

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

INDENTURE TRUSTEE'S RESPONSE AND RESERVATION OF RIGHTS  
WITH REGARD TO THE FIRST INTERIM APPLICATION FOR  
ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF  
EXPENSES OF BINGHAM MCCUTCHEN LLP AS COUNSEL TO THE  
OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR THE  
PERIOD MARCH 7, 2012 THROUGH MAY 31, 2012

Wells Fargo Bank, National Association as Indenture Trustee (the "Indenture Trustee"), hereby responds and reserves all of its rights with respect to the First Interim Application for Allowance of Compensation and Reimbursement of Expenses of Bingham McCutchen LLP as Counsel to the Official Committee of Unsecured Creditors for the Period March 7, 2012 through May 31, 2012 (the "Interim Application") (Docket No. 416), and respectfully represents as follows:

**Background**

1. On February 28, 2012 (the "Petition Date"), the above-captioned debtors (the "Debtors") filed their voluntary petition for relief under chapter 11 of the Bankruptcy Code.

<sup>1</sup> 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 (7576); The Cliffs at Glassy Golf & Country Club, LLC (6559); The Cliffs Valley Golf & Country Club, LLC (6486); and Cliffs Club & Hospitality Service Company, LLC (9665).

2. The Debtors continue to operate their businesses and manage their affairs as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these Chapter 11 Cases.

3. On March 12, 2012, the United States Trustee for Region 4 (the "U.S. Trustee"), pursuant to section 1102(a) of the Bankruptcy Code, appointed the Official Committee of Unsecured Creditors (the "Committee") pursuant to that certain Fourth Amended Appointment of Committee of Unsecured Creditors (Doc. No. 141) to represent the interests of the unsecured creditors in these Chapter 11 Cases.

4. By order entered on March 26, 2012, the Committee was authorized to employ Bingham McCutchen LLP as its counsel *nunc pro tunc* to March 7, 2012.

5. On June 18, 2012, Bingham McCutchen LLP filed the Interim Application.

6. The Interim Application seeks interim approval and payment (to the extent not paid) of 80% of the fees and 100% of the cost incurred by Bingham McCutchen LLP in the period beginning March 7, 2012 and ending May 31, 2012.

#### **Jurisdiction and Venue**

7. This Court has jurisdiction over this matter 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 in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief sought herein are sections 330 and 331 of the Bankruptcy Code.

#### **Response and Reservation of Rights**

8. The Indenture Trustee does not object to the relief requested on an interim basis; however, the Indenture Trustee reserves all of its rights with respect to the Interim Application, including the right to raise any objection to any subsequent interim application or the final fee

application and whether any fees and costs requested in the Interim Application were appropriate and should have been paid by the estate.

**Conclusion**

Wherefore, having responded to the Interim Application and reserved its rights, the Indenture Trustee requests the Court inquire into this matter and grant such relief as is just and appropriate.

June 20, 2012

McNAIR LAW FIRM, P.A.

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- and -

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**CERTIFICATE OF SERVICE**

I, Ashley S. Stokes, an employee of the McNair Law Firm, P.A., hereby certify that on June 20, 2012 the foregoing document, **Indenture Trustee's Response and Reservation of Rights with Regard to the First Interim Application for Allowance of Compensation and Reimbursement of Expenses of Bingham McCutchen LLP as Counsel to the Official Committee of Unsecured Creditors for the Period March 7, 2012 through May 31, 2012**, was served by First Class Mail, postage prepaid on the parties listed below:

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Columbia, SC 29201

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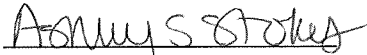
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June 20, 2012