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GARY W. MARSH  
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EMAIL ADDRESS  
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July 9, 2012

Re: *The Cliffs Club & Hospitality Group, Inc., et al.*,<sup>1</sup> Debtors; United States Bankruptcy Court for the District of South Carolina; Chapter 11 Case No. 12-01220 (jointly administered)

Dear Voting Party:

Pursuant to an order dated July 2, 2012, the United States Bankruptcy Court for the District of South Carolina (the “Bankruptcy Court”) has: (a) approved the First Amended and Restated Disclosure Statement to Accompany the First Amended and Restated Joint Chapter 11 Plan filed by the Debtors and the Plan Sponsor (the “Disclosure Statement”) [Docket Entry No. 480] filed by The Cliffs Club & Hospitality Group, Inc. and its affiliated debtors in the above-captioned Chapter 11 cases, as debtors and debtors-in-possession (collectively, the “Debtors”), and (b) authorized the Debtors to solicit votes to accept or reject the First Amended and Restated Joint Chapter 11 Plan filed by the Debtors and the Plan Sponsor dated June 30, 2012 (the “Plan”)<sup>2</sup> [Docket Entry No. 479].

The Debtors’ records indicate that you are entitled to submit a vote to accept or reject the Plan because the Debtors’ records indicate that you are the holder of a claim against the Debtors that is impaired under the Plan.

**THE DEBTORS REQUEST THAT YOU VOTE TO ACCEPT THE PLAN.**

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<sup>1</sup> 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).

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings given to them in the Plan.

Please note that, if the Debtors elect to object to your claim by the filing of an objection with the Bankruptcy Court, notice of which you would receive by mail, then you will not be entitled to submit a vote to accept or reject the Plan unless, by the earlier of: (i) 5:00 p.m. (Eastern Time) on the seventh (7th) day after the date of service of such objection to you, or (ii) the hearing on confirmation of the Plan, you file a motion for an order pursuant to Bankruptcy Rule 3018(a) temporarily allowing your claim for purposes of voting to accept or reject the Plan.

The following materials are enclosed for your review and consideration:

- (i) the Bankruptcy Court's July 2, 2012 Order approving the Disclosure Statement;
- (ii) the Disclosure Statement, with exhibits (including the Plan);
- (iii) the Plan Supplement, with attachments;
- (iv) the Notice of (A) Entry of Order Approving Disclosure Statement and Solicitation Procedures; (B) Deadline for Casting Votes to Accept or Reject Chapter 11 Plan; (C) Hearing to Consider Confirmation of Chapter 11 Plan; and (D) Related Matters (the "Confirmation Hearing Notice");
- (v) a letter from the Official Committee of Unsecured Creditors in support of the Plan; and
- (vi) **a ballot to be used to vote to accept or reject the Plan.**

Please note that the items (i)-(iii) above are contained in the enclosed compact disc.

**PLEASE TAKE NOTICE THAT**, as set forth in the Confirmation Hearing Notice, the deadline to submit your ballot is **August 1, 2012** (the "Voting Deadline"). To be counted, ballots for accepting or rejecting the Plan must be completed and originally signed and **received by mail or delivery by hand, courier or overnight service** on or before the Voting Deadline by BMC Group, Inc., the voting agent, at the appropriate address shown below:

**BY MAIL TO:**

BMC Group, Inc.  
Attn: Cliffs Ballot Processing  
PO Box 3020  
Chanhassen, MN 55317-3020

**BY HAND OR OVERNIGHT DELIVERY TO:**

BMC Group, Inc.  
Attn: Cliffs Ballot Processing  
18675 Lake Drive East  
Chanhassen, MN 55317

**PLEASE TAKE FURTHER NOTICE THAT**, the Bankruptcy Court's July 2, 2012 Order approving the Disclosure Statement contains further information regarding the proper completion and counting of ballots with respect to the Plan.

**PLEASE TAKE FURTHER NOTICE THAT**, if you are a current or former Member of the Debtors' clubs, then you must also indicate on your ballot whether you elect to join the new club.

**PLEASE TAKE FURTHER NOTICE THAT, IN THE EVENT THAT INSUFFICIENT VOTES ARE SUBMITTED TO ACCEPT THE PLAN, AND/OR THE PLAN IS NOT OTHERWISE CONFIRMED, THEN IT IS HIGHLY LIKELY THAT THE DEBTORS WOULD HAVE TO CLOSE THE CLUBS. THE DEBTORS WOULD LIKELY CONVERT THEIR BANKRUPTCY CASES TO CASES UNDER CHAPTER 7 OF THE BANKRUPTCY CODE (THE LIQUIDATION CHAPTER), AND A CHAPTER 7 TRUSTEE WOULD BE APPOINTED BY THE BANKRUPTCY COURT TO LIQUIDATE THE CLUBS AND ALL OF THEIR ASSETS. AS SET FORTH IN THE LIQUIDATION ANALYSIS ATTACHED AS EXHIBIT D TO THE DISCLOSURE STATEMENT, THE DEBTORS BELIEVE THAT A LIQUIDATION OF THE CLUBS WOULD RESULT IN MUCH LESS FAVORABLE TREATMENT OF CLAIM HOLDERS THAN THE TREATMENT PROPOSED UNDER THE PLAN. SPECIFICALLY, EVEN ASSUMING THE HIGHEST ESTIMATED RECOVERY FROM THE SALE OF THE CLUBS' ASSETS IN A LIQUIDATION SCENARIO, THE DEBTORS BELIEVE THAT ONLY THE LENDER THAT PROVIDED THE DEBTORS WITH SECURED DEBTOR-IN-POSSESSION FINANCING (THE "DIP LENDER") WOULD RECEIVE ANY DISTRIBUTION AFTER PAYMENT OF ADMINISTRATIVE EXPENSES AND PRIORITY CLAIMS, MEANING THAT HOLDERS OF ALL OTHER CLAIMS (INCLUDING NOTE HOLDER CLAIMS AND MEMBER CLAIMS) WOULD RECEIVE \$0.00. UNDER THE ORDER APPROVING THE SECURED DEBTOR-IN-POSSESSION FINANCING, THE DIP LENDER HAS ALREADY BEEN GRANTED RELIEF FROM STAY TO FORECLOSE ON THE CLUBS UPON AN EVENT OF DEFAULT, WHICH WOULD LIKELY OCCUR IF THE PLAN IS NOT CONFIRMED. AGAIN, THIS WOULD MEAN THAT HOLDERS OF ALL OTHER CLAIMS (INCLUDING NOTE HOLDER CLAIMS AND MEMBER CLAIMS) WOULD RECEIVE \$0.00. ACCORDINGLY, THE DEBTORS BELIEVE THAT THE PROPOSED TREATMENT OF CLAIM HOLDERS UNDER THE PLAN IS MATERIALLY BETTER THAN THE TREATMENT CLAIM HOLDERS WOULD RECEIVE IF THE PLAN IS NOT CONFIRMED.**

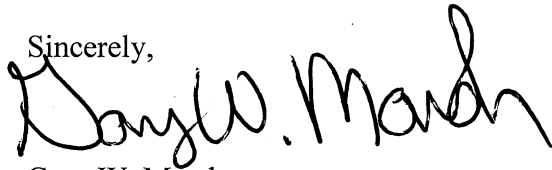
If you have any questions regarding submitting your ballot, please contact counsel to the Debtors via mail: McKenna Long & Aldridge, LLP, Attn: Bryan E. Bates, Esq., 303 Peachtree St. NE, Suite 5300, Atlanta, GA 30308; via email: [bbates@mckennalong.com](mailto:bbates@mckennalong.com); or via phone: 404-527-4073.

If you have any questions regarding completing an application to join the new club or other membership issues, please call 864-371-1003 or send an email to [questions@cliffinfo.com](mailto:questions@cliffinfo.com).

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**THE DEBTORS REQUEST THAT YOU VOTE TO ACCEPT THE PLAN.**

Sincerely,

A handwritten signature in black ink, appearing to read "Gary W. Marsh". The signature is fluid and cursive, with the first name "Gary" and last name "Marsh" being the most prominent parts.

Gary W. Marsh

Enclosures

cc: Katie Goodman, Chief Restructuring Officer

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