

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' MOTION FOR EMERGENCY HEARING ON 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

PLEASE TAKE NOTICE THAT the undersigned, on behalf 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"), does hereby move before this Court for an order granting an emergency hearing on the 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 (the "Motion"),

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).

filed contemporaneously herewith. In support of this request for an emergency hearing, and pursuant to SC LBR 9013-1(d), the Debtors state as follows:

Pursuant to the Motion, the Debtors request the entry of an order approving, *inter alia*, procedures (the "Bidding Procedures") for the submission of higher or better proposals to become the Designated Sponsor (as defined in the Motion) of the Debtors' Chapter 11 plan of reorganization, as well as payment of a break-up fee and reimbursement of expenses to the Carlile Development Group, upon certain occurrences. As described in more detail in the Motion, both of the consensual and negotiated proposed orders relating to debtor-in-possession financing and the use of cash collateral require that these cases and the Bidding Procedures be conducted on an accelerated schedule. Specifically, for instance, the Debtors' failure to obtain an Order approving the Bidding Procedures by the fourteenth (14th) day following the commencement of these cases is a default under the consensual and negotiated proposed orders relating to debtor-in-possession financing and the use of cash collateral. Moreover, it is also default under the proposed orders relating to debtor-in-possession financing and the use of cash collateral if the Debtors fail to file a plan of reorganization by May 9, 2012, following an auction to be conducted on or about April 20, 2012 to determine the designated plan sponsor. In order to meet this requirement of filing a plan of reorganization by May 9, 2012, it is imperative that the Debtors commence the bidding process immediately and hold such auction on an accelerated schedule.

The Debtors' failure to obtain an Order approving the Bidding Procedures by the fourteenth (14th) day following the commencement of these cases would result in immediate and irreparable harm to their estates. Thus, the Debtors respectfully request that this matter be heard on an emergency basis, at the earliest possible time. Finally, counsel for the Debtors certifies

that representatives of the Debtors have made substantial good faith efforts to resolve these matters with other parties in interest to this Motion, but such efforts have been unsuccessful.

WHEREFORE, the Debtors respectfully request that the Court enter an order granting their request for an emergency hearing on the Motion.

Dated: February 28, 2012

Respectfully submitted,

/s/ Däna Wilkinson

Däna Wilkinson
District Court I.D. No. 4663
LAW OFFICE OF DÄNA WILKINSON
365-C East Blackstock Road
Spartanburg, SC 29301
864.574.7944 (Telephone)
864.574.7531 (Facsimile)
danawilkinson@danawilkinsonlaw.com

-and-

/s/ J. Michael Levensgood

Gary W. Marsh
Georgia Bar No. 471290
J. Michael Levensgood
Georgia Bar No. 447934
Bryan E. Bates
Georgia Bar No. 140856
MCKENNA LONG & ALDRIDGE LLP
303 Peachtree Street, Suite 5300
Atlanta, Georgia 30308
404-527-4000 (phone)
404-527-4198 (fax)
gmarsh@mckennalong.com
mlevengood@mckennalong.com
bbates@mckennalong.com

Proposed Attorneys for Debtors and Debtors in Possession