

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF SOUTH CAROLINA

PROOF OF CLAIM



Your Claim is Scheduled As Follows:  
Schedule/Claim ID: s14604  
AMOUNT/CLASSIFICATION:  
\$75,000.00 UNSECURED  
(CONTINGENT)

Name of Debtor:  
The Cliffs at Walnut Cove Golf & Country Club, LLC

Case Number:  
12-01227

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:  
29347866004922  
Hickman, Scott  
25 Cotswolds Courts  
Arden, NC 28704-9304

RECEIVED  
MAY 29 2012  
BMC GROUP

The amounts reflected above constitute your claim as scheduled by the Debtor or pursuant to a filed claim. If you agree with the amounts set forth herein, and have no other claim against the Debtor, you do not need to file this proof of claim EXCEPT as stated below.

If the amounts shown above are listed as Contingent, Unliquidated or Disputed, a proof of claim must be filed except as provided in the accompanying bar date notice.

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 ( ) email:

THIS SPACE IS FOR COURT USE ONLY

Name and address where payment should be sent (if different from 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 \$ 445,875.00

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:  
(See instruction #2) loss of golf membership \$75,000.00; lot loss \$370,875.00

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 set off, attach required redacted documents, and provide the requested information.

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

Nature of property or right of setoff:  
Describe:

Basis for Perfection: \_\_\_\_\_

Real Estate  Motor Vehicle  Other \_\_\_\_\_

Amount of Secured Claim: \$ \_\_\_\_\_

Value of Property: \$ \_\_\_\_\_

Amount Unsecured: \$ \_\_\_\_\_

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

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:

- Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).
- 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).
- 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).

- Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).
- Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5).
- Other - Specify applicable paragraph of 11 U.S.C. § 507(a) ( \_\_\_\_\_ ).
- 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  
01027

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: SCOTT HICKMAN  
 Title: \_\_\_\_\_  
 Company: \_\_\_\_\_

[Signature]      5/7/12  
 (Signature)      (Date)

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

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



**THE CLIFFS AT WALNUT COVE GOLF & COUNTRY CLUB, LLC  
WALNUT COVE GOLF MEMBERSHIP ENROLLMENT FORM**

This is to certify that **Scott and Louise Hickman** have made application for membership in the CLIFFS GOLF AND COUNTRY CLUB. The membership classification applied for is **Walnut Cove Golf** membership. It is acknowledged that the applicant has submitted a payment of **Seventy five thousand dollars (\$75,000.00)**. The following is the scheduled due dates and amounts of future payments:

**Due at Closing**

By signing this form, the Member(s) acknowledges, as a matter of record, the type of Membership classification, and its privileges, and the refund value of initiation deposit paid in the event of resignation or transfer of membership. Furthermore, the Member(s) has received a copy of the Clubs Master Membership Plan, rules and regulations, and has an understanding of the same.

MEMBERSHIP CLASSIFICATION:	<b>Walnut Cove Golf</b>
MEMBERSHIP ACCOUNT NUMBER:	<b>H374</b>
INITIATION DEPOSIT PAID:	<b>\$75,000</b>
TOTAL FEES PAID:	<b>\$75,000</b>
PROPERTY REFERENCE:	<b>Section <u>3A</u> Lot <u>18</u></b>
DATE:	<b>January 13, 2005</b>

1.13.05  
Date

Mimsy DeMars  
Mimsy DeMars  
Manager, Membership Services  
The Cliffs Golf & Country Clubs

3/29/05  
Date

[Signature]  
Member Signature  
[Signature]  
Member Signature

**THE CLIFFS AT WALNUT COVE GOLF & COUNTRY CLUB, LLC  
WALNUT COVE MEMBERSHIP AGREEMENT**

I agree to participate and become enrolled as a member of The Cliffs at Walnut Cove Golf and Country Club, LLC. which is managed and operated by The Cliffs Golf and Country Club, Inc. and agree to pay the applicable membership fees in the amount(s) indicated below:

	<u>Membership Classification</u>	<u>Membership Fees</u>
	Walnut Cove Family	\$ .
X	Walnut Cove Golf	\$75,000.00

My rights and privileges as a member shall be governed by the Club's Master Membership plan document and the club's rules and regulations. Membership in the club does not convey any ownership, stock or equity certificate or other rights of ownership. As a member, I cannot be assessed as a matter of contract with the Club, and I assume no liability whatsoever in connection with the membership other than the payment of an applicable membership fee, dues and charges incurred by myself, my family and guests.

The Club reserves the right to set membership classification limitations. The Club has the plenary power to modify classes of memberships, their definitions, privileges, requirements and availability.

I shall be bound by the terms and conditions of the plan documents, as they may be amended from time to time in accordance with their terms and this membership purchase agreement.

I agree to pay the dues, fees and charges applicable to my membership classification(s) set forth by the club ownership, as it may be amended from time to time.

I hereby agree to release and discharge the Club, its ownership, affiliates, employees and agents from any and all claims and causes of actions that I may have against any of them regarding the Club membership program and facilities, except claims and causes of action arising from misrepresentations or omissions in the club documents.

1.13.05  
Date

Mimsy DeMars  
Mimsy DeMars  
Manager, Membership Services  
The Cliffs Golf & CC, Inc.

3/29/05  
Date

[Signature]  
Member Signature  
[Signature]  
Member Signature



The Cliffs Golf & Country Club, Inc.  
The Cliffs at Keowee Vineyards Golf & Country Club, LLC  
The Cliffs at Walnut Cove Golf & Country Club, LLC  
The Cliffs at Keowee Falls Golf & Country Club, LLC  
The Cliffs at Keowee Springs Golf & Country Club, LLC  
The Cliffs at Mountain Park Golf & Country Club, LLC  
The Cliffs at High Carolina Golf & Country Club, LLC

## THE CLIFFS CLUBS MASTER MEMBERSHIP PLAN

First Edition	May, 1992
Revised	January, 1993
Revised	June, 1995
Revised	January, 1999
Revised	January, 2001
Revised	September, 2004
Revised	January, 2007
Revised	January, 2009

The Cliffs Golf & Country Clubs  
3598 Highway 11  
Travelers Rest, South Carolina 29690  
(864) 660-1100

## MEMBERSHIP FEES, DUES AND CHARGE PRIVILEGES

### 11. Membership Fees

Each individual making initial application for membership is required to pay the then existing membership deposit established by the Cliffs Clubs for the requested classification of membership. In the event that the individual's application for membership is rejected, the membership deposit will be refunded in full without interest.

#### 11.1 Initiation Deposit

Members who joined prior to June 1999 under the original master membership program paid a membership amount that consisted of 80% initiation deposit and 20% non-refundable membership fee. Members joining after June 1999 paid a 100% initiation deposit. The initiation deposit portion of the membership fees paid is the refundable portion through the resignation and reissuing of a membership or voluntary resignation of membership through the required process outlined in the membership Plan.

#### 11.2 When Initiation Deposits Will Be Refunded

A Member paying an initiation deposit, as outlined in 11.1 above, is due a refund thirty (30) years following the date the Member joined in an amount equal to the initiation deposit paid, or according to the refund policy as outlined in this Membership Plan, whichever comes first. If one is still a member at the end of thirty (30) years, such member will be allowed to continue his/her membership until the member subsequently resigns from the Club by paying the applicable periodic dues and charges incurred. A member who elects to continue his or her membership at the end of the 30-year period will not be counted toward any cap or limits on the total number of members or the number of members in any category of membership.

Refunds occurring as a result of a Member who sells his/her property, resigns their membership and subsequent re-issuance of membership to their resale buyer will be paid within 30 days following such re-issuance of the membership to the resale buyer at closing. Voluntary resignations will be refunded consistent with the Cliffs Clubs processing of accounts payable, and will be processed only on the basis of one (1) refund for every five (5) memberships issued by the Cliffs Club from its previously unissued memberships within the same classification as the resigned membership.

#### 11.3 Membership Classification Downgrade

A Member who chooses to downgrade to a different membership classification will receive a refund of the difference in the amount of the membership's initiation deposit previously paid and the amount of the prevailing downgrade membership's initiation deposit. All downgrade reclassifications of membership are subject to eligibility, requirements, availability and applicable reclassification fees at the time.

6/16/08



### Initiation Deposits

Initiation Deposits paid by a member for a Full Golf or Family membership are deposits to become a member of The Cliffs Golf & Country Clubs as a whole, not a specific Club within The Cliffs Communities. These deposits are 100% refundable and The Cliffs records these deposits as liabilities on the member's respective home club. The cash inflow from these initiation deposits are utilized by The Cliffs Golf & Country Clubs for amenity construction and to support operating losses sustained by the Clubs, although others uses of these funds are not prohibited.

The Cliffs Communities are committed to constructing amenities at each community as laid out by the Master Plan for the respective community. Funding for the construction of these amenities may come from Initiation Deposits, Bank Debt, or other resources as The Cliffs deems appropriate. Current amenity assets constructed at The Cliffs Golf & Country Clubs, and operating losses, have exceeded Initiation Deposits collected to date on both an individual Club by Club basis, as well as a consolidated clubs basis. Future Initiation Deposits may be used in the same manner as previously discussed, or in other ways that best support the operations of The Cliffs Communities.



April 4, 2005

Mr. and Mrs. Scott Hickman  
25 Cotswolds Court  
Arden, NC 28704-9677

Dear Mr. and Mrs. Hickman:

Thank you so much for returning the signed Election to Purchase document for Lot 18 at The Cliffs at Walnut Cove, Section 3A.

Enclosed is a copy of the fully executed Election to Purchase document for your records. Please feel free to call me with any questions that you may have.

Sincerely,

Sandra Hyder  
Closing Coordinator

Enclosure



# ELECTION TO PURCHASE

SECTION 3 A, LOT: 18, LIST PRICE: \$425,000.00

COMMUNITY: Cliffs at Walnut Cove and AGREEMENT DATE: 12/6/04

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

1. The List Price of the Lot does not include a membership in the Golf and Country Club (the "Club"), which is reserved solely to its members in accordance with the use rights conferred by the Club Membership Plan for the categories and classifications of membership offered. Seller does not operate the Club. The Club is operated by The Cliffs Golf & Country Club, Inc. Seller will, however, discount the List Price of the Lot by \$35,000 if Purchaser agrees to acquire a membership, and Purchaser will pay that amount at Closing toward a membership.

Check one of the following:

- If checked and initialed, Purchaser wishes to acquire a membership in the Club, either a Cliffs Family Membership or a Cliffs Golf Membership, and wishes to receive a \$35,000 discount and apply it toward the required membership deposit, and has attached hereto a signed Club Membership Addendum. While Purchaser is guaranteed the availability of a golf membership under the Membership Plan only if Purchaser acquires one within 30 days following Purchaser's Closing, Purchaser will receive the discount only if the membership is acquired at the Closing. If this paragraph is checked and initialed, the Purchase Price in Paragraph 2 below is net of the discount.
- If checked and initialed, Purchaser does not wish to acquire a membership in the Club at this time. Purchaser understands that membership is subject to availability at the time Purchaser may wish to acquire one, and is not guaranteed. Purchaser will NOT receive any discount off the listed Purchase Price because Purchaser elects not to receive a membership.

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

Total Purchase Price: \$ 390,000.00

- (a)  Discount Applied to Membership Deposit. If checked and initialed, Purchaser has checked the first box in A above and wishes to acquire Full Family Membership privileges, paying at the Closing \$35,000. \$ 35,000.00
- (b)  Golf Membership, Initiation Deposit Add-on. If checked and initialed, Purchaser has checked the first box in A above and wishes to upgrade to a Golf Membership by paying at the Closing an additional sum of \$40,000. \$ 40,000.00
- (c) SUB-TOTAL, Purchase Price of Lot plus Membership Upgrade Deposit Due at Closing \$ 465,000.00
- (d) Initial Earnest Money Deposit. The Escrow Deposit paid under Part I of the Agreement \$ 10,000.00
- (e) Additional Deposit Due. An additional Earnest Money Deposit due Escrow Agent within 0 days of the Effective Date hereof. \$ 0.00
- (f) Balance at Closing. The balance required at Closing in cash or certified funds (not including all of Purchaser's closing costs, prepaids, and escrow deposits) \$ 455,000.00

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

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

- Seller's Property Report made effective March 16, 2005 by the Department of Housing & Urban Development
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

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

ADUSP  
For Purchaser

**YOU HAVE THE OPTION TO CANCEL YOUR CONTRACT OR AGREEMENT OF SALE BY NOTICE TO THE SELLER UNTIL MIDNIGHT OF THE SEVENTH DAY AFTER YOU HAVE RECEIVED A FULLY SIGNED COPY OF THE CONTRACT OR AGREEMENT.**

**IF YOU DID NOT RECEIVE A PROPERTY REPORT PREPARED PURSUANT TO THE RULES AND REGULATIONS OF THE OFFICE OF INTERSTATE LAND SALES REGISTRATION, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, IN ADVANCE OF YOUR SIGNING THE CONTRACT OR AGREEMENT, THE CONTRACT OR AGREEMENT OF SALE MAY BE CANCELLED AT YOUR OPTION FOR TWO YEARS FROM THE DATE OF SIGNING.**

WITNESS:

Purchaser:

\_\_\_\_\_  
\_\_\_\_\_

W. Scott Hickman  
\_\_\_\_\_  
(Signature)

ADUSP  
\_\_\_\_\_  
(Signature)

Month Day Year

Print or Type:

Name: W. Scott Hickman

Telephone (Work): (828) 274-4000

Name: \_\_\_\_\_

Telephone (Home): (828) 551-0210

Address: 2002 Barkwood  
Arden NC 28704

FAX Number: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Closing Date: April 29, 2005

Name in Which to Title Property. LOUISE VOELKER HICKMAN + WILLIAM SCOTT HICKMAN  
(Insert the name or names to which Purchaser wishes title to the Lot to be deeded)

**(BALANCE OF PAGE PURPOSELY BLANK)**

Seller:

The Cliffs at Walnut Cove, LLC

By: \_\_\_\_\_

Its: \_\_\_\_\_

03                      31                      05  
Month                      Day                      Year

Property: Section: 3 A, Lot 18

Lot Purchase Price: \$ 390,000.00

Membership \$ 75,000.00

Sub-total: \$ 465,000.00

(BALANCE OF PAGE PURPOSELY BLANK)

**WESTALL, GRAY, CONNOLLY & DAVIS, P.A.**

Attorneys at Law  
81 Central Avenue  
Asheville, North Carolina 28801

RECEIVED

MAY 29 2012

BMC GROUP

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