




<b>UNITED STATES BANKRUPTCY COURT DISTRICT OF SOUTH CAROLINA</b>		<b>PROOF OF CLAIM</b>		
Name of Debtor: <b>The Cliffs at Keowee Springs Golf &amp; Country Club, LLC</b>		Case Number: <b>12-01230</b>		<b>Your Claim is Scheduled As Follows:</b> Schedule/Claim ID: s14180 <b>AMOUNT/CLASSIFICATION:</b> \$35,000.00 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) :				
Name and address where notices should be sent:  29347866001407 Price, Glenn 5667 Lonesome Dove Court Clifton, VA 20124  <b>703-988-0243 2PRICELESS2@VERIZON.NET</b>		<b>RECEIVED</b> <b>1 APR 30 2012</b> <b>BMC GROUP</b>		
Creditor Telephone Number ( ) email:		<b>THIS SPACE IS FOR COURT USE ONLY</b>		
Name and address where <b>payment</b> should be sent (if different from above):		<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.		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim. <b>Court Claim Number (if known):</b>  Filed on: _____
Payment Telephone Number ( ) email:				
<b>1. AMOUNT OF CLAIM AS OF DATE CASE FILED</b> \$ <u>35,000.00</u> If all or part of your claim is secured, complete item 4. If all or part of your claim is entitled to priority, complete item 5. <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.				
<b>2. BASIS FOR CLAIM:</b> <u>KEOWEE SPRINGS MEMBERSHIP FEE</u> (See instruction #2)				
<b>3. LAST FOUR DIGITS OF ANY NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR:</b> <u>5691</u>		<b>3a. Debtor may have scheduled account as:</b> <u>P00203</u> (See instruction #3a)		<b>3b. Uniform Claim Identifier (optional):</b> (See instruction #3b)
<b>4. SECURED CLAIM:</b> (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. <b>Nature of property or right of setoff:</b> 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) <b>Amount of arrearage and other charges, as of time case filed, included in secured claim, if any:</b> \$ _____ <b>Basis for Perfection:</b> _____ <b>Amount of Secured Claim:</b> \$ _____ <b>Amount Unsecured:</b> \$ _____				
<b>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.</b> <b>Amount entitled to priority:</b> \$ _____ <b>Amount entitled to administrative expense under 11 U.S.C. § 503(b)(9):</b> \$ _____ <b>You MUST specify the priority of the claim:</b> <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>				
<b>Cliffs POC</b>  00399				
<b>6. CREDITS:</b> 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.

- I am the creditor.       I am the creditor's authorized agent.  
 (Attach copy of power of attorney, if any.)       I am the trustee, or the debtor, or their authorized agent.  
 (See Bankruptcy Rule 3004.)       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: GLENN R. PRICE  
 Title: \_\_\_\_\_  
 Company: \_\_\_\_\_

Glenn R. Price      4/25/2012  
 (Signature)      (Date)

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

Telephone number: \_\_\_\_\_ email: \_\_\_\_\_

703-988-0243      2PRICELESS2@VERIZON.NET

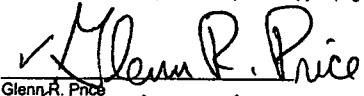

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

**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

<b>A.</b> U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT <b>SETTLEMENT STATEMENT</b>		<b>B. TYPE OF LOAN:</b> 1. <input type="checkbox"/> FHA    2. <input type="checkbox"/> FmHA    3. <input checked="" type="checkbox"/> CONV. UNINS.    4. <input type="checkbox"/> VA    5. <input type="checkbox"/> CONV. INS. 6. FILE NUMBER: 04-0597C 7. LOAN NUMBER: 6892805042 8. MORTGAGE INS CASE NUMBER:	
C. NOTE: <i>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.</i> <small>1.0 398 (04-0597C.PFD04-0597CZZ)</small>			
D. NAME AND ADDRESS OF BORROWER:  Glenn R. Price Deborah L. Price 5667 Lonesome Dove Court Clifton, VA 20124		E. NAME AND ADDRESS OF SELLER:  The Cliffs at Keowee Springs, 301 Beaver Dam Road Travelers Rest, SC 29690 TIN: 54-2151342	
F. NAME AND ADDRESS OF LENDER:  Bank of America, N.A. 200 S. College Street Charlotte, NC 28255-0001			
G. PROPERTY LOCATION: Lot 59, Cliffs at Keowee Springs, II Six Mile, SC 29682 Pickens County, South Carolina Lot 59, The Cliffs at Keowee Springs, Phase II		H. SETTLEMENT AGENT: 57-1014449 Olson, Smith, Jordan & Cox, P.A.  PLACE OF SETTLEMENT 600 College Avenue Clemson, SC 29631	
		I. SETTLEMENT DATE:  December 8, 2004	
<b>J. SUMMARY OF BORROWER'S TRANSACTION</b>		<b>K. SUMMARY OF SELLER'S TRANSACTION</b>	
<b>100. GROSS AMOUNT DUE FROM BORROWER:</b>		<b>400. GROSS AMOUNT DUE TO SELLER:</b>	
101. Contract Sales Price	260,000.00	401. Contract Sales Price	260,000.00
102. Personal Property		402. Personal Property	
103. Settlement Charges to Borrower (Line 1400)	3,137.27	403.	
104. Working Capital Contribution to Cliffs Keowee Sprin	115.00	404.	
105. NO POA DUES 2004		405.	
<i>Adjustments For Items Paid By Seller in advance</i>		<i>Adjustments For Items Paid By Seller in advance</i>	
106. City Taxes to		406. City Taxes to	
107. County Taxes to		407. County Taxes to	
108. Assessments to		408. Assessments to	
109. Family Membership	35,000.00	409. Family Membership	35,000.00
110.		410.	
111.		411.	
112.		412.	
<b>120. GROSS AMOUNT DUE FROM BORROWER</b>	<b>298,252.27</b>	<b>420. GROSS AMOUNT DUE TO SELLER</b>	<b>295,000.00</b>
<b>200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:</b>		<b>500. REDUCTIONS IN AMOUNT DUE TO SELLER:</b>	
201. Deposit or earnest money	10,000.00	501. Excess Deposit (See Instructions)	
202. Principal Amount of New Loan(s)	280,250.00	502. Settlement Charges to Seller (Line 1400)	44,917.83
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff of first Mortgage to Regions Bank/50% or mi	105,041.08
205.		505. Payoff of second Mortgage	
206.		506.	
207.		507. (Deposit disb. as proceeds)	
208.		508.	
209.		509.	
<i>Adjustments For Items Unpaid By Seller</i>		<i>Adjustments For Items Unpaid By Seller</i>	
210. City Taxes to		510. City 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. Family Membership to Cliffs Keowee Vineyards Golf	35,000.00
218.		518. Club Membership to Cliffs Keowee Vineyards Golf &	5,000.00
219.		519.	
<b>220. TOTAL PAID BY/FOR BORROWER</b>	<b>290,250.00</b>	<b>520. TOTAL REDUCTION AMOUNT DUE SELLER</b>	<b>189,958.91</b>
<b>300. CASH AT SETTLEMENT FROM/TO BORROWER:</b>		<b>600. CASH AT SETTLEMENT TO/FROM SELLER:</b>	
301. Gross Amount Due From Borrower (Line 120)	298,252.27	601. Gross Amount Due To Seller (Line 420)	295,000.00
302. Less Amount Paid By/For Borrower (Line 220)	( 290,250.00)	602. Less Reductions Due Seller (Line 520)	( 189,958.91)
<b>303. CASH ( X FROM ) ( TO ) BORROWER</b>	<b>8,002.27</b>	<b>603. CASH ( X TO ) ( FROM ) SELLER</b>	<b>105,041.09</b>

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

Borrower   
 Glenn R. Price  
  
 Deborah L. Price

Seller The Cliffs at Keowee Springs, LLC  
 BY: \_\_\_\_\_

# THE CLIFFS COMMUNITIES

## REAL ESTATE SALE AND PURCHASE AGREEMENT

**THIS REAL ESTATE SALE AND PURCHASE AGREEMENT** (the "Agreement") made by and between the below-named seller (the "Seller") identified on the Seller's signature page below (the "Seller"), whose mailing address is as set forth on page 6, and the below-named purchaser (the "Purchaser") identified on the Purchaser's signature page below.

### Part I. Identifications

A. **The Lot and What is Included in Price.** The property to be purchased (the "Lot") is located in Section Keowee Springs - Phase II, Lot 59, Cliffs at Keowee Springs

The Lot is listed for sale for \$ 295,000.00

The purchase of the Lot does not include a membership in the Golf and Country Club (the "Club"), which is reserved solely to its members in accordance with the use rights conferred by the Club Membership Plan for the categories and classifications of membership offered. Seller does not operate the Club. The Club is operated by The Cliffs Golf & Country Club, Inc. Seller will, however, discount the list price of the Lot by \$35,000 if Purchaser agrees to acquire a membership, and Purchaser will pay that amount at Closing toward a membership.

Check one of the following:

If checked and initialed, Purchaser wishes to acquire a membership in the Club, either a Cliffs Family Membership or a Cliffs Golf Membership, and wishes to receive a \$35,000 discount and apply it toward the required membership deposit, and has attached hereto a signed Club Membership Addendum. While Purchaser is guaranteed the availability of a golf membership under the Membership Plan only if Purchaser acquires one within 30 days following Purchaser's Closing, Purchaser will receive the discount only if the membership is acquired at the Closing. If this paragraph is checked and initialed, the Purchase Price in Paragraph B below is net of the discount.

If checked and initialed, Purchaser does not wish to acquire a membership in the Club at this time. Purchaser understands that membership is subject to availability at the time Purchaser may wish to acquire one, and is not guaranteed. Purchaser will NOT receive any discount off the listed Purchase Price because Purchaser elects not to receive a membership.

GP SA H  
K2 PVA  
(Initial)

(Initial)

B. **Payment of Purchase Price.** The "Purchase Price" is calculated and payable as follows:

GP SA H  
K2 PVA  
(Initial)

		Total Purchase Price:	\$ <u>260,000.00</u>
(i)	<input checked="" type="checkbox"/> <b>Discount Applied to Membership Deposit.</b> If checked and initialed, Purchaser has checked the first box in A above and wishes to acquire Full Family Membership privileges, paying at the Closing \$35,000.		\$ <u>35,000.00</u>
(ii)	<input type="checkbox"/> <b>Golf Membership, Initiation Deposit Add-on.</b> If checked and initialed, Purchaser has checked the first box in A above and wishes to upgrade to a Golf Membership by paying at the Closing an additional sum of \$40,000.		\$ <u>0.00</u>
(iii)	<b>SUB-TOTAL, Purchase Price of Lot plus Membership Deposit Due at Closing</b>		\$ <u>295,000.00</u>
(iv)	<b>Initial Earnest Money Deposit.</b> An Earnest Money Deposit paid to Escrow Agent herewith		\$ <u>10,000.00</u>
(v)	<b>Additional Deposit Due.</b> An additional Earnest Money Deposit due Escrow Agent within <u>0</u> days of the Effective Date hereof.		\$ <u>0.00</u>
(vi)	<b>Balance at Closing.</b> The balance required at Closing in cash or certified funds (not including all of Purchaser's closing costs, prepaids, and escrow deposits)		\$ <u>285,000.00</u>

(Initial)

Additional Documents Received By Purchaser. Pursuant to Section 9.6, the Purchaser acknowledges having received and reviewed prior to the execution of this Agreement the following (if none, leave blank):

- HUD agreement
- Conditions, Covenants, and Restrictions and Design Guidelines
- Cliffs Family membership addendum
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PURCHASER'S INITIAL HERE TO EVIDENCE HAVING RECEIVED THE DOCUMENTS LISTED ABOVE

GP MPA AS POA  
For Purchaser

YOU HAVE THE OPTION TO CANCEL YOUR CONTRACT OR AGREEMENT OF SALE BY NOTICE TO THE SELLER UNTIL MIDNIGHT OF THE SEVENTH DAY AFTER YOU HAVE RECEIVED A FULLY SIGNED COPY OF THE CONTRACT OR AGREEMENT.

IF YOU DID NOT RECEIVE A PROPERTY REPORT PREPARED PURSUANT TO THE RULES AND REGULATIONS OF THE OFFICE OF INTERSTATE LAND SALES REGISTRATION, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, IN ADVANCE OF YOUR SIGNING THE CONTRACT OR AGREEMENT, THE CONTRACT OR AGREEMENT OF SALE MAY BE CANCELLED AT YOUR OPTION FOR TWO YEARS FROM THE DATE OF SIGNING.

IN WITNESS WHEREOF, Purchaser and the Seller have each caused this instrument to be executed on the day and year set forth below their respective names.

WITNESS:

Purchaser:

Glenn Price AS POA  
(Signature)

(Signature)

11                      6                      04  
Month                      Day                      Year

Print or Type:

Name: \_\_\_\_\_

Telephone (Work): \_\_\_\_\_

Name: \_\_\_\_\_

Telephone (Home): \_\_\_\_\_

Address: \_\_\_\_\_

FAX Number: \_\_\_\_\_

\_\_\_\_\_

E-mail Address: \_\_\_\_\_

\_\_\_\_\_

Name in Which to Title Property. Glenn Price  
(Insert the name or names to which Purchaser wishes title to the Lot to be deeded)

Name of Real Estate Agent(s): Brad Skelton  
(Insert the name or names of both the Cliffs Real Estate agent representing Seller and any outside agent representing Purchaser)

**(BALANCE OF PAGE PURPOSELY BLANK)**

Seller:

The Cliffs at Keowee Springs, LLC

By: \_\_\_\_\_

Its: \_\_\_\_\_

Month

Day

Year

*[Handwritten Signature]*  
*[Handwritten Name]*  
*11/6/04*

Property: Section: Keowee Springs -, Lot 59

Lot Purchase Price: \$ 260,000.00

Membership \$ 35,000.00

Total: \$ 295,000.00

(BALANCE OF PAGE PURPOSELY BLANK)

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

**NOTICE OF DEADLINES TO FILE PROOFS OF CLAIM**

**PLEASE TAKE NOTICE OF THE FOLLOWING:**

On February 28, 2012 (the "Petition Date"), 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") filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of South Carolina (the "Bankruptcy Court").

Acts or omissions of the Debtors that arose on or before the Petition Date may give rise to claims against any or all of the Debtors, notwithstanding that such claims may not have matured or become fixed or liquidated prior to such date. Under section 101(5) of the Bankruptcy Code, the word "claim" means (a) a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured, or (b) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

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<sup>1</sup> The Debtors, followed by the last four digits of their respective taxpayer identification numbers and Chapter 11 case numbers, are as follows: The Cliffs Club & Hospitality Group, Inc. (6338) (12-01220); CCHG Holdings, Inc. (1356) (12-01223); The Cliffs at Mountain Park Golf & Country Club, LLC (2842) (12-01225); The Cliffs at Keowee Vineyards Golf & Country Club, LLC (5319) (12-01226); The Cliffs at Walnut Cove Golf & Country Club, LLC (9879) (12-01227); The Cliffs at Keowee Falls Golf & Country Club, LLC (3230) (12-01229); The Cliffs at Keowee Springs Golf & Country Club, LLC (2898) (12-01230); The Cliffs at High Carolina Golf & Country Club, LLC (4293) (12-01231); The Cliffs at Glassy Golf & Country Club, LLC (6559) (12-01234); The Cliffs Valley Golf & Country Club, LLC (6486) (12-01236); and Cliffs Club & Hospitality Service Company, LLC (9665) (12-01237).

Under the Bankruptcy Code, the Debtors are granted certain protections against creditors. A creditor is anyone to whom the Debtors owe money or property. Creditors are prohibited from taking any actions to collect money or property from the Debtors. If unauthorized actions are taken by a creditor against any or all of the Debtors, the Bankruptcy Court may penalize that creditor. A creditor who is considering taking action against any or all of the Debtors, or property of any or all of the Debtors, other than by the filing of a proof of claim consistent with this notice, may wish to consult an attorney.

**YOU SHOULD NOT FILE A PROOF OF CLAIM IF YOU DO NOT HAVE A CLAIM AGAINST ANY OR ALL OF THE DEBTORS.**

**THE FACT THAT YOU HAVE RECEIVED THIS NOTICE DOES NOT MEAN THAT YOU HAVE A CLAIM OR THAT THE DEBTORS OR THE COURT BELIEVE THAT YOU HAVE A CLAIM.**

**BAR DATES FOR PREPETITION CLAIMS AND  
PROCEDURES FOR ASSERTION OF SECTION 503(B)(9) CLAIMS**

By Order of the Bankruptcy Court entered on April 10, 2012 (the "Bar Date Order"),<sup>2</sup> except as expressly provided herein, any entity, as such term is defined in section 101(15) of the Bankruptcy Code (an "Entity"), including any governmental unit, as such term is defined in section 101(27) of the Bankruptcy Code, that asserts a claim against any or all of the Debtors that *arose prior to the Petition Date*, whether secured, unsecured priority, or unsecured non-priority (such claim, a "Prepetition Claim"), is required to file an original, written proof of such Prepetition Claim, substantially in the form of Form B10 (Official Form No. 10),<sup>3</sup> so as to be **actually received** on or before **May 31, 2012** (the "Bar Date") (or by **August 27, 2012** for claims of governmental units (the "Governmental Claims Bar Date") by hand delivery, courier service, overnight delivery, or first-class U.S. mail to BMC Group, Inc., the Debtors' duly appointed claims, noticing and balloting agent (the "Claims Agent"), at one of the following addresses:

**BY MAIL TO:**  
BMC Group, Inc.  
Attn: Cliffs Claims Processing  
PO Box 3020  
Chanhassen, MN 55317-3020

**BY HAND OR OVERNIGHT DELIVERY TO:**  
BMC Group, Inc.  
Attn: Cliffs Claims Processing  
18675 Lake Drive East  
Chanhassen, MN 55317

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<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Bar Date Order.

<sup>3</sup> You should have received a copy of a proof of claim form consistent with Form B10 (Official Form No. 10). However, if you did not receive a copy of such form, or if you need another copy, you can print a copy of the appropriate form from the website maintained for these cases by BMC Group, Inc., the Debtors' duly appointed claims, noticing and balloting agent, at the address [www.bmcgroup.com/cliffs](http://www.bmcgroup.com/cliffs). Additionally, you may obtain a proof of claim form from any bankruptcy court clerk's office, from your lawyer, or by contacting the Debtors' bankruptcy counsel, Bryan E. Bates, at 404-527-4000.



**Original proofs of claim (and not email transmissions or facsimile copies) must be received by the Claims Agent on or before 4:00 p.m. prevailing Eastern Time on the applicable Bar Date.**

The Bar Dates apply to all Prepetition Claims, including claims pursuant to section 503(b)(9) of the Bankruptcy Code, except that the following Entities **do not** need to file proofs of claim:

- (a) any Entity that has already properly filed with the Court or the Claims Agent a proof of claim using a claim form that substantially conforms to Form B10 (Official Form No. 10);
- (b) any Entity whose Prepetition Claim is listed in the Debtors' schedules of assets and liabilities (the "Schedules"),<sup>4</sup> **and** is not designated as "disputed," "contingent," or "unliquidated," **and** with respect to which the Entity agrees with the nature, classification and amount of such Prepetition Claim as identified in the Schedules;
- (c) any Entity whose Prepetition Claim (including any claim pursuant to section 503(b)(9) of the Bankruptcy Code) previously has been allowed by, or paid pursuant to, an order of this Court;
- (d) any Entity asserting a claim under section 507(a)(2) of the Bankruptcy Code as an administrative expense of the Debtors' Chapter 11 cases, specifically including professionals retained by the Debtors or the Committee, as well as all parties authorized to receive payment pursuant to the DIP Financing Order or the Cash Collateral Order;
- (e) any Entity asserting a claim **solely** for a refundable membership or initiation deposit and/or an amount due under the Notes, **and**, with respect to the refundable membership or initiation deposit claim, the Entity agrees with the description and amount of such Prepetition Claim as identified in the Schedules; and
- (f) holders of Notes, as defined in the Cash Collateral Order, who are not required to file proofs of claim in these Chapter 11 cases with respect to any obligation under the Notes. The Indenture Trustee, as defined in the Cash Collateral Order, is authorized and entitled, in its sole discretion, but is not required, to file (and amend and/or supplement, as it sees fit) aggregate proofs of claim on behalf of the holders of the Notes with respect to any obligation under the Notes.

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<sup>4</sup> A copy of the Debtors' Schedules may be obtained at the website maintained for these cases by the Claims Agent, at the address [www.bmcgroup.com/cliffs](http://www.bmcgroup.com/cliffs).

Except with respect to any Entity asserting a claim solely for a refundable membership or initiation deposit, any Entity whose Prepetition Claim is not listed in the Debtors' Schedules, or is listed as disputed, contingent, or unliquidated, and that desires to participate in these Chapter 11 cases or share in any distribution in these Chapter 11 cases, and any Entity that believes its Prepetition Claim is improperly classified in the Schedules or is listed in an incorrect amount and that desires to have its Prepetition Claim allowed in a classification or amount other than that set forth in the Schedules, must file a proof of claim on or before the Bar Date.

Any Entity asserting a claim **solely** for a refundable membership or initiation deposit will be deemed to have filed a timely contingent claim in the amount and of the type as set forth in Schedule F of each of the Debtor's Schedules of Assets and Liabilities filed on March 30, 2012, wherein each such refundable membership or initiation deposit claim is denominated as a contingent "Member Initiation Deposit" in a specified amount (a copy of each Debtor's Schedule F may be obtained at the website maintained for these cases by the Claims Agent at the address [www.bmcgroup.com/cliffs](http://www.bmcgroup.com/cliffs)). Any Entity asserting any claim in addition to a claim for a refundable membership or initiation deposit (or other amounts included in paragraphs (a)-(f) above for which a proof of claim need not be filed, including but not limited to a claim with respect to any obligation under the Notes) **must file a separate proof of claim as to such claim or it will not be deemed to have filed a proof of claim with regard to any such non-membership or initiation deposit claim(s)**. Nothing herein precludes any Entity from filing a separate proof of claim in accordance with the procedures set forth herein.

The following procedures shall apply to the assertion of claims pursuant to section 503(b)(9) of the Bankruptcy Code (the "503(b)(9) Claims") by vendors that delivered goods to the Debtors during the 20 days prior to the Petition Date (the "503(b)(9) Claimants"):

- (a) 503(b)(9) Claimants must use a claim form that substantially conforms to Form B10 (Official Form No. 10), must clearly indicate on the face of such claim form that a 503(b)(9) Claim is being asserted, and must include, with specificity: (i) the amount of the 503(b)(9) Claim; (ii) the date of delivery of the goods the 503(b)(9) Claimant contends the identified Debtor received within 20 days before the Petition Date; (iii) documentation, including invoices, receipts, bills of lading, etc., identifying the particular goods for which the 503(b)(9) Claim is being asserted; (iv) an identification of which goods (if any) were subject to a demand for reclamation asserted under section 546 of the Bankruptcy Code; and (v) a certification that the goods with respect to which the 503(b)(9) Claim is being asserted were sold in the ordinary course of the Debtor's business;
- (a) All of this required information shall be sent to the Claims Agent, so as to be received on or before the Bar Date by either mail or delivery by hand, courier, or overnight service at the appropriate address set forth herein;
- (a) 503(b)(9) Claimants shall not file a motion to compel allowance or payment of administrative expenses for their 503(b)(9) Claims. All timely and properly filed 503(b)(9) Claims shall be deemed allowed unless

objected to. To the extent any 503(b)(9) Claim is allowed pursuant to these 503(b)(9) Claims Procedures and is entitled to administrative priority pursuant to the Bankruptcy Code, the 503(b)(9) Claim shall be paid pursuant any appropriate Order of this Court or as set forth in a plan of reorganization, if any, confirmed by the Court;

- (b) Nothing in these 503(b)(9) Claims Procedures shall preclude any 503(b)(9) Claimant from filing a motion seeking, after notice and a hearing, payment of a 503(b)(9) Claim earlier than provided for herein so long as such motion is either (i) filed within thirty (30) days of entry of the Bar Date Order and is based on an argument that these procedures unfairly prejudice 503(b)(9) Claimants, or (ii) is predicated on events that have taken place in these cases subsequent to the entry of the Bar Date Order, and the movant asserts that, in light of such subsequent events, the earlier payment of the movant's 503(b)(9) Claim is necessary to ensure fair and equitable treatment of 503(b)(9) Claimants or is otherwise appropriate under the circumstances; and
- (c) Nothing in these 503(b)(9) Claims Procedures shall affect the rights and remedies and/or defenses of the Debtors, claimants or any other party-in-interest with regard to objection to any claim or obligation.

#### AMENDED SCHEDULE BAR DATE

If the Debtors amend their Schedules to reduce the undisputed, noncontingent, and liquidated amount of a Prepetition Claim reflected therein, to change the nature or classification of a Prepetition Claim reflected therein and/or to add a claim to the Schedules, then any affected claimant shall have until the Amended Schedule Bar Date (the later of the Bar Date and thirty (30) days after the date that notice of the amendment is served on the affected claimant) to file a proof of claim or to amend any previously filed proof of claim in respect of such amended scheduled Prepetition Claim or added claim. Entities wishing to file proofs of claim with respect to claims that have been amended by the Debtors in their Schedules or added thereto are required to file an original proof of such claim substantially in the form of Form B10 (Official Form No. 10) so as to be **actually received** by the Claims Agent on or before the Amended Schedule Bar Date by either mail or delivery by hand, courier, or overnight service at the appropriate address set forth herein.

#### GENERAL REQUIREMENTS AND INFORMATION

Each proof of claim filed shall: (a) be written in the English language, (b) be denominated in lawful currency of the United States, (c) conform substantially with Official Form No. 10, (d) attach copies of any writings upon which the claim is based, and (e) when asserting a 503(b)(9) Claim, shall also comply with the 503(b)(9) Claims Procedures.

The Claims Agent will **not** accept claim forms sent by facsimile, telecopy, or other electronic means, and all proofs of claim shall be deemed timely filed only if the original claim

form is **actually received** by the Claims Agent on or before **4:00 p.m.** prevailing Eastern Time on the applicable Bar Date.

**EXCEPT AS EXPRESSLY SET FORTH IN THE BAR DATE ORDER, PURSUANT TO BANKRUPTCY RULE 3003(C)(2), ANY ENTITY THAT IS REQUIRED TO FILE A PROOF OF CLAIM FOR ANY CLAIM AGAINST ANY OR ALL OF THE DEBTORS IN THESE CHAPTER 11 CASES PURSUANT TO THE BANKRUPTCY CODE, THE BANKRUPTCY RULES OR THE BAR DATE ORDER, BUT THAT FAILS TO DO SO IN A TIMELY MANNER, SHALL BE FOREVER BARRED, ESTOPPED, AND ENJOINED FROM ASSERTING ANY SUCH CLAIM AGAINST ANY OR ALL OF THE DEBTORS, AND THE DEBTORS AND THEIR PROPERTY SHALL BE FOREVER DISCHARGED FROM ANY AND ALL INDEBTEDNESS OR LIABILITY WITH RESPECT TO SUCH CLAIM (EXCEPT THAT NOTHING HEREIN SHALL PREJUDICE ANY RIGHT OF A CLAIMANT THAT FAILS TO FILE A CLAIM IN A TIMELY MANNER FROM ASSERTING, SUBJECT TO OBJECTION BY THE DEBTORS OR ANY OTHER PARTY IN INTEREST, THAT ITS UNTIMELY-FILED CLAIM: (I) SHOULD BE ALLOWED AS A TIMELY-FILED CLAIM, ON THE BASIS THAT SUCH CLAIMANT DID NOT HAVE NOTICE OR ACTUAL KNOWLEDGE OF THESE CASES IN TIME TO TIMELY FILE A PROOF OF CLAIM, (II) IS ENTITLED TO A DISTRIBUTION UNDER CHAPTER 7 OF THE BANKRUPTCY CODE, IN THE EVENT THESE CHAPTER 11 CASES ARE CONVERTED TO CHAPTER 7 CASES, OR (III) SHOULD OTHERWISE BE ALLOWED UNDER APPLICABLE LAW). ADDITIONALLY, ANY HOLDER OF ANY CLAIM WHO IS REQUIRED, BUT FAILS, TO FILE A PROOF OF SUCH CLAIM ON OR BEFORE THE APPLICABLE BAR DATE SHALL NOT BE PERMITTED TO VOTE TO ACCEPT OR REJECT ANY PLAN OR PLANS OR PARTICIPATE IN ANY DISTRIBUTION IN THE DEBTORS' CHAPTER 11 CASES ON ACCOUNT OF SUCH CLAIM OR TO RECEIVE FURTHER NOTICES REGARDING SUCH CLAIM.**

You may be listed as the holder of a claim against any or all of the Debtors in the Debtors' Schedules. To determine if and how you are listed on the Schedules, please refer to and carefully review the Schedules. Copies of the Schedules and the Bar Date Order are available and may be examined by interested parties: (i) at the website maintained for these cases by the Claims Agent at the address [www.bmcgroup.com/cliffs](http://www.bmcgroup.com/cliffs), (ii) at the office of the Clerk of the Court, J. Bratton Davis United States Bankruptcy Courthouse, 1100 Laurel Street, Columbia, SC 29201-2423, during normal business hours, or (iii) on the Court's electronic docket of these cases at the address [www.scb.uscourts.gov](http://www.scb.uscourts.gov).

**YOU SHOULD CONSULT YOUR ATTORNEY REGARDING ANY OTHER INQUIRIES, SUCH AS WHETHER YOU SHOULD FILE A PROOF OF CLAIM. If you have any further questions regarding the filing or processing of a proof of claim, please contact undersigned counsel for the Debtors. PLEASE DO NOT ATTEMPT TO CONTACT THE COURT FOR ADVICE.**

Dated: April 10, 2012

Respectfully submitted,

/s/ Däna Wilkinson

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-and-

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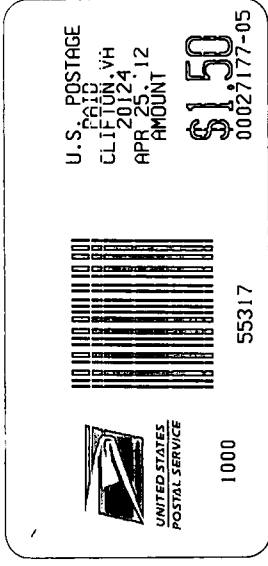
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BMC GROUP



BMC Group, Inc.

Attn: Cliffs Claims Processing

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