

UNITED STATES BANKRUPTCY COURT District of South Carolina		PROOF OF CLAIM
Name of Debtor: The Cliffs at Keowee Vineyards Golf & Country Club, LLC		Case Number: 12-01226
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): Keowee Investment Group, LLC		COURT USE ONLY
Name and address where notices should be sent: 3598 Highway 11 Travelers Rest, SC 29690		<input type="checkbox"/> Check this box if this claim amends a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____
Telephone number: (864) 371-1000 email: janthony@cliffscommunities.com		
Name and address where payment should be sent (if different from above):		<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.
Telephone number: _____ email: _____		RECEIVED MAY 31 2012 BMC GROUP
1. Amount of Claim as of Date Case Filed: \$ <u>12,780,399.00</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.		
2. Basis for Claim: <u>Account Receivable - Inter-company (see attached)</u> (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 the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information.		Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any: \$ _____
Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe:		Basis for perfection: _____
Value of Property: \$ _____		Amount of Secured Claim: \$ _____
Annual Interest Rate _____ % <input type="checkbox"/> Fixed or <input type="checkbox"/> Variable (when case was filed)		Amount Unsecured: \$ <u>12,780,399.00</u>
5. Amount of Claim Entitled to 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 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)(____).
*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 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: James B. Anthony
Title: Member
Company: Keowee Investment Group, LLC
Address and telephone number (if different from notice address above):

(Signature) (Date) 5/29/2012

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.

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.

Debtor: Cliffs at Keowee Vineyards Golf & Country Club, LLC

Creditor: Keowee Investment Group, LLC

Attachments:

1. Inter-Company Account Balance:

Inter-company Accounts were historically used to control inter-company transactions between legal entities of the Cliffs Communities, Inc. up until the time of the formation of the Cliffs Club & Hospitality Group, Inc.

Account transactions attached.

These transactions include from October 2005 through August 2011 include the following:

- Asset Transfers from KIG to Club including Land and Amenities.

GENERAL LEDGER DETAIL REPORT

DETAIL POSTINGS FOR DATES 01/01/01 THRU 12/31/06

ACCOUNT NO./ PER DATE	JOURNAL POSTING REMARKS	BEGINNING BAL	DEBIT	CREDIT	NET CHANGE	ENDING BAL
1109-03-000	Due to/from KIG	.00				.00
11 11/01/01	GL-J0070 Tran Pontoon Boats #/KIG			6,685.90		6,685.90CR
11 11/01/01	GL-J0070 Tran Pontoon Boats #/KIG			4,308.92		10,994.82CR
11 11/01/01	GL-J0070 Tran Pontoon Cushions #/KIG			131.19		11,126.01CR
11 11/01/01	GL-J0070 Tran Pontoon Cushions #/KIG			131.19		11,257.20CR
08 08/30/02	AP-R0582 PIEDMONT WINE, INC /IN: 254372		1,078.20			10,179.00CR
08 08/30/02	AP-R0582 SOUTHERN WINE /IN: 6894856		300.45			9,878.55CR
08 08/30/02	AP-R0591 PIEDMONT WINE, INC /IN: 254372			1,078.20		10,956.75CR
08 08/30/02	AP-R0591 SOUTHERN WINE /IN: 6894856			300.45		11,257.20CR
08 08/31/02	GL-J0193 record misc entries			750.00		12,007.20CR
08 08/31/02	GL-J0195 record escrow activity		30,000.00			17,992.80
09 09/30/02	GL-J0203 record cash entries		220,000.00			237,992.80
09 09/30/02	GL-J0215 Reclass between I/C Accounts			25,000.00		212,992.80
10 10/31/02	GL-J0223 record escrow activity		20,000.00			232,992.80
10 10/31/02	GL-J0224 record employee meals		76.16			233,068.96
11 11/30/02	GL-J0234 record escrow activity		150,000.00			383,068.96
11 11/30/02	GL-J0234 record escrow activity		400,000.00			783,068.96
12 12/31/02	GL-J0252 record escrow activity		80,000.00			863,068.96
12 12/31/02	GL-J0262 record keowee falls south escr		275,000.00			1,138,068.96
12 12/31/02	GL-J0267 rec check pymt		200,000.00			1,338,068.96
01 01/28/03	AP-R0792 CHARLIE'S CREEK NURSERY I/IN: 8035		500.00			1,338,568.96
01 01/31/03	GL-J0268 rec escrow activity		50,000.00			1,388,568.96
02 02/28/03	GL-J0293 rec misc entries		75,000.00			1,463,568.96
02 02/28/03	GL-J0305 recl intercompany accts		20,450.79			1,484,019.75
03 03/31/03	GL-J0322 rec misc entries		75,000.00			1,559,019.75
05 05/31/03	GL-J0368 rec Keowee Falls South activit		60,000.00			1,619,019.75
08 08/31/03	GL-J0439 rec Keowee Falls South activit		300,000.00			1,919,019.75
09 09/30/03	GL-J0457 rec Keowee Falls South		300,000.00			2,219,019.75
10 10/31/03	GL-J0476 record escrow activity		100,000.00			2,319,019.75
11 11/30/03	GL-J0490 rec KFS cash activity		200,000.00			2,519,019.75
12 12/31/03	GL-J0498 Transfer to KIG Operating		750,000.00			3,269,019.75
01 01/29/04	JE-J0511 Transfer to KIG operating		550,000.00			3,819,019.75
02 02/27/04	JE-J0521 Transfer to KIG Operating		200,000.00			4,019,019.75
03 03/11/04	JE-J0536 Transfer to KIG operating		250,000.00			4,269,019.75
03 03/26/04	JE-J0537 Transfer to KIG Operating		200,000.00			4,469,019.75
07 07/15/04	JE-J0800 Transfer to KIG Operating		100,000.00			4,569,019.75
08 08/06/04	JE-J0837 Transfer to KIG operating		200,000.00			4,769,019.75
09 09/10/04	JE-J0904 Transfer to KIG Operating		400,000.00			5,169,019.75
09 09/24/04	JE-J0923 Trans fr KFSG&CC to KIG		300,000.00			5,469,019.75
10 10/01/04	JE-J0956 transfer to KIG OP		200,000.00			5,669,019.75
12 12/31/04	AJ-J0001 AJE to reclass GC premium			5,027,039.47		641,980.28
12 12/31/04	AJ-J0010 AJE Land tsfr to fixed assets			499,887.04		142,093.24
12 12/31/04	AJ-J0011 AJE Land tsfr to fixed assets			128,062.52		14,030.72
12 12/31/04	AJ-J0013 AJE Land tsfr to fixed assets			24,062.79		10,032.07CR
12 12/31/04	AJ-J0014 AJE to adjust fixed assets		9,150.75			881.32CR
06 06/30/05	JE-J0015 Allocate Dev Depreciation			342,648.00		343,529.32CR
07 07/31/05	JE-J0013 DEPKIG/Allocate Dev Depreciation			57,108.00		400,637.32CR
08 08/31/05	JE-J0017 Allocate Dev Depreciation			57,108.00		457,745.32CR
09 09/27/05	JE-J1528 Depreciation - September			57,108.00		514,853.32CR

GENERAL LEDGER DETAIL REPORT

DETAIL POSTINGS FOR DATES 01/01/01 THRU 12/31/06

ACCOUNT NO./ PER DATE	JOURNAL POSTING REMARKS	BEGINNING BAL	DEBIT	CREDIT	NET CHANGE	ENDING BAL
1109-03-000	Due to/from KIG	(Continued)				
10 10/26/05	RR-J0008 DEPREC/Depreciation			57,108.00		571,961.32CR
11 11/30/05	RR-J0009 DEPREC/Depreciation			57,108.00		629,069.32CR
11 11/30/05	RR-J0031 DEPREC/Depreciation			57,108.00		686,177.32CR
11 11/30/05	RR-J0032 DEPREC/Depreciation		57,108.00			629,069.32CR
12 12/30/05	RR-J0010 DEPREC/Depreciation			57,108.00		686,177.32CR
12 12/31/05	AJ-J0012 AJE Land trsfr to fixed assets			13,655.77 ✓		699,833.09CR
12 12/31/05	AJ-J0016 R/C entries to correct acct			1,820.70		701,653.79CR
12 12/31/05	ED-J0501 Rec effect of GC Prem of Dev		5,027,039.47			4,325,385.68
01 01/31/06	RR-J0098 DEPREC/Depreciation			20,422.60		4,304,963.08
02 02/28/06	RR-J0099 DEPREC/Depreciation			20,422.60		4,284,540.48
03 03/31/06	RR-J0100 DEPREC/Depreciation			20,422.60		4,264,117.88
04 04/30/06	RR-J0101 DEPREC/Depreciation			20,422.60		4,243,695.28
05 05/01/06	BM-J0019 Reclass CKC Clubhouse from KIG			6,710,404.64		2,466,709.36CR
05 05/31/06	RR-J0102 DEPREC/Depreciation			20,422.60		2,487,131.96CR
06 06/30/06	RR-J0103 DEPREC/Depreciation			20,422.60		2,507,554.56CR
07 07/31/06	RR-J0104 DEPREC/Depreciation			20,422.60		2,527,977.16CR
08 08/31/06	RR-J0105 DEPREC/Depreciation			20,422.60		2,548,399.76CR
09 09/30/06	RR-J0106 DEPREC/Depreciation			20,422.60		2,568,822.36CR
10 10/31/06	RR-J0107 DEPREC/Depreciation			20,422.60		2,589,244.96CR
11 11/30/06	RR-J0108 DEPREC/Depreciation			20,422.60		2,609,667.56CR
12 12/01/06	BM-J0003 Reclass to CKC			64,580.24		2,674,247.80CR
12 12/01/06	BM-J0007 Transfer of FA from KIG to CKC			9,764,993.46		12,439,241.26CR
12 12/01/06	BM-J0014 Reclass Depr of Transfers		1,188,979.70			11,250,261.56CR
12 12/31/06	BM-J0021 Depr Allocation Reversal		36,606.27			11,213,655.29CR
12 12/31/06	ED-J0001 Corr effect of 04-5 cap int			182,250.00		11,395,905.29CR
12 12/31/06	ED-J0605 Move Fazio pymt found in KIG			900,000.00		12,295,905.29CR
12 12/31/06	RR-J0109 DEPREC/Depreciation			20,422.60		12,316,327.89CR
		.00	12,026,289.79	24,342,617.68	12,316,327.89CR	12,316,327.89CR
	REPORT TOTAL:	.00	12,026,289.79	24,342,617.68	12,316,327.89CR	12,316,327.89CR

52 - Keowee Vineyards Golf&Country Club
 Detailed G/L History from Jan 1, 2006 to Feb 28, 2012

Date	JR Audit#	Reference	Description	Amount
1823-0000000 Due to/from Keowee Inv Group				
Dec 31, 06	GJ	GJ9123	OpenBal 1109-03-000	-16,261,117.36
Dec 31, 06	GJ	GJ9146	ED-0001 OpenBal ED AJEs	-182,250.00
Dec 31, 06	GJ	GJ9247	BegBal for ED update	4,127,039.47
Apr 1, 07	GJ	GJ9009	Due to Co. 23	-64,300.00
Jul 15, 07	AJ	AJ9001	KVJUL-Z.8 Due to Co. 23	-75.00
Jul 31, 07	GJ	GJ9027	Due from Co. 23	50,000.00
Jun 1, 10	GJ	GJ0369	WIRE 59-Holland - CKV Equestrian Ct	-100,000.00
Jun 1, 10	GJ	GJ0367	WIRE 59-Holland - CKV Boat Storage	-45,665.45
Jun 1, 10	GJ	GJ0370	WIRE 59-Holland - CKV Lake House	-176,608.49
Jun 1, 10	GJ	GJ0371	WIRE 59-Holland - CKV Irrigation Do	-21,664.94
Aug 24, 11	GJ	GJ1994	59AUG-A.11 59-Transfer Marina A from KIG	-105,756.76

				-12,780,398.53
				=====
				-12,780,398.53

===== End of Report =====

May 29, 2012 2:09pm

User: MRITSCH Term: T0

12-01226

52 - Keowee Vineyards Golf&Country Club
Trial Balance for Feb, 2012
Closing Period Balances

Account	Description	Closing Bal Debit	Closing Bal Credit
1811	Due to/from Cliffs @ Glassy	3,098,935.67	0.00
1823	Due to/from Keowee Inv Group	0.00	-12,780,398.53
1824	Due to/from Keowee Falls Inv Group	0.00	-449.56
1825	Due to/from Cliffs @ Keowee Springs	0.00	-1,247.25
1835	Due to/from Cliffs @ Walnut Cove	70,000.00	0.00
1850	Due to/from Cliffs @ Glassy CC	7,620.16	0.00
1851	Due to/from Cliffs Valley CC	19,477.27	0.00
1853	Due to/from Keowee Falls South CC	0.00	-18,438,837.59
1854	Due to/from Keowee Springs CC	0.00	-10,369,708.32
1855	Due to/from Walnut Cove CC	0.00	-267,460.97
1856	Due to/from Mountain Park CC	0.00	-2,358.45
1859	Due to/from Cliffs Club & Hosp Grp	0.00	-12,460,998.69
1864	Due to/from Property Mgt Group	110,415.52	0.00
1866	Due to/from LaBastide Mgmt Group	0.00	-98,089.30
1886	Due to/from Cliffs Real Estate	2,290,853.70	0.00
1899	Due to/from Cliffs Mgmt Services	25,336,881.26	0.00
	Total Report	30,934,183.58	-54,419,548.66

==== End of Report ====

UPS CampussShip: Shipment Label

UPS CampussShip: View/Print Label

1. Ensure there are no other shipping or tracking labels attached to your package. Select the Print button on the print dialog box that appears. Note: If your browser does not support this function select Print from the File menu to print the label.

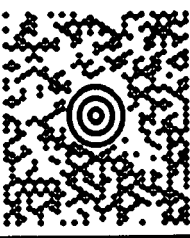

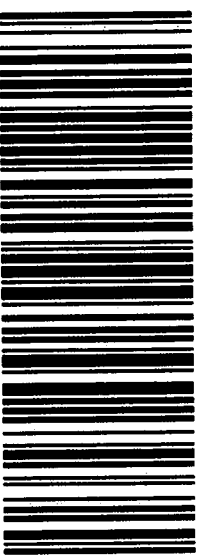

2. Fold the printed sheet containing the label at the line so that the entire shipping label is visible. Place the label on a single side of the package and cover it completely with clear plastic shipping tape. Do not cover any seams or closures on the package with the label. Place the label in a UPS Shipping Pouch. If you do not have a pouch, affix the folded label using clear plastic shipping tape over the entire label.

3. GETTING YOUR SHIPMENT TO UPS

UPS locations include the UPS Store®, UPS drop boxes, UPS customer centers, authorized retail outlets and UPS drivers.
 Find your closest UPS location at: www.ups.com/dropoff
 Take your package to any location of The UPS Store®, UPS Drop Box, UPS Customer Center, UPS Alliances (Office Depot® or Staples®) or Authorized Shipping Outlet near you. Items sent via UPS Return Services(SM) (including via Ground) are also accepted at Drop Boxes. To find the location nearest you, please visit the Resources area of CampussShip and select UPS Locations.

Customers with a Daily Pickup
 Your driver will pickup your shipment(s) as usual.

FOLD HERE

NANCY GOLDSMITH 864-371-1052 CLIFFS CORPORATE OFFICE 3598 HIGHWAY 11 TRAVELERS REST SC 29690		3 LBS	PAK	1 OF 1
SHIP TO: CLIFFS CLAIMS PROCESSING BMC GROUP INC 18675 LAKE DRIVE EAST CHANHASSEN MN 55317-9383				
		MN 559 9-03 		
UPS NEXT DAY AIR 1 TRACKING #: 1Z 7Y9 T95 01 9591 4158				
				
BILLING: P/P				
CS 14.1.10. WXPTR80 27.0A 04/2012				

RECEIVED
 MAY 31 2012
 BMC GROUP