

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 OF  
MCKENNA LONG & ALDRIDGE LLP FOR ALLOWANCE OF  
COMPENSATION AND REIMBURSEMENT OF EXPENSES

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 Fee Application of McKenna Long & Aldridge LLP for Allowance of Compensation and Reimbursement of Expenses (the "Interim Application") (Docket No. 424), 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.
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 June 21, 2012, McKenna Long & Aldridge LLP filed the Interim Application.

<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).

4. 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 McKenna Long & Aldridge LLP in the period beginning February 28, 2012 and ending May 31, 2012.

#### **Jurisdiction and Venue**

5. 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**

6. 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 26, 2012

McNAIR LAW FIRM, P.A.

/s/ Michael M. Beal  
Michael M. Beal (S.C. Dist. Ct. ID # 1253)  
Post Office Box 11390  
Columbia, South Carolina 29211  
Tel: (803) 799-9800  
Fax: (803) 753-3277  
mbeal@mcnair.net

Elizabeth (Lisa) J. Philp (S.C. Dist. Ct. ID # 8033)  
Post Office Box 1431  
Charleston, South Carolina 29402  
Tel: (843) 723-7831  
Fax: (843) 805-6568  
lphilp@mcnair.net

- and -

Daniel S. Bleck  
Charles W. Azano  
MINTZ LEVIN COHN, FERRIS, GLOVSKY & POPEO, P.C.  
One Financial Center  
Boston, Massachusetts 02111  
Tel: (617) 542-6000  
Fax: (617) 542-2241  
DSBleck@mintz.com  
CWAzano@mintz.com

*Counsel for Wells Fargo Bank, National Association, the  
Indenture Trustee*

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

CERTIFICATE OF SERVICE

I, Ashley S. Stokes, an employee of the McNair Law Firm, P.A., hereby certify that on June 26, 2012 the foregoing document, **Indenture Trustee's Response and Reservation of Rights with Regard to the First Interim Application of McKenna Long & Aldridge LLP for Allowance of Compensation and Reimbursement of Expenses**, was served by First Class Mail, postage prepaid on the parties listed below:

The Cliffs Club & Hospitality Group, Inc.  
3598 Highway 11  
Travelers Rest, SC 29690

John B Butler III  
1217 Anthony Ave.  
Columbia, SC 29201

Dana Elizabeth Wilkinson  
365-C East Blackstock Road  
Spartanburg, SC 29301

Bingham McCutchen LLP  
Jonathan B. Alter  
One State Street  
Hartford, CT 06103

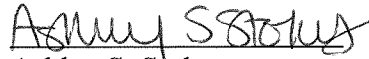
Joseph F. Buzhardt, III  
Office of the United States Trustee  
1835 Assembly Street Suite 953  
Columbia, SC 29201

Bryan E. Bates  
Gary W Marsh  
John M. Levengood  
McKenna Long & Aldridge LLP  
303 Peachtree Street NE, Suite 5300  
Atlanta, GA 30308

Linda Barr  
Office of United States Trustee  
1835 Assembly Street  
Suite 953  
Columbia, SC 29201

<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 (4293); 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) (the "Debtors").

McNAIR LAW FIRM, P.A.



Ashley S. Stokes

Post Office Box 11390

Columbia, South Carolina 29211

Telephone: (803) 799-9800

Columbia, South Carolina  
June 26, 2012