

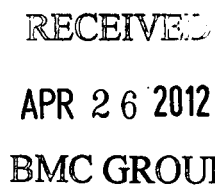




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|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| UNITED STATES BANKRUPTCY COURT DISTRICT OF SOUTH CAROLINA | | PROOF OF CLAIM | |  |
| Name of Debtor: The Cliffs at Walnut Cove Golf & Country Club, LLC | | Case Number: 12-01227 | | Your Claim is Scheduled As Follows: Schedule/Claim ID: s14642 AMOUNT/CLASSIFICATION: \$75,000.00 UNSECURED (CONTINGENT) |
| <small>NOTE: See reverse and attached for List of Debtors/Case Numbers/important details. Other than claims under 11 U.S.C. § 503(b)(9), this form should not be used to make a claim for Administrative Expenses arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503(a).</small> | | | | |
| Name of Creditor (the person or other entity to whom the debtor owes money or property) : | | | | <p>The amounts reflected above constitute your claim as scheduled by the Debtor or pursuant to a filed claim. If you agree with the amounts set forth herein, and have no other claim against the Debtor, you do not need to file this proof of claim EXCEPT as stated below.</p> <p>If the amounts shown above are listed as Contingent, Unliquidated or Disputed, a proof of claim must be filed except as provided in the accompanying bar date notice.</p> <p>If you have already filed a proof of claim with the Bankruptcy Court or BMC, you do not need to file again.</p> <p style="text-align: center;">THIS SPACE IS FOR COURT USE ONLY</p> |
| Name and address where notices should be sent:  29347866005243 Mulhearn, Robert 7050 Mourning Dove Way Hobe Sound, FL 33455 | | | | |
|  RECEIVED APR 26 2012 BMC GROUP | | | | |
| Creditor Telephone Number () email: | | Name and address where payment should be sent (if different from above): | | <input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim. Court Claim Number (if known): _____ Filed on: _____ |
| | | <input type="checkbox"/> Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. | | |
| Payment Telephone Number () email: | | 1. AMOUNT OF CLAIM AS OF DATE CASE FILED \$ <u>\$75,000</u> | | |
| <p>If all or part of your claim is secured, complete item 4.</p> <p>If all or part of your claim is entitled to priority, complete item 5.</p> <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges. | | | | |
| 2. BASIS FOR CLAIM: <u>Cliffs at Walnut Cove Membership 4/1/03</u> (See instruction #2) | | | | |
| 3. LAST FOUR DIGITS OF ANY NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR: | | 3a. Debtor may have scheduled account as: | 3b. Uniform Claim Identifier (optional): | |
| | | (See instruction #3a) | (See instruction #3b) | |
| 4. SECURED CLAIM: (See instruction #4) | | | | |
| Check the appropriate box if your claim is secured by a lien on property or a right of set off, attach required redacted documents, and provide the requested information. Nature of property or right of setoff: Describe: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other _____ Value of Property: \$ _____ Annual Interest Rate: _____ % <input type="checkbox"/> Fixed or <input type="checkbox"/> Variable (when case was filed) | | | Amount of arrearage and other charges, as of time case filed, included in secured claim, if any: \$ _____ Basis for Perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____ | |
| 5. Amount of Claim Entitled to Administrative Expense status under 11 U.S.C. § 503(b)(9) or Priority under 11 U.S.C. § 507(a). If any part of the claim falls into one of the following categories, check the box specifying the administrative expense or priority and state the amount. | | | | |
| Amount entitled to priority: \$ _____ | | Amount entitled to administrative expense under 11 U.S.C. § 503(b)(9): \$ _____ | | |
| <p>You MUST specify the priority of the claim:</p> <input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7). <input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*), earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4). | | | | |
| <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8). <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5). <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a) (_____). <input type="checkbox"/> Value of goods received by the debtor within 20 days before the date of the bankruptcy filing - 11 U.S.C. § 503(b)(9). | | | | |
| <small>* Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.</small> | | | | |
| Cliffs POC  00280 | | | | |
| 6. CREDITS: The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #6) | | | | |

7. DOCUMENTS: Attached are redacted copies of documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. If the claim is secured, box 4 has been completed, and redacted copies of documents providing evidence of perfection of a security interest are attached. (See instruction #7, and definition of "redacted").
 DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.
 If the documents are not available, please explain:

DATE-STAMPED COPY: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.
The original of this completed proof of claim form must be sent by mail or hand delivered (FAXES OR EMAIL NOT ACCEPTED) so that it is actually received on or before 4:00 pm prevailing Eastern Time on May 31, 2012 for Non-Governmental Claimants OR on or before 4:00 pm prevailing Eastern Time on August 27, 2012 for Governmental Claimants.

| | |
|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| BY MAIL TO: BMC Group, Inc Attn: Cliffs Claims Processing PO Box 3020 Chanhassen, MN 55317-3020 | BY MESSENGER OR OVERNIGHT DELIVERY TO: BMC Group, Inc Attn: Cliffs Claims Processing 18675 Lake Drive East Chanhassen, MN 55317 |
|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|

8. SIGNATURE: (See instruction #8)



Check the appropriate box.

| | | | |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> I am the creditor. | <input type="checkbox"/> I am the creditor's authorized agent. (Attach copy of power of attorney, if any.) | <input type="checkbox"/> I am the trustee, or the debtor, or their authorized agent. (See Bankruptcy Rule 3004.) | <input type="checkbox"/> I am a guarantor, surety, indorser, or other codebtor. (See Bankruptcy Rule 3005.) |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|

I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.

Print Name: _____
 Title: _____
 Company: _____

Address and telephone number (if different from notice address above): _____

 4/2/2012
 (Signature) (Date)

772-546-4607 R.Muehler@GMAIL.COM
 Telephone number: _____ email: _____

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

LIST OF DEBTORS:

| Case Name | Case Nbr |
|---------------------------------------------------------|----------|
| The Cliffs Club & Hospitality Group, Inc. | 12-01220 |
| CCHG Holdings, Inc. | 12-01223 |
| The Cliffs at Mountain Park Golf & Country Club, LLC | 12-01225 |
| The Cliffs at Keowee Vineyards Golf & Country Club, LLC | 12-01226 |
| The Cliffs at Walnut Cove Golf & Country Club, LLC | 12-01227 |
| The Cliffs at Keowee Falls Golf & Country Club, LLC | 12-01229 |
| The Cliffs at Keowee Springs Golf & Country Club, LLC | 12-01230 |
| The Cliffs at High Carolina Golf & Country Club, LLC | 12-01231 |
| The Cliffs at Glassy Golf & Country Club, LLC | 12-01234 |
| The Cliffs Valley Golf & Country Club, LLC | 12-01236 |
| Cliffs Club & Hospitality Service Company, LLC | 12-01237 |



The Cliffs at Walnut Cove Membership Inclusion Addendum

THIS ADDENDUM is executed by and between The Cliffs at Walnut Cove, LLC (the "Seller" and generally referred to as "we" and "us") and the below identified "Purchaser" (generally referred to as "you") of a Lot in The Cliffs at Walnut Cove and is an amendment of and addition to that certain Agreement ("Agreement") between both of us.

Purchaser: Bob Mulhearn Walnut Cove Section: TH, Lot: 22
Sue Mulhearn Agreement Date: 9/11/03
Membership Deposit Included in Purchase Price: \$ 75,000⁰⁰

1. **Purchase Price Inclusive of Memberships.** The Purchase Price of the Lot under the Agreement includes the membership amount for either a Full Golf Membership or for a Social Athletic Membership. If you wish to acquire a membership, you must elect to do so below and submit the required membership deposit as below provided. See the membership check boxes below and Paragraph 2 regarding membership privileges in the Clubs' facilities.

- Box #1. YOU ELECT TO RECEIVE A FULL GOLF MEMBERSHIP. THE DEPOSIT FOR A FULL GOLF MEMBERSHIP IS \$ 75,000⁰⁰. By checking this box and initialing below, you acknowledge that you have read Paragraph 2 below. You hereby understand that, the Full Golf Membership will not be issued and activated until we have received from you the required deposit for the membership. You must deliver your membership deposit and complete the Club's required forms not later than thirty (30) days following your closing. If the Club does not receive such funding on or before the expiration of the aforesaid period, you will forfeit the right of guaranteed availability of a Full Golf Membership and shall only be able to acquire one if, and only if, one becomes available pursuant to the Club's Membership Plan, which neither we nor the Club guarantees. Please remember, that when you go to sell your Cliffs property, your buyer is only guaranteed the ability to get a Full Golf Membership if you have one to resign back to the Club (and receive a refund of your initiation deposit) so the Club can immediately re-issue it to your buyer at your re-sale closing (subject to your buyer completing an application and paying the required membership deposit at the closing) without your buyer having to be placed on a waiting list and perhaps never having one become available.

RM SM
For Purchaser

Box #2. YOU ELECT TO RECEIVE A SOCIAL ATHLETIC MEMBERSHIP. THE DEPOSIT FOR A SOCIAL ATHLETIC MEMBERSHIP IS \$ _____ By checking this box and initialing below, you acknowledge that you have read Paragraph 2 below. You understand that the Social Athletic Membership will not be issued and activated until we have received from you the required deposit for the membership. You further understand that a Social Athletic Membership is subject to availability and that there is no guarantee that a Social Athletic Membership would be available if you delay membership acquisition and later wish to acquire a membership. You must deliver your membership deposit and complete the Club's required forms not later than thirty (30) days following your closing. If the Club does not receive such funding on or before the expiration of the aforesaid period, a Social Athletic Membership will be available to you if, and only if, one is available pursuant to the Club's Membership Plan, which neither we nor the Club guarantees.

For Purchaser

2. **The Golf & Country Club.** You hereby acknowledge the plan of development for Cliffs at Walnut Cove includes the construction and operation of a commercial, private golf and country club facility within the boundaries of The Cliffs at Walnut Cove (sometimes hereinafter, the "Club"). You further acknowledge that the Club's recreational facilities are, or when construction is completed will be, owned by us or by a related third party as a commercial business, and not as a non-profit enterprise, that you will have a license to use the facilities as herein described if you acquire a membership to do so, and that neither you nor any property owner association of which you may be a member has or will receive any ownership interest in the Club's facilities by virtue of your acquisition of the Lot or membership in any such property owner association. The Club may, but will not be required to, add additional recreational facilities in the future. The Club operates and offers membership opportunities pursuant to a published membership plan, which the Club may supplement, amend, delete and change in its sole discretion at any time. If you wish to become a member, you should take the time to read the entire membership plan prior to acquiring a membership.

(a) **Golf Membership.** The ability to acquire permanent golf privileges is reserved to those who elect to acquire a Full Golf Membership. Acquisition of a Full Golf Membership is subject to availability at the time you may wish to acquire one, but is guaranteed to be available to you if it is acquired before the expiration of thirty (30) days following your closing. Under the Club membership plan, a buyer is guaranteed the availability of the Full Golf Membership if the buyer purchases from our previously unsold inventory and the buyer's application and membership deposit are received within thirty (30) days following the buyer's closing with; or if the buyer purchases re-sale property from a seller who is the holder of a Full Golf Membership and submits the completed application and required membership deposit at the re-sale closing of the Cliffs property. If you want the buyer of your Cliffs property in a re-sale transaction to be guaranteed the ability to acquire a Full Golf Membership, following your membership resignation and the Club's re-issuance of the resigned membership to your buyer at your closing pursuant to the requirements of the Club's membership plan and subject to your buyer completing an application and paying the required membership deposit at the closing, you will need to acquire the Full Golf Membership. A golf membership is subject to availability at all times as determined by the Club. If you have elected to receive a Full Golf Membership by checking Box #1 on page 1, then upon you making application and funding the required deposit within the period required, you will be issued a Full Golf Membership in the Club. Your monthly membership dues will commence to coincide with completion of the various Club facilities and their being made available for use by members, and the monthly dues may change from time to time at the Club's sole discretion. The privileges of membership in the Club are dependent upon the facilities available and the rules and regulations adopted for their use, as the Club may modify the same from time to time.

(b) **Social Athletic Membership.** If you have elected to receive a Social Athletic Membership by checking Box #2 on page 2 of this Addendum, then upon you making application and funding the required deposit, you will be issued a Social Athletic Membership in the Club. Your monthly membership dues will commence with the issuance of the membership to you, and the monthly dues may change from time to time at the Club's sole discretion. The privileges of membership in the Club are dependent upon the facilities available and the rules and regulations adopted for their use, as the Club may modify the same from time to time.

(c) **Club's Membership Plan.** The governing documents of the Club require that upon resale of your Lot, your membership in the Club must be resigned. When you sell your Lot, and so long as you are a Club member in good standing, you will be entitled to a refund equal to one hundred percent (100%) of the initiation deposit you made for memberships in the Club. In addition, if the buyer of your Lot and improvements wishes a membership, he or she will have to acquire a membership directly from the Club at the then prevailing rates for the membership desired, and subject to availability and the rules and regulations of the Club. The membership deposit that your buyer makes for the issuance of a membership may be more or less than the deposit you made. As previously indicated, a Full Golf Membership is not guaranteed to be available to your buyer if you do not acquire a Full Golf Membership within thirty (30) days following your Closing. See subparagraph (a) above.

3. **Effective Date.** This Addendum shall become effective the last date executed by a party to be bound hereby, and is subject to all other terms and conditions of the Agreement.

Purchaser:

Robert P. Mulhearn
Susan L. Mulhearn

9 14 03
Month Day Year

Seller:

THE CLIFFS AT WALNUT COVE, LLC

By: Daniel E. [Signature]

Its: VP - COO

10 15 03
Month Day Year

CWC TH 22

Mulhearn

DEPARTMENT OF HOUSING & URBAN DEVELOPMENT
SETTLEMENT STATEMENT

B. TYPE OF LOAN:

1. FHA 2. FmHA 3. CONV. UNINS. 4. VA 5. CONV. INS.

6. FILE NUMBER: MULHEARN-23371-1

7. LOAN NUMBER:

8. MORTGAGE INS CASE NUMBER:

NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "POC" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

U. NAME AND ADDRESS OF BUYER: Robert P. Mulhearn and wife, Susan L. Mulhearn, 7060 Mourning Dove Way, Hobo Sound, FL 33455

E. NAME AND ADDRESS OF SELLER: The Cliffs at Walnut Cove, LLC

F. NAME AND ADDRESS OF LENDER:

G. PROPERTY LOCATION: Lot 22, The Townhomes at Walnut Cove, Arden, NC, Buncombe County, North Carolina

H. SETTLEMENT AGENT: 58-1026015, Van Winkle Law Firm

I. SETTLEMENT DATE: October 15, 2003

PLACE OF SETTLEMENT: 11 North Market Street, Asheville, NC 28801

| J. SUMMARY OF BUYER'S TRANSACTION | | K. SUMMARY OF SELLER'S TRANSACTION | |
|--------------------------------------------------------|-------------------|--------------------------------------------------------|-------------------|
| 100. GROSS AMOUNT DUE FROM BUYER: | | 400. GROSS AMOUNT DUE TO SELLER: | |
| 101. Contract Sales Price | 185,000.00 | 401. Contract Sales Price | 185,000.00 |
| 102. Personal Property | | 402. Personal Property | |
| 103. Settlement Charges to Buyer (Line 1400) | 1,883.97 | 403. | |
| 104. | | 404. | |
| 105. | | 405. | |
| <i>Adjustments For Items Paid By Seller in advance</i> | | <i>Adjustments For Items Paid By Seller in advance</i> | |
| 106. City/Town Taxes to | | 406. City/Town Taxes to | |
| 107. County Taxes 10/16/03 to 01/01/04 | 150.00 | 407. County Taxes to | |
| 108. Assessments to | | 408. Assessments to | |
| 109. Golf Membership | 75,000.00 | 409. Golf Membership | 75,000.00 |
| 110. | | 410. | |
| 111. | | 411. | |
| 112. | | 412. | |
| 120. GROSS AMOUNT DUE FROM BUYER | 281,833.97 | 420. GROSS AMOUNT DUE TO SELLER | 280,000.00 |
| 200. AMOUNTS PAID BY OR IN BEHALF OF BUYER: | | 500. REDUCTIONS IN AMOUNT DUE TO SELLER: | |
| 201. Deposit or earnest money | 10,000.00 | 501. Excess Deposit (See Instructions) | |
| 202. Principal Amount of New Loan(s) | | 502. Settlement Charges to Seller (Line 1400) | 67,898.78 |
| 203. Existing loan(s) taken subject to | | 503. Existing loan(s) taken subject to | |
| 204. | | 504. Payoff of first Mortgage | |
| 205. | | 505. Payoff of second Mortgage | |
| 206. | | 506. | |
| 207. Seller finance/golf membership | 60,000.00 | 507. (Deposit deb. as proceeds) | |
| 208. | | 508. Seller finance/golf membership | 50,000.00 |
| 209. | | 509. | |
| <i>Adjustments For Items Unpaid By Seller</i> | | <i>Adjustments For Items Unpaid By Seller</i> | |
| 210. City/Town Taxes to | | 510. City/Town Taxes to | |
| 211. County Taxes to | | 511. County Taxes to | |
| 212. Assessments to | | 512. Assessments to | |
| 213. | | 513. | |
| 214. | | 514. | |
| 215. | | 515. | |
| 216. | | 516. | |
| 217. | | 517. | |
| 218. | | 518. | |
| 219. | | 519. | |
| 220. TOTAL PAID BY/FOR BUYER | 60,000.00 | 520. TOTAL REDUCTION AMOUNT DUE SELLER | 117,898.78 |
| 300. CASH AT SETTLEMENT FROM/TO BUYER: | | 600. CASH AT SETTLEMENT TO/FROM SELLER: | |
| 301. Gross Amount Due From Buyer (Line 120) | 281,833.97 | 601. Gross Amount Due To Seller (Line 420) | 280,000.00 |
| 302. Less Amount Paid By/FOR Buyer (Line 220) | (60,000.00) | 602. Less Reductions Due Seller (Line 520) | (117,898.78) |
| 303. CASH (X FROM) / (TO) BUYER | 201,833.97 | 603. CASH (X TO) / (FROM) SELLER | 142,101.22 |

The undersigned hereby acknowledge receipt of a completed copy of pages 1&2 of this statement & any attachments referred to herein.

Buyer *Robert P. Mulhearn*
 Robert P. Mulhearn
Susan L. Mulhearn
 Susan L. Mulhearn

Seller The Cliffs at Walnut Cove, LLC
 BY: _____

2/4/03

ROBERT MULHEARN
7050 SE MOURNING DOVE WAY
HOBE SOUND, FL 33455

WEST PALM BEACH FL 334

23 APR 2012 PM 3:11

RECEIVED

APR 26 2012

BMC CR

The Cliffs Club & Hospitality Group, Inc

c/o BMC GROUP, INC.

PO BOX 3020

Chanhassen, Mn 55317-3020

55317302020

Intelligent Mail Barcode

