

**U.S. BANKRUPTCY COURT
District of South Carolina**

Case Number: **12-01220-jw**

**ORDER APPROVING DISCLOSURE STATEMENT AND FIXING TIME FOR FILING
ACCEPTANCES OR REJECTIONS OF PLAN, COMBINED WITH NOTICE THEREOF**

The relief set forth on the following pages, for a total of 38 pages including this page, is hereby ORDERED.

**FILED BY THE COURT
07/02/2012**



Entered: 07/02/2012

A handwritten signature in cursive script, reading "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
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

**ORDER APPROVING DISCLOSURE STATEMENT AND FIXING TIME
FOR FILING ACCEPTANCES OR REJECTIONS OF PLAN,
COMBINED WITH NOTICE THEREOF**

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”),² having filed their 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. 469], pursuant to section 1125(b) of Title 11, United States Code, 11 U.S.C. §§ 101 et seq. and Rule 3017 of the Federal Rules of Bankruptcy Procedure, in connection with the First Amended

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 otherwise defined herein shall have the meanings given to them in the Debtors’ Motion for Entry of an Order Approving (I) the Disclosure Statement; (II) Procedures for the Solicitation and Tabulation of Votes to Accept or Reject the Joint Chapter 11 Plan filed by the Debtors and the Plan Sponsor; and (III) Related Notice and Objection Procedures [Docket Entry No. 367].

and Restated Joint Chapter 11 Plan filed by the Debtors and the Plan Sponsor (the “Plan”) [Docket Entry No. 468]; and it having been determined after hearing on notice that the Disclosure Statement with such further amendments stated on the record at the hearing on the Disclosure Statement held on July 2, 2012 contains adequate information:

It is hereby ORDERED, and notice is hereby given, that:

1. The Disclosure Statement is APPROVED, and specifically is approved for solicitation of acceptances of the Plan.

2. **August 1, 2012** is fixed as the last day for filing written acceptances or rejections of the Plan (the “Voting Deadline”). To be counted, ballots for accepting or rejecting the Plan must be complete and originally signed and received on or before the Voting Deadline by BMC Group, Inc., the Debtors’ duly appointed claims, noticing and balloting agent (the “Voting Agent”), at one of the following addresses:

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

3. By no later than July 9, 2012, the Debtors shall mail a copy of: (i) this Order (without exhibits); (ii) the Disclosure Statement (together with the Plan annexed thereto and all other prepared attachments); (iii) any additional opinion of the Court approving the Disclosure Statement; (iv) any letter from the Official Committee of Unsecured Creditors and/or any other member or noteholder group in support of the Plan; (v) the Confirmation Hearing Notice (as described below); (vi) an appropriate form of ballot (each, a “Ballot”) in substantially the forms attached hereto as Exhibits

“A-1” through “A-6”, together with a pre-addressed, postage prepaid return envelope addressed to the Voting Agent, which form Ballots are hereby approved (together, the “Solicitation Package”), to all creditors and equity security holders in these cases, with a copy to the United States Trustee, as provided in Fed. R. Bankr. P. 3017(d). The Debtors and the Voting Agent are hereby authorized to copy the Solicitation Package onto compact discs (excepting only the form of Ballot, which shall be served in paper copy), and to serve such compact discs to the creditors and equity security holders in these cases in lieu of paper copies of the Solicitation Package; provided, however, that the Debtors and the Voting Agent shall accommodate any reasonable request by creditors and equity security holders to receive a paper copy of the Solicitation Package.

4. The date of this Order is established as the voting record date for purposes of determining the creditors and equity security holders who are entitled to vote to accept or reject the Plan.

5. The Debtors shall not be required to mail the Solicitation Package to any holder of unimpaired claims or interests or to holders of impaired claims or interests who are deemed to reject the Plan. Annexed hereto as Exhibit “B” is an approved form of notice to holders of unimpaired claims who are deemed to accept the Plan, and to holders of interests who are deemed to reject the Plan, which form the Debtors shall distribute to all holders of unimpaired claims who are deemed to accept the Plan and to all holders of interests who are deemed to reject the Plan.

6. For purposes of voting to accept or reject the Plan and tabulation of such votes, and without prejudice to the rights of the Debtors in any other context, each claim within a class of claims entitled to vote to accept or reject the Plan shall be entitled to

vote the amount of such claim as set forth in the Schedules (as may be amended from time to time) unless such Holder has timely filed a proof of claim, in which event such Holder would be entitled to vote the amount of such claim as set forth in such proof of claim, subject to the following:

- a. With respect to Class 1 Indenture Trustee – Note Holder Claims, the individual Holders of such claims (and not any custodian of any or all the Notes) shall vote for purposes of whether Class 1 votes as a class to accept or reject the Plan. The Debtors filed a first amendment to their Schedules (schedules of assets and liabilities) and attached thereto a Schedule D Rider that detailed the individual Note Holder Claims that comprise the Class 1 Secured Claim estimated at \$73,532,000 in the aggregate. For the avoidance of doubt: (i) this provision and the Debtors' submission of the Schedule D Rider is for Plan voting purposes only, and any Note Holder who disagrees with any amount set forth in the Schedule D Rider need not file a proof of claim to assert the amount of his or her Note Holder Claim, but rather should indicate the alleged amount of his or her Note Holder Claim on any Class 1 Ballot submitted to the Voting Agent (the Debtors may address in the tabulation report submitted to the Bankruptcy Court any disputes regarding the appropriate amount of any Note Holder Claim indicated on any such Class 1 Ballot); and (ii) Note Holders will be provided separate Class 7 Ballots with respect to their Club Member Claims;
- b. If a claim is deemed allowed pursuant to the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure or any order of this Court, such claim shall be allowed for voting purposes in the deemed allowed amount;
- c. If a claim for which a proof of claim has been timely filed appears wholly contingent (excepting contingent member initiation deposit claims, holders of such claims being entitled to vote such claims in their face amount) or unliquidated on the face of the claim, such claim shall be temporarily allowed for voting purposes only, and not for purposes of allowance or distribution, at \$1.00, and the Ballot mailed to the Holder of such claim shall be marked as voting at \$1.00;
- d. If a claim is partially liquidated and partially unliquidated, the claim shall be allowed for voting purposes only in the liquidated amount unless the claimant files a motion to temporarily allow such claim in a different amount for voting purposes;

- e. If a claim has been estimated or otherwise allowed for voting purposes by order of the Court pursuant to Bankruptcy Rule 3018(a), such claim shall be temporarily allowed in the amount so estimated or allowed by the Court for voting purposes only, and not for purposes of allowance or distribution;
 - f. If a claim is listed in the Schedules as contingent (excepting contingent member initiation deposit claims, holders of such claims being entitled to vote such claims), unliquidated or disputed and a proof of claim was not (i) filed by the applicable bar date for the filing of proofs of claim established by the Court or (ii) deemed timely filed by an order of the Court prior to the Voting Deadline, then, unless the Debtors have consented in writing to allow such claim for voting purposes, such claim shall be disallowed for voting purposes and for purposes of allowance and distribution pursuant to Bankruptcy Rule 3003(c). A report of what claims the Debtors have consented to allow for voting purposes shall be made to the Court by the Debtors at the Confirmation Hearing;
 - g. If the Debtors have filed an objection to a claim by July 30, 2012, such claim shall be temporarily disallowed for voting purposes only (unless the claimant or equity security holder seeks relief in accordance with Paragraph 7 of this Order) and not for purposes of allowance or distribution;
 - h. Notwithstanding anything to the contrary contained herein, any creditor who has filed or purchased multiple claims (whether against the same or multiple Debtors) that are classified under the Plan in the same class, shall be provided with only one Solicitation Package and the appropriate form of Ballot(s); and
 - i. Any vote submitted in respect of a claim shall be deemed submitted on a consolidated basis in the above-captioned, jointly administered cases. For tabulation purposes, the Voting Agent shall disregard duplicate votes submitted with respect to the same claim.
7. Notwithstanding anything to the contrary contained herein, if any claimant or equity security holder seeks to challenge the allowance of its claim or equity security for voting purposes in accordance with the above procedures, such claimant or equity security holder is directed to serve on counsel for Debtors and file with the Court at the earlier of: (i) 5:00 p.m. (Eastern Time) on the seventh (7th) day

after the date of service of an objection, if any, to such claim or equity security, or (ii) the Confirmation Hearing, a motion for an order pursuant to Bankruptcy Rule 3018(a) temporarily allowing such claim or equity security in a different amount for purposes of voting to accept or reject the Plan. The deadline to file a motion for an order pursuant to Bankruptcy Rule 3018(a) temporarily allowing such claim set forth herein does not affect the rights of or alter any deadlines for such claimant or equity security holder to respond to the Debtors' objection to claim for purposes of allowance or distribution. If and to the extent that the Debtors and any creditor filing a motion pursuant to Bankruptcy Rule 3018(a) are unable to resolve the issues raised by any such motion prior to the Confirmation Hearing, then the Bankruptcy Court will determine whether any provisional Ballot should be counted as a vote on the Plan at the Confirmation Hearing.

8. If a creditor casts more than one Ballot voting the same claim(s) before the Voting Deadline, the last Ballot received before the Voting Deadline is deemed to reflect the voter's intent and, thus, to supersede any prior Ballots.

9. Any Ballot that is properly completed, executed and timely returned to the Voting Agent but does not indicate an acceptance or rejection of the Plan or indicates both an acceptance and a rejection of the Plan, shall not be counted.

10. Any Ballot actually received by the Voting Agent after the Voting Deadline shall not be counted unless the Debtors granted an extension of the Voting Deadline with respect to such Ballot.

11. Any Ballot that is illegible or contains insufficient information: (i) to permit the identification of the claimant or equity security holder; or (ii) to determine whether the Ballot indicates an acceptance or rejection of the Plan, shall not be counted.

12. Any Ballot cast by a person or entity that does not hold a Claim in a class that is entitled to vote to accept or reject the Plan shall not be counted.

13. Any Ballot cast for a claim identified as unliquidated, contingent (excepting contingent member initiation deposit claims, holders of such claims being entitled to vote such claims) or disputed, and for which no proof of claim was timely filed, shall not be counted.

14. Any unsigned Ballot or non-originally signed Ballot shall not be counted.

15. Any Ballot sent directly to any of the Debtors, their agents (other than the Voting Agent), or the Debtors' financial or legal advisors or to any other party instead of the Voting Agent shall not be counted, unless ordered by the Court.

16. Any Ballot cast for a claim that has been disallowed shall not be counted.

17. Any Ballot transmitted to the Voting Agent by facsimile or other electronic means shall not be counted.

18. The Voting Agent shall file a tabulation of ballots (the "Ballot Tally"), as required by SC LBR 3018-1, on or before 5:00 p.m. (Eastern Time) on August 3, 2012. The Ballot Tally must identify, among other things, all **timely filed ballots** which were not counted in the tabulation and state the reason why the same were not counted.

19. **August 6, 2012 at 10:00 a.m.** is fixed as the date and time for the hearing on confirmation of the Plan (the "Confirmation Hearing"), which Confirmation Hearing shall be conducted at: **J. Bratton Davis United States Bankruptcy**

Courthouse, 1100 Laurel Street, Columbia, South Carolina 29201–2423; provided,
however, that the Confirmation Hearing may be adjourned from time to time by the Court or the Debtors without further notice to any parties other than an announcement in Court at the Confirmation Hearing or any adjourned Confirmation Hearing.

20. The Confirmation Hearing Notice substantially in the form annexed hereto as Exhibit “C” is approved and shall be transmitted to all creditors and equity security holders of the Debtors.

21. The Debtors shall publish the Confirmation Hearing Notice and this Order electronically on <http://www.bmcgroup.com/cliffs>.

22. The mailing of the Solicitation Package and the Confirmation Hearing Notice and the publication thereof as set forth herein shall constitute good and sufficient notice of the deadlines set forth herein.

23. **August 1, 2012** is fixed as the last day for filing and serving pursuant to Fed. R. Bankr. P. 3020(b)(1) written objections to confirmation of the Plan. All objections to confirmation of the Plan must be in writing, must state the name and address of the objecting party and the amount and nature of the Claim or Interest of such party, must state with particularity the basis and nature of any objection to the Plan, must be filed with the Clerk of the United States Bankruptcy Court for the District of South Carolina, and must be served upon counsel for the Debtors and in accordance with the Order Establishing Certain Notice, Case Management and Administrative Procedures [Docket Entry No. 121] so as to be actually received by August 1, 2012.

24. Objections to confirmation of the Plan not timely filed and served in the manner set forth above may not be considered and may be overruled.

25. To the extent the Debtors modify the Plan prior to the Confirmation Hearing, which modification results in no less favorable treatment to the holders of any class of claims or interests, then the Debtors shall not be required to re-solicit the votes of holders of the affected claims or interests.

26. The Debtors are authorized to make corrective, non-substantive changes to the Disclosure Statement, Plan, Ballots, the Confirmation Hearing Notice, any other notice, supplement or documents related to the Plan or Disclosure Statement and all exhibits and appendices to any of the foregoing without further order of the Court, including, without limitation, changes to correct typographical and grammatical errors and to make conforming changes among the Disclosure Statement, the Plan and any other materials in the Solicitation Package prior to their distribution.

27. In the event of any conflict between the terms of this Order and the Disclosure Statement, Plan, Ballots, the Confirmation Hearing Notice, any other notice, supplement or documents related to the Plan or Disclosure Statement and all exhibits and appendices to any of the foregoing, this Order shall control .

AND IT IS SO ORDERED.