

<b>UNITED STATES BANKRUPTCY COURT</b>		<b>District of South Carolina</b>	<b>PROOF OF CLAIM</b>
Name of Debtor: <b>The Cliffs Club &amp; Hospitality Group, Inc. d/b/a The Cliffs Golf &amp; Country Club</b>		Case Number: <b>12-01220-JW</b>	<b>COURT USE ONLY</b>
NOTE: <i>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.</i>			
Name of Creditor (the person or other entity to whom the debtor owes money or property): <b>Straus Family Limited Partnership</b>			
Name and address where notices should be sent: <b>Straus Family Limited Partnership c/o David L. Straus, General Partner 8914 Clewerwall Drive Bethesda, MD 20817</b>		Telephone number: <b>(202) 842-5542</b> email: <b>David_Straus@johnstonlemon.com</b>	<input type="checkbox"/> Check this box if this claim amends a previously filed claim.  <b>Court Claim Number:</b> _____ <i>(If known)</i>  <b>Filed on:</b> _____
Name and address where payment should be sent (if different from above): <b>Same as above</b>		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.
<b>RECEIVED</b> <b>MAY 31 2012</b> <b>BMC GROUP</b>			
<b>1. Amount of Claim as of Date Case Filed:</b> \$ <u>Unknown</u>			
If all or part of the claim is secured, complete item 4.			
If all or part of the claim is entitled to priority, complete item 5.			
<input type="checkbox"/> Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.			
<b>2. Basis for Claim:</b> <u>Agreement #1796 scheduled on the Debtor's Schedule G - Executory Contracts and Unexpired Leases</u> (See instruction #2) (See Exhibit 1 attached hereto).			
<b>3. Last four digits of any number by which creditor identifies debtor:</b>	<b>3a. Debtor may have scheduled account as:</b> _____ (See instruction #3a)	<b>3b. Uniform Claim Identifier (optional):</b> _____ (See instruction #3b)	
<b>4. Secured Claim</b> (See instruction #4) Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information.		<b>Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any:</b> \$ <u>Unknown</u>	
<b>Nature of property or right of setoff:</b> <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: _____		<b>Basis for perfection:</b> _____	
<b>Value of Property:</b> \$ _____		<b>Amount of Secured Claim:</b> \$ <u>Unknown</u>	
<b>Annual Interest Rate</b> _____ % <input type="checkbox"/> Fixed or <input type="checkbox"/> Variable (when case was filed)		<b>Amount Unsecured:</b> \$ <u>Unknown</u>	
<b>5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507 (a).</b> If any part of the 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).	<b>Amount entitled to priority:</b> \$ <u>Unknown</u>
<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)(____).	
*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.			
<b>6. Credits.</b> 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 any 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 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.      I am the trustee, or the debtor, or their authorized agent.      I am a guarantor, surety, indorser, or other codebtor.
- (Attach copy of power of attorney, if any.)     (See Bankruptcy Rule 3004.)     (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: David L. Straus  
 Title: General Partner  
 Company: Straus Family Limited Partnership  
 Address and telephone number (if different from notice address above):  
Straus Family Limited Partnership  
c/o David L. Straus, General Partner  
8914 Clewerwall Drive  
Bethesda, MD 20817

David L. Straus, General Partner 5/30/12  
 (Signature) (Date)

Telephone number: (202) 842-5542 email: David\_Straus@johnstonlemon.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.

**INSTRUCTIONS FOR PROOF OF CLAIM FORM**

*The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, exceptions to these general rules may apply.*

**Items to be completed in Proof of Claim form**

**Court, Name of Debtor, and Case Number:**  
 Fill in the federal judicial district in which the bankruptcy case was filed (for example, Central District of California), the debtor's full name, and the case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is at the top of the notice.

**Creditor's Name and Address:**  
 Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

**1. Amount of Claim as of Date Case Filed:**  
 State the total amount owed to the creditor on the date of the bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

**2. Basis for Claim:**  
 State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on delivering health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if an interested party objects to the claim.

**3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:**  
 State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

**3a. Debtor May Have Scheduled Account As:**  
 Report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

**3b. Uniform Claim Identifier:**  
 If you use a uniform claim identifier, you may report it here. A uniform claim identifier is an optional 24-character identifier that certain large creditors use to facilitate electronic payment in chapter 13 cases.

**4. Secured Claim:**  
 Check whether the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See Definitions.) If the claim is secured, check the box for the nature and value of property that secures the claim, attach copies of lien documentation, and state, as of the date of the bankruptcy filing, the annual interest rate (and whether it is fixed or variable), and the amount past due on the claim.

**5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507 (a).**  
 If any portion of the claim falls into any category shown, check the appropriate box(es) and state the amount entitled to priority. (See Definitions.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

**6. Credits:**  
 An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

**7. Documents:**  
 Attach redacted copies of any documents that show the debt exists and a lien secures the debt. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary in addition to the documents themselves. FRBP 3001(c) and (d). If the claim is based on delivering health care goods or services, limit disclosing confidential health care information. Do not send original documents, as attachments may be destroyed after scanning.

**8. Date and Signature:**  
 The individual completing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. If you sign this form, you declare under penalty of perjury that the information provided is true and correct to the best of your knowledge, information, and reasonable belief. Your signature is also a certification that the claim meets the requirements of FRBP 9011(b). Whether the claim is filed electronically or in person, if your name is on the signature line, you are responsible for the declaration. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. If the claim is filed by an authorized agent, attach a complete copy of any power of attorney, and provide both the name of the individual filing the claim and the name of the agent. If the authorized agent is a servicer, identify the corporate servicer as the company. Criminal penalties apply for making a false statement on a proof of claim.

## DEFINITIONS

**Debtor**

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

**Creditor**

A creditor is a person, corporation, or other entity to whom debtor owes a debt that was incurred before the date of the bankruptcy filing. See 11 U.S.C. §101 (10).

**Claim**

A claim is the creditor's right to receive payment for a debt owed by the debtor on the date of the bankruptcy filing. See 11 U.S.C. §101 (5). A claim may be secured or unsecured.

**Proof of Claim**

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with the clerk of the same bankruptcy court in which the bankruptcy case was filed.

**Secured Claim Under 11 U.S.C. § 506 (a)**

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car. A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien.

A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

**Unsecured Claim**

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

**Claim Entitled to Priority Under 11 U.S.C. § 507 (a)**

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

**Redacted**

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor must show only the last four digits of any social-security, individual's tax-identification, or financial-account number, only the initials of a minor's name, and only the year of any person's date of birth. If the claim is based on the delivery of health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information.

**Evidence of Perfection**

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

## INFORMATION

**Acknowledgment of Filing of Claim**

To receive acknowledgment of your filing, you may either enclose a stamped self-addressed envelope and a copy of this proof of claim or you may access the court's PACER system ([www.pacer.psc.uscourts.gov](http://www.pacer.psc.uscourts.gov)) for a small fee to view your filed proof of claim.

**Offers to Purchase a Claim**

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim.

However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 *et seq.*), and any applicable orders of the bankruptcy court.

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 UNITED STATES BANKRUPTCY COURT  
 DISTRICT OF SOUTH CAROLINA

In re The Cliffs Club & Hospitality Group, Inc.

Debtor

Case No. 12-01220

Chapter 11

**SUMMARY OF SCHEDULES**

Indicate as to each schedule whether that schedule is attached and state the number of pages in each. Report the totals from Schedules A, B, D, E, F, I, and J in the boxes provided. Add the amounts from Schedules A and B to determine the total amount of the debtor's assets. Add the amounts from all claims from Schedules D, E, and F to determine the total amount of the debtor's liabilities. Individual debtors also must complete the "Statistical Summary of Certain Liabilities and Related Data" if they file a case under chapter 7, 11, or 13.

NAME OF SCHEDULE	ATTACHED (YES/NO)	NO. OF SHEETS	AMOUNTS SCHEDULED		
			ASSETS	LIABILITIES	OTHER
A - Real Property	Yes	1			
B - Personal Property	Yes	6	\$1,526.60 PLUS UNKNOWN		
C - Property Claimed As Exempt	Yes	1			
D - Creditors Holding Secured Claims	Yes	2		\$75,627,358.63 UNKNOWN	
E - Creditors Holding Unsecured Priority Claims	Yes	3		\$0.00	
F - Creditors Holding Unsecured Nonpriority Claims	Yes	2		\$3,000.00 UNKNOWN	
G - Executory Contracts and Unexpired Leases	Yes	6			
H - Codebtors	Yes	4			
I - Current Income of Individual Debtor(s)	No				N/A
J - Current Expenditures of Individual Debtor(s)	No				N/A
Total Number of Sheets in ALL Schedules		24			
		Total Assets	\$1,526.60 PLUS UNKNOWN		
		Total Liabilities		\$75,630,358.63 PLUS UNKNOWN	

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The Cliffs Club & Hospitality Group, Inc.

Debtor

Case No. 12-01220

(If known)

SCHEDULE G - EXECUTORY CONTRACTS AND UNEXPIRED LEASES

NAME AND MAILING ADDRESS, INCLUDING ZIP CODE, OF OTHER PARTIES TO LEASE OR CONTRACT	DESCRIPTION OF CONTRACT OR LEASE AND NATURE OF DEBTOR'S INTEREST. STATE WHETHER LEASE IS FOR NONRESIDENTIAL REAL PROPERTY. STATE CONTRACT NUMBER OF ANY GOVERNMENT CONTRACT
1761 SRJ TIMBERLANDS 2, LLC 3598 HIGHWAY 11 TRAVELERS REST, SC 29690	AGREEMENT
1764 SRJ TIMBERLANDS 3598 HIGHWAY 11 TRAVELERS REST, SC 29690	AGREEMENT
1744 STEVE OWNINGS 135 S. MAIN STREET GREENVILLE, SC 29601	AGREEMENT
1796 STRAUS LIMITED FAMILY PARTNERSHIP 8914 CLEWERWALL DRIVE BETHESDA, MD 20817	AGREEMENT
5671 THE CLIFFS COMMUNITIES, INC. 3598 HWY 11, TSC, 29690 TRAVELERS REST, SC 29690	AGREEMENT LICENSE FOR TRADE MARKS
5758 THE CLIFFS COMMUNITIES, INC. CORPORATE HEADQUARTERS TRAVELERS REST, SC 29690	AGREEMENT
5759 THE CLIFFS COMMUNITIES, INC. CORPORATE HEADQUARTERS TRAVELERS REST, SC 29690	AGREEMENT
5775 THE CLIFFS COMMUNITIES, INC. CORPORATE HEADQUARTERS TRAVELERS REST, SC 29690	AGREEMENT
5763 THE CLIFFS COMMUNITIES, INC. CORPORATE HEADQUARTERS TRAVELERS REST, SC 29690	AGREEMENT
1764 TIMBERLANDS, LP PO BOX 1805 GREENVILLE, SC 20802	AGREEMENT
1741 VICTORIA A. ANTHONY-DAVID COX 3101 TABLE ROCK ROAD PICKENS, SC 29671	AGREEMENT
1742 VICTORIA A. ANTHONY-GEORGE COX 3101 TABLE ROCK ROAD PICKENS, SC 29671	AGREEMENT
5004 WARREN, KELLY 19 STEADMAN WAY GREER, SC 29650	AGREEMENT MEMBERSHIP CONTRACT
5765 WATERFALL INVESTMENT GROUP, LLC 3598 HWY 11, TSC, 29690 TRAVELERS REST, SC 29690	AGREEMENT



Thomas J. McKee, Jr.  
Tel 703.749.1300  
Fax 703.749.1301  
mckee@gtlaw.com

May 30, 2012

**VIA FEDEX**

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

Re: Proof of Claim filed by Straus Family Limited Partnership;  
In re. The Cliffs Club & Hospitality Group, Inc.;  
United States Bankruptcy Court for the District of South Carolina  
Case Number 12-01220-JW

Dear Sir/Madam:

Enclosed please find the original and two copies of Straus Family Limited Partnership's Proof of Claim for Case Number 12-01220-JW in the United States Bankruptcy Court for the District of South Carolina. We have enclosed a pre-paid Federal Express label and envelope and ask that you date stamp the two copies and return same to us by the enclosed Federal Express.

Thank you for your attention to this matter. If you have any questions, please feel free to contact me.

Best regards,

Thomas J. McKee, Jr.

TJM:cah  
Enclosures

From: (703) 749-1300  
Thomas J. McKee, Jr.  
Greenberg - Tysons  
1750 Tyson Boulevard  
Suite 1200  
McLean, VA 22102

Origin ID: PIZA



Ship Date: 30MAY12  
ActWgt: 1.0 LB  
CAD: 7870943/NET3250

Delivery Address Bar Code



Ref # 041796.010300  
Invoice #  
PO #  
Dept #

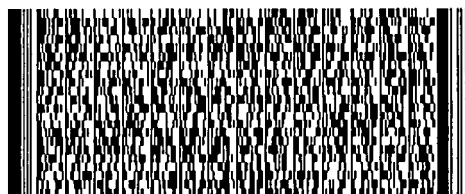
SHIP TO: (703) 749-1300  
Attn: Cliffs Claim Processing  
BMC Group, Inc.  
18675 LAKE DR E

BILL SENDER

CHANHASSEN, MN 55317

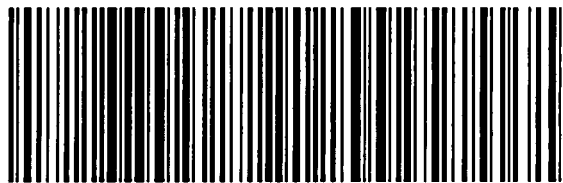
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MAY 31 2012

BMC GROUP

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