


UNITED STATES BANKRUPTCY COURT		PROOF OF CLAIM
Name of Debtor: The Cliffs Club & Hospitality Group, Inc. et al., d/b/a The Cliffs	Case Number: 12-01220	
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): Joseph Martin Schmaltz & Anne V. Schmaltz		
Name and address where notices should be sent: 1570 Palmer Avenue Winter Park, FL 32789		COURT USE ONLY <input type="checkbox"/> Check this box if this claim amends a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____
Telephone number: (864) 557-4643 email: sorrygolfers@yahoo.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: _____		
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> RECEIVED 'APR 05 2012 BMC GROUP </div> </div>		
1. Amount of Claim as of Date Case Filed: \$ <u>145,000.00</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>6-10-07 R.E. Sale & Purch. Agrmnt, 7-11-07 Sttlmnt.Stmt.</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: _____		Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any: \$ _____
Value of Property: \$ _____		Basis for perfection: _____
Annual Interest Rate _____ % <input type="checkbox"/> Fixed or <input type="checkbox"/> Variable (when case was filed)		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.		
<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 checked="" 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)(____).
Amount entitled to priority: \$ <u>2,600.00</u>		<div style="text-align: right;"> Cliffs POC  00110 </div>
*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, ☐ I am a guarantor, surety, indorser, or other codebtor.
(Attach copy of power of attorney, if any.) or their authorized agent. (See Bankruptcy Rule 3005.)
(See Bankruptcy Rule 3004.)

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: Joseph Martin Schmaltz

Title: _____

Company: _____

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

1570 Palmer Avenue

Winter Park, FL 32789

Telephone number: (864) 557-4643 email: sorrygolfers@yahoo.com

Joseph Martin Schmaltz 04/01/2012
(Signature) (Date)

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.

A. U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT SETTLEMENT STATEMENT		B. TYPE OF LOAN:				
		1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> FmHA	3. <input type="checkbox"/> CONV. UNINS.	4. <input type="checkbox"/> VA	5. <input type="checkbox"/> CONV. INS.
		6. FILE NUMBER: 3077840			7. LOAN NUMBER:	
		8. MORTGAGE INS CASE NUMBER:				
C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "POC" were paid outside the closing; they are shown here for informational purposes and are not included in the totals. (U.S. GOVERNMENT PRINTING OFFICE)						
D. NAME AND ADDRESS OF BORROWER: JOSEPH MARTIN SCHWALTZ and ANNE V. SCHWALTZ P. O. BOX 2740 KANUELA, HI 96743		E. NAME AND ADDRESS OF SELLER: THE CLIFFS AT MOUNTAIN PARK, LLC 3538 HIGHWAY 11 TRAVELERS REST, SC 29690		F. NAME AND ADDRESS OF LENDER:		
G. PROPERTY LOCATION: LOT NO. 52 MOUNTAIN PARK MARLETTA, SC 29691 Greenville County, South Carolina		H. SETTLEMENT AGENT: Nelson & Culbertson, LLC PLACE OF SETTLEMENT 25 East Court Street, Suite 201 Greenville, South Carolina 29601			I. SETTLEMENT DATE: July 11, 2007	
J. SUMMARY OF BORROWER'S TRANSACTION				K. SUMMARY OF SELLER'S TRANSACTION		
100. GROSS AMOUNT DUE FROM BORROWER:				400. GROSS AMOUNT DUE TO SELLER:		
101. Contract Sales Price 401,000.00				401. Contract Sales Price 401,000.00		
102. Personal Property				402. Personal Property		
103. Settlement Charges to Borrower (Line 1400) 1,985.48				403. Settlement Charges to Seller (Line 1400) 121,873.34		
104.				404.		
105.				405.		
Adjustments For Items Paid By Seller in advance				Adjustments For Items Paid By Seller in advance		
106. City/Town Taxes to				406. City/Town Taxes to		
107. County Taxes to				407. County Taxes to		
108. Assessments to				408. Assessments to		
109. FAMILY MEMBERSHIP 50,000.00				409. FAMILY MEMBERSHIP 50,000.00		
110. GOLF MEMBERSHIP (DEFERRED)				410. GOLF MEMBERSHIP (DEFERRED)		
111.				411.		
112.				412.		
120. GROSS AMOUNT DUE FROM BORROWER 482,985.48				420. GROSS AMOUNT DUE TO SELLER 481,000.00		
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:				500. REDUCTIONS IN AMOUNT DUE TO SELLER:		
201. Deposit or earnest money 10,000.00				501. Excess Deposit (See Instructions)		
202. Principal Amount of New Loan(s)				502. Settlement Charges to Seller (Line 1400)		
203. Existing loan(s) taken subject to				503. Existing loan(s) taken subject to		
204.				504. Payoff of first Mortgage		
205.				505. Payoff of second Mortgage		
206.				506.		
207.				507. (Deposit (ash. as proceeds)		
208.				508.		
209. PREPAID INTEREST CREDIT 48,842.00				509. PREPAID INTEREST CREDIT 48,842.00		
Adjustments For Items Unpaid By Seller				Adjustments For Items Unpaid By Seller		
210. City/Town Taxes to				510. City/Town Taxes to		
211. County Taxes 01/01/07 to 07/12/07 2,224.04				511. County Taxes 01/01/07 to 07/12/07 2,224.04		
212. Assessments to				512. Assessments to		
213.				513.		
214.				514.		
215.				515.		
216.				516.		
217.				517. RELEASE (50% PROCEEDS) to NBSC 188,890.91		
218.				518.		
219.				519.		
220. TOTAL PAID BY/FOR BORROWER 62,068.04				520. TOTAL REDUCTION AMOUNT DUE SELLER 312,889.69		
300. CASH AT SETTLEMENT FROM/TO BORROWER:				600. CASH AT SETTLEMENT TO/FROM SELLER:		
301. Gross Amount Due From Borrower (Line 120) 482,985.48				601. Gross Amount Due To Seller (Line 420) 481,000.00		
302. Less Amount Paid By/Fr Borrower (Line 220) (62,068.04)				602. Less Reductions Due Seller (Line 520) 312,889.69		
303. CASH (X FROM) (TO) BORROWER 380,918.44				603. CASH (X TO) (FROM) SELLER 188,890.91		

The undersigned hereby acknowledge receipt of a completed copy of pages 1&2 of this statement & any attachments referred to herein.

Borrower

Joseph Martin Schwaltz
 JOSEPH MARTIN SCHWALTZ
Anne V. Schwaltz
 ANNE V. SCHWALTZ

Seller

THE CLIFFS AT MOUNTAIN PARK, LLC
 BY: *Sandra S. Hyde*

L SETTLEMENT CHARGES				PAY FROM BORROWERS FUNDS AT SETTLEMENT	PAY FROM SELLERS FUNDS AT SETTLEMENT
700. TOTAL COMMISSION Based on Price		\$ 347,158.80 @ 12.0000 %	41,658.86		
Division of Commission (See 700) as Follows:					
701. \$ 347,158.80 to CLIFFS REAL ESTATE, INC.					
702. \$ 8,548.18 to BIRREBORT PROPERTIES, INC.					
703. Commission Paid at Settlement					41,658.86
704. _____ to _____					
800. ITEMS PAYABLE IN CONNECTION WITH LOAN					
801. Loan Origination Fee	% to				
802. Loan Discount	% to				
803. Appraisal Fee	to				
804. Credit Report	to				
805. Lender's Inspection Fee	to				
806. Mortgage Ins. App. Fee	to				
807. Assumption Fee	to				
808.					
809.					
810.					
811.					
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE					
901. Interest From _____ to _____ @ \$ _____ day (_____ days _____ %)					
902. MIP Yields, for LIBOR Loan for _____ months to _____					
903. Hazard Insurance Premium for 1.0 years to _____					
904.					
905.					
1000. RESERVES DEPOSITED WITH LENDER					
1001. Hazard Insurance	months @ \$ _____ per month				
1002. Mortgage Insurance	months @ \$ _____ per month				
1003. City/Town Taxes	months @ \$ _____ per month				
1004. County Taxes	months @ \$ _____ per month				
1005. Assessments	months @ \$ _____ per month				
1006.	months @ \$ _____ per month				
1007.	months @ \$ _____ per month				
1008.	months @ \$ _____ per month				
1100. TITLE CHARGES					
1101. Settlement or Closing Fee	to				
1102. Abstract or Title Search	to O'CONNOR ABSTRACTING		158.25		
1103. Title Examination	to				
1104. Title Insurance Binder	to				
1105. Document Preparation	to J. DARRYL HOLLAND, ATTORNEY			175.00	
1106. Notary Fees	to				
1107. Attorney's Fees	to Nelson & Culbertson, LLC		450.00		
(includes above item numbers)					
1108. Title Insurance	to First American Title Insurance Company		801.75		
\$821.00 to First American Title Insurance Company. \$450.75 to Nelson & Culbertson					
(includes above item numbers)					
1109. Lender's Coverage	\$ _____				
1110. Owner's Coverage	\$ 401,000.00		801.75		
1111. expedited/courtesy/overnight fees	to Nelson & Culbertson, LLC		85.00		
1112.					
1113.					
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES					
1201. Recording Fees: Deed \$ 10.00; Mortgage \$ _____; Releases \$ 10.00					
1202. City/County Tax/Stamp: Deed 441.10; Mortgage _____				441.10	
1203. State Tax/Stamp: Revenue Stamp 1,042.60; Mortgage _____				1,042.60	
1204. RECORDING RELEASES to Greenville County Register of Deeds				18.00	
1205.					
1300. ADDITIONAL SETTLEMENT CHARGES					
1301. Survey	to				
1302. Pest Inspection	to				
1303. PREPAID CLUB DUES to CLIFFS GOLF AND COUNTRY CLUB, INC.				20,000.00	
1304. FAMILY MEMBERSHIP to CLIFFS GOLF AND COUNTRY CLUB, INC.				60,000.00	
1305. See add'l disc. exhibit to			480.48	8,837.88	
1400. TOTAL SETTLEMENT CHARGES (Enter on Lines 103, Section J and 502, Section K)			1,935.48	121,673.34	

By signing page 1 of this statement, the signatories acknowledge receipt of a completed copy of page 2 of this two page statement.

Nelson & Culbertson, LLC
Settlement Agent

THE CLIFFS COMMUNITIES

REAL ESTATE SALE AND PURCHASE AGREEMENT

THIS REAL ESTATE SALE AND PURCHASE AGREEMENT (the "Agreement") made by and between the below-named seller (the "Seller") identified on the Seller's signature page below (the "Seller"), whose mailing address is as set forth on page 6, and the below-named purchaser (the "Purchaser") identified on the Purchaser's signature page below.

Part I. Identifications

A. **The Lot and What is Included in Price.** The property to be purchased (the "Lot") is located in Section I, Lot 52, Cliffs at Mountain Park

The Lot is listed for sale for \$ 426,000.00

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

Check one of the following:

Ar
(Initial)



If checked and initialed, Purchaser wishes to acquire a membership in the Club, either a Cliffs Family Membership or a Cliffs Golf Membership, and wishes to receive the property discount to the right (the "Discount"), and apply it toward the required membership deposit, and has attached hereto a signed Club Membership Addendum. While Purchaser is guaranteed the availability of a Club membership under the Membership Plan only if Purchaser acquires one within 30 days following Purchaser's Closing, Purchaser will receive the Discount only if the membership is acquired at the Closing. If this paragraph is checked and initialed, the Purchase Price in Paragraph B below is net of the Discount.

Discount:

\$ 25,000.00



If checked and initialed, Purchaser does not wish to acquire a membership in the Club at this time. Purchaser understands that membership is subject to availability at the time Purchaser may wish to acquire one, and is not guaranteed. Purchaser will NOT receive any discount off the listed price of the Lot because Purchaser elects not to receive a membership.

(Initial)

B. **Payment of Purchase Price.** The "Purchase Price" is calculated and payable as follows:

Total Discounted Purchase Price: \$ 401,000.00

Ar
(Initial)

(i) ☒ **Discount Applied to Membership Deposit.** If checked and initialed, Purchaser has checked the first box in A above and wishes to acquire Full Family Membership privileges, paying at the Closing:

\$ 50,000.00

Ar
(Initial)

(ii) ☒ **Golf Membership, Initiation Deposit Add-on.** If checked and initialed, Purchaser has checked the first box in A above and wishes to upgrade to a Golf Membership by paying at the Closing an additional sum of:

\$ 75,000.00

(iii) **SUB-TOTAL.** Purchase Price of Lot plus Membership Deposit Due at Closing

\$ 526,000.00

(iv) **Initial Earnest Money Deposit.** An Earnest Money Deposit paid to Escrow Agent herewith

\$ 10,000.00

(v) **Additional Deposit Due.** An additional Earnest Money Deposit due Escrow Agent within 0 days of the Effective Date hereof.

\$ 0.00

(vi) **Balance at Closing.** The balance required at Closing in cash or certified funds (not including all of Purchaser's closing costs, prepaids, and escrow deposits)

\$ 516,000.00

- C. **Escrow Agent.** The "Escrow Agent" is J. Darryl Holland, Esq., whose address is set forth in Section 9.4 of Part II below; and all deposits to Escrow Agent should be made payable to **The J. Darryl Holland Trust Account.**

Part II.
Terms and Conditions

For and in consideration of the Purchase Price set forth in Part I hereof and the mutual promises contained in this Agreement, Purchaser agrees to buy and Seller agrees to sell the Lot, conditioned upon there having not been a sale to a third party prior to the receipt of this Agreement by Seller, properly executed by Purchaser, together with the Earnest Money Deposit as provided in Part I, and execution hereof by Seller.

1. **The Purchase Price.** Purchaser will pay the Purchase Price of the Lot set forth in Paragraph B of Part I of this Agreement.

1.1 **Earnest Money Deposit.** The Escrow Agent will receive the Earnest Money Deposit set forth in Paragraph B of Part I, and will deposit said sums in its non-interest bearing escrow account, to be held by the Escrow Agent as the Earnest Money Deposit to be disbursed in accordance with this Part II. In the event of a termination of this Agreement under this Part II, except in the event of Purchaser's default (in which event the Earnest Money Deposit will be paid over to Seller as herein provided), all of the Earnest Money Deposit will be refunded to Purchaser without interest.

1.2 **Payments at Closing.** The Purchase Price, together with all of Purchaser's Closing costs, prepaids, and Closing escrow deposits, less the sum of Purchaser's Earnest Money Deposit, will be paid by Purchaser in cash or by certified, collected funds at the Closing hereinafter referred to.

2. **Financing**

2.1 **No Financing Contingency.** Purchaser acknowledges that this Agreement is not contingent upon Purchaser obtaining financing for the purchase of the Property. Seller makes no representations as to the availability or terms of financing, and the duties of Purchaser and Seller hereunder are not contingent upon Purchaser obtaining financing, or obtaining financing with any specific terms or conditions.

2.2 **Purchaser's Responsibility.** Purchaser is responsible for obtaining desired financing for the purchase of the Lot. By suggesting a source of financing and/or providing the application for such financing, Seller will not be deemed to have assumed any responsibility for obtaining such financing for Purchaser or to represent or warrant that such financing will be available to Purchaser. Purchaser represents that Purchaser has the financial means to purchase the Lot. Purchaser shall fully cooperate with Seller in procuring any evidence Seller reasonably requests that Purchaser has the financial means to pay the balance of the Purchase Price. Purchaser hereby gives Seller or Seller's designated agent permission to obtain one or more credit reports on Purchaser prior to the Closing Date. If Purchaser elects to obtain financing for the purchase of the Lot, Purchaser shall promptly apply for such financing and promptly deliver a loan commitment from an institutional lender to Seller. If Purchaser is not financing the purchase of the Lot, Purchaser shall promptly deliver account verifications to Seller upon Seller's request. If Seller determines, at any time prior to the Closing Date, in Seller's sole but reasonable discretion, that it is unlikely that Purchaser will be able to pay the balance of the Purchase Price on the Closing Date, Seller may terminate this transaction, and the Earnest Money Deposit shall be returned to Purchaser.

3. **Completion of Infrastructure Improvements**

3.1 **Completion of Infrastructure.** Seller agrees to provide roads and water service, and public utilities will provide electrical service and telephone service at no cost to Purchaser, as outlined in our Department of Housing and Urban Development ("HUD") Property Report made effective February 20, 2007, which is incorporated herein and made a part hereof by this reference. In all events, Seller agrees that Seller will complete the water and road infrastructure to Purchaser's Lot within the periods of time set forth in the Property Report, or, (a), in the case of water supply installation, on or before issuance of a certificate of occupancy for Purchaser's residence; and (b), in the case of paved

roads to Purchaser's Lot, within sixty (60) days following Purchaser's notice to Seller that Purchaser has received a final certificate of occupancy for Purchaser's residence, whichever respective date occurs first. Seller will, at Seller's sole cost and expense, provide on-site water for construction of Purchaser's residence if water service is not then available at Purchaser's Lot. Seller's obligation to complete the roads, water service, and electrical and telephone services within the time provided in the HUD Property Report is subject only to circumstances beyond Seller's control, such as acts of God, strikes, material shortages and other occurrences which are sufficient to constitute impossibility of performance under South Carolina law. In the event of such occurrences, Seller will proceed to completion within a reasonable time after the abatement of the event causing delay. In case the survey by which Seller will convey the Lot to Purchaser required bonding pursuant to Greenville County ordinance, Seller has posted a cash or surety bond or an irrevocable letter of credit issued on Seller's behalf to Greenville County, South Carolina, guaranteeing the completion of those roads and other infrastructure requiring bonding. If the approval of the survey by which Seller will convey the Lot to Purchaser did not require bonding by Greenville County ordinance, Seller has established one or more completion escrow accounts to assure completion of the water service and roads to the lots shown on that survey. Seller reserves the right to furnish Purchaser temporary easements for ingress and egress during development, and upon completion of permanent roads or rights-of-way providing ingress and egress, the temporary easements will automatically expire.

(a) **Installation of Infrastructure to Boundary of Lot.** With respect to completion of installation of roads and water service, as well as the installation of electrical and telephone services, Seller covenants these utilities and improvements will be brought to the boundary of Purchaser's Lot, not within the Lot lines to Purchaser's home. Therefore, all costs to connect such utilities or improvements to Purchaser's home will be Purchaser's sole obligation, and the electric utility company charges a set-up fee in conjunction with setting utility meters.

(b) **Septic System.** Purchaser will be responsible for installing and maintaining a septic tank system on the Lot when a dwelling is built on it. Purchaser will be required to make all arrangements for the permitting, governmental approval and installation of a septic tank system. In the event the Lot has not been previously tested and approved by the Greenville County Health Department for the installation of an individual sewage disposal system, and if Seller is then not able to resolve the issue within sixty (60) days following notice thereof, Seller will refund to Purchaser the Purchase Price and Purchaser will convey the Lot back to Seller, and thereafter, each of Seller and Purchaser will be fully released from any further liability to the other.

3.2 Completion of Other Infrastructure; Conveyance or Turnover to a Property Owners' Association. In addition to the infrastructure Seller is obligated to complete, as provided in Section 3.1 above, Seller agrees to complete construction and installation of drainage systems and main electrical power feeds to the project, which will allow those public utilities serving Purchaser's Lot to extend service to Purchaser's Lot, as well as postal service delivery structures, and manned and unmanned gate houses accessing the project. The paved roads to lots within The Cliffs at Mountain Park will be maintained by and at the cost of The Cliffs at Mountain Park Association when completed by Seller. Also, Seller anticipates transferring ownership of the water supply systems to a public or private, regulated water service provider. If conveyance of a water system is not conveyed to a private, regulated or public utility as aforesaid, Seller may convey the same to a The Cliffs at Mountain Park Association. Upon completion and transfer of ownership, Seller will be relieved of all further responsibility for the water system since it will then be maintained by the transferee.

4. Recorded Covenants.

4.1 The Declaration of Covenants & Property Owners' Association. The Lot will be conveyed subject to the Declaration of Covenants, Conditions and Restrictions for The Cliffs at Mountain Park recorded in the Office of Register of Deeds for Greenville County, as the same may be amended from time to time (herein, sometimes referred to as the "Declaration"), which includes the obligation that Purchaser pay regular and special assessments when levied for the common facilities and services of The Cliffs at Mountain Park Association (herein, sometimes referred to as the "Association") commencing with the date Seller conveys title to the Lot. Purchaser hereby acknowledges having received a copy of the Declaration, with appended Bylaws of the Association.

4.2 Architectural Review. Purchaser hereby acknowledges that any improvement to the Lot, including landscape improvements, will be subject to the architectural guidelines established, from time to time, pursuant to the Declaration, and the prior written approval thereof by the Architectural Review Committee ("ARC") established

thereunder. Purchaser and Purchaser's builder will be solely responsible for the completion of construction of all improvements on the Lot and for proper drainage during and after house construction, as well as the published fee payable to architectural review committee for review and approval, prior to construction, of all construction and design plans with respect to any improvements to be placed on Purchaser's Lot. Purchaser or Purchaser's contractor will also be responsible for posting a bond with the ARC prior to commencing construction, as published from time to time by the architectural review committee.

4.3 **Size of Residence.** Purchaser also acknowledges that the Declaration requires minimum square footages for residences constructed within The Cliffs at Mountain Park based upon the area in which Purchaser's Lot is located. See Section 5.1(b) of the Declaration with respect to the application of such minimums.

5. **The Golf & Country Club.** Purchaser acknowledges the plan of development for The Cliffs at Mountain Park includes the Club's operation of a commercial, private golf and country club facility adjacent to or within the boundaries of The Cliffs at Mountain Park. Purchaser further acknowledges that the Club's recreational facilities are operated by The Cliffs Golf & Country Club, Inc., a related third party, 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 owner 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 Lot or membership in any such property owner 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. Purchaser acknowledges receiving a summary of The Cliffs Club membership opportunities. Such information is summary only, and Purchaser should refer to the Membership Plan for the actual terms and condition applicable to membership in the Club.

6. **Closing.** The sale and purchase contemplated by this Agreement will be closed by delivery to Purchaser of a properly executed and acknowledged general warranty deed, in proper, recordable form, in exchange for payment to Seller of the Purchase Price as hereinabove provided. Notwithstanding any provisions herein to the contrary, the legal description for Purchaser's Lot will be in accordance with and based upon the approved, bonded plat for the subdivision of which the Lot is a part (the "Plat").

6.1 **Deed to Lot.** The general warranty deed will convey to Purchaser a good and marketable or insurable (at regular rates), fee simple title to the Lot subject to matters of record, including, but not limited to, taxes and assessments not yet due, all special easements, restrictions and conditions shown and noted on the Plat, licenses and easements for utilities serving the property, the Declaration and the Bylaws of the Association, applicable ordinances and all other easements, rights-of-way, restrictive or utility easements, restrictions, covenants, affirmative obligations and conditions of record in the office of Register of Deeds.

If a title insurance company which is a member of the American Land Title Association will issue a binder to issue an owner's title insurance policy at Purchaser's expense, insuring the title to the Lot at regular rates in an amount equal to the Purchase Price (which owner's title insurance policy will have as exceptions only standard exceptions and those exceptions as are herein agreed and set forth), Seller will be deemed to be able to convey a marketable title in fee simple. If, at the Closing, Seller cannot deliver a general warranty deed to the Lot subject to the exceptions above, Seller will have the right to extend the Closing for an additional thirty (30) days to comply with the terms of the title policy.

6.2 **Closing Date and Time.** Closing will be conducted in the manner provided hereinafter, on the "Closing Date" set forth on Purchaser's signature page below, at the location set forth in Section 6.3 and at a time selected by Seller. Provided that Seller has fulfilled all of its obligations to Purchaser pursuant to this Agreement, Purchaser's failure or refusal to close at the time, place and date provided may, at Seller's option, be deemed a default by Purchaser.

6.3 **Closing Location.** Tender of the deed by Seller and the performance of Seller's requirements will be made at the Closing location designated by Seller on or before 10 days prior to the scheduled Closing. In no event will delivery of the deed exceed one hundred eighty (180) days from the date of Purchaser's execution of this Agreement. The Closing may take place in escrow, with Purchaser participating by making all deliveries required to be made by mail to

the Closing attorney prior to the Closing date, instead of in person; provided that all funds to be received from Purchaser on the Closing date, whether in person or by mail, must be in cash or certified, collected funds.

6.4 Closing Costs. Seller will pay for the preparation of the deed and the deed transfer fee required to record the deed, and Seller's attorney's fees. Purchaser shall pay for any and all other Closing costs, including but not limited to, loan service and origination fees, credit report and underwriting fees, appraisal expenses, recording fees, prepaid items, and title insurance premiums, and Purchaser's attorney's fees. A working capital contribution equal to two-months' Association assessments shall be paid to the Association, as provided in the Declaration.

(a) Prorations at Closing. Taxes and the Association's assessments will be prorated between Seller and Purchaser as of the date of closing, based upon information then available. Seller and Purchaser agree to adjust any such prorations following the Closing, as may be required by receipt of final bills therefor.

7. Defaults.

7.1 Default by Purchaser. In the event Purchaser defaults in the performance of any of Purchaser's obligations pursuant to this Agreement and Seller is not in default, Seller will have the right to specifically enforce this Agreement according to its terms and/or to pursue any and all other remedies available to Seller at law or in equity, or Seller will, at Seller's election, be released from any further obligations to Purchaser pursuant to this Agreement and in such event will be entitled to retain the Earnest Money Deposit (but not exceeding 10% of the Purchase Price) as agreed liquidated damages, it being the intention and agreement of Seller and Purchaser that the amount of such Earnest Money Deposit will act as a fair measure of compensation for actual damages incurred by Seller as a result of Purchaser's default. However, notwithstanding the provisions of this Section 7.1, Seller expressly agrees that Seller will give Purchaser written notification of Purchaser's default or breach of contract and the opportunity to correct the default or breach within twenty (20) days following the receipt of Seller's notice.

7.2 Default by Seller. If Seller defaults in the performance of any of Seller's obligations as set forth in this Agreement and such default is not cured within twenty (20) days after written notice of default is given to Purchaser by Seller, Purchaser's sole remedy will be to rescind this Agreement and receive the immediate return of Purchaser's Earnest Money Deposit, pay Purchaser's reasonable attorney's fees for any title examination by Purchaser's attorney and for such other reasonable closing expenses which Seller agrees, in its sole discretion, to pay; provided, however, that in the event of a non-material breach of any term or condition of this Agreement, Purchaser's remedies will not include termination of this Agreement.

8. Real Estate Commission. It is understood that Seller has by separate agreement appointed Cliffs Real Estate, Inc. as the exclusive real estate agent for sales of Lots within The Cliffs at Mountain Park. Purchaser warrants and represents that, except as set forth to the contrary on the signature page of Purchaser, Purchaser has not dealt with any other real estate agent who may be entitled to claim a real estate commission in this transaction.

9. Miscellaneous.

9.1 Seller's Reserved Easements; Construction Setbacks. Purchaser acknowledges that Seller reserves the right to grant and/or reserve, in its reasonable discretion, various easements for ingress and egress, maintenance and use on and over the Lot and the remainder of The Cliffs at Mountain Park development. No such easement will materially reduce the value or the usefulness of Purchaser's Lot. Furthermore, Purchaser's Lot is subject to front, rear and side lot line easements shown on the Plat and/or set forth in the Declaration, which also constitute construction setback limits.

9.2 Seller's Adjacent Development. Except as otherwise provided herein and notwithstanding any statements contained in this Agreement or otherwise to the contrary, Seller does not warrant in any manner whatsoever the development of any other properties which are owned by Seller in Greenville County, South Carolina, whether or not in the general vicinity of Purchaser's Lot, and Seller reserves the right to develop such properties, if developed, in any manner whatsoever without interference from any subsequent grantee of the Purchaser's Lot, notwithstanding any plans, renderings or drawings which may have been brought to the Purchaser's attention through public zoning hearings, documents filed for zoning purposes, public or private showings or proposed or preliminary development plans or

9.3 As-is Condition. Except as otherwise provided herein, Purchaser is purchasing and Seller is selling the Lot in an “AS IS” condition.

If to Seller: **The Cliffs at Mountain Park, LLC**
3598 Highway 11
Travelers Rest, SC 29690
Attention: Marty Ritsch
FAX: 864-371-1452

Notices, if to Purchaser: As set forth on Purchaser's signature page of this Agreement

9.6 Documents Received By Purchaser. Purchaser further acknowledges having received and reviewed prior to the execution of this Agreement the following:

- 9.7 Time is of the Essence.** It is expressly understood and agreed that **TIME IS OF THE ESSENCE** as to all obligations hereunder, and as the time of performance may be extended by any cure period expressly provided in this

Agreement, including the Purchaser's obligation to obtain a mortgage commitment and provide the Lender with all information requested if Purchaser is acquiring financing, even though such financing is not a contingency hereof.

9.8 **Entire Agreement.** Seller and Purchaser covenant and agree with each other that this written instrument, executed in duplicate originals, expresses the entire agreement between them and there is no other agreement, oral or otherwise, varying or modifying the terms of this Agreement.

9.9 **Modification of Agreement.** This Agreement may not be otherwise changed or modified, absent some subsequent written instrument executed by both Seller and Purchaser.

9.10 **Interpretation Presumption.** Seller and Purchaser represent and warrant to one another that each has, by counsel or otherwise, actively participated in the finalization of this Agreement, and in the event of a dispute concerning the interpretation of this Agreement, each hereby waives the doctrine that an ambiguity should be interpreted against the party which has drafted the document.

9.11 **Binding Effect; Assignment.** This Agreement is binding upon the parties' respective heirs, devisees, personal representatives, successors and assigns; provided however, this Agreement and any of Purchaser's rights hereunder may not be assigned by Purchaser.

9.12 **Resale Or Exchange Of Property.** Seller has no program or provision for the sale or exchange of any Lots in The Cliffs at Mountain Park. There is no program, which assures that Purchaser will be able to exchange the Lot for other property unless pursuant to a written Lot Exchange and Priority Selection Agreement by and between Developer and Prospective Purchaser, which Developer is under no obligation to offer.

9.13 **Unenforceable Provisions.** Should any provision of this Agreement be void or become unenforceable at law or in equity, the remaining provisions will remain in full force and effect and will not in any manner be thereby affected or impaired.

9.14 **Survival.** This Agreement and all the terms and conditions hereof will survive the Closing of the transaction contemplated hereby and will thereafter continue to bind the parties to this Agreement.

9.15 **Counterpart Execution of Agreement.** This Agreement may be signed by each of the parties upon a separate copy, and in such case one counterpart of this Agreement will consist of enough of such copies to reflect the signature of each. For purposes of this Agreement, a telecopy of an executed counterpart will constitute an original. Any person delivering an executed counterpart of this Agreement by telecopy will also deliver an original, executed counterpart of this Agreement, but the failure to deliver an original, executed counterpart will not affect the validity of this Agreement. This Agreement may also be executed in two or more counterparts, each of which will be deemed an original; but for purposes of proving the Agreement, it will not be necessary to produce or account for more than one such counterpart.

9.16 **Effective Date.** This Agreement will become effective, and the term "Effective Date" herein will mean, the last date executed by a party to be bound hereby.

9.17 **Receipt of Agency Disclosure.** RECEIPT AND EXPLANATION OF AGENCY DISCLOSURE FORM IS HEREBY ACKNOWLEDGED BY PURCHASER'S INITIALS BELOW THIS SECTION AND BY PURCHASER'S EXECUTION OF THIS AGREEMENT.

**PURCHASER'S INITIALS HERE TO EVIDENCE HAVING RECEIVED THE AGENCY DISCLOSURE FORM
REFERENCED ABOVE**

ArS
For Purchaser

(BALANCE OF PAGE PURPOSELY BLANK)

Additional Documents Received By Purchaser. Pursuant to Section 9.6, the Purchaser acknowledges having received and reviewed prior to the execution of this Agreement the following (if none, leave blank):

<input checked="" type="checkbox"/>	<u>Full Golf Finance Addendum</u>
<input checked="" type="checkbox"/>	<u>Prepaid Interest Addendum</u>
<input checked="" type="checkbox"/>	<u>Plat Map</u>
<input type="checkbox"/>	_____

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

Ans
For Purchaser

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

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

IN WITNESS WHEREOF, Purchaser and the Seller have each caused this instrument to be executed on the day and year set forth below their respective names.

WITNESS:

Purchaser:

Ans
(Signature)

(Signature)

June 10 2007
Month Day Year

The "Closing Date" is: July 11, 2007

Print or Type:

Name: Martin Schmaltz
Name: Ann Schmaltz
Address: PO Box 2740
Kanuela, HI 96743

Telephone (Work): (808) 896-4820
Telephone (Home): (808) 896-4824
FAX Number: _____
E-mail Address: sorrygolfers@yahoo.com

Name in Which to Title Property: Joseph Martin & Ann Schmaltz
(Insert the name or names to which Purchaser wishes title to the Lot to be deeded)

Name of Real Estate Agent(s): Ashleigh Mills
(Insert the name or names of both the Cliff's Real Estate agent representing Seller and any outside agent representing Purchaser)

(BALANCE OF PAGE PURPOSELY BLANK)

Seller:

The Cliffs at Mountain Park, LLC

By: _____

Its: _____

Month Day Year

Property: Section: 1, Lot 52

Lot Purchase

Price: \$ 401,000.00

Membership: \$ 125,000.00

Total: \$ 526,000.00

(BALANCE OF PAGE PURPOSELY BLANK)

THE UNDERSIGNED ESCROW AGENT EXECUTES THIS AGREEMENT SOLELY TO ACKNOWLEDGE RECEIPT OF THE PURCHASER'S ESCROW DEPOSIT IDENTIFIED ON PAGE 1 HEREOF, AND TO ACKNOWLEDGE THE UNDERSIGNED'S AGREEMENT TO HOLD AND DISBURSE THE SAID ESCROW DEPOSIT IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS AGREEMENT.

WITNESS:

Escrow Agent:

J. Darryl Holland , Esq.,

By: _____

Its: _____

Month

Day

Year



Club Membership Addendum

THIS CLUB MEMBERSHIP ADDENDUM executed simultaneously herewith 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: Martin Schmaltz Community: Cliffs at Mountain Park
Ann Schmaltz Section: I

Agreement Date: 06/10/07 Property #: 52

Property List Price \$ 426,000.00

"Discount": (\$ 25,000.00)

Discounted Purchase Price \$ 401,000.00

☒ **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 the total required deposit of:

\$ 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:

\$ 75,000.00

Total Membership Deposit To Be Paid at Closing: \$ 125,000.00

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 the **Discount** set forth above and in the Agreement. 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 **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 **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 **Discount** applied to the Membership will only be refunded during the vesting period if the resale buyer acquires a Membership of equal or higher category of Membership privileges, 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 SHOWN OPPOSITE THE FIRST CHECKBOX ABOVE. By checking this box and initialing below, Purchaser acknowledges that Purchaser has read Paragraph 1 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. The **Discount** received by Purchaser at the Property closing will be applied to a Cliffs Family Membership. This 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 Membership Deposit To Be Paid at Closing" stated above 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 **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 THE SUM OF THE AMOUNTS SHOWN OPPOSITE BOTH THE FIRST CHECKBOX AND THE SECOND CHECKBOX ABOVE. By checking this box and initialing below, Purchaser acknowledges that Purchaser has read Paragraph 1 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. This represents Purchaser's election to receive a Golf Membership. The Purchaser must deliver the "Total Membership Deposit To Be Paid at Closing" stated above 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 **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).

AYS

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 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 the 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. The "Total Membership Deposit To Be Paid at Closing" stated above (which includes the 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 Club Membership Addendum executed simultaneously herewith, 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 the 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. The "Total Membership Deposit To Be Paid at Closing" stated above (which includes 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 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:

L R Schmitt

June 10 2007
Month Day Year

Seller:

The Cliffs at Mountain Park, LLC

By: _____

Its: _____

Month Day Year

For The Cliffs Club:

The Cliffs Golf & Country Club, Inc.

By: _____

Its: _____

Month Day Year

**CLIFFS GOLF MEMBERSHIP
FINANCE ADDENDUM TO SALES AGREEMENT**

The sales agreement by and between Martin & Ann Schmeltz ("Purchaser") and *The Cliffs at Mountain Park LLC*, ("Seller"), is hereby amended as follows:

- Both Seller and Purchaser acknowledge that it is the intent of the Purchaser to upgrade to a **Golf Membership** in The Cliffs Golf and Country Clubs at *The Cliffs at Mountain Park*. The total initiation deposit for a Golf Membership at *The Cliffs at Mountain Park* is One-Hundred Twenty-Five Thousand Dollars (\$125,000). Purchasers further acknowledge that they are receiving a Twenty-Five Thousand Dollar (\$25,000) discount on the purchase price of the property and this discount is being applied towards the Full Golf Membership initiation deposit at *The Cliffs at Mountain Park*. Seller offers and Purchaser accepts this Club Membership Financing Addendum for the balance of One-Hundred Thousand Dollars (\$100,000) towards the initiation deposit as detailed below:
 1. At closing of Section I, Lot 52 at *The Cliffs at Mountain Park*, Purchaser agrees to pay a deposit in the amount of Fifty Thousand Dollars (\$50,000) towards a Golf Membership. The aforementioned discount of Twenty-Five Thousand Dollars (\$25,000) on the purchase price of the property will be applied towards this deposit at closing.
 2. **Twelve months following the closing date**, purchaser agrees to pay an initial installment of Thirty-Seven Thousand Five Hundred Dollars (\$37,500).
 3. The final installment of Thirty-Seven Thousand Five Hundred Dollars (\$37,500) is due and payable **twenty-four months following the closing date**.
 4. By subscribing to the payment schedule identified above, Purchaser will incur no financing or interest expenses.
- Purchaser will receive a Twenty Thousand Dollar (\$20,000) prepaid dues credit to commence with the activation of membership 60 days prior to the opening of *The Cliffs at Mountain Park* golf course.
- Prepaid dues are non-refundable to the purchaser and non-transferable to another purchaser in the event of a resale transaction.

A. K. Schmeltz
Purchaser

6-10-07
Date

Purchaser

Date

Seller

Date

The Cliffs Golf and Country Club

Date

PREPAID INTEREST ADDENDUM

This Addendum is attached to and made a part of the Cliffs Communities Real Estate sales and purchase agreement Contract (the "Contract") entered into as of June 10, 2007 by and between, The Cliffs at Mountain Park, LLC, Seller and Marilyn Ann Schmaltz ("Purchaser") regarding Lot 52, Section I of The Cliffs at Mountain Park, Greenville County, South Carolina. ("The Property").

If Purchaser closes the purchase of the Property under the terms and conditions of the Contract no more than Thirty (30) days from the Contract Date, Purchaser shall be entitled to the following consideration:

Seller will pay two years of interest with a total value of Thirteen percent (13%) of ninety percent (90%) of the Gross Purchase Price of the Property at the time of closing, where the Gross Purchase Price is equal to the purchase price of the Property including the Family Membership deposit discount less any discounts or credits (which equals 6.5% interest on 90% for two years). Payment will be rendered either as a prepayment of interest and/or principle directly to the Purchaser's lender at the close of escrow or as a credit against the purchase price of the Property to be deducted from the Sellers proceeds at the discretion of the Purchaser.

If the sale and purchase of the Property does not close by the Closing Date, this Agreement will terminate and be of no further force or effect. This incentive will only be available once per Purchaser for any given lot. Time is of the essence.

Seller:

THE CLIFFS AT MOUNTAIN PARK, LLC.

Purchaser:

Marilyn Ann Schmaltz

By: _____

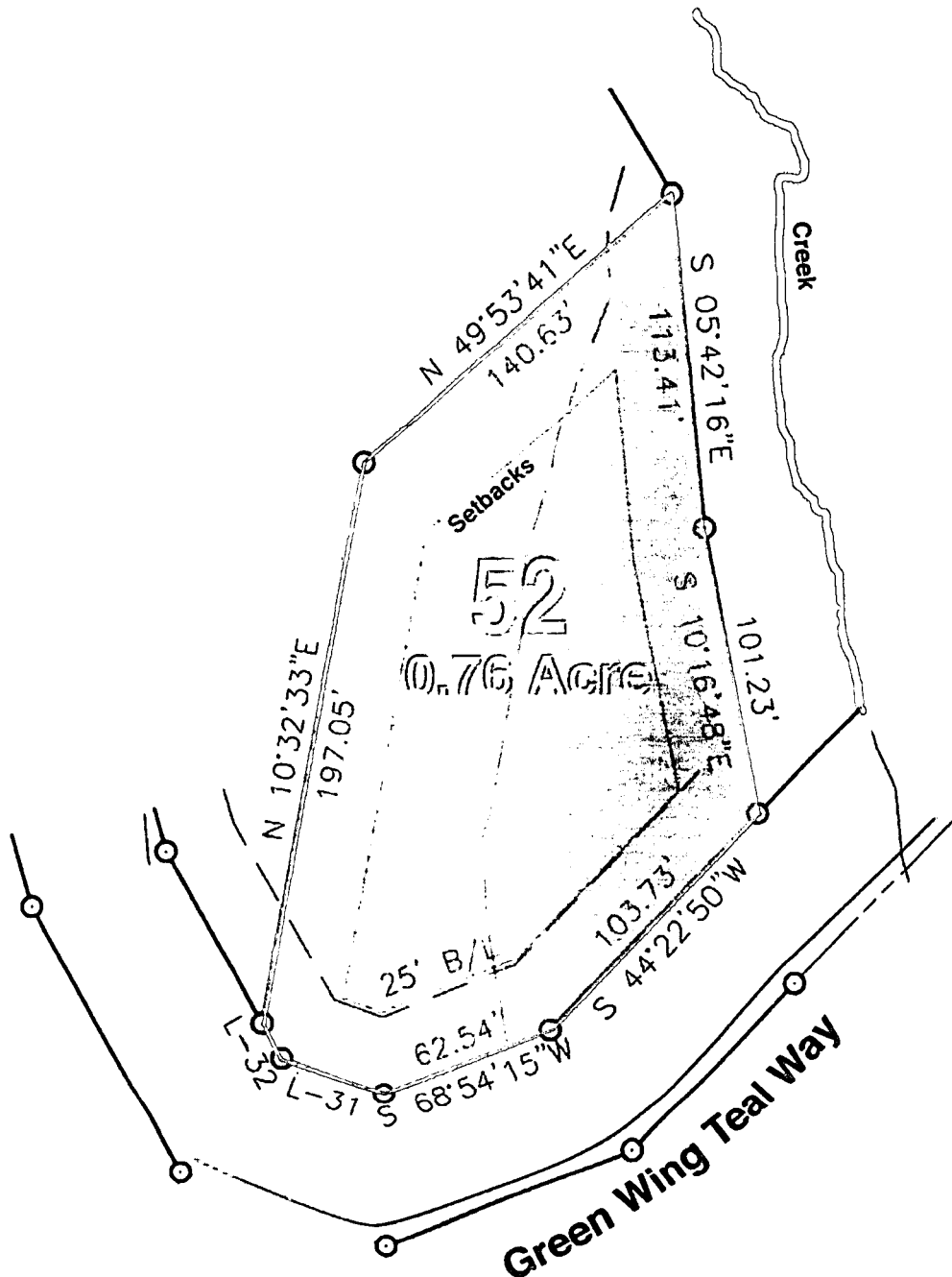
Mountain Park

1974-1986



Lot 52

Taken From: Mountain Park, Lots 45-55
by: Lindsey & Associates, Inc. Dated: 5-1-06



Purchaser Signature: *[Signature]*

Setbacks:
Front: 25'
Sides: 25'
Rear: 30'
Stream: 45'

Note: This drawing is for reference only and is not the final boundary or topographic survey. For the actual acreage, distances, setbacks, easements and restrictions consult the current recorded plat with surveyor's seal.

Prepared: 08-01-06

100-300
SCA 100

RECEIPT, AGENT CERTIFICATION, AND CANCELLATION PAGE

PURCHASER RECEIPT
IMPORTANT -- READ CAREFULLY

Name of Subdivision: **The Cliffs at Mountain Park**

ILS Number: 31776

Date of Report: February 20, 2007

We must give you a copy of this Property Report and give you an opportunity to read it before you sign any contract or agreement. By signing this receipt, you acknowledge that you have received a copy of our Property Report.

Received by: A. F. Subramanyam Date: 6-10-07

Street Address: PO Box 2740

City Kanuela State HI Zip Code 96743

If any representations are made to you which are contrary to those in this Report, please notify:

Office of Interstate Land Sales Registration
HUD Building, 451 Seventh Street, S. W.
Washington, D.C. 20410

AGENT CERTIFICATION

I certify that I have made no representations to the person(s) receiving this Property Report which are contrary to the information contained in this Property Report.

Lot 52 Section I

Name of Salesperson: Ashleigh Mills

Signature: [Signature] Date: 06/10/07

PURCHASER CANCELLATION

If you are entitled to cancel your purchase contract and wish to do so, you may cancel by personal notice or in writing. If you cancel in person or by telephone, it is recommended that you immediately confirm the cancellation by certified mail. You may use the form below:

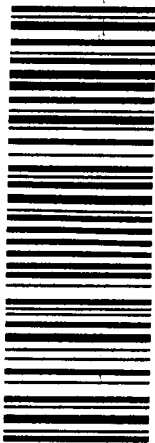
Name of Subdivision: **The Cliffs at Mountain Park**

Date of Contract: _____

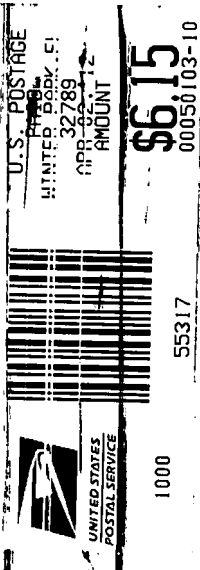
This will confirm that I/we wish to cancel our purchase contract.

Purchaser(s) signature: _____ Date: _____

Ms. Anne V. Schmaltz
1570 Palmer Ave.
Winter Park, FL 32789



7011 2970 0002 1736 5014



RECEIVED

APR 05 2012

BMC GROUP

BMC Group, Inc.
Attn: The Cliffs Club & Hospitality
Group, Inc., et al, Claims Processing
P.O. Box 3020
Chanhassen, MN 55317-3020

