

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

**STIPULATION EXTENDING TIME FOR DEBTORS TO FILE A DISCLOSURE
STATEMENT AND PLAN OF REORGANIZATION**

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 their undersigned counsel, and along with undersigned counsel for: (i) Wells Fargo Bank, National Association, in its capacity as indenture trustee and collateral trustee (the “Indenture Trustee”); (ii) Carlile Development Company, LLC (the “DIP Lender”); (iii) SP 50 Investments, LTD (the “Prepetition Bridge Lender”); (iv) Carlile Development Group (the “Stalking Horse Bidder”); (v) Steve and Penny Carlile of Marshall, Texas (the “Carliles”); and (vi) Cliffs Club Partners, LLC, along with Silver Sun, LLC; SunTx Urbana GP I, L.P.; Arendale Holdings Corp.; and Carlile Cliffs Investment, LLC, and their agents, affiliates and

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).

assigns (collectively "Cliffs Club Partners"), and collectively with each of the parties above, the "Parties"), hereby submit this stipulation (this "Stipulation") extending the time for the Debtors to file a disclosure statement and plan of reorganization, and respectfully represent as follows:

BACKGROUND

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

2. 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.

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

4. 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 [Docket Entry No. 44].

5. On March 16, 2012, this Court entered the Final Order (I) Authorizing Use of Cash Collateral and (II) Providing Adequate Protection [Docket Entry No. 180] (the "Cash Collateral Order").

6. On March 16, 2012, this Court entered the Final Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, and 507 (I) Approving Post-Petition Financing, (II) Granting Liens and Providing Superpriority Administrative Expense Status, (III) Granting Adequate Protection and (IV) Modifying the Automatic Stay [Docket Entry No. 181] (the "DIP Financing Order").

7. On March 16, 2012, this Court entered the Order (A) Approving Bidding Procedures for Auction to Become the Designated Sponsor of the Debtors' Chapter 11 Plan of Reorganization; (B) Approving Break Up Fee and Expenses Reimbursement Payable in Certain Circumstances to the Carlile Development Group; and (C) Approving the "Substitution Conditions" Contained in the DIP Loan Agreement [Docket Entry No. 182] (the "Bidding Procedures Order").

8. As set forth in the Cash Collateral Order, and/or as provided or otherwise referenced in documents or agreements related thereto, pursuant to the Debtors' agreement with the Indenture Trustee, the failure of the Debtors to file a disclosure statement and plan of reorganization incorporating the terms of the proposed bid of the successful bidder for the Debtors' assets by May 13, 2012 may be a Termination Event (as defined therein), resulting in the termination of the Debtors' authority to use Cash Collateral (as defined therein).

9. As set forth in the DIP Financing Order, and/or as provided or otherwise referenced in documents or agreements related thereto, pursuant to the Debtors' agreement with the DIP Lender, the failure of the Debtors to file a disclosure statement and plan of reorganization by May 13, 2012 may be an Event of Default (as defined therein) under the Debtor in Possession Loan and Security Agreement approved by the DIP Financing Order.

10. The Bidding Procedures approved pursuant to the Bidding Procedures Order further contemplated that the Debtors would file a disclosure statement and plan of reorganization by May 13, 2012.

11. As set forth in the Debtors' Status Report on Bidding Process [Docket Entry No. 316] filed on April 26, 2012, the Debtors, the Indenture Trustee, the Committee, and Cliffs Club Partners have commenced considerable negotiations regarding the terms on which the parties

will proceed with the disclosure statement and proposed plan of reorganization that was anticipated to be filed by May 13, 2012. Notwithstanding the considerable efforts by all Parties to prepare and file the disclosure statement and proposed plan of reorganization by the contemplated May 13, 2012 deadline, the Parties believe that it is appropriate to extend the Debtors' deadline to file the disclosure statement and proposed plan of reorganization to, through and including May 22, 2012.

STIPULATION

12. Notwithstanding the terms of any agreement by and among the Debtors and any third party, the Parties stipulate that the deadline for the Debtors to file a disclosure statement and proposed plan of reorganization incorporating the negotiated terms of the proposed bid by Cliffs Club Partners for the Debtors' assets is hereby extended to, through and including May 22, 2012, and that the filing of such disclosure statement and proposed plan of reorganization after the previous deadline of May 13, 2012 shall not be deemed to be an Event of Default (as defined in the DIP Financing Order), Termination Event (as defined in the Cash Collateral Order), or otherwise a breach or violation in any manner of the Cash Collateral Order, DIP Financing Order, Bidding Procedures or any other Orders, documents or agreements. All Parties reserve all other rights with respect to the disclosure statement and proposed plan of reorganization.

13. The Parties further stipulate that the Debtors may file a motion for an order extending their exclusive periods to file a Chapter 11 plan of reorganization and solicit acceptances thereof pursuant to 11 U.S.C. § 1121(d), and that the filing of such motion shall not be deemed to be an Event of Default (as defined in the DIP Financing Order), Termination Event (as defined in the Cash Collateral Order), or otherwise a breach or violation in any manner of the Cash Collateral Order, DIP Financing Order, Bidding Procedures or any other Orders, documents or agreements. All Parties reserve all other rights with respect to such motion.

NOTICE

14. No trustee or examiner has been appointed in these Chapter 11 cases. Notice of this Stipulation will be served pursuant to the Order Establishing Certain Notice, Case Management and Administrative Procedures [Docket Entry No. 121]. The Debtors submit that, under the circumstances, no other or further notice is required.

Dated: May 7, 2012

Respectfully submitted,

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