

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

MOTION FOR ENTRY OF ORDER DESIGNATING THE DEBTORS'
CHAPTER 11 CASES AS COMPLEX CHAPTER 11 CASES
PURSUANT TO LOCAL RULE 2081-2

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 move the Court for the entry of an order pursuant to section 105(a) of title 11 of the United States Code (the "Bankruptcy Code") and Rule 2081-2 of the Local Rules for the United States Bankruptcy Court for the District of South Carolina (the "Local Rules") designating the above-captioned chapter 11 cases as "Complex Chapter 11 Cases." In support of this Motion, the Debtors incorporate the statements contained in the Declaration of Timothy P. Cherry in Support of First Day Motions, filed concurrently herewith (the "Cherry Declaration"), and further respectfully state as follows:

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).

JURISDICTION AND VENUE

1. The Court has jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue is proper in this district under 28 U.S.C. §§ 1408 and 1409.

PROCEDURAL HISTORY

2. On the date hereof (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code, thereby commencing the above-captioned bankruptcy cases (the "Bankruptcy Cases").

3. Since the Petition Date, the Debtors have continued to operate and manage their businesses as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in the Bankruptcy Cases, and no official committees have been appointed.

4. A description of the Debtors' businesses, the reasons for filing these Bankruptcy Cases, and the relief sought from this Court to allow for a smooth transition into operations under Chapter 11 are set forth in the Cherry Declaration filed with the Court.

RELIEF REQUESTED

5. By this Motion, the Debtors seek entry of an order designating the Bankruptcy Cases as "Complex Chapter 11 Cases" pursuant to Local Rule 2081-2.

BASIS FOR RELIEF

6. Local Rule 2081-2 provides that "[a] debtor filing a chapter 11 bankruptcy petition who believes that the case should be classified as a complex chapter 11 case shall file with the petition a motion for designation as a complex chapter 11 case." SC LBR 2081-2(a). In determining whether such designation is warranted, the following factors must be considered:

(1) The need for hearings or orders on an emergency or expedited basis following the filing of the petition;

(2) The size of the case, either in number of parties, creditors, or employees, or amount of indebtedness (usually total debt of more than \$10 million), whether claims against the debtor and/or equity interests are publicly traded; and

(3) The need for simplification of notices or hearing procedures.

Id.

7. Collectively, the Debtors have thousands of creditors and parties in interest and a large and complicated capital structure with over \$100 million in debt. In light of the size and complexity of the Debtors' businesses and operations, the Debtors submit that it is necessary to adopt streamlined notice and hearing procedures for the Bankruptcy Cases. The Debtors anticipate that the number of filings in the Bankruptcy Cases, both by the Debtors and other parties in interest, will be voluminous and, to be handled expeditiously and efficiently, will need to be governed by global notice and hearing procedures.

8. Further, the Debtors believe it is an absolute necessity that a hearing on the first day motions being filed concurrently with the filing of their voluntary petitions for relief occur on an expedited or emergency basis. In the absence of such hearing, the Debtors will be unable to, among other things: (a) pay critical prepetition claims of employees, taxing authorities and other essential parties, (b) utilize their existing bank accounts to make such payments, (c) obtain debtor in possession financing, and (d) utilize cash collateral to operate their businesses in the ordinary course. The potential disruption and damage to the Debtors' businesses as going concerns as a result of any delay in hearing the first day motions cannot be understated.

9. The Debtors respectfully submit that the size and complexity of their businesses, the number of their creditors and other parties in interest and the number of filings anticipated by

the Debtors all support the entry of an order designating the Bankruptcy Cases as "Complex Chapter 11 Cases" pursuant to Local Rule 2081-2.

NOTICE

10. No trustee, examiner, or creditors' committee has been appointed in these Bankruptcy 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.

CONCLUSION

WHEREFORE, the Debtors respectfully request that the Court enter an Order, substantially in the form annexed hereto, granting the relief requested in this Motion and such other and further relief as may be just and proper.

Dated: February 28, 2012

Respectfully submitted,

/s/ Däna Wilkinson

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

Case No. 12-01220

**ORDER DESIGNATING THE DEBTORS' CHAPTER 11 CASES AS COMPLEX
CHAPTER 11 CASES PURSUANT TO LOCAL RULE 2081-2**

The relief set forth on the following pages, for a total of 7 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 DESIGNATING THE DEBTORS' CHAPTER 11 CASES AS COMPLEX
CHAPTER 11 CASES PURSUANT TO LOCAL RULE 2081-2**

This matter coming before the Court on the *Motion of Debtors for Entry of Order Designating the Debtors' Chapter 11 Cases as Complex Chapter 11 Cases Pursuant to Local Rule 2081-2* [Docket Entry No. ____] (the "Motion")² filed by the above captioned debtors and debtors in possession (the "Debtors"), the Court having reviewed the Motion and the Cherry Declaration, and having scheduled a hearing before the Court (the "Hearing"), the Court having found that: (i) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (ii) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409, (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b), and (iv) notice of the Motion and the Hearing was sufficient under the circumstances, after due deliberation the Court having determined that the relief requested in the Motion is necessary and essential for the Debtors' reorganization and such

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² Capitalized terms not otherwise defined herein shall have the meanings given to them in the Motion.

relief is in the best interests of the Debtors, their estates and their creditors; and good and sufficient cause having been shown;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. The above-captioned chapter 11 cases qualify as Complex Chapter 11 Cases under Local Rule 2081-2.
3. On _____, 2012, at _____ a.m./p.m. at _____, the Court will conduct hearings (collectively, the "First Day Hearings") to consider the following Motions and Applications (collectively, the "First Day Pleadings"):
 - (a) Motion of Debtors for Order Pursuant to Bankruptcy Rule 1015(B) Directing Joint Administration of Chapter 11 Cases;
 - (b) Debtors' Motion for 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;
 - (c) Debtors' Motion for Entry of an Interim Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364 and 507(b) (I) Approving Post-Petition Financing, (II) Granting Liens and Providing Superpriority Administrative Expense Status, (III) Granting Adequate Protection, (IV) Modifying the Automatic Stay, and (V) Scheduling a Final Hearing;
 - (d) Debtors' Motion (A) for Authorization to (I) Utilize Cash Collateral Pursuant to 11 U.S.C. § 363; and (II) Provide Adequate Protection Pursuant to 11 U.S.C. §§ 361, 363, and 364(d) and (B) to Schedule a Final Hearing Pursuant to Bankruptcy Rule 4001;
 - (e) Debtors' Motion for Entry of an Order Authorizing, but not Directing, the Debtors to: (i) Pay Prepetition Wages, Salaries, Employee Benefits and Other Compensation and Costs, and (ii) For Financial Institutions to Honor and Process Checks and Transfers Related to Such Obligations;
 - (f) Motion For Order Under 11 U.S.C. §§ 105(a) and 366 (i) Prohibiting Utility Companies from Altering or Discontinuing Service on Account of Prepetition Invoices, (ii) Approving Deposit as Adequate Assurance of

- Payment, and (iii) Establishing Procedures for Resolving Requests by Utility Companies for Additional Assurance of Payment;
- (g) Motion of Debtors for Order Authorizing (i) the Continued Maintenance and Use of the Debtors' Existing Cash Management System, (ii) the Continued Maintenance and Use of the Debtors' Existing Bank Accounts, (iii) the Continued Use of Existing Business Forms and Checks; and (iv) a Waiver of Investment and Deposit Requirements;
 - (h) Motion for Entry of Order Designating the Debtors' Chapter 11 Cases as Complex Chapter 11 Cases Pursuant to Local Rule 2081-2;
 - (i) Motion for Entry of Order Authorizing the Payment of Prepetition Trust Fund Taxes in the Ordinary Course of Business;
 - (j) Motion of the Debtors' For Entry of an Order Authorizing the Debtors to Pay Certain Prepetition Claims of Alcoholic Beverage Claimants;
 - (k) Motion of Debtors' for Order Authorizing the Debtors to (a) Prepare a Consolidated List of Creditors and Equity Security Holders in Lieu of a Mailing Matrix, (b) File a Consolidated List of the Debtors' Fifty Largest Unsecured Creditors, and (c) Mail Initial Notices;
 - (l) Debtors' Motion for Entry of an Order Pursuant to 11 U.S.C. §§ 105(a) and 363(b) Authorizing and Approving Debtors' (i) Retention and Employment of GGG Partners, LLC And (ii) Employment of Katie S. Goodman as Chief Restructuring Officer, Nunc Pro Tunc to the Petition Date;
 - (m) 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 for Financial Institutions to Honor and Process Checks and Transfers Related to Such Obligations;
 - (n) Debtors' Motion Pursuant to Sections 105(a), 363, and 503(b)(1) of the Bankruptcy Code for Authorization to Honor Prepetition Obligations to Customers and Otherwise Continue Customer Programs in the Ordinary Course of Business;
 - (o) Motion for Entry of Order Establishing Certain Notice, Case Management and Administrative Procedures;
 - (p) Motion for an Extension of Time to File Schedules of Assets and Liabilities, Schedules of Executory Contracts and Unexpired Leases, and Statement of Financial Affairs; and

- (q) Application of the Debtors for Order Authorizing Retention of BMC Group, Inc. as Claims, Noticing, and Balloting Agent Nunc Pro Tunc to the Petition Date.

4. The Debtors shall, prior to the First Day Hearing, serve each of the First Day Pleadings on: (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.

5. The Court will hold final hearings on the following First Day Pleadings identified above as numbers: [] at the First Day Hearing.

6. The Court will hold interim hearings on the following First Day Pleadings identified above as numbers: [] at the First Day Hearing. The Court may enter interim orders on such First Day Pleadings at the conclusion of the First Day Hearing and shall conduct hearings on Final Orders on _____, 2012, at _____ a.m./p.m. at _____.

7. The Court will hold interim hearings on the following First Day Pleadings identified above as numbers: [] on _____, 2012, at _____ a.m./p.m. at _____. The Court may enter a Final Order on the matter if no objection is timely filed and served on Debtors' counsel by []. If such an objection is timely filed and served, the Court shall hold a full hearing on the matter on _____, 2012, at _____ a.m./p.m. at _____.

8. The initial status conference prescribed by Local Rule 2081-2 shall occur on _____, 2012, at _____ a.m./p.m. at _____. Such status conference will be conducted pursuant to 11 U.S.C. § 105(d) and may include issues addressed by the Court in

this Order, and may include other scheduling and procedural issues addressed by any other party in the case which files a motion entitled "Motion Regarding Administrative Issues to be Heard at Status Conference" not later than three (3) days prior to the date set for the status conference. Such a motion shall be served upon Debtors' counsel, the Debtors' secured creditors, the Debtors' fifty (50) largest unsecured creditors (or unsecured creditors' committee, if one is appointed), any existing official committees, and any party that files a request specifically seeking notice of such status conferences.

9. Omnibus hearings are to be held monthly and the procedures applicable to same will be set forth in the Court's *Order Establishing Certain Notice, Case Management and Administrative Procedures* and the Case Management Procedures to be referenced therein.

10. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order.

11. Notwithstanding the possible applicability of Bankruptcy Rules 6004, 7062 and 9014, or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

12. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

13. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

AND IT IS SO ORDERED

Prepared and presented by:

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