

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 31 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.

THIS SPACE IS FOR COURT USE ONLY

Creditor Telephone Number (828) 687-6268 email: arthur-cl@bellsouth.net

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.

Court Claim Number (if known):

Filed on:

Payment Telephone Number ( ) email:

1. AMOUNT OF CLAIM AS OF DATE CASE FILED \$ 2,530,359.00

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: mortgage note FOR 52 ACRES  
(See instruction #2)

3. LAST FOUR DIGITS OF ANY NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR:  
(6338) (12-01220)

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:

Real Estate  Motor Vehicle  Other

Value of Property: \$ 2,530,359.00

Annual Interest Rate: Prime + 1% not less than 5%  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: \$

HAVE NOT RECEIVED ANY INTEREST PAYMENTS FOR 2011 OR 2012 UPON DEFAULT 8%

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).

Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).

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).

Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5).

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).

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.



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.

<b>BY MAIL TO:</b> BMC Group, Inc Attn: Cliffs Claims Processing PO Box 3020 Chanhassen, MN 55317-3020	<b>BY MESSENGER OR OVERNIGHT DELIVERY TO:</b> 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

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 61<sup>st</sup> 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

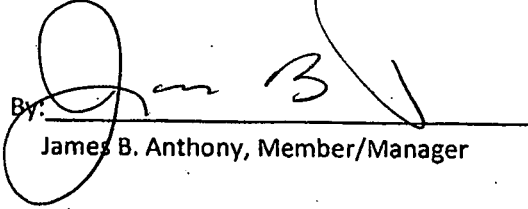
or extensions, modification or modifications of the Promissory Note and substitutions therefore, either in whole or in part; and all obligations now or hereafter owing by Borrower to Lender, however or whenever created, incurred, arising or evidenced, whether direct or indirect, joint or several, absolute 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.

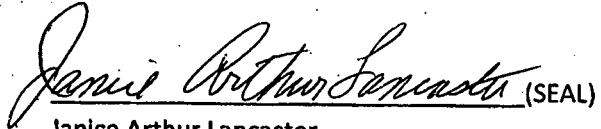
IN WITNESS WHEREOF, the Parties have hereunto set their hands and seals the day and year first above written.

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 4<sup>th</sup> 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 10<sup>th</sup> day of March, 2011 <sup>AM</sup>

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.

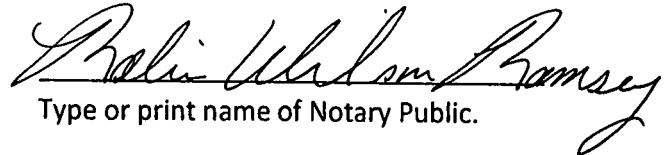
(SEAL)

State of North Carolina

County of Buncombe

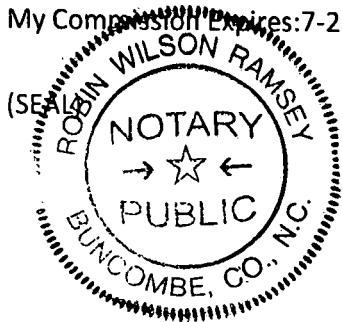
I, Robin Wilson Ramsey, a Notary Public for the State and County aforesaid, certify that the following persons, Cecil Edward Arthur and Charles Leslie Arthur appeared before me this day and I have: a) personal knowledge of the identity of the principals acknowledging to me that each voluntarily executed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

This the 14<sup>TH</sup> day of March, 2011.

  
Type or print name of Notary Public.

My Commission Expires: 7-28-2014

Robin Wilson Ramsey, Notary Public





# LONG, PARKER, WARREN, ANDERSON & PAYNE, P.A.

ATTORNEYS AT LAW  
14 SOUTH PACK SQUARE, SUITE 600  
ASHEVILLE, NORTH CAROLINA 28801

(828) 258-2296

ROBERT B. LONG, JR.  
WILLIAM A. PARKER  
STEVE R. WARREN  
PHILIP S. ANDERSON  
RONALD K. PAYNE  
ANDREW B. PARKER  
RODNEY G. HASTY

*MAILING ADDRESS*  
Post Office Box 7216  
Asheville, NC 28802

*FACSIMILE*  
(828) 253-1073

May 30, 2012

## VIA FEDERAL EXPRESS

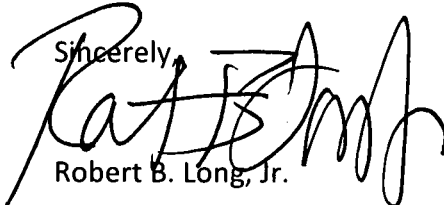
BMC Group, Inc.  
Attn: Cliffs Claims Processing  
18675 Lake Drive East  
Chanhassen, MN 55317

**RE: Proof of Claim Filed in Error**  
**Creditor: Arthur Family Trust: Cecil Arthur**  
**275 Ball Gap Road, Arden, NC 28704**  
**Debtor: The Cliffs at Walnut Cove Golf & Country Club, LLC**  
**(9879) (12-01227)**

Gentlemen:

I enclose herewith a Proof of Claim apparently erroneously filed on behalf of the named Creditor, together with a modification of a Note and Deed of Trust referenced in such claim. This indicates that it was filed in error as the Debtor in that instrument is Longview Land Company, LLC and not The Cliffs at Walnut Cove Golf & Country Club, LLC. The named Creditor brought the same to my office because I have on occasion represented The Cliffs at Walnut Cove Golf & Country Club, LLC and this Proof of Claim had been submitted to the Claims Processing Center. After my review of the attached document and the claim as presented, it appears that it should not have been because it is Longview Land Company, LLC that owes this secured debt. Please take such action as is necessary so as not to in any way endanger or disturb the secured claim with respect to Longview Land Company, LLC.

In the event you need any further information in this respect, please advise.

Sincerely,  
  
Robert B. Long, Jr.

RBLjr/fg  
Enclosures

**FedEx** **NEW Package**  
**EXPRESS** **US Airbill** 8996 6698 6751

RECIPIENT: PEEL HERE

1 From This portion can be removed for Recipient's records  
Date 5/30/2012 Tracking Number 899666986751

Sender's Name Robert B. Long, Jr. Phone 628 258-2296

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State MN ZIP 55317

2 Your Internal Billing Reference The Cliffs

3 To Recipient's Name BMC GROUP, INC. Phone \_\_\_\_\_

Company ATTN: Cliffs Claims Processing

Address 18675 Lake Drive East Dept./Room/Station \_\_\_\_\_

City Chanhassen State MN ZIP 55317

Use this line for the HOLD location address or for continuation of your shipping address.



8996 6698 6751

0448386735

**0215**  
**Recipient's Copy**

4 Express Package Service  
NOTE: Services under this category. Please select carefully.  
New Business Day  
2 or 3 Business Days  
NEW FedEx 2D by AM  
FedEx 2D by AM  
FedEx Express Saver  
FedEx Standard Overnight  
FedEx Priority Overnight  
FedEx First Overnight

5 Packaging  
FedEx Envelope\*  
FedEx Pak\*  
FedEx Box  
FedEx Tube  
FedEx Other

RECEIVED  
Special Handling and Delivery Signature Options

3 No Signature Required  
Signature Required  
Signature Required (Signature Pad)  
Signature Required (Signature Pad) - Flat Rate

4 Hold Location Address  
Hold Location Address - Available ONLY for FedEx Priority Overnight and FedEx 2D by AM to select locations.

7 Payment Bill to:  
Sender  
Recipient  
Third Party  
Credit Card  
Cash/Check

Total Packages  
Total Weight  
lbs.