

UNITED STATES BANKRUPTCY COURT DISTRICT OF SOUTH CAROLINA	PROOF OF CLAIM
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Name of Debtor: The Cliffs at Walnut Cove Golf & Country Club, LLC	Case Number: 12-01227
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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:

29347867012236

Joan DuBose-Schelly
2316 Rolling Hills Trail
Arlington, TX 76011

RECEIVED

MAY 14 2012

BMC GROUP

If you have already filed a proof of claim with the Bankruptcy Court or BMC, you do not need to file again.

Creditor Telephone Number **(817)461-0790** email: **Schellys@sbcbglobal.net**

THIS SPACE IS FOR COURT USE ONLY

Name and address where payment should be sent (if different from above):

same as above

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.

Check this box to indicate that this claim amends a previously filed claim.

Payment Telephone Number () email:

Court Claim Number (if known): _____
Filed on: _____

1. AMOUNT OF CLAIM AS OF DATE CASE FILED \$ **Special Membership Privileges**
Honorary Memberships

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.

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: **A condition of the "Acquisition Agreement" btw. J. D. Schelly and**
 (See instruction #2) **Waterfall Investment Group**

3. LAST FOUR DIGITS OF ANY NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR:	3a. Debtor may have scheduled account as:	3b. Uniform Claim Identifier (optional):
_____	_____ (See instruction #3a)	_____ (See instruction #3b)

4. SECURED CLAIM: (See instruction #4)

Check the appropriate box if your claim is secured by a lien on property or a right of set off, attach required redacted documents, and provide the requested information.

Nature of property or right of setoff:
 Describe:
 Real Estate Motor Vehicle Other _____

Value of Property: \$ _____

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

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

Basis for Perfection: _____

Amount of Secured Claim: \$ _____

Amount Unsecured: \$ _____

5. Amount of Claim Entitled to Administrative Expense status under 11 U.S.C. § 503(b)(9) or Priority under 11 U.S.C. § 507(a). If any part of the claim falls into one of the following categories, check the box specifying the administrative expense or priority and state the amount.

Amount entitled to priority: \$ _____ **Amount entitled to administrative expense under 11 U.S.C. § 503(b)(9):** \$ _____

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"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).
<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"/> Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5).
<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"/> 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.



6. CREDITS: The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #6)

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

DATE-STAMPED COPY: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.

The original of this completed proof of claim form must be sent by mail or hand delivered (FAXES OR EMAIL NOT ACCEPTED) so that it is actually received on or before 4:00 pm prevailing Eastern Time on May 31, 2012 for Non-Governmental Claimants OR on or before 4:00 pm prevailing Eastern Time on August 27, 2012 for Governmental Claimants.

BY MAIL TO:

BMC Group, Inc
Attn: Cliffs Claims Processing
PO Box 3020
Chanhassen, MN 55317-3020

BY MESSENGER OR OVERNIGHT DELIVERY TO:

BMC Group, Inc
Attn: Cliffs Claims Processing
18675 Lake Drive East
Chanhassen, MN 55317

8. SIGNATURE: (See instruction #8)

Check the appropriate box.

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: Juan DuBose-Schelly

Title: _____

Company: _____

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

2316 Rolling Hills Trail
Arlington, TX 76011-2250

Juan D. Schelly 05/10/2012
(Signature) (Date)

Telephone number: email:

817-461-0790 schellys@sbglobal.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

CERTIFICATE OF LLC AUTHORIZATION

GRANTING OF SPECIAL MEMBERSHIP PRIVILEGES AT THE CLIFFS AT WALNUT COVE
GOLF & COUNTRY CLUB

The undersigned sole Member and sole Manager (sometimes referred to as, the "Member" and sometimes referred to as, the "Manager") of The Cliffs At Walnut Cove Golf & Country Club, LLC (the "Company"), a South Carolina limited liability company, does hereby certify the following resolutions have been adopted and remain in full force and effect:

RESOLVED, that, the Company is a member managed limited liability company and the sole Member of the Company is The Cliffs Communities, Inc.; and

RESOLVED FURTHER, that any and all acts of the Officers of the Member, pursuant to the authority hereby presented and directed be, are, and the same shall continue until such authorities are revoked by the Member, hereby approved, ratified and accepted as the actions of the Member of the Company; and

RESOLVED FURTHER, that the Officers of the Member are:

James B. Anthony President & Chief Executive Officer.

Darrell E. Whitaker Chief Operating Officer, Vice President of Finances, and
Secretary of the Corporation.

RESOLVED FURTHER, that the execution and delivery of that certain Certificate of Special Membership Privileges in the name of the Company and the obligations of the Company therein to be kept and performed, are hereby ratified, confirmed, approved and adopted as acts of the Company; and

RESOLVED FURTHER, that the officers of the Member of the Company who are authorized and directed to act on behalf of the Company shall include such successors to said offices as shall be set forth in a certificate of such succession executed and delivered by the Secretary of such corporation; and

RESOLVED FURTHER, that James B. Anthony and Darrell E. Whitaker, or either of them, are specifically authorized and directed to execute and deliver in the name of The Cliffs Communities, Inc., as either the Member or the Manager, in behalf of the Company the attached form of Certificate of Special Membership Privileges.

MEMBER and MANAGER:

THE CLIFFS COMMUNITIES, INC.

By: 

Its: President

Date: 9 30 2002

CERTIFICATE OF SPECIAL MEMBERSHIP PRIVILEGES

THE CLIFFS AT WALNUT COVE GOLF & COUNTRY CLUB, LLC

The undersigned, The Cliffs At Walnut Cove Golf & Country Club, LLC, a South Carolina limited liability company authorized to do business in North Carolina, does hereby ratify, confirm and deliver this Certificate of Special Membership Privileges:

Background

DuBose Enterprises, LTD ("DuBose"), and Joan DuBose Schelly ("Schelly"), collectively referred to as Sellers, and Waterfall Investment Group, LLC, a North Carolina limited liability company as Buyer, entered into that certain Purchase And Sale Agreement dated January 14, 2002, as the same has been amended to date (the "Acquisition Agreement"). All capitalized persons and terms provided in this Certificate of Special Membership Privileges shall have the same meanings as are provided therefor in the Acquisition Agreement, unless otherwise defined herein, and shall include both the singular and plural thereof. The Acquisition Agreement provided, in part, that at the closing under the Acquisition Agreement, written documentation would be provided ratifying and confirming the issuance of special Membership privileges in the private golf and country club to be formed and operated at the Walnut Cove development (the "Special Membership Privileges").

To satisfy the condition that written documentation of the Special Membership Privileges would be executed and delivered at the Closing of the Acquisition Agreement, The Cliffs At Walnut Cove Golf & Country Club, LLC executes and delivers, for the benefit of Sellers, but no other person not a party to the Acquisition Agreement, this Certificate of Special Membership Privileges.

Agreement

1. Undertaking of The Cliffs at Walnut Cove Golf & Country Club. The Cliffs at Walnut Cove Golf & Country Club, LLC does hereby agree that the Membership Plan adopted for the golf and country club facilities developed by it at Walnut Cove and to be operated as a commercial, private Membership club (the "Club"), shall be subject to the following Special Membership privileges, which shall take precedence over any conflicting Membership right or privilege set forth in the Membership Plan and applicable to other Members thereunder:

2. Honorary Memberships. Attached hereto as Exhibit "A" are the names of persons who, pursuant to the Acquisition Agreement, are permitted to be named by Sellers to be issued "Honorary Memberships," hereinafter described, in the Club (the "Honorary Members"). Schelly shall be allowed to name two (2) persons to receive Honorary Memberships, and DuBose shall be allowed to name three (3) persons to receive Honorary Memberships. Until a person is named to receive an Honorary membership, that person shall not be entitled to exercise an privileges of membership in the Club. Once issued to the person named to receive same, the person shall hold the Honorary Membership pursuant to the Membership Plan of the Club, from time to time existing, and to the following terms and conditions, which shall take precedence over any conflicting provision of the Membership Plan:

2.1 Holders of Honorary Memberships hereunder will be accorded the highest category or categories of family membership privileges for use of and access to the Club facilities, and full reciprocal rights at other Cliffs Clubs facilities ("Full Family Membership"). The Honorary Memberships shall be lifetime memberships, issued to a named individual and such individual's spouse, and shall terminate at the death of the survivor of such named individual and such individual's spouse. All Honorary Memberships shall include full Club privileges including golf. As to Schelly's Honorary Memberships

and two (2) of DuBose's Honorary Memberships, all initiation and membership fees shall be waived, and no up-front charges or special assessments shall be assessed, no Club dues shall be required, and the annual food and beverage minimum requirement shall be waived. Such memberships are collectively referred to as "Dues-free Honorary Memberships."

2.2 One (1) of the Honorary Memberships issued to DuBose will be subject to periodic dues and food minimums, as charged to other Members from time to time, but only upon activation of such membership by the holder of such membership ("Dues-paying Honorary Membership"). An Honorary Member will be responsible for the payment of all pro shop charges, bar and restaurant charges, guest green fees and cart fees incurred by such Honorary Member.

2.3 An Honorary Membership shall be non-transferable. If an Honorary Member owns property in the Development, and desires to sell such property to a third party ("Retail Buyer"), the Honorary Member may resign his or her Honorary Membership and warrant to the Retail Buyer that the Club will issue to the Retail Buyer a Full Family Membership, in accordance with the then existing Membership Plan of the Club, contingent upon the Retail Buyer's payment to the Club of the refundable deposit required by the Plan, the Retail Buyer's completion of all Club-required forms and applications, and agreement of the Retail Buyer to abide by all terms and conditions of the Membership Plan, including payment of all dues, charges and minimums becoming due and payable from and after the date of membership issuance. Honorary Membership resignation, the Retail Buyer's payment to the Club of the required, refundable deposit and completion of all Club-required forms, applications and agreements as aforesaid, and issuance of the Full Family Membership to the Retail Buyer must occur within six (6) months following the Retail Buyer's closing with the Honorary Member. The Honorary Member shall, on or before the closing with the Retail Buyer, provide the Club the name of the Retail Buyer. DuBose shall also identify the Honorary Membership to be resigned with issuance of the Full Family Membership to his Retail Buyer as either a Dues-free Honorary Membership or the one (1) Dues-paying Honorary Membership.

2.4 Upon resignation from the Club of an Honorary Member or the death of the last survivor of the named member and spouse, the Honorary Membership will be terminated and the privileges appurtenant thereto cancelled. In the case of a terminated Dues-free Honorary Membership, neither the former Honorary Member nor his or her heirs, successors or assigns shall be entitled to the payment of any sum in exchange for such terminated membership and cancelled privileges. In the case of the Dues-paying Honorary Membership, upon issuance of the Full Family Membership, the Club shall pay an amount equal to the Retail Buyer's refundable, initiation deposit paid by the Retail Buyer to the Club (which shall not be less than the published amount therefor) in exchange for the terminated Dues-paying Honorary Membership. Neither the Dues-free Honorary Memberships nor the one (1) Dues-paying Honorary Membership shall be terminated by an assignment from Buyer or its assigns to some other entity in which it has no ownership interest.

3. Undertaking Binding Upon Club. The Club agrees that its undertakings herein agreed to be kept and performed shall be binding upon and inure to the benefit of the Club and the Club's facilities, and their successors and assigns.

4. Perpetuities. If any of the covenants, conditions, restrictions or other provisions of this Certificate of Special Membership Privileges shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provisions shall continue only until 21 years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

In witness whereof The Cliffs at Walnut Cove Golf & Country Club, LLC does execute and deliver the within Certificate of Special Membership Privileges this 30th day of September, 2002.

THE CLIFFS AT WALNUT COVE GOLF & COUNTRY CLUB, LLC

BY: THE CLIFFS COMMUNITIES, INC.
ITS: Sole Member and Manager

By: [Signature]
Its: [Signature]

STATE OF _____

COUNTY OF _____

I, _____, a Notary Public for the said County and State, do hereby certify that _____ personally appeared before me this day and acknowledged that he is _____ of The Cliffs Communities, Inc., a corporation, the sole Member of The Cliffs at Walnut Cove Golf & Country Club, LLC, a limited liability company, and that he as _____, being authorized to do so, executed the foregoing instrument on behalf of the corporation.

WITNESS my hand and official stamp or seal, this _____ day of _____, 2002.

My Commission Expires:

Notary Public

[NOTARY SEAL]

Exhibit "A"

Persons Permitted to be Honorary Members

The following persons are permitted to be named by Sellers to be issued "Honorary Memberships:"

David DuBose
Sue Ann DuBose
Jason DuBose
Max DuBose
* Joan DuBose Schelly
Andrea Schelly

* Should also list Zoltan A. Schelly

Item 2 under
Agreement

BMC Group, Inc.
Attn: Cliffs Claims Processing
PO Box 3020
Chanhausen, MN 55317-3020

May 10, 2012

RE: Proof of Claims, Case Number: 12-1227, Walnut Cove Club Memberships

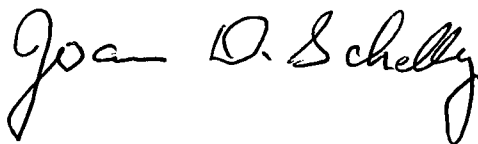
Schelly family:

Joan DuBose-Schelly (wife)	Club Membership No. D00137
Zoltan Schelly (husband)	Club Membership No. D00137
Andrea Schelly (daughter)	Club Membership No. S00396

These Cliffs Club Memberships are an integral component of the DuBose-Schelly land sale agreement (Certificate enclosed). The original DuBose estates properties now comprise all of the Walnut Cove Development South of Avery Creek Road.

The Joan DuBose-Schelly family have been members of the Walnut Cove Club since 2002 when the Club was only on the drawing board.

Sincerely,



Joan DuBose-Schelly
2316 Rolling Hills Trail
Arlington, TX 76011-2250

Phone: 817-461-0790
E-mail: schellys@sbcglobal.net

Enclosure: Completed Proof of Claim Forms (3)
Certificate of Membership Privileges (5 pages)
Stamped, self-addressed envelope

Pull To Open

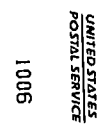
Schedule package pickup right from your home or office at usps.com/pickup
Print postage online - Go to usps.com/postageonline

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PLEASE PRESS FIRMLY

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ARLINGTON, TX
MAY 11 12
AMOUNT



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Joan DuBose-Schelly
2316 Rolling Hills Trail
Arlington, TX 76011-2250

To/Destinataire:

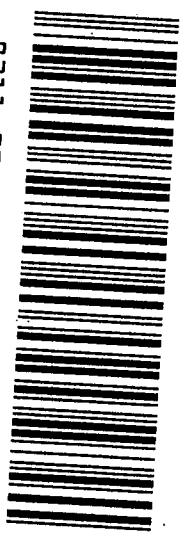
BMC Group, Inc.
Attn: Cliffs Claims Processing
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Chanhasen, MN 55317-3020

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BMC GROUP

Country of Destination:/Pays de destination:



0311 3260 0000 4558 6747



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Cradle to Cradle Certification™ is a certification mark of MBDC.



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