



UNITED STATES BANKRUPTCY COURT DISTRICT OF SOUTH CAROLINA		PROOF OF CLAIM	
Name of Debtor: The Cliffs Club & Hospitality Group, Inc.		Case Number: 12-01220	
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).			
Name of Creditor (the person or other entity to whom the debtor owes money or property) :			
Name and address where notices should be sent:  29347867011452 Authur Family Trust Cecil Arthur: 275 BallGap Road Arden, NC 28704		RECEIVED MAY 11 2012 BMC GROUP	
Creditor Telephone Number (828) 687-6268 email: <u>Arthur-L@bellSouth.net</u>			
Name and address where payment 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. Court Claim Number (if known): _____ Filed on: _____
Payment Telephone Number () email:			
1. AMOUNT OF CLAIM AS OF DATE CASE FILED \$ <u>2,530,359.00</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.			
2. BASIS FOR CLAIM: <u>MORTGAGE NOTE FOR 52 ACRES</u> (See instruction #2)			
3. LAST FOUR DIGITS OF ANY NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR: <u>(6338) (12-01220)</u>		3a. Debtor may have scheduled account as: _____ (See instruction #3a)	3b. Uniform Claim Identifier (optional): _____ (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 checked="" type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other _____		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: \$ _____	
Value of Property: \$ <u>2,530,359.00</u> Annual Interest Rate: <u>Prime + 1% not less than 5%</u> <input type="checkbox"/> Fixed or <input type="checkbox"/> Variable (when case was filed) <u>upon default 8%</u>		<u>HAVE NOT RECEIVED ANY INTEREST PAYMENTS FOR 2011 OR 2012</u>	
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): \$ _____	
You MUST specify the priority of the claim: <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).	
* 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.			
Cliffs POC  00603			
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) *Arthur Family Trust*

Cecil Arthur MAY 7, 2012

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: _____
 Title: _____
 Company: _____

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

(Signature)

(Date)

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

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, there may be exceptions to these general rules.

ITEMS TO BE COMPLETED IN PROOF OF CLAIM FORM (IF NOT ALREADY PROPERLY FILLED IN)

Court, Name of Debtor, and Case Number:

Fill in the federal judicial district where the bankruptcy case was filed (for example, Central District of California), the bankruptcy debtor's full name, and the case number. If you received a notice of the case from the Claims Agent, BMC Group, some or all of this information may have been already completed.

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 Administrative Expense Under 11 U.S.C. § 503 (b)(9) or Priority Under 11 U.S.C. § 507(a).

If any portion of your claim falls in one or more of the listed categories, 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 the 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 sued by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. This form must be filed with the court-appointed Claims Agent, BMC Group, at the address listed on the reverse side of the first page.

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

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(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. §101 *et seq.*), and any applicable orders of the bankruptcy court.

Date-Stamped Copy

Return claim form and attachments, if any. If you wish to receive an acknowledgement of your claim, please enclose a self-addressed stamped envelope and a second copy of the proof of claim form with any attachments to the Claims Agent, BMC Group, at the address on the second page of this form.

Please read - important information: upon completion of this claim form, you are certifying that the statements herein are true.

Be sure all items are answered on the claim form. If not applicable, insert "Not Applicable."

ONCE YOUR CLAIM IS FILED YOU CAN OBTAIN OR VERIFY YOUR CLAIM NUMBER BY VISITING www.bmcgroup.com/cliffs

UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA

In re:

The Cliffs Club & Hospitality Group, Inc., *et al.*,¹
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.

¹ 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"),² 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),³ 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

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

³ 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. 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"),⁴ 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.

⁴ 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.

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). 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, (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.

? 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

Däna Wilkinson
District Court I.D. No. 4663
LAW OFFICE OF DÄNA WILKINSON
365-C East Blackstock Road
Spartanburg, SC 29301
864.574.7944 (Telephone)
864.574.7531 (Facsimile)
danawilkinson@danawilkinsonlaw.com

-and-

/s/ J. Michael Levensgood

Gary W. Marsh
Georgia Bar No. 471290
J. Michael Levensgood
Georgia Bar No. 447934
Bryan E. Bates
Georgia Bar No. 140856
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bbates@mckennalong.com

Attorneys for Debtors and Debtors in Possession



COPY

Prepared by and return to: Robert B. Long, Jr., P.O. Box 7216, Asheville, NC 28802

MODIFICATION AGREEMENT

STATE OF NORTH CAROLINA
COUNTY OF BUNCOMBE

THIS AGREEMENT, made as of January 22, 2011 by and between Longview Land Company, LLC (hereinafter "Borrower"), and Janice Arthur Lancaster, Cecil Edward Arthur, and Charles Leslie Arthur, (hereinafter collectively "Lender");

WHEREAS, Borrower executed and delivered to the predecessors of Lender a certain Purchase Money Promissory Note for the principal sum of Two Million Five Hundred Thirty Thousand Three Hundred Fifty Nine Dollars and No Cents (\$2,530,359.00), dated January 22, 2008, (hereinafter "Note") evidencing an indebtedness of said amount, which was secured by a First Lien Deed of Trust (hereinafter "Deed of Trust") which was recorded in Book 4514 at Page 706, Buncombe County Registry, reference being hereby made to said Note and Deed of Trust; and

WHEREAS, Borrower and Lender's predecessors and Lender have previously modified said Note and Deed of Trust securing the same as last set out in Modification Agreement recorded in Book 4757 at Page 672, Buncombe County Registry; and

WHEREAS, said Purchase Money Note and Purchase Money Deed of Trust hereinbefore set out, as modified, were assigned to the Lender by Assignment dated February 19, 2010, recorded in Book 4763 at Page 893, Buncombe County Registry; and

WHEREAS, the Borrower and Lender have agreed to further modify the said Purchase Money Promissory Note and Deed of Trust securing the same in consideration of which Borrower has expressly

acknowledged that there are no defenses or offsets to the payment of the outstanding indebtedness as evidenced by the Note and secured by the Deed of Trust.

NOW, THEREFORE, in consideration of the sum One Dollar (\$1.00) and other good and sufficient consideration, the parties agree that the outstanding indebtedness and the Note, and the Deed of Trust securing the same shall be modified as hereinafter set out and shall be due and payable as follows:

1. The principal sum for which the Borrower is indebted as set forth in the Note and which is secured by the Deed of Trust is in the amount of Two Million Five Hundred Thirty Thousand Three Hundred Fifty Nine Dollars and No Cents (\$2,530,359.00).
2. Prior to default, the interest rate on the said Promissory Note is hereby amended for each ensuing year to be the Prime Rate published in the Wall Street Journal in the issue on or immediately preceding January 22, of each year said Note has not been paid in full according to the terms herein set out plus one percent (1%) [prime + 1%] but said rate of interest shall not be less than Five Percent (5%). Upon default, the note shall bear interest at the rate of Eight (8%) percent per annum until paid in full.
3. The Promissory Note shall be payable interest only during the first year of this Modification which is made as of January 22, 2011, payable semi-annually, to wit: the first payment of interest under the extension hereby agreed upon shall be due and payable on or before July 22, 2011 and the balance of the accrued interest for the first year hereof shall be paid on or before January 22, 2012.
4. Beginning on January 22, 2012 and each year thereafter during the term of this extension, monthly payments of principal and interest at the interest rate determined as herein set out for each ensuing year shall be payable for a ten year amortization of the principal due upon said Note on January 22, 2012 with a balloon payment on the 61st month following January 22, 2012 in the amount of the remaining principal balance of the Note and all interest accrued thereon.
5. The final due date of said Note as extended herein, if not sooner paid, shall be February 22, 2017.
6. Except as specifically modified herein, the Promissory Note and the Deed of Trust and all other loan documents evidencing and securing the Promissory Note are ratified and confirmed and shall remain in full force and effect and are enforceable according to their terms. Borrower further affirms and renews as of this date all representations and covenants set forth in the Promissory Note, the Deed of Trust and other loan documents as if fully set forth at length herein and in the same manner as originally given. All collateral listed as security for the indebtedness evidenced by the above-described Note shall continue as security for the same, pursuant to the repayment terms contained in this Agreement, and all interested parties to such collateral execute this Agreement to evidence their consent thereto.
7. Borrower agrees that the Deed of Trust and other loan documents given in connection with the referenced indebtedness shall further secure any and all renewal or renewals, extension

- or extensions, modification or modifications of the Promissory Note and substitutions therefore, either in whole or in part; and all obligations now or hereafter owing by Borrower to Lender, however or whenever created, incurred, arising or evidenced, whether direct or indirect, joint or several, absolute or contingent, or due or to become due, and any and all renewal or renewals, extension or extensions, modification or modifications of and substitution or substitutions therefore.
8. Execution of this Agreement shall in no way be deemed a waiver by Lender of any of its rights, powers or remedies under the Promissory Note, the Deed of Trust or other loan documents arising out of or in any way relating to any past or present default by Borrower; shall in no way limit, impair or prejudice Lender from exercising any past, present or future right, power or remedy from and after the date hereof; and shall not constitute or be deemed a novation of the Promissory Note, the Deed of Trust or other loan documents.
 9. Borrower hereby acknowledges and agrees that Lender has not interfered with nor impaired the acquisition, development, construction, operation, ownership, sale, management or other use and advantage of any of the property covered by the Deed of Trust or other loan documents and that the Borrower does not have any claims of any nature whatsoever, in law, in equity or otherwise, against Lender as a result of any acts or omissions by Lender under the Promissory Note, the Deed of Trust or any other document or instrument executed in connection with the indebtedness secured by the Loan Documents. Borrower hereby unconditionally waives and releases Lender from and against any and all causes of action, suits, claims, counterclaims, offsets, damages, expenses, losses, liabilities and demands that Borrower can or may have against Lender by reason of any matter, cause, transaction or occurrence whatsoever which has happened on or before the date of this agreement, including, without limitation, any and all acts or omissions of Lender in any manner connected with any of the Promissory Note, the Deed of Trust or other loan documents or property interests covered or conveyed thereby. Any and all such claims are hereby declared to be satisfied and settled, and Borrower hereby discharges Lender from any liability with respect to any and all such claims.
 10. Wherever used herein, the neuter shall include the masculine or feminine, the singular shall include the plural and the plural the singular.
 11. The Promissory Note has at all times remained outstanding and this Agreement is a modification and not a novation.
 12. This Agreement shall be construed in accordance with the laws of the State of the North Carolina and shall be binding upon and inure to the benefit of any assignee or successor in interest to the parties hereto. Provided, this paragraph shall not be construed as allowing Borrower to assign any duties, rights or benefits under this Agreement without consent of Lender, nor does this Agreement affect the enforceability of any due on sale clause contained in the Deed of Trust.

IN WITNESS WHEREOF, the Parties have hereunto set their hands and seals the day and year first above written.

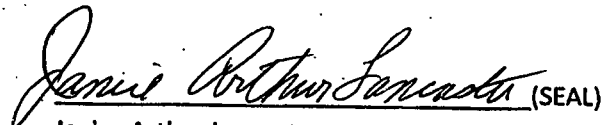
BORROWER

LONGVIEW LAND COMPANY, LLC

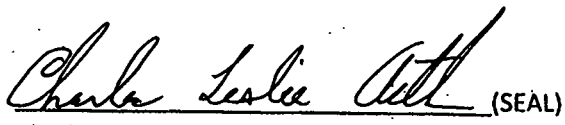
By: 

James B. Anthony, Member/Manager

LENDERS

 (SEAL)
Janice Arthur Lancaster

 (SEAL)
Cecil Edward Arthur

 (SEAL)
Charles Leslie Arthur.

State of South Carolina

County of Greenville

I, Sandra S Hyder, a Notary Public for State and County, do hereby certify that James B. Anthony Member/Manager of Longview Land Company, LLC a N.C. Limited Liability Company personally appeared before me this day and acknowledged that he is the Member/Manager of Longview Land Company, LLC a N.C. Limited Liability Company, and further acknowledged the due execution of this Modification Agreement on behalf of the Company.

This the 4th March day of ~~February~~, 2011.

Sandra S Hyder
Type or print name of Notary Public:

My commission expires: 8-31-19

Sandra S. Hyder
Print or type name of Notary.

(SEAL)

State of Georgia

County of BROOKS

I, Sylvia Heard, a Notary Public for the State and County aforesaid, certify that the following person, Janice Arthur Lancaster, appeared before me this day and I have: a) personal knowledge of the identity of the principal acknowledging to me that she voluntarily signed the foregoing document for the purpose stated therein and in the capacities indicated.

This the 10th day of ~~March~~, 2011

Sylvia Heard
Type or print name of Notary Public:

My commission expires: 5-20-12

Sylvia Heard Notary Public
Print or type name of Notary.

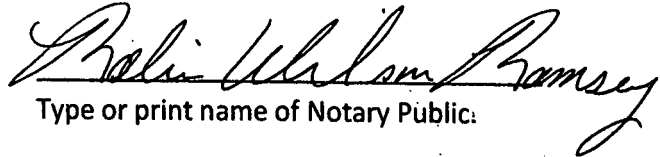
(SEAL)

State of North Carolina

County of Buncombe

I, Robin Wilson Ramsey, a Notary Public for the State and County aforesaid, certify that the following persons, Cecil Edward Arthur and Charles Leslie Arthur appeared before me this day and I have: a) personal knowledge of the identity of the principals acknowledging to me that each voluntarily executed the foregoing document for the purpose stated therein and in the capacity indicated.

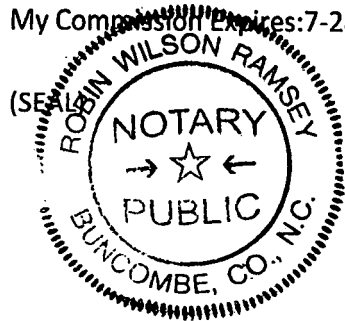
This the 14th day of March, 2011.



Type or print name of Notary Public:

Robin Wilson Ramsey, Notary Public

My Commission Expires: 7-28-2014



Arthur Family Trust
Ceil Arthur
275 Ball Gap Rd.
Arden, NC 28704

CERTIFIED MAIL™



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MAY 11 2012

BMC GROUP

BMC Group, Inc.
Attn: Claims Claims Processing

P.O. Box 3020

Chambers, NJ

55317-3020