

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

ULTIMATE ESCAPES HOLDINGS,  
LLC, *et al.*,

Debtors.

Chapter 11

Case No. 10-12915 (BLS)

(Jointly Administered)

**CERTIFICATION OF COUNSEL SEEKING ENTRY OF SECOND SUPPLEMENTAL  
ORDER (I) AUTHORIZING (A) SECURED POST-PETITION FINANCING PURSUANT  
TO 11 U.S.C. §§ 105, 361, 362, AND 364(c) AND (d); AND (B) GRANTING SECURITY  
INTERESTS, SUPERPRIORITY CLAIMS AND ADEQUATE PROTECTION; AND (C)  
USE OF CASH COLLATERAL**

I, Matthew L. Hinker, counsel to the above-captioned debtors and debtors in possession (the “**Debtors**”), hereby certify that:

1. On September 20, 2010 (the “**Petition Date**”), the Debtors commenced these cases by filing voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “**Bankruptcy Code**”).

2. On September 21, 2010, the Debtors filed the *Motion of Debtors for (I) Authorization to (A) Obtain Secured Post-Petition Financing Pursuant to 11 U.S.C. Sections 105, 361, 362, and 364(c) and (d); (B) Granting Security Interests, Superpriority Claims and Adequate Protection; and (C) Use Cash Collateral and (II) Schedule a Final Hearing Pursuant to Bankruptcy Rule 4001(C)*. [Docket Number 20].

3. On September 22, 2010, the Court entered the *Interim Order (I) Authorizing (A) Secured Post-Petition Financing (B) Granting Security Interests, Superpriority Claims and Adequate Protection; and (C) Use of Cash Collateral and (II) Scheduling a Final Hearing Pursuant to Bankruptcy rule 4001(C)* [Docket Number 40].

4. On September 29, 2010, the Court entered the *Amended Interim Order (I) Authorizing (A) Secured Post-Petition Financing (B) Granting Security Interests, Superpriority Claims and Adequate Protection; and (C) Use of Cash Collateral and (II) Scheduling a Final Hearing Pursuant to Bankruptcy rule 4001(C)* [Docket 85].

5. On October 4, 2010, the Official Committee of Unsecured Creditors filed the *Objection of Official Committee of Unsecured Creditors to Motion for Debtors for (I) Authorizing (A) Secured Post-Petition Financing (B) Granting Security Interests, Superpriority Claims and Adequate Protection; and (C) Use of Cash Collateral and (II) Scheduling a Final Hearing Pursuant to Bankruptcy rule 4001(C)* [Docket Number 108].

6. On October 8, 2010, the Court entered the *Final Order (I) Authorizing (A) Secured Post-Petition Financing and (B) Granting Security Interests, Superpriority Claims and Adequate Protection; and (C) Use of Cash Collateral* [Docket Number 132] (the “**Final DIP Order**”).

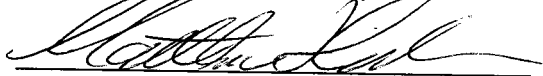
7. On October 25, 2010, the Court entered its *Supplemental Order (i) Authorizing (A) Secured Post-Petition Financing Pursuant to 11 U.S.C. §§ 105, 361, and 364(c) and (d); and (B) Granting Security Interests, Superpriority Claims and Adequate Protection; and (C) Use of Cash Collateral* [Docket No. 393] (the “**Supplemental Order**”).

7. Attached hereto as **Exhibit A** is the proposed form of second supplemental order amending paragraph 18(a) of the Final DIP Order (the “**Second Supplemental Order**”). The proposed form of order attached hereto has been circulated for review among counsel for the Debtors and counsel for CapitalSource. The proposed Second Supplemental Order reflects and incorporates comments from each party.

8. The Debtors respectfully request that the Court enter the proposed Second Supplemental Order. Counsel is available should the Court have any questions or concerns with respect to the foregoing.

Dated: December 1, 2010

GREENBERG TRAURIG, LLP



Scott D. Cousins (DE Bar No 3079)

Matthew L. Hinker (DE Bar No. 5348)

The Nemours Building

1007 North Orange Street, Suite 1200

Wilmington, Delaware 19801

Telephone: (302) 661-7000

Facsimile: (302) 661-7360

Email: [cousinss@gtlaw.com](mailto:cousinss@gtlaw.com)

[hinkerm@gtlaw.com](mailto:hinkerm@gtlaw.com)

-and-

Nancy A. Mitchell

200 Park Avenue

New York, New York 10166

Telephone: (212) 801-9200

Facsimile: (212) 801-6400

Email: [mitchelln@gtlaw.com](mailto:mitchelln@gtlaw.com)

Counsel for the Debtors and Debtors-in-Possession

# **EXHIBIT A**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

ULTIMATE ESCAPES HOLDINGS,  
LLC, *et al.*,

Debtors.

Chapter 11

Case No. 10-12915 (BLS)

(Jointly Administrated)

Ref. Docket No. 132

**SECOND SUPPLEMENTAL ORDER (I) AUTHORIZING (A) SECURED POST-  
PETITION FINANCING PURSUANT TO 11 U.S.C. §§ 105, 361, 362, AND 364(c) AND  
(d); AND (B) GRANTING SECURITY INTERESTS, SUPERPRIORITY CLAIMS  
AND ADEQUATE PROTECTION; AND (C) USE OF CASH COLLATERAL**

This matter having come before the Court in connection with the *Debtors' Motion, Pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code, Bankruptcy Rules 2002, 6004 and 9014, and Local Rules 2002-1 and 6004-1, Authorizing the Debtors to Take Certain Actions in Order to Facilitate the Proposed Sale of Certain Assets to Laurence Development LP* [Docket No. 430]; and upon the request of above-captioned debtors and debtors-in-possession (collectively, the “**Debtors**”) for approval of a Second Supplemental Approved Budget (as defined below) in connection with this Court’s *Final Order (I) Authorizing (A) Secured Post-Petition Financing Pursuant 11 U.S.C. §§ 105, 361, 362, and 364(c) and (d); and (B) Granting Security Interests, Superpriority Claims and Adequate Protection, and (C) Use of Cash Collateral* [Docket No. 132] (the “**Final DIP Order**”);<sup>1</sup>

IT IS HEREBY FOUND AND DETERMINED THAT:

This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2) and venue of this

---

<sup>1</sup> Unless otherwise indicated herein, all capitalized terms used but not defined herein shall have the meanings given in the Final DIP Order.

Chapter 11 case and this matter are proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Paragraph 18(a) of the Final DIP Order provided in part that:

The Initial Approved Budget may be modified or supplemented from time to time by additional budgets (covering any time period covered by a prior budget or covering additional time periods) to which Agents, DIP Lender and Original Lender agree in their sole discretion (each such additional budget, a “**Supplemental Approved Budget**”), so long as such modification or supplement does not alter the amount of the Professional Fee Expenses set forth on any Approved Budget without the consent of the Debtor Professionals and Committee Professionals. The aggregate of all items approved by the Agents, DIP Lender and Original Lender in the Initial Approved Budget and any and all Supplemental Approved Budgets (acceptable to Agents, DIP Lender and Original Lender in their sole discretion) shall constitute an “**Approved Budget**.”

Final DIP Order at ¶ 18(a) [footnote omitted].

On October 25, 2010, this Court entered its *Supplemental Order (i) Authorizing (A) Secured Post-Petition Financing Pursuant to 11 U.S.C. §§ 105, 361, and 364(c) and (d); and (B) Granting Security Interests, Superpriority Claims and Adequate Protection; and (C) Use of Cash Collateral* [the “**Supplemental Order**”, Docket No. 393] which approved the Supplemental Approved Budget attached thereto and modified certain Termination Dates set forth in Section 6(xv) of the Final DIP Order.

**NOW, THEREFORE, IT IS HEREBY:**

**ORDERED**, that the Second Supplemental Approved Budget attached hereto Exhibit “A” is approved; and it is further

**ORDERED**, that, in accordance with Section 6 of the Final DIP Order, the Agents, DIP Lender and Original Lender hereby stipulate that Section 6(xv) of the Final DIP Order, as modified by the Supplemental Order, is hereby deleted in its entirety and the following shall be substituted in its place:

(xv) The earlier of: (i) December 20, 2010; (ii) the closing of the Sale of the last Asset pursuant to the Sale Motion; (iii) three (3) business days following the closing on the Sale

of any Asset pursuant to the Sale Motion, if a new Approved Budget (acceptable to Agents, DIP Lender and Original Lender in their sole discretion) is not filed with the Court that reflects a reduction of operating expenses that reasonably reflects the removal of such Asset(s) from the estate; or (iv) one (1) business day following the provision of written notice by the DIP Lender to the Debtors declaring that a default by Laurence Development, LP or Demeure Operating Company, Ltd. has occurred under that certain Agreement Regarding APAs (as defined in and attached to the Bankruptcy Court's Order Granting Debtors' Motion Authorizing The Debtors To Take Certain Actions In Order To Facilitate The Proposed Sale Of Certain Assets To Laurence Development LP [Docket No. 462];

and it is further

**ORDERED**, that this Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this order.

Dated: December \_\_, 2010  
Wilmington, Delaware

---

Brendan L. Shannon  
United States Bankruptcy Judge

**EXHIBIT A**

**Second Supplemental Approved Budget**



# **EXHIBIT A TO ORDER**

Ultimate Escapes - 8 Week DIP Extension

	Eight Week DIP Extension									
	Forecast 10/29/2010	Forecast 11/5/2010	Forecast 11/12/2010	Forecast 11/19/2010	Forecast 11/26/2010	Forecast 12/3/2010	Forecast 12/10/2010	Forecast 12/17/2010	1 Day Forecast 12/20/2010	Total 10/29 - 12/20 Extension DIP
<b>Collections</b>										
Incidentals	-	-	-	-	-	-	-	-	-	-
Nightly Fees	-	-	-	-	-	-	-	-	-	-
<b>Disbursements</b>										
Payroll	32,229	32,229	32,229	32,229	32,229	54,644	35,589	35,589	13,093	300,060
Contract Staff - Office	-	-	-	-	-	2,600	2,600	2,600	-	7,800
Contract Staff - Field	20,701	20,701	20,701	20,701	20,701	15,195	15,195	15,195	6,512	155,606
Contractor Expenses - Field	1,769	1,769	1,769	1,769	1,769	1,477	1,477	1,477	633	13,907
International Expenses	327	327	327	327	327	200	200	200	86	2,318
Office Rents	-	16,000	-	-	-	10,500	-	-	-	26,500
Property Leases	-	-	-	-	-	-	-	-	-	-
Mortgages	-	-	-	-	-	-	-	-	-	-
HOA Fees	-	135,530	-	-	-	42,776	-	14,259	53,571	246,135
Member Services	-	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-	-
Nexia Wires	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	1,286	25,286
World Hotels	-	-	-	-	-	-	-	-	-	-
Cabo Elite Management	-	13,500	-	-	-	28,500	-	-	-	42,000
London	-	-	-	-	-	-	-	-	-	-
Housekeeping	-	-	-	-	-	-	-	-	-	-
Utilities	12,500	12,500	12,500	12,500	12,500	12,500	12,500	10,000	4,286	101,786
Repairs & Maintenance	3,000	3,000	3,000	3,000	3,000	6,000	6,000	6,000	2,571	35,571
Insurance	-	-	-	-	-	69,941	-	-	-	69,941
Employee Expenses	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	2,143	42,143
Nightly Fees/Taxes	-	-	-	-	-	-	-	-	-	-
Office Expenses	3,000	3,000	3,000	3,000	3,000	3,000	3,000	2,500	1,071	24,571
Other	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	857	16,857
Tax Accountants	-	-	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	-	-	-	-
<b>Operating Disbursements</b>	<b>83,526</b>	<b>248,556</b>	<b>83,526</b>	<b>83,526</b>	<b>83,526</b>	<b>257,333</b>	<b>86,561</b>	<b>97,819</b>	<b>86,110</b>	<b>1,110,481</b>
<b>Operating Cash Flow</b>	<b>(83,526)</b>	<b>(248,556)</b>	<b>(83,526)</b>	<b>(83,526)</b>	<b>(83,526)</b>	<b>(257,333)</b>	<b>(86,561)</b>	<b>(97,819)</b>	<b>(86,110)</b>	<b>(1,110,481)</b>
<b>Restructuring Disbursements</b>										
Utility Escrow Deposit	-	-	-	-	-	-	-	-	-	-
Deposit Refunds	-	-	-	-	-	-	-	-	-	-
D&O Tail	-	-	-	-	-	-	-	-	-	-
DIP Commitment Fee	-	-	-	-	-	-	-	-	-	-
Est DIP Interest (12.75%)	-	-	-	-	-	-	-	-	-	-
CRG Partners Fees	40,000	40,000	40,000	40,000	40,000	30,000	30,000	30,000	12,857	302,857
Greenberg Traurig	50,000	50,000	50,000	50,000	50,000	35,000	35,000	35,000	15,000	370,000
Patton Boggs	40,000	40,000	40,000	40,000	40,000	50,000	50,000	50,000	21,429	371,429
Saul Ewing	10,000	10,000	10,000	10,000	10,000	5,000	5,000	5,000	2,143	67,143
UCC Professional Fees	-	-	-	-	-	10,000	-	-	-	10,000
Claims Agent	-	-	-	-	-	35,000	-	-	25,000	60,000
Board Member Fees	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	36,000
PR Firm	-	-	-	-	-	-	-	-	-	-
Filing Fee	-	-	-	-	-	-	-	-	-	-
US Trustee Fee	-	-	-	-	-	10,000	-	-	-	10,000
Wind down Disbursements	-	-	-	-	-	-	-	-	-	-
<b>Total Other Disbursements</b>	<b>144,000</b>	<b>144,000</b>	<b>144,000</b>	<b>144,000</b>	<b>144,000</b>	<b>179,000</b>	<b>124,000</b>	<b>124,000</b>	<b>80,429</b>	<b>1,227,429</b>
<b>Net Cash Flow</b>	<b>(227,526)</b>	<b>(392,556)</b>	<b>(227,526)</b>	<b>(227,526)</b>	<b>(227,526)</b>	<b>(436,333)</b>	<b>(210,561)</b>	<b>(221,819)</b>	<b>(166,538)</b>	<b>(2,337,909)</b>
<b>Beginning Cash Balance - Book</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>192,104</b>
Advance	227,526	392,556	227,526	227,526	227,526	436,333	210,561	221,819	166,538	2,145,805
<b>Net Cash Flow</b>	<b>(227,526)</b>	<b>(392,556)</b>	<b>(227,526)</b>	<b>(227,526)</b>	<b>(227,526)</b>	<b>(436,333)</b>	<b>(210,561)</b>	<b>(221,819)</b>	<b>(166,538)</b>	<b>(2,337,909)</b>
<b>Ending Cash Balance - Book</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>