


UNITED STATES BANKRUPTCY COURT		PROOF OF CLAIM
Name of Debtor: THE CLIFFS CLUB & HOSPITALITY GROUP, ET AL		Case Number: 12-01220
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): KINES UNLIMITED, INC.		COURT USE ONLY
Name and address where notices should be sent: JAMES S. ERWIN III, ESQ. 413 GENTRY MEMORIAL HIGHWAY EASLEY, SC 29640 Telephone Number: 864-855-4595 email: erwinatlaw@aol.com		<input type="checkbox"/> Check this box if this claim amends a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____
Name and address where payment should be sent (if different from above): Telephone Number: _____ email: _____		<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.
1. Amount of Claim as of Date Case Filed: \$94,209.95		RECEIVED
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.		MAY 18 2012
<input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach a statement that itemizes interest or charges.		BMC GROUP
2. Basis for Claim: WORK PERFORMED (See instruction #2)		
3. Last four digits of any number by which creditor identifies debtor: _____	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 setoff, attach required redacted documents, and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: Value of Property: \$ _____ Annual Interest Rate: _____ % <input type="checkbox"/> Fixed or <input type="checkbox"/> Variable (when case was filed)		Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____
5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your 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)(____). Cliffs POC  00736
*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)		

B10 (Official Form 10) (12/11)

7. **Documents:** Attached are **redacted** copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements or 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 (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: JAMES S. ERWIN III, ESQ.
Title: ATTORNEY FOR CREDITOR
Company: ERWIN LAW FIRM, P.A.
Address and telephone number (if different from notice address above): _____

[Signature] 5/16/12
(Signature) (Date)

Penalty for presenting fraudulent claim: Fine of up to \$500,00 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

STATE OF SOUTH CAROLINA)
 : SETTLEMENT AND PAYMENT AGREEMENT
COUNTY OF GREENVILLE)

WHEREAS, Kines Unlimited, Inc. (hereinafter "Kines") performed certain work on real property located in Buncombe County, North Carolina and owned by Longview Land Co., LLC and managed, operated or used by The Cliffs at High Carolinas and/or Cliffs Communities (all three parties hereinafter collectively "Cliffs"); and

WHEREAS, a dispute arose between the parties concerning the payment of Kines for the work performed; and

WHEREAS, the parties have reached an agreement concerning the payment of Kines for the work performed and resolving said dispute;

NOW, WHEREFORE, for and in consideration of the mutual promises and covenants herein contained, the payment of the sums herein stated and in further consideration of the resolution of this pending action, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties hereby agree as follows:

A. Cliffs shall pay unto the Kines the sum of \$104,209.95 under the terms set forth herein.. Kines acknowledges receipt of the first payment in the amount of \$10,000.00. The remaining balance of \$94,209.95 shall be paid in periodic installments and shall be paid in full within six (6) months from May 16, 2011.

B. Kines shall cancel its lien on real property filed of record as Lien Number 10M1660 in Buncombe County, North Carolina.

C. Kines shall dismiss its Complaint for enforcement of the lien on real property in civil

action 11CVS1302 pending in Buncombe County, North Carolina.

D. The terms of this Settlement and Payment Agreement are contractual and not merely a recital.

E. This Settlement and Payment Agreement is the entire agreement between the parties with respect to the subject matter hereof and supersedes all other prior or contemporaneous agreements or understandings, whether written or oral, between the parties, or any of them.

F. This Settlement and Payment Agreement shall be binding upon and shall inure to the benefit of each of the parties hereto, their heirs, personal representatives, successors and assigns.

G. Neither this Settlement Payment Agreement nor any of the rights hereunder shall be assigned by any of the parties hereto without the prior written consent of all other parties.

H. In the event that any paragraph, section or subsection of this Settlement and Payment Agreement shall be declared to be illegal, unenforceable or otherwise surplusage, then, nevertheless, all remaining provisions of this Settlement and Payment Agreement shall remain in full force and effect.

I. This Settlement and Payment Agreement shall be enforceable in the Court of Common Pleas for Greenville County, South Carolina, with the prevailing party entitled to attorney's fees and costs for the enforcement of same.

[This space intentionally left blank]

Entered into this the 27 day of June, 2011.

Kines Unlimited, Inc.

By: _____
Its President

Kelly Edwards
Marty Fitch

Longview Land Co., LLC

By: *Jim R*
Its: MANAGING MEMBER

Kelly Edwards
Marty Fitch

The Cliffs at High Carolinas

By: *Jim R*
Its: PRESIDENT
LANDSCAPE DEVELOPMENT, INC
MANAGING MEMBER

Kelly Edwards
Marty Fitch

Cliffs Communities

By: *Jim R*
Its: PRESIDENT

STATE OF SOUTH CAROLINA)
)
COUNTY OF PICKENS)

PROBATE AS TO KINES

Personally appeared before me the undersigned witness who upon oath deposes and states that (s)he saw the within corporation, through its duly authorized managing member, sign, seal and as their act and deed deliver the within written instrument for the purposes herein stated, and that (s)he with the other witness witnessed the execution thereof.

SWORN TO BEFORE ME this _____
day of _____, 2011.

Notary Public for South Carolina
My Commission Expires: _____

STATE OF SOUTH CAROLINA)
)
COUNTY OF GREENVILLE)

PROBATE AS TO LONGVIEW LAND CO., LLC

Personally appeared before me the undersigned witness who upon oath deposes and states that (s)he saw the within entity, through its duly authorized managing member, sign, seal and as their act and deed deliver the within written instrument for the purposes herein stated, and that (s)he with the other witness witnessed the execution thereof.

SWORN TO BEFORE ME this 27
day of June, 2011.

Sevin S. Snyder
Notary Public for South Carolina
My Commission Expires: 8-31-14

Kelley Edwards

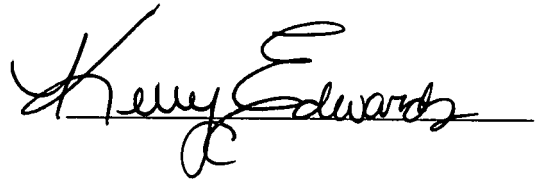
STATE OF SOUTH CAROLINA)
)
COUNTY OF GREENVILLE)

PROBATE AS TO THE CLIFFS AT HIGH
CAROLINAS

Personally appeared before me the undersigned witness who upon oath deposes and states that (s)he saw the within entity, through its duly authorized managing member, sign, seal and as their act and deed deliver the within written instrument for the purposes herein stated, and that (s)he with the other witness witnessed the execution thereof.

SWORN TO BEFORE ME this 27
day of June, 2011.

Samuel S. Hyder
Notary Public for South Carolina
My Commission Expires: 8-31-19



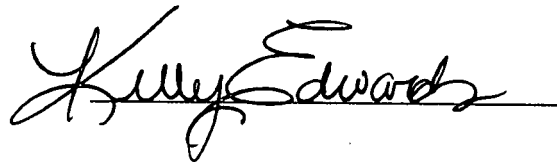
STATE OF SOUTH CAROLINA)
)
COUNTY OF GREENVILLE)

PROBATE AS TO CLIFFS COMMUNITIES

Personally appeared before me the undersigned witness who upon oath deposes and states that (s)he saw the within entity, through its duly authorized managing member, sign, seal and as their act and deed deliver the within written instrument for the purposes herein stated, and that (s)he with the other witness witnessed the execution thereof.

SWORN TO BEFORE ME this 27
day of June, 2011.

Samuel S. Hyder
Notary Public for South Carolina
My Commission Expires: 8-31-19



ERWIN LAW FIRM, P.A.
JAMES S. ERWIN, III
ATTORNEY AT LAW
413 GENTRY MEMORIAL HWY.
EASLEY, SOUTH CAROLINA 29640

LICENSED IN SOUTH CAROLINA
AND NORTH CAROLINA

TELEPHONE 864-855-4595
FACSIMILE 864-855-4551

May 16, 2012

VIA OVERNIGHT MAIL

BMC Group, Inc.
Attn: The Cliffs Club & Hospitality Group, Inc. Claims Processing
18675 Lake Drive East
Chanhassen, MN 55317

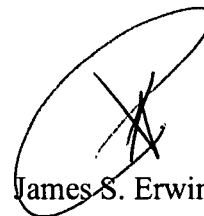
Re: My Client: Kines Unlimited, Inc.
Debtor: The Cliffs Club & Hospitality Group, Inc., et al.
Case Number: 12-01220, et al.

Dear Sir/Madam:

Enclosed for filing please find the Proof of Claim of my client in the above-styled matter together with attached documentation.

With kindest regards, I remain

Yours truly,

A handwritten signature in black ink, appearing to be "James S. Erwin, III", enclosed within a large, hand-drawn oval.

James S. Erwin, III

Encl.

cc: Clerk of the United States Bankruptcy Court (via overnight mail w/ encl.)
J. Bratton Davis U.S. Bankruptcy Courthouse
1100 Laurel Street
Columbia, SC 29201-2423

EXTREMELY URGENT

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PO ZIP Code	Day of Delivery	Postage	
29640	1st Day	\$ 18.95	
Date Accepted	Scheduled Date of Delivery	Return Receipt Fee	
5/16/12	5/17	\$	
Mo. Day Year	Month Day Year	COD Fee	
1:52 PM	Scheduled Time of Delivery	Insurance Fee	
PM	AM	\$	
Flat Rate or Weight	Military	Total Postage & Fees	
lbs.	Non	\$ 18.95	
ozs.	1st Day	Accept for Emp. Initials	
	2nd Day	AMM	
	3rd Day		
	Intl Alpha Country Code		

DELIVERY (POSTAL SERVICE USE ONLY)			
Delivery Attempt	Time	Employee Signature	
5/17	10:10 AM	[Signature]	
Mo. Day Year	AM	Employee Signature	
	PM		
Delivery Attempt	Time	Employee Signature	
	AM		
Mo. Day Year	PM	Employee Signature	
	AM		
	PM		
<input type="checkbox"/> WAIVER OF SIGNATURE (Domestic Mail Only) Additional merchandise insurance is void if waiver of signature is requested. I wish delivery to be made without obtaining signature of addressee or addressee's agent (if delivery employee judges that article can be left in secure location) and I authorize that delivery employee's signature constitutes valid proof of delivery.			
NO DELIVERY <input type="checkbox"/> Weekend <input type="checkbox"/> Holiday			
Customer Signature _____			

CUSTOMER USE ONLY
METHOD OF PAYMENT: _____
Express Mail Corporate Acct. No. _____

Federal Agency Acct. No. or Postal Service Acct. No. _____

FROM: (PLEASE PRINT) PHONE: 804, 955-4595

Erwin Law Firm PA
413 Gentry Mem. Hwy
Easley, SC 29640

TO: (PLEASE PRINT) PHONE: MAY 18 2012

BMC Group TRAC GROUP
Attn: The Office Club & Hospitality
Group, Inc. Claims Processing
18075 Lake Drive East
Chanhassen, MN 55317

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