

UNITED STATES BANKRUPTCY COURT		PROOF OF CLAIM
Name of Debtor: The Cliffs at Walnut Cove Golf Country Club 3598 Highway 11 Travelers Rest, SC 29690	Case Number: 12-01227	<div style="font-size: 1.2em; font-weight: bold;">RECEIVED</div> <div style="font-size: 1.2em; font-weight: bold;">APR 16 2012</div> <div style="font-size: 1.2em; font-weight: bold;">BMC GROUP</div>
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): W. Thomas Paturski		
Name and address where notices should be sent: 516 E. Hillside Ave. Bannockburn, IL 60010 Telephone number: 847-382-6889 email: tpaturski@sbcc		<div style="text-align: center; font-weight: bold; font-size: 0.8em;">COURT USE ONLY</div> <input type="checkbox"/> Check this box if this claim amends a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____
Name and address where payment should be sent (if different from above): SAME		<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: _____		
1. Amount of Claim as of Date Case Filed: \$ 28,552.66		
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: I bought a Walnut Cove lot last year and paid cash. (See instruction #2) A \$25,000 Social Membership was included plus a monthly membership fee for 2 years of \$552 still due		
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 checked="" 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.		
<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)().
		Amount entitled to priority: \$ _____
*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)		

Cliffs POC



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7. Documents: Attached are **redacted** copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. If the claim is secured, box 4 has been completed, and **redacted** copies of documents providing evidence of perfection of a security interest are attached. (See instruction #7, and the definition of "redacted".)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

8. Signature: (See instruction #8)

Check the appropriate box.

☒ I am the creditor. ☐ I am the creditor's authorized agent. ☐ I am the trustee, or the debtor, or their authorized agent. ☐ I am a guarantor, surety, indorser, or other codebtor. (Attach copy of power of attorney, if any.) (See Bankruptcy Rule 3004.) (See Bankruptcy Rule 3005.)

I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.

Print Name: W. Thomas Paternalowski

Title: OWNER

Company: _____

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

516 E. Hillside Ave
Baltimore, MD

Telephone number: _____ email: _____

W. Th Pat
(Signature)

4/13/2012
(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.



Club Membership Addendum

THIS ADDENDUM is executed by and between The Cliffs at Walnut Cove Golf & Country Club, LLC on behalf of The Cliffs Club (the "Club") and the below identified "Seller" (the "Seller") and the below identified 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 "Contract") between the Seller and Purchaser.

Purchaser: Thomas and Sierra Paturalski
Walnut Cove

Club/Community: The Cliffs at

Section: Millstream

Purchase Agreement date: 03/22/2011

Property #: 37

Discount off Deposit \$25,000.00

The Discount shall not exceed the amount of the Membership Initiation Deposit for the Membership selected.

☒ Wellness Membership Initiation Deposit

If checked, Purchaser wishes to acquire Cliffs
Wellness Membership privileges, and shall pay the
total required deposit of \$25,000.00: but shall pay, after
Discount a deposit of

\$0

☐ Family Membership Initiation Deposit

If checked, Purchaser wishes to acquire Cliffs
Family Membership privileges, and shall pay the
total required deposit of \$50,000.00: but shall pay, after
Discount a deposit of

\$ _____

☐ Golf Membership Initiation Deposit

If checked, Purchaser wishes to acquire Cliffs
Golf Membership privileges, and shall pay the
total required deposit of \$100,000.00: but shall pay, after
Discount a deposit of

\$ _____

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 Millstream, Lot 37, Cliffs at Walnut Cove**. The purchase of the Lot does not include a membership in the Golf & 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 Club & Hospitality Group, Inc.

Check one of the following:

☒ WTP^{SCP} (Initial) If checked and initialed, Purchaser wishes to acquire a membership in the Club, either a Cliffs Family Membership, a Cliffs Wellness Membership or a Cliffs Golf Membership. 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. If checked and Purchaser acquires a Membership at Closing, Seller will pay up to \$25,000.00 (the "Discount") toward Purchaser's Membership Deposit, subject to a 5-year vesting of the amount paid by Seller. See Membership Addendum. The Discount amount is: \$25,000.00.

☐ _____ (Initial) 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.

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

Lot Purchase Price: \$323,529.00

- (i) ☒ WTP^{SCP} (Initial) Wellness Membership Deposit. If checked and initialed, Purchaser has checked the first box in A above and wishes to acquire Wellness Membership privileges, **paying at the Closing a discounted amount of:** \$0
- (ii) ☐ _____ (Initial) Family Membership Deposit. If checked and initialed, Purchaser has checked the first box in A above and wishes to acquire Family Membership privileges, **paying at the Closing a discounted amount of:** \$N/A
- (iii) ☐ _____ (Initial) Golf Membership, Initiation Deposit. If checked and initialed, Purchaser has checked the first box in A above and wishes to acquire Golf Membership privileges, **paying at the Closing a discounted amount of:** \$N/A
- | | |
|---|---------------|
| (iv) SUB-TOTAL , Purchase Price of Lot plus Membership Deposit Due at Closing: | <u>\$N/A</u> |
| (v) Initial Earnest Money Deposit . An Earnest Money Deposit paid to Escrow Agent herewith: | \$323,529.00 |
| (vi) Additional Deposit Due . An additional Earnest Money Deposit due Escrow Agent within N/A days of the Effective Date hereof: | \$ 0 |
| (vii) 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): | \$ 273,529.00 |

C. **Escrow Agent.** The "Escrow Agent" is McGuire Wood & Bissette, P.A., 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 **McGuire Wood & Bissette 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 July 7, 2010, 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 North 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 Buncombe County ordinance, Seller has posted a cash or surety bond or an irrevocable letter of credit issued on Seller's behalf to Buncombe County, North 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 Buncombe 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 Buncombe 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.

(c) **Purchaser's Periodic Utility Charges and Costs.** Purchaser acknowledges that by owning the Lot Purchaser will be liable for the periodic assessment and service charges levied by public authorities and utilities. Purchaser specifically acknowledges that water service is provided by public utility, and that by owning the Lot, the Purchaser is liable to the service provider for the payment of tap fees and user fees for water service, in amounts applicable at the time of payment, which are subject to change. If the Lot is located in the Townhome, Meadows, Millstream, Club Village and Cove Park sections, the Purchaser understands and acknowledges that sewer service is also provided by public utility, and that by owning the Lot, the Purchaser is liable to the service provider for the payment.

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, including approximately three lakes and main electrical power feeds and natural gas lines to the project, which will allow those public utilities serving Purchaser's Lot

to extend service to the Purchaser's Lot as well as manned and unmanned gate houses accessing the project; and approximately 2 miles of hiking and nature trails and landscaping thereto and thereon. The paved roads to Lots within The Cliffs at Walnut Cove will be maintained by and at the cost of The Cliffs at Walnut Cove Owner's Association, Inc. when completed by the Seller.

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 Walnut Cove recorded in the Office of Register of Deeds for Buncombe 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 Walnut Cove Owners' 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 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. Either Purchaser or Purchaser's contractor will also be responsible for posting a bond prior to commencing construction.

4.3 Size of Residence. Purchaser also acknowledges that Section 4.1(b) of the Declaration requires minimum square footages for residences constructed within The Cliffs at Walnut Cove based upon the area in which Purchaser's Lot is located. See Declaration and applicable amendments, if any, with respect to the application of such minimums.

5. The Golf & Country Club. Purchaser acknowledges the plan of development for The Cliffs at Walnut Cove includes the Club's operation of various commercial, private golf and country club facility adjacent to or within the boundaries of The Cliffs at Walnut Cove. Purchaser further acknowledges that the Club's recreational facilities are operated by The Cliffs Club & Hospitality Group, 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. Closing of this transaction will take place at such place as is designated by Seller within thirty (30) days following the Effective Date hereof. Tender of the deed by Seller and the performance of Seller's requirements will be made at said place. In no event will delivery of the deed exceed one hundred eighty (180) days from the date of Purchaser's execution of this Agreement, upon compliance with the terms of this Agreement. The Closing may take place in escrow. Purchaser will not be required to attend the Closing, but may, instead, participate by making all deliveries required to be made by mail to the Closing attorney prior to the Closing date, 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 15% 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

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 Walnut Cove. 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.

9.1 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 Walnut Cove 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.

9.3 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 Walnut Cove, LLC
3598 Highway 11
Travelers Rest, SC 29690
Attention: Marty Ritsch
FAX: 864-371-1542

Page 6

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

The notice requirements of this Section 9.4 do not apply to the Purchaser's right to cancel this Agreement as provided on page 9 below and in accordance with the Interstate Land Sales Full Disclosure Act.

9.5 Purchaser's Acknowledgment Concerning Representations. Purchaser understands that any sales associate or other person representing Seller in this transaction does not have the authority to make any statements in conflict with or in addition to the information contained in this Agreement, and any other documents received from Seller, including without limitation, any representation made regarding the resale of Purchaser's Lot or its rental or investment potential, and that Seller, for itself and on behalf of any such agent, specifically disclaims any responsibility for such statements. Further, if any such statements were made, Purchaser acknowledges that by execution of this Agreement, Purchaser affirms that Purchaser has not relied upon any such statements, if any, and waives any rights that Purchaser might have as a result of such statements unless they are incorporated in this Agreement.

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

- (a) Copy of the Declaration, as supplemented and amended to the date hereof, together with appended By-Laws of the Association.
- (b) Agency Disclosure Brochure (Executed Acknowledgement).
- (c) Copy of Plat.
- (d) Design and Construction Guidelines.
- (e) The checked documents or instruments listed on the Purchaser's signature page below.

9.7 Time is of the Essence. It is expressly understood and agreed that **TIME IS OF THE ESSENCE** as to all obligations hereunder, including the Purchaser 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 counselor 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 Walnut Cove. There is no program, which assures that Purchaser will be able to exchange the Lot for other property.

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 **Radon Disclosure.** The U.S. Environmental Protection Agency, the U.S. Department of Health and Human Services, and the U.S. Public Health Service have expressed concern over the presence of radon gas in homes. Prolonged exposure to high levels of indoor radon or its progeny may affect the health of residents. Although such conditions may exist at the community, Seller has made no investigation to determine whether radon gas is or will be present in a premises constructed on a lot within the community, and the Seller makes no representation or warranty as to (a) the presence or lack of radon or hazardous environmental conditions nor (b) the effect of radon or any such condition on the regime.

Seller recommends that the Purchaser, at its sole expense, conduct its own investigation and consult with such experts as the Purchaser deems appropriate in order to determine if radon gas may be or will be present in a residence and the level thereof.

For further information on radon, see the EPA's "A Citizen's Guide to Radon: The Guide to Protecting Yourself and Your Family from Radon," a copy of which may be found at <http://www.epa.gov/radon/pubs/citguide.html#overview>.

By signing below Purchaser acknowledges that he or she has read the foregoing Disclosure Statement, and hereby releases Seller from any and all liability with respect to the above matters.

PURCHASER'S INITIALS HERE TO EVIDENCE HAVING READ THE RADON DISCLOSURE ABOVE

WTP SCP
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):

- ☒ Club Membership Addendum
- ☒ Membership Club Credit Addendum
- ☒ Plat Acknowledgement
- ☒ Millstream Cottage Collection at Walnut Cove Monthly Maintenance Sheet

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

WTF SGP
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 FOLLOWING THE SIGNING 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: Thomas and Sierra Paturalski

Thomas Paturalski
Sierra Paturalski
3 22 2011
Month Day Year

The "Closing Date" is: April 22, 2011

Print or Type:

Name: Thomas and Sierra Paturalski

Telephone (Work):

Telephone (Home): Tom's mobile: 847-382-6889 Sierra's mobile: 847-738-2337

Address: 516 East Hillside Avenue, Barrington, IL 60010

FAX Number:

E-mail Address: tpaturalski@bcglobal.net

Name in Which to Title Property.

TBD

(Insert the name or names to which Purchaser wishes title to the Lot to be deeded)

Name of Real Estate Agent(s):

David Robertson

(Insert the name or names of both the Cliffs Real Estate agent representing Seller and any outside agent representing Purchaser)

WITNESS:

Seller: The Cliffs at Walnut Cove, LLC

Marty Selack

TREASURER
CLIFFS COMMUNITIES INC
SOLE MEMBER

<u>3</u>	<u>29</u>	<u>11</u>
Month	Day	Year

Property: Section: Millstream, Lot 37
Lot Purchase Price: \$323,529.00
Membership: \$
Total: \$

(BALANCE OF PAGE PURPOSELY BLANK)

1ST QUARTER MEMBERSHIP CLUB CREDIT

For
Company Homesite Purchase

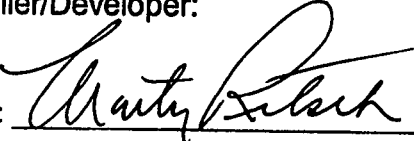
This Addendum is attached to and made part of the Real Estate Sale and Purchase Agreement (the "Contract") entered into as of March 22, 2011, by and between The Cliffs at Walnut Cove, LLC ("Seller" and "Developer") and Thomas and Sierra Paturalski ("Purchaser") regarding The Cliffs at Walnut Cove ("Community"), Lot 37 Section Millstream, of Buncombe County, North Carolina ("The Property").

Club Credit

1. **Club Credit.** The Developer hereby agrees to pay at the Closing of the Property an amount of \$7,352.00 to be applied to the Purchaser's membership Account **only if** the Purchaser acquires a Wellness, Family or Golf Membership with this purchase of property at closing. This shall be listed as a credit on the account and may be used for Club dues, Club merchandise and or food/beverage in the Club's amenities. This amount is non-refundable, not redeemable for cash and is non transferable to another purchaser in the event of a resale transaction or to any other entity, person, property or other membership account. If the sale and purchase of the Property does not close on the date listed in the Purchase Agreement, this Addendum will terminate and be of no further force or effect. **An Addendum must be completed for each property purchased. Time is of the essence.**

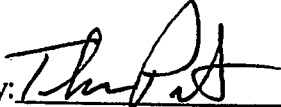
This Addendum is only valid if signed by May 31, 2011.

Seller/Developer:

By: 

Date: 3/29/11

Purchaser:

By: 

Date: 3/22/11

Purchaser:

By: 

Date: 3-22-11

The Cliffs at Walnut Cove Golf & Country Club, LLC

By: 

The Cliffs Club & Hospitality Group, Inc. Member Manager

Date: 3-29-11



The Millstream Cottage Collection at Walnut Cove Monthly Maintenance

Lawn and Irrigation Maintenance: basic maintenance offered with each option.

- Performed every 7-10 days during growth season and as needed during dormant season.
- Cutting all turf areas
- Edging and Trimming all Planting Beds
- Pruning originally installed shrubs as needed
- Removal of Trash, Leaves and Limbs
- Blowing all Concrete Areas
- Turf Program – Over seeding and Aeration
- Fertilizer and Weed Control of originally installed Shrubs and Turf

*** Option 1: \$528.75 per quarter**

- Light Application of pine straw (average of 75 bales per home) and raking/turning of mulched areas

Option 2: \$558.75 per quarter

- Light Application of pine straw (average of 75 bales per home) and full application of mulched areas

Option 3: \$660.00 per quarter

- Full application of pine straw (average of 150 bales per home) and raking/turning of mulched areas

Option 4: \$690.00 per quarter

- Full application of pine straw (average of 150 bales per home) and full application of mulched areas.

TERMS AND CONDITIONS

Membership Discount Available. The Club and Seller have, by special arrangements, agreed that if Purchaser acquires a Club Membership at the Closing with Seller, the Club will discount the Membership Deposit required to be paid by Purchaser and accept the Discount set forth above and in the Agreement from Seller. Purchaser wishes to receive the Discount and acquire a membership, electing a membership as below provided, 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 and acquire the membership at the Closing, no discount will be given in the event Purchaser later acquires a membership in the Club. The Discount shall not exceed the amount of the Membership Deposit for the Membership selected. See Paragraphs 3 and 5.

(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 pay the Discount to the Club as a special incentive, the Discount applied 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 of an equal or higher category of membership use and access privileges and pays the initiation deposit then required. Any initiation deposit paid by Purchaser in excess of the Discount so applied 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 in accordance with, and within the period required under, the Membership Plan.

☒ Box #1. **PURCHASER ELECTS TO RECEIVE A CLIFFS WELLNESS MEMBERSHIP.** THE DEPOSIT FOR A CLIFFS WELLNESS MEMBERSHIP IS SHOWN OPPOSITE THE FIRST CHECKBOX ABOVE. By checking this box and initialing below, Purchaser acknowledges that a Cliffs Wellness Membership will not be issued and activated until the Club has received the required initiation deposit from the Purchaser. If Purchaser has checked the box above indicating Purchaser wishes to activate the membership at Closing, the Purchaser will deliver the "Membership Amount To Be Paid" stated above which is the required deposit less the amount of the Discount being paid by Seller to the Club, and complete the Club's required forms for a Cliffs Wellness Membership on or before Closing to receive the Initiation Deposit at the rate listed above; otherwise, the Purchaser must deliver the then current membership initiation deposit for a Wellness Membership without any Discount and complete the Club's required forms for a Cliffs Wellness Membership not later than thirty (30) days following the Closing to be guaranteed the availability of such a membership at the then prevailing rate.

WJP SCP
For Purchaser

☐ Box #2. **PURCHASER ELECTS TO RECEIVE A CLIFFS FAMILY MEMBERSHIP.** THE DEPOSIT FOR A CLIFFS FAMILY MEMBERSHIP IS SHOWN OPPOSITE THE SECOND CHECKBOX ABOVE. By checking this box and initialing below, Purchaser acknowledges that a Cliffs Family Membership will not be issued and activated until the Club has received the required initiation deposit from the Purchaser. If Purchaser has checked the box above indicating Purchaser wishes to activate the membership at Closing, the Purchaser will deliver the "Membership Amount To Be Paid" stated above which is the required deposit less the amount of the Discount being paid by Seller to the Club and complete the Club's required forms for a Cliffs Family Membership on or before Closing to receive the Initiation Deposit at the rate listed above; otherwise, the Purchaser must deliver the then current membership initiation deposit for a Family Membership without any Discount and complete the Club's required forms for a Cliffs Family Membership not later than thirty (30) days following the Closing to be guaranteed the availability of such a membership at the then prevailing rate.

For Purchaser

- ☐ **Box #3. PURCHASER ELECTS TO ACQUIRE A CLIFFS GOLF MEMBERSHIP.** THE DEPOSIT FOR A CLIFFS GOLF MEMBERSHIP IS SHOWN OPPOSITE THE THIRD CHECKBOX ABOVE. By checking this box and initialing below, Purchaser acknowledges that a Cliffs Golf Membership will not be issued and activated until the Club has received the required initiation deposit from the Purchaser. If Purchaser has checked the box above indicating Purchaser wishes to activate the membership at Closing, the Purchaser will deliver the "Membership Amount To Be Paid" in the manner stated above which is the required deposit less the amount of the Discount being paid by Seller to the Club and complete the Club's required forms for a Cliffs Golf Membership on or before Closing; otherwise, the Purchaser must deliver the then current membership initiation deposit for a Golf Membership without any Discount and complete the Club's required forms for a Cliffs Golf Membership not later than thirty (30) days following the Closing to be guaranteed the availability of such a membership at the then prevailing rate.

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).

For Purchaser

4. **The Golf & Country Club.** Purchaser hereby acknowledges the plan of development for the Cliffs Community above identified includes, or may include, the operation of 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 it and/or by a related third party and operated by or in concert with its affiliate 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. 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 in accordance with the payment terms provided, then upon Purchaser making application and funding the required deposit, 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 in accordance with the payment terms provided, then upon making application and funding the required deposit, 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.

(c) **Cliffs Wellness Membership.** If Purchaser has elected to receive a Cliffs Wellness Membership in accordance with the payment terms provided, then upon making application and funding the required deposit, Purchaser will be issued a

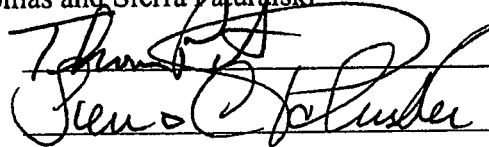
Cliffs Wellness Membership in the Club. Monthly membership dues will commence with the issuance of the membership to Purchaser, and the monthly dues may change from time to time at the Club's sole discretion. The privileges of membership in the Club are dependent upon the facilities available and the rules and regulations adopted for their use, as the Club may modify the same from time to time.

(d) **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 a Wellness, Family or Golf Membership. In addition, if the resale buyer of Purchaser's Property wishes to acquire 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 initiation payment that Purchaser's resale buyer makes for the issuance of a membership may be more or less than the initiation amount Purchaser paid. 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.

5. **Addendum Null and Void.** If Purchaser fails to close as defined in the Real Estate Purchase Agreement, this Addendum will terminate and be null and void ab initio and of no further force or effect. An Addendum must be completed for each property purchased. **TIME IS OF THE ESSENCE.**

6. **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 Contract.

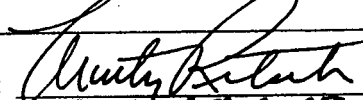
Purchaser: Thomas and Sierra Patursalski



Thomas Patursalski

3 22 11
Month Day Year

Seller: The Cliffs at Walnut Cove, LLC

By: 

TIMOTHY K. SMITH, CLIFFS COMMUNITIES/LLC.
Its: SOLE MEMBER

3 29 11
Month Day Year

For The Cliffs Club:
The Cliffs at Walnut Cove Golf & Country Club, LLC

By: 

The Cliffs Club & Hospitality Group, Inc. Member Manager

3 29 11
Month Day Year

4/13/12

from the desk of

TOM PATURALSKI

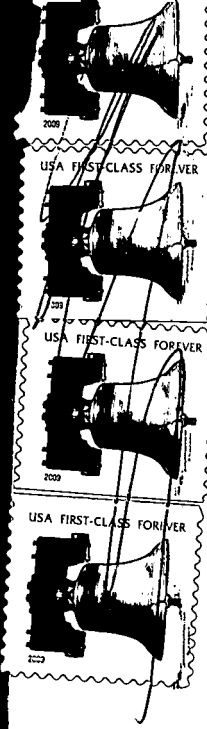
BMC Group,

Please let me know if my
bonhays form or filled out
correctly. If not please call me.
847-382-6889.

Thank you for your help,

Tom Pat

TOM & SIERRA PATURALSKI
516 E. HILLSIDE AVE.
BARRINGTON, IL 60010



Carol Stream, IL 601
FRI 13 APR 2012 PM

The Cliffs Club & Hospitality Group
Claims Processing
P.O. Box 3020
Chanhassen, MN 55317-3020

RECEIVED

APR 16 2012

BMC GROUP