

UNITED STATES BANKRUPTCY COURT Western District of North Carolina		PROOF OF CLAIM						
Name of Debtor: Cliffs at Walnut Cove Golf and Country Club, LLC	Case Number: 12-01227							
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): Summit Rentals, LLC c/o Michael A. Brown								
Name and address where notices should be sent: Summit Rentals, LLC c/o Michael A. Brown P.O. Box 1667 Boone, NC 28607 Telephone number: (828) 773-2157 email: career4u@charter.net		RECEIVED JUN 05 2012 BMC GROUP						
Name and address where payment should be sent (if different from above): High Point Bank ATTN: Rick Gabriel P.O. Box 2270 High Point, NC 27261 Telephone number: (336) 881-3400 email: rgabriel@highpointbank.com		COURT USE ONLY <input type="checkbox"/> Check this box if this claim amends a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____ <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.						
1. Amount of Claim as of Date Case Filed: \$ <u>50,000.00</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>Refund of golf membership specific to lot 15, Walnut Cove</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. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: _____ Value of Property: \$ _____ Annual Interest Rate _____ % <input type="checkbox"/> Fixed or <input type="checkbox"/> Variable (when case was filed) Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____								
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. <table style="width: 100%;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507 (a)(1)(A) or (a)(1)(B). </td> <td style="width: 33%; vertical-align: top;"> <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). </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. § 507 (a)(5). </td> </tr> <tr> <td style="vertical-align: top;"> <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). </td> <td style="vertical-align: top;"> <input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. § 507 (a)(8). </td> <td style="vertical-align: top;"> <input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. § 507 (a)(____). </td> </tr> </table> <div style="text-align: right;"> Amount entitled to priority: \$ _____ </div>			<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).	<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)(____).
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<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: Documents attached. If more documentation necessary, please contact me.

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: Michael A. Brown
 Title: Member/Manager
 Company: Summit Rentals, LLC
 Address and telephone number (if different from notice address above): _____



05/31/2012

(Signature)

(Date)

Telephone number: (828) 773-2157 email: career4u@charter.net

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) 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.

STATE OF NORTH CAROLINA

COUNTY OF GUILFORD

We assigned
refund to High
Point Bank when
we sold the
property

**ASSIGNMENT OF INITIATION
DEPOSIT REFUND**

THIS ASSIGNMENT OF INITIATION DEPOSIT REFUND ("Assignment") is made and entered into effective May __, 2010 (the "Effective Date"), by and among **MICHAEL A. BROWN** ("Brown") and **HIGH POINT BANK AND TRUST COMPANY** ("Lender"). Lender and Brown are referred to collectively as the "Parties" and each individually as a "Party". The Cliffs at Walnut Cove Golf and Country Club, LLC and The Cliffs Golf and Country Club, Inc. join in this Assignment solely to evidence their acknowledgement of the assignment effectuated hereby and certain limited obligation resulting there from as set forth in Section 2 herein below.

RECITALS:

The Parties hereto, affirmatively acknowledge the following:

- A. Good Neighbor Properties, LLC is presently indebted to Lender pursuant to the provisions of a certain Promissory Note dated August 10, 2007 in the original principal amount of \$2,100,000.00 (as modified and amended, the "Note");
- B. In conjunction with the Note, Brown executed and delivered to Lender a Guaranty Agreement dated August 10, 2007 guaranteeing each and every debt, liability and obligation of every type and description which Borrower may now or at any time thereafter owe to Lender, including, without limitation, the Note;
- C. Brown was previously the owner of a membership (the "Membership") in The Cliffs at Walnut Cove Golf and Country Club (the "Club"), which Membership was resigned by Brown thereby entitling him to a refund of the initiation deposit previously paid by Brown to the Club (the "Refund") under the terms of the Cliffs Clubs Master Membership Plan, as amended by the Club Membership Addendum dated June 24, 2006.
- D. Brown now desires to irrevocably assign his right to receive the Refund to Lender.

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, the parties do hereby stipulate, covenant and agree as follows:

1. Assignment of Refund. Brown does hereby irrevocably assign to Lender any and all right, title and interest in and to the Refund.
2. Acknowledgement of Assignment. The Cliffs at Walnut Cove Golf and Country Club, LLC and The Cliffs Golf and Country Club, Inc. hereby acknowledge the assignment of Brown's right, title and interest in and to the Refund to Lender. The Cliffs at Walnut Cove Golf and Country Club, LLC and The Cliffs Golf and Country Club, Inc. further covenant and agree that, at such time the Refund becomes due and payable to Brown, they will tender payment of the Refund directly to Lender, as Brown's assignee hereunder. Brown hereby acknowledges and agrees that payment of the Refund to Lender as set forth in the previous sentence shall operate as a full and complete discharge of the obligation to pay the Refund to Brown.
3. Application of Refund. Lender agrees that, upon receipt of the Refund, such funds shall be applied to the balance due under the Note (including, without limitation, principal, interest, attorneys' fees and costs) in such amounts and according to such schedule as Lender desires, in its sole discretion. To the extent the

Note is completely paid in full and satisfied prior to or as a result of the application of the Refund, then in such event Lender will pay any remaining balance of the Refund, if any, over to Brown.

4. Miscellaneous.

4.1. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of North Carolina without regard to its conflict of law provision.

4.2. No Modifications. The terms of this Assignment may not be changed, modified, waived, discharged or terminated orally, but only by an instrument or instruments in writing, signed by the party against whom the enforcement of the change, modification, waiver, discharge or termination is asserted.

4.3. Invalid Provision to Affect no Others. If, from any circumstances whatsoever, fulfillment of any provisions of this Assignment or any transaction related thereto shall be held invalid, then such provision only shall be deemed invalid, and the remainder of this Assignment shall remain operative and in full force and effect.

4.4. Time of Essence. Time is of the essence in respect of this Assignment.

4.5. Counterparts. This Assignment may be executed in multiple counterparts, each of which shall be deemed an original, and all counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed and delivered this Assignment under seal, pursuant to authority duly given as of the day and year first above written.

MICHAEL A. BROWN

HIGH POINT BANK AND TRUST COMPANY

By: _____

Its: _____

Acknowledged by:

THE CLIFFS AT WALNUT COVE GOLF AND COUNTRY CLUB, LLC

By: _____

Its: _____

THE CLIFFS GOLF AND COUNTRY CLUB, INC.

By: _____

Its: _____

STATE OF NORTH CAROLINA

**ASSIGNMENT OF INITIATION
DEPOSIT REFUND**

COUNTY OF GUILFORD

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MICHAEL A. BROWN

HIGH POINT BANK AND TRUST COMPANY

By: _____
Its: _____

Acknowledged by:

THE CLIFFS AT WALNUT COVE GOLF AND COUNTRY CLUB, LLC

By: _____
Its: _____

THE CLIFFS GOLF AND COUNTRY CLUB, INC.

By: _____
Its: _____

Mark Rostan

From: <career4u@charter.net>
Date: Thursday, May 31, 2012 8:14 AM
To: "Mark Rostan" <markrostan@hotmail.com>
Attach: Assignment of Initiation Deposit Refund.doc
Subject: FW: Golf Club Membership assignment
 See if this helps. What claim are you sending out today?

Michael A. Brown
 Property Manager/Broker
 Summit High Country Investments, LLC
 Hidden Creek Management, Inc.
 Boone Realty
 828-773-2157

*E-mail chain
 for membership
 refund assignment to
 bank.*

----- Begin forwarded message -----
Subject: FW: Golf Club Membership assignment
Date: 12/14/10 5:29:21 PM
From: "Rick Gabriel" <rgabriel@highpointbank.com>
To: career4u@charter.net, mboggs@cliffscommunities.com
Cc: "Heather Cisco" <hcisco@highpointbank.com>

Magan
 See the below old email:
 Here is the blank assignment Michael and I executed and mailed to you.
 Do you have the original that you might have inadvertently kept? If so,
 please send back to us.
 Thank you
 Rick

-----Original Message-----gan
From: Rick Gabriel
Sent: Friday, May 21, 2010 4:51 PM
To: career4u@charter.net; Magan Boggs
Subject: FW: Golf Club Membership
Importance: High

Michael and Magan

Attached is the Assignment of the Golf Club Membership.
 Please review this to make sure everyone is okay with this document. It
 is pretty straight forward. If so, I will sign it, send it to Michael,
 than he can send it to Magan, than back to me.

Thanks so much!
 Rick

-----Original Message-----

From: Colin D. Merritt [mailto:cmerritt@rhrlaw.com]
Sent: Friday, May 21, 2010 12:03 PM
To: Rick Gabriel
Cc: Alan B. Powell
Subject: RE: Golf Club Membership

Rick:

Here is the document we prepared assigning the right to receive the refund to you. I have both club entities executing the document as well to evidence their acknowledgement of the assignment and their obligation to pay the refund to you instead of Brown. If you have any questions, comments of suggested revisions, please let me know. We may also want to shoot this to the club for their review, just to make sure they don't have any substantive objections (I doubt that they would since I provided some protection for them as well).

Thanks,

Colin D. Merritt
ROBERSON HAWORTH & REESE, P.L.L.C.
300 N. Main Street, Suite 300
P.O. Box 1550
High Point, N.C. 27261
(336) 889-8733
Fax: (336) 885-1280

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recommending any transaction or matter addressed in this communication.

-----Original Message-----

From: Rick Gabriel [mailto:rgabriel@highpointbank.com]
Sent: Wednesday, May 19, 2010 2:58 PM
To: Colin D. Merritt
Subject: RE: Golf Club Membership

thanks

-----Original Message-----

From: Colin D. Merritt [mailto:cmerritt@rhrlaw.com]
Sent: Wednesday, May 19, 2010 2:56 PM
To: Rick Gabriel
Cc: Alan B. Powell
Subject: RE: Golf Club Membership

Rick:

No problem - I can have it ready by then.

Colin D. Merritt
ROBERSON HAWORTH & REESE, P.L.L.C.
300 N. Main Street, Suite 300
P.O. Box 1550
High Point, N.C. 27261
(336) 889-8733
Fax: (336) 885-1280

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recommending any transaction or matter addressed in this communication.

-----Original Message-----

From: Rick Gabriel [mailto:rgabriel@highpointbank.com]
Sent: Wednesday, May 19, 2010 2:55 PM
To: Colin D. Merritt
Cc: Alan B. Powell
Subject: FW: Golf Club Membership

Hey Colin

Hope all is well.

I just want to give you some lead time, I am trying to have this loan restructure package in Alan's hands on Friday, maybe Monday. Please have the letter for him as well.

Thanks for all your help.

Rick

-----Original Message-----

From: Rick Gabriel
Sent: Tuesday, May 04, 2010 2:07 PM
To: Colin D. Merritt
Cc: Alan B. Powell; Doug Beane
Subject: FW: Golf Club Membership

Colin

You can see the trail, but in a nutshell both parties will sign the letter.

The membership is in Michael Brown's name.

Do you need anything further from me to draft the letter?

Rick

-----Original Message-----

From: Magan Boggs [mailto:mboggs@cliffscommunities.com]
Sent: Tuesday, May 04, 2010 2:00 PM
To: 'career4u@charter.net'; Rick Gabriel
Subject: RE: Golf Club Membership

The membership for this property is in your individual name.

Thanks,
Magan

-----Original Message-----

From: career4u@charter.net [mailto:career4u@charter.net]
Sent: Tuesday, May 04, 2010 1:03 PM
To: Rick Gabriel
Cc: Magan Boggs
Subject: RE: Golf Club Membership

Rick - this is fine by me.

Magan - is the refund due to Good Neighbor's Properties or to Michael Brown? If the refund is due to GNP, then Jeff and I will need to sign, otherwise, I should be able to sign.

--

Michael A. Brown
Commercial Broker & Property Manager
Summit High Country Investments, LLC
CELL: 828-773-2157
www.summithighcountry.com
FAX: 828-262-3444
MAIL: PO Box 1667 Boone, NC 28607

---- Rick Gabriel <rgabriel@highpointbank.com> wrote:

> Michael

> Is this acceptable by you? Does your Jeff need to sign as well as

> Manager?

> Rick

>

> -----Original Message-----

> From: Magan Boggs [<mailto:mboggs@cliffscommunities.com>]

> Sent: Tuesday, May 04, 2010 10:26 AM

> To: Rick Gabriel

> Cc: career4u@charter.net

> Subject: RE: Golf Club Membership

>

> This will be acceptable by the Club.

>

> Thanks,

> Magan

>

>

> -----Original Message-----

> From: Rick Gabriel [<mailto:rgabriel@highpointbank.com>]

> Sent: Tuesday, May 04, 2010 10:08 AM

> To: Magan Boggs

> Cc: career4u@charter.net

> Subject: FW: Golf Club Membership

> Importance: High

>

> Magan

> See our attorney's proposal: In a nutshell we could draw up a simple

> letter agreement acknowledging the club understands that when/if

> payment for the sale of the membership is to be made to the former

> member, it will instead be made to the bank. The club and the former

> member sign the letter.

>

> Will you check to see if the club will be willing to sign this?

> Rick

>

> -----Original Message-----

> From: Colin D. Merritt [mailto:cmerritt@rhrlaw.com]

> Sent: Tuesday, May 04, 2010 9:57 AM

> To: Rick Gabriel

> Cc: Alan B. Powell

> Subject: RE: Golf Club Membership

>

> Rick:

>

> Actually, this is the document that could have (should have) been
 > executed when the loan was first closed. As I understand it, the
 > membership has already been surrendered to the club, hence there is
 > now no membership interest left to assign or pledge as collateral.
 > What your customer has now is simply a contractual right to receive a
 > refund when/if their name is reached on the list. Under the UCC, I
 > think this right is simply a payment intangible and should be capable
 > of being assigned to the bank outright. At such time, the bank would
 > simply give the club notice that the right to receive payment has been

> assigned to it and that payment should be made directly to the bank.
 > Ideally, you would prefer to have the club acknowledge the fact that
 > they have received such notification and that they understand that
 > when/if payment is to be made to the former member, it will instead be
 > made to the bank.
 > If this is something they are willing to do, we can draw up a simple
 > letter agreement which could be countersigned by the customer and the
 > club.

>

> Thanks,

>

> Colin D. Merritt

> ROBERSON HAWORTH & REESE, P.L.L.C. 300 N. Main Street, Suite 300

> P.O. Box 1550

> High Point, N.C. 27261

> (336) 889-8733

> Fax: (336) 885-1280

>

>

> *****

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>

> -----Original Message-----
 > From: Rick Gabriel [mailto:rgabriel@highpointbank.com]
 > Sent: Monday, May 03, 2010 4:17 PM
 > To: Colin D. Merritt
 > Subject: FW: Golf Club Membership

>

> Colin
 > Here is an example of the assignment of the golf membership. Can we
 > use this to draft one, or just use this form?
 > Rick

>

> -----Original Message-----
 > From: Magan Boggs [mailto:mboggs@cliffscommunities.com]
 > Sent: Monday, May 03, 2010 3:56 PM
 > To: Rick Gabriel
 > Cc: career4u@charter.net
 > Subject: RE: Golf Club Membership

>

> Please see attached. I do not have an electronic copy, but here is an
 > example of a hard copy.

>

> Thanks,
 > Magan

>

>

>

> -----Original Message-----
 > From: Rick Gabriel [mailto:rgabriel@highpointbank.com]
 > Sent: Monday, April 26, 2010 4:48 PM
 > To: Magan Boggs
 > Cc: career4u@charter.net
 > Subject: RE: Golf Club Membership
 > Importance: High

>

> Magan
 > Thank you for providing this. Do you have some kind of assignment or
 > pledge agreement that enables the bank to take this membership as

> collateral?
> Rick
> -----Original Message-----
> From: Magan Boggs [mailto:mboggs@cliffscommunities.com]
> Sent: Monday, April 26, 2010 3:36 PM
> To: Rick Gabriel
> Cc: career4u@charter.net
> Subject: RE: Golf Club Membership
>
> Please find a signed Membership Agreement and Membership Addendum for
> Section 5, Lot 15. I have also attached a copy of the Master
> Membership Plan.
>
> Please let me know if you need any other documentation.
>
> Thanks,
> Magan
>
> -----Original Message-----
> From: Rick Gabriel [mailto:rgabriel@highpointbank.com]
> Sent: Friday, April 23, 2010 12:41 PM
> To: Magan Boggs
> Cc: career4u@charter.net
> Subject: FW: Golf Club Membership
> Importance: High
>
>
> Magan
> If the membership has a certificate similar to a stock certificate, we
>
> can hold it. Or do you have some kind of a pledge agreement we can
> execute acknowledging the membership as collateral?
> Rick
> -----Original Message-----
> From: career4u@charter.net [mailto:career4u@charter.net]
> Sent: Thursday, April 22, 2010 5:27 PM
> To: Rick Gabriel
> Cc: Subject: Re: Golf Club Membership
>
> Magan,
> We are in the process of selling the house in Walnut Cover - Section
> 5, lot 15 - 677 Walnut Valley Parkway. The membership is in my name
> and we are currently 5th in line for a refund - per your last email to
me.
>
> The lender needs some type of proof that this membership refund will
> come due to use as collateral for the shortfall on the sale of the
> house. Is there anything you can send to him, please? His email
> request is below. Please copy me as well if you email it so that I
> will have a record.
>

> Thank you,
> --
> Michael A. Brown
> Commercial Broker & Property Manager
> Summit High Country Investments, LLC
> CELL: 828-773-2157
> www.summithighcountry.com
> FAX: 828-262-3444
> MAIL: PO Box 1667 Boone, NC 28607
>
>
> ---- Rick Gabriel <rgabriel@highpointbank.com> wrote:
>> Michael
>> We talked about reaffirming the Golf Club Membership as collateral on
> the modification.
>> Do you have a certificate for this?
>> Please call me when you get a chance.
>> Rick
>> This email was sent from Rick Gabriel's Blackberry.
>>
>> Rick E. Gabriel
>> Vice President
>> Commercial Client Relationship Manager High Point Bank 300 N. Main
St.
>> High Point, NC 27260
>> Tel: 336.881.3230
>> Fax: 336.889.0026
>>
>> Helping You With What Matters.
>> Visit us on the web at <http://www.highpointbank.com/>.
>>
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>



COMMUNITIES

Club Membership Addendum

THIS ADDENDUM is executed by and between The Cliffs Golf & Country Club, Inc. in behalf of The Cliffs Club (the "Club") and the below identified "Seller" (the "Seller") and below identified "Purchaser" (the "Purchaser") of the below identified single-family property (the "Property") in the Cliffs community also identified below (the "Community"), and is an amendment of and addition to that certain Real Estate Sale and Purchase Agreement (the "Agreement") between the Seller and Purchaser.

Purchaser: Good Neighbor Properties, LLC Community: Cliffs at Walnut Cove

Section: 5

Agreement Date: 6/24/06

Property #: 15

Property List Price \$ 850,000.00

Property's (\$ 25,000.00)

Discounted Purchase Price

\$ 825,000.00

☒ Family Membership Privileges, Initiation Deposit.

If checked, Purchaser will apply at Closing the amount of the discount given for Cliffs Family Membership privileges, and pay \$25,000 balance, for a total \$50,000.00 deposit.

\$ 50,000.00

☒ Golf Membership, Initiation Deposit.

If checked, Purchaser wishes to upgrade immediately to a Cliffs Golf Membership by paying at the Closing the add-on deposit of \$50,000.00.

\$ 50,000.00

Total Membership Deposit To Be Paid at Closing:

\$ 100,000.00

1. **Purchase Price Discounted for Membership.** The Club and Seller have, by special arrangements, agreed that if Purchaser wishes to acquire a membership, Seller will discount the price of the Property by \$25,000. Purchaser wishes to receive the discount and acquire a membership, electing a membership as below provided for either a Cliffs Golf Membership, or a Cliffs Family Membership, and agreeing to pay to the Club at the closing with Seller the required membership deposit. See the membership check boxes below and Paragraph 2 regarding membership privileges in the Clubs' facilities. In the event Purchaser fails to enter into this Club Membership Addendum, thereby declining to acquire a membership, no purchase price discount will be given in the sales transaction between Purchaser and Seller.

(a) **5-Year Vesting in Full Refundability.** The Club's Membership Plan provides that upon resignation from the Club, a resigned member is normally entitled to receive 100% of the initiation deposit paid to the Club. However, because Seller is agreeing to discount the price of the Property, then the \$25,000 discount that Purchaser will apply to the membership shall only be refunded to the Purchaser-member upon a resignation occurring more than five (5) years following the Property closing with Seller, or upon a resale closing within the five (5) -year vesting period only if the resale buyer acquires a Club Membership and pays the initiation deposit then required. Any initiation deposit paid by Purchaser in excess of the \$25,000 discount so applied to the Property will be fully refunded as provided in the Club's Membership Plan and without regard to any vesting

period; but, the \$25,000 discount applied to the Membership will only be refunded during the vesting period if the resale buyer acquires a Membership, and all refundable amounts will be paid solely in accordance with, and within the period required under, the Membership Plan.



Box #1. PURCHASER ELECTS TO RECEIVE A CLIFFS FAMILY MEMBERSHIP. THE DEPOSIT FOR A CLIFFS FAMILY MEMBERSHIP IS \$50,000. By checking this box and initialing below, Purchaser acknowledges that Purchaser has read Paragraph 2 below. Purchaser hereby understands that a Cliffs Family Membership will not be issued and activated until the Club has received from the Purchaser the required deposit for the membership. \$25,000 of the deposit will be made at the Property closing as a result of Purchaser receiving a discount from Seller against the price of the Property in an equal amount. The remaining \$25,000 due for a Cliffs Family Membership represents Purchaser's election to receive a Family Membership, which Purchaser must acquire to receive the discount off the Property's price. The Purchaser must deliver the total \$50,000 membership deposit and complete the Club's required forms for a Cliffs Family Membership not later than the Purchaser's Property closing with Seller. If the Club does not receive such funding on or before the closing, the Purchaser will not receive the \$25,000 discount from Seller at the Property closing, and will pay as the Purchase Price for the Property the full Property List Price set forth above, and Purchaser will pay the full deposit required if Purchaser elects after closing to acquire a Family Membership and one is made available by the Club. Purchaser will have no guarantee that a Cliffs Family Membership will be available to Purchaser in the future. Purchaser further understands that a Cliffs Family Membership is subject to availability and that there is no guarantee that a Cliffs Family Membership will be available if Purchaser delays membership acquisition and later wishes to acquire a membership.

For Purchaser



Box #2. PURCHASER ELECTS TO ACQUIRE A CLIFFS GOLF MEMBERSHIP. THE DEPOSIT FOR A CLIFFS GOLF MEMBERSHIP IS \$100,000.00. By checking this box and initialing below, Purchaser acknowledges that Purchaser has read Paragraph 2 below. Purchaser hereby understands that a Cliffs Golf Membership will not be issued and activated until the Club has received from the Purchaser the required deposit for the membership. \$25,000 of the deposit will be made at the Property closing as a result of Purchaser receiving a discount from Seller against the price of the Property in an equal amount. The remaining \$75,000 due for a Cliffs Golf Membership represents Purchaser's election to receive a Golf Membership. The Purchaser must deliver the total \$100,000 membership deposit and complete the Club's required forms for a Cliffs Golf Membership not later than the Purchaser's Property closing with Seller. If the Club does not receive such funding on or before the closing, the Purchaser will not receive the \$25,000 discount from Seller at the Property closing, and will pay as the Purchase Price for the Property the full Property List Price set forth above, and Purchaser will have no guarantee that a Cliffs Golf Membership will be available to Purchaser in the future. Pursuant to the membership Plan, the Purchaser may acquire a Golf Membership within 30 days of the property's Closing for the full amount of the deposit, but if Purchaser elects to do so, Purchaser will have forgone the Seller's discount at the Property's closing. Purchaser should remember that when Purchaser goes to sell the Property, the resale Purchaser is only guaranteed the ability to get a Cliffs Golf Membership if the Purchaser has one to resign back to the Club (and receive a refund of the initiation deposit) so the Club can immediately re-issue it to Purchaser's resale buyer at the resale closing (subject to Purchaser's resale buyer completing an application and paying the required membership deposit at the resale closing).

MAB

For Purchaser

2. **The Golf & Country Club.** Purchaser hereby acknowledges the plan of development for the Cliffs Community above identified includes, or may include, the operation of a commercial, private golf and country club facility within or in proximity to the boundaries of the Community. Purchaser further acknowledges that the Club's recreational facilities are owned by a related third party and operated by or in concert with its affiliate, The Cliffs Golf & Country Club, Inc., as a commercial business, and not as a non-profit enterprise, that Purchaser will have a license to use the facilities as herein described if Purchaser acquires a membership to do so, and that neither Purchaser nor any property owners' association of which Purchaser may be a member has or will receive any ownership interest in the Club's facilities by virtue of Purchaser's acquisition of the Property or membership in any such property owners' association. The Club may, but will not be required to, add additional recreational facilities in the future. The Club operates and offers membership

opportunities pursuant to a published Membership Plan, which the Club may supplement, amend, delete and change in its sole discretion at any time. If Purchaser wishes to become a member, Purchaser should take the time to read the Membership Plan prior to acquiring a membership.

(a) **Golf Membership.** The ability to acquire permanent golf privileges is reserved to those who elect to acquire a Cliffs Golf Membership. Acquisition of a Cliffs Golf Membership is subject to availability at the time Purchaser may wish to acquire one, but Purchaser is guaranteed the availability of a Cliffs Golf Membership if the Purchaser's application and the required deposit of \$100,000 are received within thirty (30) days following the Property Closing. If the Purchaser wants its resale buyer of the Property in a resale transaction to be guaranteed the ability to acquire a Cliffs Golf Membership, following the Purchaser's membership resignation and the Club's re-issuance of the resigned membership to its resale buyer at the resale closing pursuant to the requirements of the Club's Membership Plan, the Purchaser must acquire the Cliffs Golf Membership. Please note however, because Purchaser is receiving a discount off the list price of the Property, which must be applied toward the membership initiation deposit, Purchaser must acquire the Cliffs Golf Membership on or before the Property closing and may not wait the 30 days otherwise applicable. A total of \$100,000 (includes the \$25,000 Property discount) is due on or before the Property Closing. A Golf Membership is subject to availability at all times as determined by the Club. If Purchaser has elected to receive a Cliffs Golf Membership by checking Box #2 on page 2, then upon Purchaser making application and funding the required deposit on or before the Closing, Purchaser will be issued a Cliffs Golf Membership in the Club. Purchaser's monthly membership dues will commence with the issuance of the membership, and the monthly dues may change from time to time at the Club's sole discretion. The privileges of membership in the Club are dependent upon the facilities available and the rules and regulations adopted for their use, as the Club may modify the same from time to time.

(b) **Cliffs Family Membership.** If Purchaser has elected to receive a Cliffs Family Membership by checking Box #1 on page 2 of this Addendum, then upon making application and funding the required deposit at the Purchaser's Property closing with Seller, Purchaser will be issued a Cliffs Family Membership in the Club. Monthly membership dues will commence with the issuance of the membership to Purchaser, and the monthly dues may change from time to time at the Club's sole discretion. The privileges of membership in the Club are dependent upon the facilities available and the rules and regulations adopted for their use, as the Club may modify the same from time to time. Please note however, because Purchaser is receiving a discount off the list price of the Property, which must be applied toward the membership initiation deposit, Purchaser must acquire the Cliffs Family Membership on or before the Property closing and may not wait until after the closing. A total of \$50,000 (\$25,000 from the Property discount) is due on or before the Property Closing.

(c) **Club's Membership Plan.** The governing documents of the Club require that upon resale of the Property, all of Purchaser's membership privileges in the Club must be resigned. When Purchaser sells the Property, and so long as Purchaser is a Club member in good standing, Purchaser will be entitled to a refund equal to one hundred percent (100%) of the initiation deposit made for membership in the Club, subject to vesting with regard to the \$25,000 discount granted, as provided in Paragraph 1(a) above. In addition, if the resale buyer of Purchaser's Property wishes a membership, he or she will have to acquire a membership directly from the Club at the then prevailing rates for the membership desired, and subject to availability and the rules and regulations of the Club. The membership deposit that Purchaser's resale buyer makes for the issuance of a membership may be more or less than the deposit Purchaser made. As previously indicated, a Cliffs Golf Membership is not guaranteed to be available to Purchaser's resale buyer if Purchaser does not acquire one at Purchaser's property closing pursuant to subparagraph (a) above.

3. **Effective Date.** This Addendum shall become effective the last date executed by a party to be bound hereby, and is subject to all other terms and conditions of the Agreement.

Purchaser:

Michael AB

06/24/06
Month Day Year

Seller:

The Cliffs at Walnut Cove, LLC
By: Clinty R. Smith

Its: TREASURER
6 24 06
Month Day Year

For The Cliffs Club:

The Cliffs Golf & Country Club, Inc.
By: Clinty R. Smith

Its: TREASURER
6 24 06
Month Day Year

**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 Full Golf	\$100,000.00

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.

8-23-06
Date
Nate Weyand
Nate Weyand
Membership Director
The Cliffs Golf & Country Clubs

9/1/06
Date
Michael A. Baer
Member Signature

Member Signature

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