

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF SOUTH CAROLINA**

Case Number: 12-01220-jw

**STIPULATION AND CONSENT ORDER BY AND AMONG
THE DEBTORS, THE PLAN SPONSOR, AND BRUCE CASSIDY, JR.**

The relief set forth on the following pages, for a total five (5) pages including this page is hereby **ORDERED**.

**FILED BY THE COURT
08/09/2012**



Entered: 08/10/2012

A handwritten signature in cursive script that reads "John E. Waites". The signature is written in black ink and is positioned above a horizontal line.

Chief US Bankruptcy Judge
District of South Carolina

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF SOUTH CAROLINA**

In re) **Chapter 11**
)
The Cliffs Club & Hospitality Group,) **Case No: 12-01220**
Inc., et al., d/b/a The Cliffs Golf &)
Country Club,¹) **Jointly Administered**
)
) **Re: Docket No. 479, 630, 632, 644**
)
Debtors.)

**STIPULATION AND CONSENT ORDER BY AND AMONG
THE DEBTORS, THE PLAN SPONSOR, AND BRUCE CASSIDY, JR.**

The Debtors, the Plan Sponsor, and Bruce Cassidy, Jr. ("Cassidy", and together with the Debtors and the Plan Sponsor, the "Parties") enter into this Stipulation and Consent Order² through their respective counsel, for the reasons set forth below:

RECITALS

1. On February 28, 2012, the Debtors filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the "Bankruptcy Code").

2. On July 2, 2012, the Debtors filed the Plan, as supplemented [D.I. 479] and its *First Amended And Restated Disclosure Statement To Accompany First Amended And Restated Joint Chapter 11 Plan Filed By The Debtors And The Plan Sponsor Dated June 30, 2012* (the "Disclosure Statement") [D.I. 480].

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

² Capitalized terms not defined herein are intended to have the meaning ascribed to them in the Plan and Disclosure Statement.

3. On July 27, 2012, the Debtors filed the Second Plan Supplement to the Plan [D.I. 616] and the Amendment to the Plan [D.I. 617].

4. The Debtors originally identified Cassidy as a party in interest in the above-captioned proceeding as a counterparty to an executory contract with the Debtors, but the Debtors since amended Schedule G of The Cliffs at High Carolina Golf & Country Club, LLC [D.I. 644] to delete Cassidy's honorary membership agreement from the list of the Debtors' executory contracts, consistent with the Debtors' rights reserved by the Global Notes to Debtors' Schedules of Assets and Liabilities and Statements of Financial Affairs. Pursuant to the April 14, 2008 Founder's Program Agreement (the "Agreement"), a copy of which is attached to the Objection, Cassidy is a participant in the Founder's Program (the "Program") at The Cliffs at High Carolina Golf & Country Club ("The Club at High Carolina"). The Agreement was executed by Cassidy and The Cliffs at High Carolina, LLC, a non-debtor affiliate of the Debtors, and not by any of the Debtors. The Debtors' deletion of Cassidy's honorary membership agreement from the Debtors' list of executory contracts clearly shows, and the Parties agree, that neither such honorary membership agreement nor the Agreement falls within the definition of a Club Membership Agreement³ under the Plan.

5. Pursuant to the Agreement, Cassidy made a \$2,000,000 payment to a non-debtor affiliate, The Club at High Carolina, in connection with the Program in exchange for: (i) a lifetime Honorary Club Membership in the Club at High Carolina (the "Honorary Club Membership"); (ii) the right to purchase certain real estate that would include a \$2.5 million homesite credit at the first Tiger Woods' designed golf course in North America – being, The Club at High Carolina; and (iii) benefits and opportunities associated with a golf and country club membership at the The Club at High Carolina.

³ The Plan defines "Club Membership Agreements" as all agreements entered into by one of more or 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.

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6. Cassidy maintains that: (i) the precise terms that Cassidy bargained for never materialized; (ii) The Club at High Carolina and the residential real estate contemplated under the Agreement were never developed; and (iii) Cassidy has not realized any meaningful benefit in exchange for the \$2,000,000 actually paid by Cassidy pursuant to the Agreement.

7. On or about May 31, 2012, Cassidy filed a secured claim against the Debtors in the amount of \$2,600,000.00 (the "Cassidy Claim"). The claim was assigned as claim number 1148 by the Claims Agent.

8. The Debtors filed an Objection to the Cassidy Claim on July 20, 2012 [D.I. 588].

9. Cassidy filed an Objection to the Plan on August 1, 2012 [D.I. 630], as amended on August 2, 2012. [D.I. 632] (the "Objection").

10. The Debtors filed a response to the Objection on August 3, 2012 [D.I. 644].

STIPULATION

11. After discussion among the Parties and in consideration of the foregoing, the Parties hereby stipulate as follows:

a) The Parties hereby agree that the Agreement is not a contract between the Debtors and Cassidy, and therefore, is not an executory contract subject to rejection as a Club Membership Agreement under the Plan.

b) The Parties hereby agree that Cassidy is not a creditor of the Debtors' estates.

c) The Parties hereby agree that by entering into this Stipulation, Cassidy shall not be construed to have waived or impaired any arguments and/or defenses regarding any and all claims in connection with any of the non-debtor affiliates, including but not limited to The Cliffs at High Carolina, LLC, The Cliffs Communities, Inc., James B. Anthony, Waterfall Investment Group, Longview Land Company, LLC, and Longview Land Company II, LLC, and therefore

Cassidy hereby expressly preserves any and all rights he currently has or may have in the future with respect to such non-debtor affiliates.

d) The Parties hereby agree that the terms contained herein resolve any and all claims Cassidy has or may have against the Debtors and the Plan Sponsor, expressly including the Cassidy Claim, which Cassidy hereby withdraws, as well as any and all claims the Debtors and Plan Sponsor have or may have against Cassidy. Furthermore, the Parties agree that the terms contained herein resolve Cassidy's Objection to the Plan, which Objection Cassidy hereby withdraws. The Debtors and the Plan Sponsor agree not to contest any claims or rights Cassidy may have against The Cliffs at High Carolina, LLC.

STIPULATED AND AGREED TO BY AND AMONG:

Dated: August 4, 2012

MCKENNA LONG & ALDRIDGE LLP

THORP REED & ARMSTRONG, LLP

/s/ Gary W. Marsh
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*Counsel to the Debtors and Debtors
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Counsel to Bruce Cassidy, Jr.

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Counsel to the Plan Sponsor

Certificate of Notice Page 6 of 7
United States Bankruptcy Court
District of South Carolina

In re:
The Cliffs Club & Hospitality Group, Inc
Debtor

Case No. 12-01220-jw
Chapter 11

CERTIFICATE OF NOTICE

District/off: 0420-7

User: brooks
Form ID: pdf01

Page 1 of 2
Total Noticed: 4

Date Rcvd: Aug 10, 2012

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Aug 12, 2012.

db	+The Cliffs Club & Hospitality Group, Inc.,	3598 Highway 11,	Travelers Rest, SC 29690-3598
aty	+Gary W Marsh,	McKenna Long & Aldridge LLP,	303 Peachtree Street NE, Suite 5300,
		Atlanta, GA 30308-3265	
aty	+John J. Monaghan,	Holland & Knight, LLP,	10 St. James Avenue, Boston, MA 02116-3889
aty	Patrick W Carothers,	Thorp Reed & Armstrong, LLP,	301 Grant Street 14th Floor,
		Pittsburg, PA 15219-1425	

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.
NONE. TOTAL: 0

***** BYPASSED RECIPIENTS *****

NONE. TOTAL: 0

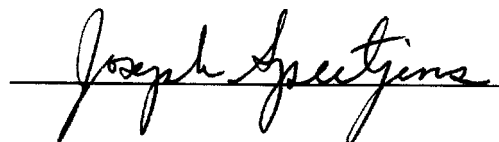
Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.
USPS regulations require that automation-compatible mail display the correct ZIP.

I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 9): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Aug 12, 2012

Signature:



District/off: 0420-7

User: brooks
Form ID: pdf01

Page 2 of 2
Total Noticed: 4

Date Rcvd: Aug 10, 2012

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on August 10, 2012 at the address(es) listed below:

A. Todd Darwin on behalf of Creditor Georgia Bridge & Dock, Inc. tdarwin@holcombebomar.com, rmitchell@holcombebomar.com
B. Lindsay Crawford on behalf of Creditor Rodolfo Stern and Tania Stern wayne@crawfordvk.com, lindsay@crawfordvk.com
BMC Group, Inc. bmc-cliffs@bmcgroup.com
Barbara George Barton on behalf of Creditor Daniel & Catherine Goldberg bbarton@bartonlawsc.com, cbrimm@bartonlawsc.com;pmohan@bartonlawsc.com;afloyd@bartonlawsc.com;khandrock@bartonlawsc.com;phunt@bartonlawsc.com
Bryan E. Bates on behalf of Debtor The Cliffs Club & Hospitality Group, Inc. bbates@mckennalong.com, krohling@mckennalong.com
Charles W Azano on behalf of Creditor Wells Fargo Bank, National Association cwazano@mintz.com
Dana Elizabeth Wilkinson on behalf of Debtor CCHG Holdings, Inc. danawilkinson@charter.net, dwecfmail@gmail.com
Daniel S Bleck on behalf of Creditor Wells Fargo Bank, National Association dsbleck@mintz.com
Elizabeth J. Philp on behalf of Creditor Wells Fargo Bank, National Association lphilp@mcnair.net, rmobley@mcnair.net
Fair Harbor Capital, LLC vknox.fh@verizon.net
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James E. Sterling on behalf of Attorney Daniel McCollum sterling@smithjordan.com
James W. Sheedy on behalf of Creditor GE Capital jimsheedy@driscollsheedy.com, sdriscoll@driscollsheedy.com
Jane H. Downey on behalf of Creditor William & Flonnie Shaw jane@mttlaw.com, jessica@mttlaw.com;corey@mttlaw.com
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Jonathan B Alter on behalf of Interested Party Unsecured Creditors Committee jonathan.alter@bingham.com, linda.miller@bingham.com
Joseph F. Buzhardt on behalf of U.S. Trustee US Trustee's Office USTPRegion04.CO.ECF@usdoj.gov, robert.b.doyle@usdoj.gov
Julio E. Mendoza on behalf of Interested Party Carlile Development Company, LLC rmendoza@nexsenpruet.com, ecf@nexsenpruet.com
Linda Barr on behalf of U.S. Trustee US Trustee's Office linda.k.barr@usdoj.gov
Louise M. Johnson on behalf of Creditor William and Elaine Clear cjohnson@hsblawfirm.com, chaffer@hsblawfirm.com
Malinda McAleer Pennington on behalf of Creditor Hawkins Nursery nef@mcaleerpennington.com
Michael Kevin McCarrell on behalf of Creditor Helena Chemical Company kevin.mccarrell@smithmoorelaw.com, betty.ward@smithmoorelaw.com;kim.harmstad@smithmoorelaw.com
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Nancy E. Johnson on behalf of Creditor NewLife Turf, Inc. nej@njohnson-bankruptcy.com, notices4nej@njohnson-bankruptcy.com
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Thomas L. Ogburn on behalf of Creditor TCF Equipment Finance, Inc. togburn@poynerspruill.com, dfurr@poynerspruill.com
Tobias G. Ward on behalf of Creditor Worthington Hyde Partners-II, L.P. tw@tobywardlaw.com
Townes B. Johnson on behalf of Creditor Morgan Concrete Co. johnson@conlaw.com, moser@conlaw.com;townesjohnson@gmail.com
US Trustee's Office USTPRegion04.CO.ECF@usdoj.gov
William L Rothschild on behalf of Interested Party Carlile Development Company, LLC br@orrem.com

TOTAL: 36