcy Reform Act of 1978, as codified in title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.*, as in effect on the Petition Date, together with all amendments and modifications thereto that subsequently may be made applicable to the Chapter 11 Cases.

“Bankruptcy Court” means the United States Bankruptcy Court for the District of South Carolina, Spartanburg Division, or, if such court ceases to exercise jurisdiction over these proceedings, the court or adjunct thereof that exercises jurisdiction over the Chapter 11 Cases.

“Bankruptcy Rules” means: (a) the Federal Rules of Bankruptcy Procedure and the Official Bankruptcy Forms, as amended and promulgated under section 2075 of title 28 of the United States Code; (b) the Federal Rules of Civil Procedure, as amended and promulgated under section 2072 of title 28 of the United States Code; (c) any local rules applicable to the Bankruptcy Court; and (d) any standing orders governing practice and procedure issued by the Bankruptcy Court, each as in effect on the Petition Date, together with all amendments and modifications thereto that were subsequently made applicable to the Chapter 11 Cases or proceedings therein, as the case may be.

“Bar Date” means the applicable bar date by which a proof of Claim must be, or must have been, Filed, as established by an order of the Bankruptcy Court, which is May 31, 2012 for non-governmental claims and August 28, 2012 for governmental claims pursuant to the Order entered on April 10, 2012 at Docket No. 278.

“Bidding Procedures” means the bidding procedures approved by the Court by Order entered in the Chapter 11 Cases on March 16, 2012 at Docket No. 182.

“Bridge Lender” means SP 50 Investments, Ltd.

“Bridge Loan” means the advances by the Bridge Lender to the Indenture Trustee in the aggregate amount of \$2,000,000 and thereafter advanced by the Indenture Trustee to the Debtors, all pursuant to that certain Amended and Restated Agreement Relating to Bridge Loan executed by the Indenture Trustee, the Debtors and the Bridge Lender on or about February 21, 2012.

“Bridge Loan Documents” those agreements and documents that evidence the respective obligations of parties to the Bridge Loan, including that certain Amended and Restated Agreement Relating to Bridge Loan executed by the Indenture Trustee, The Cliffs Club & Hospitality Group, Inc., and the Bridge Lender, on or about February 21, 2012 (as in effect on the date hereof).

“Business Day” means any day which is not a Saturday, a Sunday, a “legal holiday” as defined in Bankruptcy Rule 9006(a), or a day on which banking institutions in the State of South Carolina are authorized or obligated by law, executive order or governmental decree to be closed.

“Carlile Development” means Carlile Development Company, LLC, the DIP Lender and the stalking horse bidder for Plan Sponsorship rights under the Bidding Procedures, to which Cliffs Club Partners is successor.

“Cash” means money, currency and coins, negotiable checks, balances in bank accounts and other lawful currency of the United States of America and its equivalents.

“Cash Collateral Order” means the Interim Order entered in the Chapter 11 Cases on March 5, 2012 at Docket No. 98 and the Final Order entered in the Chapter 11 Cases on March 16, 2012 at Docket No. 180, authorizing and approving the Debtors’ use of cash collateral pursuant to section 363 of the Bankruptcy Code and granting adequate protection to the Indenture Trustee.

“Causes of Action” means any and all actions, claims, rights, defenses, third-party claims, damages, executions, demands, crossclaims, counterclaims, suits, choses in action, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights to payment and claims whatsoever, whether known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured and whether asserted or assertable directly, indirectly or derivatively, at law, in equity or otherwise, accruing to the Debtors.

“Chapter 11 Cases” means the jointly administered cases under chapter 11 of the Bankruptcy Code commenced by the Debtors in the Bankruptcy Court on the Petition Date.

“CIPOC” means the Cliffs Independent Property Owners Coalition, LLC, a South Carolina limited liability company that was formed among other things to represent the interests of property owners and Club Members in the Chapter 11 Cases.

“Claim” will have the meaning set forth in section 101(5) of the Bankruptcy Code.

“Claim Caps” means: Allowed (i) Professional Fees and Administrative Claims and the amount due on the DIP Facility will not in the aggregate exceed \$7,771,000 plus cash on hand; (ii) Priority Claims will not exceed \$1,250,000 (exclusive of certain accrued but not yet payable real property taxes which will be paid by the Plan Sponsor as and when due); (iii) Mechanic’s Liens will not exceed \$1,850,000 and (iv) Cure Amounts will not exceed \$925,000.

“Claims Objection Deadline” means the latest of: (a) 120 days after the Effective Date; or (b) such other date as may be fixed by the Bankruptcy Court, whether fixed before or after the date specified in clause (a) above.

“Class” means each class of Claims or Interests as classified in Article II of the Plan.

“Cliffs Club Partners” means Cliffs Club Partners, LLC, which as the successor to Carlile Development is the Plan Sponsor, and also is referred to herein as New ClubCo.

“Cliffs Community” means a Cliffs residential development that adjoins and is served by one of the Clubs.

“Closing” means the Closing as defined in the Asset Purchase Agreement.

“Club Member” means a Person who as of the Record Date is a current or resigned member of one or more of the Clubs.

“Club Member Claim” means any Claim of whatever nature held by a Club Member against one or more of the Debtors that is not a Note Holder Claim, including, without limitation, a Claim under any of the Club Membership Agreements for Membership Deposit Obligations, club credits, dues credits, and any other credits or claims under any other agreements, specifically including under any agreements for honorary membership(s), or any Claim of whatever nature held by any other person with respect to a discounted or free membership in any of the Clubs or access to any of the Clubs. For the avoidance of doubt, a Note Holder may hold both a Club Member Claim and a Note Holder Claim.

“Club Membership Agreements” means all agreements entered into by one or more of the Debtors or any predecessor or Affiliate of the Debtors with Club Members relating to the Debtors’ golf, family, wellness and other membership programs including, without limitation, any discounted membership agreement, any honorary membership agreement and the Membership Deposit Obligations.

“Clubs” means the golf and country clubs, as of the Petition Date owned or operated by any of the Debtors, some of which are not yet complete, which operate under the names, The Cliffs at Glassy Golf & Country Club, The Cliffs Valley Golf & Country Club, The Cliffs at

Keowee Springs Golf & Country Club, The Cliffs at Keowee Vineyards Golf & Country Club, The Cliffs at Keowee Falls Golf & Country Club, The Cliffs at Walnut Cove Golf & Country Club, The Cliffs at Mountain Park Golf & Country Club and The Cliffs at High Carolina Golf & Country Club.

“CMAG” means the Cliffs Member Advisory Group that was formed to represent the interests of Club Members prior to the commencement of the Chapter 11 Cases.

“CMAHG” means the Cliffs Member Ad Hoc Group, Inc., a South Carolina non-profit corporation formed to represent the interests of Club Members in the Chapter 11 Cases.

“Collateral Trust Agreement” means that certain Collateral Trust Agreement dated April 30, 2010 that provided for a security interest on a subordinated basis for certain Membership Deposit Obligations as defined in the Collateral Trust Agreement owed to the Note Holders.

“Committee” means the official committee of unsecured creditors appointed in the Chapter 11 Cases pursuant to section 1102(a) of the Bankruptcy Code by the United States Trustee, as the membership of such committee is from time to time constituted and reconstituted.

“Committee Members” mean the members of the Committee.

“Confirmation” or “Confirmed” means the entry by the Bankruptcy Court of the Confirmation Order.

“Confirmation Date” means the date on which the Confirmation Order is entered on the docket of the Bankruptcy Court with respect to the Chapter 11 Cases within the meaning of Bankruptcy Rules 5003 and 9021.

“Confirmation Hearing” means the hearing held before the Bankruptcy Court to consider Confirmation of the Plan pursuant to sections 1128 and 1129 of the Bankruptcy Code.

“Confirmation Order” means the order entered by the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code, which will be acceptable in form and substance to the Plan Sponsor.

“Consummation Date” means the date on which the Liquidation Trustee makes the final Distribution of the General Unsecured Claims Fund in accordance with the Plan or such earlier date as the Liquidation Trustee determines that the Plan has been substantially consummated.

“Convenience Class Cap” means Allowed General Unsecured Claims less than or equal to One Thousand Dollars (\$1,000).

“Creditor” means any Person that is the Holder of any Claim against any of the Debtors.

“CRO” means Katie S. Goodman whose appointment as Chief Restructuring Officer by the Debtors was approved by the Court in the Chapter 11 Cases by Interim Order entered on March 6, 2012 at Docket No. 102 and by Final Order entered on March 16, 2012 at Docket No. 175.

“Cure Amounts” means all amounts that must be paid and all obligations that otherwise must be satisfied, including pursuant to Sections 365(b)(1)(A) and (B) of the Bankruptcy Code, in connection with the assumption and/or assignment of the Assumed Contracts to the Plan Sponsor as provided in the Asset Purchase Agreement as and to the extent provided on Schedule 1 hereto, in any Plan Supplement, or as otherwise ordered by the Bankruptcy Court.

“Day(s)” means, unless expressly otherwise provided, calendar day(s).

“Debtor” means any one of the Debtors.

“Debtors” means the following entities (followed by the last four digits of their respective taxpayer identification numbers and Chapter 11 case numbers): 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).

“Developed Lot” means a parcel of real property on which some form of residential construction has been completed or is under construction.

“DIP Credit Agreement” means that certain Debtor in Possession Loan and Security Agreement by and among the Debtors and the DIP Lender dated as of February 29, 2012 (as the same may be amended, restated, supplemented or otherwise modified from time to time pursuant to the terms thereof).

“DIP Facility” means the DIP Revolving Loans.

“DIP Facility Claim” means the DIP Lender’s Claim for repayment of the DIP Facility.

“DIP Lender” means Carlile Development in its capacity as lender under the DIP Loan Documents.

“DIP Loan Documents” means the DIP Credit Agreement together with any related documents and instruments delivered pursuant to or in connection therewith.

“DIP Revolving Commitment” means \$7,500,000.

“DIP Revolving Loans” means that certain super priority non-amortizing revolving credit facility in an aggregate principal amount not to exceed the DIP Revolving Commitment.

“Disallowed” means, with respect to any Claim or Interest or portion thereof, any Claim against or Interest in the Debtors which: (a) has been withdrawn, in whole or in part, by agreement of the Debtors, the Reorganized Debtor or the Liquidation Trustee, as applicable, and the Holder thereof; (b) has been withdrawn, in whole or in part, by the Holder thereof; or (c) has

been disallowed, in whole or part, by Final Order of a court of competent jurisdiction. In each case a Disallowed Claim or a Disallowed Interest is disallowed only to the extent of disallowance or withdrawal.

“Disallowed Claim” means a Claim, or any portion thereof, that is Disallowed.

“Disallowed Interest” means an Interest, or any portion thereof, that is Disallowed.

“Disclosure Statement” means the Disclosure Statement for the Joint Chapter 11 Plan filed by the Debtors and the Plan Sponsor dated May 22, 2012, including all exhibits, appendices, schedules and annexes, if any, attached thereto, as submitted by the Debtors, as the same may be altered, amended, supplemented or modified from time to time, which was prepared and distributed in accordance with sections 1125 and 1126(b) of the Bankruptcy Code and Bankruptcy Rule 3018, and which will be acceptable in form and substance to the Plan Sponsor.

“Disputed” means any Claim or Interest that has been neither Allowed nor Disallowed.

“Disputed Claim” means a Claim, or any portion thereof, that is Disputed. For purposes of the Plan, a Claim that has been neither Allowed nor Disallowed will be considered a Disputed Claim.

“Disputed Interest” means an Interest, or any portion thereof, that is Disputed. For purposes of the Plan, an Interest that has been neither Allowed nor Disallowed will be considered a Disputed Interest.

“Distribution” means any distribution by the Debtors or the Liquidation Trustee to a Holder of an Allowed Claim or Interest.

“Distribution Date” means (i) the Initial Distribution Date, and (ii) the Business Day in which any subsequent Distribution occurs and continuing until the Final Distribution Date; provided, however, that a Distribution Date (other than the Initial Distribution Date and the Final Distribution Date) will not occur if the aggregate value of the consideration to be distributed on account of all Allowed Claims on such Distribution Date is less than \$1,000, in which case the amount to be distributed will be retained and added to the amount to be distributed on the next Distribution Date.

“D&O Releasees” means those current and former directors, members, and managers of the Debtors or of the Parents, in each case as of the Petition Date or that have become directors, members, or managers thereafter but prior to the Effective Date, but only to the extent each such party agrees, via execution of an agreement (the form of which will be included as an exhibit to a Plan Supplement), to forever release, waive and discharge any and all Claims, obligations, suits, judgments, remedies, damages, demands, debts, rights, causes of action, and liabilities whatsoever (other than a Note Holder Claim or Club Member Claim) against the Debtors, the Estates, the Liquidating Trust, the Liquidation Trustee, the Indenture Trustee, the Negotiating Group, the Advisory Board, the Committee Members, CIPOC, CMAG, CMAHG, the Plan Sponsor or any of their respective current and former officers, directors, employees, agents,

stockholders, shareholders, managers, members, affiliates, partners, attorneys, advisors and professionals, 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, taking place on or prior to the Effective Date in any way relating to the Plan Sponsor or any of its members, partners, shareholders or affiliates, the Debtors, the Estates, the conduct of the Debtors' business, the Chapter 11 Cases, the Plan, the Liquidating Trust or the Liquidation Trustee.

"Dues Credits" means credits against Annual Dues for Excess Transfer Fees.

"Effective Date" means the first Business Day following the date on which all conditions to consummation set forth in Article IX of the Plan have been satisfied or waived (if capable of being duly and expressly waived in accordance with Section 9.03 of the Plan), provided that no stay of the Confirmation Order is then in effect.

"Entity" means any individual, corporation, limited or general partnership, joint venture, association, joint stock company, limited liability company, estate, trustee, United States Trustee, unincorporated organization, government, governmental unit (as defined in the Bankruptcy Code), agency or political subdivision thereof.

"Equity Infusion" means payments by NewCo to New ClubCo 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 necessary to satisfy the Exit Costs to the extent the Exit Costs exceed the Transfer Fees; (ii) \$1,000,000 to fund the Reserve Account; (iii) plan of reorganization 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 New ClubCo's operating revenues needed to satisfy the annual rent obligations to the Indenture Trustee SPE.

"Estates" means the estates created in the Chapter 11 Cases pursuant to section 541 of the Bankruptcy Code upon commencement of the Chapter 11 Cases.

"Excess Transfer Fees" means the amount of Transfer Fees in excess of the amount of Exit Costs, if any.

"Excluded Assets" means those assets of the Debtors' Estates that the Plan Sponsor is not acquiring pursuant to the Asset Purchase Agreement, including, but not limited to, the Retained Actions.

"Exculpated Persons" means: (a) directors, officers and employees of the Debtors, as of the Petition Date but prior to the Effective Date and the Debtors' agents and professionals including, without limitation, the CRO and counsel for the Debtors, (b) the DIP Lender, (c) the Bridge Lender, (d) the Indenture Trustee, Negotiating Group and Advisory Board, (e) the Plan Sponsor, (f) the Committee and the Committee Members, (g) the Liquidation Trustee, (h) CMAHG, CMAG and CIPOC, and (i) to the extent that such parties are deemed to be Exculpated

Persons, the respective current and former officers, directors, employees, agents, stockholders, managers, members, affiliates, partners, attorneys, advisors and professionals of the parties identified in subclauses (a) through (h).

“Exit Costs” means the aggregate of any and all payments that are made pursuant to this Plan on or about the Effective Date, including, but not limited to, payment of funds to satisfy the DIP Loan, the Bridge Loan, Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Other Senior Secured Party Claims, Allowed Mechanics' Lien Claims, Administrative Convenience Claims Fund, Allowed Cure Claims, the first installment of General Unsecured Claims Fund, the Rejecting Member Fund, and the Post-Effective Date Administration Plan Sponsor Funding.

“Exit Facility” means a senior facility secured by all assets of New ClubCo, Indenture Trustee SPE and each of their respective subsidiary entities associated with ownership of assets or operation of the New 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 New ClubCo prior to any allocation of New ClubCo Net Cash Flow to payments under the Lease other than the Guaranteed Minimum Lease Payment.

“File, Filed or Filing” means file, filed or filing with the Bankruptcy Court in the Chapter 11 Cases.

“Final Decree” means the final decree entered by the Bankruptcy Court after the Effective Date and pursuant to section 350(a) of the Bankruptcy Code and Bankruptcy Rule 3022.

“Final Distribution” means the final Distribution by the Liquidation Trustee or by the Debtors to the Holders of Allowed Claims to the extent provided in accordance with this Plan.

“Final Distribution Date” means the Distribution Date on which the Final Distribution is made.

“Final Order” means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as entered on the docket of such court, the operation or effect of which has not been stayed, reversed, vacated, modified or amended, and as to which order or judgment (or any revision, modification, or amendment thereof) the time to appeal, petition for certiorari, or seek review or rehearing has expired and as to which no appeal, petition for certiorari, or petition for review or rehearing was filed or, if filed, remains pending; provided, however, that the possibility that a motion may be filed pursuant to Rules 9023 or 9024 of the Bankruptcy Rules or Rules 59 or 60(b) of the Federal Rules of Civil Procedure will not mean that an order or judgment is not a Final Order.

“Financing Order” means the Order entered in the Chapter 11 Case on March 6, 2012 at Docket No. 99 and the Order entered in the Chapter 11 Case on March 16, 2012 at Docket No. 181, entered by the Bankruptcy Court permitting Debtor in possession financing pursuant to section 364 of the Bankruptcy Code, and any extensions or amendments thereof.

“First Generation Seller” means a seller of either a Developed Lot or an Undeveloped Lot which lot had not previously been associated with a membership in either the Clubs or the New Clubs and which does not constitute an Amnesty Program Lot.

“General Unsecured Claims” means, collectively, trade claims, Rejection Claims and any other Claim that is not an Administrative Claim, DIP Facility Claim, Priority Tax Claim, Professional Fee Claim, or an otherwise classified Claim.

“General Unsecured Claims Fund” means the General Unsecured Claim Plan Sponsor Funding.

“General Unsecured Claims Plan Sponsor Funding” means the funding provided by the Plan Sponsor to the Liquidation Trustee for the General Unsecured Claims Fund consisting of a \$953,867 payment on the Effective Date, which will constitute an Exit Cost, and a \$953,867 payment on the first anniversary of the Effective Date as well as a \$953,867 payment on the second anniversary of the Effective Date, all of which will be part of the Equity Infusion.

“Governmental Unit” will have the meaning set forth in section 101(27) of the Bankruptcy Code.

“Gross Revenues” will mean all New ClubCo revenues (including, but not limited to, Access Fees, net Membership Initiation Fees, Annual Dues (net of Dues Credits), food & beverage, rental, golf, tennis, wellness, merchandise, and all other revenues).

“Guarantors” means CCHG Holdings, Inc., each of The Cliffs Club & Hospitality Group, Inc.’s subsidiaries, and James B. Anthony, individually, pursuant to Article X of the Indenture and the Debtors who are guarantors under any other documents.

“Guaranteed Minimum Lease Payment” means one million dollars (\$1,000,000) annually.

“Holder” means an Entity holding a beneficial interest in a Claim or Interest and, when used in conjunction with a Class or type of Claim or Interest, means a holder of a beneficial interest in a Claim or Interest in such Class or of such type.

“Impaired” means, when used with reference to a Claim or Interest, a Claim or Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

“Impaired Claim” means a Claim which is Impaired.

“Impaired Interest” means an Interest which is Impaired.

“Imputed Tax Amount” shall mean, with respect to each calendar year, an amount equal to forty percent (40%) of all ordinary business income and all separately stated items of New ClubCo and its subsidiaries (without consolidating with New ClubCo's parent or other affiliates) for such calendar year.

“Indenture” means that certain Indenture dated as of April 30, 2010 (as in effect on the date hereof) by and among The Cliffs Club & Hospitality Group, Inc., the Guarantors (as defined therein) and the Indenture Trustee, and the Note Holders.

“Indenture Trustee” means Wells Fargo Bank, National Association, in its capacity as indenture trustee under the Indenture and collateral trustee under the Pledge and Security Agreement and the Collateral Trust Agreement.

“Indenture Trustee SPE” means that certain Delaware limited liability company (with all the protections of a special purpose entity such that the Indenture Trustee SPE is a bankruptcy remote entity) formed by New ClubCo as managing member with a one hundred percent (100%) interest in profits and losses and the Indenture Trustee, or its designee, as a member with a zero percent (0%) interest in profits and losses, to receive title to all the Acquired Assets that the Indenture Trustee has a Lien on and all other real property related to the Clubs thereafter acquired, and to lease all such property to New ClubCo or subsidiary entities of New ClubCo (at New ClubCo's sole option and in its sole discretion) pursuant to one or more Leases.

“Initial Distribution Date” means the Effective Date or as soon as reasonably practical thereafter; provided, however, that in no event will the Initial Distribution Date be more than sixty (60) days after the Effective Date unless otherwise ordered by the Bankruptcy Court.

“Interests” means any and all equity interests, ownership interests or member units in the Debtors issued by the Debtors prior to the Petition Date (including, without limitation, all capital stock, stock certificates, common stock, preferred stock, partnership interests, membership and other interests in a corporation or limited liability company, rights, options, warrants, contingent warrants, convertible or exchangeable securities, investment securities, subscriptions or other agreements and contractual rights to acquire or obtain such an interest or share in the Debtors, partnership interests in the Debtors’ stock appreciation rights, conversion rights, repurchase rights, redemption rights, dividend rights, preemptive rights and liquidation preferences, puts, calls or commitments of any character whatsoever relating to any such equity, ownership interests or shares of capital stock of the Debtors or obligating the Debtors to issue, transfer or sell any shares of capital stock) whether or not certificated, transferable, voting or denominated “stock” or a similar security, and any Claim or Cause of Action related to or arising from any of the foregoing.

“IT Percentage Of New ClubCo Net Cash Flow” means fifty percent (50%) of New ClubCo Net Cash Flow equal to or below one hundred ten percent (110%) of the annual projected New ClubCo Net Cash Flow set forth on the Plan Sponsor's Projections attached as Exhibit E to the Disclosure Statement and seventy-five percent (75%) of all New ClubCo Net Cash Flow in excess of one hundred ten percent (110%) of the annual projected New ClubCo Net Cash Flow set forth on the Plan Sponsor's Projections attached as Exhibit E.

“Lease(s)” means one or more non-recourse triple net lease(s) and/or sublease(s) between Indenture Trustee SPE, as landlord, and New ClubCo and/or one or more subsidiary entities of New ClubCo, as tenant and/or sublessor, substantially similar in form and substance to lease(s) and/or sublease(s) which will be attached as an exhibit to a Plan Supplement, which will contain

annual rent obligations equal to the greater of the Guaranteed Minimum Lease Payment or fifty percent (50%) of New ClubCo Net Cash Flow.

“Liens” means, with respect to any asset or Property (or the rents, revenues, income, profits or proceeds therefrom), and in each case, whether the same is consensual or nonconsensual or arises by contract, operation of law, legal process or otherwise: (a) any and all mortgages, liens, pledges, attachments, charges, leases that constitute a capital lease obligation, conditional sale or other title retention agreement, or other security interest or encumbrance or other legally cognizable security devices of any kind in respect of any asset or Property, or upon the rents, revenues, income, profits or proceeds therefrom; or (b) any arrangement, express or implied, under which any Property is transferred, sequestered or otherwise identified for the purpose of subjecting or making available the same for the payment of debt or performance of any other obligation in priority to the payment of general unsecured Creditors.

“Liquidating Trust” means the trust to be established in accordance with Section 5.04 of the Plan.

“Liquidating Trust Agreement” means the agreement to be executed between the Liquidation Trustee and the Debtors establishing the Liquidating Trust, which will be filed with a Plan Supplement and which will be acceptable in form and substance to the Plan Sponsor.

“Liquidating Trust Documents” means the Liquidating Trust Agreement and any ancillary documents relating thereto, which will be acceptable in form and substance to the Plan Sponsor.

“Liquidation Trustee” means the Katie S. Goodman who will be the trustee of the Liquidating Trust.

“Lot Sale Percentage” means that percentage of the total purchase price of a Developed Lot not allocable to the improvements to such Developed Lot.

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

“Maximum Equity Infusion” means an amount of money, which for the purpose of satisfying Exit Costs, will not exceed \$1.6 million.

“Mechanic’s Lien Claims” means a Claim with respect to which the Holder (a) holds a statutory lien under state law by virtue of compliance with the laws of the State of South Carolina or North Carolina, as applicable, including by filing a notice of lien and by commencing of litigation within the time periods required under applicable state law, or (b) was eligible on the Petition Date to hold a statutory lien under state law by virtue of compliance with the laws of the State of South Carolina or North Carolina, as applicable, because of the timely filing a notice of lien and whose deadline to commence an action had not passed as of the Petition Date.

“Member In Good Standing” means either: (i) a Club Member who, as of August 9, 2012, holds an active membership and is current on all obligations for dues, fees or other obligations to the Debtors relating to membership in, or use of, the Clubs; or (ii) who on or before August 9, 2012 has exercised the Membership Reinstatement Option.

“Membership Deposit Obligations” means any obligation of one or more of the Debtors to refund all or a portion of the initiation deposit paid by a Club Member of any of the Debtors or a predecessor of the Debtors.

“Membership Initiation Fees” means new member Initiation Fees net of applicable refunds.

“Membership Reinstatement Fee” means a cash payment associated with exercise of the Membership Reinstatement Option for the applicable category of membership as follows: (i) Wellness - \$750; (ii) Family - \$1,500; and (iii) Golf - \$2,500.

“Membership Reinstatement Option” means the option allowed to a Club Member who, as of August 9, 2012, does not hold an active membership or is not current on all obligations for dues, fees or other obligations to the Debtors relating to membership in, or use of, the Clubs to, on or before the Effective Date, deliver to the New ClubCo the sum of the following: (i) all unpaid dues, fees, expenses and other obligations relating to membership in, or use of, the Clubs arising, accruing or coming due from and after the Petition Date; plus (ii) the applicable Membership Reinstatement Fee.

“Mountain Park Facility” means a facility of up to \$7.5 million (with an expected maximum of \$5 million) secured by all assets of New ClubCo, Indenture Trustee SPE and each of their respective subsidiary entities associated with ownership of assets or operation of the New Clubs, the documents relating to which will evidence the obligation to pay to NewCo all amounts provided by NewCo, either prior to or after the Effective Date, 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 New ClubCo prior to any allocation of New ClubCo Net Cash Flow to payments under the Lease other than the Guaranteed Minimum Lease Payment.

“Negotiating Group” means the current and past members of the “Negotiating Group” established under the terms of the Proxy attached to the Advisory Board Notice to Note Holders dated as of February 13, 2012 in which the Advisory Board delegated its authority to the Negotiating Group to give direction to the Indenture Trustee with respect to certain matters as set forth in the Proxy.

“New ClubCo” means Cliffs Club Partners, LLC, the limited liability company that will operate the Clubs following the Effective Date, having as its sole member NewCo, and that will be the managing member of Indenture Trustee SPE.

“New ClubCo Dues Revenues” means an amount equal to sixteen million five hundred thousand dollars (\$16.5 million) annualized.

“New ClubCo Net Cash Flow” means all New ClubCo 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 expenditures 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.

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

“New Clubs” means the wholly owned limited liability companies of New ClubCo following the Effective Date.

“New Club Membership Option” means the option of the Holder of a Club Member Claim to opt, as indicated on a Ballot, to receive, in full and final satisfaction of any and all claims (other than a Note Holder Claim) it may have against any of the Debtors, the treatment set forth in Article 3.13 of the Plan.

“New ClubCo Membership Plan” means that certain Membership Plan relating to memberships with New ClubCo, and ancillary documents and agreements therewith, including The Cliffs Clubs Master Membership Plan, The Cliffs Clubs Application and Membership Agreement For Historic Member, and Historic Member Addendum, that is attached hereto or as an Exhibit to a Plan Supplement.

“NewCo” means The Cliffs Club Holdings, LLC.

“Non-Resident Club Member” means a Club Member where (1) neither the Club Member nor any member of such Club Member’s immediate family owns a residence, or leases or resides at a residence (other than on a transient basis), located within a Cliffs Community or within a 125 mile radius from the nearest Cliffs Club, and (2) such Club Member has executed and delivered a Non-Resident member addendum to the Club Member’s application and membership agreement, in a form provided by the Plan Sponsor or its designee.

“Note Holder Claim” means as of the Petition Date the aggregate amount of \$73,531,505 owed by the Debtors to approximately 535 Note Holders, plus any dues credit or subordinated security interest for any Membership Deposit Obligations. The Cash Collateral Order established the amount of the Note Claim (as defined in the Cash Collateral Order), subject to the Indenture Trustee’s right to file a proof of claim in an increased amount and the Debtors’ right to object to such increased amount, which order is conclusive and binding on all parties.

“Note Holders” means, collectively, the holders of the Notes.

“Note Obligations” means the obligations created by the Notes and any of the other Note Documents, which as of the Petition Date totaled an amount not less than \$73,531,505, secured by the Prepetition Note Collateral.

“Notes” means, collectively, the Series A Notes and the Series B Notes, issued in the aggregate principal amount of \$64,050,000.

“Objection” means any objection, application, motion, complaint or any other legal proceeding seeking, in whole or in part, to Disallow, determine, liquidate, classify, reclassify or establish the priority, expunge, subordinate or estimate any Claim (including the resolution of any request for payment of any Administrative Claim) or Interest other than a Claim or an Interest that is Allowed.

“Ordinary Course Trade Claims” means all trade accounts payable incurred by the Debtors after the Petition Date in the ordinary course of business and outstanding as of the Effective Date.

“Parent” in the case of Debtor CCHG Holdings, Inc. means Cliffs Communities, Inc., in the case of Debtor The Cliffs Club & Hospitality Group, Inc. means CCHG Holdings, Inc., and in the case of the remaining Debtors means The Cliffs Club & Hospitality Group, Inc.

“Permitted Liens” means (a) those liens held by the Prepetition Senior Secured Parties and (b) those Liens that secure the Exit Facility and the Mountain Park Facility.

“Person” means and includes a natural person, individual, partnership, corporation (as defined in section 101(a) of the Bankruptcy Code), or organization including, without limitation, corporations, limited partnerships, limited liability companies, general partnerships, joint ventures, joint stock companies, trusts, land trusts, business trusts, unincorporated organizations or associations, or other organizations, irrespective of whether they are legal entities, governmental bodies (or any agency, instrumentality or political subdivision thereof), or any other form of legal entities; provided, however, “Person” does not include governmental units, except that a governmental unit that (a) acquires an asset from a Person (i) as a result of the operation of a loan guarantee agreement or (ii) as receiver or liquidating agent of a Person; (b) is a guarantor of a pension benefit payable by or on behalf of a Debtors or an Affiliate of a Debtors of; or (c) is the legal or beneficial owner of an asset of (i) an employee pension benefit plan that is a governmental plan, as defined in section 414(d) of the Internal Revenue Code of 1986 or (ii) an eligible deferred compensation plan, as defined in section 457(b) of the Internal Revenue Code of 1986, will be considered for purposes of section 1102 of the Bankruptcy Code to be a Person with respect to such asset or such benefit.

“Personal Property Collateral” means the personal property of the Debtors in which they granted security interests pursuant to the Pledge and Security Agreement to secure the Note Obligations.

“Petition Date” means February 28, 2012.

“Plan” means this First Amended and Restated Joint Chapter 11 Plan filed by the Debtors and the Plan Sponsor dated June 30, 2012, including all exhibits, appendices, schedules and annexes, if any, attached hereto, as submitted by the Debtors, including any Plan Supplement, as such Plan may be altered, amended, supplemented or modified from time to time in accordance with the terms hereof, provisions of the Bankruptcy Code and the provisions of the Bankruptcy Rules, the Confirmation Order and the terms and conditions of Section 12.04 of the Plan, and which will be reasonably acceptable in form and substance to the Debtors and the Plan Sponsor.

“Plan Funding Sources” means the Transfer Fees, the Equity Infusion and the Exit Facility.

“Plan Sponsor” means New ClubCo, the party determined to be the highest and best bidder by the Debtors and the CRO in accordance with the Bidding Procedures. New ClubCo’s indirect parent is Silver Sun, LLC, whose members are SunTx Urbana GP I, L.P., Arendale Holdings Corp., and Carlile Cliffs Investment, LLC. New ClubCo’s sole member is NewCo.

“Plan Supplement” means the compilation of documents and forms of documents, schedules, attachments and exhibits to this Plan, to be filed by the Debtors following the filing of this Plan as set forth herein, each of which documents and other materials will be reasonably acceptable in form and substance to the Debtors and the Plan Sponsor, as such Plan Supplement documents may be amended, modified, or supplemented from time to time and which will include, but not be limited to, the following: (i) the Liquidating Trust Agreement, including any schedule of Retained Actions; (ii) the Liquidating Trust Documents; and (iii) any amended or supplemental Schedule of Assumed Contracts.

“Pledge and Security Agreement” means that certain Pledge and Security Agreement dated as of April 30, 2010 by the Debtors in favor of the Indenture Trustee.

“Post-Effective Date Administration Plan Sponsor Funding” means the sum of \$100,000 to be provided by the Plan Sponsor to the Liquidation Trustee on or about the Effective Date, for the payment of US Trustee Quarterly Fees coming due for any quarter after the quarter in which the Effective Date occurs, for the preparation and filing of post-Confirmation US Trustee Reports, and for the preparation and filing of any interim reports on substantive consummation of the Plan, the Final Report and the Application for Final Decree, which will constitute an Exit Cost.

“Prepetition Facility Documents” means all ancillary documents executed or delivered in connection with the Indenture.

“Prepetition Loan Documents” means collectively the Indenture, the Notes and the Prepetition Bridge Loan Agreement, the Pledge and Security Agreement, the Mortgages, the Collateral Trust Agreement, and any other documents related to the Notes or the Prepetition Bridge Loan.

“Prepetition Note Collateral” means the Real Property Collateral and the Personal Property Collateral.

“Prepetition Senior Secured Parties” means the Indenture Trustee and any Holder of any properly filed lien regarding equipment that was leased or lease financed and that is senior to the liens of the Indenture Trustee as of the Petition Date; provided, however, it does not include any secured claim relating to the guaranty of an equipment lease or lease finance agreement.

“Priming Liens” means certain first-priority Liens granted to the DIP Lender, which are senior to those of the Bridge Lender and of the Indenture Trustee, and securing financing provided by the DIP Lender up to the DIP Revolving Commitment as provided more fully in the DIP Credit Agreement.

“Priority Tax Claim” means any and all Claims accorded priority in payment pursuant to section 507(a)(8) of the Bankruptcy Code.

“Pro Rata Share” means, with respect to any Claim, a proportionate share, so that the ratio of the consideration distributed on account of an Allowed Claim in a Class to the consideration distributed on account of all Allowed Claims in that Class is the same as the ratio such Claim bears to the total amount of all Allowed Claims in that Class (plus Disputed Claims in that Class until disallowed).

“Professional Fee Claim” means a claim for compensation and/or reimbursement of expenses pursuant to sections 327, 328, 330, 331, 503 or 1103 of the Bankruptcy Code relating to services incurred on and after the Petition Date and prior to and including the Effective Date in connection with an application made to the Bankruptcy Court by Professionals in the Chapter 11 Cases. Any Professional Fee Claim (including deferred compensation for services rendered after the Petition Date and prior to and including the Effective Date) that has not been paid by the Debtors as of the Effective Date will be the joint and several responsibility of the Debtors and the Plan Sponsor.

“Professionals” means any professional employed in these Chapter 11 Cases pursuant to sections 327, 363 or 1103 of the Bankruptcy Code or any Professional entitled to compensation pursuant to sections 327, 328, 330, 331, 503(b)(2) or (4), or 1103 of the Bankruptcy Code.

“Property” means any and all assets or property of the Debtors’ Estates of any nature whatsoever, real or personal, tangible or intangible, including contract rights, accounts and Causes of Action, previously or now owned by the Debtors, or acquired by any of the Debtors’ Estates, as defined in section 541 of the Bankruptcy Code.

“Real Property Collateral” means the real property of the Debtors in which they granted a mortgage, deed of trust, or leasehold mortgage to the Indenture Trustee as collateral trustee to secure the Note Obligations.

“Record Date” means, (i) for purposes of making Distributions under this Plan on account of Allowed Claims, the Effective Date, and (ii) for purposes of casting Ballots, the date set forth in the order approving the Disclosure Statement that accompanies this Plan (if no date is expressly provided, then the date of the order approving the Disclosure Statement).

“Reinstated or Reinstatement” means: (a) leaving unaltered the legal, equitable, and contractual rights to which a Claim entitles the Holder of such Claim so as to leave such Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code; or (b) notwithstanding any contractual provision or applicable law that entitles the Holder of such Claim to demand or receive accelerated payment of such Claim after the occurrence of a default (i) curing any such default that occurred before or after the Petition Date, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code; (ii) reinstating the maturity of such Claim as such maturity existed before such default; (iii) compensating the Holder of such Claim for any damages incurred as a result of any reasonable reliance by such Holder on such contractual provision or such applicable law; and (iv) not otherwise altering the legal, equitable, or contractual rights to which such Claim entitled the Holder of such Claim; provided, however, that any contractual right that does not pertain to the payment when due of principal and interest on the obligation on which such Claim is based, including, but not limited to, financial covenant ratios, negative pledge covenants, covenants or restrictions on merger or consolidation, and affirmative covenants regarding corporate existence or which prohibit certain transactions or actions contemplated by the Plan, or conditioning such transactions or action on certain factors, will not be required to be reinstated in order to accomplish Reinstatement.

“Rejection Claim” means the Claim of any non-Debtor counterparty other than a Club Member to any unexpired lease of nonresidential real property or any executory contract (other than Club Membership Agreements) arising on account of the rejection of such lease or executory contract by the Debtors during the administration of these Chapter 11 Cases under section 365 of the Bankruptcy Code or pursuant to the Plan.

“Rejecting Club Members” means all Club Members who are not Accepting Club Members.

“Rejecting Club Member Claim” means the Club Member Claim of any Rejecting Club Member including, without limitation, for a Membership Deposit Obligation and any Claim arising on account of the rejection of any Club Membership Agreement with a Rejecting Club Member by the Debtors during the administration of these Chapter 11 Cases under section 365 of the Bankruptcy Code or pursuant to the Plan.

“Rejecting Member Fund” means \$100,000 plus the net recovery of the Retained Actions.

“Releasees” means, provided the Plan is confirmed, and on the Effective Date: (a) the Debtors, (b) the CRO, (c) the DIP Lender, (d) the Bridge Lender, (e) the Indenture Trustee, Negotiating Group member (provided he or she is an Accepting Club Member), 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); and (j) and any Club Member who is an Accepting Club Member. Anything to the contrary notwithstanding, the releases of James B. Anthony, Lucas Anthony and Timothy Cherry are each conditioned upon the satisfaction by James B. Anthony of

the following: (a) he becomes a D&O Releasee; and (b) he and any non-Debtor affiliates he directly or indirectly owns or controls: (i) waive and release any and all claims of any kind against the Debtors; (ii) transfer and convey to the Debtors or to the Plan Sponsor all real property, personal property and other assets used by the Debtors, or necessary to operate the businesses of the Debtors, or which is necessary to satisfy any condition precedent under the Plan or the Asset Purchase Agreement; (iii) fully cooperate with the transfer of the Acquired Assets, the Sale and the orderly transition of the Debtors' businesses to the Plan Sponsor; (iv) do not object to or oppose confirmation of the Plan; (v) vote to accept the Plan to the extent he or any of them hold a Claim entitled to vote, and (vi) otherwise cooperate fully with the consummation of the Plan, including without limitation, executing and delivering any settlement agreement and complying with any and all conditions of any settlement agreement.

"Reserve Account" means a cash reserve on New ClubCo's financial statements for working capital, capital improvements, capitalized maintenance, repairs, renovations and amenities construction in the amount of one-million dollars (\$1,000,000).

"Resolution Date" means the date on which any and all claims, debts, demands, causes of action, lawsuits or other assertions of liability by any of the Debtors or their affiliates, or any insiders, members, shareholders, agents, servants, employees or affiliates of the Debtors or their affiliates, against NewCo, any of its insiders, members, affiliates, shareholders, agents, servants or employees are released, dismissed with prejudice by Final Order, withdrawn or otherwise terminated.

"Retained Actions" means all Causes of Action that are Avoidance Actions and all other Causes of Action and other assets that constitute Excluded Assets as defined and set forth in the Asset Purchase Agreement which Retained Actions will be detailed in an exhibit to a Plan Supplement.

"Sale" means the conveyance of the Acquired Assets under or in connection with the Plan and the Asset Purchase Agreement.

"Sale Consideration" means the following consideration to be provided by a Plan Sponsor: (a) payment in full, in Cash, of the DIP Loan at the Closing, (b) payment in full, in Cash, of the Bridge Loan at the Closing; (c) payment in full, in Cash, of all Professional Fees and Administrative Claims at Closing, or, to the extent any such Claim is Allowed after the Closing, as soon as practicable thereafter, (d) payment in full, in Cash, of all Priority Claims at Closing, or, to the extent any such Claim is Allowed after the Closing, as soon as practicable thereafter, (e) payment in full, in Cash, on the Effective Date of all claims that are Allowed, exclusive of interest and attorneys' fees, and that are secured by Mechanic's Liens, except that no installment will be paid earlier than the day after each such Mechanic's Lien is Allowed, (f) to the Liquidation Trustee, for the Pro Rata benefit of General Unsecured Claims, the General Unsecured Claims Plan Sponsor Funding, (g) payment of Accepting Club Member Claims as to those holders of Member Claims that elect the New Membership Option in accordance with the Vesting Schedule, (h) to the Liquidation Trustee, for the Pro Rata benefit of Rejecting Club Member Contingent Claims, a single aggregate cash payment to the Liquidation Trustee of \$100,000 to be paid at the Closing, (i) to the Liquidation Trustee, for post-Effective Date case administration the Post-Effective Date Administration Plan Sponsor Funding, (j) commitment

by the Plan Sponsor, or an Affiliate of the Plan Sponsor, of up to eighty five million dollars (\$85,000,000) to acquire, joint venture, land bank or otherwise gain control of lots, (k) advance the balance of up to \$7.5 million dollars (\$7,500,000) in funding not advanced prior to the Effective Date pursuant to the Mountain Park Facility, (l) satisfaction of the Cure Amounts, (m) establishment of the Reserve Account; (n) payment in full in Cash of the Administrative Convenience Class Claims by paying the sum of \$56,000 for the Administrative Convenience Claims Fund to the Liquidation Trustee for Distribution to the holders of Allowed Administrative Convenience Class Claims; (o) enter into the Lease(s) and (p) commitment by the Plan Sponsor, or an Affiliate of the Plan Sponsor to fund negative operating cash flow of New ClubCo, including, but not limited to, amounts necessary to satisfy the Minimum Lease Payment.

“Sale Documents” means the Asset Purchase Agreement, the Schedule of Assumed Contracts, and any schedules, exhibits or other documents attached thereto or contemplated thereby, in each case as amended from time to time in accordance with their terms.

“Schedule of Assumed Contracts” means the schedule listing certain executory contracts and unexpired leases to be assumed and assigned by the Debtors to the Plan Sponsor with associated cure costs, which schedule may be set forth in an exhibit to a Plan Supplement and which will be acceptable in form and substance to the Plan Sponsor, as the same may be amended in any Plan Supplement.

“Schedules” means the schedules of assets and liabilities and the statements of financial affairs Filed by each of the Debtors in their chapter 11 case, as required by section 521 of the Bankruptcy Code, as the same may have been or may be amended, modified or supplemented.

“Secured Claim” means any Claim arising before the Petition Date that is: (a) secured in whole or part, as of the Petition Date, by a Lien which is valid, perfected and enforceable under applicable law on Property in which the Debtors’ Estates have an interest and is not subject to avoidance under the Bankruptcy Code or applicable non-bankruptcy law; or (b) subject to setoff under section 553 of the Bankruptcy Code, but, with respect to both case (a) and (b), only to the extent of the value as of the Confirmation Date of the assets or Property securing any such Claim or the amount subject to setoff, as the case may be.

“Securities Act” means the Securities Act of 1933, as amended.

“Securities Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Series A Notes” means those certain Series A Notes due 2017 issued in the original principal amount of \$39,800,000 in connection with the Indenture and with accrued interest in the aggregate outstanding amount of not less than \$5,891,708 as of the Petition Date.

“Series B Notes” means those certain Series B Notes due 2017 issued in the original principal amount of \$24,250,000 in connection with the Indenture and accrued interest in the aggregate outstanding amount of not less than \$3,589,797 as of the Petition Date.

“Tax” means any tax, charge, fee, levy, impost or other assessment by any federal, state, local or foreign governmental authority, including, without limitation, income, excise, property, sales, transfer, employment, payroll, franchise, profits, license, use, ad valorem, estimated, severance, stamp, occupation and withholding tax, together with any interest, penalties, fines or additions attributable to, imposed by, or collected by any such federal, state, local or foreign governmental authority.

“Transfer Fee” means the fee to be paid by each Holder of an Accepting Club Member Claim as follows: if paid within 30 days of the Effective Date, unless otherwise indicated: (i) Wellness - \$1,500; (ii) Family/Sports - \$2,500; (iii) Residence Club - \$2,500; and (iv) Golf/Charter or Corporate – either \$5,000 in one payment, or \$5,740 paid as follows: a first payment of \$2,500, followed by twenty-four (24) monthly installments of \$135.00.

“Unclaimed Property” means any Distribution of Cash or any other Property made to the Holder of an Allowed Claim pursuant to the Plan that is returned to the Debtors, the Reorganized Debtor or the Liquidation Trustee as undeliverable and no appropriate forwarding address is received prior to the date on which the Final Decree is entered in the Chapter 11 Case, in the case of a Distribution made in the form of a check, is not negotiated and no request for reissuance is made as provided for in Section 5.07 of the Plan.

“Undeveloped Lot” means a parcel of real property not constituting a Developed Lot.

“Unimpaired” means any Claim that is not Impaired within the meaning of section 1124 of the Bankruptcy Code.

“United States Trustee” means the United States Trustee appointed under section 581(a)(3) of title 28 of the United States Code to serve in the District of South Carolina.

“U.S. Trustee’s Fee Claims” means any fees assessed against the Debtors’ Estates pursuant to section 1930(a)(6) of title 28 of the United States Code.

“Vesting Schedule” means, except as otherwise provided in the New ClubCo Membership Plan, the following percentage of an amount that equals the lesser of (i) that Club Member’s initiation deposit or (ii) 75% of the New Club membership initiation fee at the time of the repayment of the Club Member’s initiation deposit (the “Vesting Amount”):

1st anniversary of rejoining: 20% of Vesting Amount
2nd anniversary of rejoining: 40% of Vesting Amount
3rd anniversary of rejoining: 60% of Vesting Amount
4th anniversary of rejoining: 80% of Vesting Amount
5th anniversary of rejoining: 100% of Vesting Amount

“Voting Tabulation Agent” means BMC Group, Inc.

Section 1.02 Rules of Interpretation. All references to “the Plan” herein will be construed, where applicable, to include references to this document and all its exhibits, appendices, schedules, annexes and Plan Supplement, if any (and any amendments thereto made

in accordance with the Bankruptcy Code and the Plan). Whenever from the context it appears appropriate, each term stated in either the singular or the plural will include the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender will include the masculine, feminine and the neuter. The words “herein,” “hereof,” “hereto,” “hereunder,” and other words of similar import refer to the Plan as a whole and not to any particular paragraph, subparagraph, or clause contained in the Plan. The words “includes” and “including” are not limiting and mean that the things specifically identified are set forth for purposes of illustration, clarity or specificity and do not in any respect qualify, characterize or limit the generality of the class within which such things are included. The captions and headings in the Plan are for convenience of reference only and will not limit or otherwise affect the provisions hereof. Any term used in the Plan that is not defined in the Plan, either in Article I hereof or elsewhere, but that is used in the Bankruptcy Code or the Bankruptcy Rules will have the meaning assigned to that term in (and will be construed in accordance with the rules of construction under) the Bankruptcy Code or the Bankruptcy Rules (with the Bankruptcy Code controlling in the case of a conflict or ambiguity). Without limiting the preceding sentence, the rules of construction set forth in section 102 of the Bankruptcy Code will apply to the Plan, unless superseded herein. In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) and Section 12.15 hereof will apply, but Bankruptcy Rule 9006(a) will govern.

Section 1.03 Exhibits. All Exhibits to the Plan, including any Plan Supplement, are incorporated into and are a part of the Plan as if set forth in full herein, regardless of when Filed.

ARTICLE II CLASSIFICATION OF CLAIMS AND INTERESTS

Section 2.01 Summary. Pursuant to section 1122 of the Bankruptcy Code, set forth below is a designation of Classes of Claims and Interests. A Claim or an Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of the Class, and is classified in a different Class to the extent the Claim or Interest qualifies within the description of that different Class. A Claim or Interest is placed in a particular Class for the purpose of receiving Distributions pursuant to the Plan only to the extent that such Claim or Interest is an Allowed Claim or an Allowed Interest in that Class and such Claim or Interest has not been paid, released, settled or otherwise satisfied prior to the Effective Date. The classification of Claims under this Plan is as follows:

Class	Claim	Status	Entitled to Vote
1	Indenture Trustee – Note Holder Claims	Impaired	Yes
2	Indenture Trustee Bridge Loan Claim	Unimpaired	No

3	Mechanic's Lien Claims	Impaired	Yes
4	Other Senior Secured Party Claims	Impaired	Yes
5	General Unsecured Claims	Impaired	Yes
6	Administrative Convenience Claims	Impaired	Yes
7	Club Member Claims	Impaired	Yes
8	Equity Interests	Impaired	No

Section 2.02 Unclassified Claims. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims (including the DIP Facility Claim), and Priority Tax Claims are not classified and are excluded from the Classes designated in this Article II of the Plan. The treatment accorded to Administrative Claims (including the DIP Facility Claim) and Priority Tax Claims is set forth in Article III of the Plan.

Section 2.03 Unimpaired Classes Deemed to Accept. The Plan classifies the following Unimpaired Claims that are not entitled to vote on the Plan. Pursuant to section 1126(f) of the Bankruptcy Code, each Holder of a Claim in the following Class is conclusively presumed to have accepted the Plan in respect of such Claims and is not entitled to vote to accept or reject the Plan:

Class 2 will consist of the Indenture Trustee – Bridge Loan Claim.

Section 2.04 Impaired Classes Entitled to Vote. The Plan classifies the following Classes as the only Impaired Classes that may receive a Distribution under the Plan and that are entitled to vote to accept or reject the Plan:

Class 1 will consist of the Indenture Trustee - Note Holder Claims.

Class 3 will consist of all Mechanic's Lien Claims.

Class 4 will consist of all Other Senior Secured Party Claims.

Class 5 will consist of General Unsecured Claims.

Class 6 will consist of all Administrative Convenience Claims.

Class 7 will consist of all Club Member Claims.

Section 2.05 Impaired Classes Deemed to Reject. The Plan classifies the following Impaired Class of Interests as an Impaired Class that is not entitled to vote to accept or reject the Plan. Pursuant to section 1126(g) of the Bankruptcy Code, each Holder of Claims or Interests that will receive no Distribution is conclusively presumed to have rejected the Plan in respect of

such Claims or Interests because the Plan does not entitle the Holders of such Claims Interests to receive or retain any Property under the Plan on account of such Claims or Interests. The Plan classifies Class 8 as an Impaired Class deemed to reject and not entitled to vote to accept or reject the Plan.

ARTICLE III

PROVISIONS FOR TREATMENT OF CLASSES OF CLAIMS AND INTERESTS

Section 3.01 Satisfaction of Claims and Interests. The treatment of and consideration to be received by Holders of Allowed Claims or Allowed Interests pursuant to this Article III and the Plan will be in full satisfaction, settlement, release, and extinguishment of their respective Claims against or Interests in the Debtors and the Debtors' respective Estates, except as otherwise provided in the Plan or the Confirmation Order.

Section 3.02 Unclassified Claims, Classified Unimpaired and Impaired Claims and Classified Interests. Administrative Claims (including the DIP Facility Claim) and Priority Tax Claims are treated in accordance with section 1129(a)(9)(A) and section 1129(a)(9)(C) of the Bankruptcy Code, respectively. Such Claims are Unimpaired under the Plan and, in accordance with section 1123(a)(1) of the Bankruptcy Code, are not designated as Classes of Claims for purposes of this Plan and for purposes of sections 1123, 1124, 1126 and 1129 of the Bankruptcy Code. In addition, the Class 2 Claim is classified as a Class of Claims that is Unimpaired. In accordance with section 1126(f) of the Bankruptcy Code, the Holders of Claims in such Class are conclusively presumed to have accepted the Plan and are not entitled to vote to accept or reject the Plan. Class 1, 3, 4, 5, 6 and 7 Claims are Impaired and the Holders thereof are entitled to vote to accept or reject the Plan on account of such Allowed Claims. The Class 8 Interests will neither receive nor retain any Property on account of such Interest and, pursuant to section 1126(g) of the Bankruptcy Code, the Holders of such Interests are conclusively presumed to have rejected the Plan and are not entitled to vote to accept or reject the Plan on account of such Interests.

Section 3.03 Administrative Claims.

(a) General. Except as otherwise provided for in the Plan, on the later of (i) the Initial Distribution Date, if an Administrative Claim is Allowed as of the Effective Date, or (ii) as soon as practicable after the date such Administrative Claim becomes an Allowed Claim, if an Administrative Claim is not Allowed as of the Effective Date, each holder of an Allowed Administrative Claim will receive from the Debtors (before the Effective Date) or the Liquidation Trustee or Plan Sponsor thereafter, in full satisfaction, settlement and release of, and in exchange for, such Allowed Administrative Claim, (a) Cash equal to the unpaid portion of such Allowed Administrative Claim, or (b) such less favorable treatment to which the Debtors (with the consent of the Plan Sponsor) or Liquidation Trustee and the holder of such Allowed Administrative Claim will have agreed upon in writing; provided, however, that Allowed Ordinary Course Trade Claims will 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.

(b) Payment of Statutory Fees. The Debtors, as determined, if necessary, by the Bankruptcy Court at the hearing pursuant to section 1128 of the Bankruptcy Code, will pay on or

before the Effective Date all U.S. Trustee Fee Claims that come due on or before the Effective Date. Because of the substantive consolidation of the Debtors provided for in the Plan, the Liquidation Trustee will pay the U.S. Trustee Fee Claims for the quarter in which the Effective Date occurs for eleven Debtors, and the Chapter 11 Cases of all of the Debtors other than that of The Cliffs Club & Hospitality Group, Inc. will be Closed, so that following the Effective Date there will only be one Debtor for which the Liquidation Trustee will pay U.S. Trustee Fee Claims based on cash disbursements made during any quarter following the quarter in which the Effective Date occurs until a Final Decree is entered in that Chapter 11 Case.

(c) Bar Date for Administrative Claims.

(i) General. Except for Administrative Claims of Professionals for Professional Fee Claims, which are addressed in Section 3.03(c)(ii) below, and except as otherwise provided herein, requests for payment of Administrative Claims must be Filed and served on counsel for the Debtors, counsel for the Committee, Counsel for the Indenture Trustee and counsel for the Plan Sponsor no later than (x) the Administrative Claim Bar Date, or (y) such later date, if any, as the Bankruptcy Court will order upon application made prior to the end of the Administrative Claim Bar Date, which is thirty (30) days after the Effective Date. 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 will be forever barred from asserting such Claims against any of the Debtors, the Plan Sponsor, the Liquidation Trustee or the Indenture Trustee.

(ii) Professional Fee Claims. Except as otherwise provided for in the Plan, all requests for compensation or reimbursement of Professional Fee Claims for services rendered from the Petition Date through the Effective Date will be Filed and served on the Debtors, counsel to the Debtors, the United States Trustee, counsel for the Indenture Trustee, counsel to the Committee, counsel to the Plan Sponsor, the Liquidation Trustee, and such other entities who are designated by the Bankruptcy Rules, the Confirmation Order or other order of the Bankruptcy Court, prior to the end of the Administrative Claim Bar Date for Professional Fee Claims, which is 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 its Professional Fee Claims and that do not file and serve such applications by the required deadline will be forever barred from asserting such Claims against the Debtors, the Plan Sponsor, the Liquidation Trustee or the Indenture Trustee, and such Professional Fee Claims will be deemed discharged as of the Effective Date. Objections to any Professional Fee Claims must be filed and served on counsel for the Debtors, counsel for the Plan Sponsor, counsel for the Committee, counsel for the Indenture Trustee, and the Liquidation Trustee and the requesting party on or before twenty-one (21) days after the filing and service of such request.

Section 3.04 DIP Facility Claims. The DIP Facility Claims will be repaid by the Debtors in full, in Cash, on the Effective Date in full and final satisfaction, settlement and release of such DIP Facility Claims.

Section 3.05 Priority Tax Claims. Except as otherwise provided for in the Plan, on (i) the Initial Distribution Date, if a Priority Tax Claim is Allowed as of the Effective Date, or (ii) the

first Distribution Date after the date such Priority Tax Claim becomes Allowed, each holder of an Allowed Priority Tax Claim will receive from the New ClubCo, in full satisfaction, settlement and release of, and in exchange for, such Allowed Priority Tax Claim, (A) Cash of New ClubCo equal to the amount of such Allowed Priority Tax Claim, (B) such less favorable treatment as to which such Debtors (with the consent of the Plan Sponsor), and the holder of such Allowed Priority Tax Claim will have agreed upon in writing; or (C) at the option of the Debtors, Cash of New ClubCo in an aggregate amount of such Allowed Priority Tax Claim payable in installment payments over a period of not more than five (5) years after the Petition Date, pursuant to section 1129(a)(9)(C) of the Bankruptcy Code.

Section 3.06 Other Priority Claims. Except as otherwise provided for in the Plan, on the seventh (7th) day following the later of the Closing Date under the Asset Purchase Agreement or the date on which such Priority Claim is Allowed, the New ClubCo will pay in full, in Cash, all other Priority Claims.

Section 3.07 Class 1: Indenture Trustee – Note Holder Claims.

(a) Classification: Class 1 consists of the Indenture Trustee – Note Holder Claims against the Debtors.

(b) Treatment: Class 1 Indenture Trustee – Note Holder Claims are Impaired. The Indenture Trustee shall have an Allowed Claim in the amount of \$64,050,000, which shall be treated as follows: on the Effective Date, (i) the Allowed Secured Claims of the Note Holders represented by the Indenture Trustee will be satisfied through a combination of (x) a modification of the payment obligations under the Notes to provide for repayment of \$64,050,000, without interest, to the Indenture Trustee in twenty (20) annual payments beginning on the fifth business day of the second full calendar month following the one year anniversary of the Effective Date in the amount of the greater of \$1 million or the IT Percentage Of New ClubCo Net Cash Flow and with a balloon payment of the remaining principal, if any, at maturity, and (y) the modification of the Prepetition Facility Documents, including without limitation, the Pledge and Security Agreement and the Collateral Trust Agreement to subordinate the Liens of the Indenture Trustee to the Exit Facility and the Mountain Park Facility, after which the Debtors will transfer the Real Property Collateral and substantially all other property of the Debtors to the Plan Sponsor, subject only to the Permitted Liens and otherwise free and clear of all liens, claims and encumbrances, and the Plan Sponsor will assume the payment obligations under the modified Notes until the Indenture Trustee SPE assumes the payment obligations under the modified Notes, as described below, followed by the Plan Sponsor's and/or Indenture Trustee SPE's execution of the Exit Facility and the Mountain Park Facility, and then the Plan Sponsor will contribute the Real Property Collateral, the Acquired Golf Property and provide the Amenity Access Rights to the Indenture Trustee SPE, subject to the Permitted Liens, in return for a 100% economic and managing membership interest in the Indenture Trustee SPE (the Indenture Trustee will hold a 0% non-economic membership interest in the Indenture Trustee SPE), and the Indenture Trustee SPE will assume the payment obligations under the modified Notes, all in satisfaction of the Note Holder Claims against the Debtors and the Guarantors of the Note Holder Claims (provided, however, that James B. Anthony will not receive a release without satisfaction of the following: (a) he becomes a D&O Releasee; and (b) he and any non-Debtor affiliates he directly or indirectly owns or controls: (i) waive and release

any and all claims of any kind against the Debtors; (ii) transfer and convey to the Debtors or to the Plan Sponsor all real property, personal property and other assets used by the Debtors, or necessary to operate the businesses of the Debtors, or which is necessary to satisfy any condition precedent under the Plan or the Asset Purchase Agreement; (iii) fully cooperate with the transfer of the Acquired Assets, the Sale and the orderly transition of the Debtors' businesses to the Plan Sponsor; (iv) do not object to or oppose confirmation of the Plan; (v) vote to accept the Plan to the extent he or any of them hold a Claim entitled to vote, and (vi) otherwise cooperate fully with the consummation of the Plan, including without limitation, executing and delivering any settlement agreement and complying with any and all conditions of any settlement agreement) as well as against NewCo or New ClubCo arising under the Notes or the Notes as modified and amended. Then, the Indenture Trustee SPE will enter into the Lease(s) with New ClubCo (or its subsidiary entities, at the sole option and in the sole discretion of New ClubCo) and New ClubCo, in turn, shall enter into subleases with its subsidiaries or affiliates. From and after the Effective Date, the Debtors will have no liability to the Indenture Trustee or to the Note Holders. Upon receipt of title to the Real Property Collateral, the Acquired Golf Property and the Amenity Access Rights, the Indenture Trustee SPE will execute such documents as are required to evidence its assumption of the payment obligations under the modified Notes and underlying security interest(s) as modified pursuant to the Plan and to secure the obligations thereunder. In the event the Indenture Trustee SPE defaults under the Note Restructuring Agreement subsequent to the Effective Date, the Indenture Trustee will have a number of remedies, including without limitation, the following: (i) the right to foreclose on the assets subject to its liens; (ii) the right to record deeds in lieu of foreclosure which will be executed by Indenture Trustee SPE providing for the transfer of the Real Property Collateral and the Acquired Golf Property to the IT Representative, LLC and delivered to an escrow agent on the Effective Date; and (iii) the right to acquire the 100% economic member interest of the Plan Sponsor in the Indenture Trustee SPE for one dollar (\$1.00). The enforceability of the aforementioned remedies upon a default or subsequent bankruptcy of the Indenture Trustee SPE is not absolute. The foregoing will be effectuated and governed by the terms of certain operative documents, which will include but will not be limited to: Note Restructuring Agreement by and between the Debtors and the Indenture Trustee; Assumption Agreement by and between Cliffs Club Partners and the Indenture Trustee; Assumption Agreement by and between Indenture Trustee SPE and the Indenture Trustee; Master Lease by and between Indenture Trustee SPE and Cliffs Club Partners; Mortgages/Deeds of Trust by and between Indenture Trustee SPE and the Indenture Trustee; Security Agreement by and between Indenture Trustee SPE and the Indenture Trustee; Collateral Assignment of IP/License Agreement by and between Indenture Trustee SPE and the Indenture Trustee; Deeds in Lieu/Escrow Agreement by and between Indenture Trustee SPE and the Indenture Trustee; Amendment to Indenture; Indenture Trustee SPE Operating Agreement; Establishment of IT Representative, LLC; and Subleases by and between Cliffs Club Partners and the golf operating subsidiaries. Each of the Note Holders by voting its Class 1 Claim to accept the Plan is deemed to consent to the use of the Indenture Trustee's cash collateral by the Debtors to fund Distributions under the Plan, to the subordination of its Liens to those of the Exit Facility and the Mountain Park Facility and to all other provisions of the Plan that affect the Note Holders. By accepting the Plan, the Note Holders and the Indenture Trustee will be deemed to waive the right: (i) to any dues credits or club credits; (ii) the right to any subordinate lien securing their Membership Deposit obligations; and (iii) the right to any deficiency claim against

the Debtors and Guarantors of the Note Holder Claims (but not their Membership Deposit Obligations that are treated under Plan Class 7).

(c) Voting: Class 1 is Impaired and pursuant to section 1126 of the Bankruptcy Code Holders of Allowed Class 1 Claims are entitled to vote to accept or reject the Plan.

Section 3.08 Class 2: The Indenture Trustee - Bridge Loan Claim.

(a) Classification: Class 2 consists of the Indenture Trustee - Bridge Loan Claim.

(b) Treatment: The Class 2 Indenture Trustee - Bridge Loan Claim is Unimpaired. The Bridge Lender as the Holder of the Allowed Class 2 Indenture Trustee - Bridge Loan Claim will receive in full satisfaction, settlement, release, and extinguishment of such Claim, and of any lien securing such Claim, Cash equal to the amount of such Allowed Bridge Loan Claim, including all interest accrued thereon as and to the extent provided by the Bridge Loan Documents, on or as soon as practicable after the Effective Date.

(c) Voting: Class 2 is Unimpaired and the Holder of the Class 2 Claim is conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holder of the Claim in Class 2 is not entitled to vote to accept or reject the Plan.

Section 3.09 Class 3: Mechanic's Lien Claims.

(a) Classification: Class 3 consists of the Mechanic's Lien Claims against the Debtors.

(b) Treatment: The Class 3 Claims are Impaired. Each Holder of an Allowed Class 3 Claim will receive, in full satisfaction, settlement, release, and extinguishment of such Claim, and of any lien securing such Claim, and as a condition precedent thereto, the following treatment:

Payment in full of the principal amount, in Cash, without pre-petition or post-petition interest, costs or attorneys' fees, by New ClubCo directly to all holders of Claims that are Allowed and that are secured by Mechanic's Liens on the Effective Date.

(c) Voting: Class 3 is Impaired and pursuant to section 1126 of the Bankruptcy Code Holders of Allowed Class 3 Claims are entitled to vote to accept or reject the Plan.

Section 3.10 Class 4: Other Senior Secured Party Claims.

(a) Classification: Class 4 consists of all Other Senior Secured Party Claims against the Debtors.

(b) Treatment: Each Holder of an Allowed Class 4 Other Senior Secured Party Claim will receive, at the election of the Debtors (with the consent of the Plan Sponsor), in full satisfaction, settlement, release, and extinguishment of such Claim: (a) Cash equal to the amount of such Allowed Other Senior Secured Party Claim on or as soon as practicable after the later of (i) the Effective Date, (ii) the date that such Other Senior Secured Party Claim becomes

Allowed, and (iii) a date agreed to by the Debtors and the Holder of such Class 4 Other Senior Secured Party Claim; (b) Cure and Reinstatement of one or more equipment leases with such Other Senior Secured Party but not any guaranty that gives rise to such Allowed Other Senior Secured Party Claim; (c) the Equipment that is the subject of one or more leases with such Other Senior Secured Party securing such Other Senior Secured Party Claim without representation or warranty by or recourse against the Debtors; or (d) such other treatment on such other terms and conditions as may be agreed upon in writing by the Holder of such Claim and the Debtors.

(c) Voting: Class 4 is Impaired and pursuant to section 1126 of the Bankruptcy Code Holders of Allowed Class 4 Claims are entitled to vote to accept or reject the Plan.

Section 3.11 Class 5: General Unsecured Claims.

(a) Classification: Class 5 consists of all General Unsecured Claims against the Debtors.

(b) Treatment: The Class 5 Claims are impaired. Each Holder of an Allowed Class 5 General Unsecured Claim will receive, in full satisfaction, settlement, release, and extinguishment of such Claim, and as a condition precedent thereto, the following treatment:

Each Holder of an Allowed Class 5 Claim will receive its Pro Rata Share of the General Unsecured Claims Fund less a reserve established by the Liquidation Trustee for expenses of administration of the Liquidating Trust, on or as soon as practicable after the later of (i) the first Distribution Date after the Claims Objection Deadline has occurred, if no objection to such Claim has been timely filed, or (ii) the first Distribution Date after the date on which any objection to such General Unsecured Claim is settled, withdrawn or overruled pursuant to a Final Order of the Bankruptcy Court. On each subsequent Distribution Date or as soon thereafter as is reasonably practicable, the Liquidation Trustee will continue to make Pro Rata Distributions of the General Unsecured Claims Fund to Holders of Allowed Class 5 Claims.

(c) Voting: Class 5 is Impaired and pursuant to section 1126 of the Bankruptcy Code Holders of Allowed Class 5 Claims are entitled to vote to accept or reject the Plan.

Section 3.12 Class 6: Administrative Convenience Claims.

(a) Classification: Class 6 consists of all Administrative Convenience Claims against the Debtors.

(b) Treatment: Class 6 is Impaired. On either (i) the Effective Date, (ii) the first Distribution Date after the Claims Objection Deadline has occurred, if no objection to such Claim has been timely filed, or (iii) the first Distribution Date after the date on which any objection to such Administrative Convenience Claim is settled, withdrawn or overruled pursuant to a Final Order of the Bankruptcy Court, each Holder of an Allowed Class 6 Administrative Convenience Claim will receive, in full satisfaction, settlement, release, and extinguishment of such Claim, Cash in an amount equal to the full amount of such Allowed Claim, without interest, costs or fees, from the Liquidation Trustee from the Administrative Convenience Claims Fund.

(c) Voting: Class 6 is Impaired and pursuant to section 1126 of the Bankruptcy Code Holders of Allowed Class 6 Claims entitled to vote to accept or reject the Plan.

Section 3.13 Class 7: Club Member Claims.

(a) Classification: Class 7 consists of the Holders of all Club Member Claims:

(b) Treatment: The Class 7 Claims are Impaired. Each Holder of an Allowed Class 7 Club Member Claim will receive in full satisfaction, settlement, release, and extinguishment of such Club Member Claim (provided, however, that any claim for Dues Credits with respect to Excess Transfer Fees shall remain), the following treatment:

Option to Join the New Clubs: A Club Member may elect in the ballot the New Club Membership Option and become one of the Accepting Club Members. If so, then upon payment of the applicable Transfer Fee, and any Membership Reinstatement Fee, if applicable, and execution of an agreement to pay at least one year of dues under the New ClubCo Membership Plan, the Class 7 Claimant will receive a membership with New ClubCo under the New ClubCo Membership Plan as well as the right to satisfaction by New ClubCo of any Membership Deposit Obligations in accordance with the Vesting Schedule. Accepting Club Members will also receive a release of claims by the Debtors.

Option not to Join the New Clubs: A Club Member who does not (i) elect in the ballot the New Club Membership Option and (ii) become one of the Accepting Club Members, will thereby become one of the Rejecting Club Members and will receive its Pro Rata Share of the Rejecting Member Fund on or as soon as practicable after the later of (i) the first Distribution Date after the Claims Objection Deadline has occurred, if no objection to such Claim has been timely filed, or (ii) the first Distribution Date after the date on which any objection to such Rejecting Club Member Claim is settled, withdrawn or overruled pursuant to a Final Order of the Bankruptcy Court. On each subsequent Distribution Date or as soon thereafter as is reasonably practicable, the Liquidation Trustee will continue to make Pro Rata Distributions to Holders of Allowed Class 7 of the Rejecting Member Fund.

(c) Voting: Class 7 is an Impaired Class and pursuant to section 1126 of the Bankruptcy Code, the Holders of Allowed Class 7 Claims are entitled to vote to accept or reject the Plan.

Section 3.14 Class 8: Equity Interests.

(a) Classification: Class 8 consists of all Equity Interests in any of the Debtors.

(b) Treatment: Holders of Class 8 Interests in any of the Debtors will not receive or retain any Property under the Plan on account of such Interests. On the Effective Date, all Interests will be canceled.

(c) Voting: Class 8 is impaired. The Holders of the Class 8 Interests are conclusively deemed to have rejected the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of the Class 8 Interests are not entitled to vote to accept or reject the Plan.

ARTICLE IV ACCEPTANCE OR REJECTION OF THE PLAN; CRAMDOWN

Section 4.01 Acceptance by Impaired Classes of Claims and Interests. Pursuant to section 1126(c) of the Bankruptcy Code, an Impaired Class of Claims will have accepted the Plan if: (a) the Holders of at least two-thirds (2/3) in dollar amount of the Allowed Claims actually voting in such Class (other than Claims held by any Holder designated pursuant to section 1126(e) of the Bankruptcy Code) have timely and properly voted to accept the Plan, and (b) more than one-half (1/2) in number of the Holders of such Allowed Claims actually voting in such Class (other than Claims held by any Holder designated pursuant to section 1126(e) of the Bankruptcy Code) have timely and properly voted to accept the Plan. Holders of Class 8 Interests are not entitled to vote on the Plan pursuant to section 1126 of the Bankruptcy Code.

Section 4.02 Voting Classes. Except as otherwise required by the Bankruptcy Code or the Bankruptcy Rules or as otherwise provided in this Section 4.02, the Holders of Claims in Classes 1, 3, 4, 5, 6 and 7 will be entitled to vote to accept or reject the Plan in accordance with Section 4.01 of the Plan. Classes of Claims Unimpaired under the Plan (Indenture Trustee - Bridge Loan Claim (Class 2)) will not be entitled to vote to accept or reject the Plan, and will be conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. The Class 8 Interests are Impaired under the Plan and will not be entitled to vote to accept or reject the Plan and will be conclusively presumed to have rejected the Plan. Administrative Claims (including the DIP Facility Claim) and Priority Tax Claims are Unimpaired and not classified under the Plan and hence are not entitled to vote to accept or reject the Plan pursuant to section 1126(g) of the Bankruptcy Code.

Section 4.03 Ballot Instructions. Each Holder of a Claim or Interest entitled to vote on the Plan will be asked to complete and return a Ballot to the Voting Tabulation Agent. The Voting Tabulation Agent will compile the votes so received. Any questions as to the validity, form, and eligibility (including time of receipt) of Ballots will be resolved by the Bankruptcy Court upon application or at the Confirmation Hearing.

Section 4.04 Cramdown. If all applicable requirements for Confirmation of the Plan are met as set forth in sections 1129(a)(1) through (16) of the Bankruptcy Code except subsection (8) thereof, the Debtors may request that the Bankruptcy Court confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code, notwithstanding the requirements of section 1129(a)(8) thereof, on the bases that the Plan is fair and equitable, and does not discriminate unfairly, with respect to each Class of Claims or Interests that is Impaired under, and has not accepted, the Plan.

ARTICLE V

PROVISIONS GOVERNING DISTRIBUTIONS UNDER THE PLAN

Section 5.01 Timing of Distributions. Except as specifically set forth in the Plan and as otherwise provided in this Article V, Distributions to be made on the Effective Date to Holders of Claims that are Allowed as of the Effective Date will be deemed made on the Effective Date if made on the Effective Date or as promptly thereafter as practicable, but in any event no later than: (i) 30 days after the Effective Date or (ii) 30 days after such later date when the applicable conditions of Section 6.02 (regarding cure payments for executory contracts and unexpired leases being assumed) and Section 5.05 (regarding undeliverable Distributions) are satisfied.

Section 5.02 Distributions to Holders of Allowed Claims. Except as specifically set forth in the Plan and otherwise as provided in this Article V, Distributions to be made on the Effective Date to Holders of Claims that are Allowed as of the Effective Date will be deemed made on the Effective Date if made on the Effective Date or as promptly thereafter as practicable, but in any event no later than: (i) 30 days after the Effective Date or (ii) 30 days after such later date when the applicable conditions of Section 6.02 (regarding cure payments for executory contracts and unexpired leases being assumed) and Section 5.05 (regarding undeliverable Distributions) are satisfied. Distributions on account of Claims that become Allowed Claims after the Effective Date will be made pursuant to Section 5.03 of the Plan.

Section 5.03 Distributions After Allowance. As soon as practicable after (i) the occurrence of the applicable Claims Objection Deadline, if no objection to such Claim has been timely filed, or (ii) a Disputed Claim becomes an Allowed Claim, the Plan Sponsor or the Reorganized Debtor or the Liquidation Trustee, as the case may be, will distribute to the Holder thereof all Distributions to which such Holder is then entitled under this Plan. All Distributions made under this Section of the Plan will be made together with any dividends, payments, or other Distributions made on account of, as well as any obligations arising from, the distributed property as if such Claim had been an Allowed Claim on the dates Distributions were previously made to Allowed Holders included in the applicable Class.

Section 5.04 Liquidating Trust. The Liquidating Trust will be established to receive from the Plan Sponsor the General Unsecured Creditors Fund, the Administrative Convenience Claims Fund, the Rejecting Member Contingent Claim Fund, the Post-Effective Date Administration Fund and from the Debtors the Retained Actions, and to Distribute such funds or proceeds of the Retained Actions to certain Creditors in accordance with the Plan. Except as otherwise expressly provided in the Plan, pursuant to sections 1123(a)(5), 1123(b)(3) and 1141(b) of the Bankruptcy Code, all Property comprising the Estates of the Debtors (including, but not limited to, the General Unsecured Creditors Fund, the Administrative Convenience Claims Fund, the Rejecting Member Fund, the Post Effective Date Administration Fund and the Retained Actions) not conveyed to the Plan Sponsor under the Asset Purchase Agreement, will automatically vest in the Liquidating Trust, free and clear of all Claims, Liens, contractually-imposed restrictions, charges, encumbrances and interests of Creditors and equity security holders on the Effective Date, with all such Claims, Liens, contractually-imposed restrictions, charges, encumbrances and interests being extinguished subject to the rights of Holders of Allowed Class 5 General Unsecured Claims, Class 6 Administrative Convenience Claims and Class 7 Rejecting Club Member Contingent Claims to obtain Distributions provided for in this Plan. In no event will any

property of any kind be returned by, or otherwise transferred from, the Liquidating Trust to any Debtor.

The Liquidating Trust will qualify as a liquidating trust as described in Treasury Regulation section 301.7701-4(d) and will be treated as a grantor trust for United States federal income tax purposes. All parties will be required to treat, for federal income tax purposes, the Liquidating Trust as a grantor trust of which the Liquidating Trust beneficiaries are the owners and grantors. The Liquidation Trustee will have the authority to manage the day-to-day operations of the Liquidating Trust, including, without limitation, by disposing of the assets of the Liquidating Trust, appearing as a party in interest, calculating Distributions, paying taxes and such other matters as more particularly described in Section 7.05 of the Plan and the Liquidating Trust Agreement. Expenses of the Liquidating Trust, including the expenses of the Liquidation Trustee and her representatives and professionals, will be satisfied solely from the assets of the Liquidating Trust and its proceeds, as set forth in the Liquidating Trust Agreement. The holders of Allowed Claims in Class 5 and 7 under the Plan will be the grantors, and owners of the Liquidating Trust. On the Effective Date, the Liquidating Trust will be treated as formed by the transfer of the General Unsecured Creditors Fund and the Rejecting Members Fund by the Plan Sponsor and the Retained Actions by the Debtors to the holders of Claims who receive the beneficial interests in the Liquidating Trust pursuant to the Plan (with each holder receiving in a taxable transaction an undivided interest in such assets in accordance with its economic interests in such assets) and a deemed transfer by such holders to the Liquidating Trust. Accordingly, all parties must treat the Liquidating Trust as a grantor trust of which the holders of interests in the Liquidating Trust are the owners and grantors, and treat the Liquidating Trust beneficiaries as the direct owners of an undivided interest in the Liquidating Trust assets, consistent with their economic interests therein, for all federal income tax purposes. The Liquidation Trustee will maintain, in accordance with the Liquidating Trust Agreement, an escrow of any distributable amounts required to be set aside on account of any disputed claims, which disputed claims will be treated in accordance with the terms of the Liquidating Trust Agreement. The Liquidation Trustee will determine the fair market value of each beneficial Liquidating Trust interest, and the holders of such interests will be required to use the valuation consistently for federal income tax purposes. The Liquidation Trustee will file returns for the Liquidating Trust as a grantor trust. All income of the Liquidating Trust will be subject to federal income tax on a current basis. The Liquidating Trust Agreement will provide for the allocation of the Liquidating Trust's taxable income and who will be responsible for any tax liability due as a result of such income. Taxable income or loss allocated to a Liquidating Trust beneficiary will be treated as income or loss with respect to such Liquidating Trust beneficiary's undivided interest in the Liquidating Trust assets, and not as income or loss with respect to its prior respective Claim.

In addition to the foregoing powers and duties of the Liquidation Trustee, the Liquidation Trustee will act as disbursing agent of the Administrative Convenience Claims Fund, and Class 6 Claimants will not be grantors or owners of the Liquidating Trust.

Section 5.05 Delivery of Distributions. Except as otherwise provided in the Plan, subject to Bankruptcy Rule 9010, the Debtors or the Liquidation Trustee will make Distributions to holders of Allowed Claims at the address for each holder indicated on the Debtors' records as of the date of any such Distribution; provided, however, that the manner of such Distributions will

be determined at the discretion of Debtors; and, provided further, however, that the address for each holder of an Allowed Claim will be deemed to be the address set forth in any proof of claim filed by that holder. In the event that any Distribution to any holder is returned as undeliverable, the Liquidation Trustee will use reasonable efforts to assist the Debtors to determine the current address of such holder, but no Distribution to such holder will be made unless and until the Debtors have determined the then-current address of such holder, at which time such Distribution will be made to such holder without interest; provided that such Distributions will be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of one (1) year from the Effective Date. After such date, all Unclaimed Property or interest in property will revert to the Liquidation Trustee, to be held in the Class 5 or 7 fund from which such unclaimed property arose (or in the case of a Class 6 Distribution, into Class 7), and the Claim of any other holder to such Property or Interest in Property will be discharged and forever barred.

Section 5.06 Method of Cash Distributions. Any Cash payment to be made pursuant to the Plan may be made by Cash, draft, check, wire transfer, or as otherwise required or provided in any relevant agreement or applicable law at the option of the Liquidation Trustee or the Debtors.

Section 5.07 Failure to Negotiate Checks. Checks issued in respect of Distributions under the Plan will be null and void if not negotiated within sixty (60) days after the date of issuance. Any amounts returned to the Debtors, or the Liquidation Trustee in respect of such non-negotiated checks will be forwarded to (if necessary) and held by the Liquidation Trustee or the Debtors, as the case may be. The Holder of the Allowed Claim with respect to which such check originally was issued will make requests for reissuance for any such check directly to the issuer of the check. All amounts represented by any voided check will be held until the earlier of: (a) one (1) month after the date on which the check is voided, or (b) the date on which the Bankruptcy Court enters the Final Decree, and all requests for reissuance by the Holder of the Allowed Claim in respect of a voided check are required to be made prior to such date. Thereafter, all such amounts will be deemed to be Unclaimed Property, in accordance with Section 5.08 of the Plan, and all Holders of Claims in respect of void checks will be forever barred, estopped and enjoined from asserting a claim to such funds in any manner against any of the Debtors or their assets, the Liquidation Trustee or the Liquidating Trust.

Section 5.08 Unclaimed Distributions. All Property distributed on account of Claims must be claimed prior to the date on which the Bankruptcy Court enters the Final Decree, or, in the case of a Distribution made in the form of a check, must be negotiated and a request for reissuance be made as provided for in Section 5.07 of the Plan. All Unclaimed Property will be retained by and will vest in the Liquidating Trust. All full or partial payments made by the Debtors and received by the Holder of a Claim prior to the Effective Date will be deemed to be payments under the Plan for purposes of satisfying the obligations of the Debtors, or the Liquidation Trustee pursuant to the Plan. Nothing contained in the Plan will require the Debtors, or the Liquidation Trustee to attempt to locate any Holder of an Allowed Claim other than by reviewing the records of the Debtors and any Claims filed in the Chapter 11 Case. Pursuant to section 1143 of the Bankruptcy Code, all Claims in respect of Unclaimed Property will be deemed Disallowed and the Holder of any Claim Disallowed in accordance with this Section

5.08 will be forever barred, expunged, estopped and enjoined from asserting such Claim in any manner against the Debtors or their assets or the Liquidation Trustee or the Liquidating Trust.

Section 5.09 Limitation on Distribution Rights. If a claimant holds more than one Claim in any one Class, all Claims of the claimant in that Class will be aggregated into one Claim and one Distribution will be made with respect to the aggregated Claim.

Section 5.10 Fractional Dollars. Notwithstanding any other provision of the Plan, Cash Distributions of fractions of dollars will not be made; rather, whenever any payment of a fraction of a dollar would be called for, the actual payment made will reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars being rounded down. To the extent that Cash remains undistributed as a result of the rounding of such fraction to the nearest whole dollar, such Cash will be treated as Unclaimed Property pursuant to Section 5.08 of this Plan.

Section 5.11 Compliance With Tax Requirements. In connection with each Distribution with respect to which the filing of an information return (such as an Internal Revenue Service Form 1099 or 1042) or withholding is required, the Debtors and/or the Liquidation Trustee will file such information return with the Internal Revenue Service and provide any required statements in connection therewith to the recipients of such Distribution or effect any such withholding and deposit all moneys so withheld as required by law. With respect to any Person from whom a tax identification number, certified tax identification number or other tax information required by law to avoid withholding has not been received by the Debtors or the Liquidation Trustee, the Debtors or the Liquidation Trustee may, at their or its option, withhold the amount required and distribute the balance to such Person or decline to make such Distribution until the information is received.

Section 5.12 De Minimis Distributions. No Cash payment of less than fifty (\$50.00) dollars will be made to any Holder of an Allowed Claim on account of such Allowed Claim, excepting on account of Administrative Convenience Claims.

Section 5.13 No Payment or Distribution Pending Allowance. All references to Claims and amounts of Claims refer to the amount of the Claim Allowed by agreement of the Debtors or the Liquidation Trustee and the Holder of such Claim, by operation of law, by Final Order, or by this Plan. Notwithstanding any other provision in the Plan, no payment or Distribution will be made on account of or with respect to any Claim to the extent it is a Disputed Claim unless and until the Disputed Claim becomes an Allowed Claim.

Section 5.14 Estimation of Claims. The Debtors (with the consent of the Plan Sponsor) or the Liquidation Trustee may at any time request that the Bankruptcy Court estimate any Disputed Claim and/or any Club Member Claim pursuant to section 502(c) of the Bankruptcy Code or other applicable law regardless of whether the Debtors have previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection. The Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during the pendency of litigation concerning any objection to any Claim, including during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any Disputed Claim or Club Member Claim, such estimated amount will constitute either (a) the Allowed amount of such Claim, (b) the amount on which a reserve is to be calculated for purposes of any reserve

requirement to this Plan or (c) a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Debtors (with the consent of the Plan Sponsor) or the Liquidation Trustee, as applicable, may pursue supplementary proceedings to object to the allowance of such Claim. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court.

Section 5.15 No Interest on Claims. Except as set forth in the Plan or in a Final Order of the Bankruptcy Court entered in the Cases, no holder of any Claim will be entitled to interest accruing after the Petition Date on such Claim, nor to fees, costs or charges provided under any agreement under which such Claim arose and that were incurred after the Petition Date. Unless otherwise specifically provided for in this Plan or as otherwise required by sections 506(b), 511 or 1129(a)(9)(C)-(D) of the Bankruptcy Code, interest will not accrue or be paid on any Disputed Claim in respect of the period from the Effective Date to the date a final Distribution is made when and if such Disputed Claim becomes an Allowed Claim.

Section 5.16 Distributions Only On Timely Filed, Allowed Claims. No payments of Cash or other consideration of any kind will be made on account of any Disputed Claim or Club Member Claim until such Claim becomes an Allowed Claim or is deemed to be such for purposes of Distribution, and then only to the extent that the Claim becomes, or is deemed to be for Distribution purposes, an Allowed Claim. Except as otherwise ordered by the Bankruptcy Court, no payments will be made on account of Claims filed after the Bar Date.

Section 5.17 Record Date For Distributions. As of the close of business on the Record Date, the various transfer registers for each of the Classes of Claims or Interests as maintained by the Debtors will be deemed closed, and there will be no further changes made to reflect any new record holders of any Claims or equity interests occurring on or after the Record Date. The Debtors, the Liquidation Trustee and the Plan Sponsor will have no obligation to recognize any transfer of any Claims or equity interests occurring after the Record Date.

Section 5.18 Survival Of Certain Corporate Indemnities. The obligations of the Debtors pursuant to their operating agreements and other governing documents to indemnify persons serving on or after the Petition Date as officers, directors, agents, or employees of the Debtors with respect to actions, suits, and proceedings against the Debtors or such officers, directors, agents, or employees, based upon any act or omission for or on behalf of the Debtors occurring on or after the Petition Date, will not be impaired by the confirmation of the Plan. Such obligations will be deemed and treated as executory contracts to be assumed by the Debtors pursuant to the Plan and will continue as obligations of the Debtors to the extent of available insurance only.

ARTICLE VI

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Section 6.01 Treatment of Executory Contracts and Unexpired Leases. All executory contracts and unexpired leases of the Debtors, including, without limitation, all Club

Membership Agreements, will be deemed rejected by the Debtors as of the Effective Date, except for any executory contract or unexpired lease that: (a) has previously been assumed, assumed and assigned, or rejected pursuant to an order of the Bankruptcy Court on or prior to the Confirmation Date, (b) is the subject of a pending motion to assume, assume and assign, or reject as of the Confirmation Date, or (c) is listed on the Schedule of Assumed Contracts set forth in Exhibit 1 hereto or a Plan Supplement, provided, however, that the Debtors will have the right, on or before the hearing on Plan Confirmation, to modify the Schedule of Assumed Contracts by filing a Plan Supplement, subject to the consent of the Plan Sponsor, thus, by removing an executory contract or unexpired lease, providing for its rejection pursuant to this Section 6.01 or by adding any executory contract or unexpired lease, providing for its assumption and assignment pursuant to this Section 6.01.

Section 6.02 Cure of Defaults for Assumed Contracts and Leases. The cure of all defaults under executory contracts and unexpired leases to be assumed and assigned under the Plan, including the resolution of all objections to the adequacy of assurance of future performance under such contracts and leases and as to the adequacy of amounts proposed to cure defaults under such contracts and leases contained in the Schedule of Assumed Contracts set forth in Exhibit 1 hereto or a Plan Supplement, will be governed by the Confirmation Order or other order approving or authorizing the assumption of such executory contracts. Except as set forth in the Plan Supplement, all cure amounts will be satisfied via payment by the Plan Sponsor of the full amount of each cure amount listed in the Schedule of Assumed Contracts on the Effective Date. To the extent that any counterparty of any assumed executory contract asserts that any affiliate of the Debtors has any liability on any assumed executory contract, upon payment by the Plan Sponsor of the full amount of each cure amount as set forth herein, such non-Debtor affiliate will have no liability to any counterparty of any assumed executory contract.

Any party to an executory contract or unexpired lease to be assumed will have twenty one (21) days after service of this Plan and the Schedule of Assumed Contracts within which to file with the Bankruptcy Court an objection to the cure amount listed by the Debtors, an objection to the adequacy of assurance of future performance by the Plan Sponsor, or any other objection to the assumption of such executory contracts or unexpired lease. Any such objection will be resolved by the Bankruptcy Court at the Confirmation Hearing or, if the Court does not hear such objection at the Confirmation Hearing, at such other time as agreed to by the affected parties. If the Bankruptcy Court determines that the cure amount with respect to an executory contract or unexpired lease is greater than the amount listed by the Debtors, then the Debtors may elect to reject the contract or lease at issue.

Section 6.03 Bar Date for Claims for Rejection Damages. 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 will be forever barred. The Debtors and the Liquidation Trustee will have the right to object to any Claim arising out of the rejection of an executory contract or unexpired lease pursuant to the terms of Section 8.04 of this Plan.

Section 6.04 Treatment of Rejection Claims. The Bankruptcy Court will determine any objections Filed in accordance with Section 6.04 hereof at a hearing to be held on a date to be

determined by the Bankruptcy Court. Subject to any statutory limitation, including, but not limited to, the limitations contained in sections 502(b)(6) and 502(b)(7) of the Bankruptcy Code, any Claims arising out of the rejection of executory contracts and unexpired leases will, pursuant to section 502(g) of the Bankruptcy Code, be Impaired and treated as a Class 5 Claim (in the case of non-Club Members and Club Members who hold Non-Contingent Claims), or a Class 7 Claim (in the case of Rejecting Club Members who hold Contingent Claims) in accordance with Article III of the Plan.

Section 6.05 Rejection of Contracts and Leases. The entry of the Confirmation Order will, subject to and upon the occurrence of the Effective Date, constitute the approval, pursuant to Sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the assumption and rejection of the executory contracts assumed and rejected pursuant to Article VI of the Plan.

Section 6.06 Rejection of Club Membership Agreements. Except and to the extent previously rejected by an order of the Bankruptcy Court on or before the Effective Date, all Club Membership Agreements entered into before or after the Petition date and not since terminated, will be deemed to be, and will be treated as though they are, executory contracts that are rejected under Section 6.01 of the Plan. Notwithstanding the above, each party (other than the Debtors) to a Club Membership Agreement will be entitled to elect to have its Claims against the Debtors arising under the Club Membership Agreement treated as an Accepting Club Member Claim in full satisfaction of such claims. In the event a Club Member does not elect in Ballot to have his or her Claim treated as an Accepting Club Member Claim, all Claims of such Club Member under the applicable Club Membership Agreement, including any Rejection Claim, will be treated in accordance with Section 6.04 of the Plan.

ARTICLE VII MEANS FOR IMPLEMENTATION OF THE PLAN

Section 7.01 The Sale. This Plan's primary funding is provided through the Sale of the Acquired Asset to the Plan Sponsor in consideration of the Sale Consideration pursuant to sections 365, 1123(b)(4), 1129(b)(2)(A), 1145 and 1146(a) of the Bankruptcy Code, and provides for the orderly Distribution of the Sale Proceeds as well as the proceeds or rights in the General Unsecured Creditors Fund and the Rejecting Member Fund under the terms and conditions of the Plan. The Debtors have entered into the Asset Purchase Agreement. The Sale will be consummated pursuant to this Plan.

In accordance with this Plan, the Debtors and the Plan Sponsor will, prior to the Effective Date, take all steps necessary to consummate the Sale in accordance with this Plan. On the Closing Date: (i) the Allowed Secured Claims of the Note Holders represented by the Indenture Trustee will be satisfied through a combination of (x) a modification of the terms of the Notes to provide for repayment of \$64,050,000, without interest, in twenty (20) annual payments beginning on the one year anniversary of the Effective Date in the amount of the greater of \$1 million or 50% of New ClubCo Net Cash Flow and with a balloon payment of the remaining principal, if any, at maturity, all paid through the Indenture Trustee to the Note Holders subject to the terms of the Notes and Indenture, as may be modified and amended, and (y) the modification of the Prepetition Facility Documents, including without limitation, the Pledge and Security Agreement and the Collateral Trust Agreement to subordinate the Liens of the Indenture

Trustee to the Exit Facility and the Mountain Park Facility, after which the Debtors will transfer the Real Property Collateral and substantially all other property of the Debtors to the Plan Sponsor, subject only to the Permitted Liens and otherwise free and clear of all liens, claims and encumbrances, and the Plan Sponsor will assume the payment obligations under the modified Notes until the Indenture Trustee SPE assumes the payment obligations under the modified Notes, as described below, followed by the Plan Sponsor's and/or Indenture Trustee SPE's execution of the Exit Facility and the Mountain Park Facility, and then the Plan Sponsor will contribute these assets to the Indenture Trustee SPE, subject to the Permitted Liens, in return for a 100% economic and managing membership interest in the Indenture Trustee SPE (the Indenture Trustee will hold a 0% non-economic membership interest in the Indenture Trustee SPE), and the Indenture Trustee SPE will assume the payment obligations under the modified Notes, all in satisfaction of the Note Holder Claims against the Debtors and the Guarantors of the Note Holder Claims, (provided, however, that James B. Anthony will not receive a release without satisfaction of the following: (a) he becomes a D&O Releasee; and (b) he and any non-Debtor affiliates he directly or indirectly owns or controls: (i) waive and release any and all claims of any kind against the Debtors; (ii) transfer and convey to the Debtors or to the Plan Sponsor all real property, personal property and other assets used by the Debtors, or necessary to operate the businesses of the Debtors, or which is necessary to satisfy any condition precedent under the Plan or the Asset Purchase Agreement; (iii) fully cooperate with the transfer of the Acquired Assets, the Sale and the orderly transition of the Debtors' businesses to the Plan Sponsor; (iv) do not object to or oppose confirmation of the Plan; (v) vote to accept the Plan to the extent he or any of them hold a Claim entitled to vote, and (vi) otherwise cooperate fully with the consummation of the Plan, including without limitation, executing and delivering any settlement agreement and complying with any and all conditions of any settlement agreement) as well as against NewCo or New ClubCo arising under the Notes or the Notes as modified and amended, after which the Indenture Trustee SPE will enter into the Lease(s) with New ClubCo (or its subsidiary entities, at the sole option and in the sole discretion of New ClubCo) and New ClubCo, in turn, shall enter into subleases with its subsidiaries or affiliates; (ii) the DIP Facility will be repaid by the Plan Sponsor in full, in Cash, on the Effective Date in full and final satisfaction, settlement and release of such DIP Facility Claims; (iii) the Allowed Secured Claim of the Bridge Lender represented by the Indenture Trustee will be satisfied on the Effective Date by the Plan Sponsor; (iv) the Plan Sponsor will, in conjunction with the Debtors, undertake commercially reasonable efforts to obtain substantially all other property used by the Debtors in connection with the operation of the Clubs, receipt of which is a condition to the Plan Sponsor's obligation to close the transaction contemplated herein, and, upon receipt of title to such assets, will contribute that title to the Indenture Trustee SPE, subject to the Permitted Liens and otherwise free and clear of all liens, claims and encumbrances, in accordance with the Asset Purchase Agreement; and (v) the Liquidating Trust will be formed, and the Plan Sponsor will transfer to the Liquidation Trustee amounts sufficient to satisfy Allowed Administrative Claims, Allowed Priority Claims, Allowed Mechanic's Lien Claims and Allowed Administrative Convenience Claims in full, together with General Unsecured Claims Sponsor Funding (payable in three annual installments), while the Debtors will transfer to the Liquidation Trustee the Retained Actions, with such transfers to be free and clear of all liens, claims and encumbrances for the purpose of making Distributions to Creditors who will be the beneficiaries of the Liquidating Trust. Upon consummation of the Sale, the Permitted Liens will no longer be obligations of the Debtors or their Estates, and any Holder of any claim with respect thereto will

have no recourse on account of such Claim against the Debtors or their Estates. Notwithstanding anything else in this Plan, the Disclosure Statement or otherwise, the Notes shall not be deemed satisfied and thus extinguished, but rather restructured under the terms of this Plan and related documents, such that the payment obligation of the obligor under those Notes shall be to deliver payments totaling \$64,050,000 to the Indenture Trustee.

Section 7.02 Substantive Consolidation of the Debtors. The Plan is premised on the substantive consolidation of all of the Debtors with respect to the treatment of all Claims and Interests. This Plan will serve as a request by the Debtors, in lieu of a separate motion, to the Bankruptcy Court, that it grant substantive consolidation with respect to the treatment of all Claims and Interests as follows: on the Effective Date, (a) all assets and liabilities of the Debtors will be merged or treated as though they were merged; (b) all guarantees of the Debtors of any obligation of any of the Debtors and any joint and several liability of any of the Debtors will be eliminated; and (c) each and every claim and interest against any of the Debtors will be deemed Filed against the consolidated Debtors and all Claims Filed against more than one of the Debtors for the same liability will be deemed one Claim against any obligation of the consolidated Debtors.

Section 7.03 Recharacterization of Affiliate Claims as Equity. In addition to the presence of intercompany payables and receivables among the Debtors, the books and records of the parent of Debtor CCHG Holdings, Inc. also reflect intercompany payables and receivables among the Debtors, on the one hand, and Affiliates of the Debtors, on the other hand. These books and records are prepared on a consolidated basis. Intercompany payables on the books reflect that the Debtors owe to the DevCo Affiliates the total sum of \$44,817,112 while the DevCo Affiliates owe to the Debtors the total sum of \$87,051,437, leaving a net balance due to the Debtors by the DevCo Affiliates of \$42,234,325. The Plan will serve as a request by the Debtors, in lieu of a separate motion, to the Bankruptcy Court to recharacterize intercompany payables by the Debtors to the DevCo Affiliates as equity. While the Bankruptcy Code does not expressly provide for the recharacterization of debt to equity, most of the appellate courts that have considered the issue, including the Fourth Circuit Court of Appeals, have determined that the bankruptcy courts have the power to recharacterize debt to equity based on their equitable authority under Bankruptcy Code Section 105 in a manner consistent with the priority scheme for the distribution of the debtor's assets found in section Bankruptcy Code Section 726.

Section 7.04 Continued Corporate Existence. Each Debtor will continue to exist after the Effective Date as a separate legal entity, with all of the powers of a corporation or limited liability company, as applicable, under applicable law in the jurisdiction in which it is incorporated or otherwise formed and pursuant to its certificate or articles of incorporation, formation or organizational documents and by-laws, operating agreement or other organizational documents in effect prior to the Effective Date, without prejudice to the right of any Debtor to dissolve (subject to its obligations under this Plan) under applicable law and file a certificate of dissolution (or its equivalent) with the secretary of state or similar official of the jurisdiction of incorporation after the Effective Date. Nevertheless, because of the substantive consolidation provided in section 7.02 of the Plan, immediately following the Effective Date, the Chapter 11 Cases of all of the Debtors except that of The Cliffs Club & Hospitality Group, Inc. will be

Closed, without prejudice to the rights of the Liquidation Trustee to pursue any of the Retained Actions relating to any of the Debtors in the lead Chapter 11 Case.

Section 7.05 Land Acquisition. The Plan Sponsor will commit up to \$85 million to acquire, joint venture, land bank, or otherwise gain control of development land and lots and will be the operator of the Clubs. The Plan Sponsor will form a separate development company to develop, market and sell lots thereby replacing the non-Debtor affiliates that were engaged in the development and sales of lots in the communities around the Clubs on the Petition Date.

Section 7.06 Powers and Duties of the Liquidation Trustee. The Liquidation Trustee will administer the Liquidating Trust and its assets in accordance with this Plan, the Liquidating Trust Agreement, and the other Liquidating Trust Documents and will be responsible for, among other things, making certain Distributions required under this Plan. From and after the Effective Date and continuing through the date of entry of a Final Decree, the Liquidation Trustee will: (a) possess the rights of a party in interest pursuant to section 1109(b) of the Bankruptcy Code for all matters arising in, arising under, or related to the Chapter 11 Case and, in connection therewith, will (i) have the right to appear and be heard on matters brought before the Bankruptcy Court or other courts, (ii) be entitled to notice and opportunity for hearing on all such issues, (iii) participate in all matters brought before the Bankruptcy Court, and (iv) receive notice of all applications, motions, and other papers and pleadings filed in the Bankruptcy Court; (b) have the authority to act on behalf of the Debtors in all adversary proceedings and contested matters pending in the Bankruptcy Court and in all actions and proceedings pending elsewhere; and (c) have the authority to retain such personnel or professionals (including, without limitation, legal counsel, financial advisors or other agents) as it deems appropriate and compensate such personnel and professionals as it deems appropriate, all without prior notice to or approval of the Bankruptcy Court. Professionals and personnel retained or employed by the Liquidating Trust or the Liquidation Trustee need not be disinterested as that term is defined in the Bankruptcy Code.

Section 7.07 Approval of Agreements. Entry of the Confirmation Order will constitute approval of the Asset Purchase Agreement and transactions contemplated therein, and the Confirmation Order will so provide.

Section 7.08 Corporate Action. The entry of the Confirmation Order will constitute 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.

Section 7.09 Cancellation of Securities and Agreements. On the Effective Date, except as otherwise specifically provided for in this Plan: except (i) for purposes of evidencing a right to

Distributions under the Plan, (ii) with respect to executory contracts and unexpired leases assumed and assigned by the Debtors to the Plan Sponsor, or (iii) otherwise as provided herein, all the agreements and other documents evidencing the Claims, equity interests, or rights of any holder of a Claim or Interest Impaired under the Plan will be cancelled.

Section 7.10 Substantial Consummation. On the Effective Date, the Plan will be deemed to be substantially consummated under Sections 1101 and 1127(b) of the Bankruptcy Code.

Section 7.11 Effective Date Fees and Expenses. From and after the Effective Date, the Debtors, if on the Effective Date, or the Liquidation Trustee, if after the Effective Date, will, in the ordinary course of business and without the necessity for Bankruptcy Court approval, pay the reasonable fees and expenses of professional persons retained by the Debtors or the Liquidation Trustee and incurred after the Effective Date, including, without limitation, fees and expenses incurred in connection with the implementation and consummation of the Plan.

Section 7.12 Post- Effective Date Notice Limited. From and after the Effective Date, any person seeking relief from the Bankruptcy Court in the Chapter 11 Cases will be required to provide notice only to the Debtors, the Liquidation Trustee, the United States Trustee, the Plan Sponsor and their respective counsel, to any person whose rights are directly affected by the relief sought, and to other parties in interest who, after entry of the Confirmation Order, file a request for such notice with the clerk of the Bankruptcy Court and serve a copy of such notice on counsel to the Debtors and the Liquidation Trustee.

Section 7.13 Plan Supplement. Any Plan Supplement, acceptable in form and substance to the Debtors and the Plan Sponsor, will be filed with the Clerk of the Bankruptcy Court at least five (5) days prior to the last day on which holders of Claims may vote to accept or reject the Plan.

ARTICLE VIII PRESERVATION OF CAUSES OF ACTION AND RIGHT TO DEFEND AND CONTEST

Section 8.01 Preservation of Rights. Except to the extent that any Claim is Allowed during the Chapter 11 Cases or expressly by this Plan or the Confirmation Order, nothing, including, but not limited to, the failure of the Debtors to object to a Claim or Interest for any reason during the pendency of the Chapter 11 Cases, will affect, prejudice, diminish or impair the rights and legal and equitable defenses of the Debtors or the Liquidation Trustee with respect to any Claim or Interest, including, but not limited to, all rights of the Debtors or the Liquidation Trustee to contest or defend themselves against such Claims or Interests in any lawful manner or forum when and if such Claim or Interest is sought to be enforced by the Holder thereof.

Section 8.02 Rights of Action. Except as otherwise provided in this Plan or the Confirmation Order, in accordance with section 1123(b)(3) of the Bankruptcy Code, the Debtors or the Liquidation Trustee will retain and may exclusively enforce any Retained Actions subject only to any express waiver or release thereof in the Plan or in any other contract, instrument, release, indenture or other agreement entered into in connection with the Plan, and the Confirmation Order's approval of the Plan will be deemed a res judicata determination of such

rights to retain and exclusively enforce such Retained Actions, and none of such Retained Actions is deemed waived, released or determined by virtue of the entry of the Confirmation Order or the occurrence of the Effective Date, notwithstanding that the specific Retained Actions are not identified or described. For the avoidance of doubt, neither the Debtors, the Liquidation Trustee nor any other party will retain the right to dispute any Class 1 Claim after the Effective Date, which Claim, and the treatment thereof, is conclusively provided herein.

Absent an express waiver or release as referenced above, nothing in the Plan will (or is intended to) prevent, estop or be deemed to preclude the Debtors or the Liquidation Trustee from utilizing, pursuing, prosecuting or otherwise acting upon all or any of its Retained Actions and, therefore, no preclusion doctrine, including, without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches will apply to such Retained Actions upon or after Confirmation, the Effective Date or the consummation of the Plan. By example only, and without limiting the foregoing, the utilization or assertion of a Retained Action, or the initiation of any proceeding with respect thereto against a Person, by the Debtors or the Liquidation Trustee will not be barred (whether by estoppel, collateral estoppel, res judicata or otherwise) as a result of (a) the solicitation of a vote on the Plan from such Person or such Person's predecessor in interest; (b) the Claim, Interest or Administrative Claim of such Person or such Person's predecessor in interest having been listed in a Debtors' Schedules, list of Holders of Interests, or in the Plan, Disclosure Statement or any exhibit thereto; (c) prior objection to or allowance of a Claim or, Interest of the Person or such Person's predecessor in interest; or (d) Confirmation of the Plan.

Notwithstanding any allowance of a Claim, the Debtors and the Liquidation Trustee reserve the right to seek, among other things, to have such Claim disallowed if the Debtors or the Liquidation Trustee, at the appropriate time, determines that they may then have a defense under section 502(d) of the Bankruptcy Code; for example, the Debtors or the Liquidation Trustee hold an Avoidance Action against the Holder of such Claim and such Holder after demand refuses to pay the amount due in respect thereto.

Section 8.03 Setoffs. Except to the extent that any Claim is Allowed, the Debtors or Liquidation Trustee, as applicable, may, but will not be required to, set off against any Claims and the payments or Distributions to be made pursuant to the Plan in respect of such Claims, any and all debts, liabilities, Causes of Action and claims of every type and nature whatsoever which the Estate, the Debtors may have against such Creditors, including, without limitation, any payments remaining due for dues, club charges, initiation deposits or any other amounts due to the Debtors, but neither the failure to do so nor the allowance of any such Claims, whether pursuant to the Plan or otherwise, will constitute a waiver or release by the Debtors or Liquidation Trustee of any such claims or Causes of Action the Debtors may have against such Creditors, and all such claims and Retained Actions which are not expressly released, conveyed or compromised pursuant to the Plan, will remain with the Debtors on the Effective Date.

Section 8.04 Resolution of Disputed Claims. Unless otherwise ordered by the Bankruptcy Court after notice and a hearing, the Debtors and the Liquidation Trustee will have the right, on and after the Effective Date, to File objections to Claims (except those specifically Allowed by this Plan) and will serve a copy of each such objection upon the holder of the Claim to which the objection is made as soon as practicable, but in no event later than the applicable

Claims Objection Deadline. The foregoing deadlines may be extended by order of the Bankruptcy Court. An objection to any Claim will be deemed properly served on the Holder thereof if the Debtors or Liquidation Trustee effects service in any of the following manners: (a) in accordance with Rule 4 of the Federal Rules of Civil Procedure, as modified and made applicable by Federal Rule of Bankruptcy Procedure 7004; (b) by first class mail, postage prepaid, on the signatory on the proof of claim or other representative identified in the proof of claim or any attachment thereto; or (c) by first class mail, postage prepaid, on any counsel that has appeared on the Holder's behalf in the Chapter 11 Case.

After the Effective Date, the Debtors or the Liquidation Trustee, as the case may be, may settle or compromise any Disputed Claim without approval of the Bankruptcy Court; provided that (a) the Debtors or the Liquidation Trustee, as the case may be, will promptly File with the Bankruptcy Court a written notice of any settlement or compromise of a Claim that results in an Allowed Claim in excess of \$500,000 and (b) the United States Trustee will be authorized to contest the proposed settlement or compromise by Filing a written objection with the Bankruptcy Court and serving such objection on the Debtors or the Liquidation Trustee, as the case may be, within 20 days of the service of the settlement notice. If no such objection is Filed, the applicable settlement or compromise will be deemed final without further action of the Bankruptcy Court.

ARTICLE IX CONDITIONS TO CONSUMMATION OF THE PLAN

Section 9.01 Confirmation Order. The Confirmation Order will not be entered unless and until all conditions to the entry of the Confirmation Order set forth in the Asset Purchase Agreement have been met or waived.

Section 9.02 Conditions to Effective Date. The Plan will not be consummated, and the Effective Date will not occur, unless and until the following conditions have occurred or been duly waived (if waivable) pursuant to Section 9.03 below:

(a) the Bankruptcy Court will have approved the information contained in the Disclosure Statement as adequate;

(b) the Confirmation Order in form and substance satisfactory to the Debtors and the Plan Sponsor will have been entered and will not be stayed by order of a court of competent jurisdiction;

(c) those holders of Membership Claims opting to become members of New ClubCo will be sufficient in number to generate over a projected twelve month period an amount equal to the New ClubCo Dues Revenues.

(d) All Allowed Claims (i) in any Class that is the subject of the Claims Caps, (ii) any unclassified claims and (iii) the Cure Amounts, in the aggregate, will not exceed 100% of the Claim Caps, in the aggregate.

(e) all conditions precedent to the obligations of the Debtors and the Plan Sponsor under the Asset Purchase Agreement have occurred or have been waived;

(f) the transactions contemplated in the Asset Purchase Agreement, as well as the subsequent transfer to the Indenture Trustee SPE, have been consummated (which condition may not be waived without the express consent of the Indenture Trustee);

(g) the Bankruptcy Court will have entered an order (contemplated to be part of the Confirmation Order) authorizing and directing the Debtors 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;

(h) all authorizations, consents and regulatory approvals required, if any, in connection with the Plan's effectiveness will have been obtained;

(i) the Debtors will have appointed the Liquidation Trustee, the Liquidating Trust Agreement and the other Liquidating Trust Documents will have been executed, and the Liquidating Trust will have received the General Unsecured Creditors Fund, the Administrative Convenience Claims Fund, the Rejecting Club Members Fund, the Post-Effective Date Plan Sponsor Funding from the Plan Sponsor, and an assignment from the Debtors of the Retained Actions; and

(j) no order of a court will have been entered and will remain in effect restraining the Debtors from consummating the Plan.

Section 9.03 Waiver of Conditions. The conditions to consummation in Section 9.02 (other than 9.02(a), (b) and (f)) may be waived at any time by a writing signed by an authorized representative of each of the Debtors and the Plan Sponsor without notice or order of the Bankruptcy Court or any further action other than proceeding to consummation of the Plan.

Section 9.04 Effect of Failure or Absence of Waiver of Conditions Precedent to the Effective Date of the Plan. In the event that one or more of the conditions specified in Section 9.02 of the Plan have not occurred (or been waived), upon notification submitted by the Debtors to the Bankruptcy Court: (a) the Confirmation Order, automatically and without further order of the Bankruptcy Court, will be, and will be deemed, vacated, null and void, with no force or legal effect whatsoever; (b) no Distributions under the Plan will be made; (c) all Property of the Estate will revert in the Debtors' Estates; (d) the Debtors and all Holders of Claims and Interests will be restored to the status quo ante as of the day immediately preceding the Confirmation Date as though the Confirmation Date never occurred; (e) the Asset Purchase Agreement will become null and void; and (f) the Debtors' obligations with respect to the Claims and Interests will remain unchanged and nothing contained herein will constitute or be deemed a waiver or release of any Claims or Interests by or against the Debtors or any other Person or Entity or to prejudice in any manner the rights of the Debtors or any Person or Entity in any further proceedings involving the Debtors.

ARTICLE X
EFFECTS OF CONFIRMATION

Section 10.01 Injunction.

(a) 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 PROVISIO ARE FULLY PRESERVED.**

(b) 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 PROVISIO ARE FULLY PRESERVED. ANY RELEASES OF JAMES B. ANTHONY, LUCAS ANTHONY OR TIMOTHY CHERRY ARE EACH CONDITIONED UPON THE SATISFACTION BY JAMES B. ANTHONY OF THE FOLLOWING: (A) HE BECOMES A D&O RELEASEE; AND (B) HE AND ANY NON-DEBTOR AFFILIATES HE DIRECTLY OR INDIRECTLY OWNS OR CONTROLS: (I) WAIVE AND RELEASE ANY AND ALL CLAIMS OF ANY KIND AGAINST THE DEBTORS; (II) TRANSFER AND CONVEY TO THE DEBTORS OR TO THE PLAN SPONSOR ALL REAL PROPERTY, PERSONAL PROPERTY AND OTHER ASSETS USED BY THE DEBTORS, OR NECESSARY TO OPERATE THE BUSINESSES OF THE DEBTORS, OR WHICH IS NECESSARY TO SATISFY ANY CONDITION PRECEDENT UNDER THE PLAN OR THE ASSET PURCHASE AGREEMENT; (III) FULLY COOPERATE WITH THE TRANSFER OF THE ACQUIRED ASSETS, THE SALE AND THE ORDERLY TRANSITION OF THE DEBTORS' BUSINESSES TO THE PLAN SPONSOR; (IV) DO NOT OBJECT TO OR OPPOSE CONFIRMATION OF THE PLAN; (V) VOTE TO ACCEPT THE PLAN TO THE EXTENT HE OR ANY OF THEM HOLD A CLAIM ENTITLED TO VOTE, AND (VI) OTHERWISE COOPERATE FULLY WITH THE CONSUMMATION OF THE PLAN, INCLUDING WITHOUT LIMITATION, EXECUTING AND DELIVERING ANY SETTLEMENT AGREEMENT AND COMPLYING WITH ANY AND ALL CONDITIONS OF ANY SETTLEMENT AGREEMENT.

Section 10.02 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 advisers, 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 advisers, 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 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. Any exculpation of James B. Anthony, Lucas Anthony or Timothy Cherry are each conditioned upon the satisfaction by James B. Anthony of the following: (a) he becomes a D&O Releasee; and (b) he and any non-Debtor affiliates he directly or indirectly owns or controls: (i) waive and release any and all claims of any kind against the Debtors; (ii) transfer and convey to the Debtors or to the Plan Sponsor all real property, personal property and other assets used by the Debtors, or necessary to operate the businesses of the Debtors, or which is necessary to satisfy any condition precedent under the Plan or the Asset Purchase Agreement; (iii) fully cooperate with the transfer of the Acquired Assets, the Sale and the orderly transition of the Debtors' businesses to the Plan Sponsor; (iv) do not object to or oppose confirmation of the Plan; (v) vote to accept the Plan to the extent he or any of them hold a Claim entitled to vote, and (vi) otherwise cooperate fully with the consummation of the Plan, including without limitation, executing and delivering any settlement agreement and complying with any and all conditions of any settlement agreement. 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 shall have any liability thereunder.

Section 10.03 Releases.

(a) 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 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). For the avoidance of doubt, any releases of James B. Anthony, Lucas Anthony or Timothy Cherry are each conditioned upon the satisfaction by James B. Anthony of the following: (a) he becomes a D&O Releasee; and (b) he and any non-Debtor affiliates he directly or indirectly owns or controls: (i) waive and release any and all claims of any kind against the Debtors; (ii) transfer and convey to the Debtors or to the Plan Sponsor all real property, personal property and other assets used by the Debtors, or necessary to operate the businesses of the Debtors, or which is necessary to satisfy any condition precedent under the Plan or the Asset Purchase Agreement; (iii) fully cooperate with the transfer of the Acquired Assets, the Sale and the orderly transition of the Debtors' businesses to the Plan Sponsor; (iv) do not object to or oppose confirmation of the Plan; (v) vote to accept the Plan to the extent he or any of them hold a Claim entitled to vote, and (vi) otherwise cooperate fully with the consummation of the Plan, including without limitation, executing and delivering any settlement agreement and complying with any and all conditions of any settlement agreement.

(b) 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) 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. For the

avoidance of doubt, any releases of James B. Anthony, Lucas Anthony or Timothy Cherry (pursuant to this Plan Section 10.03(b)) are each conditioned upon the satisfaction by James B. Anthony of the following: (a) he becomes a D&O Releasee; and (b) he and any non-Debtor affiliates he directly or indirectly owns or controls: (i) waive and release any and all claims of any kind against the Debtors; (ii) transfer and convey to the Debtors or to the Plan Sponsor all real property, personal property and other assets used by the Debtors, or necessary to operate the businesses of the Debtors, or which is necessary to satisfy any condition precedent under the Plan or the Asset Purchase Agreement; (iii) fully cooperate with the transfer of the Acquired Assets, the Sale and the orderly transition of the Debtors' businesses to the Plan Sponsor; (iv) do not object to or oppose confirmation of the Plan; (v) vote to accept the Plan to the extent he or any of them hold a Claim entitled to vote, and (vi) otherwise cooperate fully with the consummation of the Plan, including without limitation, executing and delivering any settlement agreement and complying with any and all conditions of any settlement agreement.

Section 10.04 Other Documents and Actions. The Debtors are authorized to execute such documents and take such other action as is necessary to effectuate the transactions provided for in the Plan, provide such actions and documents are reasonably acceptable in form and substance to the Plan Sponsor.

Section 10.05 Term of Injunctions or Stays. Unless otherwise provided herein or in the Confirmation Order or other court order, all injunctions or stays provided for in the Chapter 11 Cases under sections 105(a) or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, will remain in full force and effect until the Effective Date.

Section 10.06 Preservation of Insurance. Except as necessary to be consistent with the Plan, the Plan will not diminish or impair (a) the enforceability of insurance policies that may cover Claims against the Debtors or any other Person or Entity or (b) the continuation of workers' compensation programs in effect, including self-insurance programs.

Section 10.07 Guaranties. Notwithstanding the existence of guaranties by the Debtors of obligations of any Entity or Entities, and the Debtors' joint obligations with another Entity or Entities with respect to the same obligations, all Claims against the Debtors based upon any such guaranties will be satisfied and released in the manner provided in this Plan and the Holders of Claims will be entitled to only one Distribution with respect to any given obligation of any of the Debtors.

Section 10.08 Subordination Rights. ***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 THE CONFIRMATION ORDER WILL CONSTITUTE 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.***

Section 10.09 Avoidance and Recovery Actions Preserved. From and after the Effective Date, the Debtors will have the right to prosecute any avoidance, equitable subordination, or recovery Cause of Action arising under Sections 105, 502(d), 510, 542 through 551, and 553 of the Bankruptcy Code that belongs to the Debtors and has not been expressly compromised, settled, or released pursuant to Article X, Section 10.06 or any other provision of the Plan, or by an order of the Bankruptcy Court entered prior to the Confirmation Date, or assigned to the Liquidating Trust under the Plan.

Section 10.10 Other Causes of Action Preserved. Except for any Cause of Action that has been expressly compromised, settled, or released pursuant to the Plan or an order of the Bankruptcy Court entered prior to the Confirmation Date, nothing contained in the Plan or the Confirmation Order will be deemed to be a waiver or relinquishment of any right or Cause of Action that the Debtors may have, or which the Debtors may choose to assert on behalf of the Estates pursuant to any provision of the Bankruptcy Code or any applicable non-bankruptcy 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 the Debtors or their officers, directors, or representatives; and (b) the turnover of any property of the Estates. Nothing contained in the Plan or the Confirmation Order will be deemed to be a waiver or relinquishment of any claim, Cause of Action, right of setoff, or other legal or equitable defense which the Debtors had immediately prior to the Petition Date against or with respect to any Claim left unimpaired by the Plan. The Debtors will have, retain, reserve, and be entitled to assert all such claims, Causes of Action, rights of setoff, and other legal or equitable defenses that any of them had immediately prior to the Petition Date as if the Cases had not been commenced and all of the Debtors' legal and equitable rights respecting any Claim left unimpaired by the Plan may be asserted after the Confirmation Date to the same extent as if the Cases had not been commenced. **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, ALL CLAIMS AND CAUSES OF ACTION OF THE DEBTORS AND THEIR ESTATES WILL SURVIVE CONFIRMATION, AND THE ASSERTION OF CLAIMS AND CAUSES OF ACTION BY THE DEBTORS OR THE LIQUIDATION TRUSTEE WILL NOT BE BARRED OR LIMITED BY ANY ESTOPPEL, WHETHER JUDICIAL, EQUITABLE, OR OTHERWISE.**

Section 10.11 Causes of Action Retained by Debtors or Assigned to the Liquidating Trust. From and after the Effective Date, because the Debtors will have assigned the Retained Actions to the Liquidating Trust, the Liquidation Trustee will have the right to prosecute any avoidance, equitable subordination or recovery Cause of Action arising under Sections 105, 502(d), 510, 542-551, and 553 of the Bankruptcy Code that belonged to any of the Debtors as of the Effective Date and has not been expressly compromised, settled, or released pursuant to the Plan or an order of the Bankruptcy 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 Bankruptcy Court entered prior to the Confirmation Date, nothing contained in the Plan or the Confirmation Order will be deemed to be a waiver or relinquishment of any right or Cause of Action that the Debtors or the Liquidating Trustee may have, or which the Liquidating Trustee may choose to assert on behalf of the Liquidating Trust

beneficiaries pursuant to any provision of the Bankruptcy Code or any applicable non-bankruptcy law, including, without limitation (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 the Debtors, or their officers, directors, or representatives; (b) the turnover of any property of the Estates; and (c) Causes of Action against current or former directors, shareholder, officers, professionals, and other persons relating to acts or omissions occurring on or prior to the Petition Date.

Section 10.12 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.

Without limiting the generality of the foregoing, and in conjunction with Section 12.13 of the Plan, the transfer of the Acquired Assets to the Plan Sponsor and its contribution thereof to the Indenture Trustee SPE and lease of the Acquired Assets to the Plan Sponsor or to any of its Affiliates as contemplated in the Plan is exempt from taxation under applicable State law. Upon the payment of the Purchase Price by the Plan Sponsor pursuant to the Asset Purchase Agreement, any obligation or liability Plan Sponsor or any of its Affiliates may have under any applicable Law to withhold, deduct or deposit any amount from the Purchase Price and any obligation or liability Plan Sponsor or any of its Affiliates may have under any applicable Law as successor or transferee for Taxes of any Debtor or any Affiliate of any Debtor will be satisfied and Plan Sponsor and its Affiliates will hereby be release and discharged from any such obligation or liability. The Acquired Assets transferred to Plan Sponsor or any of its Affiliates as contemplated by the Asset Purchase Agreement will be free and clear from, and will not be subject to, any Liens for or arising from any Tax delinquencies or deficiencies of any Debtor or any Affiliate of any Debtor. Any bank account designated in writing by the Debtors pursuant to the Asset Purchase Agreement will be approved by the Bankruptcy Court to be an account in which the Purchase Price may be deposited, and all amounts deposited therein by the Plan Sponsor will be distributed only pursuant to the Plan and Confirmation Order.

Section 10.13 Allocation of Plan Distributions between Principal and Interest. To the extent that any Claim scheduled to receive a Distribution under the Plan is comprised of indebtedness and accrued but unpaid interest thereon, such Distribution will be allocated to the principal amount of the Claim (as determined for federal income tax purposes) first and then, to the extent the consideration exceeds the principal amount of the Claim, to accrued but unpaid interest.

ARTICLE XI RETENTION OF JURISDICTION

Section 11.01 Exclusive Jurisdiction of Bankruptcy Court. Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court will retain after the Effective Date and until the Chapter 11 Cases are closed, exclusive jurisdiction of all matters arising out of, arising in or related to the Chapter 11 Cases to the fullest extent permitted by applicable law, including, without limitation, jurisdiction 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 is 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 hereof 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 Case, 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) to 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.

Section 11.02 Failure of Bankruptcy Court to Exercise Jurisdiction. If the Bankruptcy Court abstains from exercising or declines to exercise jurisdiction over any matter arising under, arising in or related to the Debtors, including with respect to the matters set forth above in Section 11.01 hereof, this Article XI will not prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such subject matter.

ARTICLE XII MISCELLANEOUS PROVISIONS

Section 12.01 Binding Effect of Plan. The provisions of the Plan will be binding upon and inure to the benefit of the Debtors, the Estates, the Debtors, the Liquidation Trustee, the Liquidating Trust, the Plan Sponsors, any Holder of any Claim or Interest treated herein or any Person named or referred to in the Plan, and each of its heirs, executors, administrators, representatives, predecessors, successors, assigns, agents, officers and directors, and, to the fullest extent permitted under the Bankruptcy Code and other applicable law, each other Person affected by the Plan.

Section 12.02 Withdrawal of the Plan. The Debtors reserve the right (subject to the consent of the Plan Sponsor), at any time prior to Confirmation of the Plan, to withdraw the Plan. If the Plan is withdrawn, the Plan will be null and void and have no force and effect. In such event, nothing contained herein will be deemed to constitute a waiver or release of any claims by or against the Debtors or any other Person or to prejudice in any manner the rights of the Debtors or any Person in any further proceedings involving the Debtor.

Section 12.03 Final Order. Except as otherwise expressly provided in the Plan, any requirement in the Plan for a Final Order may be waived by the Debtors or, after the Effective Date, the Liquidation Trustee upon written notice to the Bankruptcy Court. No such waiver will prejudice the right of any party in interest to seek a stay pending appeal of any order that is not a Final Order.

Section 12.04 Modification of the Plan. The Debtors may alter, amend or modify the Plan in accordance with section 1127 of the Bankruptcy Code or as otherwise permitted at any time prior to the Confirmation Date, provided any such modification will be acceptable in form and substance to the Plan Sponsor. After the Confirmation Date and prior to the substantial consummation of the Plan, and in accordance with the provisions of section 1127(b) of the Bankruptcy Code and the Bankruptcy Rules, the Debtors may, subject to the consent of the Plan Sponsor and so long as the treatment of Holders of Claims or Interests under the Plan is not adversely affected, institute proceedings in the Bankruptcy Court to remedy any defect or omission or to reconcile any inconsistencies in the Plan, the Disclosure Statement or the Confirmation Order and any other matters as may be necessary to carry out the purposes and effects of the Plan; provided, however, prior notice of such proceedings will be served in accordance with Bankruptcy Rules 2002 and 9014.

Section 12.05 Business Days. If any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but will be deemed to have been completed as of the required date.

Section 12.06 Severability. Should the Bankruptcy Court determine, prior to the Confirmation Date, that any provision of the Plan is either illegal on its face or illegal as applied to any Claim or Interest, such provision will be unenforceable as to all Holders of Claims or Interests or to the specific Holder of such Claim or Interest, as the case may be, as to which such provision is illegal. Unless otherwise determined by the Bankruptcy Court, such a determination of unenforceability will in no way limit or affect the enforceability and operative effect of any other provision of the Plan. The Debtors reserve the right not to proceed with Confirmation or consummation of the Plan if any such ruling occurs.

Section 12.07 Governing Law. EXCEPT TO THE EXTENT THAT THE BANKRUPTCY CODE OR BANKRUPTCY RULES OR OTHER FEDERAL LAWS ARE APPLICABLE, AND SUBJECT TO THE PROVISIONS OF ANY CONTRACT, INSTRUMENT, RELEASE, INDENTURE OR OTHER AGREEMENT OR DOCUMENT ENTERED INTO IN CONNECTION WITH THE PLAN, THE CONSTRUCTION, IMPLEMENTATION AND ENFORCEMENT OF THE PLAN AND ALL RIGHTS AND OBLIGATIONS ARISING UNDER THE PLAN WILL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO CONFLICTS-OF-LAW PRINCIPLES WHICH WOULD APPLY THE LAW OF A JURISDICTION OTHER THAN THE STATE OF DELAWARE; PROVIDED, HOWEVER, THAT THE LAW OF THE STATE IN WHICH COLLATERAL IS LOCATED MAY GOVERN PERFECTION OF AND RECOVERY UPON THAT COLLATERAL.

Section 12.08 Dissolution of Committee. On the Effective Date, the Committee will be automatically dissolved and all of its members, Professionals and agents will be deemed released of their duties, responsibilities and obligations, and will be without further duties, responsibilities and authority in connection with the Debtors, the Chapter 11 Cases, the Plan or its implementation.

Section 12.09 Post-Confirmation Operating Reports. The Consolidated Debtors will file post-Confirmation operating reports on a consolidated basis as required by the United States Trustee until such time as a Final Decree or other order is entered under section 350(a) of the Bankruptcy Code closing the Chapter 11 Cases.

Section 12.10 Notices. Any notice required or permitted to be provided under this Plan to the Debtors, or any request for information with respect to the Plan, will be in writing and served by either (a) certified mail, return receipt requested, postage prepaid, (b) hand delivery or (c) reputable overnight delivery service, freight prepaid, to be addressed as follows:

To the Debtors and to the Liquidating Trustee

The Cliffs Club & Hospitality Group, Inc.
3598 Highway 11
Travelers Rest, South Carolina 29690
Attn: Katie Goodman, CRO and Liquidation Trustee
Telephone: 404 293-0137
Facsimile: 404 256-4555

With a copy to:

McKenna Long & Aldridge LLP
303 Peachtree Street, Suite 5300
Atlanta, GA 30308
Attn: Gary W. Marsh
Telephone: 404 527-4150
Facsimile: 404 527-4198

To the Plan Sponsor:

Cliffs Club Partners, LLC
c/o John Monaghan
Holland & Knight
10 St. James Avenue, 11th Floor
Boston, MA 02116
Telephone: 617-573-5834
Facsimile: 617-523-6850

and

The Carlile Group, LLC
c/o Bill Rothschild
Ogier, Rothschild, Rosenfeld & Ellis-Monro, P.C.
170 Mitchell Street, S.W.
Atlanta, GA 30303
Telephone: 404 525 4000

Facsimile: 404 526 8855

With a copy to:

Nexsen Pruet, LLC
P.O. Drawer 2426
Columbia, SC 29202-2426
Attn: Julio E. Mendoza, Jr. Esq.
Telephone: 803-540-2026
Facsimile: 803-727-1478

Section 12.11 Filing of Additional Documents. On or before substantial consummation of the Plan, the Debtors may issue, execute, deliver, and File with the Bankruptcy Court or record any agreements and other documents, and take any action as may be necessary or appropriate to effectuate, consummate and further evidence the terms and conditions of the Plan, provided such documents will be acceptable in form and substance to the Plan Sponsor.

Section 12.12 Section 1125 of the Bankruptcy Code. The Debtors and the Plan Sponsor have, and upon Confirmation of the Plan will be deemed to have, solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code, and the Debtors and the Plan Sponsor (and each of their respective Affiliates, officers, directors, employees, consultants, agents, advisors, members, attorneys, accountants, financial advisors, other representatives and Professionals), have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code in the offer, issuance, sale, and purchase of the securities offered and sold under the Plan, and are not, and on account of such offer, issuance, sale, solicitation, and/or purchase will not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or the offer, issuance, sale, or purchase of the securities offered and sold under the Plan.

Section 12.13 Section 1146 Exemption. To the fullest extent permitted under section 1146(a) of the Bankruptcy Code, the issuance, transfer or exchange of any security under the Plan, if any, or the execution, delivery or recording of an instrument of transfer under the Plan, or the revesting, transfer or sale of any real or other Property of or to the Debtors, the Plan Sponsor or its designee, the Indenture Trustee SPE, or the Liquidating Trust, will not be taxed under any state or local law imposing a document recording tax, stamp tax, conveyance fee, sales tax, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, or other similar tax or fee or governmental assessment. Consistent with the foregoing, each recorder of deeds or similar official for any county, city or governmental unit in which any instrument hereunder is to be recorded will, pursuant to the Confirmation Order, be ordered and directed to accept such instrument, without requiring the payment of any documentary stamp tax, deed stamps, stamp tax, transfer tax, mortgage recording tax, intangible tax or similar tax.

Section 12.14 Section 1145 Exemption. Pursuant to section 1145 of the Bankruptcy Code, the offering, issuance, and Distribution of the modified Notes, the New Club Membership Agreement and interests in the Liquidating Trust will be exempt from, among other things, the

registration requirements of section 5 of the Securities Act and any other applicable law requiring registration prior to the offering, issuance, Distribution, or sale of memberships under the New Club Membership Agreement.

Section 12.15 Time. Unless otherwise specified herein, in computing any period of time prescribed or allowed by the Plan, the day of the act or event from which the designated period begins to run will not be included. The last day of the period so computed will be included, unless it is not a Business Day, in which event the period runs until the end of next succeeding day that is a Business Day. Otherwise, the provisions of Bankruptcy Rule 9006 will apply.

Section 12.16 No Attorneys' Fees. No attorneys' fees will be paid by the Debtors with respect to any Claim or Interest except as expressly specified herein or by order of the Bankruptcy Court.

Section 12.17 No Injunctive Relief. No Claim or Interest will under any circumstances be entitled to specific performance or other injunctive, equitable or other prospective relief.

Section 12.18 Continued Confidentiality Obligations. Pursuant to the terms thereof, members of and advisors to any Committee, any other Holder of a Claim or Interest, and its predecessors, successors and assigns will continue to be obligated and bound by the terms of any confidentiality agreement executed by them in connection with these Chapter 11 Cases or the Debtors, to the extent that such agreement, by its terms, may continue in effect after the Confirmation Date.

Section 12.19 No Admissions or Waivers. Notwithstanding anything herein to the contrary, nothing contained in the Plan will be deemed an admission or waiver by the Debtors with respect to any matter set forth herein, including, without limitation, liability on any Claim or Interest or the propriety of any classification of any Claim or Interest.

Section 12.20 Entire Agreement. The Plan (and all Exhibits to the Plan and any Plan Supplement) sets forth the entire agreement and undertakings relating to the subject matter hereof and supersedes all prior discussions and documents. The Debtors will not be bound by any terms, conditions, definitions, warranties, understandings, or representations with respect to the subject matter hereof, other than as expressly provided for herein or as may hereafter be agreed to by the parties in writing.

Section 12.21 Waiver. The Debtors reserve the right to waive any provision of this Plan (with the consent of the Plan Sponsor) to the extent such provision is for the sole benefit of the Debtors and/or their officers or directors.

Section 12.22 Confirmation of Plans for Separate Debtors. In the event the Debtors are unable to confirm this Plan with respect to all Debtors, the Debtors reserve the right, unilaterally and unconditionally, to proceed with this Plan with respect to any Debtor for which the confirmation requirements of the Bankruptcy Code are met.

Section 12.23 Name Change. No later than five (5) Business Days following the Closing Date, each Debtor will (a) amend its governing documents and take all other actions necessary to

change its name to one that does not include, and is not similar to the term “Cliffs” or any other name included as part of the intellectual property; and (b) take all actions requested by the Plan Sponsor to enable Plan Sponsor, if so desired, to change its name to one utilizing the “Cliffs” name or something similar, and (c) will provide the Plan Sponsor reasonable documentation confirming the foregoing required name changes.

CONFIRMATION REQUEST

The Debtors hereby request confirmation of the Plan pursuant to section 1129(a) or section 1129(b) of the Bankruptcy Code.

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The Cliffs Club & Hospitality Group, Inc.

By: K. Goodman
Name: Katie S. Goodman
Title: Chief Restructuring Officer

CCHG Holdings, Inc.

By: K. Goodman
Name: Katie S. Goodman
Title: Chief Restructuring Officer

The Cliffs at Mountain Park Golf & Country Club, LLC

By: THE CLIFFS CLUB & HOSPITALITY GROUP, INC., AS SOLE MEMBER

By: K. Goodman
Name: Katie S. Goodman
Title: Chief Restructuring Officer

The Cliffs at Keowee Vineyards Golf & Country Club, LLC

By: THE CLIFFS CLUB & HOSPITALITY GROUP, INC., AS SOLE MEMBER

By: K. Goodman
Name: Katie S. Goodman
Title: Chief Restructuring Officer

The Cliffs at Walnut Cove Golf & Country Club, LLC

By: THE CLIFFS CLUB & HOSPITALITY GROUP, INC., AS SOLE MEMBER

By: K. Goodman
Name: Katie S. Goodman
Title: Chief Restructuring Officer

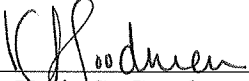
The Cliffs at Keowee Falls Golf & Country Club, LLC

By: THE CLIFFS CLUB & HOSPITALITY GROUP, INC., AS SOLE MEMBER

By: K. Goodman
Name: Katie S. Goodman
Title: Chief Restructuring Officer

The Cliffs at Keowee Springs Golf & Country Club, LLC

By: THE CLIFFS CLUB & HOSPITALITY GROUP, INC., AS SOLE MEMBER

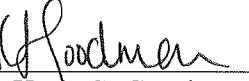
By: 

Name: Katie S. Goodman

Title: Chief Restructuring Officer

The Cliffs at High Carolina Golf & Country Club, LLC

By: THE CLIFFS CLUB & HOSPITALITY GROUP, INC., AS SOLE MEMBER

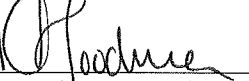
By: 

Name: Katie S. Goodman

Title: Chief Restructuring Officer

The Cliffs at Glassy Golf & Country Club, LLC

By: THE CLIFFS CLUB & HOSPITALITY GROUP, INC., AS SOLE MEMBER

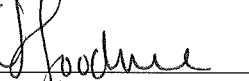
By: 

Name: Katie S. Goodman

Title: Chief Restructuring Officer

The Cliffs Valley Golf & Country Club, LLC

By: THE CLIFFS CLUB & HOSPITALITY GROUP, INC., AS SOLE MEMBER

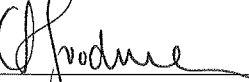
By: 

Name: Katie S. Goodman

Title: Chief Restructuring Officer

Cliffs Club & Hospitality Service Company, LLC

By: THE CLIFFS CLUB & HOSPITALITY GROUP, INC., AS SOLE MEMBER


By: 

Name: Katie S. Goodman

Title: Chief Restructuring Officer

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Cliffs Club Partners, LLC

By: 
Name: Steve B. Carlisle
Title: _____

Plan Sponsor

(The remainder of this page left blank intentionally.)

Dated: June 30, 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

303 Peachtree Street, Suite 5300

Atlanta, Georgia 30308

404-527-4000 (phone)

404-527-4198 (fax)

gmarsh@mckennalong.com

mlevengood@mckennalong.com

bbates@mckennalong.com

Attorneys for 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 1 to the Plan
 Amended Schedule of Assumed Contracts

Counterparty	Contract Description	Date of Contract	Cure Amount
Agricredit Acceptance, LLC	68 Club Car Golf Carts for Cliffs Valley	March 23, 2011	\$12,896.88
Agricredit Acceptance, LLC	58 Club Car Golf Carts for Keowee Falls	July 29, 2011	\$11,000.31
Ameritas Life Insurance Corp.	Certificate and Summary Plan Group Dental Insurance	December 1, 2011	\$0.00
Assurant Employee Benefits	Union Security Insurance Agreement - Life Ins.	January 1, 2011	\$0.00
Blue Choice Health Plan South Carolina	Master Group Contract	December 1, 2011	\$0.00
CBR Horses Inc.	Management agreement for equestrian center	October 1, 2011	\$0.00
Chartis	Pollution and Environmental Policy - Gas Tanks	July 1, 2012	\$0.00
Chubb	Crime non-liability insurance policy	July 1, 2012	\$0.00
Chubb (Venture Programs)	Workers' compensation insurance policy	July 1, 2012	\$0.00
Chubb (Venture Programs)	Umbrella insurance policy	July 1, 2012	\$0.00
Coca Cola Bottling Consolidated	Rebate contract for product purchases	November 1, 2010	\$0.00
Duke Energy	Slip lease	Annual	\$0.00
Duke Energy	Slip lease	Annual	\$0.00
Duke Energy	Slip lease	Annual	\$0.00
General Electric Capital Corporation / Ingersoll-Rand Financial Services	Lease of Keowee Vineyards golf cart fleet (Master Lease 230463; Equipment Schedule No. 9)	June 10, 2008	\$0.00
General Electric Capital Corporation / Ingersoll-Rand Financial Services	Lease of Keowee Springs utility cart (Master Lease 230463; Equipment Schedule No. 10)	July 1, 2008	\$0.00
General Electric Capital Corporation / Ingersoll-Rand Financial Services	Lease of Walnut Cove golf cart fleet (Master Lease 230463; Equipment Schedule No. 11)	August 21, 2008	\$0.00
General Electric Capital Corporation / Ingersoll-Rand Financial Services	Lease of Keowee Springs golf cart fleet (Master Lease 230463; Equipment Schedule No. 12)	August 7, 2008	\$0.00
General Electric Capital Corporation	Toro equipment lease (Master Lease 8394851; Equipment Schedule No. 001)	August 8, 2008	\$0.00
General Electric Capital Corporation	Toro equipment lease (Master Lease 8394851; Equipment Schedule No. 002)	August 8, 2008	\$0.00
Granite / New Hampshire	Marina Policy	July 1, 2012	\$0.00
John Deere Credit	Lease of 3 walking green mowers + trailers - KV	April 1, 2011	\$2,574.81
John Deere Credit	JD 2030A Progator +300 Gallon Sprayer - KV	June 1, 2011	\$2,200.47
John Deere Credit	Wiedemann Super 500 Vacuum and Sweeper - WC	November 10, 2010	\$2,063.40
Jonas Software USA Inc.	Assignment of Contract: Software License Agreement	April 18, 2012	\$0.00
Longview Land Company, LLC	Assignment of Option	n/a	\$0.00
Longview Land Company, LLC	Option Agreement	November 4, 2011	\$0.00
Major Business Machines	Mailing Machine at Corp Office in Mail Room	September 28, 2011	\$0.00
McCloskey, LLC	Lease for Falls Wellness Center	March 2, 2012	\$0.00
Premium Funding Associates, Inc.	New Premium Finance Agreement for Insurance	July 1, 2012	\$0.00
Sesac, Inc.	Music License	Annual	\$1,201.98
Singleton Marine Group	Management agreement for marina	October 30, 2009	\$0.00
The Cliffs at Glassy, Inc.	Chapel lease	April 30, 2010	\$22,883.60
The Cliffs Commercial Properties, LLC	Commercial Lease	March 1, 2012	\$0.00
The Cliffs Communities, Inc.	IP License agreement	January 1, 2010	\$0.00
The Cliffs Communities, Inc.	Access Fee Agreement	April 30, 2010	\$0.00
The Cliffs Communities, Inc. / The National Bank of South Carolina	Access Fee Subordination Agreement	April 30, 2010	\$0.00
The Cliffs Communities, Inc.	Equipment Lease and Purchase Option Agreement	March 1, 2012	\$0.00
The Hartford Financial Services Group, Inc.	Builders Risk Policy for MP Golf Course	September 1, 2011	\$0.00
Toro NSN	Irrigation Software Contracts	March 1, 2012	\$0.00
U.S. Foodservice	Master Distribution Agreement	July 5, 2010	\$74,628.45
VGM Financial Services	Master Lease Agreement	January 7, 2011	\$0.00
VGM Financial Services	Valley Capital Lease of Toro Equipment	July 27, 2010	\$0.00
VGM Financial Services	Valley Operating Lease of Toro Equipment	July 27, 2010	\$31,548.13
VGM Financial Services	Spring Capital Lease of Toro Equipment	July 27, 2010	\$3,857.97
VGM Financial Services	Keowee Falls Capital Lease of Toro Equipment	July 27, 2010	\$0.00
VGM Financial Services	Keowee Falls Operating Lease of Toro Equipment	July 27, 2010	\$14,930.14
VGM Financial Services	Walnut Cove Capital Lease of Toro Equipment	July 27, 2010	\$2,507.44
VGM Financial Services	Vineyards Capital Lease of Toro Equipment	July 27, 2010	\$1,067.66
VGM Financial Services	Glassy Capital Lease of Toro Equipment	July 27, 2010	\$0.00
VGM Financial Services	Glassy Operating Lease of Toro Equipment	July 27, 2010	\$8,931.48
Waterfall Investment Group, LLC	Keowee Springs 99-year lease	December 31, 2007	\$0.00
Waterfall Investment Group, LLC	Walnut Cove 99-year lease	December 31, 2007	\$0.00
Zurich (Venture Programs)	Package Property, GL, Auto, Wellness	July 1, 2012	\$0.00
		Total	\$192,292.72

Exhibit 2

NEW CLUBCO MEMBERSHIP PLAN



THE CLIFFS CLUBS

MASTER MEMBERSHIP PLAN

EFFECTIVE DATE: AUGUST __, 2012

THE CLIFFS CLUBS

MASTER MEMBERSHIP PLAN

PROLOGUE

PURPOSE OF THIS MEMBERSHIP PLAN

This Master Membership Plan for the Cliffs Clubs detailed herein (the "Membership Plan"), the applicable rules and regulations of the Cliffs Clubs from time to time adopted by the Club Operator (the "Rules and Regulations"), and the applicable Application and Membership Agreement (the "Application and Membership Agreement"), and together with the Membership Plan and the Rules and Regulations being collectively referred to herein as the "Membership Documents"), together offer persons ("Property Owners") who own property ("Property") in the Cliffs at Glassy, Cliffs Valley, Cliffs Valley North, Cliffs at Keowee Falls North, Cliffs at Keowee Vineyards, Cliffs at Keowee Falls South, Cliffs at Walnut Cove, Cliffs at Keowee Springs, Cliffs at Mountain Park and Cliffs at High Carolina (sometimes hereinafter referred to, individually, as a "Cliffs Community" and, collectively, as the "Cliffs Communities") and others, as determined by the Club Operator, an opportunity to obtain membership privileges at one or more of the golf and country club facilities operated under the banner, "Cliffs Clubs."

Cliffs Club at Glassy, Cliffs Club at Valley, Cliffs Club at Walnut Cove, Cliffs Club at Mountain Park, Cliffs Club at Keowee Vineyards, Cliffs Club at Keowee Falls, and Cliffs Club at Keowee Springs are sometimes hereinafter referred to, individually, as a "Cliffs Club" and, collectively, as the "Cliffs Clubs". The Cliffs Clubs will initially be operated by Cliffs Club Partners, LLC, a Delaware limited liability company ("Cliffs Club Partners"), or one or more of its affiliates (together, the "Club Operator") for the use and benefit of the Members of the Cliffs Clubs and any others accorded use and access privileges at the Cliffs Clubs. When used herein, the term "Home Club" with respect to a Member who owns only one (1) Property in the Cliffs Communities refers to the Cliffs Club that is located in or adjacent to and serving the Cliffs Community where such Member's Property is located; provided, however, that unless and until a new club is created within The Cliffs at High Carolina community and is included as a Cliffs Club under this Membership Plan, a Member who owns a Property within The Cliffs at High Carolina may, at the time of submitting his or her Application and Membership Agreement, select which of the Cliffs Clubs will serve as the Home Club with respect to the Membership associated with such Property. If and when a new club is created within The Cliffs at High Carolina community and is included as a Cliffs Club under this Membership Plan, such Member owning a Property within such Community will have the opportunity to select such new club as the Member's Home Club. A Member who owns multiple Properties within the Cliffs Communities and has multiple Memberships associated with such Properties, will be permitted to designate one of their Memberships, which must be the highest category of Membership held by such Member, as their primary membership (the "Primary Membership"), and the Home Club for such Member will be the Cliffs Club associated with the Primary Membership. With respect to any Member who is not a Property Owner, the Club Operator shall have the discretion to determine which of the Cliffs Clubs will be the Home Club for such Member.

Each Membership permits the Member, in exchange for a non-refundable Initiation Fee, periodic dues and product charges and service fees, to use such of the recreational, dining and social facilities of the Home Club as are accorded use privileges pursuant to the Member's Membership category and the product and service offerings at the facility. In addition, a Home Club Member may also enjoy reciprocal usage privileges of the amenities and facilities of the other Cliffs Clubs, as are specifically granted for the Member's Membership category by and outlined in this Membership Plan. Membership at the Cliffs Clubs also provides the Member with a membership at The Cliffs Members Club, a non-profit corporation organized under the laws of the State of South Carolina, which provides additional food and beverage privileges. The Club Operator may, in its discretion, limit certain categories and/or sub-categories of Memberships to those persons who qualify as Non-Resident Members. To qualify as a "Non-Resident Member," (1) neither the Member nor any member of such Member's immediate family may own a residence, or lease or reside at a residence (other than on a transient basis), located within a Cliffs Community or within a 125 mile radius from the nearest Cliffs Club, and (2) such Member must have executed and delivered to the Club Operator a Non-Resident Member Addendum to the Member's Application and Membership Agreement, in a form provided by the Club Operator. The Club Operator shall have the discretion to determine whether the lease or use of a residence is on a transient basis for all purposes under the Membership Documents.

OWNERSHIP AND USE OF THE CLUB FACILITIES

Each Home Club's facilities are operated through the club management services division or an affiliate of the Club Operator. These facilities may include a range of amenities specific to each Home Club, which may include, without limitation, a golf course and related practice facilities, as well as tennis, swimming, fitness, wellness, dining and other recreational facilities and amenities which may be available for use by Members according to the access and use rights conferred by a Member's Membership category under this Membership Plan. When used herein, the term "Club Facilities" shall mean and include all of the facilities that are available for use by the Members at the Cliffs Clubs. The Club Facilities will initially be owned by affiliates of Cliffs Club Partners.

The membership privileges of access and use of the Club Facilities are granted by a non-exclusive, revocable license. By acquiring a Membership at any of the Cliffs Clubs, the Member does not acquire any ownership interest in the applicable Home Club, in any of the Cliffs Clubs, in any of the Club Facilities or in the Club Operator. By the same token, a Member will not be subject to special capital assessments, operating assessments or any deficit-funding requirement, which remain the sole responsibility of the Cliffs Clubs.

The Club Operator reserves the right to add, change, alter, remove and otherwise modify the Club Facilities that may be provided at the Cliffs Clubs from time to time and, therefore, the number, size, scope and nature of the Club Facilities are subject to change at the sole discretion of the Club Operator. Membership does not create any presumption that the Club Facilities or the services that may be available at the Club from time to time will continue to be available in their current state or condition. The Club Operator shall have the right to delegate, transfer or otherwise assign any or all of its rights and responsibilities for the management and operation of the Club Facilities to such persons and on such terms and conditions as the Club Operator may determine appropriate from time to time. The Club Operator may also retain a professional management firm to manage and operate the day-to-day affairs of the Club Facilities.

MEMBERSHIP PRIVILEGES

Membership in a Home Club is an opportunity to belong to a recreational, dining, golf, tennis and social club with use of facilities across all of the Cliffs Clubs, based upon the applicable Membership category. Certain Membership categories are only guaranteed to be made available to persons purchasing Property from a Developer within the Cliffs Communities for a limited period of time, commencing with the individual's closing on the Property, and is only guaranteed to be made available to a resale purchaser of Property if the resale seller in Good Standing holds a Membership category that confers such guaranteed availability, as more particularly provided in this Membership Plan. Each individual Member and Member Designee of an entity-owned or multiple-owner Membership (each, a "Primary Member") is permitted certain privileges to use the Club Facilities in accordance with the Membership Documents and the Membership category acquired, as the same may exist from time to time. For purposes of this Membership Plan, the term "Developer" shall mean and include only those developers of Property located within the Cliffs Communities that are approved by the Club Operator in its sole discretion, and a Member is in "Good Standing" if the Member's accounts with the Cliffs Clubs are current and the Member has not been suspended.

MEMBERSHIP OFFICE IS AVAILABLE TO ANSWER INQUIRIES

Should there be any questions concerning this Membership Plan or the membership opportunities at the Cliffs Clubs, please contact the Membership Office. The Membership Office for the Cliffs Clubs is located at the address listed on the Application and Membership Agreement form.

FOLLOW THESE PROCEDURES TO MAKE APPLICATION FOR MEMBERSHIP PRIVILEGES

Eligible applicants are extended an opportunity to acquire a Membership in a Home Club. Eligible applicants for certain Membership categories must comply with the following requirements:

- Complete and sign the required Application and Membership Agreement form;
- Mail or deliver to the Membership Office the completed and signed required forms and a check in the amount of the applicable Initiation Fee.

Eligibility for Membership is described in this Membership Plan and the applicable Application and Membership Agreement, including any applicable addenda thereto.

RELY ONLY ON INFORMATION IN THE MEMBERSHIP PLAN

No one is authorized to give any information or make any representation to an applicant not contained in the Membership Documents, and if anyone has given any information or made any representation or promise that doesn't appear in the Membership Documents, the applicant may not rely upon it as having been authorized by the Club Operator or the Cliffs Clubs.

Membership is being offered exclusively for the purpose of permitting persons obtaining membership privileges to use the Club Facilities of the Home Club, as outlined in this

Membership Plan. Membership privileges should not be viewed or obtained as an investment, and no one obtaining membership privileges at the Cliffs Clubs should expect to derive any economic benefits or profits from such Membership.

The Club Operator makes no representations and expresses no opinions regarding the federal or state income tax consequences of obtaining a Membership at the Club and payment of the non-refundable Initiation Fee. All Members obtain their membership privileges subject to all applicable tax laws, as they may exist from time to time. The Club shall charge to each Member and each Member shall pay any and all taxes or assessments imposed by the United States Government, the applicable state or any political subdivision thereof, or any other governmental agency, on any Initiation Fee, dues or other fees and charges paid or payable by the Member.

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THE CLIFFS CLUBS

MEMBERSHIP PLAN

INTRODUCTION

1. Membership Opportunity. Each Home Club offers an applicant an opportunity to become a Member of a recreational, dining and social club. The privilege to use the Club Facilities of the Home Club is available to Members, immediate family members of Members, guests of Members, and other persons to the extent permitted by this Membership Plan. The Prologue preceding the Table of Contents hereof shall be included as a part of this Membership Plan and all such provisions preceding the Table of Contents are hereby incorporated into this Membership Plan by this reference.

2. Home Club's Reserved Right to Convert to Equity Club. The Club Operator reserves the right, but not the obligation, to convert any or all of the Home Clubs to an equity membership form of ownership. The Club Operator makes no commitments or promises to the current membership except for the future invitation to all Members in Good Standing, at the time of conversion, the equal opportunity to acquire an equity membership on such terms and conditions and payment of such additional fees as may be specified at that time.

3. Club Facilities. The facilities of the Cliffs Clubs are referred to collectively as the "Club Facilities," which may include a range of amenities specific to each Home Club such as golf, tennis, swimming, fitness and wellness, spa, dining and other recreational amenities located within the Cliffs Communities, which are made available for use by the Members under this Membership Plan.

MEMBERSHIP CATEGORIES

4. Memberships – Memberships issued at the Cliffs Clubs are referred to herein, individually, as a "Membership" and, collectively, as the "Memberships," and the holder of a Membership is referred to herein as a "Member." A description of the types of Membership categories currently being offered and their privileges are set forth in this Section 4 below. Purchasers of Property within the Cliffs Communities will apply to the Club Operator for membership in the Cliffs Club associated with the Cliffs Community where their Property is located.

The privileges of a Membership are subject to this Membership Plan and the Rules and Regulations, as they may be amended from time to time, and the applicable Application and Membership Agreement. Members agree to be bound by the terms and conditions of this Membership Plan and the Rules and Regulations, as such may be amended from time to time. Members agree to fully substitute any prior rights to use the Club Facilities with the membership privileges obtained pursuant to this Membership Plan. The Club Operator may obtain a loan from time to time and use the Club Facilities as security and collateral for repayment of any such loan and, therefore, all rights and privileges of Members pursuant to the Membership Documents are subordinate to the lien of any mortgage or deed of trust encumbering the Club Facilities from time to time.

The Rules and Regulations, including the services provided to Members and the hours of operation of the Club Facilities or any portion thereof, may be changed by the Club Operator without notice, in its sole discretion. In order to provide for the orderly administration of the Club Facilities, the Club Operator reserves the right, from time to time, to establish and promulgate new rules and/or modify existing rules governing the Club Facilities and the advance sign-up privileges with respect to the golf and other facilities provided at the Club. Upon approval by the Club of a prospective Member's Application and Membership Agreement, the payment of the applicable membership Initiation Fee, dues and other applicable fees and charges, and compliance with the Rules and Regulations established by the Club Operator, Members obtain the following use privileges:

4.1 Golf Membership – A Golf Membership allows a Member and the Member's immediate family, as defined in Section 10 of this Membership Plan, to have access to all Club Facilities, subject to the terms and conditions set forth in the Membership Documents. A Member holding a Golf Membership is sometimes referred to herein as a "Golf Member."

The following sub-categories of Golf Membership, having the golf privileges described below, are currently being offered by the Cliffs Clubs:

<u>Sub-Category:</u>	<u>Description of Golf Privileges:</u>
Full Golf	No stated annual cap on the number of rounds of golf at either the applicable Home Club or the other Cliffs Clubs. No greens fees will be charged at the applicable Home Club or any other Cliffs Clubs for Members and their immediate family. No charge for cart fees up to 20 rounds for Primary Member or equivalent discount if Annual Cart Program is purchased. Priority Tournament access pursuant to rules established by Club Operator from time to time. Priority tee times on weekends and holidays.
Home Golf	No stated annual cap on the number of rounds of golf at either the applicable Home Club or the other Cliffs Clubs. No greens fees will be charged at the applicable Home Club for Members and their immediate family. Greens fees will be charged for Members and their immediate family at the other Cliffs Clubs pursuant to the schedule of fees and charges as established by the Club Operator from time to time. Priority Tournament access pursuant to rules established by Club Operator from time to time. Priority tee times on weekends and holidays.

Non-Resident Golf

No stated annual cap on the number of rounds of golf at either the applicable Home Club or the other Cliffs Clubs. Greens fees will be charged for Members and their immediate family at the applicable Home Club and at the other Cliffs Clubs pursuant to the schedule of fees and charges as established by the Club Operator from time to time. Limited Tournament access pursuant to rules established by Club Operator from time to time. Priority tee times on weekends and holidays.

This sub-category of Membership is available only for Non-Resident Members.

All Golf Members will have 30 days advanced booking privileges at their applicable Home Club courses and 7 days advanced booking privileges at the other Cliffs Clubs' courses.

A Golf Membership may be available to Property Owners in all of the Cliffs Communities who apply for and are accepted for membership at their Home Club. To be guaranteed acceptance and issuance of a Golf Membership, a Property Owner must apply to the Club Operator for membership and pay the applicable non-refundable Initiation Fee either (i) in the case of a purchase of Property from a Developer, within thirty (30) days following the closing of such Property, or (ii) in the case of a purchase of Property in a resale transaction from a Golf Member in Good Standing, at the closing of such resale transaction. **Purchasing a Property from a Golf Member that has a Golf Membership associated with such Property in Good Standing, and arranging for the reissuance of such Golf Membership through the Club Operator to a resale purchaser, is the only means provided for a Property purchaser in a resale transaction to be guaranteed the ability to obtain a Golf Membership.**

4.2 Sports Membership – A Sports Membership allows a Member and the Member's immediate family as defined in Section 10 of this Membership Plan, to have access to all Club Facilities, subject to the terms and conditions set forth in the Membership Documents. A Member holding a Sports Membership is sometimes referred to herein as a "Sports Member."

The following sub-categories of Sports Membership, having the golf privileges described below, are currently being offered at the Cliffs Clubs:

Sub-Category:

Description of Golf Privileges:

Full Sports

Golf privileges are limited to ten (10) rounds per calendar year at their Home Club's golf course and five (5) rounds per calendar year at each of the other Cliffs Clubs' golf courses through the payment of appropriate greens fees and other use fees as established by the Club Operator from time to time. Rounds per calendar year applies to those played by the Primary Member and immediate family, but one tee time will count as one round even though there is more than one person playing that round. Rounds played by paying guests are not deducted from the allotted number of rounds. Restricted Tournament access pursuant to rules established by Club Operator from time to time.

Non-Resident Sports

Golf privileges are limited to six (6) rounds per calendar year at their Home Club's golf course and two (2) rounds per calendar year at each of the other Cliffs Clubs' golf courses through the payment of appropriate greens fees and other use fees as established by the Club Operator from time to time. Rounds per calendar year applies to those played by the Primary Member and immediate family, but one tee time will count as one round even though there is more than one person playing that round. Rounds played by paying guests are not deducted from the allotted number of rounds. Restricted Tournament access pursuant to rules established by Club Operator from time to time.

This sub-category of Membership is available only for Non-Resident Members.

All Sports Members will have 3 days advanced booking privileges at their applicable Home Club courses and at the other Cliffs Clubs' courses, subject to the restrictions applicable to Sports Members. Sports Members will not be permitted to participate in golf tournaments, unless otherwise approved by the Club Operator. Sports Members will not have access to golf courses before noon on weekends and holidays and the Club Operator may, from time to time, establish additional restrictions on golf privileges of Sports Members.

A Sports Membership may be available to Property Owners in all of the Cliffs Communities who apply for and are accepted for membership at their Home Club. To be guaranteed acceptance and issuance of a Sports Membership, a Property Owner must apply to the Club Operator for membership and pay the applicable non-refundable Initiation Fee either (i) in the case of a purchase of Property from a Developer, within thirty (30) days following the closing of such Property, or (ii) in the case of a purchase of Property in a resale transaction from a Sports Member in Good Standing, at the closing of such resale transaction. **Purchasing a Property from a Member that has a Sports Membership or higher category of Membership associated with such Property in Good Standing, and arranging for the issuance of a Sports Membership through the Club Operator to a resale purchaser, is the only means provided for a Property purchaser in a resale transaction to be guaranteed the ability to obtain a Sports Membership.**

4.3 Wellness Membership - A Wellness Membership allows a Member and the Member's immediate family, as defined in Section 10 of this Membership Plan, to have access to the Club Facilities other than golf courses or golf practice facilities, subject to the terms of the Membership Documents.

A Wellness Membership may be available to Property Owners in all of the Cliffs Communities who apply for and are accepted for membership at their Home Club. To be guaranteed acceptance and issuance of a Wellness Membership, a Property Owner must apply to the Club Operator for membership and pay the applicable non-refundable Initiation Fee either (i) in the case of a purchase of Property from a Developer, within thirty (30) days following the closing of such Property, or (ii) in the case of a purchase of Property in a resale transaction from a Wellness Member in Good Standing, at the closing of such resale transaction. **Purchasing a Property from a Member that has a Wellness Membership or higher category of Membership associated with such Property in Good Standing, and arranging for the**

issuance of a Wellness Membership through the Club Operator to a resale purchaser, is the only means provided for a Property purchaser in a resale transaction to be guaranteed the ability to obtain a Wellness Membership.

4.4 Social Membership - A Social Membership allows a Member and the Member's immediate family, as defined in Section 10 of this Membership Plan, to have access only to the dining facilities at the Cliffs Clubs, subject to the terms of the Membership Documents. Social Members are also eligible to participate in social events (other than Golf, Sports or Wellness related events), such as bridge club and speaker forums, as determined by the Club Operator.

A Social Membership may be available to Property Owners in all of the Cliffs Communities who apply for and are accepted for membership at their Home Club. To be guaranteed acceptance and issuance of a Social Membership, a Property Owner must apply to the Club Operator for membership and pay the applicable non-refundable Initiation Fee either (i) in the case of a purchase of Property from a Developer, within thirty (30) days following the closing of such Property, or (ii) in the case of a purchase of Property in a resale transaction from a Social Member in Good Standing, at the closing of such resale transaction. **Purchasing a Property from a Member that has a Social Membership or higher category of Membership associated with such Property in Good Standing, and arranging for the issuance of a Social Membership through the Club Operator to a resale purchaser, is the only means provided for a Property purchaser in a resale transaction to be guaranteed the ability to obtain a Social Membership.**

4.5 Cliffs Residence Club Membership - A Cliffs Residence Club Membership allows a Member and the Member's immediate family, as defined in Section 10 of this Membership Plan, to have access to all Club Facilities while in residence. A Cliffs Residence Club Member must have a confirmed reservation at the Residence Club and be physically present in order to have access to all Club Facilities and privileges. A Cliffs Residence Club Membership may be available to Cliffs Residence Club owners who apply for and are accepted for membership at their Home Club. To be guaranteed acceptance and issuance of a Cliffs Residence Club Membership, a Cliffs Residence Club property owner must apply to the Club Operator for membership and pay the applicable non-refundable Initiation Fee either (i) in the case of a purchaser of a Cliffs Residence Club property from a Developer, within thirty (30) days following the closing of such property, or (ii) in the case of a purchaser of a Cliffs Residence Club property in a resale transaction from an active Cliffs Residence Club Member in Good Standing, at the closing of such resale transaction. Resignation by a Cliffs Residence Club Member and re-issuance of the resigned Cliffs Residence Club Membership to a resale purchaser is the only means provided for a Cliffs Residence Club property purchaser in a resale transaction to be guaranteed the ability to obtain a Cliffs Residence Club Membership.

4.6 Corporate Membership - A Corporate Membership may be available to any corporation, partnership, or other legal entity, at the discretion of the Cliffs Clubs. The "Corporate Member Designee" program allows a Member Designee and additional Designees as determined by the Club Operator to have access to designated club facilities and golf courses. The entity holding the Corporate Membership may change the Member Designees from time to time as provided for in this Membership Plan. The number of Corporate Memberships is limited at all times as determined by the Club Operator in its sole discretion. The Club Operator reserves the right to provide additional course access to Corporate Memberships under modified membership programs and special use requests.

4.7 Honorary Membership – In addition to the Memberships described in this Membership Plan, the Cliffs Clubs may issue a limited number of Honorary Memberships to persons designated by the Club Operator from time to time. These Honorary Memberships are in addition to all other memberships to be issued at the Club. Honorary Memberships shall be available on terms and conditions and allowed such privileges as shall be established by the Club Operator. The users of these Honorary Memberships may be recalled and otherwise changed at any time by the Club Operator, in the Club Operator's sole discretion.

4.8 Recallable and Temporary Membership - The Cliffs Clubs has the plenary right to offer Memberships at any Home Club to persons who do not own Property within the Cliffs Communities, having such access and privileges as determined by the Club Operator in its sole discretion. The Club Operator currently anticipates that Memberships issued to such persons who do not own Property within the Cliffs Communities will be issued either on a temporary basis or will be recallable by the Club Operator, as determined by the Club Operator in its sole discretion. The Club Operator may, in its sole discretion, issue any of the categories and sub-categories of Memberships offered by the Club as recallable Memberships.

4.9 Additional Membership Benefits and Programs – The Club Operator may, in its sole discretion, implement such programs from time to time to address tenured Members, multiple generations and extended family privileges or other programs, and said programs will be subject to change from time to time in the sole discretion of the Club Operator.

4.10 Marina Membership Privileges – Marina Membership entitles the Member and his/her family to unlimited use of the marina facilities located within The Cliffs at Keowee Vineyards Community, The Cliffs at Keowee Falls South Community, The Cliffs at Keowee Falls North Community, and The Cliffs at Keowee Springs Community. Marina Membership privileges include use of the boat access ramps, club-owned wet slips and any other general marina services. Use of wet slips, boat storage facilities and marina services provided by a dockmaster are available at additional fees. Marina Membership is included with Golf Memberships and Sports Memberships at the following Home Clubs: The Cliffs at Keowee Vineyards Golf & Country Club; The Cliffs at Keowee Falls Golf & Country Club; and The Cliffs at Keowee Springs Golf & Country Club. Members at other Home Clubs may be offered from time to time marina privileges set forth above as "add on" privileges, subject to availability and through the payment of the applicable membership fees and additional dues and charges.

MEMBERSHIP LIMITATIONS

5. Right To Reserve Memberships - The Club Operator may, in the exercise of its absolute discretion, reserve Memberships for sale to future purchasers of the Developers' inventory of Property located within the Cliffs Communities. Memberships that are reserved will not be considered to be available Memberships, and the Cliffs Clubs may not be compelled to issue them. In the event Memberships are not available, a priority waiting list will be established for each Membership category at a Home Club, provided that any purchaser of Property from a Developer will be given higher priority on such list.

6. Number of Memberships - The maximum number of Memberships available in each category of Membership is not limited at this time to a specific number per Home Club, but the Club Operator is committed to a maximum number of Memberships that will accommodate Member utilization and protect the Members' usage of his/her Home Club. In the event that any maximum on the number of Memberships is instituted by the Club Operator and there is not a

sufficient number of Memberships to be issued to purchasers of Property in the Cliffs Communities, then, notwithstanding anything in the Membership Documents to the contrary, purchasers of Property from a Developer will be given a higher priority on any waiting lists established for the purchase of a Membership.

7. Resale Property - A purchaser of a Property in a Cliffs Community pursuant to a resale transaction (i.e., seller is not a Developer) will have the opportunity to become a Member of the applicable Home Club only if the seller has a Membership associated with that Property which is in Good Standing at the time of closing of the purchase of such Property by the new purchaser. The purchaser of such Property in a resale transaction would be provided with the opportunity to acquire the same or lower category or sub-category of Membership associated with such Property as was held by the selling Member immediately prior to the sale. However, the purchaser of such Property may also elect to obtain a higher category of Membership, subject to availability.

8. Right to Change Membership Category Privileges - The Club Operator has the plenary power to create a class of Membership other than those specified, and may subdivide any or every Membership category into reasonable sub-categories. When a limit in a certain Membership category is determined, the Club Operator will advise the Members of the limit so established. The Club Operator reserves the right to modify playing privileges and reservation policies for each category of Membership at a Home Club, in order to provide the utmost enjoyment and services for all Members at the Home Club. In addition, the Club Operator reserves the right to change, decrease or increase Membership roster limitations previously estimated or established for a Home Club.

RECIPROCITY -- USE PRIVILEGES

9. Use Reciprocity - Certain Membership categories at an applicable Home Club have reciprocal access of Club Facilities located at the other Cliffs Clubs. Reciprocity and the scope of privileges subject to reciprocity are subject to change from time to time as determined by the Club Operator in its sole discretion.

9.1 Golf Reciprocity - Golf Members, Corporate Members (to the extent applicable), Sports Members, and Cliffs Residence Club Members (while in residence) enjoy reciprocal golf privileges at all Cliffs Club golf courses, subject to the terms of the Membership Documents. Reciprocal golf privileges are provided for the Member and the Member's immediate family, as defined in Section 10 of this Membership Plan.

9.2 Non-Golf Related Reciprocity - Golf Members, Corporate Members, Sports Members, Wellness Members and Cliffs Residence Club Members (while in residence) enjoy access to the clubhouses, tennis, swimming, fitness and wellness, spa and other non-golf recreational amenities at the other Cliffs Clubs' facilities, subject to the terms of the Membership Documents. Social Members will have limited access to only those areas of the Club Facilities (including those at the applicable Home Club and those at the other Cliffs Clubs) that comprise the dining facilities and such other areas designated by the Club Operator from time to time.

MEMBERSHIP FAMILY PRIVILEGES

10. Definition of Immediate Family and Selection of Designated Adult - A Membership (other than a Corporate Membership) permits the Primary Member and his/her

immediate family to all of the privileges of the Membership category obtained, subject to the right of the Club Operator to deny such privileges to any person upon the request of the Primary Member or for violation of the Membership Documents. The term "immediate family" shall include the Primary Member and one Designated Adult and the children of the Primary Member and/or the Designated Adult who are each 23 years of age or younger and either (1) maintain the same principal residence as the Primary Member, or (2) are serving in the armed forces or attending school on a full-time basis. The Club Operator may, from time to time, require proof of residency of any Designated Adult or children 23 years of age and younger and/or other information reasonably necessary to verify that such individual is either living at the same principal residence as the Primary Member, attending school on a full-time basis or in the military.

The "Designated Adult" with respect to a Primary Member may be either (a) the Primary Member's spouse, or (b) any person unrelated to the Primary Member who is 18 years of age or older and who is living in the Primary Member's household (at the same principal residence) as a part of the family unit on a full-time basis. The Primary Member shall identify in writing to the Membership Office the person who the Primary Member wishes to designate as the Designated Adult for such Primary Member's Membership, and the Club Operator may require the Primary Member and/or such person being designated by the Primary Member to execute a written instrument in a form provided by the Club Operator as a condition to recognizing such designated person as the Designated Adult of the Primary Member. There shall be only one Designated Adult at a time per Membership; provided, however, a Primary Member may change the Designated Adult by written notice to the Membership Office, upon payment of such reasonable administrative fees as may be established by the Cliffs Clubs from time to time and subject to the right of the Club Operator to impose reasonable limitations on the frequency of such changes. If a Designated Adult other than a spouse ceases to maintain the same principal residence as the Primary Member, such person shall cease to qualify as a Designated Adult and the Club Operator may deny access and use privileges to such person; provided, the Primary Member shall remain responsible for all actions and charges of such person unless and until the Membership Office receives written notice from the Primary Member to cancel such person's status as the Designated Adult, and then only as to charges arising following receipt of such written notice, all previously incurred charges remaining the obligation of the Primary Member. From time to time as determined in the discretion of the Club Operator, the Cliffs Clubs may offer some extended family privilege programs, which are always subject to availability, and said programs will be subject to change in the sole discretion of the Club Operator based on the total number of outstanding Memberships and Member usage factors.

MEMBERSHIP FEES, DUES AND CHARGE PRIVILEGES

11. Initiation Fee - Each Member acquiring a Membership at any of the Cliffs Clubs will be required to pay a non-refundable initiation fee ("Initiation Fee") in an amount determined by the Club Operator from time to time. The Initiation Fee paid for a Membership is non-refundable. The amount of the Initiation Fee and the manner of payment of the Initiation Fee shall be established by the Club Operator from time to time, and is further described in the Member's Application and Membership Agreement. The Initiation Fee to be paid for a Membership will be the applicable Initiation Fee in effect for that category of Membership on the date the applicant submits the Application and Membership Agreement to the Club. However, the Club Operator reserves the right, in the Club Operator's sole discretion, to discount or waive all or part of the required Initiation Fee, whether to implement a promotional campaign, an amnesty program for non-Member Property Owners or otherwise. Except as otherwise

expressly provided in a Member's applicable Application and Membership Agreement, the required Initiation Fee for a Membership shall be due in full at the time the Application and Membership Agreement is submitted to the Club.

12. Dues, Fees and Charges - All categories of Membership require the payment of periodic dues, fees and other charges, as established by the Club Operator from time to time, in order to obtain and maintain membership privileges at the Cliffs Clubs and shall not be considered an operating assessment or capital assessment. Periodic dues are charged for the basic privileges accorded a Member by the Membership category acquired. Payment of dues does not cover purchases and charges for products and services offered at a Club Facility ordered by a Member, for example, merchandise, food and beverage, greens and cart fees, guest, locker, bag storage and tournament fees, and miscellaneous service and rental fees. The frequency of periodic dues and the amount of dues per Membership category and sub-category is determined by the Club Operator, who has the sole authority and discretion to modify and change dues amounts and payment schedules upon determination by the Club Operator. All dues billed are due and payable upon receipt. The payment of dues will not be abated for any reason, including, without limitation, any extended absences of the Member from the area, or any temporary disability preventing the Member's use of the Club Facilities. The Club may, but shall not be obligated, to offer dues levels that require the payment of greens fees and other usage fees for certain Membership categories. Certain dues levels may have some restricted privilege as they relate to access to Club Facilities, advance tee times, and reciprocal golf at the golf courses, contingent upon their particular Membership category and sub-category privileges. Dues levels and amounts are subject to change from time to time at the sole discretion of the Club Operator. A Member who owns multiple Properties within the Cliffs Communities and has multiple Memberships associated with such Properties, will be permitted to designate one of their Memberships as their Primary Membership. The Primary Membership must be the highest category of Membership held by such Member for which full dues will be charged, and all other Memberships held by such Member will be assessed dues at the rate charged for the lowest category of Membership.

As of the effective date of this Membership Plan, there are Cliffs Clubs that do not have a full complement of golf, clubhouse and wellness amenities completed and open for Member use. Accordingly, if the Member's Home Club is either The Cliffs at Mountain Park Golf & Country Club or The Cliffs at Keowee Springs Golf & Country Club, the Member will initially pay dues in accordance with the terms and conditions set forth below with respect to such Home Club:

12.1 *The Cliffs at Mountain Park* – If a Member is a Golf Member or a Sports Member, then such Member will be required to pay only 50% of the dues otherwise applicable for the Member's level of Membership until the golf course at the Home Club opens, and will be required to pay 100% of the dues applicable for the Member's level of Membership following the opening of the golf course at the Home Club. If a Member is a Wellness Member, then such Member will be required to pay only 50% of the dues otherwise applicable for the Member's level of Membership until the wellness facility at the Home Club opens, and will be required to pay 100% of the dues applicable for the Member's level of Membership following the opening of the wellness facility at the Home Club. If a Member is a Social Member, such Member will pay 100% of the dues applicable for the Member's level of Membership. All Members will also be required to pay all other applicable fees and charges. The provisions of this Section 12.1 shall be applicable only if the Member's Home Club is The Cliffs at Mountain Park Golf & Country Club.

12.2 *The Cliffs at Keowee Springs* – If the Member is a Wellness Member, then such Member will be required to pay only 50% of the dues otherwise applicable for the Member's level of Membership until the wellness facility at the Home Club opens, and will be required to pay 100% of the dues applicable for the Member's level of Membership following the opening of the wellness facility at the Home Club. All other Members will pay 100% of the dues applicable for their respective level of Membership Member. All Members will also be required to pay all other applicable fees and charges. The provisions of this Section 12.2 shall be applicable only if the Member's Home Club is The Cliffs at Keowee Springs Golf & Country Club.

13. Food and Beverage Minimum - All categories of Membership require participation in the Food and Beverage Minimum program as established by the Club Operator and may be modified from time to time in the Club Operator's sole discretion.

MEMBERSHIP CARDS, CHARGE PRIVILEGES AND ACCOUNTS

14. Membership Cards - Each Member shall be assigned a membership account number, evidenced by the issuance of a membership card imprinted with the Member's name and account number. Additionally, a Cliffs Community may issue automobile identification decals, which must be displayed at all times. Membership cards or other evidence of use and access privileges issued by the Club should be presented, and/or displayed when using any Club Facilities or making club charges, and upon request of Cliffs Clubs' management. A lost or stolen card must be reported in writing to Cliffs Clubs' management immediately following discovery of its lost or stolen status. A Member is responsible for all charges on his/her account until the Cliffs Clubs receives written notification that the card is lost or stolen and then only as to charges arising following receipt of such written notice, all previously incurred charges remaining the sole obligation of the Member. The Member will be issued a new account number and membership card in this event. Members may be charged an administrative fee for the re-issuance of a card.

15. Charge Privileges and Service Charges - Members are entitled to charge privileges for merchandise, food and beverage, greens and cart fees, guest and tournament fees, and miscellaneous service and rental fees, so long as the Membership is in Good Standing. A service charge, in the amount determined from time to time by the Club Operator, will be added for any food and beverage sales.

16. Accounts - A Member is fully responsible for the Member's Club account, as further described in Section 17 of this Membership Plan.

MEMBERS' FINANCIAL RESPONSIBILITIES/INDEBTEDNESS

17. Members' Financial Responsibilities; Delinquent Accounts – Each Member shall be responsible for the performance and prompt discharge of all obligations and indebtedness to the Cliffs Clubs imposed upon, or incurred by the Member, members of his/her family, and his/her guests. The Club Operator, in the exercise of absolute discretion, may expel, suspend, fine, or otherwise limit the use of any Club Facilities for any Member, who fails or neglects to promptly discharge or fulfill his indebtedness to the Club Operator. The Club Operator reserves the right to require Members to provide a credit card, check or cash deposit as security for payment of a Club account. A Member's Club account, which is billed monthly, will include monthly dues owed, and club charges. A Member is required to maintain two valid credit cards

on file with the Cliffs Clubs and any balance not paid on or before the 15th day of the billing month will be charged to such credit cards. Any balance on the Member's Club account not received by the last day of the billing month will be subject to a late fee equal to 1.5% per month (but not to exceed the maximum rate permitted by law) of the outstanding balance owed. If payment is not received within the last day of the billing month, a Member's account will be deemed delinquent, and the Club may temporarily suspend all charge and use privileges. If the Club Operator elects to charge a Member's credit card on file for any amounts due by the Member, the Club Operator will assess and collect a convenience fee equal to a percentage of the amount being charged as set by the Club Operator from time to time, which percentage is currently set at 3% for Visa and MasterCard and 4% for American Express. If payment of a delinquent account is not received within thirty (30) days of the date of delinquent notification and billing, the Club Operator reserves the right to continue temporary suspension until the delinquent Club account is settled, and paid in full. If payment of a delinquent account is not received within sixty (60) days of the date of delinquent notification and billing, the Club Operator reserves the right to continue temporary suspension until the delinquent Member pays to the Club Operator a reinstatement fee equal to the sum of (a) all outstanding dues, fees and other charges accrued to date, (b) all attorney costs and expenses incurred in pursuing collection of such delinquent account, and (c) an administrative fee as established by the Club Operator from time to time. Continued delinquency for a period of one-hundred eighty (180) days from the date of billing may result in formal expulsion, revocation or termination of the Membership. This process is at the sole discretion and authority of the Cliffs Clubs' management. The Club Operator reserves the right to take whatever action it deems necessary to collect in full the amount owed on delinquent Members' Club accounts. If the Club Operator engages an attorney to collect a past-due Club account, the delinquent Member will be liable for all attorney costs and expenses incurred in pursuing collection, including, but not limited to, costs and expenses of non-judicial processes, as well as court fees and costs through all appeal levels. If payment of the delinquent account, including the payment of the reinstatement fee referenced above, is received in full prior to the official revocation or termination of the Membership, the Member may be reinstated as a Member in Good Standing.

**TRANSFER, CHANGE OF MEMBER DESIGNEE,
RESIGNATION OR REVOCATION OF MEMBERSHIP**

18. Transfers Prohibited: Membership Resignation Only - A Member may not transfer his/her Membership to any person, including a purchaser of the Member's Property located within a Cliffs Community in a resale transaction. Such prohibited transfer includes a prohibition upon any sale, pledge, hypothecation, assignment, transfer or encumbrance of a Membership except in accordance with this Membership Plan. A Member may resign the Membership and the Club Operator may reissue the Membership as a Membership in accordance with the following provisions:

- A. Upon the sale of Property in a resale transaction by a Member in Good Standing, such selling Member may resign the Member's Membership and arrange through the Club Operator to have the Member's Membership reissued to the resale purchaser at the closing of said Property. The resale purchaser must first, however, apply and be approved by the Club Operator for membership.
- B. Upon the sale of Property in a resale transaction by a Member (or former Member) who does not have a Membership associated with that Property

in Good Standing, the purchaser of such Member's (or former Member's) Property may acquire a Membership at the Cliffs Clubs only if: (i) the seller of such Property pays to the Club Operator a reactivation fee equal to the sum of the amount of unpaid dues, fees and other charges that are owed to the Club Operator by such selling Member (or former Member), plus the amount of dues that would have accrued on such selling Member's (or former Member's) Membership at the applicable level of dues in order to have kept such Membership in Good Standing and (ii) the Purchaser pays the applicable Initiation Fee then being charged for the category and sub-category of Membership being acquired. As used in this Section 18.B, "former Member" means a person who previously acquired a Membership at the Cliffs Clubs pursuant to the terms of this Membership Plan, as such may be amended from time to time, and whose Membership associated with the subject Property has been subsequently resigned or terminated.

- C. A Member whose Membership is not to be reissued to a resale purchaser of such Member's Property may tender their resignation to the applicable Cliffs Club. In the event such Membership is not resigned by such selling Member, the Membership of such selling Member shall become recallable at any time as determined in the sole discretion of the Club Operator.
- D. A formal written letter of resignation and/or a membership addendum, which outlines the resignation and reissuance (if applicable), must be processed before the resignation is finalized. A Member may resign only upon delivery of such written notice of resignation to the Membership Office at least six (6) months in advance of the intended date of resignation, unless the Member is selling such Member's Property (with which the Membership is associated), in which event the Member shall provide notice at least sixty (60) days in advance of the intended date of resignation. Unless otherwise approved by the Club Operator, the resignation of such Member will only become effective if such Member is in Good Standing at the time of providing notice of resignation and remains in Good Standing at all times until the intended effective date of resignation.
- E. Resigning Members must return their membership card(s), and return any locker key(s) before the resignation will become effective.
- F. To the extent that any Property Owner is required, by the terms of a declaration or any other covenant encumbering their Property, to acquire and maintain a Membership at one of the Cliffs Clubs, then such Property Owner will not be permitted to resign or deactivate their Membership associated with such Property.
- G. A Member who sells his/her Property within a Cliffs Community, does not arrange with the Club Operator for the reissuance of such Member's Membership to the purchaser of his/her Property, and purchases another Property in the same Cliffs Community within thirty (30) days following the closing of such sale may retain the Membership and have such

Membership associated with the newly acquired Property, as long as the Membership is active and in Good Standing.

19. Change of Membership Designee - Corporate Memberships and Memberships owned by more than one Property Owner may have appointed designees. The designees may be changed as described below.

19.1 Corporate Membership - Corporate Memberships may change the Corporate Member Designee(s) to another individual in the company only once per calendar year. The change from one designee to another must be made by the company and acknowledged and approved by the Club Operator in writing. The company may be required to pay an administrative fee for such Member Designee change, as determined by the Club Operator at the time the change is requested. All Club account balances of the previous Corporate Member Designee's account must be paid in full prior to the change to another designee becoming effective. All membership cards and locker keys in the possession of the former Corporate Member Designee must be returned prior to the finalization of the membership designee change. Corporate Memberships may not change the Corporate Member Designee to another individual outside the company for which the Corporate Membership is issued.

19.2 Multiple-Owner Property - Multiple owners of a Property, whether as tenants in common or otherwise as determined by the Club Operator, who collectively own a Membership, must select one (1) of such owners as the Member Designee. Such multiple Property Owners may change the one (1) Member Designee to another co-owner of the Property only once per calendar year. An administrative fee determined by the Club Operator may be charged at the time of a Member Designee change. All club account balances of the current Property Owner Member Designee must be paid in full before the Club Operator processes the request for change of Member Designee. All membership cards and locker keys in the possession of the former Member Designee must be returned prior to the finalization of the change in Member Designee. The Member Designee being changed must surrender his/her membership card. A new account number will be assigned to the new Member Designee and a new membership card issued. A multiple Property Owner Membership may not change the Member Designee to an individual without an ownership interest in the multiple owner Property.

20. Revocation of Membership; No Refund Due - Notwithstanding anything in the Membership Documents to the contrary, a Membership that is revoked or terminated due to default in payment or other disciplinary action shall not be entitled to any refund for any dues, club credits, fees or other charges paid by the revoked, expelled or terminated Member.

UPGRADES/DOWNGRADES/LEAVE OF ABSENCE

21. Upgrades - Members may upgrade to a higher category or sub-category of Membership in accordance with this Section 21, provided that the desired category/sub-category of Membership is then available and not reserved. In order to upgrade to a different category of Membership, the Member shall pay to the Club Operator the difference between the Initiation Fee then being charged for desired category of Membership and the Initiation Fee then being charged for the category of Membership currently held by the upgrading Member. When upgrading to a higher category of Membership, an upgrading Member may select any sub-category of Membership within that category of Membership for which the Member is qualified. If a Member holding a Non-Resident Golf Membership or Non-Resident Sports Membership ceases to qualify as a Non-Resident Member, such Member shall automatically upgrade to the

next highest level of Membership within their category, as provided in the applicable Non-Resident Member Addendum. The Club Operator reserves the right to modify the terms and conditions for allowing Members to upgrade, as the Club Operator determines in its sole discretion.

22. Downgrades - Except as otherwise expressly provided in a Member's applicable Application and Membership Agreement or as otherwise provided below in this Section 22, a Member may only downgrade a Membership as provided in Section 24 hereof in the event of the death of a Primary Member. The Club Operator may permit a Member to downgrade such Member's Membership category in a hardship situation deemed appropriate by the Club Operator, in its sole discretion. The Club Operator has the sole authority to deal with hardship situations in any manner it deems appropriate and no action that may be taken by the Club Operator in such hardship situations shall create precedent for similar or future circumstances.

23. Leave of Absence - A Member in Good Standing may make a request for a leave of absence for good reason, which request may be approved by the Club Operator in its discretion. If a leave of absence is granted by the Club Operator, the Member's Membership will be deactivated for a period not to exceed two (2) years, during which the Member shall not have access to the Club Facilities or any membership privileges. The Club Operator may, within its sole discretion, reduce or eliminate dues during such period of deactivation. The Club Operator shall have no obligation to grant any leave of absence hereunder, any such leave of absence being determined in the sole and absolute discretion of the Club Operator.

DEATH/DIVORCE OF MEMBER

24. Death of a Member - Upon the death of a Member, the Designated Adult of the deceased Member, or a child of the deceased Member who is eighteen (18) years or older, is eligible to have the deceased Member's Membership reissued in the name of such survivor, provided that such survivor is or becomes the owner of the Property that is associated with the deceased Member's Membership. Re-issuance of the deceased Member's Membership is subject to compliance with the Will of the deceased, and must be communicated in writing to the Membership Office by the legal representative of the estate. The Club Operator may require proof of the survivor's entitlement to re-issuance. Upon the reissuance of such deceased Member's Membership, the dues applicable to such deceased Member's Membership shall be suspended for up to six (6) months during which time the qualified survivor may utilize the membership privileges associated with such Membership. A transferee of the Membership pursuant to this provision may elect, at any time during the twelve (12) month period following the deceased Member's death, to downgrade the transferred Membership to any category or sub-category of Membership then being offered at the Cliffs Clubs without regard to the limitations set forth in Section 22 hereof or in any other Membership Document. In the event the deceased Member's legal representative of the estate communicates that the Membership is not to be reissued to a survivor, as above provided, the representative shall also provide written notification of resignation. In the event the legal representative of a deceased Member fails to provide written notice of a survivor entitled to membership re-issuance or that the Membership is resigned, the Club Operator may, on its own and following written notice to the estate of the deceased Member declare the Membership resigned and recalled.

25. Divorce of a Member - In the event that a Member who is a Property Owner is divorced, the Membership will automatically pass to the spouse retaining ownership of the Property; provided, however, that if the other spouse is awarded occupancy of the residence

located upon the Property, the use rights shall (during the term of the occupancy) belong to the occupying spouse. However the Membership will at all times belong to the spouse owning the Property, and both spouses will be responsible for all dues and other fees and charges related to the Membership unless otherwise provided by court order or agreement. If there is any legal proceeding (including but not limited to, legal separation, divorce, or bankruptcy) which involves a dispute or claim about the ownership of a Membership, the Club Operator shall be entitled to rely on the Application and Membership Agreement and the person (or persons) listed on the Application and Membership Agreement to confirm the identity of the Primary Member, and, to the extent permitted by law, the Club Operator shall have the right to suspend the membership privileges associated with such Membership until the matter has been resolved. The Club Operator will not be obligated to rely on the Application and Membership Agreement if the Club Operator believes there are other factors that are more relevant to determining the identity of the Primary Member. Once there is an award of membership (by either fully executed settlement agreement or final judicial order) the Club Operator will comply with the award. Nevertheless, both spouses shall be jointly and severally liable for all dues, fees and other charges incurred up until the day the award is entered.

26. Rights of a Deceased or Divorced Successor - In all respects, the membership rights of a deceased or divorced Member will only be reissued to a person otherwise eligible for the deceased or divorced Member's Membership category. In the event that a request is made that a Membership of a deceased or divorced Member be reissued to an individual who does not qualify for that particular category of Membership, the request will be denied, and said Membership considered resigned (for instance if the Designated Adult does not succeed to ownership of the Property with respect to which the Membership was issued). Other options which the Club may, but shall not be required to, offer under these circumstances include an upgrade or downgrade of Membership category, based on availability, eligibility requirements and payment of any appropriate fees. The Club Operator also reserves the right, but shall have no obligation to, reclassify a Membership, but not the privileges or obligation appurtenant thereto, to take into account underlying Property ownership change instituted for estate planning purposes, and upon written request for and consideration and presentation of such documentation and legal opinions as may be requested by the Club Operator as a condition of any such reclassification.

MEMBERSHIP YEAR

27. Membership Year - The membership year of each Home Club shall begin January 1st and end the following December 31st. All Membership categories shall comply with this membership year schedule.

GUESTS

28. Guest Privileges - Members may have limited guest privileges in accordance with this Membership Plan and the Rules and Regulations and upon payment of applicable guest fees established by the Club Operator from time to time. The Club Operator, in its sole discretion, may limit, deny or revoke guest privileges of any Member and limit the number of times any particular individual guest may use the Club Facilities or any particular facility provided through the Cliffs Clubs during a specific period of time and limit the number of guests a Member may sponsor at any particular time. The Cliffs Clubs may charge higher guest fees for unaccompanied guests (if permitted by the Club Operator) and require that guests be accompanied by a sponsoring Member when using certain facilities provided at the Cliffs Clubs,

when using the facilities during certain times of the day, when using the facilities during certain days of the week or when using the facilities during certain times of the year. Sponsoring Members are responsible for the payment of all fees and charges unpaid by their guests and for the conduct of their guests. The following provisions outline the escorted or unescorted privileges afforded Day Guests, Corporate and Executive Guests, Family Guests, Houseguests, and Residence Club Guests, which may be modified by the Club Operator from time to time in the Club Operator's sole discretion.

28.1 Member Day Guests - A day guest of the Member is required to be accompanied by the Member, unless otherwise permitted by the Cliffs Clubs. A day guest may use the Club Facility under and in accordance with the following provisions:

- A. A day guest may not use the golf facilities, tennis, swimming and other recreational facilities of the Cliffs Clubs more than six (6) times during a membership year.
- B. A day guest's use is further restricted as to the number of times of use, as it relates to the same individual being a day guest of more than one Member during the same calendar year.
- C. A Member will be responsible for guest fees for the Member's day guest, as determined by the Cliffs Clubs. Payment may be processed through charges to the Member's account, or through credit card. Day guest fees may apply to use of all Club Facilities including the golf courses, tennis courts, swimming pools and other social and recreational activities, as determined by the Cliffs Clubs. A Member must personally call the applicable Cliffs Club and make dining reservations or reserve tee times for any unescorted guests and authorize charge privileges or indicate to the Cliffs Club staff that the guest will be solely responsible for the guest's charges while visiting the Club unescorted by the Member.
- D. Day guests will be entitled to use the Club Facilities only in accordance with the privileges of membership as provided for by the sponsoring Member's category of Membership.
- E. The sponsoring Member shall be responsible for all charges incurred by the day guest.
- F. A sponsoring Member shall be responsible for the conduct and appearance of his day guest, and shall, at the request of the Cliffs Clubs, require the day guest to leave the Cliffs Club premises if the day guest is determined by the Club Operator or Cliffs Club management to be in violation of the rules and regulations.
- G. Day guests must register with the Home Club personally upon arrival and may be required to carry a temporary membership card issued by the Cliffs Clubs.
- H. Day guest usage and fee policies apply to all membership categories as set forth in the Rules and Regulations, which may be modified from time to time at the sole discretion of the Club Operator.

28.2 Corporate Guests - Corporate Member Designees are extended the privilege of hosting day guests at the Club according to the following guidelines:

- A. A Corporate Membership does not allow for unlimited use of the Club Facilities by all individuals who are employed by the company or business.
- B. Corporate Member Designees must pre-register their day guests with the Home Club.
- C. Corporate Member Designees must personally call and reserve tee times for any unescorted guests and authorize charge privileges or indicate to the Club staff that the guest will be solely responsible for the guest's charges while visiting the Cliffs Clubs unescorted by the Member.
- D. The "local" day guest rules above apply equally to the number of times per year that a Corporate Designee's day guest may be sponsored.
- E. The maximum number of unescorted day guests of a Corporate and Executive Designee is limited at all times. Cliffs Club management reserves the right to make exceptions. At all times, unescorted guest tee times are subject to availability. The Home Club's on-site manager shall have the right to deny privileges to any unescorted guest.

28.3 Family Guests - From time to time, the Cliffs Clubs may offer preferential guest fee rates for family members of the Member. These guest fee rates apply to family members playing with the Member and include adult children and their spouses and children, parents, and grandparents.

28.4 House Guests - Family members of a Member, and friends staying within the home of a Member located within a Cliffs Community, are not subject to the Member Day Guest rules outlined in Section 28.1.A above; provided, however, that the Club Operator shall have the discretion to determine in its reasonable judgment whether such house guest privileges are being abused.

28.5 Lessees - A lessee of a Property Owner's home shall not be permitted use rights or privileges under the Property Owner's Membership, and shall be required to obtain a separate temporary membership from the Club Operator, subject to availability and approval by the Club Operator. If the Property Owner leases his/her Property through the rental program of the Club Operator's designated affiliate, then the lessee may also obtain certain membership privileges through such rental program.

28.6 Residence Club Guests - An "Escorted Guest" shall be defined as any guest who resides with a Residence Club Member during their stay in residence. An "Unescorted Guest" shall be defined as any guest who resides in a Residence Club property without the Residence Club Member being present. Guests of a Residence Club Member may use the Club Facilities under and in accordance with the following provisions:

- A. Residence Club Members shall be responsible for the conduct and appearance of their guests, and shall, at the request of the Cliffs Clubs,

require the guest to leave the Club premises if the guest is determined by the Club to be in violation of the rules and regulations.

- B. Residence Club Members must pre-register Unescorted Guests in writing at least fourteen (14) days prior to their arrival date.
- C. Unescorted Guests shall be permitted to use the Residence Club Member's Home Club Facilities only and will be responsible for any charges and fees incurred. Any unpaid charges or fees of an Unescorted Guest will be charged to the sponsoring Residence Club Member's account.
- D. Escorted Guests are permitted to use non Cliffs Home Club Facilities only while in the presence of the sponsoring Residence Club Member.
- E. Residence Club Members will be responsible for any Escorted Guest fees for the Member's guest, as determined by the Cliffs Clubs. Payment may be processed through charges to the Member's account, or through a credit card. Escorted Guest fees may apply to use all club facilities including the golf courses, tennis courts, swimming pools and other social and recreational activities, as determined by the Cliffs Clubs.
- F. Exchange Guests of Residence Club Members shall be permitted to use the Member's Home Club Facilities only and will be solely responsible for any charges and fees incurred during their use of the Home Club.

29. Other Guest Usage And Privileges - The Cliffs Clubs may grant use and access privileges to persons other than Members at any or all facilities of the Cliffs Clubs. Such other designated users may include, but shall not be limited to, persons who are employed by the Cliffs Clubs, a Developer and their exclusive sales broker, prospective purchasers of Property, resort guests and other non-members subject to compliance with strict guidelines, schedules and fee structures as determined by the Club Operator. The Club Operator may permit persons to use the Club Facilities for special outings and events, according to guidelines, schedules and fee structures established by the Club Operator.

DISCIPLINE OF MEMBERS

30. Reasons for Discipline - A Member, or any of his/her family or guests may be subject to disciplinary action by the Cliffs Clubs for any of the following reasons, or any other action deemed by the Club Operator to be "Conduct unbecoming a Member of the Cliffs Clubs:"

- A. Submission of false information on the Application and Membership Agreement or application for guest privileges.
- B. Permitting a membership card or club account to be used by anyone other than the designated Member, or as otherwise allowed in accordance with this Membership Plan.
- C. Non-payment of any fees, dues, charges and other indebtedness due and owing the Cliffs Clubs within the time required.

- D. Exhibiting conduct that is prejudicial to the good order, harmony, reputation, health, safety, morals or general welfare of the Club Operator, Cliffs Clubs, or its Members and their families, as determined solely by the Club Operator.
- E. Exhibiting conduct that is disruptive, abusive, incompatible with, or offensive or disagreeable to the Members of the Club, their families and guests, as determined solely by the Club Operator.
- F. Displaying conduct which, in the sole and absolute discretion and opinion of the Club Operator, is abusive to management or staff or an affiliate's employees.
- G. Exhibiting behavior which is considered lewd or vulgar, including the excessive use of profane language, or which constitutes or evidences habitual or repeated drunkenness, or use of drugs or controlled substances, as determined solely by the Club Operator.
- H. Solicitations of any kind, including but not limited to, mail, telephone or email, made by use of the published membership directory or the Cliffs Clubs' websites.
- I. The violation of any rules and regulations of the Cliffs Clubs, including, without limitation, this Membership Plan, the Rules and Regulations and other rules and regulations promulgated by a Cliffs Clubs, at any time governing Member conduct and use of Club Facilities or other Cliffs Clubs property.
- J. The Club Operator, taking into account the nature and gravity of the conduct involved may, in its sole and absolute discretion, reprimand, place on probation, suspend, expel or refuse to renew the Membership of any Member who is in violation of the offense.
- K. The Cliffs Clubs may restrict, suspend, or terminate any Member's right to use any or all of the Cliffs Clubs' facilities at the discretion of the Cliffs Clubs.
- L. A Member who is suspended or terminated due to disciplinary action, is not entitled to any refunds of Initiation Fees, dues, or credits of any kind and is liable for full payment of outstanding club account balances.
- M. A Member, who is temporarily suspended from use of Club Facilities, is liable for payment of monthly dues and other charges in a proper and timely matter. The temporarily suspended Member cannot be reinstated as a Member in Good Standing, until all outstanding account balances are paid in full and as otherwise provided in this Membership Plan.
- N. In the event a Membership is permanently terminated by the Club Operator, constituting an involuntary resignation, the Member waives all rights to any guaranteed Membership re-issuance in accordance with this Membership Plan.

- O. A permanently suspended former Member shall not, under any circumstances, be entitled to consideration for membership application in the future, and may be prohibited from being admitted to use Club Facilities under any circumstances, including as a day guest.

PERSONAL INJURY AND LOSS OR DESTRUCTION OF PROPERTY

31. Member Responsibilities and Indemnities - Each Member, as a condition of membership, and each guest as a condition of invitation to the Club Facilities, assumes sole responsibility for his/her personal property and acknowledges and understands the following:

- A. Neither the Club Operator nor club staff are responsible for any loss or damage to any private property used or stored on the premises of the Cliffs Clubs, whether in lockers or elsewhere.
- B. Any personal property left in, or on Club property, for more than six (6) months, without payment due for any applicable storage facilities, will be sold by the Club Operator, with or without notice, at a public or private sale, or may be otherwise disposed of, and the proceeds, if any, shall be retained by the Club Operator.
- C. No person shall remove, or rearrange any property or fixtures belonging to the Club Operator or Cliffs Clubs to a different location or position, without proper authorization from the Cliffs Clubs' management.
- D. All Members are liable for any property damage or personal injury at the Club Facilities, whether during normal usage, or at any activity or function which is sponsored by the Cliffs Clubs, if such damage or injury is caused in whole or in part by the Member, his/her family, or guests. The cost of such damage shall be charged to the Member's account. Persons responsible for any damage are subject to suspension or termination for the refusal to make restitution therefore.
- E. All Members, guests, and other persons who in any manner, make use, or accept use of any apparatus, appliance, facility, or privilege or service provided by the Club Operator or the Cliffs Clubs, or who engages in any contest, game, function, exercise, competition, or other activity operated, organized, arranged or sponsored by the Club Operator or the Cliffs Clubs, shall do so at his/her own risk, and shall hold the Club Operator, the Cliffs Clubs, and its management, employees, principals, affiliates, directors, representatives and agents (collectively, the "Club Indemnified Parties") harmless from any and all loss, cost, claim, injury, damage or liability sustained or incurred by him/her resulting therefrom, or from any act or omission, including the negligence, of the Club Operator or any of the other Club Indemnified Parties.
- F. Should any party bound by the Membership Documents bring suit against the Club Operator or any of the Club Indemnified Parties in connection with any event operated, organized, arranged or sponsored by the Club Operator or the Cliffs Clubs or any other claim or matter in connection with membership in any of the Cliffs Clubs, and fail to obtain judgment therein

against such Club Indemnified Parties, said party shall be liable to the Club Operator and the Club Indemnified Parties for all costs and expenses incurred by the action in the defense of such suit.

TRANSFER OF CLUB OR CLUB FACILITIES

32. Sale of Club to a Third Party - The Club Operator reserves on behalf of itself, its successors, successors-in-title to the Club Facilities, and assigns, the right, in its sole discretion, to sell, convey or otherwise transfer ownership of the Cliffs Clubs or any of the Club Facilities to any entity whatsoever, subject to the rights of Members set forth in this Membership Plan. In the event the Club Operator sells some or all of the Club Facilities to a third party, the Club Operator may assign its rights and obligations under the Membership Documents to the subsequent purchaser, and, upon the assumption of the obligations under the Membership Documents by such purchaser, the Club Operator shall be released from all liability under the Membership Documents that such purchaser has agreed to assume.

33. Sale of Club to Members - The Club Operator, on behalf of itself, its successors, successors-in-title to Club Facilities, and assigns, hereby reserves the right to, but shall be under no obligation to, offer to sell any or all of the Club Facilities to the Members, or a group thereof, or convert, in whole or in part, the Cliffs Clubs to an "equity" club or similar arrangement whereby the Members, or an entity owned or controlled by the Members, becomes the owner or operator, or both, of the Club Facilities. The acquisition price of the Club Facilities, if any is established, or the Club Operator, acting either alone or in conjunction with the entity group the Members may select to represent themselves, will establish the acquisition price of a membership in any such "equity" club. In the event the Club Operator converts the Club Facilities to an equity member-owned club, the Club Operator may assign its rights and obligations under the Membership Documents to the subsequent purchaser, in which event the Club Operator shall be released from all liability under the Membership Documents.

34. Dissolution of the Club - The Club Operator hereby reserves the right, on behalf of itself, its successors, successors-in-title to the Club Facilities, and assigns to terminate all Memberships and proceed to dissolve the Cliffs Clubs, without liability, at any time upon sixty (60) days' prior written notice to all Members, and upon such termination the Members shall be entitled to a refund of any prepaid dues, and each Member shall be entitled to a prorated refund of the Initiation Fee paid by such Member based upon an amortization of such Initiation Fee over a five-year period commencing upon the issuance of their Membership.

MODIFICATION AND INTERPRETATION

The Club Operator reserves the right to amend and modify the Membership Plan and the Rules and Regulations in any manner it deems appropriate, except as otherwise provided in this paragraph below. Notwithstanding the foregoing, the Membership Plan may not be amended by the Club Operator to require the Members of a particular Cliffs Club to fund any capital assessments or operating assessments without first obtaining the approval of a majority of the Members (at such Cliffs Club) in Good Standing within the category of Membership that would be subject to such assessment, with each such Member being entitled to one (1) vote per Membership. Unissued and resigned Memberships will not be counted for purposes of such voting. Any amendments to the Membership Plan shall become effective no earlier than the date that is thirty (30) days after notice of such amendment has been provided to the Members, which notice may be provided by e-mail and/or posting of the amendment to the Cliffs Clubs

website. Notwithstanding anything in this Membership Plan to the contrary, if the proposed amendment to the Membership Plan is materially adverse to the Members or to any category of Members, then after notice of such amendment has been provided to the Members, a Member who is materially adversely affected by such proposed amendment may elect to resign at any time prior to the effective date of such amendment and any such election to resign that is timely made will become effective immediately prior to the effective date of such amendment. To the extent there are any conflicts or ambiguities in the terms of the Membership Documents, the Club Operator shall have the sole authority to interpret the Membership Documents and its decision shall be conclusive and final.

HOME CLUB BOARD

35. Home Club Board - The Club Operator will establish a procedure whereby the Members of each Home Club in Good Standing will be given the opportunity to elect Members of their own Home Club, who are in Good Standing, to serve on a Home Club Board. The Home Club Boards for the respective Cliffs Clubs will serve in an advisory capacity only, and will have no duty or power to act on behalf of the Club Operator, the Home Club or the Home Club's Members, whether individually, or collectively.

36. Home Club Board Meetings With Club Management - The Club Operator' will designate the General Manager, Head Golf Professional, Director of Golf, Head Superintendent, and members of Senior Management, or any one or a committee of them, to meet with the Home Club Boards to discuss the operation of the Club Facilities of the applicable Home Club. Such meetings with the Home Club Boards will be scheduled from time to time but efforts will be taken to schedule such meetings no less frequently than quarterly.

REPRESENTATION ON CLIFFS CLUB PARTNERS BOARD

Cliffs Club Partners will have a seven (7) member Board of which two (2) seats will be reserved for two Members of the Cliffs Clubs at-large who are in Good Standing (the "Member Board Seats"). The Member Board Seats will be filled by election of all of the Members of the Cliffs Clubs who are in Good Standing. Provided that the Prior Club Notes are still in existence and outstanding, one of such seats shall be filled by a Member in Good Standing who is a holder of a Prior Club Note who obtains the most votes and the other seat shall be filled by a Member in Good Standing who is not a holder of a Prior Club Note who obtains the most votes. For purposes of this paragraph, the term "Prior Club Notes" shall mean promissory notes issued by the prior owner of the Club Facilities (who filed for bankruptcy) to certain of its club members.

GLOSSARY OF DEFINED TERMS

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THE CLIFFS CLUBS
RULES AND REGULATIONS

THE CLIFFS CLUBS

RULES AND REGULATIONS

It is the intent of the Club Operator to establish Rules and Regulations for the mutual enjoyment of the Club Facilities by all the Club's Members and their guests, subject to the terms of the Membership Documents.

The obligation of enforcing these Rules and Regulations for the good of all Members is placed primarily in the hands of a carefully selected and trained staff whose principal responsibility is to provide courtesies, comforts, and services to which you, as a Member of the Club, are entitled.

It is further the responsibility of the membership of each Cliffs Club to know these Rules and Regulations and to cooperate in their enforcement. A Member of any other Cliffs Club utilizing the Club Facilities of the Club shall be required to follow the applicable Rules and Regulations in place for each such Club.

For purposes of these Rules and Regulations, "Club" will refer to any one of the Home Clubs as defined in this Membership Plan. Any capitalized terms used herein which are not otherwise defined herein shall have the meaning ascribed to such terms in The Cliffs Clubs Master Membership Plan, as such may be amended from time to time.

SECTION I. GENERAL CLUB RULES

- A. HOURS OF OPERATION - The hours of operation of the Club, and any or all of the Club's facilities will be established, posted and published by the Club, and may be adjusted seasonably or otherwise, as member usage and other conditions may require.
- B. DRESS STANDARDS - Members of the Club and their families and guests shall at all times be in attire appropriate for the area of the Club in which they are located. The term "appropriate attire" shall mean and be defined as clean, presentable clothing in good condition and not to be offensive to other Members of the Club. The Club Operator and Club management shall have the authority to determine what constitutes "inappropriate attire", and may request anyone who is in violation of this provision to leave the Club premises, or particular area of the Club.

Shirts and shoes are required at all times on the Club premises. Bathing suits may be worn only in the designated pool areas.

Exceptions to the standard dress code or additional dress requirements will be published and posted for notification.

Denim is permitted in select locations within each Clubhouse as described below:

Glassy Clubhouse – Bar, Patio and Grill
Valley Clubhouse – Bar and Patio
Keowee Vineyards Clubhouse – Bar and Patio
Keowee Falls Clubhouse – Bar and Patio
Keowee Springs Turnhouse – Turnhouse
Walnut Cove – Bar and Patio

Denim is not allowed in the dining room areas or on the golf courses. The Cliffs Valley Bar is defined as the dining area nearest the bar and in front of the stone archways. Jeans are defined as denim of any color, and/or any shorts or pants of denim material that are riveted and of a western cut and style.

Casual attire is permitted in locations other than the Clubhouse and Golf Course, i.e. Wellness Centers. Gentlemen are requested to remove hats and keep their shirt tails tucked in inside the Clubhouse.

Children under the age of 16 are permitted to wear cargo shorts. The Club's definition of cargo shorts excludes shorts with billowing pockets, frayed edges, holes, multiple pockets and pockets that are stitched on the exterior of the shorts.

- C. ALCOHOLIC BEVERAGES - All Members acknowledge, agree and understand that at all times, the Member, his/her family and guests, and all employees of the Club will comply with the applicable laws, rules and regulations, concerning the possession, sale, distribution and consumption of alcoholic beverages, according to the laws of the state of the applicable facility's location.
- D. FOOD AND BEVERAGE - All food and beverage consumed at the Club Facilities shall be furnished by the Club. Employees of the Club are not permitted to deliver any food and beverage outside areas designated by the Club.
- E. SOLICITATION - Except as expressly permitted by the Club, no commercial advertisements shall be posted, or circulated in the Club or on the Club's website, nor solicitations of any kind be made at the Club Facilities, or on Club stationery. Other than as permitted by the Club, no petition shall be organized, solicited, circulated or posted at the Club Facilities. No solicitations of any kind, including but not limited to, mail, telephone or email, shall be made by use of the published membership directory or any other membership information.
- F. EMPLOYEES – The Club Operator and Club management have the sole authority with respect to matters of staff and employee discipline. Accordingly, a Member, his/her family or guest shall not be permitted to reprimand, discipline or abuse, whether verbally or otherwise, any staff member of the Club. Complaints regarding the conduct or mannerisms of any staff member should be reported to the Club Operator or Club management immediately.

Members, their family or guests shall not interfere in the administration or performance of employees' duties. Employees may not be sent from the

premises for personal errands or business of the Members. Members, their family or guests may not request special personal services or favors from employees.

- G. ENTERTAINMENT - No performance by entertainers will be permitted at the Club Facilities without permission of the Club.
- H. VEHICLES/PARKING - Vehicles must be parked in such areas as designated by the Club. Vehicles should not be parked on grass lawns, at the front entrance or delivery areas of the Club, or any place that interferes with the normal flow of traffic, unless the Club grants special permission. Unlicensed vehicles are not permitted on Club property without the permission of the Club. In particular, GEM and/or NEV cars are low speed vehicles pursuant to South Carolina law and not a form of golf cart, and require proof of insurance, permit from the South Carolina Department of Transportation, a License Tag, and operation by a licensed driver.
- I. COMPLAINTS - All complaints concerning the normal operations of the Club, its employees and other matters must be directed to the appropriate senior manager. All complaints concerning a manager should be made in writing, to the General Manager, or appropriate designated officer of the Club Operator, specifying the particular offense or concerns, and signed and dated by the complainant.
- J. PETS - Dogs and other pets (with the exception of service animals) are not permitted at the Club Facilities, except under special circumstances, or where authorized by the Club. When dogs are permitted on Club property, they must be leashed.
- K. FIREWORKS - Fireworks of any type are not permitted anywhere on Club property, or adjacent areas, unless a fireworks display or exhibit is organized and conducted by the Club.
- L. OFF-LIMIT AREAS - Members, their families or guests, are not permitted in the kitchen and service areas of the Club, or in certain maintenance areas located on Club property.
- M. GROUP FUNCTION - Use of the Club Facilities may be restricted or reserved by the Club or General Manager for special group functions and activities. All group functions must be reserved in accordance with reservations and usage policies, and through the Club management.
- N. AUTHORITY - The Club personnel has full authority to enforce all rules and regulations, and any infractions will be reported to the Club Operator or Club management. All rules and regulations are subject to amendment or modification at the sole discretion of Club Operator.
- O. SMOKING - In recognition of the health, safety and comfort benefits of smoke-free air and the responsibility to provide and maintain an optimally healthy

environment for our Members, Associates and Guests, the Cliffs Clubs does not permit smoking within any Club Facility or adjacent to a Club dining venue.

SECTION II. AUTOMOBILE AND BOAT DECALS

Access onto the property of the Club will be granted upon obtaining a decal or appropriate guest pass from the Public Safety office, and may be subject to additional rules of the applicable Property Owners' Association. Proof of vehicle registration is required for a permanent automobile decal. Vehicles must be registered in the name of the Member or eligible family members.

SECTION III. SERVICE CHARGES AND TAXES

A standard service charge is added to all food and beverage purchases, and for services provided according to the schedules as determined by the Club Operator. As of the effective date of the Membership Plan, the standard service charge is 18% for food and beverage purchases, and is 20% for catering services, which amounts may be modified from time to time by the Club Operator. The Club is required to add state sales tax to food and beverage totals including service charges. The Club is required to charge state sales tax on all purchases. A state admissions tax may be required on all guest and greens fees.

SECTION IV. MAILING ADDRESSES

Each Member shall be responsible for filing his/her correct and current mailing address and e-mail address, and any changes, with the Club in written form. All notices and statements from the Club will be sent to the address on file. Failure to receive such billings and notices on time, does not justify the excuse for late payment to the Club.

SECTION V. CLUB SERVICES AND ACTIVITIES

- A. The Club provides a variety of social, cultural and recreational events in which Members are entitled to participate, except in the event of a private party function, not considered open to all Members, or an event sponsored for or by guests. All Membership functions will be published in the Club bulletin, newsletters or web page.
- B. Certain events at the Club may have limited reservations available. Reservations will be required for most events, and are accepted on a first-come basis by the appropriate personnel in charge of reservations.
- C. Reservations made by a Member for accommodations, meals, festivities, etc. may be charged to the Member making the reservation regardless of whether the reservation was used; unless it was cancelled not less than 24 hours prior, or as noted for Special Functions, prior to the date for which it was scheduled.
- D. Use of the Club for private parties and functions is encouraged, providing these events do not interfere with the normal operation of the Club, or with the services

regularly available to all Members. Private parties are not permitted without prior approval from the General Manager. The Member who reserves a private party is held responsible for the conduct of the guests, for all charges incurred by the guests, and any damage caused by the guests. The Club may require a security deposit prior to the function and may charge a cancellation fee if the reservation is cancelled or if the party does not attend.

SECTION VI. CHILDREN

Children under the age of sixteen (16) years old, are not allowed in the Members' locker rooms and must be accompanied and supervised by an adult when using the Club's facilities. Children under the applicable drinking age are not allowed in any bar area, unless accompanied by an adult. Children under the age of sixteen (16) are allowed to use the golf course and other Club recreational facilities only at the discretion of the Club management and when accompanied by an adult. Children are not allowed to play on the golf course and cart paths. Children under the age of twelve (12) are not permitted in the fitness areas and must be accompanied by the Member when using the locker facilities and steam rooms.

SECTION VII. GOLF RULES

To preserve the freedom and to maximize the enjoyment of all Members of the Club, their families and guests in their use and enjoyment of the golf courses, golf practice facilities, and other golf-related equipment and amenities, the Club has the sole responsibility and authority to enforce certain rules and regulations. Members of the Club and all staff members are to report any violations to the General Manager who has the authority to enforce and discipline offenders. Members of the Club shall have no authority to enforce the rules and regulations, and are not requested to do so. Persons using the golf course and other golf facilities do so at their own risk. The following rules and regulations shall be in effect, and are subject to change from time to time:

A. STARTING TIMES

All players must have a designated starting time assigned prior to commencement of play. All players must register in the golf shop before each round of play. All play will start from the 1st tee unless otherwise directed by the golf shop personnel. Starting is not permitted on any other hole, by anyone, unless so directed by the golf shop personnel. Registration is required ten (10) minutes prior to the reserved tee time. Members should present their membership card upon registering. Twosomes and singles will be grouped with other players, if available, and by decision of the golf shop personnel. Twosomes have no priority over foursomes, regarding play through, or dictating speed of play.

B. CANCELLATIONS

It is necessary to cancel your reserved tee time as soon as possible. Members repeatedly failing to use reserved tee times without giving sufficient notice to the golf

shop, may be billed the retail value of such times, and shall be subject to denial of future reservation privileges.

C. RAIN CHECK POLICY

When inclement weather prevails and causes termination of play, as determined by the golf shop personnel, a credit for all, or a portion of that day's greens fees and cart fees may be given. Credit will only be issued on that day of play, and it is the responsibility of the player to apply for a rain check from the golf shop. No play is allowed during dangerous weather conditions as determined by the golf shop personnel.

D. CONTROL/RULES OF PLAY

The use of and play on the golf courses shall at all times be subject to the control of the Club's Head Golf Professional and his/her designated assistants. The Golf Course Superintendent in consultation with the Head Golf Professional shall determine when weather and other conditions dictate the closing of portions, or the entire course; or the prohibition of, or imposition of limitations upon the use of golf carts. Player Assistants may be on duty to help regulate play and to enforce golf cart regulations, and have the full authority vested in them by Club management to enforce all rules and regulations, speed of play and course etiquette. "Course closed", and "hole closed" signs are to be adhered to without exception. Practice is not allowed on the golf courses. The practice ranges and practice greens should be used for practice. Range balls provided by the golf shop are only to be used on the practice ranges. A player cannot hit his own shag balls. The United States Golf Association rules shall govern all play, except when modified by local rules. Players should play to pace, or invite the following group through, should they fall one clear hole behind the group in front of them. If a group stops at the turn, and allows the following group to overtake, and pass them, the group stopping at the turn shall forfeit its place and must return to the 1st tee and continue play in the next available tee time.

E. GOLF COURSE ETIQUETTE

All players are expected to observe customary golf course etiquette including, but not limited to: raking bunkers, replacing divots, repairing ball marks, proper disposal of litter, abstention from use of loud or abusive language, proper attire, and basic safety regarding timing of shots. All players must be ready to make their shot when it is their turn, and should play out of turn, if doing so will contribute significantly to the progress of their group. When the play of a hole has been completed, players should immediately leave the green. Scoring for the hole can be done while others in the group are playing at the next tee. Players searching for a lost ball should allow others to play through. A player should ensure that, when dropping bags or the flagstick, no damage is done to the green. A player should ensure that any turf that is cut or displaced by him/her is replaced and/or repaired.

To ensure the enjoyment of all Members, it is important that groups play to the Cliffs Clubs' established pace of 4 hours and 15 minutes.

If a group is not playing to pace or has fallen out of position, they will first be asked to regain their position on the golf course. If a group fails to do so, they will then be asked by a Golf Professional to increase their pace and regain their position on the golf course and be warned that failing to do so could result in letting trailing groups play through or picking up and moving to the proper position on the golf course.

If a group is approached a third time and still has not regained their position on the golf course, they could be asked to let a following group play through or pick up and move to their proper position on the golf course.

F. HANDICAPS

Handicaps are computed under the supervision of the Head Golf Professional in accordance with current USGA recommendations. Accurate records are to be kept of scores turned in and recorded for all applicable rounds played.

G. EQUIPMENT

All players must have a golf bag, a set of golf clubs, and wear appropriate golf shoes, as established by the Head Golf Professional and posted in the golf shop, when on the golf course. Two or more players may not play out of the same bag, or otherwise with a single set of clubs.

H. DRESS CODE

All players must be appropriately attired on the golf courses and at the practice facilities at all times. Members are responsible for informing their family members and guests of the proper dress code prior to their visiting the Club. Anyone not complying with the dress code may be asked to change his attire before gaining access to the course, or be asked to leave the premises due to lack of cooperation with the rules and regulations regarding appropriate attire.

The following are considered appropriate dress code regulations:

MEN - Shirts with a regular collar or mock turtleneck collar and sleeves, slacks or golf shorts. Shirt tails must be tucked in at all times. No tank tops, t-shirts, cut-offs, cargo shorts or pants, sweat pants, bathing suits, jeans or athletic shorts are permitted. Gentlemen are requested to keep shirt tails tucked in at all times and remove hats inside the Clubhouse.

WOMEN - Dresses, skirts, slacks, golf shorts, and golf shirts (collar or mock turtleneck) and blouses. No tank tops, t-shirts, bathing suits, sweat pants, athletic shorts, jeans or short shorts are permitted.

I. GOLF TEE TIMES

Golf Shop personnel will assign the tee times upon Member request and is based upon availability. Golf Shop personnel have the sole authority to reserve tee times for

Members to best accommodate a Member request. Reserved tee time policies are provided for certain membership categories. All players must have a reserved tee time, and all four (4) players' names are to be recorded. Singles and twosomes play at the discretion of the Golf Shop staff. Fivesomes are not permitted unless otherwise directed by a Golf Professional.

The Golf Shop staff must approve tee time changes. Failure to register within 10 minutes of your tee time may result in forfeiting the tee time. Cancellation without proper notice, or not showing up for a designated, reserved tee time, is cause for forfeiture of future reservation privileges. Additionally, the Club may impose a cancellation fee, which may, in the Club's sole discretion, be billed directly to the Member's Club account without notice.

J. PRACTICE FACILITIES

All players must register with the golf shop prior to using the practice facilities. Range balls are for use on the practice range only. Range balls are not permitted for use on the golf course. Range balls must be acquired through the payment of a fee, if any, as set forth by the Club. Range balls must be hit from the designated areas only. No hitting is permitted from the rough or sides of the range. Proper attire is required at all times on the practice range and practice green.

K. GOLF CART RULES

A Member or guest player without proper assignment and registration in the golf shop shall not use golf carts. Each operator of a golf cart must be at least sixteen (16) years of age and have a legal driver's license. Rental golf carts, or privately owned golf carts, or golf cars are not permitted on the courses. No more than two (2) people and no more than two (2) sets of clubs per cart are permitted on a single golf cart. Golf carts should not be driven off course property, into heavily wooded areas, onto casual water, or "soft" areas, or on newly seeded areas. Golf carts must stay on the cart paths, unless permitted off the path by the Clubs. All "carts on path" signs must be adhered to, and all traffic signs obeyed.

Operation of a golf cart is at the risk of the operator. Any cart damages or malfunctions must be reported to the golf shop immediately. Members, their families and guests are responsible for the cost of repairs and damages to carts if it is determined that the damage was caused due to failure to comply with rules and regulations, and basic safety.

Players are permitted to walk on the courses, the playing times of which are at the discretion of the golf shop personnel.

L. CLUB STORAGE

All golf equipment items, such as bags and clubs, are to be stored in the club storage facilities, and not in locker rooms.

M. MISUSE OF GOLF COURSE

The use of the golf courses and all golf practice facilities for any purpose other than golf (which includes, without limitation, walking or jogging) is prohibited, unless otherwise pre-approved by Club management. Pets are not permitted on the golf course.

No fishing, swimming or boating shall be permitted on the ponds and lakes associated with the golf course.

N. PERSONAL COMMUNICATION DEVICES

The use of cellular telephones, PDAs and personal radios must be set to silent and should not be used in areas that would affect the experience of Members and their guests.

O. TOURNAMENTS

The Club Operator reserves the right to establish a priority system for determining which Members may participate in a Tournament; provided, however, that Full Golf Members will be given the highest priority over any other category of Membership for any Tournament at their own Home Club.

SECTION VIII. TENNIS RULES

- A. Hours of operation for the tennis courts will be determined by the Clubs, and adjusted according to seasons. Hours of operation will be published and posted for notification to the Members.
- B. Club management has the authority to prohibit play on the tennis courts at any time due to inclement weather, or other poor playing conditions.
- C. All tennis players must have a reserved court time, and must register with the Wellness Center prior to play. Players are required to present their membership or guest card when registering. All names in the playing party must be given at the time of reservation. Advance reservation times may vary seasonally.
- D. Play is limited to ninety (90) minutes for singles and/or doubles. If there are no players waiting to play, players do not have to vacate the court. After starting play, playtime may not be extended by adding players to your party, if others are waiting. Players may not sign up for additional court time before their initial court time is over. Practice time is limited to ninety (90) minutes for a single.
- E. Waiting players must secure their court at the designated time. Late arrivals are cause for cancellation of the reserved time, which may be awarded to another player. Court reservations will be held for fifteen (15) minutes before being awarded to other players who are waiting.

- F. Cancellations without proper advance notice, or not showing up for a designated reserved court time are cause for forfeiting future reservation privileges. Additionally, the Club may impose a cancellation fee, which can be billed directly to the Member's account.
- G. If the courts are not playable, notice will be posted.
- H. All players must wear regulation tennis shoes. Basketball or other sport shoes are not allowed. Proper tennis attire is required at all times, and for all ages of players. Shirts must be worn at all times. Bathing suits, tank tops, cut-offs, jeans and other non-tennis apparel as determined by the Club are not permitted.
- I. Adults have certain priority playing times as determined by Club management. Individuals sixteen (16) years of age and older are considered adults as it relates to priority playing times.
- J. Courts may be reserved for special tennis lessons and clinics, and socials as determined by Club management.
- K. Members must register their guests in the wellness center, and pay the appropriate guest fees, if applicable. All local guest rules apply as outlined in the Membership Plan.
- L. Members are responsible for the conduct and etiquette of their family members, children and guests.
- M. Children under the ages six (6) years of age are not allowed in the tennis court areas at any time. Parents are not allowed to play tennis while children are unattended at the court and Club site.
- N. A practice ball machine is available for Member use and must be reserved with the Wellness Center prior to use. Children under the age of 16 are not permitted to use the ball machine without adult supervision.

SECTION IX. SWIMMING POOL RULES

- A. Hours of operation for the swimming pool will be consistent with the hours of operation for the adjacent wellness facility or Club amenity as determined by the Club, and adjusted according to seasons. Hours of operation will be published and posted for notification of the Members.
- B. Swimmers are required to wear shirts and footwear when walking between any of the Club's facilities and pool.
- C. Swimming attire is not allowed to be worn in the clubhouse area, unless in designated access areas to showers and locker rooms. Proper swimming attire must be worn in the swimming pool. No cut-off pants, tennis shorts or other inappropriate clothing are allowed.

- D. At all times, a Member shall use the pool facilities at his/her own risk.
- E. Non-swimmers and novices will not be allowed in deeper water or in the diving area, and if they are under the age of 18 they must be accompanied by an adult.
- F. A Member must accompany all guests, and guest fees may be charged. All guest rules apply as outlined in the Membership Plan. Members and guests must register with the Club personnel before entering the pool area. All local guest rules apply as outlined in the Membership Plan.
- G. Small children must be accompanied by adults in any pool area. Children ages 12 and under are required to have an adult chaperone with them at all times.
- H. Non-swimming equipment is not allowed in the pool. A Club staff member has full authority to determine what types of swimming apparatus are permitted.
- I. Members shall be responsible for the conduct of their family members and guests.
- J. No food or beverage is to be brought to the pool from the outside.
- K. All Members and guests are to comply with any additional posted rules and regulations at all times. Participants not in compliance with rules and regulations may be asked to leave the Club premises, and are subject to disciplinary action as outlined in the Membership Plan.
- L. Infants must be in swim specific diapers. Please refrain from changing diapers on the pool deck or dining tables. Changing tables are available for Member use.
- M. Glass bottles, glasses and breakable materials or sharp objects are not permitted in the pool area.
- N. Out of consideration for others, no radios will be permitted in the pool area except those being listened to by headphones.
- O. Dogs and other pets are not permitted in the pool area.
- P. Parents shall be responsible for the conduct of their children at all times. Running, horse play or any other hazardous activities are not permitted in the pool area.

SECTION X. WELLNESS CENTER

- A. All Members using the fitness area and equipment must register with the Wellness Center.
- B. Children under the age of sixteen (16) may not use tennis and fitness equipment without parental supervision. Children under the age of twelve (12) are not

permitted in the fitness areas and must be accompanied by the Member when using the locker rooms and steam rooms.

- C. Use of the fitness equipment is at the sole risk of the participant. Members are advised to seek medical advice regarding their individual physical ability and use of fitness equipment.
- D. Proper exercise attire is required of all Members and guests. The Club reserves the right to determine if workout outfits are neat and tastefully appropriate. Shirts and shoes are required at all times. Members must wear proper shoes when using the fitness equipment. No sandals, hard soles such as cleats or other shoes that damage flooring in the wellness center.
- E. Food and beverage items are not allowed in the fitness area.
- F. Proper etiquette is required at all times from Members and their guests. Members are ultimately responsible for the conduct and dress of their guests.
- G. All local guest rules apply as outlined in the Membership Plan.



THE CLIFFS CLUBS
APPLICATION AND MEMBERSHIP AGREEMENT
FOR HISTORIC MEMBER

CLIFFS CLUB

<input type="checkbox"/> Cliffs Club at Glassy	<input type="checkbox"/> Cliffs Club at Valley
<input type="checkbox"/> Cliffs Club at Keowee Vineyards	<input type="checkbox"/> Cliffs Club at Walnut Cove
<input type="checkbox"/> Cliffs Club at Keowee Falls	<input type="checkbox"/> Cliffs Club at Keowee Springs
<input type="checkbox"/> Cliffs Club at Mountain Park	

CATEGORIES OF MEMBERSHIP

<input type="checkbox"/> Golf Membership	<input type="checkbox"/> Sports Membership	<input type="checkbox"/> Wellness Membership	<input type="checkbox"/> Social Membership
<input type="checkbox"/> Full Golf	<input type="checkbox"/> Full Sports		
<input type="checkbox"/> Home Golf	<input type="checkbox"/> Non-Resident Sports		
<input type="checkbox"/> Non-Resident Golf			

<input type="checkbox"/> Corporate Membership	<input type="checkbox"/> Residence Club Membership
--	---

PRIMARY MEMBER NAME: _____

Member Account # : _____

Property Reference: _____

Cliffs Property Address Associated with the Purchased Membership:

Street		

City	State	Zip

Multiple Membership Holder ☐ Total Number of Memberships _____

Will this Membership be the Primary Membership? Yes ☐ No ☐

APPLICATION AND MEMBERSHIP AGREEMENT

The undersigned applicant ("Applicant") desires to obtain a _____
Membership (hereinafter the "Purchased Membership") in Cliffs Club at _____
(the "Club") and hereby submits this Application and Membership Agreement (together with all
addenda attached hereto, collectively referred to herein as the "Application and Membership
Agreement") to Cliffs Club Partners, LLC, a Delaware limited liability company, for
consideration. Any capitalized terms not otherwise defined herein shall have the meaning
ascribed to them in The Cliffs Club Master Membership Plan dated August, 2012 (as amended,
the "Membership Plan"). If this Application and Membership Agreement is accepted by the Club
Operator, the Applicant requests that their name be placed on the Membership Roster of the
Club as follows:

APPLICANT/MEMBER INFORMATION

Mr. ☐ Mrs. ☐ Ms. ☐ Miss ☐ Dr. ☐

Name of Primary Member
(Please Print): _____

Member/Billing
Address:

Street _____

City _____

State _____

Zip _____

Seasonal
Address:

Street _____

City _____

State _____

Zip _____

From: ____ / ____ / ____

To: ____ / ____ / ____

Social Security # _____

Date of Birth _____

Driver's License # _____

State _____

Marital Status: Single ☐

Married ☐

Wedding Date _____

Business
Address:

Street _____

City _____

State _____

Zip _____

Business Telephone # (____) _____

Fax # (____) _____

Local Telephone # (____) _____

Other Telephone # (____) _____

Mobile Telephone # (____) _____

E-Mail Address* _____

* Please provide the E-Mail address you would like
the Club to use for purposes of mailing billing
statements and other notices from the Club.

DESIGNATED ADULT INFORMATION
(Not Applicable for Corporate Membership)

Spouse ☐ Other ☐

Mr. ☐ Mrs. ☐ Ms. ☐ Miss ☐ Dr. ☐

Name (Please Print): _____
Social Security # _____ Date of Birth _____
Driver's License # _____ State _____
Mobile Telephone # (____) _____ E-Mail Address _____

DEPENDENT INFORMATION
(Not Applicable for Corporate Membership)

Children who are twenty-three years of age and younger and are either living in the Applicant's home or attending school on a full-time basis or serving in the military:

	<u>Name (First & Last)</u>	<u>Date of Birth</u>	<u>Male or Female</u>	<u>E-Mail Address</u>
1.	_____	_____	_____	_____
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____

ADDITIONAL SERVICES

The Applicant hereby selects the following additional services by checking the applicable box (and initialing where indicated) and agrees to pay to the Club the fees and charges, including any applicable sales tax, or other taxes, for the services selected. The current amount of fees for each service is described on the Current Schedule of Initiation Fees, Dues, Other Fees and Charges, which is subject to change, as set forth in the Membership Documents.

☐ Annual Cart Program - Family ☐
Initial: _____ Single ☐

☐ Bag Storage - Member ☐
Initial: _____ Designated Adult ☐

☐ Wine Locker
Initial: _____

☐ Locker Rental - Member ☐
Initial: _____ Designated Adult ☐

TERMS AND CONDITIONS

1. Application For Membership Privileges. The Applicant hereby applies for a Membership at the Club and agrees to pay a nonrefundable Transfer Fee to the order of Cliffs Club Services, LLC of \$_____, and, if applicable, a nonrefundable Reinstatement Fee of \$_____ (the foregoing Transfer Fee and Reinstatement Fee are sometimes collectively referred to herein as the "Initiation Fee"). The Applicant has selected the category (and sub-category, if applicable) of Membership identified on the cover page to this Application and Membership Agreement.

2. Payment Of Initiation Fee. The Applicant hereby acknowledges and agrees that the required Initiation Fee set forth above in Section 1, plus all applicable taxes (if any), shall be paid at the time this Application and Membership Agreement is submitted to the Club Operator for consideration, except as otherwise permitted by the Club Operator.

If the Applicant fails to pay the Initiation Fee, or any part thereof, as and when due pursuant to an agreement with Club Operator, then the Club Operator shall be entitled to all remedies provided in law or in equity, for the collection of the Initiation Fee, plus interest at the highest rate allowed by law, and may terminate the Purchased Membership upon which all membership privileges at the Club shall automatically terminate. If, however, the Club Operator elects to accept a late payment and does not terminate the Purchased Membership, then interest at the highest rate allowed by law shall be due on the amount of the payment from the original due date until the date the payment is made.

3. Initiation Fee Is Nonrefundable. Each person who desires to acquire a Membership will be required to pay a nonrefundable Initiation Fee, as contemplated under the Membership Documents, in an amount determined by the Club Operator in its sole discretion. The Applicant acknowledges and agrees that under no circumstances will the Applicant be entitled to any refund or repayment of the Initiation Fee paid for the Purchased Membership.

4. Disclosure and Release of Information. The Applicant hereby authorizes the Club Operator to send any invoices, notices or other mailings regarding the Purchased Membership by electronic mail to the e-mail address provided in this Application and Membership Agreement or any other e-mail address provided by the Applicant to the Club. The Applicant hereby acknowledges that the Club and Club Operator is relying on the information provided by the Applicant in this Application and Membership Agreement and the information contained in the Application for Membership Privileges (the "Former Application") previously submitted by the Applicant to the Prior Clubs (as defined in the Historic Member Addendum attached herewith), and the Applicant hereby represents and warrants to the Club and Club Operator that such information is (or was at the time of submission, in the case of the Former Application) accurate. The Applicant hereby authorizes the Club Operator to obtain a credit report of the Applicant, check the references provided herein (or in the Former Application) and otherwise obtain and use all information in determining qualification for membership in the Club. The Applicant agrees to release to the Club Operator all information requested by the Club Operator (including credit, financial, and any police/criminal records and information), and hereby authorizes those persons or entities included as references herein (or in the Former Application) to furnish information to the Club Operator. The Applicant hereby irrevocably releases and holds the Club Operator and its affiliates and their respective members, shareholders, partners, directors, managers, officers, employees and agents forever harmless from any and all liabilities, claims and causes of action for all matters related to the above and further agree to indemnify and reimburse such individuals from any and all costs and expenses related to any such matters. The Applicant hereby covenants and agrees to immediately notify the Membership Office in writing regarding any updates or changes to the Applicant's

information on file with the Membership Office. This Application also serves as the application by Applicant to become a member of The Cliffs Members Club, a non-profit corporation organized under the laws of the State of South Carolina (the "Non-profit Club"), and Applicant hereby acknowledges and consents to the sharing of Applicant's information provided herein, or in the Former Application, with the Non-profit Club.

5. Receipt Of Membership Documents. The Applicant hereby acknowledges receipt of the Membership Plan, the Club's Rules and Regulations dated _____, 2012 (the Membership Plan and Rules and Regulations together with this Application and Membership Agreement are collectively referred to as the "Membership Documents"), and hereby agrees to abide by all of the respective terms and conditions of the Membership Documents as amended from time to time. The Rules and Regulations of the Cliffs Clubs that are applicable to the dining and bar areas of the Club Facilities will likewise be applicable with respect to the Non-profit Club.

The following addenda (*please check only those that are applicable*) are attached to, and are incorporated into and made a part of, this Application and Membership Agreement:

- ☒ Historic Member Addendum (*required*)
- ☒ Current Schedule of Initiation Fees, Dues, Other Fees and Charges (*required*)
- ☒ Credit Card Authorization Addendum (*required*)
- ☐ ACH Authorization Addendum (*optional*)
- ☐ Non-Resident Member Addendum (*if applicable*)
- ☐ Proof of Ownership in Cliffs Community (*if applicable, deed or settlement statement*)
- ☐ _____ (*other, if applicable*)

6. Payment Of Dues And Club Account. The Applicant hereby agrees to pay to the Club the membership dues, fees and charges, including any applicable sales tax, or other taxes, for the category of membership privileges selected. The current amount of dues, for each category of membership privileges is described on the Current Schedule of Initiation Fees, Dues, Other Fees and Charges Addendum, which is subject to change, as set forth in the Membership Documents. Dues charged the by the Cliffs Clubs is inclusive of the dues applicable to the Non-profit Club and will be allocated among the Cliffs Clubs and the Non-profit Club as mutually agreed by the Club Operator and the Non-profit Club. In the event that any amount owed to the Club is not paid on a timely basis, the Applicant understands that he/she may be charged late charges in accordance with the Membership Documents. The Applicant hereby authorizes that all dues, fees and charges be billed to any one of the credit cards on file with the Club pursuant to the Membership Documents, and certifies that the credit cards listed on the Credit Card Authorization Addendum attached hereto are issued to the Applicant and that the information set forth in the Credit Card Authorization Addendum (and any supplemental Credit Card Authorization Form provided by the Applicant to the Club) shall be true and correct in all respects. The Applicant hereby acknowledges and agrees that he/she is obligated to keep at least two (2) valid approved credit cards on file with the Club at all times, that the Club will charge a convenience fee as set forth in the Membership Plan for any charges paid by credit card, and that the Applicant shall be responsible for any amounts that are not paid by the credit card companies. All disputes on any such credit card accounts relating to the Club will be promptly brought to the Club's attention.

7. Acknowledgment Of Membership Rights. The Applicant hereby acknowledges and understands that the Club Operator will initially operate the Club. The Applicant further acknowledges that membership at the Club permits the Applicant the right to use the Club Facilities, but is not an investment in the Club Operator, the Club, or the Club Facilities, nor does membership confer on the Applicant any equity or ownership interest or any other property interest in the Club Operator, the Club, or the Club Facilities. Membership does not grant to the Applicant a vested or prescriptive right or easement to use the Club Facilities. The Applicant only obtains a non-exclusive revocable license to use the Club Facilities in accordance with the terms and conditions of the Membership Documents, as they may be amended from time to time. The Applicant hereby acknowledges and agrees that while such Applicant owns a Property in the Community, such Applicant shall be required to maintain the Purchased Membership in Good Standing in order to ensure that the purchaser of their Property in the Community will have the opportunity to become a Member of the Club. All rights and privileges of the Applicant and other members of the Club under the Membership Documents are subordinate to the lien of any mortgage or deed of trust encumbering the Club Facilities from time to time.

As more particularly provided in the Membership Documents, and subject to any limitations provided therein, the Club Operator reserves the right, in its sole discretion, to terminate or modify the terms and conditions of the Membership Plan and the Rules and Regulations, to reserve memberships in the Club, to sell, lease, or otherwise dispose of the Club Facilities, to add, issue, modify, or terminate any category or class of membership, to discontinue operation of any or all of the Club Facilities, to convert the Club into a member-owned club, and to make any other changes in the terms and conditions of the membership or the Club Facilities available for use by its members.

8. Waiver And Indemnity. The Applicant acknowledges and agrees on behalf of himself or herself, and his or her immediate family members, extended family members, lessees and guests who, in any manner, make use of, or accept the use of, any apparatus, appliance, facility, privilege or service whatsoever owned, leased or operated by the Club Operator, or who engage in any contest, game, function, exercise, competition or other activity operated, organized, arranged or sponsored by the Club or the Club Operator, either on or off the Club Facilities, shall do so at his or her own risk, waive, satisfy and forever discharge the Club Operator and each of the other Club Indemnified Parties from any and all manners of action, causes of action, damages, claims and demands whatsoever, including any claims arising out of negligence, in law or in equity, which he or she may have now or at any time in the future, arising out of or resulting from the use of any apparatus, appliance, facility, privilege or service whatsoever owned, leased or operated by the Club Operator, including without limitation the use of golf carts provided by the Club or Club Operator or the participation in any contest, game, function, exercise, competition or other activity operated, organized, arranged or sponsored by the Club or the Club Operator, either on or off the Club Facilities and shall defend, indemnify and hold harmless the Club Operator and each of the other Club Indemnified Parties from and against any and all losses, damages, claims or suits arising out of any personal injury or property damage caused by the intentional or negligent acts or omissions of the Applicant, or his or her immediate family members, extended family members, lessees and guests. Should the Applicant, or his or her immediate family members, extended family members, lessees or guests file a legal action against the Club Operator or any of the Club Indemnified Parties for any claim and fail to obtain judgment therein against it or them, the Applicant shall be liable to each of the Club Operator and other Club Indemnified Parties for all costs and expenses incurred by it or them in the defense of such legal action, including reasonable attorneys' fees and para-professionals' fees (including fees acquired in connection with appellate proceedings).

9. Release Of Any Prior Obligations. The Applicant does, on behalf of his/her agents, successors, beneficiaries and assigns, hereby remise, release, and forever discharge the Club Operator, together with its respective current and former shareholders, members, partners, officers, directors, managers, employees, agents, attorneys, affiliates, successors and assigns, from any and all causes of action, suits, debts, dues, sums of money, accounts, covenants, contracts, controversies, agreements, guarantees, indemnifications, promises, liens, damages, judgments, executions, claims, and demands whatsoever, in law or in equity, which the Applicant ever had, now has, or which the Applicant's agents, successors, and assigns hereafter can, shall, or may have, by reason of any matter, cause, or thing whatsoever, from the beginning of time to the date this Application and Membership Agreement has been accepted and executed by the Club Operator.

10. Use of Likeness and Statements. The Applicant hereby acknowledges that the Club may use photographs taken of the Applicant and other users at the Club and statements made by the Applicant at the Club for Club and/or any Club Communities publications without any prior approval.

11. Assignment. The Applicant's rights, privileges or interests under this Application and Membership Agreement are not assignable or transferable. However, the Club Operator may assign its interest in this Application and Membership Agreement and the Membership Documents, and in the event of such an assignment, the liability and obligations of such assignor shall be terminated effective as of such assignment.

12. Definitions. All capitalized terms used herein which are not otherwise defined herein shall have the meanings set forth in the Membership Documents.

13. Governing Laws. This Application and Membership Agreement and the other Membership Documents shall be governed by and construed in accordance with the laws of the State of South Carolina without regard to principles of conflicts of laws. EACH PARTY TO THIS APPLICATION AND MEMBERSHIP AGREEMENT KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES THE RIGHT TO A JURY TRIAL IN ANY LAWSUIT BETWEEN SUCH PARTY AND ANY OTHER PARTY HERETO WITH RESPECT TO THIS APPLICATION AND MEMBERSHIP AGREEMENT.

FOR NON-CORPORATE MEMBERSHIP ONLY:

If the undersigned Primary Member has identified a Designated Adult in this Application and Membership Agreement, then the signature of the Primary Member's Designated Adult is required below, and such Designated Adult shall be jointly and severally liable for all of the Primary Member's obligations under the Membership Documents which are incurred while such person is the Designated Adult of the Applicant.

_____ Date	_____ Print Name of Primary Member	_____ Signature of Primary Member
_____ Date	_____ Print Name of Designated Adult	_____ Signature of Designated Adult

FOR CORPORATE MEMBERSHIP ONLY:

A Corporate Membership may have up to four (4) Member Designees. The Club Operator may require each Member Designee to complete a separate information sheet. Notwithstanding anything in the Membership Documents to the contrary, a Corporate Membership does not provide membership privileges for the immediate family of a Member Designee. The Corporate Member identified below and each Member Designee of the Purchased Membership shall be jointly and severally liable for all obligations associated with the Purchased Membership, and each Member Designee hereby agrees to all of the terms and conditions of this Application and Membership Agreement in the same manner as if the Member Designee was the Applicant hereunder.

Name of Corporate Member

Signature of Authorized Representative
Date:_____

Name of Member Designee (1)

Signature of Member Designee (1)
Date:_____

Name of Member Designee (2)

Signature of Member Designee (2)
Date:_____

Name of Member Designee (3)

Signature of Member Designee (2)
Date:_____

Name of Member Designee (4)

Signature of Member Designee (2)
Date:_____

This Application and Membership Agreement shall not be binding on the Club Operator until the acceptance below is signed by an authorized representative of the Club Operator.

ACCEPTANCE BY CLUB OPERATOR:

Cliffs Club Partners, LLC, a Delaware limited liability company

By: _____ Title: _____ Date: _____

Member Account # : _____ Property Reference: _____

MEMBERSHIP OFFICE CONTACT INFORMATION

250 Knightsridge Road
Travelers Rest, SC 29690
Attention: Membership Director

FOR CLUB USE ONLY

Member Account in Good Standing? Yes ☐ No ☐

If no, amount outstanding \$_____ as of _____(date).

Are dues from Prior Club current from March 1, 2012? Yes ☐ No ☐

Transfer Fee:

\$_____	Date Received:_____	Check/Wire:_____	Balance Due \$_____
\$_____	Date Received:_____	Check/Wire:_____	Balance Due \$_____
\$_____	Date Received:_____	Check/Wire:_____	

Promissory Note Executed and Received ☐

Due Dates: Payment 1 _____ Payment 2 _____

Reinstatement Fee: *(Historic Resigned Member only)*

\$_____ Date Received:_____ Check/Wire:_____

Member Acct. # _____ Resignation Date: _____

Property Reference: _____ Termination Date: _____



HISTORIC MEMBER ADDENDUM
Application and Membership Agreement

PRIMARY MEMBER NAME: _____

Member Account # : _____

Property Reference: _____

Community: _____ SECTION: _____ LOT: _____

This Historic Member Addendum is a part of the undersigned Applicant's Application and Membership Agreement to acquire the Purchased Membership, and all capitalized terms used herein shall have the meaning ascribed to such terms in such Application and Membership Agreement and/or the other Membership Documents. To the extent there is any inconsistency between the terms of this Historic Member Addendum and the terms of the other Membership Documents, the terms of this Historic Member Addendum shall supersede any such inconsistent terms in the other Membership Documents.

The Applicant previously acquired a club membership from The Cliffs Club & Hospitality Group, Inc. and/or its affiliates (together, the "Prior Clubs") and paid a membership deposit to the Prior Clubs (which membership deposit, as determined after applicable adjustments and set-offs, is referred to herein as the "Membership Deposit"). The Prior Clubs have filed for bankruptcy and, in connection with the bankruptcy, the Applicant has elected to acquire from the Club Operator the Purchased Membership pursuant to the terms of the Membership Documents. For purposes of this Historic Member Addendum, persons who were active members of the Prior Clubs with memberships in good standing prior to the effectuation of the Membership Documents by the Club Operator are referred to herein as "Historic Active Members" with respect to such memberships, and persons who were former members of one of the Prior Clubs with respect to memberships at the Prior Clubs that have been resigned and who have not received a repayment of their Membership Deposit are referred to herein as "Historic Resigned Members" with respect to such resigned memberships. A person may simultaneously qualify as both a Historic Active Member with respect to a membership at the Prior Clubs that has not been resigned and a Historic Resigned Member with respect to another membership at the Prior Club that has been resigned, and such determination shall be made with respect to each membership, separately, based upon the definitions of such terms above.

Any person who was a member of the Prior Clubs and who delivered a notice of resignation to the Prior Clubs within the twelve-month period prior to the date such person submits a completed Application and Membership Agreement and applicable Transfer Fee to the Club Operator shall not qualify as a Historic Resigned Member and shall be required to pay all dues applicable to their membership in the Prior Clubs with respect to the period from and after March 1, 2012 in order to constitute an active member in good standing with the Prior Clubs and, therefore, qualify as a Historic Active Member. **For purposes of clarification, a member of the Prior Clubs who qualifies as a Historic Active Member with respect to a membership in one of the Prior Clubs would not be required to pay an additional Reinstatement Fee under Section 3 hereof with respect to such membership to obtain the rights to a Refund Payment.**

This Historic Member Addendum includes certain provisions that are applicable to the Applicant, resulting from the Applicant's election, in connection with the bankruptcy of the Prior Clubs, to acquire the Purchased Membership, and the provisions included herein shall be incorporated into and become part of the Applicant's Application and Membership Agreement.

1. Categories of Membership. Each of the Cliffs Clubs will offer, among other categories of Membership, the following categories of Membership: Golf Memberships; Sports Memberships; Wellness Memberships; and Social Memberships. The Cliffs Clubs will also offer various sub-categories within certain of the above-described categories of Membership, as described in the Membership Plan.

a. Transfers by Cliffs Golf and Charter Members. Historic Active Members and Historic Resigned Members who held either a Cliffs Golf Membership or Cliffs Charter Membership at the Prior Clubs will be permitted to acquire, upon payment of the applicable Transfer Fee, a Golf Membership in the Full Golf sub-category. Notwithstanding the foregoing: (i) a Non-Resident Golf sub-category will be available for those who qualify as a Non-Resident Member as defined in the Membership Plan; and (ii) a limited number of downgrades from Full Golf to the Home Golf sub-category of Membership (to become effective January 1, 2013) will be permitted to those who request such downgrade at the time of submitting their Application and Membership Agreement, which downgrades will be limited with respect to each Cliffs Club to five percent (5%) of the total number of Historic Active Members and Historic Resigned Members who acquire a Golf Membership at such Cliffs Club within thirty (30) days following the transfer of the Club Facilities to the Cliffs Clubs and who are paying Golf Membership level dues (other than as a Non-Resident Golf sub-category). First priority for downgrades will be given to those Historic Active Members and Historic Resigned Members who qualify as Generational Members based upon the total number of years they have been a Member at the Cliffs Clubs and/or a member of the Prior Clubs, and any remaining slots for downgrades will be awarded based upon a lottery system established by the Club Operator. Historic Active Members and Historic Resigned Members who acquire a Full Golf Membership and request to downgrade to a Home Golf Membership upon submission of their Application and Membership Agreement (with applicable Transfer Fee) and who are not awarded a downgrade upon becoming a Member due to the five percent (5%) cap, will be placed on a downgrade waiting list and be permitted to downgrade to a Home Golf sub-category effective as of a subsequent calendar year as provided in Section 7 below.

b. Transfers by Cliffs Family and Sports Members. Historic Active Members and Historic Resigned Members who held either a Cliffs Family Membership or Cliffs Sports Membership at the Prior Clubs will be permitted to acquire, upon payment of the applicable Transfer Fee, a Sports Membership in the Full Sports sub-category. Notwithstanding the foregoing: (i) a Non-Resident Sports sub-category will be available for those who qualify as a Non-Resident Member as defined in the Membership Plan; and (ii) a limited number of downgrades from Full Sports to Wellness category of Membership (to become effective January 1, 2014) will be permitted to those who request such downgrade at the time of submitting their Application and Membership Agreement, which downgrades will be limited with respect to each Cliffs Club to five percent (5%) of the total number of Historic Active Members and Historic Resigned Members who acquire a Full Sports Membership at such Cliffs Club within thirty (30) days following the transfer of the Club Facilities to the Cliffs Clubs and who are paying Full Sports Membership level dues. First priority for downgrades will be given to those Historic Active Members and Historic Resigned Members who qualify as Generational Members based upon the total number of years they have been a Member at the Cliffs Clubs and/or a member of the Prior Clubs, and any remaining slots for downgrades will be awarded based upon a lottery system established by the Club Operator. Historic Active Members and Historic Resigned Members who acquire a Full Sports Membership and request to downgrade to a Wellness Membership category upon submission of their Application and Membership Agreement (with applicable Transfer Fee) and who are not awarded a downgrade to become effective January 1, 2014 due to the five percent (5%) cap, will be placed on a downgrade waiting list and be permitted to downgrade to a Wellness Membership effective as of a subsequent calendar year as provided in Section 7 below.

c. Transfers by Cliffs Wellness Members. Historic Active Members and Historic Resigned Members who held a Cliffs Wellness Membership at the Prior Clubs will be permitted to acquire, upon payment of the applicable Transfer Fee, a Wellness Membership. Notwithstanding the foregoing, a

limited number of downgrades from Wellness Membership to Social Membership (to become effective January 1, 2014) will be permitted to those who request such downgrade at the time of submitting their Application and Membership Agreement, which downgrades will be limited with respect to each Cliffs Club to five percent (5%) of the total number of Historic Active Members and Historic Resigned Members who acquire a Wellness Membership at such Cliffs Club within thirty (30) days following the transfer of the Club Facilities to the Cliffs Clubs and who are paying Wellness Membership level dues. First priority for downgrades will be given to those Historic Active Members and Historic Resigned Members who qualify as Generational Members based upon the total number of years they have been a Member at the Cliffs Clubs and/or a member of the Prior Clubs, and any remaining slots for downgrades will be awarded based upon a lottery system established by the Club Operator. Historic Active Members and Historic Resigned Members who acquire a Wellness Membership and request to downgrade to a Social Membership upon submission of their Application and Membership Agreement (with applicable Transfer Fee) and are not awarded a downgrade to become effective January 1, 2014 due to the five percent (5%) cap, will be placed on a downgrade waiting list and be permitted to downgrade to a Social Membership effective as of a subsequent calendar year as provided in Section 7 below.

d. Transfers by Cliffs Corporate Members. Historic Active Members and Historic Resigned Members who held a Cliffs Corporate Membership at the Prior Clubs will be permitted to acquire, upon payment of the applicable Transfer Fee, a Corporate Membership.

e. Transfers by Cliffs Residence Club Members. Historic Active Members and Historic Resigned Members who held a Cliffs Residence Club Membership at the Prior Clubs will be permitted to acquire, upon payment of the applicable Transfer Fee, a Cliffs Residence Club Membership.

If a Historic Active Member or Historic Resigned Member holds more than one membership at the Prior Clubs, such person would be required to submit a separate Application and Membership Agreement with respect to each Membership being acquired at the Cliffs Clubs. Any Historic Active Member or Historic Resigned Member who owns a Property within The Cliffs at High Carolina, who held a category of membership in the Prior Clubs, and who acquires a Membership in the Cliffs Clubs, would have the option, upon submitting their respective Application and Membership Agreement, to select which of the Cliffs Clubs would be the Home Club with respect to the Membership associated with such Property located within The Cliffs at High Carolina.

2. Initiation Fees/Transfer Fees. The Club Operator currently anticipates charging the following Initiation Fee for membership at the Cliffs Clubs:

Category of Membership	Initiation Fee
Golf Membership	\$50,000
Corporate Membership	\$50,000
Sports Membership	\$35,000
Wellness Membership	\$20,000
Social Membership	\$20,000

However, the Applicant will not be required to pay the standard Initiation Fee for the Purchased Membership, but will be required to pay the applicable Transfer Fee for the category of Membership being acquired by the Applicant. The applicable transfer fee ("Transfer Fee") for the various categories of Membership are as follows:

Category of Membership	Transfer Fee
Golf Membership	\$5,000*
Corporate Membership	\$5,000*
Sports Membership (formerly Family Membership)	\$2,500
Residence Club Membership	\$2,500
Wellness Membership	\$1,500

* The Applicant, if acquiring a Golf Membership or Corporate Membership, may elect instead to pay, through an installment plan, an increased sum of \$5,740, as follows: an initial payment of \$2,500 at the time of submitting the Application and Membership Agreement to the Club Operator, and delivery of a promissory note for the remaining balance payable in 24 monthly installments of \$135.

The Transfer Fee payable by the Applicant hereunder shall be deemed to be the Initiation Fee for purposes of the Membership Documents and is not refundable.

3. Reinstatement Fee. If the Applicant is a Historic Resigned Member, the Applicant shall also be required to pay the applicable Reinstatement Fee in order to obtain the rights to receive a Refund Payment under Section 5 below of this Historic Member Addendum. The applicable reinstatement fee ("Reinstatement Fee") for the various categories of Membership are as follows:

Category of Membership	Reinstatement Fee
Golf Membership	\$2,500
Corporate Membership	\$2,500
Sports Membership (formerly Family Membership)	\$1,500
Residence Club Membership	\$1,500
Wellness Membership	\$750

A Historic Resigned Member who fails to pay the Reinstatement Fee at the time of submitting the applicable Application and Membership Agreement shall have no right to receive any Refund Payment. Any Reinstatement Fee paid by the Applicant shall be deemed to be part of the Applicant's Initiation Fee for purposes of the Membership Documents and is not refundable.

4. Amnesty Program. The Club Operator intends to implement an amnesty program (the "Property Owner Amnesty Program") available to each person who currently owns Property in a Cliffs Community and is not a member of the Prior Clubs immediately prior to the transfer of the Club Facilities to the Cliffs Clubs. The Property Owner Amnesty Program, as currently contemplated, would require persons qualifying under the program to pay an activation fee in an amount equal to the applicable Transfer Fee, set forth in Section 2 above, for the selected Membership category. In addition, such persons qualifying for the Property Owner Amnesty Program would also be required to pay an Initiation Fee for the selected Membership category equal to the Initiation Fee set forth in Section 2 above, but would receive a credit of \$20,000 toward the payment of the applicable Initiation Fee. Historic Resigned Members will be permitted to participate in the Property Owner Amnesty Program and will, therefore, have the option to either join the Cliffs Clubs as a Historic Resigned Member pursuant to the terms set forth in this Historic Member Addendum or join the Cliffs Clubs under the Property Owner Amnesty Program. In the event that a Historic Resigned Member acquires a Membership in the Cliffs Clubs pursuant to the Property Owner Amnesty Program, such Member will not be entitled to any Refund Payment. It is also intended that former members of the Prior Clubs, who own a Property in a Cliffs Community and who previously resigned but received a full refund of their membership deposit from the Prior Clubs, would also be eligible to participate in the Property Owner Amnesty Program.

5. Refund Payment.

a. *Waiting List and Reissuance*. A waiting list for the reissuance of a resigned Membership will be established for any Member who was either a Historic Active Member that paid the applicable Transfer Fee or a Historic Resigned Member that paid both the applicable Transfer Fee and applicable Reinstatement Fee; provided, however, that unless and until the Cliffs Clubs begins to actively offer Residence Club Memberships to others, no waiting list will be established for Residence Club Memberships and holders thereof, in order to obtain a Refund Payment, must arrange through the Club Operator for the reissuance of such Residence Club Membership to the buyer of such Member's interest in the applicable Property to which the Membership relates. Memberships on an applicable waiting list for reissuance will be issued in accordance with a rotating resale program, as follows: For each five (5) Memberships sold by the Cliffs Clubs within a given category of Membership, one (1) Membership will be reissued from the waiting list established for that category of Membership. For purposes of maintaining the applicable waiting lists, all sub-categories within a given category of Membership (without regard to which of the Cliffs Clubs such Membership relates) will be included within the same waiting list, and will be reissued from such waiting list, in accordance with the rotating resale program described above, on a first resigned, first reissued basis, with respect to each category of Membership. Corporate Memberships will be included in the same waiting list as Golf Memberships.

b. *Amount of Refund Payment and Vesting*. Upon the reissuance of a Membership from the applicable waiting list or as otherwise expressly provided in this Historic Member Addendum, the resigned Member who was either a Historic Active Member or Historic Resigned Member (who paid the applicable Reinstatement Fee) would be entitled to a refund payment ("Refund Payment") equal to the Applicable Percentage, multiplied by the lesser of: (i) the amount of the Membership Deposit; or (ii) seventy-five percent (75%) of the Initiation Fee then being charged by the Club Operator (at the time of such resignation) for the resigned Member's initial category of Membership acquired at the Cliffs Clubs, but if such Member downgrades to a lower category of Membership and fails to upgrade back to the initial category of Membership (or higher) within two years following the downgrade, then the relevant category of Membership for purposes of this clause (2) shall be such lower category of Membership and not the initial category of Membership. Except as may be modified by the Order of Confirmation of the Chapter 11 Plan issued by the United States Bankruptcy Court, District of South Carolina, Case No. 12-01220, for purposes of calculating the Refund Payment, the "Applicable Percentage" shall be determined based upon the length of time a Member keeps his/her Membership in Good Standing upon becoming a Member under the Membership Documents, as follows: (A) 20% commencing upon the 1st anniversary of becoming a Member under the Membership Documents; (B) 40% commencing upon the 2nd anniversary of becoming a Member under the Membership Documents; (C) 60% commencing upon the 3rd anniversary of becoming a Member under the Membership Documents; (D) 80% commencing upon the 4th anniversary of becoming a Member under the Membership Documents; and (E) 100% commencing upon the 5th anniversary of becoming a Member under the Membership Documents. Until

the 1st anniversary of becoming a Member under the new Membership Plan, the Applicable Percentage shall be zero.

c. *Payment of Refund Payment and Accelerated Vesting.* Upon the sale of the Applicant's Property in a Cliffs Community, if the Applicant arranges to have the purchaser of such Applicant's Property acquire a Membership at the Cliffs Clubs at the time of the closing of the Property sale, then: (i) notwithstanding the vesting schedule described above, the Applicant shall become fully vested in the right to the Refund Payment; (ii) if the purchaser of the Applicant's Property acquires an equal or greater category of Membership than that held by the Applicant, the Applicant's resigned Membership will not be placed on a waiting list for reissuance and the Applicant shall be paid the applicable Refund Payment at the closing of the sale of such Applicant's Property or within thirty (30) days after the date of issuance of the Membership to the purchaser of the Applicant's Property; and (iii) if the purchaser of the Applicant's Property acquires a lower category of Membership than that held by the Applicant, the Applicant shall be paid a portion of the applicable Refund Payment equal to 75% of the Initiation Fee paid by the purchaser of such Applicant's Property (not to exceed the amount of the Refund Payment) at the closing of the sale of such Applicant's Property or within thirty (30) days after the date of issuance of the Membership to the purchaser of the Applicant's Property, and the Applicant's resigned Membership will be placed on the applicable waiting list with the remaining balance of the Refund Payment, if any, being paid within thirty (30) days following the reissuance of such Applicant's resigned Membership from the waiting list.

Notwithstanding anything to the contrary in Section 34 of the Membership Plan, in the event of a termination of the Applicant's Membership as provided in Section 34 of the Membership Plan, the Applicant shall become automatically vested in the full Refund Payment and shall be paid the Refund Payment within sixty (60) days following the effective date of such termination, but shall not be entitled to any portion of the Transfer Fee or Reinstatement Fee paid by such Applicant. Notwithstanding the foregoing, if the Applicant's Membership is revoked or terminated pursuant to the terms of the Membership Documents due to a default in payment or other disciplinary action, the Applicant's right to a Refund Payment hereunder shall be automatically forfeited, waived, and released.

6. Upgrades.

a. *Upon Acquisition.* Historic Active Members and Historic Resigned Members may upgrade to a higher category of Membership immediately at the time of submitting their Application and Membership Agreement by agreeing to pay the applicable Transfer Fee and, if applicable, Reinstatement Fee for the higher category of Membership. For purposes of clarification, the Refund Payment calculation described in Section 5.b above will initially be based upon the category of Membership initially acquired. As a result, by paying the Transfer Fee and, if applicable, the Reinstatement Fee for such higher category of Membership, the Refund Payment calculation would be based upon the higher category of Membership.

b. *After Acquisition.* If the Applicant does not upgrade pursuant to Section 6.a above, the Applicant may subsequently upgrade to a higher category of Membership pursuant to the provisions of Section 21 of the Membership Plan, subject to availability. If the Applicant elects to upgrade pursuant to Section 21 of the Membership Plan to a higher category of Membership at any time during the two-year period commencing upon the issuance of the Purchased Membership to the Applicant, then the Applicant may elect, in lieu of paying the upgrade fee required under Section 21 of the Membership Plan, to have such upgrade fee set-off against the Refund Payment obligation, if any, payable to the Applicant (assuming for this purpose only that the Refund Payment was fully vested at the time of the upgrade). The Applicant shall not have the option to set-off against the Refund Payment any other amounts owed in connection with such Applicant's Membership, including, without limitation, any dues, fees or other charges owed to the Club Operator, except with respect to the Generational Member Discount Program described in Section 8 below.

7. Downgrades After Transfer. With respect to any downgrades not awarded pursuant to the provisions of Section 1 of this Historic Member Addendum, Historic Active Members and Historic Resigned Members may downgrade to a lower category or sub-category of Membership subject to the following

conditions, which conditions may be modified by the Club Operator in its sole discretion (but may not be modified to reduce the 5% cap in clause (b) below): (a) Historic Active Members and Historic Resigned Members will be permitted to downgrade a Membership by only one Membership level (e.g., Full Golf to Home Golf, Home Golf to Full Sports, Full Sports to Wellness, and Wellness to Social; For Non-Residents—Non-Resident Golf to Non-Resident Sports, Non-Resident Sports to Wellness, and Wellness to Social) per each annual request, provided that the Member qualifies for such sub-category level (i.e., Non-Resident Golf and Non-Resident Sports are reserved for Non-Resident Members only); (b) with respect to downgrades from each Membership level at each respective Cliffs Club, downgrades in any given year will be limited to five percent (5%) of the total number of Memberships in such category or sub-category. With respect to any downgrades (other than those effective for January 1, 2013 under Section 1.a and those effective for January 1, 2014 under Section 1.b or Section 1.c above), all downgrade requests throughout the calendar year up to November 30th of any given year will be eligible for consideration of a downgrade for the next calendar year subject to such other limitations set forth herein. Should more downgrade requests exist than eligible slots, then first priority for downgrades will be given to those Historic Active Members and Historic Resigned Members who qualify as Generational Members, based upon the total number of years they have been a Member at the Cliffs Clubs and/or a member of the Prior Clubs, and a lottery will be held in December by the Club Operator to determine which requests made during such year will become effective for the following year. The Club Operator reserves the right from time to time to determine the method and procedures to be used in implementing the lottery for downgrades.

8. Generational Member Benefits. To qualify as a "Generational Member", the Primary Member or the spouse or other Designated Adult must be at least 75 years of age and must have been a Member of the Cliffs Clubs and/or a member of the Prior Clubs for at least ten (10) years. Generational Members will be given a higher priority on any downgrade waiting list available to Historic Active Members and Historic Resigned Members, as provided in Section 1 and Section 7 hereof. Generational Members with a Golf Membership will also be eligible for the Generational Member Discount Program. The Generational Member Discount Program offers Generational Members with Golf Membership an ability to setoff fifty percent (50%) of their annual Golf Membership level dues against their right to a Refund Payment (determined as if fully vested) with respect to such Golf Membership. Total number of Members eligible for the Generational Member Discount Program at any given time shall be limited to three percent (3%) of the total number of Golf Members at the applicable Cliffs Club; provided, however, that any Historic Active Member or Historic Resigned Member who qualifies as a Generational Member hereunder and who was participating in a similar discount program with the Prior Clubs will be included in the Generational Member Discount Program notwithstanding the three percent (3%) cap. Priority for determining who may be added to the Generational Member Discount Program will be determined based upon the date such Member first becomes eligible to participate in the program and if there is a tie, then the Member who has been a Member at the Cliffs Clubs (and/or a member of the Prior Clubs) for the longer period of time will be given the higher priority. The Club Operator may from time to time, in its sole discretion, provide additional benefits for Members who qualify as Generational Members.

9. Acknowledgement. The Applicant hereby acknowledges and agrees, notwithstanding anything in the Membership Documents to the contrary, that: (a) Applicant shall be required to pay dues with respect to their applicable category of Membership for at least one full year after joining the Cliffs Clubs, irrespective of any resignation during that time; and (b) the Club Operator has not assumed any obligations of the Prior Clubs and the Club Operator's sole obligations to the Applicant are set forth in the Membership Documents, which includes, without limitation, the obligation to pay the Refund Payment as set forth herein.

To be eligible to join the Cliffs Clubs as a Historic Active Member or Historic Resigned Member pursuant to the terms of this Addendum, Applicant's Application must be completed and submitted to the Club Operator, along with the applicable Transfer Fee indicated above, no later than August 9, 2012.

By signing below, the Applicant hereby acknowledges and agrees to the terms set forth in this Historic Member Addendum.

APPLICANT:

_____	_____	_____
Date	Print Name of Primary Member/ Corporate Member	Signature of Primary Member/ Authorized Representative

ACCEPTANCE BY CLUB OPERATOR:

Cliffs Club Partners, LLC, a Delaware limited liability company

By: _____ Title: _____ Date: _____

Member Account # : _____ Property Reference: _____



Current Schedule of Initiation Fees, Dues, Other Fees and Charges

A – Transfer Fees and Reinstatement Fees for Historic Members

<u>Historic Membership Categories</u>	<u>Transfer Fee</u>	<u>Reinstatement Fee</u>
Golf and Charter Membership	\$5,000*	\$2,500
Family and Sports Membership	\$2,500	\$1,500
Wellness Membership	\$1,500	\$750
Corporate Membership	\$5,000	\$2,500
Residence Club Membership	\$2,500	\$1,500

* Financing option available requiring total payment of \$5,740: \$2,500 down, remaining balance paid in 24 monthly installments of \$135.

B – Membership Categories, Initiation Fees and Activation Fees

<u>Primary Membership Categories</u>	<u>General Initiation Fees</u>	<u>Activation Fees under Property Owner Amnesty Program*</u>
Golf Membership	\$50,000	\$5,000
Sports Membership	\$35,000	\$2,500
Wellness Membership	\$20,000	\$1,500
Social Membership	\$20,000	\$1,500
<u>Other Membership Categories</u>		
Corporate Membership	\$50,000	\$5,000

* The Club Operator intends to implement a Property Owner Amnesty Program to encourage all Property Owners who do not have a Membership (which will include any Historic Resigned Member who elects not to pay a Transfer Fee and transfer over under the applicable Historic Member Addendum) to acquire a Membership in the new Cliffs Clubs. A person acquiring a Membership under the Property Owner Amnesty Program will be required to pay the Activation Fee plus the Initiation Fee set forth above for the applicable category of Membership. As an incentive, however, any person acquiring a Membership under the Property Owner Amnesty Program will receive a credit of \$20,000 toward the payment of their Initiation Fee, so that the **Total Fee under the Property Owner Amnesty Program, which includes the Initiation Fee + Activation Fee – Discount, will be: \$35,000 for a Golf or Corporate Membership; \$17,500 for a Sports Membership; and \$1,500 for either a Wellness or Social Membership.** The following financing option will be available for purchasers of Golf Memberships pursuant to the Property Owner Amnesty Program: An initial payment of at least \$17,500, with the remaining balance paid in 2 semi-annual payments accruing interest at 8%.

C – Applicable Dues

<u>Membership Levels</u>	<u>Annual Dues</u>
Full Golf *	\$10,380
Home Golf	\$9,340
Non-Resident Golf	\$8,300
Full Sports*	\$5,280
Non-Resident Sports	\$4,225
Wellness*	\$3,720
Social	\$1,860
Corporate* (Maximum 4 Designees)	\$10,380 Includes up to 2 Designees
	\$ 5,190 for each additional Designee
Residence Club*	\$1,875

* These are the applicable Membership levels that would generally be acquired by Historic Active Members and Historic Resigned Members upon transferring to the new Cliffs Clubs.

D – Other Fees and Charges

<u>Dues Levels</u>	<u>Home Course Green Fee</u>	<u>Reciprocal Green Fee</u>	<u>Escorted Guest Fee</u>	<u>Unescorted Guest Fee</u>	<u>Food and Beverage Minimum</u>	<u>Locker Rental</u>	<u>Bag Storage</u>
Full Golf	No Charge	No Charge	\$65 Home Club, \$65 Other	\$165.00	\$1,200	\$125	\$125
Home Golf	No Charge	\$65.00	\$65 Home Club, \$95 Other	\$165.00	\$1,200	\$125	\$125
Non-Resident Golf	\$65.00	\$65.00	\$65 Home Club, \$95 Other	\$165.00	\$600	\$125	\$125
Full Sports	\$65.00	\$95.00	\$65 Home Club, \$95 Other	\$165.00	\$1,200	\$125	\$125
Non-Resident Sports	\$65.00	\$95.00	\$65 Home Club, \$95 Other	\$165.00	\$600	\$125	\$125
Wellness	N/A	N/A	N/A	N/A	\$1,200 Residents \$600 Non-Residents	N/A	N/A
Social	N/A	N/A	N/A	N/A	\$1,200 Residents \$600 Non-Residents	N/A	N/A
Corporate Residence Club	No Charge No Charge	No Charge No Charge	\$65 Home Club, \$95 Other \$65 Home Club, \$95 Other	\$165.00 \$165.00	\$1,200 per Designee N/A	\$125 \$125	\$125 \$125

The Club Operator, in its discretion, may establish a different level of guest fees for certain extended family members. In addition, a nominal guest fee of \$25 will be charged for Juniors. Cart fees will be charged at \$22 for 18 holes and \$14 for 9 holes, and Golf Members may participate in the Annual Cart Program for a fee of \$1,850 for Family and \$1,500 for Single. Full Golf Members will not be charged for up to 20 rounds of cart fees for the Primary Member or will be eligible for an equivalent discount toward the Annual Cart Program fee. Members will be charged a service fee of 18% on all food and beverage purchases and 20% for any catering services.

The applicable fees, dues and charges set forth in this Schedule of Initiation Fees, Dues, Other Fees and Charges (this "Schedule") are subject to change from time to time, as provided in The Cliffs Master Membership Plan, as amended (the "Membership Plan"). The terms and conditions of membership at any of the Cliffs Clubs are set forth in the applicable Membership Documents, as such term is defined in the Membership Plan, and all statements and information included in this Schedule are subject to the terms and conditions of the Membership Plan and other Membership Documents, as such may be amended from time to time. Additional fees and charges that are not stated herein may be applicable for additional services or privileges.



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CREDIT CARD AUTHORIZATION ADDENDUM

1. Billing Address Information

Name: _____

Member #: _____

Address: _____

City/State: _____

Zip Code: _____

Phone #: _____

2. Account Information

I authorize the Club or its management company, Cliffs Club Services, LLC, to charge all monthly Club charges to one of my two credit cards listed below. I have listed one primary and one "back-up" – VISA, MASTERCARD, AMERICAN EXPRESS OR DISCOVER ONLY.

Primary Credit Card Info. ☐ VISA ☐ MASTERCARD ☐ AMEX ☐ DISCOVER

Name on Card: _____

Credit Card Number: _____

Expiration Date: _____ Security Code: _____

Back-Up Credit Card Info. ☐ VISA ☐ MASTERCARD ☐ AMEX ☐ DISCOVER

Name on Card: _____

Credit Card Number: _____

Expiration Date: _____ Security Code: _____

Signature: _____ Date: _____



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THE CLIFFS CLUBS
AUTOMATIC WITHDRAWAL AUTHORIZATION FORM

Automatic Check Handling (ACH Debit)

1. Personal Information:

Name: _____

Address: _____

City/State: _____

Zip Code: _____

Phone: _____

2. Account Information:

Account Type: _____

Bank Name/Depository: _____

Branch Name: _____

City/State: _____

Zip Code: _____

Bank Phone: _____

Transit/ABA Number: _____

Account #: _____

I/we hereby authorize Cliffs Club Services, LLC (the "Management Company") to initiate debit entries to my/our account(s) at the bank/depository ("Bank") named above on a monthly basis for the payment of my/our dues, fees, and charges relating to any club of which I am a member or have privileges and which is managed by the Management Company (together, the "Club").

This authority is to remain in full force and effect until the Management Company has received written notification from me/us of its termination in such time and in such manner as to afford the Management Company and Bank a reasonable opportunity to act on it.

Signature: _____

Spouse's Signature: _____

Date: _____

PLEASE ATTACH A VOIDED OR CANCELLED CHECK! To void a check, simply write "VOID" in large letters across a blank check.



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NON-RESIDENT MEMBER ADDENDUM
Application and Membership Agreement

This Non-Resident Member Addendum is a part of the undersigned Applicant's Application and Membership Agreement to acquire the Purchased Membership, and all capitalized terms used herein shall have the meaning ascribed to such terms in such Application and Membership Agreement and/or the other Membership Documents.

The Applicant has elected to acquire either a Non-Resident Golf sub-category of Membership or a Non-Resident Sports sub-category of Membership (which requires the Applicant to qualify as a Non-Resident Member), or has requested to be treated as a Non-Resident Member with respect to their category of Membership. To qualify as a Non-Resident Member, (1) neither the Applicant nor any member of such Applicant's immediate family may own a residence, or lease or reside at a residence (other than on a transient basis), located within a Cliffs Community or within a 125 mile radius from the nearest Cliffs Club, and (2) the Applicant must have executed and delivered to the Club Operator this Non-Resident Member Addendum. By executing this Non-Resident Member Addendum, the Applicant hereby represents and warrants to the Club Operator that neither the Applicant nor any member of such Applicant's immediate family owns a residence, or leases or resides at a residence (other than on a transient basis), located within a Cliffs Community or within a 125 mile radius from the nearest Cliffs Club. The Applicant hereby covenants and agrees that in the event that the Applicant or any member of Applicant's immediate family acquires a residence, or leases or begins to reside at a residence (other than on a transient basis), located within a Cliffs Community or within a 125 mile radius from the nearest Cliffs Club, the Applicant shall notify the Membership Office in writing within five (5) days following such acquisition, lease or commencement of residence. Effective immediately upon the acquisition, or lease or commencement of residence (other than on a transient basis), by the Applicant or any member of Applicant's immediate family of a residence located within a Cliffs Community or any other residence located within a 125 mile radius from the nearest Cliffs Club, then: (A) Applicant shall no longer qualify as a Non-Resident Member; (B) if the Applicant holds a Non-Resident Golf Membership or Non-Resident Sports Membership, such Membership shall be automatically upgraded to the next highest sub-category within that category of Membership; and (C) the Applicant shall be required to immediately pay any applicable fees associated with such automatic upgrade and the additional dues associated with such higher sub-category of Membership from and after the date that such Applicant no longer qualified as a Non-Resident Member. In the event that a residence is being constructed for the Applicant within a Cliffs Community or within a 125 mile radius of any Cliffs Clubs, the Applicant shall be deemed to have acquired the residence on the date that the certificate of occupancy is issued with respect to such residence. The Applicant hereby acknowledges that the representations, warranties, covenants and agreements of Applicant set forth in this Non-Resident Member Addendum is being relied upon by the Club Operator and is a material inducement for the Club Operator's agreement to allow the Applicant to be treated as a Non-Resident Member for purposes of the Membership Documents.

By signing below, the Applicant hereby acknowledges and agrees to the terms set forth in this Non-Resident Member Addendum.

APPLICANT:

Date

Print Name of Primary Member

Signature of Primary Member



THE CLIFFS CLUBS
APPLICATION AND MEMBERSHIP AGREEMENT
CLIFFS CLUB

<input type="checkbox"/> Cliffs Club at Glassy	<input type="checkbox"/> Cliffs Club at Valley
<input type="checkbox"/> Cliffs Club at Keowee Vineyards	<input type="checkbox"/> Cliffs Club at Walnut Cove
<input type="checkbox"/> Cliffs Club at Keowee Falls	<input type="checkbox"/> Cliffs Club at Keowee Springs
<input type="checkbox"/> Cliffs Club at Mountain Park	

CATEGORIES OF MEMBERSHIP

<input type="checkbox"/> Golf Membership	<input type="checkbox"/> Sports Membership	<input type="checkbox"/> Wellness Membership	<input type="checkbox"/> Social Membership
<input type="checkbox"/> Full Golf	<input type="checkbox"/> Full Sports		
<input type="checkbox"/> Home Golf	<input type="checkbox"/> Non-Resident Sports		
<input type="checkbox"/> Non-Resident Golf			

<input type="checkbox"/> Corporate Membership	<input type="checkbox"/> Residence Club Membership
--	---

PRIMARY MEMBER NAME: _____

Member Account # : _____

Property Reference: _____

Cliffs Property Address Associated with the Purchased Membership:

Street		

City	State	Zip

Multiple Membership Holder ☐ Total Number of Memberships _____

Will this Membership be the Primary Membership? Yes ☐ No ☐

APPLICATION AND MEMBERSHIP AGREEMENT

The undersigned applicant ("Applicant") desires to obtain a _____
Membership (hereinafter the "Purchased Membership") in Cliffs Club at _____
(the "Club") and hereby submits this Application and Membership Agreement (together with all
addenda attached hereto, collectively referred to herein as the "Application and Membership
Agreement") to Cliffs Club Partners, LLC, a Delaware limited liability company, for
consideration. Any capitalized terms not otherwise defined herein shall have the meaning
ascribed to them in The Cliffs Club Master Membership Plan dated August, 2012 (as amended,
the "Membership Plan"). If this Application and Membership Agreement is accepted by the Club
Operator, the Applicant requests that their name be placed on the Membership Roster of the
Club as follows:

APPLICANT/MEMBER INFORMATION

Mr. ☐ Mrs. ☐ Ms. ☐ Miss ☐ Dr. ☐

Name of Primary Member
(Please Print): _____

Member/Billing
Address: _____

Street

City

State

Zip

Seasonal
Address: _____

Street

City

State

Zip

From: ____ / ____ / ____

To: ____ / ____ / ____

Social Security # _____ Date of Birth _____

Driver's License # _____ State _____

Marital Status: Single ☐ Married ☐ Wedding Date _____

Name of Employer _____

Occupation and/or Nature of Business _____

Title _____ Years in Present Employment _____

Business
Address: _____

Street

City

State

Zip

Business Telephone # (____) _____ Fax # (____) _____

Local Telephone # (____) _____ Other Telephone # (____) _____

Mobile Telephone # (____) _____ E-Mail Address* _____

* Please provide the E-Mail address you would like
the Club to use for purposes of mailing billing
statements and other notices from the Club.

DESIGNATED ADULT INFORMATION
(Not Applicable for Corporate Membership)

Spouse ☐ Other ☐

Mr. ☐ Mrs. ☐ Ms. ☐ Miss ☐ Dr. ☐

Name (Please Print): _____
Social Security # _____ Date of Birth _____
Driver's License # _____ State _____
Name of Employer _____
Occupation and/or Nature of Business _____
Title _____ Years in Present Employment _____

Business
Address: _____
Street _____
City _____ State _____ Zip _____

Business Telephone # (____) _____ Fax # (____) _____
Mobile Telephone # (____) _____ E-Mail Address _____

DEPENDENT INFORMATION
(Not Applicable for Corporate Membership)

Children who are twenty-three years of age and younger and are either living in the Applicant's home or attending school on a full-time basis or serving in the military:

	<u>Name (First & Last)</u>	<u>Date of Birth</u>	<u>Male or Female</u>	<u>E-Mail Address</u>
1.	_____	_____	_____	_____
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____

REFERENCES

CLUB/SOCIAL REFERENCES:

1.

Name of Club/Organization	Year Accepted	
City	State	Present/Former Member
Are you in good standing? <input type="checkbox"/> Yes <input type="checkbox"/> No		
If no, please explain _____		
2.

Name of Club/Organization	Year Accepted	
City	State	Present/Former Member
Are you in good standing? <input type="checkbox"/> Yes <input type="checkbox"/> No		
If no, please explain _____		

PERSONAL REFERENCES:

1.

Name	Telephone #	Years Known
Street		
City	State	Zip
2.

Name	Telephone #	Years Known
Street		
City	State	Zip

BANK/CREDIT REFERENCES:

Name of Institution	Branch	Officer to Contact
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ADDITIONAL SERVICES

The Applicant hereby selects the following additional services by checking the applicable box (and initialing where indicated) and agrees to pay to the Club the fees and charges, including any applicable sales tax, or other taxes, for the services selected. The current amount of fees for each service is described on the Current Schedule of Initiation Fees, Dues, Other Fees and Charges, which is subject to change, as set forth in the Membership Documents.

☐ Annual Cart Program - Family ☐
Initial: _____ Single ☐

☐ Bag Storage - Member ☐
Initial: _____ Designated Adult ☐

☐ Wine Locker
Initial: _____

☐ Locker Rental - Member ☐
Initial: _____ Designated Adult ☐

TERMS AND CONDITIONS

1. Application For Membership Privileges. The Applicant hereby applies for a Membership at the Club and agrees to pay a nonrefundable Initiation Fee to the order of Cliffs Club Services, LLC of \$_____. The Applicant has selected the sub-category of Membership identified on the cover page to this Application and Membership Agreement.

2. Payment Of Initiation Fee. The Applicant hereby acknowledges and agrees that the required Initiation Fee set forth above in Section 1, plus all applicable taxes (if any), shall be paid at the time this Application and Membership Agreement is submitted to the Club Operator for consideration, except as otherwise permitted by the Club Operator.

If the Applicant fails to pay the Initiation Fee, or any part thereof, as and when due pursuant to an agreement with Club Operator, then the Club Operator shall be entitled to all remedies provided in law or in equity, for the collection of the Initiation Fee, plus interest at the highest rate allowed by law, and may terminate the Purchased Membership upon which all membership privileges at the Club shall automatically terminate. If, however, the Club Operator elects to accept a late payment and does not terminate the Purchased Membership, then interest at the highest rate allowed by law shall be due on the amount of the payment from the original due date until the date the payment is made.

3. Initiation Fee Is Nonrefundable. Each person who desires to acquire a Membership will be required to pay a nonrefundable Initiation Fee, as contemplated under the Membership Documents, in an amount determined by the Club Operator in its sole discretion. The Applicant acknowledges and agrees that under no circumstances will the Applicant be entitled to any refund or repayment of the Initiation Fee paid for the Purchased Membership.

4. Disclosure and Release of Information. The Applicant hereby authorizes the Club Operator to send any invoices, notices or other mailings regarding the Purchased Membership by electronic mail to the e-mail address provided in this Application and Membership Agreement or any other e-mail address provided by the Applicant to the Club. The Applicant hereby acknowledges that the Club and Club Operator is relying on the information provided by the Applicant in this Application and Membership Agreement, and the Applicant hereby represents and warrants to the Club and Club Operator that such information is accurate. The Applicant hereby authorizes the Club Operator to obtain a credit report of the Applicant, check the references provided herein and otherwise obtain and use all information in determining qualification for membership in the Club. The Applicant agrees to release to the Club Operator all information requested by the Club Operator (including credit, financial, and any police/criminal records and information), and hereby authorizes those persons or entities included as references herein to furnish information to the Club Operator. The Applicant hereby irrevocably releases and holds the Club Operator and its affiliates and their respective members, shareholders, partners, directors, managers, officers, employees and agents forever harmless from any and all liabilities, claims and causes of action for all matters related to the above and further agree to indemnify and reimburse such individuals from any and all costs and expenses related to any such matters. The Applicant hereby covenants and agrees to immediately notify the Membership Office in writing regarding any updates or changes to the Applicant's information on file with the Membership Office. This Application also serves as the application by Applicant to become a member of The Cliffs Members Club, a non-profit corporation organized under the laws of the State of South Carolina (the "Non-profit Club"), and Applicant hereby acknowledges and consents to the sharing of Applicant's information provided herein, or in the Former Application, with the Non-profit Club.

5. Receipt Of Membership Documents. The Applicant hereby acknowledges receipt of the Membership Plan, the Club's Rules and Regulations dated _____, 2012 (the Membership Plan and Rules and Regulations together with this Application and Membership Agreement are collectively referred to as the "Membership Documents"), and hereby agrees to abide by all of the respective terms and conditions of the Membership Documents as amended from time to time. The Rules and Regulations of the Cliffs Clubs that are applicable to the dining and bar areas of the Club Facilities will likewise be applicable with respect to the Non-profit Club.

The following addenda (*please check only those that are applicable*) are attached to, and are incorporated into and made a part of, this Application and Membership Agreement:

- ☒ Current Schedule of Initiation Fees, Dues, Other Fees and Charges (*required*)
- ☒ Credit Card Authorization Addendum (*required*)
- ☐ ACH Authorization Addendum (*optional*)
- ☐ Property Owner Amnesty Program Addendum (*if applicable*)
- ☐ Non-Resident Member Addendum (*if applicable*)
- ☐ Proof of Ownership in Cliffs Community (*if applicable, deed or settlement statement*)
- ☐ _____ (*other, if applicable*)

6. Payment Of Dues And Club Account. The Applicant hereby agrees to pay to the Club the membership dues, fees and charges, including any applicable sales tax, or other taxes, for the category of membership privileges selected. The current amount of dues, for each category of membership privileges is described on the Current Schedule of Initiation Fees, Dues, Other Fees and Charges Addendum, which is subject to change, as set forth in the Membership Documents. Dues charged the by the Cliffs Clubs is inclusive of the dues applicable to the Non-profit Club and will be allocated among the Cliffs Clubs and the Non-profit Club as mutually agreed by the Club Operator and the Non-profit Club. In the event that any amount owed to the Club is not paid on a timely basis, the Applicant understands that he/she may be charged late charges in accordance with the Membership Documents. The Applicant hereby authorizes that all dues, fees and charges be billed to any one of the credit cards on file with the Club pursuant to the Membership Documents, and certifies that the credit cards listed on the Credit Card Authorization Addendum attached hereto are issued to the Applicant and that the information set forth in the Credit Card Authorization Addendum (and any supplemental Credit Card Authorization Form provided by the Applicant to the Club) shall be true and correct in all respects. The Applicant hereby acknowledges and agrees that he/she is obligated to keep at least two (2) valid approved credit cards on file with the Club at all times, that the Club will charge a convenience fee as set forth in the Membership Plan for any charges paid by credit card, and that the Applicant shall be responsible for any amounts that are not paid by the credit card companies. All disputes on any such credit card accounts relating to the Club will be promptly brought to the Club's attention.

7. Acknowledgment Of Membership Rights. The Applicant hereby acknowledges and understands that the Club Operator will initially operate the Club. The Applicant further acknowledges that membership at the Club permits the Applicant the right to use the Club Facilities, but is not an investment in the Club Operator, the Club, or the Club Facilities, nor does membership confer on the Applicant any equity or ownership interest or any other property interest in the Club Operator, the Club, or the Club Facilities. Membership does not grant to the

Applicant a vested or prescriptive right or easement to use the Club Facilities. The Applicant only obtains a non-exclusive revocable license to use the Club Facilities in accordance with the terms and conditions of the Membership Documents, as they may be amended from time to time. The Applicant hereby acknowledges and agrees that while such Applicant owns a Property in the Community, such Applicant shall be required to maintain the Purchased Membership in Good Standing in order to ensure that the purchaser of their Property in the Community will have the opportunity to become a Member of the Club. All rights and privileges of the Applicant and other members of the Club under the Membership Documents are subordinate to the lien of any mortgage or deed of trust encumbering the Club Facilities from time to time.

As more particularly provided in the Membership Documents, and subject to any limitations provided therein, the Club Operator reserves the right, in its sole discretion, to terminate or modify the terms and conditions of the Membership Plan and the Rules and Regulations, to reserve memberships in the Club, to sell, lease, or otherwise dispose of the Club Facilities, to add, issue, modify, or terminate any category or class of membership, to discontinue operation of any or all of the Club Facilities, to convert the Club into a member-owned club, and to make any other changes in the terms and conditions of the membership or the Club Facilities available for use by its members.

8. Waiver And Indemnity. The Applicant acknowledges and agrees on behalf of himself or herself, and his or her immediate family members, extended family members, lessees and guests who, in any manner, make use of, or accept the use of, any apparatus, appliance, facility, privilege or service whatsoever owned, leased or operated by the Club Operator, or who engage in any contest, game, function, exercise, competition or other activity operated, organized, arranged or sponsored by the Club or the Club Operator, either on or off the Club Facilities, shall do so at his or her own risk, waive, satisfy and forever discharge the Club Operator and each of the other Club Indemnified Parties from any and all manners of action, causes of action, damages, claims and demands whatsoever, including any claims arising out of negligence, in law or in equity, which he or she may have now or at any time in the future, arising out of or resulting from the use of any apparatus, appliance, facility, privilege or service whatsoever owned, leased or operated by the Club Operator, including without limitation the use of golf carts provided by the Club or Club Operator or the participation in any contest, game, function, exercise, competition or other activity operated, organized, arranged or sponsored by the Club or the Club Operator, either on or off the Club Facilities and shall defend, indemnify and hold harmless the Club Operator and each of the other Club Indemnified Parties from and against any and all losses, damages, claims or suits arising out of any personal injury or property damage caused by the intentional or negligent acts or omissions of the Applicant, or his or her immediate family members, extended family members, lessees and guests. Should the Applicant, or his or her immediate family members, extended family members, lessees or guests file a legal action against the Club Operator or any of the Club Indemnified Parties for any claim and fail to obtain judgment therein against it or them, the Applicant shall be liable to each of the Club Operator and other Club Indemnified Parties for all costs and expenses incurred by it or them in the defense of such legal action, including reasonable attorneys' fees and para-professionals' fees (including fees acquired in connection with appellate proceedings).

9. Release Of Any Prior Obligations. The Applicant does, on behalf of his/her agents, successors, beneficiaries and assigns, hereby remise, release, and forever discharge the Club Operator, together with its respective current and former shareholders, members, partners, officers, directors, managers, employees, agents, attorneys, affiliates, successors and assigns, from any and all causes of action, suits, debts, dues, sums of money, accounts, covenants, contracts, controversies, agreements, guarantees, indemnifications, promises, liens, damages, judgments, executions, claims, and demands whatsoever, in law or in equity, which

the Applicant ever had, now has, or which the Applicant's agents, successors, and assigns hereafter can, shall, or may have, by reason of any matter, cause, or thing whatsoever, from the beginning of time to the date this Application and Membership Agreement has been accepted and executed by the Club Operator.

10. Use of Likeness and Statements. The Applicant hereby acknowledges that the Club may use photographs taken of the Applicant and other users at the Club and statements made by the Applicant at the Club for Club and/or any Club Communities publications without any prior approval.

11. Assignment. The Applicant's rights, privileges or interests under this Application and Membership Agreement are not assignable or transferable. However, the Club Operator may assign its interest in this Application and Membership Agreement and the Membership Documents, and in the event of such an assignment, the liability and obligations of such assignor shall be terminated effective as of such assignment.

12. Definitions. All capitalized terms used herein which are not otherwise defined herein shall have the meanings set forth in the Membership Documents.

13. Governing Laws. This Application and Membership Agreement and the other Membership Documents shall be governed by and construed in accordance with the laws of the State of South Carolina without regard to principles of conflicts of laws. EACH PARTY TO THIS APPLICATION AND MEMBERSHIP AGREEMENT KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES THE RIGHT TO A JURY TRIAL IN ANY LAWSUIT BETWEEN SUCH PARTY AND ANY OTHER PARTY HERETO WITH RESPECT TO THIS APPLICATION AND MEMBERSHIP AGREEMENT.

FOR NON-CORPORATE MEMBERSHIP ONLY:

If the undersigned Primary Member has identified a Designated Adult in this Application and Membership Agreement, then the signature of the Primary Member's Designated Adult is required below, and such Designated Adult shall be jointly and severally liable for all of the Primary Member's obligations under the Membership Documents which are incurred while such person is the Designated Adult of the Applicant.

_____ Date	_____ Print Name of Primary Member	_____ Signature of Primary Member
---------------	---------------------------------------	--------------------------------------

_____ Date	_____ Print Name of Designated Adult	_____ Signature of Designated Adult
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FOR CORPORATE MEMBERSHIP ONLY:

A Corporate Membership may have up to four (4) Member Designees. The Club Operator may require each Member Designee to complete a separate information sheet. Notwithstanding anything in the Membership Documents to the contrary, a Corporate Membership does not provide membership privileges for the immediate family of a Member Designee. The Corporate Member identified below and each Member Designee of the Purchased Membership shall be jointly and severally liable for all obligations associated with the Purchased Membership, and each Member Designee hereby agrees to all of the terms and conditions of this Application and Membership Agreement in the same manner as if the Member Designee was the Applicant hereunder.

Name of Corporate Member

Signature of Authorized Representative
Date:_____

Name of Member Designee (1)

Signature of Member Designee (1)
Date:_____

Name of Member Designee (2)

Signature of Member Designee (2)
Date:_____

Name of Member Designee (3)

Signature of Member Designee (2)
Date:_____

Name of Member Designee (4)

Signature of Member Designee (2)
Date:_____

This Application and Membership Agreement shall not be binding on the Club Operator until the acceptance below is signed by an authorized representative of the Club Operator.

ACCEPTANCE BY CLUB OPERATOR:

Cliffs Club Partners, LLC, a Delaware limited liability company

By: _____ Title: _____ Date: _____

Member Account # : _____ Property Reference: _____

MEMBERSHIP OFFICE CONTACT INFORMATION

250 Knightsridge Road
Travelers Rest, SC 29690
Attention: Membership Director

FOR CLUB USE ONLY

Initiation Fee: (New Member / Amnesty Program - \$20,000 credit received ☐)

\$ _____	Date Received: _____	Check/Wire: _____	Balance Due \$ _____
\$ _____	Date Received: _____	Check/Wire: _____	Balance Due \$ _____
\$ _____	Date Received: _____	Check/Wire: _____	

Promissory Note Executed and Received ☐

Due Dates: Payment 1 _____ Payment 2 _____

Member Acct. # _____

Resignation Date: _____

Property Reference: _____

Termination Date: _____



PROPERTY OWNER AMNESTY PROGRAM ADDENDUM

Application and Membership Agreement

This Property Owner Amnesty Program Addendum (this "Addendum") is a part of the undersigned Applicant's Application and Membership Agreement to which this Addendum is attached (the "Applicant's Application") to acquire the Purchased Membership and the provisions included herein shall be incorporated into and become part of the Applicant's Application. All capitalized terms used herein shall have the meaning ascribed to such terms in the Applicant's Application and/or the other Membership Documents. To the extent there is any inconsistency between the terms of this Addendum and the terms of the other Membership Documents, the terms of this Addendum shall supersede any such inconsistent terms in the other Membership Documents.

The Club Operator has implanted a program (the "Property Owner Amnesty Program") in an effort to encourage current owners of Property within the Cliffs Communities to obtain a Membership at the Cliffs Clubs that would be associated with such current owner's Property, as described in their applicable Application and Membership Agreement. The Applicant has elected to acquire the Purchased Membership pursuant to the Property Owner Amnesty Program, with respect to the Property identified in the Applicant's Application. As such, the Applicant shall be entitled to a discount of \$20,000 toward the applicable Initiation Fee payable by the Applicant for the Applicant's category of Membership, but shall be required to also pay a non-refundable Activation Fee. The applicable Initiation Fee and Activation Fee for the various categories of Membership are as follows:

Category of Membership	Initiation Fee, less discount	Activation Fee	Total Fees (less discount)
Golf Membership	\$50,000 - \$20,000 = \$30,000	\$5,000	\$35,000
Corporate Membership	\$50,000 - \$20,000 = \$30,000	\$5,000	\$35,000
Sports Membership	\$35,000 - \$20,000 = \$15,000	\$2,500	\$17,500
Wellness Membership	\$20,000 - \$20,000 = \$0.00	\$1,500	\$1,500
Social Membership	\$20,000 - \$20,000 = \$0.00	\$1,500	\$1,500

The total of the applicable Initiation Fee set forth above (less discount), plus the applicable Activation Fee will be the "Initiation Fee" to be included in Section 1 of the Terms and Conditions of the Applicant's Application.

To be eligible to participate in the Property Owner Amnesty Program, Applicant's Application must be completed and submitted to Club Operator, along with the applicable Total Fees (less discount) indicated above, no later than August 31, 2012.

Exhibit B

**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

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

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.)**

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Columbia, SC 29201
Telephone: (803) 771-8900
Facsimile: (803) 727-1478

Counsel for Cliffs Club Partners, LLC, the Plan Sponsor

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).

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INTRODUCTION

This first amended and restated joint chapter 11 plan (as amended or modified hereafter in accordance with its terms, the "Plan"), dated June 30, 2012, is proposed 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 affiliated debtors in the above-captioned Chapter 11 Cases, as debtors and debtors in possession, together with the Plan Sponsor. Reference is made to the Disclosure Statement accompanying the Plan for a discussion of the Debtors' history, business, results of operations, historical financial information, properties, projections for future operations and risk factors, a summary and analysis of the Plan, and certain related matters. The Debtors and the Plan Sponsor are the proponents of the Plan within the meaning of section 1129 of the Bankruptcy Code.

In summary, provided the Plan is Confirmed by the Bankruptcy Court and becomes effective, the Allowed Claims held by creditors of the Debtors will receive Distributions and be deemed satisfied through consideration provided to the Debtors and undertakings by the Plan Sponsor in exchange for a transfer of substantially all assets of the Debtors to entities owned in whole or in part, and managed by, the Plan Sponsor. In general, the Plan provides that: (i) the Allowed Secured Claims of the Note Holders represented by the Indenture Trustee will be satisfied through a combination of (x) a modification of the terms of the Notes to provide for repayment of \$64,050,000, without interest, in twenty (20) annual payments beginning on the one year anniversary of the Effective Date in the amount of the greater of \$1 million or 50% of New ClubCo Net Cash Flow and with a balloon payment of the remaining principal, if any, at maturity, all paid through the Indenture Trustee to the Note Holders subject to the terms of the Notes and Indenture, as may be modified and amended, and (y) the modification of the Prepetition Facility Documents, including without limitation, the Pledge and Security Agreement and the Collateral Trust Agreement to subordinate the Liens of the Indenture Trustee to the Exit Facility and the Mountain Park Facility, after which the Debtors will transfer the Real Property Collateral and substantially all other property of the Debtors to the Plan Sponsor, subject only to the Permitted Liens and otherwise free and clear of all liens, claims and encumbrances, and the Plan Sponsor will assume the payment obligations under the modified Notes until the Indenture Trustee SPE assumes the payment obligations under the modified Notes, as described below, followed by the Plan Sponsor's and/or Indenture Trustee SPE's execution of the Exit Facility and the Mountain Park Facility, and then the Plan Sponsor will contribute these assets to the Indenture Trustee SPE, subject to the Permitted Liens, in return for a 100% economic and managing membership interest in the Indenture Trustee SPE (the Indenture Trustee will hold a 0% non-economic membership interest in the Indenture Trustee SPE), and the Indenture Trustee SPE will assume the payment obligations under the modified Notes, all in satisfaction of the Note Holder Claims against the Debtors and the Guarantors of the Note Holder Claims (provided, however, that James B. Anthony will not receive a release without satisfaction of the following: (a) he becomes a D&O Releasee; and (b) he and any non-Debtor affiliates he directly

or indirectly owns or controls: (i) waive and release any and all claims of any kind against the Debtors; (ii) transfer and convey to the Debtors or to the Plan Sponsor all real property, personal property and other assets used by the Debtors, or necessary to operate the businesses of the Debtors, or which is necessary to satisfy any condition precedent under the Plan or the Asset Purchase Agreement; (iii) fully cooperate with the transfer of the Acquired Assets, the Sale and the orderly transition of the Debtors' businesses to the Plan Sponsor; (iv) do not object to or oppose confirmation of the Plan; (v) vote to accept the Plan to the extent he or any of them hold a Claim entitled to vote, and (vi) otherwise cooperate fully with the consummation of the Plan, including without limitation, executing and delivering any settlement agreement and complying with any and all conditions of any settlement agreement) as well as against NewCo or New ClubCo arising under the Notes or the Notes as modified and amended, after which the Indenture Trustee SPE will enter into the Lease(s) with New ClubCo (or its subsidiary entities, at the sole option and in the sole discretion of New ClubCo) and New ClubCo, in turn, shall enter into subleases with its subsidiaries or affiliates; (ii) the DIP Facility will be repaid by the Plan Sponsor in full, in Cash, on the Effective Date in full and final satisfaction, settlement and release of such DIP Facility Claims; (iii) the Allowed Secured Claim of the Bridge Lender represented by the Indenture Trustee will be satisfied on the Effective Date by the Plan Sponsor; (iv) the Plan Sponsor will, in conjunction with the Debtors, undertake commercially reasonable efforts to obtain substantially all other property used by the Debtors in connection with the operation of the Clubs, receipt of which is a condition to the Plan Sponsor's obligation to close the transaction contemplated herein, and, upon receipt of title to such assets, will contribute that title to the Indenture Trustee SPE, subject to the Permitted Liens and otherwise free and clear of all liens, claims and encumbrances; and (v) the Liquidating Trust will be formed, and 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), and the Rejecting Member Fund, while the Debtors will transfer to the Liquidation Trustee the Retained Actions, with such transfers to be free and clear of all liens, claims and encumbrances for the purpose of making Distributions to Creditors who will be the beneficiaries of the Liquidating Trust.

Club Members in good standing may elect between two options for Distribution towards their claims, either: (i) new membership in New ClubCo, which, through eight subsidiary entities, will adopt the New ClubCo Membership Plan and will offer memberships to Club Members in good standing and to new members; or (ii) absent an affirmative election in conjunction with Plan voting, treatment as a Rejecting Club Member Claim. A Club Member's election to join New ClubCo will constitute full and final satisfaction and waiver of any and all Claims against the Debtors including Rejection Claims. As more specifically provided in the New ClubCo Membership Plan, every rejoining Club Member will pay a one-time Transfer Fee, which will be used toward satisfaction of the Exit Costs, and will thereafter be responsible for Annual Dues. Rejoining Club Members who were not in good standing on the Plan Confirmation Date will also pay a one-time Membership Reinstatement Fee if such Rejoining Club Members wish to reinstate their membership initiation deposit Claims in accordance with the Vesting Schedule and the New ClubCo Membership Plan. If Transfer Fees exceed Exit

Costs, Rejoining Club Members will receive back their pro rata share of any excess in the form of Dues Credits. If such Exit Costs exceed the total amount of the Transfer Fees, then the Plan Sponsor will fund such excess Exit Costs through the Equity Infusion and then, if there remain unsatisfied Exit Costs, through the Exit Facility. Every rejoining Club Member who on or before August 9, 2012 elects to join and on or before the Effective Date pays the applicable Transfer Fee and Reinstatement Fee, if applicable, will be entitled to Distributions to be applied to repayment of the initiation deposit they paid to the Debtors prior to the Bankruptcy Cases in accordance with the Vesting Schedule and the New ClubCo Membership Plan and will receive a release by the Debtors.

No refund or resigned list designation for Member Deposit Obligations will carry over from the Debtors to the New ClubCo Membership Plan.

The New Clubs will operate the Clubs and complete the Mountain Park golf course. The Plan Sponsor pursuant to the Mountain Park Facility will provide the balance of the funds for that completion.

ALL CREDITORS OF AND HOLDERS OF INTERESTS IN THE DEBTORS ARE ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. SUBJECT TO CERTAIN RESTRICTIONS AND REQUIREMENTS SET FORTH IN SECTION 1127 OF THE BANKRUPTCY CODE, BANKRUPTCY RULE 3019 AND THE PLAN, THE DEBTORS (WITH THE CONSENT OF THE PLAN SPONSOR) RESERVE THE RIGHT TO ALTER, AMEND, MODIFY, REVOKE OR WITHDRAW THE PLAN PRIOR TO ITS SUBSTANTIAL CONSUMMATION.

Capitalized terms used herein will have the meanings set forth in Article I hereof. At the request of the Debtors, the Bankruptcy Court has entered an Order to jointly administer the Chapter 11 Cases. Accordingly, the Plan is being proposed as a joint plan of the Debtors and the Plan Sponsor. Claims against, and Interests in, the Debtors (other than the DIP Facility Claim, Administrative Claims and Priority Tax Claims) are classified in Article II hereof and the treatment thereof is described in Article III hereof.

ARTICLE I DEFINITIONS, INTERPRETATION AND EXHIBITS

Section 1.01 Definitions. Unless the context requires otherwise, the following terms will have the following meanings whether presented in the Plan or the Disclosure Statement with initial capital letters or otherwise. As used herein:

“Accepting Club Member Claims” means all Allowed Club Member Claims held by Accepting Club Members.

“Accepting Club Members” means all Members In Good Standing who on or before August 9, 2012 indicate on their Ballot an election of the New Club Membership Option, and, who on or before the Effective Date: (i) enter into the New ClubCo Membership Plan, (ii) pay

the applicable Transfer Fee and Reinstatement Fee, if applicable; and (iii) commit to pay the Annual Dues for the first year following the Effective Date.

“Access Fees” means a fee to be paid to New ClubCo equal to eight percent (8%) of the gross purchase price obtained by a First Generation Seller of any Undeveloped Lot, or eight percent (8%) of the Lot Sale Percentage obtained by a First Generation Seller of any Developed Lot, at the closing of any such sale in exchange for which the purchaser of such Undeveloped Lot or Developed Lot, and any subsequent purchaser of such Undeveloped Lot or Developed Lot, shall be eligible to apply for membership in the New Clubs, provided, however, that payment of an Access Fee shall not be required from the seller of a Developed Lot or Undeveloped Lot in which NewCo or any insider or affiliate of NewCo holds an interest for the purchaser of such lot to apply for membership in the New Clubs until and unless the Resolution Date occurs.

“Acquired Assets” means all assets of all of the Debtors other than those assets that constitute Excluded Assets under the Asset Purchase Agreement.

“Acquired Golf Property” means all real property and improvements thereon constituting part of a golf course not constituting Real Property Collateral, inclusive of property popularly known as Keowee Springs and Walnut Cove, but not including property popularly known as High Carolina.

“Adequate Protection Claims” means all liens and claims of the Prepetition Senior Secured Parties granted pursuant to the Cash Collateral Order or subsequent order of the Bankruptcy Court.

“Administrative Claim” means a Claim for: (a) any cost or expense of administration (including, without limitation, the fees and expenses of Professionals) of the Chapter 11 Cases asserted or arising under sections 503, 507(a)(2), 507(b) or 1114(e)(2) of the Bankruptcy Code including, but not limited to (i) any actual and necessary post-Petition Date cost or expense of preserving the Debtors’ Estates or operating the business of the Debtors, (ii) any post-Petition Date cost, indebtedness or contractual obligation duly and validly incurred or assumed by any of the Debtors in the ordinary course of its business, (iii) compensation or reimbursement of expenses of Professionals to the extent Allowed by the Bankruptcy Court under sections 327, 328, 330, 331, 503 or 1103 of the Bankruptcy Code, and (iv) all Allowed Claims that are entitled to be treated as Administrative Claims pursuant to a Final Order of the Bankruptcy Court under section 546 of the Bankruptcy Code; (b) any fees or charges assessed against the Debtors’ Estates under section 1930 of title 28 of the United States Code; and (c) any Allowed administrative claim or superpriority claim granted to the Prepetition Senior Secured Parties pursuant to the Financing Order.

“Administrative Claim Bar Date” means the first Business Day that is thirty (30) days following the Effective Date, and in the case of Professional Fee Claims the first Business Day that is sixty (60) days following the Effective Date, except as specifically set forth in the Plan or a Final Order.

“Administrative Convenience Claims” means Holders of Allowed General Unsecured Claims, other than claims of Club Members arising from or associated with their membership in one or more Clubs, within the Convenience Class Cap.

“Administrative Convenience Claims Fund” means the amount of the Allowed Administrative Convenience Claims to be paid on the Effective Date by the Plan Sponsor to the Liquidation Trustee.

“Advisory Board” means the current and past members of the advisory board established pursuant to the Stockholders Agreement dated April 30, 2010 entered into by and between The Cliffs Club & Hospitality Group, Inc. and CCHG Holdings, Inc. and not the advisory board contemplated by the Club Membership Agreement.

“Affiliate” will have the meaning set forth in section 101(2) of the Bankruptcy Code.

“Allowed” means, with reference to any Claim, (a) any Claim against the Debtors that has been listed by the Debtors in the Schedules, as such Schedules may have been amended by the Debtors from time to time in accordance with Bankruptcy Rule 1009, as liquidated in amount and not disputed or contingent, and with respect to which no contrary proof of claim has been filed, (b) any Claim specifically allowed under the Plan, (c) any Claim the amount or existence of which has been determined or allowed by a Final Order, (d) any contingent Claim by a Club Member to any Membership Deposit Obligations in the amounts specified in any of the Debtors’ Schedules, or (e) any Claim as to which a proof of claim has been timely filed before the Bar Date (or the Administrative Claim Bar Date if an Administrative Claim), provided that at the time of the Effective Date the Debtors have not identified such Claim as being objectionable in part or in whole and no objection to the allowance thereof has been filed by the Claims Objection Deadline; provided, however, that the term Allowed, with reference to any Claim, will not include (x) any unliquidated claim or (y) interest or attorneys’ fees on or related to any Claim that accrues from and after the Petition Date unless otherwise expressly provided for in the Plan.

“Allowed Claim” means a Claim that is Allowed.

“Allowed Interest” means an Interest that is Allowed.

“Amenity Access Rights” means a license or other right to use property or amenities popularly known as the Mountain Park driving range, the Glassy Chapel and the Glassy Overlook, which properties shall not constitute part of the Real Property Collateral or the Acquired Golf Property.

“Amnesty Program Lot” means a Developed Lot or an Undeveloped Lot, title to which is held by an individual or individuals who were eligible to apply for membership to one or more of the Clubs but who, as of August 31, 2012, had not become a member or members of the Club.

“Annual Dues” means, for the first year following the Effective Date and subject to adjustment thereafter, \$10,380 for Full Golf, \$9,340 for Home Golf, \$8,300 for Non-Resident Golf, \$5,280 for Full Sports, \$4,225 for Non-Resident Sports, \$3,720 for Wellness and \$1,860 for Social. Certain dues exceptions may apply as provided in the New ClubCo Membership Plan.

“Asset Purchase Agreement” means that certain Asset Purchase Agreement between the Debtors and the Plan Sponsor that will be attached as an Exhibit to a Plan Supplement.

“Assumed Contracts” means those certain executory contracts and unexpired leases to be assumed by the Debtors and assigned to the Plan Sponsor as set forth on the Schedule of Assumed Contracts identified in Exhibit 1 hereto or as it may be attached to and/or amended in any Plan Supplement.

“Assumed Liabilities” means those liabilities of the Debtors assumed by the Plan Sponsor pursuant to the Asset Purchase Agreement.

“Avoidance Actions” means any and all Causes of Action which a trustee, the Debtors in possession, the Estates or other appropriate party in interest with standing, including the Liquidation Trustee, may assert under sections 502, 510, 541, 542, 543, 544, 545, 547, 548, 549, 550, 551, or 553 of the Bankruptcy Code (other than those which are released or dismissed as part of and pursuant to the Plan) or under other similar or related state or federal statutes or common law, including fraudulent conveyance laws.

“Ballot” means the forms of ballots accompanying the Disclosure Statement upon which Holders of Impaired Claims and Interests entitled to vote on the Plan will, among other things, indicate their acceptance or rejection of the Plan in accordance with the instructions regarding voting and on which Club Members and holders of Claims arising under Club Membership Agreements may elect to receive an Accepting Club Member Claim.

“Bankruptcy Code” means the Bankruptcy Reform Act of 1978, as codified in title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.*, as in effect on the Petition Date, together with all amendments and modifications thereto that subsequently may be made applicable to the Chapter 11 Cases.

“Bankruptcy Court” means the United States Bankruptcy Court for the District of South Carolina, Spartanburg Division, or, if such court ceases to exercise jurisdiction over these proceedings, the court or adjunct thereof that exercises jurisdiction over the Chapter 11 Cases.

“Bankruptcy Rules” means: (a) the Federal Rules of Bankruptcy Procedure and the Official Bankruptcy Forms, as amended and promulgated under section 2075 of title 28 of the United States Code; (b) the Federal Rules of Civil Procedure, as amended and promulgated under section 2072 of title 28 of the United States Code; (c) any local rules applicable to the Bankruptcy Court; and (d) any standing orders governing practice and procedure issued by the Bankruptcy Court, each as in effect on the Petition Date, together with all amendments and modifications thereto that were subsequently made applicable to the Chapter 11 Cases or proceedings therein, as the case may be.

“Bar Date” means the applicable bar date by which a proof of Claim must be, or must have been, Filed, as established by an order of the Bankruptcy Court, which is May 31, 2012 for non-governmental claims and August 28, 2012 for governmental claims pursuant to the Order entered on April 10, 2012 at Docket No. 278.

“Bidding Procedures” means the bidding procedures approved by the Court by Order entered in the Chapter 11 Cases on March 16, 2012 at Docket No. 182.

“Bridge Lender” means SP 50 Investments, Ltd.

“Bridge Loan” means the advances by the Bridge Lender to the Indenture Trustee in the aggregate amount of \$2,000,000 and thereafter advanced by the Indenture Trustee to the Debtors, all pursuant to that certain Amended and Restated Agreement Relating to Bridge Loan executed by the Indenture Trustee, the Debtors and the Bridge Lender on or about February 21, 2012.

“Bridge Loan Documents” those agreements and documents that evidence the respective obligations of parties to the Bridge Loan, including that certain Amended and Restated Agreement Relating to Bridge Loan executed by the Indenture Trustee, The Cliffs Club & Hospitality Group, Inc., and the Bridge Lender, on or about February 21, 2012 (as in effect on the date hereof).

“Business Day” means any day which is not a Saturday, a Sunday, a “legal holiday” as defined in Bankruptcy Rule 9006(a), or a day on which banking institutions in the State of South Carolina are authorized or obligated by law, executive order or governmental decree to be closed.

“Carlile Development” means Carlile Development Company, LLC, the DIP Lender and the stalking horse bidder for Plan Sponsorship rights under the Bidding Procedures, to which Cliffs Club Partners is successor.

“Cash” means money, currency and coins, negotiable checks, balances in bank accounts and other lawful currency of the United States of America and its equivalents.

“Cash Collateral Order” means the Interim Order entered in the Chapter 11 Cases on March 5, 2012 at Docket No. 98 and the Final Order entered in the Chapter 11 Cases on March 16, 2012 at Docket No. 180, authorizing and approving the Debtors’ use of cash collateral pursuant to section 363 of the Bankruptcy Code and granting adequate protection to the Indenture Trustee.

“Causes of Action” means any and all actions, claims, rights, defenses, third-party claims, damages, executions, demands, crossclaims, counterclaims, suits, choses in action, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights to payment and claims whatsoever, whether known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured and whether asserted or assertable directly, indirectly or derivatively, at law, in equity or otherwise, accruing to the Debtors.

“Chapter 11 Cases” means the jointly administered cases under chapter 11 of the Bankruptcy Code commenced by the Debtors in the Bankruptcy Court on the Petition Date.

“CIPOC” means the Cliffs Independent Property Owners Coalition, LLC, a South Carolina limited liability company that was formed among other things to represent the interests of property owners and Club Members in the Chapter 11 Cases.

“Claim” will have the meaning set forth in section 101(5) of the Bankruptcy Code.

“Claim Caps” means: Allowed (i) Professional Fees and Administrative Claims and the amount due on the DIP Facility will not in the aggregate exceed \$7,771,000 plus cash on hand; (ii) Priority Claims will not exceed \$1,250,000 (exclusive of certain accrued but not yet payable real property taxes which will be paid by the Plan Sponsor as and when due); (iii) Mechanic’s Liens will not exceed \$1,850,000 and (iv) Cure Amounts will not exceed \$925,000.

“Claims Objection Deadline” means the latest of: (a) 120 days after the Effective Date; or (b) such other date as may be fixed by the Bankruptcy Court, whether fixed before or after the date specified in clause (a) above.

“Class” means each class of Claims or Interests as classified in Article II of the Plan.

“Cliffs Club Partners” means Cliffs Club Partners, LLC, which as the successor to Carlile Development is the Plan Sponsor, and also is referred to herein as New ClubCo.

“Cliffs Community” means a Cliffs residential development that adjoins and is served by one of the Clubs.

“Closing” means the Closing as defined in the Asset Purchase Agreement.

“Club Member” means a Person who as of the Record Date is a current or resigned member of one or more of the Clubs.

“Club Member Claim” means any Claim of whatever nature held by a Club Member against one or more of the Debtors that is not a Note Holder Claim, including, without limitation, a Claim under any of the Club Membership Agreements for Membership Deposit Obligations, club credits, dues credits, and any other credits or claims under any other agreements, specifically including under any agreements for honorary membership(s), or any Claim of whatever nature held by any other person with respect to a discounted or free membership in any of the Clubs or access to any of the Clubs. For the avoidance of doubt, a Note Holder may hold both a Club Member Claim and a Note Holder Claim.

“Club Membership Agreements” means all agreements entered into by one of more of the Debtors or any predecessor or Affiliate of the Debtors with Club Members relating to the Debtors’ golf, family, wellness and other membership programs including, without limitation, any discounted membership agreement, any honorary membership agreement and the Membership Deposit Obligations.

“Clubs” means the golf and country clubs, as of the Petition Date owned or operated by any of the Debtors, some of which are not yet complete, which operate under the names, The Cliffs at Glassy Golf & Country Club, The Cliffs Valley Golf & Country Club, The Cliffs at

Keowee Springs Golf & Country Club, The Cliffs at Keowee Vineyards Golf & Country Club, The Cliffs at Keowee Falls Golf & Country Club, The Cliffs at Walnut Cove Golf & Country Club, The Cliffs at Mountain Park Golf & Country Club and The Cliffs at High Carolina Golf & Country Club.

“CMAG” means the Cliffs Member Advisory Group that was formed to represent the interests of Club Members prior to the commencement of the Chapter 11 Cases.

“CMAHG” means the Cliffs Member Ad Hoc Group, Inc., a South Carolina non-profit corporation formed to represent the interests of Club Members in the Chapter 11 Cases.

“Collateral Trust Agreement” means that certain Collateral Trust Agreement dated April 30, 2010 that provided for a security interest on a subordinated basis for certain Membership Deposit Obligations as defined in the Collateral Trust Agreement owed to the Note Holders.

“Committee” means the official committee of unsecured creditors appointed in the Chapter 11 Cases pursuant to section 1102(a) of the Bankruptcy Code by the United States Trustee, as the membership of such committee is from time to time constituted and reconstituted.

“Committee Members” mean the members of the Committee.

“Confirmation” or “Confirmed” means the entry by the Bankruptcy Court of the Confirmation Order.

“Confirmation Date” means the date on which the Confirmation Order is entered on the docket of the Bankruptcy Court with respect to the Chapter 11 Cases within the meaning of Bankruptcy Rules 5003 and 9021.

“Confirmation Hearing” means the hearing held before the Bankruptcy Court to consider Confirmation of the Plan pursuant to sections 1128 and 1129 of the Bankruptcy Code.

“Confirmation Order” means the order entered by the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code, which will be acceptable in form and substance to the Plan Sponsor.

“Consummation Date” means the date on which the Liquidation Trustee makes the final Distribution of the General Unsecured Claims Fund in accordance with the Plan or such earlier date as the Liquidation Trustee determines that the Plan has been substantially consummated.

“Convenience Class Cap” means Allowed General Unsecured Claims less than or equal to One Thousand Dollars (\$1,000).

“Creditor” means any Person that is the Holder of any Claim against any of the Debtors.

“CRO” means Katie S. Goodman whose appointment as Chief Restructuring Officer by the Debtors was approved by the Court in the Chapter 11 Cases by Interim Order entered on March 6, 2012 at Docket No. 102 and by Final Order entered on March 16, 2012 at Docket No. 175.

“Cure Amounts” means all amounts that must be paid and all obligations that otherwise must be satisfied, including pursuant to Sections 365(b)(1)(A) and (B) of the Bankruptcy Code, in connection with the assumption and/or assignment of the Assumed Contracts to the Plan Sponsor as provided in the Asset Purchase Agreement as and to the extent provided on Schedule 1 hereto, in any Plan Supplement, or as otherwise ordered by the Bankruptcy Court.

“Day(s)” means, unless expressly otherwise provided, calendar day(s).

“Debtor” means any one of the Debtors.

“Debtors” means the following entities (followed by the last four digits of their respective taxpayer identification numbers and Chapter 11 case numbers): 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).

“Developed Lot” means a parcel of real property on which some form of residential construction has been completed or is under construction.

“DIP Credit Agreement” means that certain Debtor in Possession Loan and Security Agreement by and among the Debtors and the DIP Lender dated as of February 29, 2012 (as the same may be amended, restated, supplemented or otherwise modified from time to time pursuant to the terms thereof).

“DIP Facility” means the DIP Revolving Loans.

“DIP Facility Claim” means the DIP Lender’s Claim for repayment of the DIP Facility.

“DIP Lender” means Carlile Development in its capacity as lender under the DIP Loan Documents.

“DIP Loan Documents” means the DIP Credit Agreement together with any related documents and instruments delivered pursuant to or in connection therewith.

“DIP Revolving Commitment” means \$7,500,000.

“DIP Revolving Loans” means that certain super priority non-amortizing revolving credit facility in an aggregate principal amount not to exceed the DIP Revolving Commitment.

“Disallowed” means, with respect to any Claim or Interest or portion thereof, any Claim against or Interest in the Debtors which: (a) has been withdrawn, in whole or in part, by agreement of the Debtors, the Reorganized Debtor or the Liquidation Trustee, as applicable, and the Holder thereof; (b) has been withdrawn, in whole or in part, by the Holder thereof; or (c) has

been disallowed, in whole or part, by Final Order of a court of competent jurisdiction. In each case a Disallowed Claim or a Disallowed Interest is disallowed only to the extent of disallowance or withdrawal.

“Disallowed Claim” means a Claim, or any portion thereof, that is Disallowed.

“Disallowed Interest” means an Interest, or any portion thereof, that is Disallowed.

“Disclosure Statement” means the Disclosure Statement for the Joint Chapter 11 Plan filed by the Debtors and the Plan Sponsor dated May 22, 2012, including all exhibits, appendices, schedules and annexes, if any, attached thereto, as submitted by the Debtors, as the same may be altered, amended, supplemented or modified from time to time, which was prepared and distributed in accordance with sections 1125 and 1126(b) of the Bankruptcy Code and Bankruptcy Rule 3018, and which will be acceptable in form and substance to the Plan Sponsor.

“Disputed” means any Claim or Interest that has been neither Allowed nor Disallowed.

“Disputed Claim” means a Claim, or any portion thereof, that is Disputed. For purposes of the Plan, a Claim that has been neither Allowed nor Disallowed will be considered a Disputed Claim.

“Disputed Interest” means an Interest, or any portion thereof, that is Disputed. For purposes of the Plan, an Interest that has been neither Allowed nor Disallowed will be considered a Disputed Interest.

“Distribution” means any distribution by the Debtors or the Liquidation Trustee to a Holder of an Allowed Claim or Interest.

“Distribution Date” means (i) the Initial Distribution Date, and (ii) the Business Day in which any subsequent Distribution occurs and continuing until the Final Distribution Date; provided, however, that a Distribution Date (other than the Initial Distribution Date and the Final Distribution Date) will not occur if the aggregate value of the consideration to be distributed on account of all Allowed Claims on such Distribution Date is less than \$1,000, in which case the amount to be distributed will be retained and added to the amount to be distributed on the next Distribution Date.

“D&O Releasees” means those current and former directors, members, and managers of the Debtors or of the Parents, in each case as of the Petition Date or that have become directors, members, or managers thereafter but prior to the Effective Date, but only to the extent each such party agrees, via execution of an agreement (the form of which will be included as an exhibit to a Plan Supplement), to forever release, waive and discharge any and all Claims, obligations, suits, judgments, remedies, damages, demands, debts, rights, causes of action, and liabilities whatsoever (other than a Note Holder Claim or Club Member Claim) against the Debtors, the Estates, the Liquidating Trust, the Liquidation Trustee, the Indenture Trustee, the Negotiating Group, the Advisory Board, the Committee Members, CIPOC, CMAG, CMAHG, the Plan Sponsor or any of their respective current and former officers, directors, employees, agents,

stockholders, shareholders, managers, members, affiliates, partners, attorneys, advisors and professionals, 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, taking place on or prior to the Effective Date in any way relating to the Plan Sponsor or any of its members, partners, shareholders or affiliates, the Debtors, the Estates, the conduct of the Debtors' business, the Chapter 11 Cases, the Plan, the Liquidating Trust or the Liquidation Trustee.

"Dues Credits" means credits against Annual Dues for Excess Transfer Fees.

"Effective Date" means the first Business Day following the date on which all conditions to consummation set forth in Article IX of the Plan have been satisfied or waived (if capable of being duly and expressly waived in accordance with Section 9.03 of the Plan), provided that no stay of the Confirmation Order is then in effect.

"Entity" means any individual, corporation, limited or general partnership, joint venture, association, joint stock company, limited liability company, estate, trustee, United States Trustee, unincorporated organization, government, governmental unit (as defined in the Bankruptcy Code), agency or political subdivision thereof.

"Equity Infusion" means payments by NewCo to New ClubCo 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 necessary to satisfy the Exit Costs to the extent the Exit Costs exceed the Transfer Fees; (ii) \$1,000,000 to fund the Reserve Account; (iii) plan of reorganization 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 New ClubCo's operating revenues needed to satisfy the annual rent obligations to the Indenture Trustee SPE.

"Estates" means the estates created in the Chapter 11 Cases pursuant to section 541 of the Bankruptcy Code upon commencement of the Chapter 11 Cases.

"Excess Transfer Fees" means the amount of Transfer Fees in excess of the amount of Exit Costs, if any.

"Excluded Assets" means those assets of the Debtors' Estates that the Plan Sponsor is not acquiring pursuant to the Asset Purchase Agreement, including, but not limited to, the Retained Actions.

"Exculpated Persons" means: (a) directors, officers and employees of the Debtors, as of the Petition Date but prior to the Effective Date and the Debtors' agents and professionals including, without limitation, the CRO and counsel for the Debtors, (b) the DIP Lender, (c) the Bridge Lender, (d) the Indenture Trustee, Negotiating Group and Advisory Board, (e) the Plan Sponsor, (f) the Committee and the Committee Members, (g) the Liquidation Trustee, (h) CMAHG, CMAG and CIPOC, and (i) to the extent that such parties are deemed to be Exculpated

Persons, the respective current and former officers, directors, employees, agents, stockholders, managers, members, affiliates, partners, attorneys, advisors and professionals of the parties identified in subclauses (a) through (h).

“Exit Costs” means the aggregate of any and all payments that are made pursuant to this Plan on or about the Effective Date, including, but not limited to, payment of funds to satisfy the DIP Loan, the Bridge Loan, Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Other Senior Secured Party Claims, Allowed Mechanics' Lien Claims, Administrative Convenience Claims Fund, Allowed Cure Claims, the first installment of General Unsecured Claims Fund, the Rejecting Member Fund, and the Post-Effective Date Administration Plan Sponsor Funding.

“Exit Facility” means a senior facility secured by all assets of New ClubCo, Indenture Trustee SPE and each of their respective subsidiary entities associated with ownership of assets or operation of the New 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 New ClubCo prior to any allocation of New ClubCo Net Cash Flow to payments under the Lease other than the Guaranteed Minimum Lease Payment.

“File, Filed or Filing” means file, filed or filing with the Bankruptcy Court in the Chapter 11 Cases.

“Final Decree” means the final decree entered by the Bankruptcy Court after the Effective Date and pursuant to section 350(a) of the Bankruptcy Code and Bankruptcy Rule 3022.

“Final Distribution” means the final Distribution by the Liquidation Trustee or by the Debtors to the Holders of Allowed Claims to the extent provided in accordance with this Plan.

“Final Distribution Date” means the Distribution Date on which the Final Distribution is made.

“Final Order” means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as entered on the docket of such court, the operation or effect of which has not been stayed, reversed, vacated, modified or amended, and as to which order or judgment (or any revision, modification, or amendment thereof) the time to appeal, petition for certiorari, or seek review or rehearing has expired and as to which no appeal, petition for certiorari, or petition for review or rehearing was filed or, if filed, remains pending; provided, however, that the possibility that a motion may be filed pursuant to Rules 9023 or 9024 of the Bankruptcy Rules or Rules 59 or 60(b) of the Federal Rules of Civil Procedure will not mean that an order or judgment is not a Final Order.

“Financing Order” means the Order entered in the Chapter 11 Case on March 6, 2012 at Docket No. 99 and the Order entered in the Chapter 11 Case on March 16, 2012 at Docket No. 181, entered by the Bankruptcy Court permitting Debtor in possession financing pursuant to section 364 of the Bankruptcy Code, and any extensions or amendments thereof.

“First Generation Seller” means a seller of either a Developed Lot or an Undeveloped Lot which lot had not previously been associated with a membership in either the Clubs or the New Clubs and which does not constitute an Amnesty Program Lot.

“General Unsecured Claims” means, collectively, trade claims, Rejection Claims and any other Claim that is not an Administrative Claim, DIP Facility Claim, Priority Tax Claim, Professional Fee Claim, or an otherwise classified Claim.

“General Unsecured Claims Fund” means the General Unsecured Claim Plan Sponsor Funding.

“General Unsecured Claims Plan Sponsor Funding” means the funding provided by the Plan Sponsor to the Liquidation Trustee for the General Unsecured Claims Fund consisting of a \$953,867 payment on the Effective Date, which will constitute an Exit Cost, and a \$953,867 payment on the first anniversary of the Effective Date as well as a \$953,867 payment on the second anniversary of the Effective Date, all of which will be part of the Equity Infusion.

“Governmental Unit” will have the meaning set forth in section 101(27) of the Bankruptcy Code.

“Gross Revenues” will mean all New ClubCo revenues (including, but not limited to, Access Fees, net Membership Initiation Fees, Annual Dues (net of Dues Credits), food & beverage, rental, golf, tennis, wellness, merchandise, and all other revenues).

“Guarantors” means CCHG Holdings, Inc., each of The Cliffs Club & Hospitality Group, Inc.’s subsidiaries, and James B. Anthony, individually, pursuant to Article X of the Indenture and the Debtors who are guarantors under any other documents.

“Guaranteed Minimum Lease Payment” means one million dollars (\$1,000,000) annually.

“Holder” means an Entity holding a beneficial interest in a Claim or Interest and, when used in conjunction with a Class or type of Claim or Interest, means a holder of a beneficial interest in a Claim or Interest in such Class or of such type.

“Impaired” means, when used with reference to a Claim or Interest, a Claim or Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

“Impaired Claim” means a Claim which is Impaired.

“Impaired Interest” means an Interest which is Impaired.

“Imputed Tax Amount” shall mean, with respect to each calendar year, an amount equal to forty percent (40%) of all ordinary business income and all separately stated items of ~~NewCo~~New ClubCo and its subsidiaries (without consolidating with ~~NewCo~~New ClubCo's parent or other affiliates) for such calendar year.

“Indenture” means that certain Indenture dated as of April 30, 2010 (as in effect on the date hereof) by and among The Cliffs Club & Hospitality Group, Inc., the Guarantors (as defined therein) and the Indenture Trustee, and the Note Holders.

“Indenture Trustee” means Wells Fargo Bank, National Association, in its capacity as indenture trustee under the Indenture and collateral trustee under the Pledge and Security Agreement and the Collateral Trust Agreement.

“Indenture Trustee SPE” means that certain Delaware limited liability company (with all the protections of a special purpose entity such that the Indenture Trustee SPE is a bankruptcy remote entity) formed by New ClubCo as managing member with a one hundred percent (100%) interest in profits and losses and the Indenture Trustee, or its designee, as a member with a zero percent (0%) interest in profits and losses, to receive title to all the Acquired Assets that the Indenture Trustee has a Lien on and all other real property related to the Clubs thereafter acquired, and to lease all such property to New ClubCo or subsidiary entities of New ClubCo (at New ClubCo's sole option and in its sole discretion) pursuant to one or more Leases.

“Initial Distribution Date” means the Effective Date or as soon as reasonably practical thereafter; provided, however, that in no event will the Initial Distribution Date be more than sixty (60) days after the Effective Date unless otherwise ordered by the Bankruptcy Court.

“Interests” means any and all equity interests, ownership interests or member units in the Debtors issued by the Debtors prior to the Petition Date (including, without limitation, all capital stock, stock certificates, common stock, preferred stock, partnership interests, membership and other interests in a corporation or limited liability company, rights, options, warrants, contingent warrants, convertible or exchangeable securities, investment securities, subscriptions or other agreements and contractual rights to acquire or obtain such an interest or share in the Debtors, partnership interests in the Debtors’ stock appreciation rights, conversion rights, repurchase rights, redemption rights, dividend rights, preemptive rights and liquidation preferences, puts, calls or commitments of any character whatsoever relating to any such equity, ownership interests or shares of capital stock of the Debtors or obligating the Debtors to issue, transfer or sell any shares of capital stock) whether or not certificated, transferable, voting or denominated “stock” or a similar security, and any Claim or Cause of Action related to or arising from any of the foregoing.

“IT Percentage Of New ClubCo Net Cash Flow” means fifty percent (50%) of New ClubCo Net Cash Flow equal to or below one hundred ten percent (110%) of the annual projected New ClubCo Net Cash Flow set forth on the Plan Sponsor's Projections attached as Exhibit E to the Disclosure Statement and seventy-five percent (75%) of all New ClubCo Net Cash Flow in excess of one hundred ten percent (110%) of the annual projected New ClubCo Net Cash Flow set forth on the Plan Sponsor's Projections attached as Exhibit E.

“Lease(s)” means one or more non-recourse triple net lease(s) and/or sublease(s) between Indenture Trustee SPE, as landlord, and New ClubCo and/or one or more subsidiary entities of New ClubCo, as tenant and/or sublessor, substantially similar in form and substance to lease(s) and/or sublease(s) which will be attached as an exhibit to a Plan Supplement, which will contain

annual rent obligations equal to the greater of the Guaranteed Minimum Lease Payment or fifty percent (50%) of New ClubCo Net Cash Flow.

“Liens” means, with respect to any asset or Property (or the rents, revenues, income, profits or proceeds therefrom), and in each case, whether the same is consensual or nonconsensual or arises by contract, operation of law, legal process or otherwise: (a) any and all mortgages, liens, pledges, attachments, charges, leases that constitute a capital lease obligation, conditional sale or other title retention agreement, or other security interest or encumbrance or other legally cognizable security devices of any kind in respect of any asset or Property, or upon the rents, revenues, income, profits or proceeds therefrom; or (b) any arrangement, express or implied, under which any Property is transferred, sequestered or otherwise identified for the purpose of subjecting or making available the same for the payment of debt or performance of any other obligation in priority to the payment of general unsecured Creditors.

“Liquidating Trust” means the trust to be established in accordance with Section 5.04 of the Plan.

“Liquidating Trust Agreement” means the agreement to be executed between the Liquidation Trustee and the Debtors establishing the Liquidating Trust, which will be filed with a Plan Supplement and which will be acceptable in form and substance to the Plan Sponsor.

“Liquidating Trust Documents” means the Liquidating Trust Agreement and any ancillary documents relating thereto, which will be acceptable in form and substance to the Plan Sponsor.

“Liquidation Trustee” means the Katie S. Goodman who will be the trustee of the Liquidating Trust.

“Lot Sale Percentage” means that percentage of the total purchase price of a Developed Lot not allocable to the improvements to such Developed Lot.

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

“Maximum Equity Infusion” means an amount of money, which for the purpose of satisfying Exit Costs, will not exceed \$1.6 million.

“Mechanic’s Lien Claims” means a Claim with respect to which the Holder (a) holds a statutory lien under state law by virtue of compliance with the laws of the State of South Carolina or North Carolina, as applicable, including by filing a notice of lien and by commencing of litigation within the time periods required under applicable state law, or (b) was eligible on the Petition Date to hold a statutory lien under state law by virtue of compliance with the laws of the State of South Carolina or North Carolina, as applicable, because of the timely filing a notice of lien and whose deadline to commence an action had not passed as of the Petition Date.

“Member In Good Standing” means either: (i) a Club Member who, as of August 9, 2012, holds an active membership and is current on all obligations for dues, fees or other obligations to the Debtors relating to membership in, or use of, the Clubs; or (ii) who on or before August 9, 2012 has exercised the Membership Reinstatement Option.

“Membership Deposit Obligations” means any obligation of one or more of the Debtors to refund all or a portion of the initiation deposit paid by a Club Member of any of the Debtors or a predecessor of the Debtors.

“Membership Initiation Fees” means new member Initiation Fees net of applicable refunds.

“Membership Reinstatement Fee” means a cash payment associated with exercise of the Membership Reinstatement Option for the applicable category of membership as follows: (i) Wellness - \$750; (ii) Family - \$1,500; and (iii) Golf - \$2,500.

“Membership Reinstatement Option” means the option allowed to a Club Member who, as of August 9, 2012, does not hold an active membership or is not current on all obligations for dues, fees or other obligations to the Debtors relating to membership in, or use of, the Clubs to, on or before the Effective Date, deliver to the New ClubCo the sum of the following: (i) all unpaid dues, fees, expenses and other obligations relating to membership in, or use of, the Clubs arising, accruing or coming due from and after the Petition Date; plus (ii) the applicable Membership Reinstatement Fee.

“Mountain Park Facility” means a facility of up to \$7.5 million (with an expected maximum of \$5 million) secured by all assets of New ClubCo, Indenture Trustee SPE and each of their respective subsidiary entities associated with ownership of assets or operation of the New Clubs, ~~to be~~ the documents relating to which will evidence the obligation to pay to NewCo all amounts provided by NewCo, either prior to or after the Effective Date, 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 New ClubCo prior to any allocation of New ClubCo Net Cash Flow to payments under the Lease other than the Guaranteed Minimum Lease Payment.

“Negotiating Group” means the current and past members of the “Negotiating Group” established under the terms of the Proxy attached to the Advisory Board Notice to Note Holders dated as of February 13, 2012 in which the Advisory Board delegated its authority to the Negotiating Group to give direction to the Indenture Trustee with respect to certain matters as set forth in the Proxy.

“New ClubCo” means Cliffs Club Partners, LLC, the limited liability company that will operate the Clubs following the Effective Date, having as its sole member NewCo, and that will be the managing member of Indenture Trustee SPE.

“New ClubCo Dues Revenues” means an amount equal to sixteen million five hundred thousand dollars (\$16.5 million) annualized.

“New ClubCo Net Cash Flow” means all New ClubCo 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 expenditures for any purpose other than construction of new facilities); provided, however, distributions to NewCo's or its parent in excess of the Imputed Tax Amount shall not be considered disbursements for purposes hereof.

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

“New Clubs” means the wholly owned limited liability companies of New ClubCo following the Effective Date.

“New Club Membership Option” means the option of the Holder of a Club Member Claim to opt, as indicated on a Ballot, to receive, in full and final satisfaction of any and all claims (other than a Note Holder Claim) it may have against any of the Debtors, the treatment set forth in Article 3.13 of the Plan.

“New ClubCo Membership Plan” means that certain Membership Plan relating to memberships with New ClubCo, and ancillary documents and agreements therewith, including The Cliffs Clubs Master Membership Plan, The Cliffs Clubs Application and Membership Agreement For Historic Member, and Historic Member Addendum, that is attached hereto or as an Exhibit to a Plan Supplement.

“NewCo” means The Cliffs Club Holdings, LLC.

“Non-Resident Club Member” means a Club Member where (1) neither the Club Member nor any member of such Club Member's immediate family owns a residence, or leases or resides at a residence (other than on a transient basis), located within a Cliffs Community or within a 125 mile radius from the nearest Cliffs Club, and (2) such Club Member has executed and delivered a Non-Resident member addendum to the Club Member's application and membership agreement, in a form provided by the Plan Sponsor or its designee.

“Note Holder Claim” means as of the Petition Date the aggregate amount of \$73,531,505 owed by the Debtors to approximately 535 Note Holders, plus any dues credit or subordinated security interest for any Membership Deposit Obligations. The Cash Collateral Order established the amount of the Note Claim (as defined in the Cash Collateral Order), subject to the Indenture Trustee's right to file a proof of claim in an increased amount and the Debtors' right to object to such increased amount, which order is conclusive and binding on all parties.

“Note Holders” means, collectively, the holders of the Notes.

“Note Obligations” means the obligations created by the Notes and any of the other Note Documents, which as of the Petition Date totaled an amount not less than \$73,531,505, secured by the Prepetition Note Collateral.

“Notes” means, collectively, the Series A Notes and the Series B Notes, issued in the aggregate principal amount of \$64,050,000.

“Objection” means any objection, application, motion, complaint or any other legal proceeding seeking, in whole or in part, to Disallow, determine, liquidate, classify, reclassify or establish the priority, expunge, subordinate or estimate any Claim (including the resolution of any request for payment of any Administrative Claim) or Interest other than a Claim or an Interest that is Allowed.

“Ordinary Course Trade Claims” means all trade accounts payable incurred by the Debtors after the Petition Date in the ordinary course of business and outstanding as of the Effective Date.

“Parent” in the case of Debtor CCHG Holdings, Inc. means Cliffs Communities, Inc., in the case of Debtor The Cliffs Club & Hospitality Group, Inc. means CCHG Holdings, Inc., and in the case of the remaining Debtors means The Cliffs Club & Hospitality Group, Inc.

“Permitted Liens” means (a) those liens held by the Prepetition Senior Secured Parties and (b) those Liens that secure the Exit Facility and the Mountain Park Facility.

“Person” means and includes a natural person, individual, partnership, corporation (as defined in section 101(a) of the Bankruptcy Code), or organization including, without limitation, corporations, limited partnerships, limited liability companies, general partnerships, joint ventures, joint stock companies, trusts, land trusts, business trusts, unincorporated organizations or associations, or other organizations, irrespective of whether they are legal entities, governmental bodies (or any agency, instrumentality or political subdivision thereof), or any other form of legal entities; provided, however, “Person” does not include governmental units, except that a governmental unit that (a) acquires an asset from a Person (i) as a result of the operation of a loan guarantee agreement or (ii) as receiver or liquidating agent of a Person; (b) is a guarantor of a pension benefit payable by or on behalf of a Debtors or an Affiliate of a Debtors of; or (c) is the legal or beneficial owner of an asset of (i) an employee pension benefit plan that is a governmental plan, as defined in section 414(d) of the Internal Revenue Code of 1986 or (ii) an eligible deferred compensation plan, as defined in section 457(b) of the Internal Revenue Code of 1986, will be considered for purposes of section 1102 of the Bankruptcy Code to be a Person with respect to such asset or such benefit.

“Personal Property Collateral” means the personal property of the Debtors in which they granted security interests pursuant to the Pledge and Security Agreement to secure the Note Obligations.

“Petition Date” means February 28, 2012.

“Plan” means this First Amended and Restated Joint Chapter 11 Plan filed by the Debtors and the Plan Sponsor dated June 30, 2012, including all exhibits, appendices, schedules and annexes, if any, attached hereto, as submitted by the Debtors, including any Plan Supplement, as such Plan may be altered, amended, supplemented or modified from time to time in accordance with the terms hereof, provisions of the Bankruptcy Code and the provisions of the Bankruptcy Rules, the Confirmation Order and the terms and conditions of Section 12.04 of the Plan, and which will be reasonably acceptable in form and substance to the Debtors and the Plan Sponsor.

“Plan Funding Sources” means the Transfer Fees, the Equity Infusion and the Exit Facility.

“Plan Sponsor” means New ClubCo, the party determined to be the highest and best bidder by the Debtors and the CRO in accordance with the Bidding Procedures. New ClubCo’s indirect parent is Silver Sun, LLC, whose members are SunTx Urbana GP I, L.P., Arendale Holdings Corp., and Carlile Cliffs Investment, LLC. New ClubCo’s sole member is NewCo.

“Plan Supplement” means the compilation of documents and forms of documents, schedules, attachments and exhibits to this Plan, to be filed by the Debtors following the filing of this Plan as set forth herein, each of which documents and other materials will be reasonably acceptable in form and substance to the Debtors and the Plan Sponsor, as such Plan Supplement documents may be amended, modified, or supplemented from time to time and which will include, but not be limited to, the following: (i) the Liquidating Trust Agreement, including any schedule of Retained Actions; (ii) the Liquidating Trust Documents; and (iii) any amended or supplemental Schedule of Assumed Contracts.

“Pledge and Security Agreement” means that certain Pledge and Security Agreement dated as of April 30, 2010 by the Debtors in favor of the Indenture Trustee.

“Post-Effective Date Administration Plan Sponsor Funding” means the sum of \$100,000 to be provided by the Plan Sponsor to the Liquidation Trustee on or about the Effective Date, for the payment of US Trustee Quarterly Fees coming due for any quarter after the quarter in which the Effective Date occurs, for the preparation and filing of post-Confirmation US Trustee Reports, and for the preparation and filing of any interim reports on substantive consummation of the Plan, the Final Report and the Application for Final Decree, which will constitute an Exit Cost.

“Prepetition Facility Documents” means all ancillary documents executed or delivered in connection with the Indenture.

“Prepetition Loan Documents” means collectively the Indenture, the Notes and the Prepetition Bridge Loan Agreement, the Pledge and Security Agreement, the Mortgages, the Collateral Trust Agreement, and any other documents related to the Notes or the Prepetition Bridge Loan.

“Prepetition Note Collateral” means the Real Property Collateral and the Personal Property Collateral.

“Prepetition Senior Secured Parties” means the Indenture Trustee and any Holder of any properly filed lien regarding equipment that was leased or lease financed and that is senior to the liens of the Indenture Trustee as of the Petition Date; provided, however, it does not include any secured claim relating to the guaranty of an equipment lease or lease finance agreement.

“Priming Liens” means certain first-priority Liens granted to the DIP Lender, which are senior to those of the Bridge Lender and of the Indenture Trustee, and securing financing provided by the DIP Lender up to the DIP Revolving Commitment as provided more fully in the DIP Credit Agreement.

“Priority Tax Claim” means any and all Claims accorded priority in payment pursuant to section 507(a)(8) of the Bankruptcy Code.

“Pro Rata Share” means, with respect to any Claim, a proportionate share, so that the ratio of the consideration distributed on account of an Allowed Claim in a Class to the consideration distributed on account of all Allowed Claims in that Class is the same as the ratio such Claim bears to the total amount of all Allowed Claims in that Class (plus Disputed Claims in that Class until disallowed).

“Professional Fee Claim” means a claim for compensation and/or reimbursement of expenses pursuant to sections 327, 328, 330, 331, 503 or 1103 of the Bankruptcy Code relating to services incurred on and after the Petition Date and prior to and including the Effective Date in connection with an application made to the Bankruptcy Court by Professionals in the Chapter 11 Cases. Any Professional Fee Claim (including deferred compensation for services rendered after the Petition Date and prior to and including the Effective Date) that has not been paid by the Debtors as of the Effective Date will be the joint and several responsibility of the Debtors and the Plan Sponsor.

“Professionals” means any professional employed in these Chapter 11 Cases pursuant to sections 327, 363 or 1103 of the Bankruptcy Code or any Professional entitled to compensation pursuant to sections 327, 328, 330, 331, 503(b)(2) or (4), or 1103 of the Bankruptcy Code.

“Property” means any and all assets or property of the Debtors’ Estates of any nature whatsoever, real or personal, tangible or intangible, including contract rights, accounts and Causes of Action, previously or now owned by the Debtors, or acquired by any of the Debtors’ Estates, as defined in section 541 of the Bankruptcy Code.

“Real Property Collateral” means the real property of the Debtors in which they granted a mortgage, deed of trust, or leasehold mortgage to the Indenture Trustee as collateral trustee to secure the Note Obligations.

“Record Date” means, (i) for purposes of making Distributions under this Plan on account of Allowed Claims, the Effective Date, and (ii) for purposes of casting Ballots, the date set forth in the order approving the Disclosure Statement that accompanies this Plan (if no date is expressly provided, then the date of the order approving the Disclosure Statement).

“Reinstated or Reinstatement” means: (a) leaving unaltered the legal, equitable, and contractual rights to which a Claim entitles the Holder of such Claim so as to leave such Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code; or (b) notwithstanding any contractual provision or applicable law that entitles the Holder of such Claim to demand or receive accelerated payment of such Claim after the occurrence of a default (i) curing any such default that occurred before or after the Petition Date, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code; (ii) reinstating the maturity of such Claim as such maturity existed before such default; (iii) compensating the Holder of such Claim for any damages incurred as a result of any reasonable reliance by such Holder on such contractual provision or such applicable law; and (iv) not otherwise altering the legal, equitable, or contractual rights to which such Claim entitled the Holder of such Claim; provided, however, that any contractual right that does not pertain to the payment when due of principal and interest on the obligation on which such Claim is based, including, but not limited to, financial covenant ratios, negative pledge covenants, covenants or restrictions on merger or consolidation, and affirmative covenants regarding corporate existence or which prohibit certain transactions or actions contemplated by the Plan, or conditioning such transactions or action on certain factors, will not be required to be reinstated in order to accomplish Reinstatement.

“Rejection Claim” means the Claim of any non-Debtor counterparty other than a Club Member to any unexpired lease of nonresidential real property or any executory contract (other than Club Membership Agreements) arising on account of the rejection of such lease or executory contract by the Debtors during the administration of these Chapter 11 Cases under section 365 of the Bankruptcy Code or pursuant to the Plan.

“Rejecting Club Members” means all Club Members who are not Accepting Club Members.

“Rejecting Club Member Claim” means the Club Member Claim of any Rejecting Club Member including, without limitation, for a Membership Deposit Obligation and any Claim arising on account of the rejection of any Club Membership Agreement with a Rejecting Club Member by the Debtors during the administration of these Chapter 11 Cases under section 365 of the Bankruptcy Code or pursuant to the Plan.

“Rejecting Member Fund” means \$100,000 plus the net recovery of the Retained Actions.

“Releasees” means, provided the Plan is confirmed, and on the Effective Date: (a) the Debtors, (b) the CRO, (c) the DIP Lender, (d) the Bridge Lender, (e) the Indenture Trustee, Negotiating Group member (provided he or she is an Accepting Club Member), 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); and (j) and any Club Member who is an Accepting Club Member. Anything to the contrary notwithstanding, the releases of James B. Anthony, Lucas Anthony and Timothy Cherry are each conditioned upon the satisfaction by James B. Anthony of

the following: (a) he becomes a D&O Releasee; and (b) he and any non-Debtor affiliates he directly or indirectly owns or controls: (i) waive and release any and all claims of any kind against the Debtors; (ii) transfer and convey to the Debtors or to the Plan Sponsor all real property, personal property and other assets used by the Debtors, or necessary to operate the businesses of the Debtors, or which is necessary to satisfy any condition precedent under the Plan or the Asset Purchase Agreement; (iii) fully cooperate with the transfer of the Acquired Assets, the Sale and the orderly transition of the Debtors' businesses to the Plan Sponsor; (iv) do not object to or oppose confirmation of the Plan; (v) vote to accept the Plan to the extent he or any of them hold a Claim entitled to vote, and (vi) otherwise cooperate fully with the consummation of the Plan, including without limitation, executing and delivering any settlement agreement and complying with any and all conditions of any settlement agreement.

"Reserve Account" means a cash reserve on New ClubCo's financial statements for working capital, capital improvements, capitalized maintenance, repairs, renovations and amenities construction in the amount of one-million dollars (\$1,000,000).

"Resolution Date" means the date on which any and all claims, debts, demands, causes of action, lawsuits or other assertions of liability by any of the Debtors or their affiliates, or any insiders, members, shareholders, agents, servants, employees or affiliates of the Debtors or their affiliates, against NewCo, any of its insiders, members, affiliates, shareholders, agents, servants or employees are released, dismissed with prejudice by Final Order, withdrawn or otherwise terminated.

"Retained Actions" means all Causes of Action that are Avoidance Actions and all other Causes of Action and other assets that constitute Excluded Assets as defined and set forth in the Asset Purchase Agreement which Retained Actions will be detailed in an exhibit to a Plan Supplement.

"Sale" means the conveyance of the Acquired Assets under or in connection with the Plan and the Asset Purchase Agreement.

"Sale Consideration" means the following consideration to be provided by a Plan Sponsor: (a) payment in full, in Cash, of the DIP Loan at the Closing, (b) payment in full, in Cash, of the Bridge Loan at the Closing; (c) payment in full, in Cash, of all Professional Fees and Administrative Claims at Closing, or, to the extent any such Claim is Allowed after the Closing, as soon as practicable thereafter, (d) payment in full, in Cash, of all Priority Claims at Closing, or, to the extent any such Claim is Allowed after the Closing, as soon as practicable thereafter, (e) payment in full, in Cash, on the Effective Date of all claims that are Allowed, exclusive of interest and attorneys' fees, and that are secured by Mechanic's Liens, except that no installment will be paid earlier than the day after each such Mechanic's Lien is Allowed, (f) to the Liquidation Trustee, for the Pro Rata benefit of General Unsecured Claims, the General Unsecured Claims Plan Sponsor Funding, (g) payment of Accepting Club Member Claims as to those holders of Member Claims that elect the New Membership Option in accordance with the Vesting Schedule, (h) to the Liquidation Trustee, for the Pro Rata benefit of Rejecting Club Member Contingent Claims, a single aggregate cash payment to the Liquidation Trustee of \$100,000 to be paid at the Closing, (i) to the Liquidation Trustee, for post-Effective Date case administration the Post-Effective Date Administration Plan Sponsor Funding, (j) commitment

by the Plan Sponsor, or an Affiliate of the Plan Sponsor, of up to eighty five million dollars (\$85,000,000) to acquire, joint venture, land bank or otherwise gain control of lots, (k) advance the balance of up to \$7.5 million dollars (\$7,500,000) in funding not advanced prior to the Effective Date pursuant to the Mountain Park Facility, (l) satisfaction of the Cure Amounts, (m) establishment of the Reserve Account; (n) payment in full in Cash of the Administrative Convenience Class Claims by paying the sum of \$56,000 for the Administrative Convenience Claims Fund to the Liquidation Trustee for Distribution to the holders of Allowed Administrative Convenience Class Claims; (o) enter into the Lease(s) and (p) commitment by the Plan Sponsor, or an Affiliate of the Plan Sponsor to fund negative operating cash flow of New ClubCo, including, but not limited to, amounts necessary to satisfy the Minimum Lease Payment.

“Sale Documents” means the Asset Purchase Agreement, the Schedule of Assumed Contracts, and any schedules, exhibits or other documents attached thereto or contemplated thereby, in each case as amended from time to time in accordance with their terms.

“Schedule of Assumed Contracts” means the schedule listing certain executory contracts and unexpired leases to be assumed and assigned by the Debtors to the Plan Sponsor with associated cure costs, which schedule may be set forth in an exhibit to a Plan Supplement and which will be acceptable in form and substance to the Plan Sponsor, as the same may be amended in any Plan Supplement.

“Schedules” means the schedules of assets and liabilities and the statements of financial affairs Filed by each of the Debtors in their chapter 11 case, as required by section 521 of the Bankruptcy Code, as the same may have been or may be amended, modified or supplemented.

“Secured Claim” means any Claim arising before the Petition Date that is: (a) secured in whole or part, as of the Petition Date, by a Lien which is valid, perfected and enforceable under applicable law on Property in which the Debtors’ Estates have an interest and is not subject to avoidance under the Bankruptcy Code or applicable non-bankruptcy law; or (b) subject to setoff under section 553 of the Bankruptcy Code, but, with respect to both case (a) and (b), only to the extent of the value as of the Confirmation Date of the assets or Property securing any such Claim or the amount subject to setoff, as the case may be.

“Securities Act” means the Securities Act of 1933, as amended.

“Securities Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Series A Notes” means those certain Series A Notes due 2017 issued in the original principal amount of \$39,800,000 in connection with the Indenture and with accrued interest in the aggregate outstanding amount of not less than \$5,891,708 as of the Petition Date.

“Series B Notes” means those certain Series B Notes due 2017 issued in the original principal amount of \$24,250,000 in connection with the Indenture and accrued interest in the aggregate outstanding amount of not less than \$3,589,797 as of the Petition Date.

“Tax” means any tax, charge, fee, levy, impost or other assessment by any federal, state, local or foreign governmental authority, including, without limitation, income, excise, property, sales, transfer, employment, payroll, franchise, profits, license, use, ad valorem, estimated, severance, stamp, occupation and withholding tax, together with any interest, penalties, fines or additions attributable to, imposed by, or collected by any such federal, state, local or foreign governmental authority.

“Transfer Fee” means the fee to be paid by each Holder of an Accepting Club Member Claim as follows: if paid within 30 days of the Effective Date, unless otherwise indicated: (i) Wellness - \$1,500; (ii) Family/Sports - \$2,500; (iii) Residence Club - \$2,500; and (iv) Golf/Charter or Corporate – either \$5,000 in one payment, or \$5,740 paid as follows: a first payment of \$2,500, followed by twenty-four (24) monthly installments of \$135.00.

“Unclaimed Property” means any Distribution of Cash or any other Property made to the Holder of an Allowed Claim pursuant to the Plan that is returned to the Debtors, the Reorganized Debtor or the Liquidation Trustee as undeliverable and no appropriate forwarding address is received prior to the date on which the Final Decree is entered in the Chapter 11 Case, in the case of a Distribution made in the form of a check, is not negotiated and no request for reissuance is made as provided for in Section 5.07 of the Plan.

“Undeveloped Lot” means a parcel of real property not constituting a Developed Lot.

“Unimpaired” means any Claim that is not Impaired within the meaning of section 1124 of the Bankruptcy Code.

“United States Trustee” means the United States Trustee appointed under section 581(a)(3) of title 28 of the United States Code to serve in the District of South Carolina.

“U.S. Trustee’s Fee Claims” means any fees assessed against the Debtors’ Estates pursuant to section 1930(a)(6) of title 28 of the United States Code.

“Vesting Schedule” means, except as otherwise provided in the New ClubCo Membership Plan, the following percentage of an amount that equals the lesser of (i) that Club Member’s initiation deposit or (ii) 75% of the New Club membership initiation fee at the time of the repayment of the Club Member’s initiation deposit (the “Vesting Amount”):

1st anniversary of rejoining: 20% of Vesting Amount
2nd anniversary of rejoining: 40% of Vesting Amount
3rd anniversary of rejoining: 60% of Vesting Amount
4th anniversary of rejoining: 80% of Vesting Amount
5th anniversary of rejoining: 100% of Vesting Amount

“Voting Tabulation Agent” means BMC Group, Inc.

Section 1.02 Rules of Interpretation. All references to “the Plan” herein will be construed, where applicable, to include references to this document and all its exhibits, appendices, schedules, annexes and Plan Supplement, if any (and any amendments thereto made

in accordance with the Bankruptcy Code and the Plan). Whenever from the context it appears appropriate, each term stated in either the singular or the plural will include the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender will include the masculine, feminine and the neuter. The words “herein,” “hereof,” “hereto,” “hereunder,” and other words of similar import refer to the Plan as a whole and not to any particular paragraph, subparagraph, or clause contained in the Plan. The words “includes” and “including” are not limiting and mean that the things specifically identified are set forth for purposes of illustration, clarity or specificity and do not in any respect qualify, characterize or limit the generality of the class within which such things are included. The captions and headings in the Plan are for convenience of reference only and will not limit or otherwise affect the provisions hereof. Any term used in the Plan that is not defined in the Plan, either in Article I hereof or elsewhere, but that is used in the Bankruptcy Code or the Bankruptcy Rules will have the meaning assigned to that term in (and will be construed in accordance with the rules of construction under) the Bankruptcy Code or the Bankruptcy Rules (with the Bankruptcy Code controlling in the case of a conflict or ambiguity). Without limiting the preceding sentence, the rules of construction set forth in section 102 of the Bankruptcy Code will apply to the Plan, unless superseded herein. In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) and Section 12.15 hereof will apply, but Bankruptcy Rule 9006(a) will govern.

Section 1.03 Exhibits. All Exhibits to the Plan, including any Plan Supplement, are incorporated into and are a part of the Plan as if set forth in full herein, regardless of when Filed.

ARTICLE II CLASSIFICATION OF CLAIMS AND INTERESTS

Section 2.01 Summary. Pursuant to section 1122 of the Bankruptcy Code, set forth below is a designation of Classes of Claims and Interests. A Claim or an Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of the Class, and is classified in a different Class to the extent the Claim or Interest qualifies within the description of that different Class. A Claim or Interest is placed in a particular Class for the purpose of receiving Distributions pursuant to the Plan only to the extent that such Claim or Interest is an Allowed Claim or an Allowed Interest in that Class and such Claim or Interest has not been paid, released, settled or otherwise satisfied prior to the Effective Date. The classification of Claims under this Plan is as follows:

Class	Claim	Status	Entitled to Vote
1	Indenture Trustee – Note Holder Claims	Impaired	Yes
2	Indenture Trustee Bridge Loan Claim	Unimpaired	No

3	Mechanic's Lien Claims	Impaired	Yes
4	Other Senior Secured Party Claims	Impaired	Yes
5	General Unsecured Claims	Impaired	Yes
6	Administrative Convenience Claims	Impaired	Yes
7	Club Member Claims	Impaired	Yes
8	Equity Interests	Impaired	No

Section 2.02 Unclassified Claims. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims (including the DIP Facility Claim), and Priority Tax Claims are not classified and are excluded from the Classes designated in this Article II of the Plan. The treatment accorded to Administrative Claims (including the DIP Facility Claim) and Priority Tax Claims is set forth in Article III of the Plan.

Section 2.03 Unimpaired Classes Deemed to Accept. The Plan classifies the following Unimpaired Claims that are not entitled to vote on the Plan. Pursuant to section 1126(f) of the Bankruptcy Code, each Holder of a Claim in the following Class is conclusively presumed to have accepted the Plan in respect of such Claims and is not entitled to vote to accept or reject the Plan:

Class 2 will consist of the Indenture Trustee – Bridge Loan Claim.

Section 2.04 Impaired Classes Entitled to Vote. The Plan classifies the following Classes as the only Impaired Classes that may receive a Distribution under the Plan and that are entitled to vote to accept or reject the Plan:

Class 1 will consist of the Indenture Trustee - Note Holder Claims.

Class 3 will consist of all Mechanic's Lien Claims.

Class 4 will consist of all Other Senior Secured Party Claims.

Class 5 will consist of General Unsecured Claims.

Class 6 will consist of all Administrative Convenience Claims.

Class 7 will consist of all Club Member Claims.

Section 2.05 Impaired Classes Deemed to Reject. The Plan classifies the following Impaired Class of Interests as an Impaired Class that is not entitled to vote to accept or reject the Plan. Pursuant to section 1126(g) of the Bankruptcy Code, each Holder of Claims or Interests that will receive no Distribution is conclusively presumed to have rejected the Plan in respect of

such Claims or Interests because the Plan does not entitle the Holders of such Claims Interests to receive or retain any Property under the Plan on account of such Claims or Interests. The Plan classifies Class 8 as an Impaired Class deemed to reject and not entitled to vote to accept or reject the Plan.

ARTICLE III

PROVISIONS FOR TREATMENT OF CLASSES OF CLAIMS AND INTERESTS

Section 3.01 Satisfaction of Claims and Interests. The treatment of and consideration to be received by Holders of Allowed Claims or Allowed Interests pursuant to this Article III and the Plan will be in full satisfaction, settlement, release, and extinguishment of their respective Claims against or Interests in the Debtors and the Debtors' respective Estates, except as otherwise provided in the Plan or the Confirmation Order.

Section 3.02 Unclassified Claims, Classified Unimpaired and Impaired Claims and Classified Interests. Administrative Claims (including the DIP Facility Claim) and Priority Tax Claims are treated in accordance with section 1129(a)(9)(A) and section 1129(a)(9)(C) of the Bankruptcy Code, respectively. Such Claims are Unimpaired under the Plan and, in accordance with section 1123(a)(1) of the Bankruptcy Code, are not designated as Classes of Claims for purposes of this Plan and for purposes of sections 1123, 1124, 1126 and 1129 of the Bankruptcy Code. In addition, the Class 2 Claim is classified as a Class of Claims that is Unimpaired. In accordance with section 1126(f) of the Bankruptcy Code, the Holders of Claims in such Class are conclusively presumed to have accepted the Plan and are not entitled to vote to accept or reject the Plan. Class 1, 3, 4, 5, 6 and 7 Claims are Impaired and the Holders thereof are entitled to vote to accept or reject the Plan on account of such Allowed Claims. The Class 8 Interests will neither receive nor retain any Property on account of such Interest and, pursuant to section 1126(g) of the Bankruptcy Code, the Holders of such Interests are conclusively presumed to have rejected the Plan and are not entitled to vote to accept or reject the Plan on account of such Interests.

Section 3.03 Administrative Claims.

(a) General. Except as otherwise provided for in the Plan, on the later of (i) the Initial Distribution Date, if an Administrative Claim is Allowed as of the Effective Date, or (ii) as soon as practicable after the date such Administrative Claim becomes an Allowed Claim, if an Administrative Claim is not Allowed as of the Effective Date, each holder of an Allowed Administrative Claim will receive from the Debtors (before the Effective Date) or the Liquidation Trustee or Plan Sponsor thereafter, in full satisfaction, settlement and release of, and in exchange for, such Allowed Administrative Claim, (a) Cash equal to the unpaid portion of such Allowed Administrative Claim, or (b) such less favorable treatment to which the Debtors (with the consent of the Plan Sponsor) or Liquidation Trustee and the holder of such Allowed Administrative Claim will have agreed upon in writing; provided, however, that Allowed Ordinary Course Trade Claims will 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.

(b) Payment of Statutory Fees. The Debtors, as determined, if necessary, by the Bankruptcy Court at the hearing pursuant to section 1128 of the Bankruptcy Code, will pay on or

before the Effective Date all U.S. Trustee Fee Claims that come due on or before the Effective Date. Because of the substantive consolidation of the Debtors provided for in the Plan, the Liquidation Trustee will pay the U.S. Trustee Fee Claims for the quarter in which the Effective Date occurs for eleven Debtors, and the Chapter 11 Cases of all of the Debtors other than that of The Cliffs Club & Hospitality Group, Inc. will be Closed, so that following the Effective Date there will only be one Debtor for which the Liquidation Trustee will pay U.S. Trustee Fee Claims based on cash disbursements made during any quarter following the quarter in which the Effective Date occurs until a Final Decree is entered in that Chapter 11 Case.

(c) Bar Date for Administrative Claims.

(i) General. Except for Administrative Claims of Professionals for Professional Fee Claims, which are addressed in Section 3.03(c)(ii) below, and except as otherwise provided herein, requests for payment of Administrative Claims must be Filed and served on counsel for the Debtors, counsel for the Committee, Counsel for the Indenture Trustee and counsel for the Plan Sponsor no later than (x) the Administrative Claim Bar Date, or (y) such later date, if any, as the Bankruptcy Court will order upon application made prior to the end of the Administrative Claim Bar Date, which is thirty (30) days after the Effective Date. 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 will be forever barred from asserting such Claims against any of the Debtors, the Plan Sponsor, the Liquidation Trustee or the Indenture Trustee.

(ii) Professional Fee Claims. Except as otherwise provided for in the Plan, all requests for compensation or reimbursement of Professional Fee Claims for services rendered from the Petition Date through the Effective Date will be Filed and served on the Debtors, counsel to the Debtors, the United States Trustee, counsel for the Indenture Trustee, counsel to the Committee, counsel to the Plan Sponsor, the Liquidation Trustee, and such other entities who are designated by the Bankruptcy Rules, the Confirmation Order or other order of the Bankruptcy Court, prior to the end of the Administrative Claim Bar Date for Professional Fee Claims, which is 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 its Professional Fee Claims and that do not file and serve such applications by the required deadline will be forever barred from asserting such Claims against the Debtors, the Plan Sponsor, the Liquidation Trustee or the Indenture Trustee, and such Professional Fee Claims will be deemed discharged as of the Effective Date. Objections to any Professional Fee Claims must be filed and served on counsel for the Debtors, counsel for the Plan Sponsor, counsel for the Committee, counsel for the Indenture Trustee, and the Liquidation Trustee and the requesting party on or before twenty-one (21) days after the filing and service of such request.

Section 3.04 DIP Facility Claims. The DIP Facility Claims will be repaid by the Debtors in full, in Cash, on the Effective Date in full and final satisfaction, settlement and release of such DIP Facility Claims.

Section 3.05 Priority Tax Claims. Except as otherwise provided for in the Plan, on (i) the Initial Distribution Date, if a Priority Tax Claim is Allowed as of the Effective Date, or (ii) the

first Distribution Date after the date such Priority Tax Claim becomes Allowed, each holder of an Allowed Priority Tax Claim will receive from the New ClubCo, in full satisfaction, settlement and release of, and in exchange for, such Allowed Priority Tax Claim, (A) Cash of New ClubCo equal to the amount of such Allowed Priority Tax Claim, (B) such less favorable treatment as to which such Debtors (with the consent of the Plan Sponsor), and the holder of such Allowed Priority Tax Claim will have agreed upon in writing; or (C) at the option of the Debtors, Cash of New ClubCo in an aggregate amount of such Allowed Priority Tax Claim payable in installment payments over a period of not more than five (5) years after the Petition Date, pursuant to section 1129(a)(9)(C) of the Bankruptcy Code.

Section 3.06 Other Priority Claims. Except as otherwise provided for in the Plan, on the seventh (7th) day following the later of the Closing Date under the Asset Purchase Agreement or the date on which such Priority Claim is Allowed, the New ClubCo will pay in full, in Cash, all other Priority Claims.

Section 3.07 Class 1: Indenture Trustee – Note Holder Claims.

(a) Classification: Class 1 consists of the Indenture Trustee – Note Holder Claims against the Debtors.

(b) Treatment: Class 1 Indenture Trustee – Note Holder Claims are Impaired. The Indenture Trustee shall have an Allowed Claim in the amount of \$64,050,000, which shall be treated as follows: on the Effective Date, (i) the Allowed Secured Claims of the Note Holders represented by the Indenture Trustee will be satisfied through a combination of (x) a modification of the ~~terms of payment obligations under~~ the Notes to provide for repayment of \$64,050,000, without interest, to the Indenture Trustee in twenty (20) annual payments beginning on the fifth business day of the second full calendar month following the one year anniversary of the Effective Date in the amount of the greater of \$1 million or ~~50% of the IT Percentage Of~~ New ClubCo Net Cash Flow and with a balloon payment of the remaining principal, if any, at maturity, ~~all paid through the Indenture Trustee to the Note Holders subject to the terms of the Notes and Indenture, as may be modified and amended,~~ and (y) the modification of the Prepetition Facility Documents, including without limitation, the Pledge and Security Agreement and the Collateral Trust Agreement to subordinate the Liens of the Indenture Trustee to the Exit Facility and the Mountain Park Facility, after which the Debtors will transfer the Real Property Collateral and substantially all other property of the Debtors to the Plan Sponsor, subject only to the Permitted Liens and otherwise free and clear of all liens, claims and encumbrances, and the Plan Sponsor will assume the payment obligations under the modified Notes until the Indenture Trustee SPE assumes the payment obligations under the modified Notes, as described below, followed by the Plan Sponsor's and/or Indenture Trustee SPE's execution of the Exit Facility and the Mountain Park Facility, and then the Plan Sponsor will contribute ~~these assets~~ the Real Property Collateral, the Acquired Golf Property and provide the Amenity Access Rights to the Indenture Trustee SPE, subject to the Permitted Liens, in return for a 100% economic and managing membership interest in the Indenture Trustee SPE (the Indenture Trustee will hold a 0% non-economic membership interest in the Indenture Trustee SPE), and the Indenture Trustee SPE will assume the payment obligations under the modified Notes, all in satisfaction of the Note Holder Claims against the Debtors and the Guarantors of the Note Holder Claims (provided, however, that James B. Anthony will not receive a release without satisfaction of the

following: (a) he becomes a D&O Releasee; and (b) he and any non-Debtor affiliates he directly or indirectly owns or controls: (i) waive and release any and all claims of any kind against the Debtors; (ii) transfer and convey to the Debtors or to the Plan Sponsor all real property, personal property and other assets used by the Debtors, or necessary to operate the businesses of the Debtors, or which is necessary to satisfy any condition precedent under the Plan or the Asset Purchase Agreement; (iii) fully cooperate with the transfer of the Acquired Assets, the Sale and the orderly transition of the Debtors' businesses to the Plan Sponsor; (iv) do not object to or oppose confirmation of the Plan; (v) vote to accept the Plan to the extent he or any of them hold a Claim entitled to vote, and (vi) otherwise cooperate fully with the consummation of the Plan, including without limitation, executing and delivering any settlement agreement and complying with any and all conditions of any settlement agreement) as well as against NewCo or New ClubCo arising under the Notes or the Notes as modified and amended. Then, the Indenture Trustee SPE will enter into the Lease(s) with New ClubCo (or its subsidiary entities, at the sole option and in the sole discretion of New ClubCo) and New ClubCo, in turn, shall enter into subleases with its subsidiaries or affiliates. From and after the Effective Date, the Debtors will have no liability to the Indenture Trustee or to the Note Holders. Upon receipt of title to the Real Property Collateral, the Acquired ~~Assets~~ Golf Property and the Amenity Access Rights, the Indenture Trustee SPE will execute such documents as are required to evidence its assumption of the payment obligations under the modified Notes and underlying security interest(s) as modified pursuant to the Plan and to secure the obligations thereunder. In the event the Indenture Trustee SPE defaults under the Note Restructuring Agreement subsequent to the Effective Date, the Indenture Trustee will have a number of remedies, including without limitation, the following: (i) the right to foreclose on the assets subject to its liens; (ii) the right to ~~require~~record deeds in lieu of foreclosure which will be executed by Indenture Trustee SPE providing for the transfer of the Real Property Collateral and the Acquired Golf Property to the IT Representative, LLC and delivered to an escrow agent on the Effective Date; and (iii) the right to acquire the 100% economic member interest of the Plan Sponsor in the Indenture Trustee SPE for one dollar (\$1.00). The enforceability of the aforementioned remedies upon a default or subsequent bankruptcy of the Indenture Trustee SPE is not absolute. The foregoing will be effectuated and governed by the terms of certain operative documents, which will include but will not be limited to: Note Restructuring Agreement by and between the Debtors and the Indenture Trustee; Assumption Agreement by and between Cliffs Club Partners and the Indenture Trustee; Assumption Agreement by and between Indenture Trustee SPE and the Indenture Trustee; Master Lease by and between Indenture Trustee SPE and Cliffs Club Partners; Mortgages/Deeds of Trust by and between Indenture Trustee SPE and the Indenture Trustee; Security Agreement by and between Indenture Trustee SPE and the Indenture Trustee; Collateral Assignment of IP/License Agreement by and between Indenture Trustee SPE and the Indenture Trustee; Deeds in Lieu/Escrow Agreement by and between Indenture Trustee SPE and the Indenture Trustee; Amendment to Indenture; Indenture Trustee SPE Operating Agreement; Establishment of IT Representative, LLC; and Subleases by and between Cliffs Club Partners and the golf operating subsidiaries. Each of the Note Holders by voting its Class 1 Claim to accept the Plan is deemed to consent to the use of the Indenture Trustee's cash collateral by the Debtors to fund Distributions under the Plan, to the subordination of its Liens to those of the Exit Facility and the Mountain Park Facility and to all other provisions of the Plan that affect the Note Holders. By accepting the Plan, the Note Holders and the Indenture Trustee will be deemed to waive the right: (i) to any dues credits or club credits; (ii) the right to any subordinate lien securing their

Membership Deposit obligations; and (iii) the right to any deficiency claim against the Debtors and Guarantors of the Note Holder Claims (but not their Membership Deposit Obligations that are treated under Plan Class 7).

(c) Voting: Class 1 is Impaired and pursuant to section 1126 of the Bankruptcy Code Holders of Allowed Class 1 Claims are entitled to vote to accept or reject the Plan.

Section 3.08 Class 2: The Indenture Trustee - Bridge Loan Claim.

(a) Classification: Class 2 consists of the Indenture Trustee - Bridge Loan Claim.

(b) Treatment: The Class 2 Indenture Trustee - Bridge Loan Claim is Unimpaired. The Bridge Lender as the Holder of the Allowed Class 2 Indenture Trustee - Bridge Loan Claim will receive in full satisfaction, settlement, release, and extinguishment of such Claim, and of any lien securing such Claim, Cash equal to the amount of such Allowed Bridge Loan Claim, including all interest accrued thereon as and to the extent provided by the Bridge Loan Documents, on or as soon as practicable after the Effective Date.

(c) Voting: Class 2 is Unimpaired and the Holder of the Class 2 Claim is conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holder of the Claim in Class 2 is not entitled to vote to accept or reject the Plan.

Section 3.09 Class 3: Mechanic's Lien Claims.

(a) Classification: Class 3 consists of the Mechanic's Lien Claims against the Debtors.

(b) Treatment: The Class 3 Claims are Impaired. Each Holder of an Allowed Class 3 Claim will receive, in full satisfaction, settlement, release, and extinguishment of such Claim, and of any lien securing such Claim, and as a condition precedent thereto, the following treatment:

Payment in full of the principal amount, in Cash, without pre-petition or post-petition interest, costs or attorneys' fees, by New ClubCo directly to all holders of Claims that are Allowed and that are secured by Mechanic's Liens on the Effective Date.

(c) Voting: Class 3 is Impaired and pursuant to section 1126 of the Bankruptcy Code Holders of Allowed Class 3 Claims are entitled to vote to accept or reject the Plan.

Section 3.10 Class 4: Other Senior Secured Party Claims.

(a) Classification: Class 4 consists of all Other Senior Secured Party Claims against the Debtors.

(b) Treatment: Each Holder of an Allowed Class 4 Other Senior Secured Party Claim will receive, at the election of the Debtors (with the consent of the Plan Sponsor), in full satisfaction, settlement, release, and extinguishment of such Claim: (a) Cash equal to the amount of such Allowed Other Senior Secured Party Claim on or as soon as practicable after the later of

(i) the Effective Date, (ii) the date that such Other Senior Secured Party Claim becomes Allowed, and (iii) a date agreed to by the Debtors and the Holder of such Class 4 Other Senior Secured Party Claim; (b) Cure and Reinstatement of one or more equipment leases with such Other Senior Secured Party but not any guaranty that gives rise to such Allowed Other Senior Secured Party Claim; (c) the Equipment that is the subject of one or more leases with such Other Senior Secured Party securing such Other Senior Secured Party Claim without representation or warranty by or recourse against the Debtors; or (d) such other treatment on such other terms and conditions as may be agreed upon in writing by the Holder of such Claim and the Debtors.

(c) Voting: Class 4 is Impaired and pursuant to section 1126 of the Bankruptcy Code Holders of Allowed Class 4 Claims are entitled to vote to accept or reject the Plan.

Section 3.11 Class 5: General Unsecured Claims.

(a) Classification: Class 5 consists of all General Unsecured Claims against the Debtors.

(b) Treatment: The Class 5 Claims are impaired. Each Holder of an Allowed Class 5 General Unsecured Claim will receive, in full satisfaction, settlement, release, and extinguishment of such Claim, and as a condition precedent thereto, the following treatment:

Each Holder of an Allowed Class 5 Claim will receive its Pro Rata Share of the General Unsecured Claims Fund less a reserve established by the Liquidation Trustee for expenses of administration of the Liquidating Trust, on or as soon as practicable after the later of (i) the first Distribution Date after the Claims Objection Deadline has occurred, if no objection to such Claim has been timely filed, or (ii) the first Distribution Date after the date on which any objection to such General Unsecured Claim is settled, withdrawn or overruled pursuant to a Final Order of the Bankruptcy Court. On each subsequent Distribution Date or as soon thereafter as is reasonably practicable, the Liquidation Trustee will continue to make Pro Rata Distributions of the General Unsecured Claims Fund to Holders of Allowed Class 5 Claims.

(c) Voting: Class 5 is Impaired and pursuant to section 1126 of the Bankruptcy Code Holders of Allowed Class 5 Claims are entitled to vote to accept or reject the Plan.

Section 3.12 Class 6: Administrative Convenience Claims.

(a) Classification: Class 6 consists of all Administrative Convenience Claims against the Debtors.

(b) Treatment: Class 6 is Impaired. On either (i) the Effective Date, (ii) the first Distribution Date after the Claims Objection Deadline has occurred, if no objection to such Claim has been timely filed, or (iii) the first Distribution Date after the date on which any objection to such Administrative Convenience Claim is settled, withdrawn or overruled pursuant to a Final Order of the Bankruptcy Court, each Holder of an Allowed Class 6 Administrative Convenience Claim will receive, in full satisfaction, settlement, release, and extinguishment of

such Claim, Cash in an amount equal to the full amount of such Allowed Claim, without interest, costs or fees, from the Liquidation Trustee from the Administrative Convenience Claims Fund.

(c) Voting: Class 6 is Impaired and pursuant to section 1126 of the Bankruptcy Code Holders of Allowed Class 6 Claims entitled to vote to accept or reject the Plan.

Section 3.13 Class 7: Club Member Claims.

(a) Classification: Class 7 consists of the Holders of all Club Member Claims:

(b) Treatment: The Class 7 Claims are Impaired. Each Holder of an Allowed Class 7 Club Member Claim will receive in full satisfaction, settlement, release, and extinguishment of such Club Member Claim (provided, however, that any claim for Dues Credits with respect to Excess Transfer Fees shall remain), the following treatment:

Option to Join the New Clubs: A Club Member may elect in the ballot the New Club Membership Option and become one of the Accepting Club Members. If so, then upon payment of the applicable Transfer Fee, and any Membership Reinstatement Fee, if applicable, and execution of an agreement to pay at least one year of dues under the New ClubCo Membership Plan, the Class 7 Claimant will receive a membership with New ClubCo under the New ClubCo Membership Plan as well as the right to satisfaction by New ClubCo of any Membership Deposit Obligations in accordance with the Vesting Schedule. Accepting Club Members will also receive a release of claims by the Debtors.

Option not to Join the New Clubs: A Club Member who does not (i) elect in the ballot the New Club Membership Option and (ii) become one of the Accepting Club Members, will thereby become one of the Rejecting Club Members and will receive its Pro Rata Share of the Rejecting Member Fund on or as soon as practicable after the later of (i) the first Distribution Date after the Claims Objection Deadline has occurred, if no objection to such Claim has been timely filed, or (ii) the first Distribution Date after the date on which any objection to such Rejecting Club Member Claim is settled, withdrawn or overruled pursuant to a Final Order of the Bankruptcy Court. On each subsequent Distribution Date or as soon thereafter as is reasonably practicable, the Liquidation Trustee will continue to make Pro Rata Distributions to Holders of Allowed Class 7 of the Rejecting Member Fund.

(c) Voting: Class 7 is an Impaired Class and pursuant to section 1126 of the Bankruptcy Code, the Holders of Allowed Class 7 Claims are entitled to vote to accept or reject the Plan.

Section 3.14 Class 8: Equity Interests.

- (a) Classification: Class 8 consists of all Equity Interests in any of the Debtors.
- (b) Treatment: Holders of Class 8 Interests in any of the Debtors will not receive or retain any Property under the Plan on account of such Interests. On the Effective Date, all Interests will be canceled.
- (c) Voting: Class 8 is impaired. The Holders of the Class 8 Interests are conclusively deemed to have rejected the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of the Class 8 Interests are not entitled to vote to accept or reject the Plan.

ARTICLE IV
ACCEPTANCE OR REJECTION OF THE PLAN; CRAMDOWN

Section 4.01 Acceptance by Impaired Classes of Claims and Interests. Pursuant to section 1126(c) of the Bankruptcy Code, an Impaired Class of Claims will have accepted the Plan if: (a) the Holders of at least two-thirds (2/3) in dollar amount of the Allowed Claims actually voting in such Class (other than Claims held by any Holder designated pursuant to section 1126(e) of the Bankruptcy Code) have timely and properly voted to accept the Plan, and (b) more than one-half (1/2) in number of the Holders of such Allowed Claims actually voting in such Class (other than Claims held by any Holder designated pursuant to section 1126(e) of the Bankruptcy Code) have timely and properly voted to accept the Plan. Holders of Class 8 Interests are not entitled to vote on the Plan pursuant to section 1126 of the Bankruptcy Code.

Section 4.02 Voting Classes. Except as otherwise required by the Bankruptcy Code or the Bankruptcy Rules or as otherwise provided in this Section 4.02, the Holders of Claims in Classes 1, 3, 4, 5, 6 and 7 will be entitled to vote to accept or reject the Plan in accordance with Section 4.01 of the Plan. Classes of Claims Unimpaired under the Plan (Indenture Trustee - Bridge Loan Claim (Class 2) will not be entitled to vote to accept or reject the Plan, and will be conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. The Class 8 Interests are Impaired under the Plan and will not be entitled to vote to accept or reject the Plan and will be conclusively presumed to have rejected the Plan. Administrative Claims (including the DIP Facility Claim) and Priority Tax Claims are Unimpaired and not classified under the Plan and hence are not entitled to vote to accept or reject the Plan pursuant to section 1126(g) of the Bankruptcy Code.

Section 4.03 Ballot Instructions. Each Holder of a Claim or Interest entitled to vote on the Plan will be asked to complete and return a Ballot to the Voting Tabulation Agent. The Voting Tabulation Agent will compile the votes so received. Any questions as to the validity, form, and eligibility (including time of receipt) of Ballots will be resolved by the Bankruptcy Court upon application or at the Confirmation Hearing.

Section 4.04 Cramdown. If all applicable requirements for Confirmation of the Plan are met as set forth in sections 1129(a)(1) through (16) of the Bankruptcy Code except subsection (8) thereof, the Debtors may request that the Bankruptcy Court confirm the Plan in accordance

with section 1129(b) of the Bankruptcy Code, notwithstanding the requirements of section 1129(a)(8) thereof, on the bases that the Plan is fair and equitable, and does not discriminate unfairly, with respect to each Class of Claims or Interests that is Impaired under, and has not accepted, the Plan.

ARTICLE V

PROVISIONS GOVERNING DISTRIBUTIONS UNDER THE PLAN

Section 5.01 Timing of Distributions. Except as specifically set forth in the Plan and as otherwise provided in this Article V, Distributions to be made on the Effective Date to Holders of Claims that are Allowed as of the Effective Date will be deemed made on the Effective Date if made on the Effective Date or as promptly thereafter as practicable, but in any event no later than: (i) 30 days after the Effective Date or (ii) 30 days after such later date when the applicable conditions of Section 6.02 (regarding cure payments for executory contracts and unexpired leases being assumed) and Section 5.05 (regarding undeliverable Distributions) are satisfied.

Section 5.02 Distributions to Holders of Allowed Claims. Except as specifically set forth in the Plan and otherwise as provided in this Article V, Distributions to be made on the Effective Date to Holders of Claims that are Allowed as of the Effective Date will be deemed made on the Effective Date if made on the Effective Date or as promptly thereafter as practicable, but in any event no later than: (i) 30 days after the Effective Date or (ii) 30 days after such later date when the applicable conditions of Section 6.02 (regarding cure payments for executory contracts and unexpired leases being assumed) and Section 5.05 (regarding undeliverable Distributions) are satisfied. Distributions on account of Claims that become Allowed Claims after the Effective Date will be made pursuant to Section 5.03 of the Plan.

Section 5.03 Distributions After Allowance. As soon as practicable after (i) the occurrence of the applicable Claims Objection Deadline, if no objection to such Claim has been timely filed, or (ii) a Disputed Claim becomes an Allowed Claim, the Plan Sponsor or the Reorganized Debtor or the Liquidation Trustee, as the case may be, will distribute to the Holder thereof all Distributions to which such Holder is then entitled under this Plan. All Distributions made under this Section of the Plan will be made together with any dividends, payments, or other Distributions made on account of, as well as any obligations arising from, the distributed property as if such Claim had been an Allowed Claim on the dates Distributions were previously made to Allowed Holders included in the applicable Class.

Section 5.04 Liquidating Trust. The Liquidating Trust will be established to receive from the Plan Sponsor the General Unsecured Creditors Fund, the Administrative Convenience Claims Fund, the Rejecting Member Contingent Claim Fund, the Post-Effective Date Administration Fund and from the Debtors the Retained Actions, and to Distribute such funds or proceeds of the Retained Actions to certain Creditors in accordance with the Plan. Except as otherwise expressly provided in the Plan, pursuant to sections 1123(a)(5), 1123(b)(3) and 1141(b) of the Bankruptcy Code, all Property comprising the Estates of the Debtors (including, but not limited to, the General Unsecured Creditors Fund, the Administrative Convenience Claims Fund, the Rejecting Member Fund, the Post Effective Date Administration Fund and the Retained Actions) not conveyed to the Plan Sponsor under the Asset Purchase Agreement, will automatically vest in the Liquidating Trust, free and clear of all Claims, Liens, contractually-imposed restrictions,

charges, encumbrances and interests of Creditors and equity security holders on the Effective Date, with all such Claims, Liens, contractually-imposed restrictions, charges, encumbrances and interests being extinguished subject to the rights of Holders of Allowed Class 5 General Unsecured Claims, Class 6 Administrative Convenience Claims and Class 7 Rejecting Club Member Contingent Claims to obtain Distributions provided for in this Plan. In no event will any property of any kind be returned by, or otherwise transferred from, the Liquidating Trust to any Debtor.

The Liquidating Trust will qualify as a liquidating trust as described in Treasury Regulation section 301.7701-4(d) and will be treated as a grantor trust for United States federal income tax purposes. All parties will be required to treat, for federal income tax purposes, the Liquidating Trust as a grantor trust of which the Liquidating Trust beneficiaries are the owners and grantors. The Liquidation Trustee will have the authority to manage the day-to-day operations of the Liquidating Trust, including, without limitation, by disposing of the assets of the Liquidating Trust, appearing as a party in interest, calculating Distributions, paying taxes and such other matters as more particularly described in Section 7.05 of the Plan and the Liquidating Trust Agreement. Expenses of the Liquidating Trust, including the expenses of the Liquidation Trustee and her representatives and professionals, will be satisfied solely from the assets of the Liquidating Trust and its proceeds, as set forth in the Liquidating Trust Agreement. The holders of Allowed Claims in Class 5 and 7 under the Plan will be the grantors, and owners of the Liquidating Trust. On the Effective Date, the Liquidating Trust will be treated as formed by the transfer of the General Unsecured Creditors Fund and the Rejecting Members Fund by the Plan Sponsor and the Retained Actions by the Debtors to the holders of Claims who receive the beneficial interests in the Liquidating Trust pursuant to the Plan (with each holder receiving in a taxable transaction an undivided interest in such assets in accordance with its economic interests in such assets) and a deemed transfer by such holders to the Liquidating Trust. Accordingly, all parties must treat the Liquidating Trust as a grantor trust of which the holders of interests in the Liquidating Trust are the owners and grantors, and treat the Liquidating Trust beneficiaries as the direct owners of an undivided interest in the Liquidating Trust assets, consistent with their economic interests therein, for all federal income tax purposes. The Liquidation Trustee will maintain, in accordance with the Liquidating Trust Agreement, an escrow of any distributable amounts required to be set aside on account of any disputed claims, which disputed claims will be treated in accordance with the terms of the Liquidating Trust Agreement. The Liquidation Trustee will determine the fair market value of each beneficial Liquidating Trust interest, and the holders of such interests will be required to use the valuation consistently for federal income tax purposes. The Liquidation Trustee will file returns for the Liquidating Trust as a grantor trust. All income of the Liquidating Trust will be subject to federal income tax on a current basis. The Liquidating Trust Agreement will provide for the allocation of the Liquidating Trust's taxable income and who will be responsible for any tax liability due as a result of such income. Taxable income or loss allocated to a Liquidating Trust beneficiary will be treated as income or loss with respect to such Liquidating Trust beneficiary's undivided interest in the Liquidating Trust assets, and not as income or loss with respect to its prior respective Claim.

In addition to the foregoing powers and duties of the Liquidation Trustee, the Liquidation Trustee will act as disbursing agent of the Administrative Convenience Claims Fund, and Class 6 Claimants will not be grantors or owners of the Liquidating Trust.

Section 5.05 Delivery of Distributions. Except as otherwise provided in the Plan, subject to Bankruptcy Rule 9010, the Debtors or the Liquidation Trustee will make Distributions to holders of Allowed Claims at the address for each holder indicated on the Debtors' records as of the date of any such Distribution; provided, however, that the manner of such Distributions will be determined at the discretion of Debtors; and, provided further, however, that the address for each holder of an Allowed Claim will be deemed to be the address set forth in any proof of claim filed by that holder. In the event that any Distribution to any holder is returned as undeliverable, the Liquidation Trustee will use reasonable efforts to assist the Debtors to determine the current address of such holder, but no Distribution to such holder will be made unless and until the Debtors have determined the then-current address of such holder, at which time such Distribution will be made to such holder without interest; provided that such Distributions will be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of one (1) year from the Effective Date. After such date, all Unclaimed Property or interest in property will revert to the Liquidation Trustee, to be held in the Class 5 or 7 fund from which such unclaimed property arose (or in the case of a Class 6 Distribution, into Class 7), and the Claim of any other holder to such Property or Interest in Property will be discharged and forever barred.

Section 5.06 Method of Cash Distributions. Any Cash payment to be made pursuant to the Plan may be made by Cash, draft, check, wire transfer, or as otherwise required or provided in any relevant agreement or applicable law at the option of the Liquidation Trustee or the Debtors.

Section 5.07 Failure to Negotiate Checks. Checks issued in respect of Distributions under the Plan will be null and void if not negotiated within sixty (60) days after the date of issuance. Any amounts returned to the Debtors, or the Liquidation Trustee in respect of such non-negotiated checks will be forwarded to (if necessary) and held by the Liquidation Trustee or the Debtors, as the case may be. The Holder of the Allowed Claim with respect to which such check originally was issued will make requests for reissuance for any such check directly to the issuer of the check. All amounts represented by any voided check will be held until the earlier of: (a) one (1) month after the date on which the check is voided, or (b) the date on which the Bankruptcy Court enters the Final Decree, and all requests for reissuance by the Holder of the Allowed Claim in respect of a voided check are required to be made prior to such date. Thereafter, all such amounts will be deemed to be Unclaimed Property, in accordance with Section 5.08 of the Plan, and all Holders of Claims in respect of void checks will be forever barred, estopped and enjoined from asserting a claim to such funds in any manner against any of the Debtors or their assets, the Liquidation Trustee or the Liquidating Trust.

Section 5.08 Unclaimed Distributions. All Property distributed on account of Claims must be claimed prior to the date on which the Bankruptcy Court enters the Final Decree, or, in the case of a Distribution made in the form of a check, must be negotiated and a request for reissuance be made as provided for in Section 5.07 of the Plan. All Unclaimed Property will be retained by and will vest in the Liquidating Trust. All full or partial payments made by the Debtors and received by the Holder of a Claim prior to the Effective Date will be deemed to be payments under the Plan for purposes of satisfying the obligations of the Debtors, or the Liquidation Trustee pursuant to the Plan. Nothing contained in the Plan will require the Debtors, or the Liquidation Trustee to attempt to locate any Holder of an Allowed Claim other than by

reviewing the records of the Debtors and any Claims filed in the Chapter 11 Case. Pursuant to section 1143 of the Bankruptcy Code, all Claims in respect of Unclaimed Property will be deemed Disallowed and the Holder of any Claim Disallowed in accordance with this Section 5.08 will be forever barred, expunged, estopped and enjoined from asserting such Claim in any manner against the Debtors or their assets or the Liquidation Trustee or the Liquidating Trust.

Section 5.09 Limitation on Distribution Rights. If a claimant holds more than one Claim in any one Class, all Claims of the claimant in that Class will be aggregated into one Claim and one Distribution will be made with respect to the aggregated Claim.

Section 5.10 Fractional Dollars. Notwithstanding any other provision of the Plan, Cash Distributions of fractions of dollars will not be made; rather, whenever any payment of a fraction of a dollar would be called for, the actual payment made will reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars being rounded down. To the extent that Cash remains undistributed as a result of the rounding of such fraction to the nearest whole dollar, such Cash will be treated as Unclaimed Property pursuant to Section 5.08 of this Plan.

Section 5.11 Compliance With Tax Requirements. In connection with each Distribution with respect to which the filing of an information return (such as an Internal Revenue Service Form 1099 or 1042) or withholding is required, the Debtors and/or the Liquidation Trustee will file such information return with the Internal Revenue Service and provide any required statements in connection therewith to the recipients of such Distribution or effect any such withholding and deposit all moneys so withheld as required by law. With respect to any Person from whom a tax identification number, certified tax identification number or other tax information required by law to avoid withholding has not been received by the Debtors or the Liquidation Trustee, the Debtors or the Liquidation Trustee may, at their or its option, withhold the amount required and distribute the balance to such Person or decline to make such Distribution until the information is received.

Section 5.12 De Minimis Distributions. No Cash payment of less than fifty (\$50.00) dollars will be made to any Holder of an Allowed Claim on account of such Allowed Claim, excepting on account of Administrative Convenience Claims.

Section 5.13 No Payment or Distribution Pending Allowance. All references to Claims and amounts of Claims refer to the amount of the Claim Allowed by agreement of the Debtors or the Liquidation Trustee and the Holder of such Claim, by operation of law, by Final Order, or by this Plan. Notwithstanding any other provision in the Plan, no payment or Distribution will be made on account of or with respect to any Claim to the extent it is a Disputed Claim unless and until the Disputed Claim becomes an Allowed Claim.

Section 5.14 Estimation of Claims. The Debtors (with the consent of the Plan Sponsor) or the Liquidation Trustee may at any time request that the Bankruptcy Court estimate any Disputed Claim and/or any Club Member Claim pursuant to section 502(c) of the Bankruptcy Code or other applicable law regardless of whether the Debtors have previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection. The Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during the pendency of litigation concerning any objection to any Claim, including during the pendency of any appeal relating to

any such objection. In the event that the Bankruptcy Court estimates any Disputed Claim or Club Member Claim, such estimated amount will constitute either (a) the Allowed amount of such Claim, (b) the amount on which a reserve is to be calculated for purposes of any reserve requirement to this Plan or (c) a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Debtors (with the consent of the Plan Sponsor) or the Liquidation Trustee, as applicable, may pursue supplementary proceedings to object to the allowance of such Claim. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court.

Section 5.15 No Interest on Claims. Except as set forth in the Plan or in a Final Order of the Bankruptcy Court entered in the Cases, no holder of any Claim will be entitled to interest accruing after the Petition Date on such Claim, nor to fees, costs or charges provided under any agreement under which such Claim arose and that were incurred after the Petition Date. Unless otherwise specifically provided for in this Plan or as otherwise required by sections 506(b), 511 or 1129(a)(9)(C)-(D) of the Bankruptcy Code, interest will not accrue or be paid on any Disputed Claim in respect of the period from the Effective Date to the date a final Distribution is made when and if such Disputed Claim becomes an Allowed Claim.

Section 5.16 Distributions Only On Timely Filed, Allowed Claims. No payments of Cash or other consideration of any kind will be made on account of any Disputed Claim or Club Member Claim until such Claim becomes an Allowed Claim or is deemed to be such for purposes of Distribution, and then only to the extent that the Claim becomes, or is deemed to be for Distribution purposes, an Allowed Claim. Except as otherwise ordered by the Bankruptcy Court, no payments will be made on account of Claims filed after the Bar Date.

Section 5.17 Record Date For Distributions. As of the close of business on the Record Date, the various transfer registers for each of the Classes of Claims or Interests as maintained by the Debtors will be deemed closed, and there will be no further changes made to reflect any new record holders of any Claims or equity interests occurring on or after the Record Date. The Debtors, the Liquidation Trustee and the Plan Sponsor will have no obligation to recognize any transfer of any Claims or equity interests occurring after the Record Date.

Section 5.18 Survival Of Certain Corporate Indemnities. The obligations of the Debtors pursuant to their operating agreements and other governing documents to indemnify persons serving on or after the Petition Date as officers, directors, agents, or employees of the Debtors with respect to actions, suits, and proceedings against the Debtors or such officers, directors, agents, or employees, based upon any act or omission for or on behalf of the Debtors occurring on or after the Petition Date, will not be impaired by the confirmation of the Plan. Such obligations will be deemed and treated as executory contracts to be assumed by the Debtors pursuant to the Plan and will continue as obligations of the Debtors to the extent of available insurance only.

ARTICLE VI

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Section 6.01 Treatment of Executory Contracts and Unexpired Leases. All executory contracts and unexpired leases of the Debtors, including, without limitation, all Club Membership Agreements, will be deemed rejected by the Debtors as of the Effective Date, except for any executory contract or unexpired lease that: (a) has previously been assumed, assumed and assigned, or rejected pursuant to an order of the Bankruptcy Court on or prior to the Confirmation Date, (b) is the subject of a pending motion to assume, assume and assign, or reject as of the Confirmation Date, or (c) is listed on the Schedule of Assumed Contracts set forth in Exhibit 1 hereto or a Plan Supplement, provided, however, that the Debtors will have the right, on or before the hearing on Plan Confirmation, to modify the Schedule of Assumed Contracts by filing a Plan Supplement, subject to the consent of the Plan Sponsor, thus, by removing an executory contract or unexpired lease, providing for its rejection pursuant to this Section 6.01 or by adding any executory contract or unexpired lease, providing for its assumption and assignment pursuant to this Section 6.01.

Section 6.02 Cure of Defaults for Assumed Contracts and Leases. The cure of all defaults under executory contracts and unexpired leases to be assumed and assigned under the Plan, including the resolution of all objections to the adequacy of assurance of future performance under such contracts and leases and as to the adequacy of amounts proposed to cure defaults under such contracts and leases contained in the Schedule of Assumed Contracts set forth in Exhibit 1 hereto or a Plan Supplement, will be governed by the Confirmation Order or other order approving or authorizing the assumption of such executory contracts. Except as set forth in the Plan Supplement, all cure amounts will be satisfied via payment by the Plan Sponsor of the full amount of each cure amount listed in the Schedule of Assumed Contracts on the Effective Date. To the extent that any counterparty of any assumed executory contract asserts that any affiliate of the Debtors has any liability on any assumed executory contract, upon payment by the Plan Sponsor of the full amount of each cure amount as set forth herein, such non-Debtor affiliate will have no liability to any counterparty of any assumed executory contract.

Any party to an executory contract or unexpired lease to be assumed will have twenty one (21) days after service of this Plan and the Schedule of Assumed Contracts within which to file with the Bankruptcy Court an objection to the cure amount listed by the Debtors, an objection to the adequacy of assurance of future performance by the Plan Sponsor, or any other objection to the assumption of such executory contracts or unexpired lease. Any such objection will be resolved by the Bankruptcy Court at the Confirmation Hearing or, if the Court does not hear such objection at the Confirmation Hearing, at such other time as agreed to by the affected parties. If the Bankruptcy Court determines that the cure amount with respect to an executory contract or unexpired lease is greater than the amount listed by the Debtors, then the Debtors may elect to reject the contract or lease at issue.

Section 6.03 Bar Date for Claims for Rejection Damages. 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 will be forever barred. The Debtors

and the Liquidation Trustee will have the right to object to any Claim arising out of the rejection of an executory contract or unexpired lease pursuant to the terms of Section 8.04 of this Plan.

Section 6.04 Treatment of Rejection Claims. The Bankruptcy Court will determine any objections Filed in accordance with Section 6.04 hereof at a hearing to be held on a date to be determined by the Bankruptcy Court. Subject to any statutory limitation, including, but not limited to, the limitations contained in sections 502(b)(6) and 502(b)(7) of the Bankruptcy Code, any Claims arising out of the rejection of executory contracts and unexpired leases will, pursuant to section 502(g) of the Bankruptcy Code, be Impaired and treated as a Class 5 Claim (in the case of non-Club Members and Club Members who hold Non-Contingent Claims), or a Class 7 Claim (in the case of Rejecting Club Members who hold Contingent Claims) in accordance with Article III of the Plan.

Section 6.05 Rejection of Contracts and Leases. The entry of the Confirmation Order will, subject to and upon the occurrence of the Effective Date, constitute the approval, pursuant to Sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the assumption and rejection of the executory contracts assumed and rejected pursuant to Article VI of the Plan.

Section 6.06 Rejection of Club Membership Agreements. Except and to the extent previously rejected by an order of the Bankruptcy Court on or before the Effective Date, all Club Membership Agreements entered into before or after the Petition date and not since terminated, will be deemed to be, and will be treated as though they are, executory contracts that are rejected under Section 6.01 of the Plan. Notwithstanding the above, each party (other than the Debtors) to a Club Membership Agreement will be entitled to elect to have its Claims against the Debtors arising under the Club Membership Agreement treated as an Accepting Club Member Claim in full satisfaction of such claims. In the event a Club Member does not elect in Ballot to have his or her Claim treated as an Accepting Club Member Claim, all Claims of such Club Member under the applicable Club Membership Agreement, including any Rejection Claim, will be treated in accordance with Section 6.04 of the Plan.

ARTICLE VII MEANS FOR IMPLEMENTATION OF THE PLAN

Section 7.01 The Sale. This Plan's primary funding is provided through the Sale of the Acquired Asset to the Plan Sponsor in consideration of the Sale Consideration pursuant to sections 365, 1123(b)(4), 1129(b)(2)(A), 1145 and 1146(a) of the Bankruptcy Code, and provides for the orderly Distribution of the Sale Proceeds as well as the proceeds or rights in the General Unsecured Creditors Fund and the Rejecting Member Fund under the terms and conditions of the Plan. The Debtors have entered into the Asset Purchase Agreement. The Sale will be consummated pursuant to this Plan.

In accordance with this Plan, the Debtors and the Plan Sponsor will, prior to the Effective Date, take all steps necessary to consummate the Sale in accordance with this Plan. On the Closing Date: (i) the Allowed Secured Claims of the Note Holders represented by the Indenture Trustee will be satisfied through a combination of (x) a modification of the terms of the Notes to provide for repayment of \$64,050,000, without interest, in twenty (20) annual payments beginning on the one year anniversary of the Effective Date in the amount of the greater of \$1

million or 50% of New ClubCo Net Cash Flow and with a balloon payment of the remaining principal, if any, at maturity, all paid through the Indenture Trustee to the Note Holders subject to the terms of the Notes and Indenture, as may be modified and amended, and (y) the modification of the Prepetition Facility Documents, including without limitation, the Pledge and Security Agreement and the Collateral Trust Agreement to subordinate the Liens of the Indenture Trustee to the Exit Facility and the Mountain Park Facility, after which the Debtors will transfer the Real Property Collateral and substantially all other property of the Debtors to the Plan Sponsor, subject only to the Permitted Liens and otherwise free and clear of all liens, claims and encumbrances, and the Plan Sponsor will assume the payment obligations under the modified Notes until the Indenture Trustee SPE assumes the payment obligations under the modified Notes, as described below, followed by the Plan Sponsor's and/or Indenture Trustee SPE's execution of the Exit Facility and the Mountain Park Facility, and then the Plan Sponsor will contribute these assets to the Indenture Trustee SPE, subject to the Permitted Liens, in return for a 100% economic and managing membership interest in the Indenture Trustee SPE (the Indenture Trustee will hold a 0% non-economic membership interest in the Indenture Trustee SPE), and the Indenture Trustee SPE will assume the payment obligations under the modified Notes, all in satisfaction of the Note Holder Claims against the Debtors and the Guarantors of the Note Holder Claims, (provided, however, that James B. Anthony will not receive a release without satisfaction of the following: (a) he becomes a D&O Releasee; and (b) he and any non-Debtor affiliates he directly or indirectly owns or controls: (i) waive and release any and all claims of any kind against the Debtors; (ii) transfer and convey to the Debtors or to the Plan Sponsor all real property, personal property and other assets used by the Debtors, or necessary to operate the businesses of the Debtors, or which is necessary to satisfy any condition precedent under the Plan or the Asset Purchase Agreement; (iii) fully cooperate with the transfer of the Acquired Assets, the Sale and the orderly transition of the Debtors' businesses to the Plan Sponsor; (iv) do not object to or oppose confirmation of the Plan; (v) vote to accept the Plan to the extent he or any of them hold a Claim entitled to vote, and (vi) otherwise cooperate fully with the consummation of the Plan, including without limitation, executing and delivering any settlement agreement and complying with any and all conditions of any settlement agreement) as well as against NewCo or New ClubCo arising under the Notes or the Notes as modified and amended, after which the Indenture Trustee SPE will enter into the Lease(s) with New ClubCo (or its subsidiary entities, at the sole option and in the sole discretion of New ClubCo) and New ClubCo, in turn, shall enter into subleases with its subsidiaries or affiliates; (ii) the DIP Facility will be repaid by the Plan Sponsor in full, in Cash, on the Effective Date in full and final satisfaction, settlement and release of such DIP Facility Claims; (iii) the Allowed Secured Claim of the Bridge Lender represented by the Indenture Trustee will be satisfied on the Effective Date by the Plan Sponsor; (iv) the Plan Sponsor will, in conjunction with the Debtors, undertake commercially reasonable efforts to obtain substantially all other property used by the Debtors in connection with the operation of the Clubs, receipt of which is a condition to the Plan Sponsor's obligation to close the transaction contemplated herein, and, upon receipt of title to such assets, will contribute that title to the Indenture Trustee SPE, subject to the Permitted Liens and otherwise free and clear of all liens, claims and encumbrances, in accordance with the Asset Purchase Agreement; and (v) the Liquidating Trust will be formed, and the Plan Sponsor will transfer to the Liquidation Trustee amounts sufficient to satisfy Allowed Administrative Claims, Allowed Priority Claims, Allowed Mechanic's Lien Claims and Allowed Administrative Convenience Claims in full, together with General Unsecured Claims Sponsor Funding (payable

in three annual installments), while the Debtors will transfer to the Liquidation Trustee the Retained Actions, with such transfers to be free and clear of all liens, claims and encumbrances for the purpose of making Distributions to Creditors who will be the beneficiaries of the Liquidating Trust. Upon consummation of the Sale, the Permitted Liens will no longer be obligations of the Debtors or their Estates, and any Holder of any claim with respect thereto will have no recourse on account of such Claim against the Debtors or their Estates. Notwithstanding anything else in this Plan, the Disclosure Statement or otherwise, the Notes shall not be deemed satisfied and thus extinguished, but rather restructured under the terms of this Plan and related documents, such that the payment obligation of the obligor under those Notes shall be to deliver payments totaling \$64,050,000 to the Indenture Trustee.

Section 7.02 Substantive Consolidation of the Debtors. The Plan is premised on the substantive consolidation of all of the Debtors with respect to the treatment of all Claims and Interests. This Plan will serve as a request by the Debtors, in lieu of a separate motion, to the Bankruptcy Court, that it grant substantive consolidation with respect to the treatment of all Claims and Interests as follows: on the Effective Date, (a) all assets and liabilities of the Debtors will be merged or treated as though they were merged; (b) all guarantees of the Debtors of any obligation of any of the Debtors and any joint and several liability of any of the Debtors will be eliminated; and (c) each and every claim and interest against any of the Debtors will be deemed Filed against the consolidated Debtors and all Claims Filed against more than one of the Debtors for the same liability will be deemed one Claim against any obligation of the consolidated Debtors.

Section 7.03 Recharacterization of Affiliate Claims as Equity. In addition to the presence of intercompany payables and receivables among the Debtors, the books and records of the parent of Debtor CCHG Holdings, Inc. also reflect intercompany payables and receivables among the Debtors, on the one hand, and Affiliates of the Debtors, on the other hand. These books and records are prepared on a consolidated basis. Intercompany payables on the books reflect that the Debtors owe to the DevCo Affiliates the total sum of \$44,817,112 while the DevCo Affiliates owe to the Debtors the total sum of \$87,051,437, leaving a net balance due to the Debtors by the DevCo Affiliates of \$42,234,325. The Plan will serve as a request by the Debtors, in lieu of a separate motion, to the Bankruptcy Court to recharacterize intercompany payables by the Debtors to the DevCo Affiliates as equity. While the Bankruptcy Code does not expressly provide for the recharacterization of debt to equity, most of the appellate courts that have considered the issue, including the Fourth Circuit Court of Appeals, have determined that the bankruptcy courts have the power to recharacterize debt to equity based on their equitable authority under Bankruptcy Code Section 105 in a manner consistent with the priority scheme for the distribution of the debtor's assets found in section Bankruptcy Code Section 726.

Section 7.04 Continued Corporate Existence. Each Debtor will continue to exist after the Effective Date as a separate legal entity, with all of the powers of a corporation or limited liability company, as applicable, under applicable law in the jurisdiction in which it is incorporated or otherwise formed and pursuant to its certificate or articles of incorporation, formation or organizational documents and by-laws, operating agreement or other organizational documents in effect prior to the Effective Date, without prejudice to the right of any Debtor to

dissolve (subject to its obligations under this Plan) under applicable law and file a certificate of dissolution (or its equivalent) with the secretary of state or similar official of the jurisdiction of incorporation after the Effective Date. Nevertheless, because of the substantive consolidation provided in section 7.02 of the Plan, immediately following the Effective Date, the Chapter 11 Cases of all of the Debtors except that of The Cliffs Club & Hospitality Group, Inc. will be Closed, without prejudice to the rights of the Liquidation Trustee to pursue any of the Retained Actions relating to any of the Debtors in the lead Chapter 11 Case.

Section 7.05 Land Acquisition. The Plan Sponsor will commit up to \$85 million to acquire, joint venture, land bank, or otherwise gain control of development land and lots and will be the operator of the Clubs. The Plan Sponsor will form a separate development company to develop, market and sell lots thereby replacing the non-Debtor affiliates that were engaged in the development and sales of lots in the communities around the Clubs on the Petition Date.

Section 7.06 Powers and Duties of the Liquidation Trustee. The Liquidation Trustee will administer the Liquidating Trust and its assets in accordance with this Plan, the Liquidating Trust Agreement, and the other Liquidating Trust Documents and will be responsible for, among other things, making certain Distributions required under this Plan. From and after the Effective Date and continuing through the date of entry of a Final Decree, the Liquidation Trustee will: (a) possess the rights of a party in interest pursuant to section 1109(b) of the Bankruptcy Code for all matters arising in, arising under, or related to the Chapter 11 Case and, in connection therewith, will (i) have the right to appear and be heard on matters brought before the Bankruptcy Court or other courts, (ii) be entitled to notice and opportunity for hearing on all such issues, (iii) participate in all matters brought before the Bankruptcy Court, and (iv) receive notice of all applications, motions, and other papers and pleadings filed in the Bankruptcy Court; (b) have the authority to act on behalf of the Debtors in all adversary proceedings and contested matters pending in the Bankruptcy Court and in all actions and proceedings pending elsewhere; and (c) have the authority to retain such personnel or professionals (including, without limitation, legal counsel, financial advisors or other agents) as it deems appropriate and compensate such personnel and professionals as it deems appropriate, all without prior notice to or approval of the Bankruptcy Court. Professionals and personnel retained or employed by the Liquidating Trust or the Liquidation Trustee need not be disinterested as that term is defined in the Bankruptcy Code.

Section 7.07 Approval of Agreements. Entry of the Confirmation Order will constitute approval of the Asset Purchase Agreement and transactions contemplated therein, and the Confirmation Order will so provide.

Section 7.08 Corporate Action. The entry of the Confirmation Order will constitute 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.

Section 7.09 Cancellation of Securities and Agreements. On the Effective Date, except as otherwise specifically provided for in this Plan: except (i) for purposes of evidencing a right to Distributions under the Plan, (ii) with respect to executory contracts and unexpired leases assumed and assigned by the Debtors to the Plan Sponsor, or (iii) otherwise as provided herein, all the agreements and other documents evidencing the Claims, equity interests, or rights of any holder of a Claim or Interest Impaired under the Plan will be cancelled.

Section 7.10 Substantial Consummation. On the Effective Date, the Plan will be deemed to be substantially consummated under Sections 1101 and 1127(b) of the Bankruptcy Code.

Section 7.11 Effective Date Fees and Expenses. From and after the Effective Date, the Debtors, if on the Effective Date, or the Liquidation Trustee, if after the Effective Date, will, in the ordinary course of business and without the necessity for Bankruptcy Court approval, pay the reasonable fees and expenses of professional persons retained by the Debtors or the Liquidation Trustee and incurred after the Effective Date, including, without limitation, fees and expenses incurred in connection with the implementation and consummation of the Plan.

Section 7.12 Post- Effective Date Notice Limited. From and after the Effective Date, any person seeking relief from the Bankruptcy Court in the Chapter 11 Cases will be required to provide notice only to the Debtors, the Liquidation Trustee, the United States Trustee, the Plan Sponsor and their respective counsel, to any person whose rights are directly affected by the relief sought, and to other parties in interest who, after entry of the Confirmation Order, file a request for such notice with the clerk of the Bankruptcy Court and serve a copy of such notice on counsel to the Debtors and the Liquidation Trustee.

Section 7.13 Plan Supplement. Any Plan Supplement, acceptable in form and substance to the Debtors and the Plan Sponsor, will be filed with the Clerk of the Bankruptcy Court at least five (5) days prior to the last day on which holders of Claims may vote to accept or reject the Plan.

ARTICLE VIII

PRESERVATION OF CAUSES OF ACTION AND RIGHT TO DEFEND AND CONTEST

Section 8.01 Preservation of Rights. Except to the extent that any Claim is Allowed during the Chapter 11 Cases or expressly by this Plan or the Confirmation Order, nothing, including, but not limited to, the failure of the Debtors to object to a Claim or Interest for any reason during the pendency of the Chapter 11 Cases, will affect, prejudice, diminish or impair the rights and legal and equitable defenses of the Debtors or the Liquidation Trustee with respect to any Claim or Interest, including, but not limited to, all rights of the Debtors or the Liquidation Trustee to contest or defend themselves against such Claims or Interests in any lawful manner or forum when and if such Claim or Interest is sought to be enforced by the Holder thereof.

Section 8.02 Rights of Action. Except as otherwise provided in this Plan or the Confirmation Order, in accordance with section 1123(b)(3) of the Bankruptcy Code, the Debtors or the Liquidation Trustee will retain and may exclusively enforce any Retained Actions subject only to any express waiver or release thereof in the Plan or in any other contract, instrument, release, indenture or other agreement entered into in connection with the Plan, and the Confirmation Order's approval of the Plan will be deemed a res judicata determination of such rights to retain and exclusively enforce such Retained Actions, and none of such Retained Actions is deemed waived, released or determined by virtue of the entry of the Confirmation Order or the occurrence of the Effective Date, notwithstanding that the specific Retained Actions are not identified or described. For the avoidance of doubt, neither the Debtors, the Liquidation Trustee nor any other party will retain the right to dispute any Class 1 Claim after the Effective Date, which Claim, and the treatment thereof, is conclusively provided herein.

Absent an express waiver or release as referenced above, nothing in the Plan will (or is intended to) prevent, estop or be deemed to preclude the Debtors or the Liquidation Trustee from utilizing, pursuing, prosecuting or otherwise acting upon all or any of its Retained Actions and, therefore, no preclusion doctrine, including, without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches will apply to such Retained Actions upon or after Confirmation, the Effective Date or the consummation of the Plan. By example only, and without limiting the foregoing, the utilization or assertion of a Retained Action, or the initiation of any proceeding with respect thereto against a Person, by the Debtors or the Liquidation Trustee will not be barred (whether by estoppel, collateral estoppel, res judicata or otherwise) as a result of (a) the solicitation of a vote on the Plan from such Person or such Person's predecessor in interest; (b) the Claim, Interest or Administrative Claim of such Person or such Person's predecessor in interest having been listed in a Debtors' Schedules, list of Holders of Interests, or in the Plan, Disclosure Statement or any exhibit thereto; (c) prior objection to or allowance of a Claim or, Interest of the Person or such Person's predecessor in interest; or (d) Confirmation of the Plan.

Notwithstanding any allowance of a Claim, the Debtors and the Liquidation Trustee reserve the right to seek, among other things, to have such Claim disallowed if the Debtors or the Liquidation Trustee, at the appropriate time, determines that they may then have a defense under section 502(d) of the Bankruptcy Code; for example, the Debtors or the Liquidation Trustee hold an Avoidance Action against the Holder of such Claim and such Holder after demand refuses to pay the amount due in respect thereto.

Section 8.03 Setoffs. Except to the extent that any Claim is Allowed, the Debtors or Liquidation Trustee, as applicable, may, but will not be required to, set off against any Claims and the payments or Distributions to be made pursuant to the Plan in respect of such Claims, any and all debts, liabilities, Causes of Action and claims of every type and nature whatsoever which the Estate, the Debtors may have against such Creditors, including, without limitation, any payments remaining due for dues, club charges, initiation deposits or any other amounts due to the Debtors, but neither the failure to do so nor the allowance of any such Claims, whether pursuant to the Plan or otherwise, will constitute a waiver or release by the Debtors or Liquidation Trustee of any such claims or Causes of Action the Debtors may have against such

Creditors, and all such claims and Retained Actions which are not expressly released, conveyed or compromised pursuant to the Plan, will remain with the Debtors on the Effective Date.

Section 8.04 Resolution of Disputed Claims. Unless otherwise ordered by the Bankruptcy Court after notice and a hearing, the Debtors and the Liquidation Trustee will have the right, on and after the Effective Date, to File objections to Claims (except those specifically Allowed by this Plan) and will serve a copy of each such objection upon the holder of the Claim to which the objection is made as soon as practicable, but in no event later than the applicable Claims Objection Deadline. The foregoing deadlines may be extended by order of the Bankruptcy Court. An objection to any Claim will be deemed properly served on the Holder thereof if the Debtors or Liquidation Trustee effects service in any of the following manners: (a) in accordance with Rule 4 of the Federal Rules of Civil Procedure, as modified and made applicable by Federal Rule of Bankruptcy Procedure 7004; (b) by first class mail, postage prepaid, on the signatory on the proof of claim or other representative identified in the proof of claim or any attachment thereto; or (c) by first class mail, postage prepaid, on any counsel that has appeared on the Holder's behalf in the Chapter 11 Case.

After the Effective Date, the Debtors or the Liquidation Trustee, as the case may be, may settle or compromise any Disputed Claim without approval of the Bankruptcy Court; provided that (a) the Debtors or the Liquidation Trustee, as the case may be, will promptly File with the Bankruptcy Court a written notice of any settlement or compromise of a Claim that results in an Allowed Claim in excess of \$500,000 and (b) the United States Trustee will be authorized to contest the proposed settlement or compromise by Filing a written objection with the Bankruptcy Court and serving such objection on the Debtors or the Liquidation Trustee, as the case may be, within 20 days of the service of the settlement notice. If no such objection is Filed, the applicable settlement or compromise will be deemed final without further action of the Bankruptcy Court.

ARTICLE IX CONDITIONS TO CONSUMMATION OF THE PLAN

Section 9.01 Confirmation Order. The Confirmation Order will not be entered unless and until all conditions to the entry of the Confirmation Order set forth in the Asset Purchase Agreement have been met or waived.

Section 9.02 Conditions to Effective Date. The Plan will not be consummated, and the Effective Date will not occur, unless and until the following conditions have occurred or been duly waived (if waivable) pursuant to Section 9.03 below:

(a) the Bankruptcy Court will have approved the information contained in the Disclosure Statement as adequate;

(b) the Confirmation Order in form and substance satisfactory to the Debtors and the Plan Sponsor will have been entered and will not be stayed by order of a court of competent jurisdiction;

(c) those holders of Membership Claims opting to become members of New ClubCo will be sufficient in number to generate over a projected twelve month period an amount equal to the New ClubCo Dues Revenues.

(d) All Allowed Claims (i) in any Class that is the subject of the Claims Caps, (ii) any unclassified claims and (iii) the Cure Amounts, in the aggregate, will not exceed 100% of the Claim Caps, in the aggregate.

(e) all conditions precedent to the obligations of the Debtors and the Plan Sponsor under the Asset Purchase Agreement have occurred or have been waived;

(f) the transactions contemplated in the Asset Purchase Agreement, as well as the subsequent transfer to the Indenture Trustee SPE, have been consummated (which condition may not be waived without the express consent of the Indenture Trustee);

(g) the Bankruptcy Court will have entered an order (contemplated to be part of the Confirmation Order) authorizing and directing the Debtors 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;

(h) all authorizations, consents and regulatory approvals required, if any, in connection with the Plan's effectiveness will have been obtained;

(i) the Debtors will have appointed the Liquidation Trustee, the Liquidating Trust Agreement and the other Liquidating Trust Documents will have been executed, and the Liquidating Trust will have received the General Unsecured Creditors Fund, the Administrative Convenience Claims Fund, the Rejecting Club Members Fund, the Post-Effective Date Plan Sponsor Funding from the Plan Sponsor, and an assignment from the Debtors of the Retained Actions; and

(j) no order of a court will have been entered and will remain in effect restraining the Debtors from consummating the Plan.

Section 9.03 Waiver of Conditions. The conditions to consummation in Section 9.02 (other than 9.02(a), (b) and (f)) may be waived at any time by a writing signed by an authorized representative of each of the Debtors and the Plan Sponsor without notice or order of the Bankruptcy Court or any further action other than proceeding to consummation of the Plan.

Section 9.04 Effect of Failure or Absence of Waiver of Conditions Precedent to the Effective Date of the Plan. In the event that one or more of the conditions specified in Section 9.02 of the Plan have not occurred (or been waived), upon notification submitted by the Debtors to the Bankruptcy Court: (a) the Confirmation Order, automatically and without further order of the Bankruptcy Court, will be, and will be deemed, vacated, null and void, with no force or legal effect whatsoever; (b) no Distributions under the Plan will be made; (c) all Property of the Estate will revert in the Debtors' Estates; (d) the Debtors and all Holders of Claims and Interests will be restored to the status quo ante as of the day immediately preceding the Confirmation Date as though the Confirmation Date never occurred; (e) the Asset Purchase Agreement will become

null and void; and (f) the Debtors' obligations with respect to the Claims and Interests will remain unchanged and nothing contained herein will constitute or be deemed a waiver or release of any Claims or Interests by or against the Debtors or any other Person or Entity or to prejudice in any manner the rights of the Debtors or any Person or Entity in any further proceedings involving the Debtors.

**ARTICLE X
EFFECTS OF CONFIRMATION**

Section 10.01 Injunction.

(a) 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 PROVISIO ARE FULLY PRESERVED.**

(b) 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 PROVISIO ARE FULLY PRESERVED. ANY RELEASES OF JAMES B. ANTHONY, LUCAS ANTHONY OR TIMOTHY CHERRY ARE EACH CONDITIONED UPON THE SATISFACTION BY JAMES B. ANTHONY OF THE FOLLOWING: (A) HE BECOMES A D&O RELEASEE; AND (B) HE AND ANY NON-DEBTOR AFFILIATES HE DIRECTLY OR INDIRECTLY OWNS OR CONTROLS: (I) WAIVE AND RELEASE ANY AND ALL CLAIMS OF ANY KIND AGAINST THE DEBTORS; (II) TRANSFER AND CONVEY TO THE DEBTORS OR TO THE PLAN SPONSOR ALL REAL PROPERTY, PERSONAL PROPERTY AND OTHER ASSETS USED BY THE DEBTORS, OR NECESSARY TO OPERATE THE BUSINESSES OF THE DEBTORS, OR WHICH IS NECESSARY TO SATISFY ANY CONDITION PRECEDENT UNDER THE PLAN OR THE ASSET PURCHASE AGREEMENT; (III) FULLY COOPERATE WITH THE TRANSFER OF THE ACQUIRED ASSETS, THE SALE AND THE ORDERLY TRANSITION OF THE DEBTORS' BUSINESSES TO THE PLAN SPONSOR; (IV) DO NOT OBJECT TO OR OPPOSE CONFIRMATION OF THE PLAN; (V) VOTE TO ACCEPT THE PLAN TO THE EXTENT HE OR ANY OF THEM HOLD A CLAIM ENTITLED TO VOTE, AND (VI) OTHERWISE COOPERATE FULLY WITH THE CONSUMMATION OF THE PLAN, INCLUDING WITHOUT LIMITATION, EXECUTING AND DELIVERING ANY SETTLEMENT AGREEMENT AND COMPLYING WITH ANY AND ALL CONDITIONS OF ANY SETTLEMENT AGREEMENT.

Section 10.02 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 advisers, 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 advisers, 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 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. Any exculpation of James B. Anthony, Lucas Anthony or Timothy Cherry are each conditioned upon the satisfaction by James B. Anthony of the following: (a) he becomes a D&O Releasee; and (b) he and any non-Debtor affiliates he directly or indirectly owns or controls: (i) waive and release any and all claims of any kind against the Debtors; (ii) transfer and convey to the Debtors or to the Plan Sponsor all real property, personal property and other assets used by the Debtors, or necessary to operate the businesses of the Debtors, or which is necessary to satisfy any condition precedent under the Plan or the Asset Purchase Agreement; (iii) fully cooperate with the transfer of the Acquired Assets, the Sale and the orderly transition of the Debtors' businesses to the Plan Sponsor; (iv) do not object to or oppose confirmation of the Plan; (v) vote to accept the Plan to the extent he or any of them hold a Claim entitled to vote, and (vi) otherwise cooperate fully with the consummation of the Plan, including without limitation, executing and delivering any settlement agreement and complying with any and all conditions of any settlement agreement. 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 shall have any liability thereunder.

Section 10.03 Releases.

(a) 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 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). For the avoidance of doubt, any releases of James B. Anthony, Lucas Anthony or Timothy Cherry are each conditioned upon the satisfaction by James B. Anthony of the following: (a) he becomes a D&O Releasee; and (b) he and any non-Debtor affiliates he directly or indirectly owns or controls: (i) waive and release any and all claims of any kind against the Debtors; (ii) transfer and convey to the Debtors or to the Plan Sponsor all real property, personal property and other assets used by the Debtors, or necessary to operate the businesses of the Debtors, or which is necessary to satisfy any condition precedent under the Plan or the Asset Purchase Agreement; (iii) fully cooperate with the transfer of the Acquired Assets, the Sale and the orderly transition of the Debtors' businesses to the Plan Sponsor; (iv) do not object to or oppose confirmation of the Plan; (v) vote to accept the Plan to the extent he or any of them hold a Claim entitled to vote, and (vi) otherwise cooperate fully with the consummation of the Plan, including without limitation, executing and delivering any settlement agreement and complying with any and all conditions of any settlement agreement.

(b) 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) 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. For the

avoidance of doubt, ~~James B. Anthony is not being released by unless: (a) he becomes a D&O Releasee; and (b) he and any non-debtor Affiliates he directly or indirectly owns or controls: (i) waive and release any and all claims of any kind against the Debtors; (ii) transfer and convey to the Debtors or to the Plan Sponsor all real property, personal property and other assets used by the Debtors, or necessary to operate the businesses of the Debtors, or which is necessary to satisfy any condition precedent under the Plan or the Asset Purchase Agreement; and (iii) fully cooperate with the transfer of the Acquired Assets, the Sale and the orderly transition of the Debtors' businesses to the Plan Sponsor.~~ Any any releases of James B. Anthony, Lucas Anthony or Timothy Cherry (pursuant to this Plan Section 10.03(b)) are each conditioned upon the satisfaction by James B. Anthony of the following: (a) he becomes a D&O Releasee; and (b) he and any non-Debtor affiliates he directly or indirectly owns or controls: (i) waive and release any and all claims of any kind against the Debtors; (ii) transfer and convey to the Debtors or to the Plan Sponsor all real property, personal property and other assets used by the Debtors, or necessary to operate the businesses of the Debtors, or which is necessary to satisfy any condition precedent under the Plan or the Asset Purchase Agreement; (iii) fully cooperate with the transfer of the Acquired Assets, the Sale and the orderly transition of the Debtors' businesses to the Plan Sponsor; (iv) do not object to or oppose confirmation of the Plan; (v) vote to accept the Plan to the extent he or any of them hold a Claim entitled to vote, and (vi) otherwise cooperate fully with the consummation of the Plan, including without limitation, executing and delivering any settlement agreement and complying with any and all conditions of any settlement agreement.

Section 10.04 Other Documents and Actions. The Debtors are authorized to execute such documents and take such other action as is necessary to effectuate the transactions provided for in the Plan, provide such actions and documents are reasonably acceptable in form and substance to the Plan Sponsor.

Section 10.05 Term of Injunctions or Stays. Unless otherwise provided herein or in the Confirmation Order or other court order, all injunctions or stays provided for in the Chapter 11 Cases under sections 105(a) or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, will remain in full force and effect until the Effective Date.

Section 10.06 Preservation of Insurance. Except as necessary to be consistent with the Plan, the Plan will not diminish or impair (a) the enforceability of insurance policies that may cover Claims against the Debtors or any other Person or Entity or (b) the continuation of workers' compensation programs in effect, including self-insurance programs.

Section 10.07 Guaranties. Notwithstanding the existence of guaranties by the Debtors of obligations of any Entity or Entities, and the Debtors' joint obligations with another Entity or Entities with respect to the same obligations, all Claims against the Debtors based upon any such guaranties will be satisfied and released in the manner provided in this Plan and the Holders of Claims will be entitled to only one Distribution with respect to any given obligation of any of the Debtors.

Section 10.08 Subordination Rights. ***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 THE CONFIRMATION ORDER WILL CONSTITUTE 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.

Section 10.09 Avoidance and Recovery Actions Preserved. From and after the Effective Date, the Debtors will have the right to prosecute any avoidance, equitable subordination, or recovery Cause of Action arising under Sections 105, 502(d), 510, 542 through 551, and 553 of the Bankruptcy Code that belongs to the Debtors and has not been expressly compromised, settled, or released pursuant to Article X, Section 10.06 or any other provision of the Plan, or by an order of the Bankruptcy Court entered prior to the Confirmation Date, or assigned to the Liquidating Trust under the Plan.

Section 10.10 Other Causes of Action Preserved. Except for any Cause of Action that has been expressly compromised, settled, or released pursuant to the Plan or an order of the Bankruptcy Court entered prior to the Confirmation Date, nothing contained in the Plan or the Confirmation Order will be deemed to be a waiver or relinquishment of any right or Cause of Action that the Debtors may have, or which the Debtors may choose to assert on behalf of the Estates pursuant to any provision of the Bankruptcy Code or any applicable non-bankruptcy 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 the Debtors or their officers, directors, or representatives; and (b) the turnover of any property of the Estates. Nothing contained in the Plan or the Confirmation Order will be deemed to be a waiver or relinquishment of any claim, Cause of Action, right of setoff, or other legal or equitable defense which the Debtors had immediately prior to the Petition Date against or with respect to any Claim left unimpaired by the Plan. The Debtors will have, retain, reserve, and be entitled to assert all such claims, Causes of Action, rights of setoff, and other legal or equitable defenses that any of them had immediately prior to the Petition Date as if the Cases had not been commenced and all of the Debtors' legal and equitable rights respecting any Claim left unimpaired by the Plan may be asserted after the Confirmation Date to the same extent as if the Cases had not been commenced. **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, ALL CLAIMS AND CAUSES OF ACTION OF THE DEBTORS AND THEIR ESTATES WILL SURVIVE CONFIRMATION, AND THE ASSERTION OF CLAIMS AND CAUSES OF ACTION BY THE DEBTORS OR THE LIQUIDATION TRUSTEE WILL NOT BE BARRED OR LIMITED BY ANY ESTOPPEL, WHETHER JUDICIAL, EQUITABLE, OR OTHERWISE.**

Section 10.11 Causes of Action Retained by Debtors or Assigned to the Liquidating Trust. From and after the Effective Date, because the Debtors will have assigned the Retained Actions to the Liquidating Trust, the Liquidation Trustee will have the right to prosecute any avoidance, equitable subordination or recovery Cause of Action arising under Sections 105, 502(d), 510, 542-551, and 553 of the Bankruptcy Code that belonged to any of the Debtors as

of the Effective Date and has not been expressly compromised, settled, or released pursuant to the Plan or an order of the Bankruptcy 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 Bankruptcy Court entered prior to the Confirmation Date, nothing contained in the Plan or the Confirmation Order will be deemed to be a waiver or relinquishment of any right or Cause of Action that the Debtors or the Liquidating Trustee may have, or which the Liquidating Trustee may choose to assert on behalf of the Liquidating Trust beneficiaries pursuant to any provision of the Bankruptcy Code or any applicable non-bankruptcy law, including, without limitation (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 the Debtors, or their officers, directors, or representatives; (b) the turnover of any property of the Estates; and (c) Causes of Action against current or former directors, shareholder, officers, professionals, and other persons relating to acts or omissions occurring on or prior to the Petition Date.

Section 10.12 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.

Without limiting the generality of the foregoing, and in conjunction with Section 12.13 of the Plan, the transfer of the Acquired Assets to the Plan Sponsor and its contribution thereof to the Indenture Trustee SPE and lease of the Acquired Assets to the Plan Sponsor or to any of its Affiliates as contemplated in the Plan is exempt from taxation under applicable State law. Upon the payment of the Purchase Price by the Plan Sponsor pursuant to the Asset Purchase Agreement, any obligation or liability Plan Sponsor or any of its Affiliates may have under any applicable Law to withhold, deduct or deposit any amount from the Purchase Price and any obligation or liability Plan Sponsor or any of its Affiliates may have under any applicable Law as successor or transferee for Taxes of any Debtor or any Affiliate of any Debtor will be satisfied and Plan Sponsor and its Affiliates will hereby be release and discharged from any such obligation or liability. The Acquired Assets transferred to Plan Sponsor or any of its Affiliates as contemplated by the Asset Purchase Agreement will be free and clear from, and will not be subject to, any Liens for or arising from any Tax delinquencies or deficiencies of any Debtor or any Affiliate of any Debtor. Any bank account designated in writing by the Debtors pursuant to the Asset Purchase Agreement will be approved by the Bankruptcy Court to be an account in which the Purchase Price may be deposited, and all amounts deposited therein by the Plan Sponsor will be distributed only pursuant to the Plan and Confirmation Order.

Section 10.13 Allocation of Plan Distributions between Principal and Interest. To the extent that any Claim scheduled to receive a Distribution under the Plan is comprised of indebtedness and accrued but unpaid interest thereon, such Distribution will be allocated to the principal amount of the Claim (as determined for federal income tax purposes) first and then, to the extent the consideration exceeds the principal amount of the Claim, to accrued but unpaid interest.

ARTICLE XI RETENTION OF JURISDICTION

Section 11.01 Exclusive Jurisdiction of Bankruptcy Court. Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court will retain after the Effective Date and until the Chapter 11 Cases are closed, exclusive jurisdiction of all matters arising out of, arising in or related to the Chapter 11 Cases to the fullest extent permitted by applicable law, including, without limitation, jurisdiction 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 is 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 hereof 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 Case, 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) to 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.

Section 11.02 Failure of Bankruptcy Court to Exercise Jurisdiction. If the Bankruptcy Court abstains from exercising or declines to exercise jurisdiction over any matter arising under, arising in or related to the Debtors, including with respect to the matters set forth above in Section 11.01 hereof, this Article XI will not prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such subject matter.

ARTICLE XII MISCELLANEOUS PROVISIONS

Section 12.01 Binding Effect of Plan. The provisions of the Plan will be binding upon and inure to the benefit of the Debtors, the Estates, the Debtors, the Liquidation Trustee, the Liquidating Trust, the Plan Sponsors, any Holder of any Claim or Interest treated herein or any Person named or referred to in the Plan, and each of its heirs, executors, administrators, representatives, predecessors, successors, assigns, agents, officers and directors, and, to the fullest extent permitted under the Bankruptcy Code and other applicable law, each other Person affected by the Plan.

Section 12.02 Withdrawal of the Plan. The Debtors reserve the right (subject to the consent of the Plan Sponsor), at any time prior to Confirmation of the Plan, to withdraw the Plan. If the Plan is withdrawn, the Plan will be null and void and have no force and effect. In such event, nothing contained herein will be deemed to constitute a waiver or release of any claims by or against the Debtors or any other Person or to prejudice in any manner the rights of the Debtors or any Person in any further proceedings involving the Debtor.

Section 12.03 Final Order. Except as otherwise expressly provided in the Plan, any requirement in the Plan for a Final Order may be waived by the Debtors or, after the Effective Date, the Liquidation Trustee upon written notice to the Bankruptcy Court. No such waiver will prejudice the right of any party in interest to seek a stay pending appeal of any order that is not a Final Order.

Section 12.04 Modification of the Plan. The Debtors may alter, amend or modify the Plan in accordance with section 1127 of the Bankruptcy Code or as otherwise permitted at any time prior to the Confirmation Date, provided any such modification will be acceptable in form and substance to the Plan Sponsor. After the Confirmation Date and prior to the substantial consummation of the Plan, and in accordance with the provisions of section 1127(b) of the Bankruptcy Code and the Bankruptcy Rules, the Debtors may, subject to the consent of the Plan Sponsor and so long as the treatment of Holders of Claims or Interests under the Plan is not adversely affected, institute proceedings in the Bankruptcy Court to remedy any defect or omission or to reconcile any inconsistencies in the Plan, the Disclosure Statement or the Confirmation Order and any other matters as may be necessary to carry out the purposes and effects of the Plan; provided, however, prior notice of such proceedings will be served in accordance with Bankruptcy Rules 2002 and 9014.

Section 12.05 Business Days. If any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but will be deemed to have been completed as of the required date.

Section 12.06 Severability. Should the Bankruptcy Court determine, prior to the Confirmation Date, that any provision of the Plan is either illegal on its face or illegal as applied to any Claim or Interest, such provision will be unenforceable as to all Holders of Claims or Interests or to the specific Holder of such Claim or Interest, as the case may be, as to which such provision is illegal. Unless otherwise determined by the Bankruptcy Court, such a determination of unenforceability will in no way limit or affect the enforceability and operative effect of any other provision of the Plan. The Debtors reserve the right not to proceed with Confirmation or consummation of the Plan if any such ruling occurs.

Section 12.07 Governing Law. EXCEPT TO THE EXTENT THAT THE BANKRUPTCY CODE OR BANKRUPTCY RULES OR OTHER FEDERAL LAWS ARE APPLICABLE, AND SUBJECT TO THE PROVISIONS OF ANY CONTRACT, INSTRUMENT, RELEASE, INDENTURE OR OTHER AGREEMENT OR DOCUMENT ENTERED INTO IN CONNECTION WITH THE PLAN, THE CONSTRUCTION, IMPLEMENTATION AND ENFORCEMENT OF THE PLAN AND ALL RIGHTS AND OBLIGATIONS ARISING UNDER THE PLAN WILL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO CONFLICTS-OF-LAW PRINCIPLES WHICH WOULD APPLY THE LAW OF A JURISDICTION OTHER THAN THE STATE OF DELAWARE; PROVIDED, HOWEVER, THAT THE LAW OF THE STATE IN WHICH COLLATERAL IS LOCATED MAY GOVERN PERFECTION OF AND RECOVERY UPON THAT COLLATERAL.

Section 12.08 Dissolution of Committee. On the Effective Date, the Committee will be automatically dissolved and all of its members, Professionals and agents will be deemed released of their duties, responsibilities and obligations, and will be without further duties, responsibilities and authority in connection with the Debtors, the Chapter 11 Cases, the Plan or its implementation.

Section 12.09 Post-Confirmation Operating Reports. The Consolidated Debtors will file post-Confirmation operating reports on a consolidated basis as required by the United States Trustee until such time as a Final Decree or other order is entered under section 350(a) of the Bankruptcy Code closing the Chapter 11 Cases.

Section 12.10 Notices. Any notice required or permitted to be provided under this Plan to the Debtors, or any request for information with respect to the Plan, will be in writing and served by either (a) certified mail, return receipt requested, postage prepaid, (b) hand delivery or (c) reputable overnight delivery service, freight prepaid, to be addressed as follows:

To the Debtors and to the Liquidating Trustee

The Cliffs Club & Hospitality Group, Inc.
3598 Highway 11
Travelers Rest, South Carolina 29690
Attn: Katie Goodman, CRO and Liquidation Trustee
Telephone: 404 293-0137
Facsimile: 404 256-4555

With a copy to:

McKenna Long & Aldridge LLP
303 Peachtree Street, Suite 5300
Atlanta, GA 30308
Attn: Gary W. Marsh
Telephone: 404 527-4150
Facsimile: 404 527-4198

To the Plan Sponsor:

Cliffs Club Partners, LLC
c/o John Monaghan
Holland & Knight
10 St. James Avenue, 11th Floor
Boston, MA 02116
Telephone: 617-573-5834
Facsimile: 617-523-6850

and

The Carlile Group, LLC

c/o Bill Rothschild
Ogier, Rothschild, Rosenfeld & Ellis-Monro, P.C.
170 Mitchell Street, S.W.
Atlanta, GA 30303
Telephone: 404 525 4000
Facsimile: 404 526 8855

With a copy to:

Nexsen Pruet, LLC
P.O. Drawer 2426
Columbia, SC 29202-2426
Attn: Julio E. Mendoza, Jr. Esq.
Telephone: 803-540-2026
Facsimile: 803-727-1478

Section 12.11 Filing of Additional Documents. On or before substantial consummation of the Plan, the Debtors may issue, execute, deliver, and File with the Bankruptcy Court or record any agreements and other documents, and take any action as may be necessary or appropriate to effectuate, consummate and further evidence the terms and conditions of the Plan, provided such documents will be acceptable in form and substance to the Plan Sponsor.

Section 12.12 Section 1125 of the Bankruptcy Code. The Debtors and the Plan Sponsor have, and upon Confirmation of the Plan will be deemed to have, solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code, and the Debtors and the Plan Sponsor (and each of their respective Affiliates, officers, directors, employees, consultants, agents, advisors, members, attorneys, accountants, financial advisors, other representatives and Professionals), have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code in the offer, issuance, sale, and purchase of the securities offered and sold under the Plan, and are not, and on account of such offer, issuance, sale, solicitation, and/or purchase will not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or the offer, issuance, sale, or purchase of the securities offered and sold under the Plan.

Section 12.13 Section 1146 Exemption. To the fullest extent permitted under section 1146(a) of the Bankruptcy Code, the issuance, transfer or exchange of any security under the Plan, if any, or the execution, delivery or recording of an instrument of transfer under the Plan, or the revesting, transfer or sale of any real or other Property of or to the Debtors, the Plan Sponsor or its designee, the Indenture Trustee SPE, or the Liquidating Trust, will not be taxed under any state or local law imposing a document recording tax, stamp tax, conveyance fee, sales tax, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, or other similar tax or fee or governmental assessment. Consistent with the foregoing, each recorder of deeds or similar official for any county, city or governmental unit in which any instrument hereunder is to be recorded will, pursuant to the Confirmation Order, be ordered and directed to accept such

instrument, without requiring the payment of any documentary stamp tax, deed stamps, stamp tax, transfer tax, mortgage recording tax, intangible tax or similar tax.

Section 12.14 Section 1145 Exemption. Pursuant to section 1145 of the Bankruptcy Code, the offering, issuance, and Distribution of the modified Notes, the New Club Membership Agreement and interests in the Liquidating Trust will be exempt from, among other things, the registration requirements of section 5 of the Securities Act and any other applicable law requiring registration prior to the offering, issuance, Distribution, or sale of memberships under the New Club Membership Agreement.

Section 12.15 Time. Unless otherwise specified herein, in computing any period of time prescribed or allowed by the Plan, the day of the act or event from which the designated period begins to run will not be included. The last day of the period so computed will be included, unless it is not a Business Day, in which event the period runs until the end of next succeeding day that is a Business Day. Otherwise, the provisions of Bankruptcy Rule 9006 will apply.

Section 12.16 No Attorneys' Fees. No attorneys' fees will be paid by the Debtors with respect to any Claim or Interest except as expressly specified herein or by order of the Bankruptcy Court.

Section 12.17 No Injunctive Relief. No Claim or Interest will under any circumstances be entitled to specific performance or other injunctive, equitable or other prospective relief.

Section 12.18 Continued Confidentiality Obligations. Pursuant to the terms thereof, members of and advisors to any Committee, any other Holder of a Claim or Interest, and its predecessors, successors and assigns will continue to be obligated and bound by the terms of any confidentiality agreement executed by them in connection with these Chapter 11 Cases or the Debtors, to the extent that such agreement, by its terms, may continue in effect after the Confirmation Date.

Section 12.19 No Admissions or Waivers. Notwithstanding anything herein to the contrary, nothing contained in the Plan will be deemed an admission or waiver by the Debtors with respect to any matter set forth herein, including, without limitation, liability on any Claim or Interest or the propriety of any classification of any Claim or Interest.

Section 12.20 Entire Agreement. The Plan (and all Exhibits to the Plan and any Plan Supplement) sets forth the entire agreement and undertakings relating to the subject matter hereof and supersedes all prior discussions and documents. The Debtors will not be bound by any terms, conditions, definitions, warranties, understandings, or representations with respect to the subject matter hereof, other than as expressly provided for herein or as may hereafter be agreed to by the parties in writing.

Section 12.21 Waiver. The Debtors reserve the right to waive any provision of this Plan (with the consent of the Plan Sponsor) to the extent such provision is for the sole benefit of the Debtors and/or their officers or directors.

Section 12.22 Confirmation of Plans for Separate Debtors. In the event the Debtors are unable to confirm this Plan with respect to all Debtors, the Debtors reserve the right, unilaterally and unconditionally, to proceed with this Plan with respect to any Debtor for which the confirmation requirements of the Bankruptcy Code are met.

Section 12.23 Name Change. No later than five (5) Business Days following the Closing Date, each Debtor will (a) amend its governing documents and take all other actions necessary to change its name to one that does not include, and is not similar to the term “Cliffs” or any other name included as part of the intellectual property; and (b) take all actions requested by the Plan Sponsor to enable Plan Sponsor, if so desired, to change its name to one utilizing the “Cliffs” name or something similar, and (c) will provide the Plan Sponsor reasonable documentation confirming the foregoing required name changes.

CONFIRMATION REQUEST

The Debtors hereby request confirmation of the Plan pursuant to section 1129(a) or section 1129(b) of the Bankruptcy Code.

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The Cliffs Club & Hospitality Group, Inc.

By: K. Goodman
Name: Katie S. Goodman
Title: Chief Restructuring Officer

CCHG Holdings, Inc.

By: K. Goodman
Name: Katie S. Goodman
Title: Chief Restructuring Officer

The Cliffs at Mountain Park Golf & Country Club, LLC

By: THE CLIFFS CLUB & HOSPITALITY GROUP, INC., AS SOLE MEMBER

By: K. Goodman
Name: Katie S. Goodman
Title: Chief Restructuring Officer

The Cliffs at Keowee Vineyards Golf & Country Club, LLC

By: THE CLIFFS CLUB & HOSPITALITY GROUP, INC., AS SOLE MEMBER

By: K. Goodman
Name: Katie S. Goodman
Title: Chief Restructuring Officer

The Cliffs at Walnut Cove Golf & Country Club, LLC

By: THE CLIFFS CLUB & HOSPITALITY GROUP, INC., AS SOLE MEMBER

By: K. Goodman
Name: Katie S. Goodman
Title: Chief Restructuring Officer

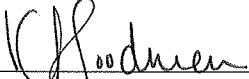
The Cliffs at Keowee Falls Golf & Country Club, LLC

By: THE CLIFFS CLUB & HOSPITALITY GROUP, INC., AS SOLE MEMBER

By: K. Goodman
Name: Katie S. Goodman
Title: Chief Restructuring Officer

The Cliffs at Keowee Springs Golf & Country Club, LLC

By: THE CLIFFS CLUB & HOSPITALITY GROUP, INC., AS SOLE MEMBER

By: 

Name: Katie S. Goodman

Title: Chief Restructuring Officer

The Cliffs at High Carolina Golf & Country Club, LLC

By: THE CLIFFS CLUB & HOSPITALITY GROUP, INC., AS SOLE MEMBER

By: 

Name: Katie S. Goodman

Title: Chief Restructuring Officer

The Cliffs at Glassy Golf & Country Club, LLC

By: THE CLIFFS CLUB & HOSPITALITY GROUP, INC., AS SOLE MEMBER

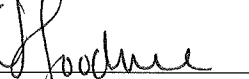
By: 

Name: Katie S. Goodman

Title: Chief Restructuring Officer

The Cliffs Valley Golf & Country Club, LLC

By: THE CLIFFS CLUB & HOSPITALITY GROUP, INC., AS SOLE MEMBER

By: 

Name: Katie S. Goodman

Title: Chief Restructuring Officer

Cliffs Club & Hospitality Service Company, LLC

By: THE CLIFFS CLUB & HOSPITALITY GROUP, INC., AS SOLE MEMBER


By: 

Name: Katie S. Goodman

Title: Chief Restructuring Officer

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Cliffs Club Partners, LLC

By: 
Name: Steve B. Carlisle
Title: _____

Plan Sponsor

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Dated: June 30, 2012

Respectfully submitted,

/s/ Däna Wilkinson

Däna Wilkinson

District Court I.D. No. 4663

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-and-

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Facsimile: (617) 523-6850

and

NEXSEN PRUET, LLC

/s/ Julio E. Mendoza, Jr.

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Facsimile: (803) 727-1478

Attorneys for Cliffs Club Partners, LLC, Plan Sponsor