

UNITED STATES BANKRUPTCY COURT			PROOF OF CLAIM
Name of Debtor: The Cliffs Club Hospitality Group Inc. 3598 Highway 11 Travelers Rest, SC 29690		Case Number: 12-01220	<p style="text-align: center;">COURT USE ONLY</p> <input type="checkbox"/> Check this box if this claim amends a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____
NOTE: Do not use this form to make a claim for an administrative expense that arises after the bankruptcy filing. You may file a request for payment of an administrative expense according to 11 U.S.C. § 503.			
Name of Creditor (the person or other entity to whom the debtor owes money or property): James R. Baumgardt			
Name and address where notices should be sent: James R. Baumgardt 912 Seagrape Ln. Vero Beach, FL 32963		Telephone number: 772-234-6056	email: yog:dad1@yahoo.com
Name and address where payment should be sent (if different from above):			<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to this claim. Attach copy of statement giving particulars.
Telephone number: _____ email: _____			

1. Amount of Claim as of Date Case Filed: \$ 75,000.00 **RECEIVED**

If all or part of the claim is secured, complete item 4. **APR 30 2012**

If all or part of the claim is entitled to priority, complete item 5. **BMC GROUP**

Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.

2. Basis for Claim: Golf club association membership fee (\$100,000)
(See instruction #2)

3. Last four digits of any number by which creditor identifies debtor:	3a. Debtor may have scheduled account as: <u>Golf membership initiation deposit</u> (See instruction #3a)	3b. Uniform Claim Identifier (optional): (See instruction #3b)
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4. Secured Claim (See instruction #4) \$100,000 value based on the purchase of lot M
 Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information.

Nature of property or right of setoff: Real Estate Motor Vehicle Other Walnut Cove Sec. 6 Lot 88

Describe: _____

Value of Property: \$ _____

Annual Interest Rate _____ % Fixed or Variable (when case was filed)

Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any: \$ _____

Basis for perfection: Equity Golf membership

Amount of Secured Claim: \$ _____

Amount Unsecured: \$ _____

5. Amount of Claim Entitled to 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 priority and state the amount.

<input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507 (a)(1)(A) or (a)(1)(B).	<input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier – 11 U.S.C. § 507 (a)(4).	<input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. § 507 (a)(5).	Amount entitled to priority: \$ _____
<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"/> Taxes or penalties owed to governmental units – 11 U.S.C. § 507 (a)(8).	<input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. § 507 (a)(____).	



*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.

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 any 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 the definition of "redacted".)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

8. Signature: (See instruction #8)

Check the appropriate box.

- I am the creditor. I am the creditor's authorized agent. I am the trustee, or the debtor, I am a guarantor, surety, indorser, or other codebtor.
(Attach copy of power of attorney, if any.) or their authorized agent. (See Bankruptcy Rule 3005.)
(See Bankruptcy Rule 3004.)

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: James R. Baumgardt

Title: —

Company: —

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

912 Seagrave Ln
Vero Beach, FL 32963
772-234-6056 yogidad1@yahoo.com
Telephone number. email:

James R. Baumgardt 4-5-12
(Signature) (Date)

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.

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, exceptions to these general rules may apply.

Items to be completed in Proof of Claim form

Court, Name of Debtor, and Case Number:

Fill in the federal judicial district in which the bankruptcy case was filed (for example, Central District of California), the debtor's full name, and the case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is at the top of the notice.

Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the date of the bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on delivering health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if an interested party objects to the claim.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:

Report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

3b. Uniform Claim Identifier:

If you use a uniform claim identifier, you may report it here. A uniform claim identifier is an optional 24-character identifier that certain large creditors use to facilitate electronic payment in chapter 13 cases.

4. Secured Claim:

Check whether the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See Definitions.) If the claim is secured, check the box for the nature and value of property that secures the claim, attach copies of lien documentation, and state, as of the date of the bankruptcy filing, the annual interest rate (and whether it is fixed or variable), and the amount past due on the claim.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507 (a).

If any portion of the claim falls into any category shown, check the appropriate box(es) and state the amount entitled to priority. (See Definitions.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Credits:

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

7. Documents:

Attach redacted copies of any documents that show the debt exists and a lien secures the debt. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary in addition to the documents themselves. FRBP 3001(c) and (d). If the claim is based on delivering health care goods or services, limit disclosing confidential health care information. Do not send original documents, as attachments may be destroyed after scanning.

8. Date and Signature:

The individual completing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. If you sign this form, you declare under penalty of perjury that the information provided is true and correct to the best of your knowledge, information, and reasonable belief. Your signature is also a certification that the claim meets the requirements of FRBP 9011(b). Whether the claim is filed electronically or in person, if your name is on the signature line, you are responsible for the declaration. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. If the claim is filed by an authorized agent, attach a complete copy of any power of attorney, and provide both the name of the individual filing the claim and the name of the agent. If the authorized agent is a servicer, identify the corporate servicer as the company. Criminal penalties apply for making a false statement on a proof of claim.

DEFINITIONS

Debtor

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

Creditor

A creditor is a person, corporation, or other entity to whom debtor owes a debt that was incurred before the date of the bankruptcy filing. See 11 U.S.C. §101 (10).

Claim

A claim is the creditor's right to receive payment for a debt owed by the debtor on the date of the bankruptcy filing. See 11 U.S.C. §101 (5). A claim may be secured or unsecured.

Proof of Claim

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with the clerk of the same bankruptcy court in which the bankruptcy case was filed.

Secured Claim Under 11 U.S.C. § 506 (a)

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car. A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien.

A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

Unsecured Claim

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

Claim Entitled to Priority Under 11 U.S.C. § 507 (a)

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

Redacted

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor must show only the last four digits of any social-security, individual's tax-identification, or financial-account number, only the initials of a minor's name, and only the year of any person's date of birth. If the claim is based on the delivery of health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information.

Evidence of Perfection

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

INFORMATION

Acknowledgment of Filing of Claim

To receive acknowledgment of your filing, you may either enclose a stamped self-addressed envelope and a copy of this proof of claim or you may access the court's PACER system (www.pacer.psc.uscourts.gov) for a small fee to view your filed proof of claim.

Offers to Purchase a Claim

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(c), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 *et seq.*), and any applicable orders of the bankruptcy court.

ELECTION TO PURCHASE

SECTION 6 LOT: 88 LIST PRICE: \$700,000.00

COMMUNITY: Cliffs at Walnut Cove and AGREEMENT DATE: _____

For and in consideration of the Purchase Price set forth below, and the mutual covenants and agreements set forth in the Agreement dated as set forth above, to which this Election to Purchase will be attached upon execution by the undersigned Developer, as "Seller," and the undersigned Prospective Purchaser, as "Purchaser," and the covenants and agreements set forth herein which will be incorporated in and become a part of the Agreement, the Developer and the Purchaser agree as follows:

- The List Price 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 \$25,000 if Purchaser agrees to acquire a membership, and Purchaser will pay that amount at Closing toward a membership.

Check one of the following:

JLB
(Initial)

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 \$25,000 property 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 2 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.

(Initial)

- Purchase Price. The "Purchase Price" is calculated and payable as follows:

Total Purchase Price: \$ 675,000.00

JLB
(Initial)
JLB
(Initial)

(a) Discount Applied to Membership Deposit. If checked and initialed, Purchaser has checked the first box in 1 above and wishes to acquire Full Family Membership privileges, paying at the Closing \$50,000. \$ 50,000.00

(b) Golf Membership, Initiation Deposit Add-on. If checked and initialed, Purchaser has checked the first box in 1 above and wishes to upgrade to a Golf Membership by paying at the Closing an additional sum of \$50,000. \$ 50,000.00

(c) SUB-TOTAL, Purchase Price of Lot plus Membership Upgrade Deposit Due at Closing \$ 775,000.00

(d) Initial Earnest Money Deposit. The Escrow Deposit paid under Part I of the Agreement \$ 10,000.00

(e) Additional Deposit Due. An additional Earnest Money Deposit due Escrow Agent within 0 days of the Effective Date hereof. \$ 0.00

(f) Balance at Closing. The balance required at Closing in cash or certified funds (not including all of Purchaser's closing costs, prepaids, and escrow deposits) \$ 765,000.00

3. Purchaser's Acknowledgments Concerning Representations. The Purchaser understands that any person representing the Developer does not have the authority to make any statements in conflict with or in addition to the information contained in the Agreement and this Election to Purchase, and any other documents received from the Developer, including without limitation, any representation made regarding the resale of Purchaser's Lot or its rental or investment potential, and that Seller, for itself and in behalf of any such agent, specifically disclaims any responsibility for such statements. Further, if any such statements were made, the Purchaser acknowledges that the Purchaser may cancel the transaction now by not executing this Election to Purchase. By execution of this Election to Purchase, the Purchaser affirms that the Purchaser has not relied upon any such statements, if any, and waives any rights that the Purchaser might have as a result of such statements unless they are incorporated into this Election to Purchase or in the Agreement to which a form of this Election to Purchase is attached as Exhibit A.

4. Additional Documents Received By Purchaser. Pursuant to Section 9.5(e) of the Agreement, the Purchaser acknowledges having received and reviewed prior to the execution of this Agreement the following (if none, leave blank):

- Seller's Property Report made effective March 22, 2007 by the Department of Housing & Urban Development
- Cliffs Golf Membership Addendum
- Prepaid Interest Addendum
-
-

PURCHASER'S INITIAL HERE TO EVIDENCE HAVING RECEIVED THE DOCUMENTS LISTED ABOVE

[Handwritten Signature]
 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.

WITNESS:

Purchaser:

[Handwritten Signature]
 (Signature)
[Handwritten Signature]
 (Signature)

Month _____ Day _____ Year _____

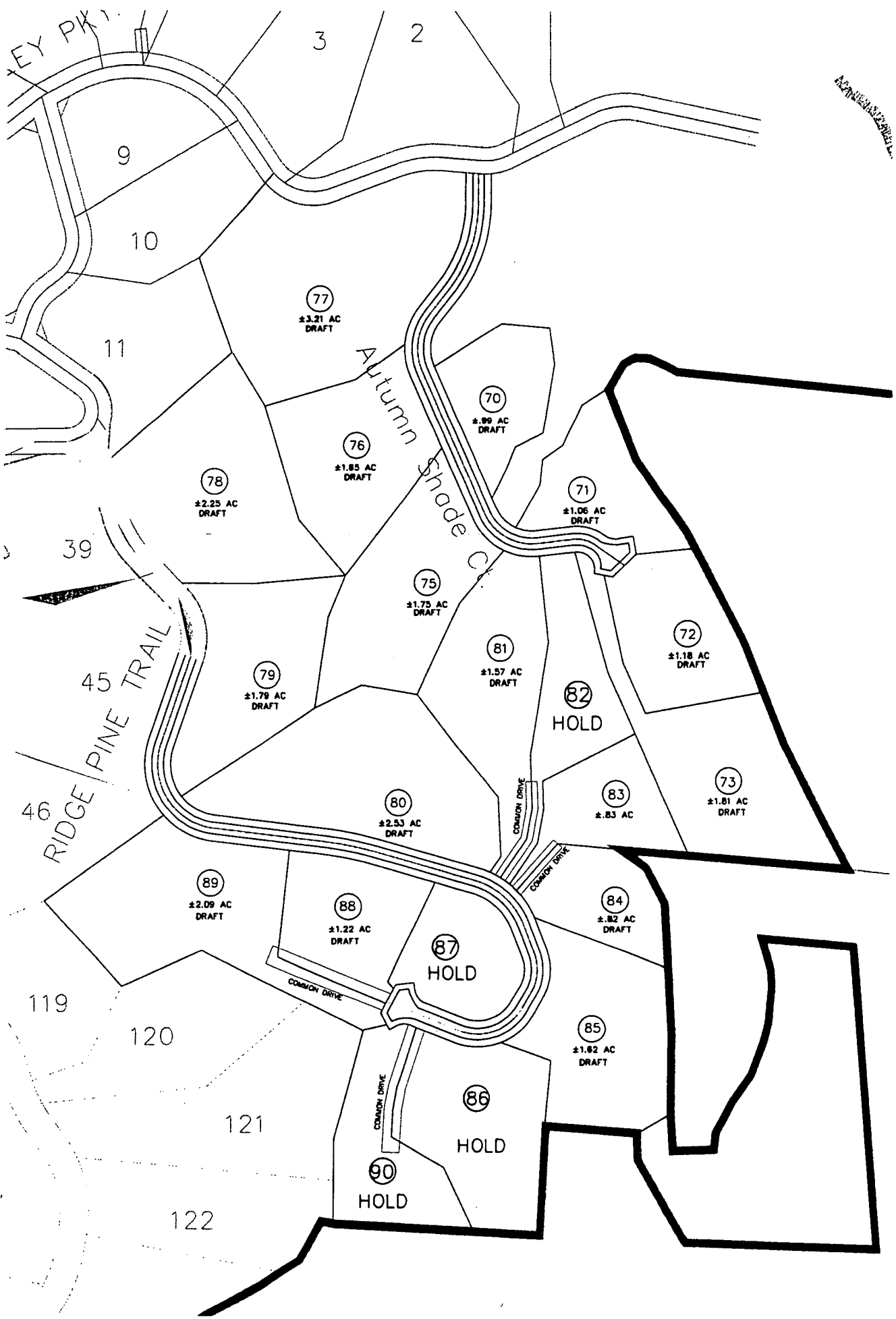
Print or Type:

Name: Jim Baumgardt
 Name: Sharon Baumgardt
 Address: 602 Live Oak Road
Vero Beach, FL 32963

Telephone (Work): _____
 Telephone (Home): (772) 234-6056
 FAX Number: _____
 E-mail Address: yoeldad1@yahoo.com
 Closing Date: May 2, 2007

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

(BALANCE OF PAGE PURPOSELY BLANK)



CLIFFS CLAIMS PROCESSING
TO BE KEPT

April 25, 2012

BMC Group, Inc
PO Box 3020
Chanhassen, MN 55317-3020

Cliffs Claims Processing,

Please find enclosed the following:

1. ~~UNITED STATES BANKRUPTCY COURT DISTRICT OF SOUTH CAROLINA- PROOF OF CLAIM~~
2. FORM B 10(OFFICIAL FORM 10)(12/11)
3. A copy of those two forms with a self addressed stamped envelope for you to return to me acknowledging that I have properly filed proof of claim

I had several questions while filling out the forms, so please inform me if I have done anything in error.

It should be noted that I sold my property in the Cliffs at Walnut Cove during the 2011 calendar year. I am no longer a dues paying member, but am owed 75% of my equity membership fee(\$100,000). I was told that for everyone on that list, we would be payed based on the closing date of our sale, with one payback for every 5 lots sold.

If I have done anything incorrectly, please contact me at:

317-691-1026
or

yogidad1@yahoo.com

Regards,

James R Baumgardt

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UNITED STATES POSTAL SERVICE

Post Office To Addressee

Addressee Copy Label 11-F, April 2004



When used internationally affix customs declarations (PS Form 2976, or 2976A).

PRESS HARD. YOU ARE MAKING 3 COPIES.

ORIGIN (POSTAL SERVICE USE ONLY)				DELIVERY (POSTAL SERVICE USE ONLY)			
PO ZIP Code 28809	Day of Delivery <input type="checkbox"/> Next <input type="checkbox"/> 2nd <input type="checkbox"/> 3rd/4th Day	Postage \$	Return Receipt Fee \$	Delivery Attempt No. <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	Time <input type="checkbox"/> AM <input type="checkbox"/> PM	Employee Signature [Signature]	
Date Accepted 4/17/12	Scheduled Date of Delivery Month: 4 Day: 17 Year: 2012	COOD Fee \$	Insurance Fee \$	Delivery Attempt No. <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	Time <input type="checkbox"/> AM <input type="checkbox"/> PM	Employee Signature [Signature]	
Mo. Day Year 4 17 12	Scheduled Time of Delivery Month: 4 Day: 17 Year: 2012	Total Postage & Fees \$	Insurance Fee \$	Delivery Date No. <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	Time <input type="checkbox"/> AM <input type="checkbox"/> PM	Employee Signature [Signature]	
Time Accepted <input type="checkbox"/> AM <input type="checkbox"/> PM	Military <input type="checkbox"/> 1st Day <input type="checkbox"/> 2nd Day <input type="checkbox"/> 3rd Day	Acceptance Emp. Initials [Initials]		<input type="checkbox"/> WAIVER OF SIGNATURE: Domestic Mail Only. Additional international insurance is void if waiver of signature is requested. I, when carrier, have inspected the contents and found them to be in accordance with the label. I, when carrier, have inspected the contents and found them to be in accordance with the label. I, when carrier, have inspected the contents and found them to be in accordance with the label.			
Flat Rate <input type="checkbox"/> or Weight lbs. ozs.	Int'l Alpha Country Code			<input type="checkbox"/> NO DELIVERY: <input type="checkbox"/> Holdover <input type="checkbox"/> Customer Signature			
FROM: (PLEASE PRINT) PHONE: 772, 231 0021 TAE MAIL 205 BRACKLAND BLVD STE 1 VERO BEACH FL 32903-2012				TO: (PLEASE PRINT) PHONE: 30 2012 FBMC GROUP 1111 1111			

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EP13F

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