

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

Case No. 12-01220

**FINAL ORDER GRANTING DEBTORS' MOTION PURSUANT TO SECTIONS 105(a), 362(d), 363(b), 363(c) AND 503(b) OF THE BANKRUPTCY CODE (I) FOR AUTHORIZATION TO (A) CONTINUE THEIR WORKERS' COMPENSATION, LIABILITY, PROPERTY, AND OTHER INSURANCE PROGRAMS, (B) PAY ALL OBLIGATIONS IN RESPECT THEREOF AND (C) ENTER INTO PREMIUM FINANCING AGREEMENTS IN THE ORDINARY COURSE OF BUSINESS, AND (II) FOR AUTHORIZATION OF FINANCIAL INSTITUTIONS TO HONOR AND PROCESS CHECKS AND TRANSFERS RELATED TO SUCH OBLIGATIONS**

The relief set forth on the following pages, for a total of 6 pages including this page is hereby **ORDERED**.

**FILED BY THE COURT  
03/16/2012**



Entered: 03/16/2012

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.*,<sup>1</sup>  
*d/b/a* The Cliffs Golf & Country Club,

Debtors.

CHAPTER 11

Case No. 12-01220

Jointly Administered

**FINAL ORDER GRANTING DEBTORS' MOTION PURSUANT TO SECTIONS 105(a), 362(d), 363(b), 363(c) AND 503(b) OF THE BANKRUPTCY CODE (I) FOR AUTHORIZATION TO (A) CONTINUE THEIR WORKERS' COMPENSATION, LIABILITY, PROPERTY, AND OTHER INSURANCE PROGRAMS, (B) PAY ALL OBLIGATIONS IN RESPECT THEREOF AND (C) ENTER INTO PREMIUM FINANCING AGREEMENTS IN THE ORDINARY COURSE OF BUSINESS, AND (II) FOR AUTHORIZATION OF FINANCIAL INSTITUTIONS TO HONOR AND PROCESS CHECKS AND TRANSFERS RELATED TO SUCH OBLIGATIONS**

Upon the motion [Docket Entry No. 32] (the "Motion") of 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"), for authorization pursuant to sections 105(a), 362(d), 363(b), and 503(b) of the Bankruptcy Code<sup>2</sup> to continue the Insurance Programs, including, but not limited to, those annexed to the Motion as Exhibit A, and modify the

<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 (4293) (12-01231); The Cliffs at Glassy Golf & Country Club, LLC (6559) (12-01234); The Cliffs Valley Golf & Country Club, LLC (6486) (12-01236); Cliffs Club & Hospitality Service Company, LLC (9665) (12-01237).

<sup>2</sup> Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Motion.

automatic stay with respect to the Workers' Compensation Programs, all as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the Notice Parties, and it appearing that no other or further notice need be provided; and a hearing having been held to consider the relief requested in the Motion (the "Hearing"); and upon the Declaration of Timothy P. Cherry in Support of the Debtors' First Day Motions, the record of the Hearing, and all of the proceedings had before the Court; and the Court having determined that the relief sought in the Motion is in the best interests of the Debtors, their creditors, and all parties in interest; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is

**ORDERED, ADJUDGED, AND DECREED THAT:**

1. The Motion is GRANTED.
2. The Debtors are authorized and empowered to maintain and renew their Insurance Programs without interruption, on the same basis, and in accordance with the same practices and procedures as were in effect prior to the commencement of the Debtors' chapter 11 cases.
3. The Debtors are authorized, but not required, to pay, in their sole discretion, all premiums, claims, deductibles, retrospective adjustments, administrative and broker's fees, and all other obligations arising under the Insurance Programs (the "Insurance Obligations") including those Insurance Obligations that were due and payable or related to the period before

the commencement of these chapter 11 cases without further order of the Court, subject to terms of the DIP Budget.

4. The Debtors are authorized, but not required, to enter into new insurance premium financing agreements in the ordinary course of business as set forth in the Motion in connection with the Debtors' renewal of the existing Insurance Programs.

5. Pursuant to section 362(d) of the Bankruptcy Code, to the extent any of the Debtors' employees hold claims under the Debtors' Workers' Compensation Programs, these employees are authorized to proceed with their workers' compensation claims in the appropriate judicial or administrative forum under the Workers' Compensation Program; provided, that such claims are pursued in accordance with the Workers' Compensation Programs and recoveries, if any, are limited to the proceeds from the applicable insurance policy.

6. Nothing in this Order nor any action taken by the Debtors in furtherance of the implementation hereof shall be deemed an approval of the assumption or rejection of any executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code.

7. Nothing in this Order shall impair the ability of the Debtors or appropriate party in interest to contest any claim of any creditor pursuant to applicable law or otherwise dispute, contest, setoff, or recoup any claim, or assert any rights, claims or defenses related thereto.

8. The Banks are authorized consistent with the terms of any applicable cash management order entered in these cases, when requested by the Debtors in the Debtors' sole discretion, to receive, process, honor and pay all checks drawn on or direct deposit and funds transfer instructions relating to the Debtors' accounts and any other transfers that are related to the Insurance Programs and the Insurance Obligations and the costs and expenses incident thereto; provided that sufficient funds are available in the accounts to make such payments;

provided further, that: (i) any such Bank may rely on the representations of the Debtors regarding which checks that were drawn or instructions that were issued by the Debtors before the Petition Date should be honored postpetition pursuant to this Order and (ii) that any such Bank shall not have any liability to any party for relying on the representations of the Debtors as provided herein.

9. Bankruptcy Rule 6003 has been satisfied because the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors.

10. Notice of the Motion as provided therein constitutes good and sufficient notice of such Motion, and the requirements of Bankruptcy Rule 6004(a) are hereby waived.

11. Notwithstanding any applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

12. This Court hereby retains jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

AND IT IS SO ORDERED.

**Prepared and presented by:**

/s/ Däna Wilkinson

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-and-

/s/ J. Michael Levensgood

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