

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

**In re:**

**The Cliffs Club & Hospitality Group, Inc., *et al.*,<sup>1</sup> d/b/a The Cliffs Golf & Country Club,**

**Debtors.**

**CHAPTER 11**

**Case No. 12-01220**

**Jointly Administered**

**DEBTORS' MOTION PURSUANT TO BANKRUPTCY RULE 9019 TO APPROVE  
COMPROMISE WITH LEONARD HERB, ANNE MARIE CHEN SEE, CONSTANCE  
GLAVIN, TOM CRAIN, DAN HALLMAN, DIANE HALLMAN, MARK AND MARY  
MCCLAIN, PAUL AND MARILYN JONES, THOMAS AND SUZANNE KENNEDY,  
LANE AND SUSAN LAND, DAVID AND JOYCE GOMER, TIM AND PAULA  
SIVORE, RICHARD AND DEBRA PAPPY, JOHN AND MARGARET BROOKS,  
DUANE AND CHRISTINE LEET, BILL AND NOREEN BACHMAN, PAUL AND  
ELIZABETH BERNARD, DOUGLAS LEWIS, LINDA LANDCASTER AND JACK  
AND ELSIE BALLINGER**

COME NOW 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"), by and through undersigned counsel, and pursuant to Bankruptcy Rule 9019 hereby file this motion (the "Motion") for an order approving a compromise between the Debtors and certain former club members as set forth in that certain Settlement Agreement, namely Leonard Herb, Anne Marie Chen See, Constance Glavin, Tom Crain, Dan Hallman,

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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).

Diane Hallman, Mark McClain and Mary McClain, Paul and Marilyn Jones, Thomas and Suzanne Kennedy, Lane and Susan Land, David and Joyce Gomer, Tim and Paula Sivore, Richard and Debra Pappy, John and Margaret Brooks, Duane and Christine Leet, Bill and Noreen Bachman, Paul and Elizabeth Bernard, Douglas Lewis, Linda Landcaster, and Jack and Elsie Ballinger (collectively, the “Former Members”), respectfully stating as follows:

### **JURISDICTION AND VENUE**

1. This Court has jurisdiction to consider this Motion under 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue of these Chapter 11 cases and this Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

### **BACKGROUND**

2. On February 28, 2012 (the “Petition Date”), the Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code.

3. On March 12, 2012, the United States Trustee appointed the Official Committee of Unsecured Creditors (the “Committee”) in these Chapter 11 cases pursuant to that certain Fourth Amended Appointment of Committee of Unsecured Creditors [Docket Entry No. 141]. No trustee or examiner has been appointed in these Chapter 11 cases.

4. The Debtors are authorized to operate their businesses as debtors-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

5. A description of the Debtors’ businesses, the reasons for filing these Chapter 11 cases, and the relief sought from this Court to allow for a smooth transition into operations under Chapter 11 are set forth in the Declaration of Timothy P. Cherry in Support of First Day Motions (the “Cherry Declaration”), which has been filed with the Court [Dkt No. 44].

6. On July 2, 2012, the Debtors filed the First Amended and Restated Joint Chapter 11 Plan filed by the Debtors and the Plan Sponsor [Dkt No. 479] (the “Plan”) and 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 [Dkt No. 480] (the “Disclosure Statement”).

7. On July 27, 2012, the Debtors filed the Statement of Changes Made by Amendment to the First Amended and Restated Joint Chapter 11 Plan Filed by the Debtors and the Plan Sponsor dated June 30, 2012 [Dkt No. 616].

### **REQUESTED RELIEF**

8. The Debtors claim that the Former Members owe the Debtors certain unpaid dues, including a \$400 special assessment (the “Special Assessment”) that was imposed against the Former Members in 2011. The Former Members dispute that they owe the \$400 Special Assessment and certain unpaid dues. Certain of the Former Members commenced a lawsuit before the Petition Date in the Court of Common Pleas, County of Greenville, South Carolina, Case No. 2012-CP-23-761 against, among others, the Debtors (the “Lawsuit”) in which the plaintiffs sought, *inter alia*, a declaratory judgment that both the Special Assessment and the change in the terms of how members could resign from the Debtors’ clubs was improper under the terms of their membership agreements with the Debtors. The Former Members and the Debtors have reached a compromise of the disputes contained in the Lawsuit, as evidenced by the Settlement Agreement, a copy of which is attached hereto as Exhibit “A” that is expressly subject to approval of this Court.

9. Pursuant to the Settlement Agreement: (i) the Debtors have agreed to waive any claims against the Former Members with regard to unpaid dues; (ii) the Former Members have agreed to waive any claims against the Debtors with regard to any dues that they have already paid to the Debtors; (iii) any Former Member who did not pay the Special Assessment agrees that the Debtors may set off the \$400 Special Assessment (or such lesser amount to the extent

that an amount less than \$400 was owed by the Former Member) against any claims of the Former Member with regard to the initiation deposit paid by the Former Member; (iv) the Debtors expressly reserve the right to review and object to any claims of the Former Members and to estimate such claims, and the Former Members expressly reserve all of their rights to oppose any such objection or estimation; (v) the Former Members agree not to oppose or object to the Plan and agree not to cast a vote against confirmation of the Plan; and (vi) the parties agree that the Former Members are eligible to be either “Accepting Club Members” or “Rejecting Club Members” as defined in the Plan and the treatment of their claims shall be governed by the terms of the Plan.

**BASIS FOR RELIEF REQUESTED**

10. Rule 9019(a) of the Federal Rules of Bankruptcy Procedure allows the Debtors to enter into a compromise with the approval of the Court after notice and a hearing. As stated by the Fourth Circuit Court of Appeals in the case of In re Bond, 16 F.3d 408, 1994 WL 20107, \*3 (4th Cir., Jan. 26, 1994): “To minimize litigation and expedite the administration of a bankruptcy estate, ‘[c]ompromises are favored in bankruptcy.’ 9 Collier on Bankruptcy ¶ 9019.013[1] 15<sup>th</sup> ed. 1993). ... [T]he bankruptcy court must employ its ‘informed, independent judgment’ to determine whether the settlement is both ‘fair and equitable.’ Protective Committee for Independent Stockholders of TMT Trailer Ferry, Inc. v. Anderson, 390 U.S. 414, 424 (1968).” As stated by this Court in the case of In re Roman, C/A No. 04-13373-JW, slip op. at 3 and 4 (Bankr. D.S.C. October 4, 2006): “The following factors are considered in determining whether to approve a proposed compromise: 1) the probability of success on the merits, 2) the collectability of a resulting judgment, 3) the complexity, expense, inconvenience and delay attendant to continue the litigation; and 4) the interest of creditors. See Campbell v. Buchanan, C/A No. 99.09817-W Adv. Pro. No. 00-80057-W, slip op. at 6 (Bankr. D.S.C.

August 17, 2000). Trustee bears the burden of proof in demonstrating that the settlement is in the best interest of the estate. See In re McNAllen, 197 B.R. 215, 221 (Bankr. E.D. Va. 1995).”

11. Applying these four factors to the compromise at issue, the Debtors believe the settlement should be approved. The Debtors believe that they would prevail on the issues raised in the Lawsuit, but the matter is not free of doubt. If the Debtors prevail, it is not clear they could recover any judgment they obtain against the Former Members. The complexity, expense, inconvenience and delay attendant to continued litigation of the Lawsuit far outweighs any benefit the Debtors can receive at this point from the Former Members. Finally, the settlement is in the best interests of the creditors of the Debtors’ estates.

12. In sum, the compromise should be approved in accordance with the proposed Order that is attached hereto as Exhibit “B”.

### **NOTICE**

13. No trustee or examiner has been appointed in these Chapter 11 cases. Notice of this Motion will be served pursuant to the Order Establishing Certain Notice, Case Management and Administrative Procedures [Dkt No. 121], and upon counsel for the Former Members. The Debtors submit that, under the circumstances, no other or further notice is required.

### **NO PREVIOUS REQUEST**

14. No previous request for the relief sought in this Motion has been made by the Debtors to this Court or any other court.

WHEREFORE, the Debtors respectfully request entry of an order: (i) granting the Motion, (ii) approving the compromise, and (ii) granting the Debtors such other and further relief as is just and proper.

Dated: August 16, 2012

Respectfully submitted,

/s/ Däna Wilkinson

Däna Wilkinson  
District Court I.D. No. 4663  
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-and-

/s/ J. Michael Levengood

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Georgia Bar No. 471290  
J. Michael Levengood  
Georgia Bar No. 447934  
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*Attorneys for the Debtors and Debtors in Possession*

**EXHIBIT A**

**SETTLEMENT AGREEMENT**

**SETTLEMENT AGREEMENT**

This Settlement Agreement is made and entered into by and between Katie Goodman as the Chief Restructuring Officer for the bankruptcy estates of 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 Services Company, LLC (collectively the “Debtors”), and Leonard N. Herb, Anne Marie Chen See, Constance M. Glavin, Tom and Kristin Crain, Dan and Diane Hallman, Mark and Mary McLain, J. Paul and Marilyn M. Jones, Thomas G. and Suzanne L. Kennedy, Lane and Susan Land, David W. and Joyce M. Gomer, Tim and Paula Sivore, Richard W. and Debra C. Pappy, John and Margaret Brooks, Duane and Christine Leet, Bill and Noreen Bachman, Paul E. and M. Elizabeth Bernard, Douglas R. Lewis, Linda D. Landcaster, and Jack R. and Elsie F. Ballinger (collectively, the “Former Members”).

**WHEREAS**, on February 28, 2012, the Debtors commenced voluntary bankruptcy cases in the United States Bankruptcy Court for the District of South Carolina, Spartanburg Division (the “Bankruptcy Court”) case numbers 12-01220, 12-01223, 12-01225, 12-01226, 12-01227, 12-01229, 12-01230, 12-01231, 12-01234, 12-01236 and 12-01237 under Chapter 11 of the Bankruptcy Code (the “Bankruptcy Proceeding”);

**WHEREAS**, the Debtors claim that the Former Members owe the Debtors certain unpaid dues, including a \$400.00 special assessment that was imposed against the Former Members in 2011 (hereinafter, the “Special Assessment”);

**WHEREAS**, prior to commencement of the Bankruptcy Proceeding certain of the Former Members commenced a lawsuit in the Court of Common Pleas, County of Greenville, Case No. 2012-CP-23-761 against, among others, the Debtors (the "Lawsuit");

**WHEREAS**, the plaintiffs in the Lawsuit sought, inter alia, a declaratory judgment that the Special Assessment was improper under the terms of their membership agreements with the Debtors;

**WHEREAS**, on or about June 30, 2012, the Debtors filed a First Amended and Restated Joint Chapter 11 Plan filed by the Debtors and the Plan Sponsor, as may be further amended (the "Plan");

**NOW, THEREFORE**, in consideration of the premises, the mutual obligations and undertakings set forth hereunder, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned parties hereby agree in this Settlement Agreement (this "Agreement") as follows:

1. **Dismissal of Lawsuit.**

Upon Bankruptcy Court approval, the Former Members shall file a Notice of Dismissal With Prejudice of the Lawsuit with each party to bear its own attorneys' fees and costs in the form attached hereto as Exhibit A.

2. **Waiver of Claims.**

(a) The Debtors hereby waive any claims against the Former Members with respect to unpaid dues.

(b) The Former Members hereby waive any claims against the Debtors with respect to any dues they have already paid to the Debtors.

(c) Any Former Member who did not pay the Special Assessment agrees that the Debtors may set off the \$400.00 Special Assessment (or such lesser amount to the extent that an amount less than \$400 was owed by the Former Member) against any claims of the Former Member with respect to initiation deposits previously paid by the Former Member.

(d) The Debtors expressly reserve the right to review and object to any claims of the Former Members and to estimate such claims and the Former Members expressly reserve all of their rights to oppose any such objection or estimation.

3. **The Plan.** The Former Members agree not to oppose or object to the Plan on any basis whatsoever. The Former Members agree not to cast a vote against confirmation of the Plan. The Former Members are eligible to be either: "Accepting Club Members"; or "Rejecting Club Members" as defined in the Plan and the treatment of their claims shall be governed by the terms of the Plan.

4. **Miscellaneous.**

(a) **Successors and Assigns.** Whenever in this Agreement any party is named or referred to, the heirs, executors, legal representatives, successors, successors-in-title and assigns of such parties shall be included, and all covenants and agreements contained in this Agreement shall bind and inure to the benefit of their respective heirs, executors, legal representatives, successors, successors-in-title and assigns, whether so expressed or not.

(b) **Construction of Agreement.** The Debtors and Former Members and each of them, acknowledge: (i) that each of them has participated in the negotiation of this Agreement and that no provision of this Agreement shall be construed against or interpreted to the disadvantage of any party hereto or thereto by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured, dictated or drafted

such provision; (ii) that each of them have at all times had access to an attorney in the negotiation of the terms of and in the preparation and execution of this Agreement, and that each of them has had the opportunity to review and analyze this Agreement for a sufficient period of time prior to the execution and delivery hereof and thereof; (iii) that no representations or warranties have been made by Former Members or relied upon by the Trustee pertaining to this settlement, other than those that are expressly set forth in this Agreement, and that all prior statements, representations and warranties, if any, are totally superseded and merged into this Agreement, which represents the final and sole unambiguous agreement of the parties with respect to the settlement which is the subject hereof; (iv) that all of the terms of this Agreement were negotiated at arms-length, and that this Agreement was prepared and executed without fraud, duress, mistake, undue influence or coercion of any kind exerted by any of the parties upon the others; and (v) that the execution and delivery of this Agreement is the free and voluntary act of the Debtors and Former Members.

(c) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina.

(d) Headings. The headings of the articles, paragraphs and subparagraphs of this Agreement are for the convenience of reference only, are not to be considered a part hereof, and shall not limit or otherwise affect any of the terms hereof.

(e) No Admissions. This Agreement has been negotiated and entered into as a settlement and compromise of claims, which shall inure to the benefit of all parties hereto but shall not constitute or be construed as an admission by any party hereto of the validity, invalidity or extent of any such claims, or a waiver or admission of any party as to any other matter.

(f) Modifications. The terms of this Agreement may not be changed, waived, discharged or terminated orally, but only by an instrument or instruments in writing, signed by the party against which enforcement of the change, waiver, discharge or termination is asserted.

(g) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which taken together shall constitute one agreement. This Agreement may be executed and delivered by facsimile transmission, the parties hereto intending that faxed signatures shall constitute original signatures.

(h) Confidential. The Debtors and Former Members agree to keep this Agreement strictly confidential.

5. Bankruptcy Court Approval. This Agreement shall not be enforceable until such time as the Bankruptcy Court enters an order approving this Agreement. Debtors agree to file a motion to approve this Agreement on or before August 20, 2012. If for any reason the Bankruptcy Court does not approve this Agreement, the Former Members reserve the right to file a motion to lift the automatic stay to proceed with the Lawsuit and/or to file an adversary proceeding in order to determine the rights of the Former Members with respect to the issues raised in the Lawsuit and the Debtors reserve the right to contest any such motion or adversary proceeding.

IN WITNESS WHEREOF, the Debtors and Former Members have either executed this Agreement or caused their respective authorized representatives to execute this Agreement on their behalf as of this 16th day of August, 2012.

[Signatures Continued on Following Page]

**IN THE COURT OF COMMON PLEAS  
STATE OF SOUTH CAROLINA  
COUNTY OF GREENVILLE**

**Leonard N. Herb, Anne Marie Chen See,  
Constance M. Glavin, Tom Crain, Kristin  
Cain, Dan Hallman, Diane Hallman, Mark  
McLain, and Mary McLain,**

**Plaintiff(s)**

**Civil Action File No. 2012-CP-23-761**

**The Cliffs Communities, Inc., The Cliffs Club  
& Hospitality Group, Inc., The Cliffs at  
Glassy Golf & Country Club, LLC, and the  
Cliffs Golf & Country Club, Inc.,**

**Defendant(s)**

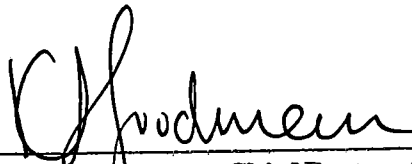
**NOTICE OF DISMISSAL WITH PREJUDICE**

NOW COMES Leonard N. Herb, Anne Marie Chen See, Constance M. Glavin, Tom Crain, Kristin Cain, Dan Hallman, Diane Hallman, Mark McLain and Mary McLain (collectively referred to as "Plaintiffs"), by and through their undersigned counsel, and hereby dismiss the above-styled action with prejudice.

This \_\_\_\_ day of \_\_\_\_, 2012.

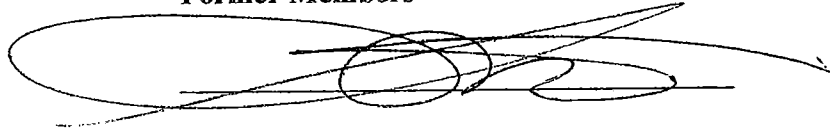
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Sara Day Hurley (SC Bar No. 16241)  
P. O. Box 1509  
Greenville, SC 29602  
(864) 552-4651 (direct dial)  
(864) 282-5965 (direct fax)  
[shurley@turnerpadget.com](mailto:shurley@turnerpadget.com)

**ATTORNEYS FOR PLAINTIFFS**



Katie Goodman as Chief Restructuring Officer for 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 Services Company, LLC. solely in her representative capacity and not individually

**Former Members**

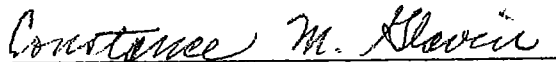


Leonard N. Herb



Anne Marie Chen See

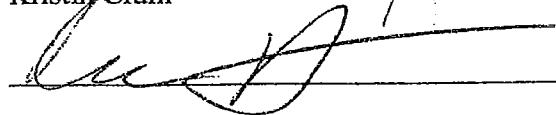
Constance M. Glavin



Tom Crain



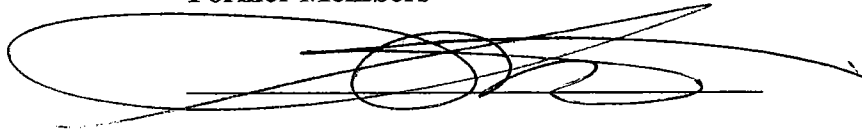
Kristin Crain



Dan Hallman

**Katie Goodman as Chief Restructuring Officer for 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 Services Company, LLC. solely in her representative capacity and not individually**

**Former Members**

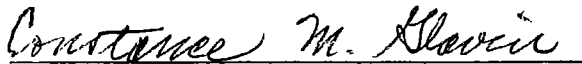


Leonard N. Herb

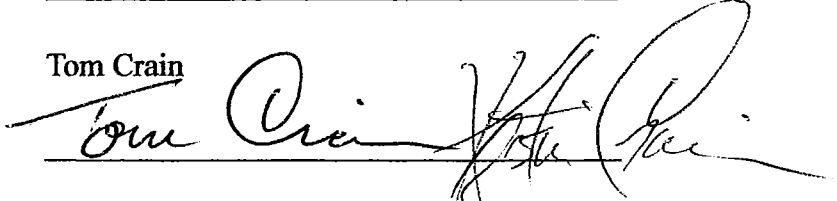


Anne Marie Chen See

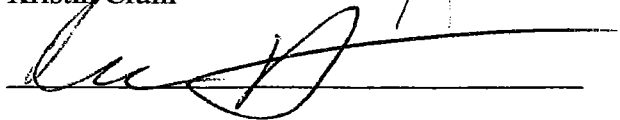
Constance M. Glavin



Tom Crain



Kristin Crain



Dan Hallman

**Katie Goodman as Chief Restructuring Officer for 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 Services Company, LLC. solely in her representative capacity and not individually**

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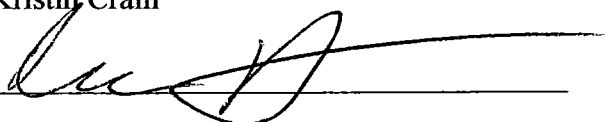
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**Former Members**

Leonard N. Herb

Anne Marie Chen See

Constance M. Glavin

Tom Crain

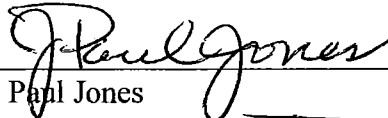
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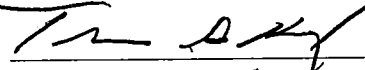
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J. Paul Jones

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Marilyn M. Jones

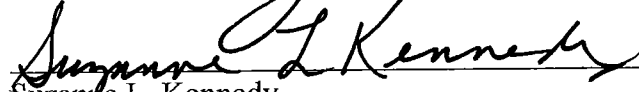
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Suzanne L. Kennedy

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Lane Land

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Susan Land

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David W. Gomer

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Joyce M. Gomer

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Tim Sivore

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Richard W. Pappy

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Debra C. Pappy

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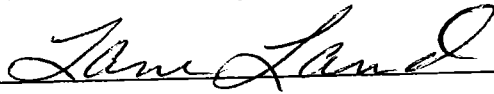
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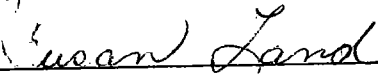
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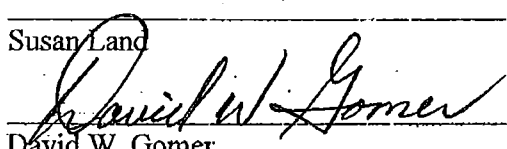
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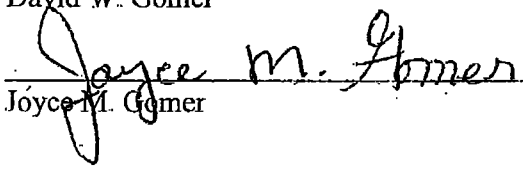
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John Brooks

Margaret Brooks

Duane Leet

Christine Leet

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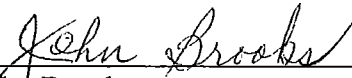
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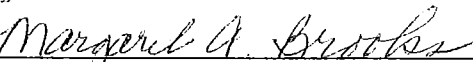
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Debra C. Pappy

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John Brooks

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Margaret Brooks

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Duane Leet

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Christine Leet

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John Brooks

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Margaret Brooks

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Duane Leet

*Duane Leet*

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Christine Leet

*Christine M. Leet*

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Bill Bachman

*Bill Bachman*

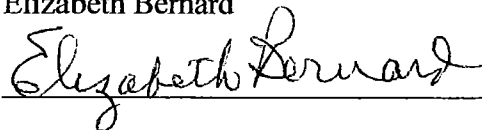
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Noreen Bachman

*Noreen Bachman*

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Paul E. Bernard

*Paul E. Bernard*

Elizabeth Bernard



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Douglas R. Lewis

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Linda D. Landcaster

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Jack R. Ballinger

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Elsie F. Ballinger

Bill Bachman

Noreen Bachman

Paul E. Bernard

Elizabeth Bernard

Douglas R. Lewis

Linda D. Lancaster

Jack R. Ballinger

Elsie F. Ballinger

Christine Leet

Bill Bachman

Noreen Bachman

Paul E. Bernard

Elizabeth Bernard

Douglas R. Lewis

Linda D. Landcaster

Jack R. Ballinger

Elsie F. Ballinger

Leonard N. Herb, Anne Marie Chen See,  
Constance M. Glavin, Tom Crain, Kristin  
Cain, Dan Hallman, Diane Hallman, Mark  
McLain, and Mary McLain,

Civil Action File No. 2012-CP-23-761

**EXHIBIT B**

**PROPOSED ORDER**

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

Case No. 12-01220

**ORDER GRANTING DEBTORS' MOTION  
PURSUANT TO BANKRUPTCY RULE 9019  
TO APPROVE COMPROMISE WITH LEONARD HERB, ANNE MARIE CHEN SEE,  
CONSTANCE GLAVIN, TOM CRAIN, DAN HALLMAN, DIANE HALLMAN,  
MARK AND MARY MCCLAIN, PAUL AND MARILYN JONES, THOMAS AND  
SUZANNE KENNEDY, LANE AND SUSAN LAND, DAVID AND JOYCE GOMER,  
TIM AND PAULA SIVORE, RICHARD AND DEBRA PAPPY, JOHN AND  
MARGARET BROOKS, DUANE AND CHRISTINE LEET, BILL AND NOREEN  
BACHMAN, PAUL AND ELIZABETH BERNARD, DOUGLAS LEWIS, LINDA  
LANDCASTER AND JACK AND ELSIE BALLINGER**

The relief set forth on the following pages, for a total of 3 pages including this page, is hereby **ORDERED**.

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

**In re:**

**The Cliffs Club & Hospitality Group, Inc., *et al.*,<sup>1</sup> d/b/a The Cliffs Golf & Country Club,**

**Debtors.**

**CHAPTER 11**

**Case No. 12-01220**

**Jointly Administered**

**ORDER GRANTING DEBTORS' MOTION  
PURSUANT TO BANKRUPTCY RULE 9019  
TO APPROVE COMPROMISE WITH LEONARD HERB, ANNE MARIE CHEN SEE,  
CONSTANCE GLAVIN, TOM CRAIN, DAN HALLMAN, DIANE HALLMAN,  
MARK AND MARY MCCLAIN, PAUL AND MARILYN JONES, THOMAS AND  
SUZANNE KENNEDY, LANE AND SUSAN LAND, DAVID AND JOYCE GOMER,  
TIM AND PAULA SIVORE, RICHARD AND DEBRA PAPPY, JOHN AND  
MARGARET BROOKS, DUANE AND CHRISTINE LEET, BILL AND NOREEN  
BACHMAN, PAUL AND ELIZABETH BERNARD, DOUGLAS LEWIS, LINDA  
LANDCASTER AND JACK AND ELSIE BALLINGER**

This matter is before the Court on the motion [Dkt No. \_\_\_\_\_] (the "Motion")<sup>2</sup> 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") requesting entry of an order approving a compromise with certain Former Members, all as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and the relief

<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 used but not defined herein shall have the meanings ascribed to such terms in the Motion.

requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and due notice of the Motion having been given in accordance with the Order Establishing Certain Notice, Case Management and Administrative Procedures [Dkt No. 121]; and it appearing that no other or further notice need be provided; and the Court having determined that cause exists to approve the compromise described in the Motion and that the relief sought in the Motion is in the best interests of the Debtors, the Debtors' bankruptcy estates, and the Debtors' creditors and other parties in interest; and having considered the record; and after due deliberation; and good cause existing to grant the relief requested in the Motion,

**IT IS HEREBY ORDERED THAT:**

1. The Motion is GRANTED.
2. Pursuant to Bankruptcy Rule 9019, the Debtors' compromise with the Former Members as set forth in the Motion is approved.
3. The Debtors are authorized to execute and deliver the Settlement Agreement.
4. This Court shall retain jurisdiction over any and all matters arising from or related to the interpretation and implementation of this Order.

**AND IT IS SO ORDERED**

**Prepared and presented by:**

/s/ Däna Wilkinson  
Däna Wilkinson  
District Court I.D. No. 4663  
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-and-

/s/ J. Michael Levensgood  
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Georgia Bar No. 471290  
J. Michael Levensgood  
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