

UNITED STATES BANKRUPTCY COURT DISTRICT OF SOUTH CAROLINA	PROOF OF CLAIM
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Name of Debtor: The Cliffs at High Carolina Golf & Country Club, LLC	Case Number: 12-01231
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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:

29347867009243 Restoration Systems, LLC 1101 Haynes Street, Suite 211 Raleigh, NC 27604	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> RECEIVED MAY 24 2012 BMC GROUP </div>
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If you have already filed a proof of claim with the Bankruptcy Court or BMC, you do not need to file again.

THIS SPACE IS FOR COURT USE ONLY

Creditor Telephone Number () email:

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.
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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 \$ 49,828.00

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: contract services rendered
(See instruction #2)

3. LAST FOUR DIGITS OF ANY NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR: _____	3a. Debtor may have scheduled account as: _____ <small>(See instruction #3a)</small>	3b. Uniform Claim Identifier (optional): _____ <small>(See instruction #3b)</small>
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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): \$ _____
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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: Jane Ralston
 Title: Controller
 Company: Restoration Systems LLC

Jane Ralston 5/23/2012
 (Signature) (Date)

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

Telephone number: 919-334-9111 email: jane@restorationsystems.com

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

NORTH CAROLINA
HENDERSON COUNTY

**AQUATIC RESOURCES
COMPENSATORY
MITIGATION
CONTRACT**

THIS STREAM AND WETLAND MITIGATION CONTRACT ("Agreement") made and entered into as of the 21st day of February, 2009, by and between Longview Land Co., LLC and The Cliffs at High Carolina Golf and Country Club, LLC (identified herein collectively as "THE CLIFFS") and **RESTORATION SYSTEMS, LLC** ("RS").

WITNESSETH THAT:

WHEREAS, Longview Land Co., LLC is the current landowner of the majority of property comprising The Cliffs at High Carolina; and

WHEREAS, The Cliffs at High Carolina Golf and Country Club, LLC will become the primary holder of common land and community operations upon full development of The Cliffs at High Carolina; and

WHEREAS, THE CLIFFS is required, pursuant to state and federal environmental laws and regulations, to obtain environmental permits for the construction of The Cliffs at High Carolina; and

WHEREAS, THE CLIFFS must provide compensatory mitigation for impacts of said project to aquatic resources in order to satisfy permit conditions; and

WHEREAS, federal and state regulatory agencies require restoration, enhancement, and/or preservation of aquatic resources as compensatory mitigation for impacts to aquatic resource systems; and

WHEREAS, RS has proposed a stream and wetland mitigation site designated as Shoal Falls Farm located in Henderson County, North Carolina, (the "Site") to satisfy the requirements of THE CLIFFS; and

WHEREAS, RS has the requisite specialized and professional expertise and experience desired by THE CLIFFS to provide mitigation projects and can provide financial assurances for the successful delivery of the agreed upon wetland and stream mitigation utilizing performance bonding; and

WHEREAS, RS is prepared to implement the mitigation activities at the Site in order to provide THE CLIFFS with compensatory mitigation in the form of stream and wetland mitigation that THE CLIFFS needs to mitigate the impacts associated with the construction of The Cliffs at High Carolina.

NOW, THEREFORE, for and in consideration of the promises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Scope and Consideration.** RS shall complete and make available to THE CLIFFS as compensatory mitigation for its use, mitigation at and in the vicinity of the Site consisting of Three Thousand ~~Five~~^{Two} Hundred Thirty-Three (3,333) stream mitigation units (SMUs) and Five/Tenths (0.50) of a wetland mitigation unit (WMU) (the "Compensatory Mitigation") at a price of Nine Hundred Ninety-six Thousand Five Hundred Seventy and 00/100 Dollars (\$996,570) and in accordance with the terms of this Agreement, including the schedule of activities to be conducted at and associated with the Site (the "Site Activities") attached hereto as **Exhibit A**. In the event that THE CLIFFS needs additional or less SMU's or WMU's, the price above will be adjusted accordingly for \$290/SMU and \$60,000/WMU. THE CLIFFS shall pay RS for the Compensatory Mitigation in accordance with **Exhibit B** attached hereto and incorporated herein by reference.

2. **Time for Performance.** RS shall complete and provide the Compensatory Mitigation to THE CLIFFS in a timely manner in accordance with the schedule set forth on **Exhibit A** and incorporated herein by reference. The determination of completion of the events set forth on **Exhibit A** shall be reasonably made by RS. If RS fails to meet any one of these completion dates (without the fault of THE CLIFFS and excluding a Force Majeure), such failure to do so shall constitute a breach of this Agreement, unless such breach is waived in writing by THE CLIFFS under Paragraph 17, "Waiver of Compliance," of this Agreement.

3. **Obligation of RS.**

A. **Site Acquisition.** RS shall acquire sufficient real estate interest in the Site to perform the Site Activities necessary to convey Compensatory Mitigation to THE CLIFFS as herein provided.

B. **Site Restoration Plan and Agency Approval of Mitigation.** In connection with the Site Activities described herein, RS shall fully cooperate with the North Carolina Department of Environmental and Natural Resources ("DENR"), including the Division of Water Quality ("DWQ"), the U. S. Army Corps of Engineers ("USACE"), the North Carolina Wildlife Resources Commission ("NCWRC"), the U. S. Fish and Wildlife Service ("USFWS"), the United States Environmental Protection Agency ("USEPA") and any other applicable regulatory and resource agencies ("Agencies") in order to facilitate and expedite the application and acceptance of the Compensatory Mitigation for use by THE CLIFFS. Should RS fail to obtain the approval of the DWQ and the Corps for the Shoal Farms Restoration Plan as part of THE CLIFFS 401/404 permits, RS will refund THE CLIFFS Deposit of Fifteen Thousand and 00/100 Dollars (\$15,000) to THE CLIFFS.

C. **Site Implementation.** RS shall implement the Site Activities pursuant to the approved restoration plan and site design.

D. Financial Assurances. Within 60 days of execution of this Agreement, RS shall have in effect a performance bond covering the total amount of the construction cost of the compensatory mitigation in order to guarantee delivery of the compensatory mitigation to THE CLIFFS.

E. Reports and As-Built Drawings. RS shall report to THE CLIFFS on the status of RS's obligations under this Agreement on a quarterly basis until termination of this Agreement. At the conclusion of the Site Activities, RS shall submit to THE CLIFFS "as-built" drawings of the implemented Site providing limits and/or boundaries of the Site Activities and character using accepted surveying practices. Delineation and identification of the various types of implemented Compensatory Mitigation and boundaries shall be included on the as-built drawings. RS shall have said drawings reviewed and signed by a registered land surveyor.

4. Supplemental Contracts.

A. Modifications. This Agreement may be amended only by written amendments duly executed by and between the parties hereto. Consistent with the terms herein, either party may propose an addition, modification or change to RS's required performance hereunder in accordance with the procedures set forth in this Section.

B. Change Orders. To enhance, add to, delete from or otherwise change the terms of this Agreement, a party shall submit in writing to the other party a request for such change ("Change Order"). RS will evaluate each Change Order initiated by THE CLIFFS and submit an appropriate written response to THE CLIFFS as soon as possible but not later than seven (7) working days following RS's receipt of the request. If RS does not accept and will not perform a Change Order initiated by THE CLIFFS, its written response will so inform THE CLIFFS. If RS fails to respond within seven (7) working days from receipt of the request, the Change Order request will be deemed denied. If RS accepts the Change Order, subject to the parties' agreement as to cost and completion dates, then its written response shall include an estimate of the additional costs and the impact, if any, on the completion date associated with such Change Order. Changes Orders initiated or prepared by RS shall include the above-mentioned statement when submitted to THE CLIFFS. Should THE CLIFFS elect to authorize a Change Order initiated or accepted by RS, the parties will execute a written authorization for said Change Order detailing the responsibilities of the parties under the Change Order request. Furthermore, RS shall not be obligated to accept any Change Order or to perform any additional services that in its good faith business judgment it determines are not feasible or practicable or for which THE CLIFFS is unwilling to accept RS's estimate of additional costs and/or completion time.

C. Effect of Change Orders. For the purposes of this Agreement, each Change Order initiated or accepted by RS and duly authorized in writing by THE CLIFFS shall be deemed incorporated into and shall constitute a formal modification to

is expressly conditioned upon the seller under the Purchase Contract conveying to RS at closing of the purchase of the appropriate real estate interest for the Site, subject only to the permitted exceptions listed in the Purchase Contract and any other exceptions that RS may choose to accept, in its sole discretion.

12. **Severability and Survival.** If any of the provisions contained in this Agreement are held illegal, invalid or unenforceable, the enforceability of the remaining provisions shall not be impaired thereby. Limitations of liability, indemnities and other express representations shall survive termination of this Agreement for any cause.

13. **Construction.** This Agreement will not be construed more strictly against one party than the other merely by virtue of the fact that it may have been prepared by counsel for one of the parties, it being recognized that both RS and THE CLIFFS have contributed substantially and materially to the preparation of this Agreement.

14. **Interpretation.** In the interpretation of this Agreement, a single number includes the plural, the words "person" and "party" include corporations, partnerships, firms or associations wherever the context so requires.

15. **No Third-Party Rights.** This Agreement is solely for the benefit of the parties hereto, and nothing herein, expressed or implied, is intended to confer any right or remedy under or by reason of this Agreement on any person other than the parties hereto and their respective successors and permitted assigns.

16. **Section and Other Headings.** The section and other headings contained in this Agreement are for reference purposes only and shall not affect the interpretation or meaning of this Agreement.

17. **Waiver of Compliance.** Any failure of either party to comply with any obligation, covenant, Agreement or condition contained herein may be expressly waived in writing by the other, but such waiver or failure to insist upon strict compliance shall not operate as a waiver as to any subsequent failure.

18. **Entire Contract.** This Agreement constitutes the entire and only agreement between the parties. There are no other agreements between the parties and any modification to this Agreement must be made in writing and executed by both parties.

IN TESTIMONY WHEREOF, the parties hereto have caused these presents to be executed by their proper officials thereunto duly authorized as of the dates below indicated:

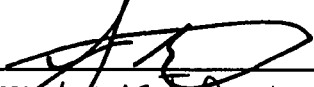
EXECUTED by THE CLIFFS this 3rd day of MARCH, 2009.

THE CLIFFS AT HIGH CAROLINA GOLF &
COUNTRY CLUB, LLC

By: _____


Name: LUCAS T ANTHONY
Title: MANAGING OWNER

And
LONGVIEW LAND CO., LLC

By: 
Name: LUCAS T ANTHONY
Title: MANAGING OWNER

EXECUTED by RS this 25th day of March, 2009.

RESTORATION SYSTEMS, LLC


By: 
Name: John Proyer
Title: Chief Operating Officer

EXHIBIT A

SHOAL FALLS SITE ACTIVITIES

	Milestone	
1	Execution of RS/Cliffs Contract	
2	Submit Restoration Plan to DWQ and Corps	The Later of March 20, 2009 or Contract Execution
3	Complete construction documents & submit permit applications	90 days from Task 2
4	Receive permits Place conservation easement on the site	150 days from Task 3
5	Commence Shoal Falls Construction	The Commencement onsite Construction of the G/C Stream Impacts
5	Complete Shoal Falls Construction	Dependent upon Task 5
6	Submit as-built drawings and report	Dependent upon Task 6
7	Annual monitoring reports	By December 31 of each year following construction

EXHIBIT B
PAYMENT SCHEDULE

	Milestone Payment		Percent of Contract
1	The Cliffs receipt of Section 401 certification and 404 Permit	\$84,657	(10% less \$15k deposit)
1.5a	Payment due 9/1/2009 if 401/404 not yet received	\$34,829	(50% of Payment 1, w/\$15,000 deposit incl. here)*
1.5b	The Cliffs receipt of 401/404 if after 9/1/2009	\$49,828	Remainder of Payment 1*
2	The Commencement of the onsite Construction of the High Carolina G/C Stream Impacts	\$398,628	(40%)
3	Mitigation Construction 50% Complete	\$298,972	(30%)
4	Mitigation As-Built Drawing Complete	\$149,485	(15%)
5	Monitoring 1	\$19,931	(2%)
6	Monitoring 2	\$19,931	(2%)
7	Monitoring 3	\$9,966	(1%)
	Total Payment	\$996,570	Includes \$15k deposit

*Payments 1.5a and 1.5b are in the alternative to Payment 1 in the event that the 401 Certification and 404 Permit are not received on or before September 1, 2009. If these permits are received at anytime before September 1, 2009, Payment 1 is due in full.

From: (919) 755-9490
Office Manager
Restoration Systems, LLC
1101 Haynes St
Suite 211
Raleigh, NC 27604

Origin ID: RZZA



J12101112190225

Ship Date: 23MAY12
ActWgt: 1.0 LB
CAD: 9391818/NET3250

Delivery Address Bar Code



SHIP TO: (919) 334-9111
Attn: Cliffs Claims Processing
BMC Group, Inc.
18675 LAKE DR E

BILL SENDER

Ref # Cliffs - JR
Invoice #
PO #
Dept #

CHANHASSEN, MN 55317

TRK# 7984 2880 2095
0201

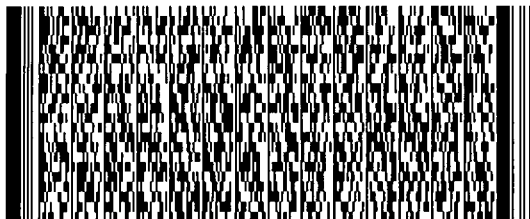
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Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$500, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.