

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

Joint Administration Pending

DEBTORS' APPLICATION FOR ENTRY OF AN ORDER AUTHORIZING
RETENTION AND EMPLOYMENT OF THE LAW OFFICE OF
DÄNA WILKINSON AS LOCAL COUNSEL TO THE DEBTORS
NUNC PRO TUNC TO THE PETITION DATE

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"), and hereby present this application (the "Application") to the Court for the entry of an order, pursuant to sections 327(a) and 1107(b) of title 11 of the United States Code (as amended, the "Bankruptcy Code"), and Rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), authorizing the retention and employment of the Law Office of Däna Wilkinson ("Wilkinson") as local counsel to the Debtors *nunc pro tunc* to the Petition Date (as defined below). In support of this Application, the Debtors rely upon and incorporate by reference the Declaration of Däna Wilkinson in Support of the Debtors'

¹ The Debtors, followed by the last four digits of their respective taxpayer identification numbers, are as follows: The Cliffs Club & Hospitality Group, Inc. (6338); CCHG Holdings, Inc. (1356); The Cliffs at Mountain Park Golf & Country Club, LLC (2842); The Cliffs at Keowee Vineyards Golf & Country Club, LLC (5319); The Cliffs at Walnut Cove Golf & Country Club, LLC (9879); The Cliffs at Keowee Falls Golf & Country Club, LLC (3230); The Cliffs at Keowee Springs Golf & Country Club, LLC (2898); The Cliffs at High Carolina Golf & Country Club, LLC (4293); The Cliffs at Glassy Golf & Country Club, LLC (6559); The Cliffs Valley Golf & Country Club, LLC (6486); Cliffs Club & Hospitality Service Company, LLC (9665).

Application for Entry of an Order Authorizing Retention and Employment of The Law Office of Däna Wilkinson as Local Counsel to the Debtors, *Nunc Pro Tunc* to the Petition Date (the “Wilkinson Declaration”), attached hereto as Exhibit A, and respectfully state as follows:

JURISDICTION

1. The Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue of these proceedings and the application in this Court is proper under 28 U.S.C. § 1408 and § 1409.

2. The statutory bases for the relief requested herein are 327(a) and 1107(b) of the Bankruptcy Code and Bankruptcy Rules 2014 and 2016.

BACKGROUND

3. On the date hereof (the “Petition Date”), the Debtors commenced these bankruptcy cases (the “Chapter 11 Cases”) by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code. No trustee, examiner or creditors’ committee has been appointed in these cases. The Debtors are operating their businesses as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

4. The events leading up to the Petition Date and the facts and circumstances supporting the relief requested herein are set forth in the Declaration of Timothy P. Cherry in Support of First Day Motions (the “Cherry Declaration”) filed contemporaneously herewith and incorporated herein by reference.

RELIEF REQUESTED

5. The Debtors desire to retain and employ Wilkinson as their bankruptcy local counsel in these Chapter 11 Cases. By this Application, the Debtors respectfully request that the Court enter an order authorizing the Debtors to retain and employ Wilkinson as the

Debtors' bankruptcy local counsel, *nunc pro tunc* to the Petition Date, to represent the Debtors as local counsel in all phases of these Chapter 11 Cases.

6. Accordingly, the Debtors respectfully request the entry of an order, pursuant to section 327(a) of the Bankruptcy Code, authorizing the employment and retention of Wilkinson to perform the legal services that will be necessary in these Chapter 11 Cases as the Debtors' local counsel.

BASIS FOR RELIEF

7. Under section 327(a) of the Bankruptcy Code, a debtor-in-possession may employ one or more attorneys to represent it in carrying out its duties under the Bankruptcy Code, provided that such attorneys are disinterested persons and do not hold or represent an interest adverse to the estate. Section 101(14) of the Bankruptcy Code defines "disinterested person" as one who

is not a creditor, an equity security holder, or an insider; [or] is not and was not, within 2 years before the date of the filing of the petition, a director, officer or employee of the Debtors; and . . . does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors, or for any other reason.

11 USC § 101(14).

8. The Debtors request approval of the employment of Wilkinson *nunc pro tunc* to the Petition Date. Such relief is warranted by the extraordinary circumstances presented by these Chapter 11 Cases. Time pressure to begin service and absence of prejudice are factors favoring *nunc pro tunc* retention. *See Matter of Arkansas Co.*, 798 F.2d 645, 650 (3d Cir. 1986); *see also In re Indian River Homes, Inc.*, 108 B.R. 46, 52 (D. Del. 1989), *app. dismissed*, 909 F.2d 1406 (3d Cir. 1990). The complexity, intense activity and speed that have characterized these Chapter 11 Cases have necessitated that the Debtors, Wilkinson and the Debtors' other

professionals focus their immediate attention on time-sensitive matters and promptly devote substantial resources to the affairs of the Debtors pending submission and approval of this Application.

9. Prior to the commencement of these Chapter 11 Cases, Wilkinson has provided certain restructuring advice to the Debtors solely in connection with the commencement of these Chapter 11 Cases. The Debtors request that the Court approve their retention of Wilkinson as their local counsel to perform certain continued legal services that will be necessary during these Chapter 11 Cases, under a general retainer, in accordance with Wilkinson's standard hourly rates and disbursement policies.

10. The Debtors seeks to retain Wilkinson because of the firm's experience practicing before this Court, as well as knowledge in the fields of, *inter alia*, debtors' and creditors' rights and business reorganizations under chapter 11 of the Bankruptcy Code. The attorney at Wilkinson who will be employed in these Chapter 11 Cases is a member in good standing in the courts in which she is admitted to practice, including this Court. Accordingly, Wilkinson is well qualified to deal effectively with the potential legal issues and problems that may arise in the context of these Chapter 11 Cases.

SERVICES TO BE PROVIDED BY WILKINSON

11. The Debtors believe that the services of Wilkinson are necessary to enable them to execute faithfully their duties as debtors-in-possession. Subject to further order of this Court, Wilkinson will serve as the Debtors' local bankruptcy counsel and will render the following professional services to the Debtors:

- (a) Appear before this Court with respect to the filings by the Debtors with respect to their continued management, operation and reorganization of their businesses and property;

- (b) Advise and consult on the conduct of these Chapter 11 Cases, including legal and administrative requirements of operating in Chapter 11 before this Court;
- (c) Review and assist preparation on behalf of the Debtors all motions, administrative and procedural applications, answers, orders, reports and papers necessary to the administration of the estates;
- (d) Perform all other necessary legal services and give all other necessary legal advice to the Debtors in connection with these Chapter 11 Cases.

12. The Debtors believe that Wilkinson's employment is in the best interests of the Debtors, their estates, and their creditors.

13. Subject to this Court's approval of the Application, Wilkinson is willing to serve as the Debtors' local counsel and to perform the services described above.

DISINTERESTEDNESS OF WILKINSON

14. To the best of the Debtors' knowledge, information and belief, and except to the extent otherwise indicated in the Wilkinson Declaration, no attorney at Wilkinson holds or represents any interest adverse to the Debtors' estates or their creditors, and Wilkinson is a "disinterested person," as defined in section 101(14) of the Bankruptcy Code.

15. Wilkinson does not, and has not, represented any entities, other than the Debtors, in matters related to these Chapter 11 Cases. Wilkinson may represent or may have represented certain parties with interests in the Chapter 11 Cases, on matters unrelated to these Chapter 11 Cases. As set forth in the Wilkinson Declaration, Wilkinson has conducted, and continues to conduct, research into its relations with the Debtors, the Debtors' substantial creditors and equity security holders and other parties interested in these Chapter 11 Cases. As part of this inquiry, which is continuing, Wilkinson obtained the names of individuals or entities that may be parties in interest in these Chapter 11 Cases (the "Potential Parties in Interest"). Wilkinson then entered the names of the Potential Parties in Interest into a computer database

containing the names of all clients and conflict information concerning the clients of Wilkinson. This inquiry, which is continuing, has revealed that certain of the Potential Parties-in-Interest or entities affiliated with and/or related to certain Potential Parties of Interest (collectively, the "Client Match Entities"), are current (collectively, the "Current Client Match Entities") or former (collectively, the "Former Client Match Entities") Wilkinson clients. The list of Current Client Match Entities are listed on Schedule 2 attached to the Wilkinson Declaration and the list of Former Client Match Entities are listed on Schedule 3 attached to the Wilkinson Declaration. Wilkinson has determined that the representation of the Client Match Entities concerned matters unrelated to these Chapter 11 Cases, except to the extent otherwise indicated in the Wilkinson Declaration.

16. Wilkinson may have in the past represented, may currently represent, and likely in the future will represent parties in interest of the Debtors in connection with matters unrelated to the Debtors and these Chapter 11 Cases. While Wilkinson has undertaken, and continues to undertake, efforts to identify connections with the Debtors and other parties in interest, it is possible that connections with some parties in interest have not yet been identified. Should Wilkinson, through its continuing efforts or as these Chapter 11 Cases progress, learn of any new connections of the nature described above, Wilkinson will so advise the Court.

COMPENSATION

17. Wilkinson was retained by the Debtors under an advance payment retainer pursuant to an engagement letter executed by the Debtors on February 8, 2012 (the "Engagement Agreement"). A copy of the Engagement Agreement is attached hereto as Exhibit B. Wilkinson received two retainer payments from the Debtors totaling \$22,552 for work to be done and for the filing fees with respect to these Chapter 11 cases, against which Wilkinson has applied

\$3,175 in fees and will pay a total of \$11,506 in filing fees, for total of \$14,681. Accordingly, Wilkinson currently holds a balance of \$7,871 as an advance payment for services to be rendered and expenses to be incurred in connection with its representation of the Debtors. Wilkinson has not received any other compensation from the Debtors.

18. Wilkinson's requested compensation for professional services rendered to the Debtors will be based upon the hours actually expended by each assigned professional at each professional's hourly billing rate. Subject to Court approval in accordance with 11 U.S.C. §§ 330 and 331, the Bankruptcy Rules, the Local Rules and the orders of this Court, the Debtors propose to compensate Wilkinson for professional services rendered at its normal and customary hourly rates in effect from time to time as set forth in the Wilkinson Declaration, plus reimbursement of actual, necessary expenses incurred by Wilkinson on the Debtors' behalf.

19. At the present time, the following are Wilkinson's current hourly rates for work of this nature:

Däna Wilkinson	\$300
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Hourly rates are subject to periodic adjustments to reflect economic and other conditions, and with respect to those below the level of senior partner, to reflect its increased expertise and experience in its respective areas of law.

20. Wilkinson will also seek reimbursement for necessary expenses incurred, which shall include travel, photocopying, delivery service, postage, vendor charges and other out-of-pocket expenses incurred in providing professional services.

21. Wilkinson intends to apply to the Court for the allowance of compensation for professional services rendered and reimbursement of expenses incurred in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules.

22. The Debtors firmly believe that Wilkinson is qualified to represent their interests and the interests of their estates.

23. Wilkinson will comply with all of the requirements of this Court, the Bankruptcy Code and the Bankruptcy Rules with respect to fee and expense applications of professionals employed by bankruptcy estates.

NOTICE


24. No trustee, examiner, or creditors' committee has been appointed in these Chapter 11 Cases. Notice of this Motion will be given to: (a) the Office of the United States Trustee for the District of South Carolina; (b) counsel to the Indenture Trustee (as defined in the Cherry Declaration); (c) counsel to the DIP Lender (as defined in the Cherry Declaration); (d) the Debtors' fifty (50) largest unsecured creditors (on a consolidated basis); (e) those persons who have formally appeared in the bankruptcy cases and requested service pursuant to Bankruptcy Rule 2002; and (f) all applicable government agencies to the extent required by the Bankruptcy Rules and the Local Rules. The Debtors submit that, under the circumstances, no other or further notice is required.

NO PRIOR REQUEST

25. No previous request for the relief sought in this Application has been made to this Court or any other court.

WHEREFORE, the Debtors respectfully request that the Court enter an order, substantially in the form annexed hereto as Exhibit D, (i) granting this Application; (ii) authorizing the Debtors to retain and employ Wilkinson as their local bankruptcy counsel, *nunc pro tunc* to the Petition Date; and (iii) granting such other and further relief as may be just and proper.

Respectfully submitted this 28th day of February, 2012.



Name: Timothy P. Cherry
Title: Interim President and Chief Executive
Officer of the Debtors

EXHIBIT A

WILKINSON DECLARATION

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

Joint Administration Pending

**DECLARATION OF DÄNA WILKINSON IN SUPPORT OF THE DEBTORS'
APPLICATION FOR ENTRY OF AN ORDER AUTHORIZING RETENTION AND
EMPLOYMENT OF THE LAW OFFICE OF DÄNA WILKINSON AS LOCAL
COUNSEL TO THE DEBTORS, *NUNC PRO TUNC* TO THE PETITION DATE**

I, DÄNA WILKINSON, hereby declare under penalty of perjury:

1. I am the owner of The Law Office of Däna Wilkinson ("Wilkinson"), which maintains an office at 365-C East Blackstock Road, Spartanburg, SC 29301. I am an attorney at law, duly admitted and in good standing to practice in the state of South Carolina, as well as the United States District Court for the District of South Carolina.

2. I submit this declaration (the "Declaration") in connection with the application (the "Application")² of the above-captioned debtors and debtors in possession (the "Debtors"), in the above-captioned Chapter 11 Cases (the "Chapter 11 Cases") to retain and

¹ The Debtors, followed by the last four digits of their respective taxpayer identification numbers, are as follows: The Cliffs Club & Hospitality Group, Inc. (6338); CCHG Holdings, Inc. (1356); The Cliffs at Mountain Park Golf & Country Club, LLC (2842); The Cliffs at Keowee Vineyards Golf & Country Club, LLC (5319); The Cliffs at Walnut Cove Golf & Country Club, LLC (9879); The Cliffs at Keowee Falls Golf & Country Club, LLC (3230); The Cliffs at Keowee Springs Golf & Country Club, LLC (2898); The Cliffs at High Carolina Golf & Country Club, LLC (4293); The Cliffs at Glassy Golf & Country Club, LLC (6559); The Cliffs Valley Golf & Country Club, LLC (6486); Cliffs Club & Hospitality Service Company, LLC (9665).

² All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Application.

employ Wilkinson as local counsel to the Debtors *nunc pro tunc* to the Petition Date and to provide certain disclosures under section 327(a) of title 11 of the United States Code (the “Bankruptcy Code”), Rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 2014-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of South Carolina (the “Local Rules”).

3. All statements made herein are true and correct to the best of my knowledge, information and belief.

4. Neither I, Wilkinson, nor any partner, counsel or associate thereof, insofar as I have been able to ascertain, has any connection with the Debtors, their significant secured and unsecured creditors or any other parties in interest herein or their respective attorneys, or accountants, other than as described in this Declaration.

5. To the best of my knowledge, information, and belief formed after reasonable inquiry, other than in connection with these cases, and except as set forth below, neither I nor Wilkinson has any connection with the Debtors, their creditors, the United States Trustee, or any other party with an actual or potential interest in these Chapter 11 Cases, or their respective attorneys or accountants, except that (a) Wilkinson may have appeared from time to time in the past, and may appear in the future, in other cases where one or more of such parties may have been or may be involved; and (b) Wilkinson may have been retained by certain creditors and other parties in interest or their attorneys, accountants, or professionals in other cases unrelated to the Debtors’ Chapter 11 Cases.

6. Other than as set forth herein, Wilkinson is neither a creditor of the Debtors, an equity holder of the Debtors nor an insider of the Debtors. For so long as it

represents the Debtors, Wilkinson will not represent any entities other than the Debtors in connection with these Chapter 11 Cases.

7. In connection with Wilkinson's representation of the Debtors, and in contemplation of the potential commencement of the Chapter 11 Cases by the Debtors, Wilkinson assembled a list of the Debtors' creditors, secured lenders and interested parties, and in order to determine all connections of Wilkinson, its partners, attorneys, and counsel with such creditors, secured lenders and interested parties, Wilkinson has commenced a review of such list, starting with the Debtors' most significant creditors, secured lenders and interested parties. Set forth herein are all of the connections that have been revealed by Wilkinson's review, which is continuing, of Wilkinson, its partners, attorneys, and counsel with the Debtors' creditors, secured lenders, and persons who are or may be interested parties.

8. In addition to the foregoing, on February 22, 2012, a general inquiry was sent to all of Wilkinson's personnel to determine whether any of them had any connections, including, without limitation, being related by blood or marriage within the second degree, being former employees, and/or being law or business associates of any of the named employees of the U.S. Trustee's office for Region 4. A list of the employees of the U.S. Trustee's office for Region 4 was attached to the inquiry and is attached as Schedule 1 hereto. No connections were found.

9. In addition to its pre-petition representation of the Debtors and proposed retention as local counsel for the Debtors, Wilkinson presently represents the persons listed on Schedule 2 hereto who are or may be interested parties in matters wholly unrelated to the Debtors' Chapter 11 Cases.

10. Wilkinson formerly represented the persons listed on Schedule 3 hereto who are or may be interested parties in other matters wholly unrelated to the Debtors' Chapter 11 Cases.

11. Wilkinson presently represents persons in matters wholly unrelated to the Debtors' Chapter 11 Cases who are adverse to the persons listed on Schedule 4 hereof who are or may be interested parties in the Debtors' Chapter 11 Cases.

12. Wilkinson formerly represented persons in matters wholly unrelated to the Debtors' Chapter 11 Cases who were adverse to the persons listed on Schedule 5 hereof who are or may be interested parties in the Debtors' Chapter 11 Cases.

13. Wilkinson is a "disinterested person" as that term is defined in 11 U.S.C. § 101(14) in that the firm and its partners, counsel and associates:

- a. Are not creditors (including by reason of unpaid fees and expenses for prepetition services), equity security holders or insiders of the Debtors;
- b. Are not and were not, within two (2) years before the date of the filing of the Debtors' Chapter 11 petitions, a director, officer, or employee of the Debtors; and
- c. Do not have an interest materially adverse to the interest of the estates or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors or for any other reason.

14. Wilkinson continues to, and will periodically continue to, review its files during the pendency of these Chapter 11 Cases to ensure that no conflicts or other disqualifying circumstances exist or arise and if any new relevant facts or relationships are discovered or arise, Wilkinson will use reasonable efforts to identify such further developments by filing a supplemental declaration.

15. Wilkinson has received a retainer from the Debtors in the amount of \$10,000 for work to be done with respect to these Chapter 11 Cases.³

16. At the present time, the attorneys principally responsible for the representation of the Debtors and their current hourly rates are as follows:

Däna Wilkinson	\$300
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17. These hourly rates are subject to periodic adjustments to reflect economic and other conditions.

18. Wilkinson will comply with all of the requirements of this Court and of the Bankruptcy Code and Bankruptcy Rules with respect to fee and expense applications of professionals employed by bankruptcy estates.

19. No promises have been received by Wilkinson or by any partner, counsel or associate thereof as to compensation in connection with its representation of the Debtors in these Chapter 11 Cases other than as set forth in the Application.

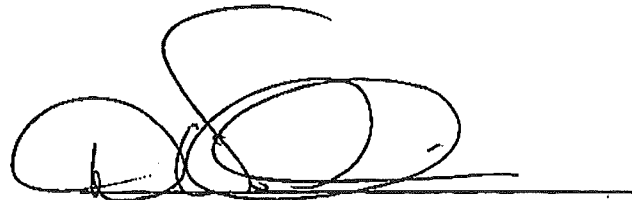
20. The proposed employment of Wilkinson is not prohibited by or improper under Rule 5002 of the Bankruptcy Rules. Except as disclosed herein, I am not related, and to the best of my knowledge, no attorney at Wilkinson is related, to any United States Bankruptcy Judge or United States District Court Judge for the District of South Carolina or to the United States Trustee for Region 4 or any employee in the office thereof.

21. Wilkinson has no agreement with any entity to share any compensation received by Wilkinson.

³ Wilkinson's statement pursuant to Bankruptcy Rule 2016 is attached to the Application as Exhibit C.

22. I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed on February 28, 2012.



Dana Wilkinson

SCHEDULE 1

UST REGION 4 EMPLOYEES

Name	Position
W. Clarkson McDow, Jr.	United States Trustee
Joel S. Atkinson	Information Technology Specialist
Betty B. Enlow	Administrative Officer
B. Anne Hiers	Bankruptcy Analyst
Barbara S. Spohn	Legal Clerk
Joseph F. Buzhardt, III	Assistant U.S. Trustee
Linda K. Barr	Trial Attorney
Robert B. Doyle	Paralegal Specialist
Andrea W. Hill	Legal Clerk
Peter N. Sergakis	Bankruptcy Analyst
Julie C. Smoak	Bankruptcy Analyst
Timothy J. Stack	Trial Attorney
Mark A. Neal	Assistant U.S. Trustee
Denise Bachman	Legal Clerk
Susan M. Balderson	Bankruptcy Analyst
Hugh M. Bernstein	Trial Attorney
Danielle Brown	Legal Clerk
Amy C. Busch	Paralegal Specialist
Steven G. Eggert	Paralegal Specialist
Edmund A. Goldberg	Trial Attorney
Katherine A. Levin	Trial Attorney
Terry J. Miller	Bankruptcy Analyst
Kim Ries	Legal Clerk
Brenda B. Wilmore	Paralegal Specialist
Gerard Vetter	Assistant U.S. Trustee
Jennifer Balourdos	Paralegal Specialist
Leander D. Barnhill	Trial Attorney
Debi Costa	Legal Clerk
Jeanne M. Crouse	Trial Attorney
Jennifer Jacobs	Bankruptcy Analyst
Lynn A. Kohen	Trial Attorney

Name	Position
Kevin Nelson	Paralegal Specialist
Anthony M. Payton	Legal Clerk
Beth A. Printz	Paralegal Specialist
Joseph A. Guzinski	Assistant U.S. Trustee
Paula F. Blades	Paralegal Specialist
Martha Davis	Trial Attorney
Jack I. Frankel	Trial Attorney
Daniel V. Johnson, Jr.	Senior Bankruptcy Analyst
Caramaria C. Nebeker	Bankruptcy Analyst
Peter M. Orens	Paralegal Specialist
Tony Pika	Bankruptcy Analyst
Ilene M. Sims	Legal Clerk
Mark E. Steven	Paralegal Specialist
Debera F. Conlon	Assistant U.S. Trustee
Margaret L. Bloom	Paralegal Specialist
Susan L. Eberhardt	Legal Clerk
Jay W. Legum	Bankruptcy Analyst
Martha J. Watson	Paralegal Specialist
Cecelia A. Weschler	Trial Attorney
Kenneth N. Whitehurst, III	Trial Attorney
Sheryl D. Wilson	Paralegal Specialist
Robert B. Van Arsdale	Assistant U.S. Trustee
Peggy T. Flinchum	Paralegal Specialist
Frances B. Hodges	Paralegal Specialist
Theresa Mack	Legal Clerk
Shannon F. Pecoraro	Trial Attorney
June E. Turner	Bankruptcy Analyst
John Byrnes	Assistant U.S. Trustee
Joel Charboneau	Trial Attorney
Deborah A. Charles	Paralegal Specialist
Lisa D. Franklin	Legal Clerk
Margaret K. Garber	Trial Attorney
Karen Kidd	Paralegal Specialist
Everette Mann	Bankruptcy Analyst

Name	Position
Heidi Poda	Legal Clerk
Debra A. Wertman	Assistant United States Trustee
David L. Bissett	Trial Attorney
Robin D. Broyles	Legal Clerk
Connie S. Caldwell	Paralegal Specialist
Martha T. Cox	Bankruptcy Analyst
Douglas A. Kilmer	Trial Attorney
Jo Anna Miller	Paralegal Specialist
Karen Pettit	Legal Clerk
R. Michael Umberger	Bankruptcy Analyst

SCHEDULE 2

None

SCHEDULE 3

None

SCHEDULE 4

None

SCHEDULE 5

None

EXHIBIT B

THE LAW OFFICE OF DÄNA WILKINSON
ENGAGEMENT AGREEMENT

Law Offices of
Däna Wilkinson
Attorney at Law & Certified Bankruptcy Specialist
365-C East Blackstock Road
Spartanburg, SC 29301
864/574-7944
864/574-7531 Fax

e-mail: danawilkinson@danawilkinsonlaw.com

www.danawilkinsonlaw.com

February 6, 2012

Timothy P. Cherry

The Cliffs Club & Hospitality Group, Inc.

Via E-mail Only at tcherry@cliffscommunities.com

Re: Chapter 11 for The Cliffs Club and Hospitality Group, Inc. and related entities

Dear Mr. Cherry:

Pursuant to my communications with Mike Levengood and Gary Marsh of McKenna Long & Aldridge, I have agreed to act as local counsel for The Cliffs Club and Hospitality Group, Inc., and other related entities in a consolidated Chapter 11 case to be filed in the Bankruptcy Court for the District of South Carolina. For convenience, I will refer to the eleven related entities as the "ClubCo entities." As local counsel for the ClubCo entities, I will be involved in both document preparation and hearings before the court, although it is my expectation that my role those matters will be limited, and that lead counsel with the firm of McKenna Long & Aldridge will carry the greatest part of that load. I will attempt to avoid duplication of effort with lead counsel, while ensuring that lead counsel is familiar with and complies with local rules and practices before the South Carolina court.

I want to thank you for selecting my law firm to represent the ClubCo entities in this matter. I also wish to set forth our agreement as to payment of my fees. My fees for legal services are \$300.00 per hour, plus any expenses that may be incurred, such as filing fees, deposition charges, copying costs, postage, and related expenses. I will require the deposit of a \$10,000 retainer to act as local counsel, and will periodically apply those funds to the fees and costs incurred. I am sure you are aware that once the Chapter 11 cases are filed, such fees and costs must be approved by the court. I will, of course, also provide you with copies of my billing statements and fee applications which are filed with the court. The ClubCo entities will be responsible for paying fees, costs, and expenses in excess of the retainer, should we exceed the retainer. In that event, upon court approval of fees and expenses, we may bill you monthly for additional fees and expenses, and expect immediate payment upon court approval. I reserve the right to withdraw should these bills not be paid.

Should you have any questions or other concerns, please feel free to contact me, either by phone or by e-mail. In the event that you reach my office voice mail system, please note that my direct extension is 400.

Mr. Cherry
February 6, 2012
Page 2

If any of the information in this letter is not consistent with your understanding of our agreement, please contact me immediately. If you agree that this letter accurately states our agreement, please confirm that understanding by return e-mail.

I appreciate your confidence in me, and am happy to represent the ClubCo entities in this matter. I look forward to meeting you in person shortly.

Very truly yours,

Däna Wilkinson

/dw

EXHIBIT C
THE LAW OFFICE OF DANA WILKINSON
RULE 2016 STATEMENT

**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

Joint Administration Pending

**STATEMENT OF THE LAW OFFICE OF DÄNA WILKINSON PURSUANT TO 11
U.S.C. § 329, FED. R. BANKR. 2016**

The Law Office of Däna Wilkinson (“Wilkinson”), pursuant to section 329 of title 11 of the United States Code (as amended, the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), respectfully states as follows (the “Statement”):

1. Wilkinson is the proposed local bankruptcy counsel for The Cliffs Club & Hospitality Group, Inc. and its affiliated debtors, the above-captioned debtors and debtors-in-possession (the “Debtors”) in the above-captioned Chapter 11 Cases (the “Chapter 11 Cases”).²

2. This Statement is made and submitted in connection with the Debtors’ Application For Entry Of An Order Authoring Retention And Employment Of The Law Office

¹ The Debtors, followed by the last four digits of their respective taxpayer identification numbers, are as follows: The Cliffs Club & Hospitality Group, Inc. (6338); CCHG Holdings, Inc. (1356); The Cliffs at Mountain Park Golf & Country Club, LLC (2842); The Cliffs at Keowee Vineyards Golf & Country Club, LLC (5319); The Cliffs at Walnut Cove Golf & Country Club, LLC (9879); The Cliffs at Keowee Falls Golf & Country Club, LLC (3230); The Cliffs at Keowee Springs Golf & Country Club, LLC (2898); The Cliffs at High Carolina Golf & Country Club, LLC (4293); The Cliffs at Glassy Golf & Country Club, LLC (6559); The Cliffs Valley Golf & Country Club, LLC (6486); Cliffs Club & Hospitality Service Company, LLC (9665).

² Capitalized terms not defined herein shall have the meanings ascribed to them in the Application.

of Däna Wilkinson As Local Counsel For The Debtors, *Nunc Pro Tunc* To The Petition Date (the "Application").

3. Compensation agreed to be paid by the Debtors to Wilkinson is to be for legal services rendered in connection with these Chapter 11 Cases. The Debtors have agreed to pay Wilkinson for the legal services rendered or to be rendered on the Debtors' behalf by Wilkinson's attorneys and/or paralegals, which include those services set forth in the Application. The Debtors also have agreed to reimburse Wilkinson for its actual and necessary expenses incurred in connection with these Chapter 11 Cases.

4. Wilkinson was retained by the Debtors pursuant to an engagement letter executed by the Debtors on February 8, 2012 (the "Engagement Agreement"). Wilkinson received two retainer payments from the Debtors totaling \$22,552 for work to be done and for the filing fees with respect to these Chapter 11 Cases, against which Wilkinson has applied \$3,175 in fees and will pay a total of \$11,506 in filing fees, for total of \$14,681. Accordingly, Wilkinson currently holds a balance of \$7,871 as an advance payment for services to be rendered and expenses to be incurred in connection with its representation of the Debtors. Wilkinson has not received any other compensation from the Debtors.

5. Wilkinson will seek approval of payment of compensation upon its filing of applications for allowance of interim or final compensation pursuant to sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and any applicable orders of this Court.

6. The entire filing fees in these Chapter 11 Cases have been paid.

7. Wilkinson further states that it has neither shared nor agreed to share (a) any compensation it has received or may receive with another party or person, other than with

the partners, counsel and associates of Wilkinson, or (b) any compensation another person or party has received or may receive.

Dated: February 28, 2012

Respectfully submitted,

/s/ Däna Wilkinson

Däna Wilkinson

District Court I.D. No. 4663

THE LAW OFFICE OF DÄNA WILKINSON

365-C East Blackstock Road

Spartanburg, SC 29301

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Proposed Attorneys for Debtors and Debtors in Possession

EXHIBIT D

PROPOSED ORDER

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

Case No. 12-01220

**ORDER AUTHORIZING RETENTION AND EMPLOYMENT OF THE LAW OFFICE
OF DANA WILKINSON AS BANKRUPTCY COUNSEL FOR THE DEBTORS, *NUNC*
*PRO TUNC TO THE PETITION DATE***

The relief set forth on the following pages, for a total of 6 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.*,¹
d/b/a The Cliffs Golf & Country Club,

Debtors.

CHAPTER 11

Case No. 12-01220

Joint Administration Pending

ORDER AUTHORIZING RETENTION AND EMPLOYMENT OF THE LAW OFFICE
OF DÄNA WILKINSON AS LOCAL BANKRUPTCY COUNSEL FOR THE DEBTORS,
NUNC PRO TUNC TO THE PETITION DATE

Upon the Application (the “Application”)² of the above-captioned debtors and debtors in possession (the “Debtors”) for entry of an order (this “Order”), pursuant to sections 327(a) and 1107 of title 11 of the Bankruptcy Code, Bankruptcy Rules 2014 and 2016, and Local Rule 2014-1 and 2016-1, authorizing the Debtors to retain and employ The Law Office of Däna Wilkinson (“Wilkinson”) as local bankruptcy counsel *nunc pro tunc* to the Petition Date; and upon the Cherry Declaration; and upon the Wilkinson Declaration, which is annexed to the Application as Exhibit A; and the Court being satisfied that Wilkinson represents no interest adverse to the Debtors’ estate, that Wilkinson is a “disinterested person” within the meaning of

¹ The Debtors, followed by the last four digits of their respective taxpayer identification numbers, are as follows: The Cliffs Club & Hospitality Group, Inc. (6338); CCHG Holdings, Inc. (1356); The Cliffs at Mountain Park Golf & Country Club, LLC (2842); The Cliffs at Keowee Vineyards Golf & Country Club, LLC (5319); The Cliffs at Walnut Cove Golf & Country Club, LLC (9879); The Cliffs at Keowee Falls Golf & Country Club, LLC (3230); The Cliffs at Keowee Springs Golf & Country Club, LLC (2898); The Cliffs at High Carolina Golf & Country Club, LLC (4293); The Cliffs at Glassy Golf & Country Club, LLC (6559); The Cliffs Valley Golf & Country Club, LLC (6486); Cliffs Club & Hospitality Service Company, LLC (9665).

² Capitalized terms used herein as defined terms and not otherwise defined shall have those meanings ascribed to them in the Application.

section 101(14) of the Bankruptcy Code and that the employment of Wilkinson is necessary and in the best interests of the Debtors and their estates; and the Court having jurisdiction over the Application pursuant to 28 U.S.C. §157(b)(2)(A); and due and sufficient notice of the Application having been given; and it appearing that no other or further notice need be provided; and this Court having determined that the relief requested in the Application is just and proper; and it appearing that the relief requested by the Application is in the best interest of the Debtors, their estates, their creditors and other parties in interest; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Application is GRANTED.
2. The Debtors are authorized to retain and employ Wilkinson as their local counsel in these Chapter 11 Cases *nunc pro tunc* to the Petition Date.
3. The compensation to be paid to Wilkinson for professional services rendered and reimbursement for expenses incurred by Wilkinson shall be as determined by this Court upon proper application pursuant to sections 330 and 331 of the Bankruptcy Code.
4. The Debtors are authorized and empowered to take such actions as may be necessary and appropriate to implement the terms of this Order.

5. This Court shall retain jurisdiction with respect to all matters relating to the interpretation or implementation of this Order.

6. The Debtors shall, within three (3) business days hereof, serve a copy of this Order on all parties that received notice of the Application, as well as all parties that have appeared in these cases and requested notice since the Debtors filed the Motion, and file a certificate of service evidencing such service.

AND IT IS SO ORDERED.

Prepared and presented by:

/s/ Däna Wilkinson

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-and-

/s/ J. Michael Levengood

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