

**Exhibit D**

Debtors' Liquidation Analysis

### **Liquidation Analysis**

Section 1129(a)(7) of the Bankruptcy Code requires that each holder of an impaired claim either: (i) accept the plan; or (ii) receive or retain under the Plan property of a value, as of the effective date, that is not less than the value the claimant would receive or retain if the Debtors were liquidated by a trustee ("Chapter 7 Trustee" or "Trustee") pursuant to Chapter 7 of the Bankruptcy Code on the effective date. This analysis attempts to assess the dollar amount that would be generated from a hypothetical liquidation of the Debtors' assets in the context of a Chapter 7 liquidation in which a Chapter 7 trustee is appointed and charged with reducing to cash any and all of the assets of the Debtors. The Trustee would be required to: (i) sell the assets as a going concern; and/or (ii) shut down the Debtors' businesses and sell the individual assets of the Debtors. In preparing this Liquidation Analysis, the Debtors assumed that the greatest value would be realized if a Chapter 7 Trustee sold the clubs (land, buildings, and related assets) as going concerns and liquidated the remaining assets.

The gross amount of cash available would be the sum of the proceeds from the disposition of the Debtors' assets, including cash held by the Debtors at the time of the commencement of the hypothetical Chapter 7 case. Such amount would be reduced by the amount of any claims secured by such assets, the costs and expenses of the liquidation, and additional administrative expenses and priority claims that may result from the termination of the Debtors' businesses and the use of Chapter 7 for purposes of the hypothetical liquidation. Any remaining net cash would be distributed to creditors and equity holders in accordance with priority.

A separate liquidation analysis of each Debtor has not been prepared because an analysis on a Debtor-by-Debtor basis would be impractical and costly because: (i) the secured creditors' claims and liens are against all of the Debtors' material assets; (ii) the recovery value on Secured Claims (as defined below) is low; and (iii) the secured creditors could permanently take possession of their collateral. The secured claims include: priority real property tax claims, the DIP financing claim, the bridge loan claim, and the secured notes claims (collectively the "Secured Claims")

Estimating recoveries in a Chapter 7 case is an uncertain process, and actual recovery values to creditors may be higher or lower than those presented in this analysis. The Debtors make no assurances regarding a Chapter 7 Trustee's ability to attain these results.

Based on the analysis, secured creditors do not recover their claims in full, and since all assets are encumbered, unsecured creditors receive no recovery on their claims.

### **Asset Assumptions**

This analysis assumes that a single Chapter 7 Trustee liquidates the assets. If multiple trustees were appointed, it would increase costs and reduce recoveries. Note that all values provided below are gross of the costs of liquidation as of an assumed liquidation date of August 15, 2012. Further, the analysis has been prepared with illustrative "higher" and "lower" recovery values where a range of values could reasonably be estimated.

A. Cash. The estimated recovery for this asset is 100%.

B. Cash, Restricted. Restricted cash represents cash deposits held by alcoholic beverage vendors. Since all liquor is paid for in advance, it is assumed that these funds would be returned to the Debtors by the vendors. The estimated recovery for this asset is 100%. Proceeds are collateral of secured creditors.

C. Certificate of Deposit. The Debtors' Certificate of Deposit ("CD") is collateral for a letter of credit. This analysis assumes that the letter of credit is drawn and the issuer forecloses upon the CD and would go to partially satisfy the claims of these lenders. The estimated recovery for this asset is 100%.

D. Accounts/ Member receivable. The analysis assumes that all accounts receivable are sold to the buyer as part of the transaction described in item G (Property and equipment) below. The consideration received as part of that sale includes the value for the accounts receivable.

E. Prepaid expenses. This asset is comprised primarily of prepaid construction costs and prepayments to vendors.

F. Inventory. The inventory includes food at restaurants, and golf and fitness apparel in retail shops. At closing the food and alcohol inventory will either be destroyed or sold at a reduced price. Golf and fitness apparel will be sold at a reduced price. The estimated higher and lower recovery for this asset is 75% and 25% of book value, respectively.

G. Property and equipment, net. This asset category includes the land, buildings, equipment, and other facilities owned by the Debtors, all of which are encumbered. The amount recorded on the Debtors' books is the depreciated cost. The estimated recovery in a sale transaction ranges from \$6.5 million (lower) to \$8.1 million (higher) based on the Debtors' recent profitability to a buyer who would operate the six clubs presently open.

H. Notes receivable, membership. Notes receivable are amounts due from current and former members who agreed to pay their membership deposits over time. For this analysis it is assumed that the notes are sold to the buyer described in item G (above). The consideration received as part of that sale includes the value for the accounts receivable.

I. Other receivables, primarily from owner. This asset represents amounts owing to the Debtors from their affiliates. The value of this asset is zero due to: (i) the inability of the respective obligors to pay their debts as they become due; and (ii) the unsecured nature of these receivables when all assets of the respective obligors are encumbered.

There may be various causes of action pursued by a Chapter 7 Trustee. Recoveries from any potential causes of action have not been estimated and such estimation would require substantial additional analysis.

#### **Claim Assumptions**

Chapter 7 Administrative Claims include fees that would be payable to the Trustee, inclusive of any statutory commission, and Trustee's counsel related to the liquidation. It includes 10 days of payroll to prevent assets being abandoned or lost to the Trustee.

Priority Tax Claims include pre-petition and post-petition priority real property tax claims that are senior to secured and unsecured claims.

DIP Facility Claims are the amounts borrowed during the course of the Chapter 11 through a Debtor in Possession ("DIP") credit facility. These claims have super-priority status in the amount of \$7.8 million including fees and costs.

Bridge Loan Claim includes the bridge loan and related fees and costs.

Chapter 11 Administrative Claims include claims incurred during the administration of the Chapter 11 cases that are senior to unsecured claims.

General Unsecured Claims include third-party accounts payable, contract rejection claims and obligations under unsecured leases and contracts.

Member Initiation Deposit Claims include the refundable contingent membership initiation deposit claims discounted to their estimated net present value.

Intercompany and Insider Claims. This analysis assumes that intercompany and insider claims are nullified.

[SEE ATTACHED TABLES]

### **Conclusion**

The Debtors have determined that conformation of the Plan would provide each holder of claims or interests with a recovery that is not less than such holder would receive pursuant to a liquidation of the Debtors under Chapter 7 of the Bankruptcy Code.

All Amounts (\$000's)

Asset	Est. Book Value as of 8/15/2012	Higher		Lower	
		Recovery to DIP Lender and Secured Creditors	Recovery in Excess of Secured	Recovery to DIP Lender and Secured Creditors	Recovery in Excess of Secured
A	\$ 148	\$ 148	\$ -	\$ 148	\$ -
B	63	63	-	63	-
C	183	183	-	183	-
D	4,465	-	-	-	-
E	727	300	-	100	-
F	649	486	-	162	-
G	119,464	8,123	-	6,498	-
H	3,719	-	-	-	-
I	5	-	-	-	-
Other receivables, primarily from owner	42,046	-	-	-	-
Total	\$ 171,467	\$ 9,303	\$ -	\$ 7,154	\$ -
Claim	Amount	Recovery	Recovery %	Recovery	Recovery %
Chapter 7 Administrative Claims	\$ 1,165	\$ 1,165	100%	\$ 1,101	100%
Priority Tax Claims	1,943	1,943	100%	1,943	53%
DIP Facility Claim	7,771	6,194	80%	4,110	0%
Bridge Loan Claim	2,292	-	0%	-	0%
Letter of Credit	183	-	0%	-	0%
Secured Notes	73,532	-	0%	-	0%
Mechanics Liens	1,500	-	0%	-	0%
Chapter 11 Administrative Claims	170	-	0%	-	0%
General Unsecured Claims	8,993	-	0%	-	0%
Member Initiation Deposit Claims	21,800	-	0%	-	0%
Total	\$ 119,349	\$ 9,303		\$ 7,154	