

UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA

PROOF OF CLAIM



Your Claim is Scheduled As Follows:
Schedule/Claim ID: s14870
AMOUNT/CLASSIFICATION:
\$125,000.00 UNSECURED
(CONTINGENT)

Name of Debtor:
The Cliffs at Mountain Park Golf & Country Club, LLC

Case Number:
12-01225

NOTE: See reverse and attached for List of Debtors/Case Numbers/important details. Other than claims under 11 U.S.C. § 503(b)(9), this form should not be used to make a claim for Administrative Expenses arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503(a).

Name of Creditor (the person or other entity to whom the debtor owes money or property) :

Name and address where notices should be sent:

29347866004226
Clancy, John
120 Panther Mountain Road
Zirconia, NC 28790

RECEIVED

MAY 01 2012

BMC GROUP

The amounts reflected above constitute your claim as scheduled by the Debtor or pursuant to a filed claim. If you agree with the amounts set forth herein, and have no other claim against the Debtor, you do not need to file this proof of claim EXCEPT as stated below.

If the amounts shown above are listed as Contingent, Unliquidated or Disputed, a proof of claim must be filed except as provided in the accompanying bar date notice.

If you have already filed a proof of claim with the Bankruptcy Court or BMC, you do not need to file again.

Creditor Telephone Number (828-697-2386) email: JCKDC@HOTMAIL.COM

THIS SPACE IS FOR COURT USE ONLY

Name and address where payment should be sent (if different from above):

☐ Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

☐ Check this box to indicate that this claim amends a previously filed claim.

Court Claim Number (if known):

Filed on:

Payment Telephone Number () email:

1. AMOUNT OF CLAIM AS OF DATE CASE FILED \$ 125,000.00

If all or part of your claim is secured, complete item 4.

If all or part of your claim is entitled to priority, complete item 5.

☐ Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.

2. BASIS FOR CLAIM: MEMBER INITIATION DEPOSIT

3. LAST FOUR DIGITS OF ANY NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR: 0435

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 your claim is secured by a lien on property or a right of set off, attach required redacted documents, and provide the requested information.

Nature of property or right of setoff:
Describe:

☐ Real Estate ☐ Motor Vehicle ☐ Other

Value of Property: \$

Annual Interest Rate: % ☐ Fixed or ☐ Variable
(when case was filed)

Amount of arrearage and other charges, as of time case filed, included in secured claim, if any: \$

Basis for Perfection:

Amount of Secured Claim: \$

Amount Unsecured: \$

5. Amount of Claim Entitled to Administrative Expense status under 11 U.S.C. § 503(b)(9) or 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 administrative expense or priority and state the amount.

Amount entitled to priority: \$

Amount entitled to administrative expense under 11 U.S.C. § 503(b)(9): \$

You MUST specify the priority of the claim:

- ☐ Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).
☐ 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).
☐ Wages, salaries, or commissions (up to \$11,725*), earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4).

- ☐ Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).
☐ Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5).
☐ Other - Specify applicable paragraph of 11 U.S.C. § 507(a) ().
☐ Value of goods received by the debtor within 20 days before the date of the bankruptcy filing - 11 U.S.C. § 503(b)(9).

* 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.

Cliffs POC



00462

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 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 definition of "redacted").

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

If the documents are not available, please explain:

DATE-STAMPED COPY: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.

The original of this completed proof of claim form must be sent by mail or hand delivered (FAXES OR EMAIL NOT ACCEPTED) so that it is actually received on or before 4:00 pm prevailing Eastern Time on May 31, 2012 for Non-Governmental Claimants OR on or before 4:00 pm prevailing Eastern Time on August 27, 2012 for Governmental Claimants.

BY MAIL TO:
BMC Group, Inc
Attn: Cliffs Claims Processing
PO Box 3020
Chanhassen, MN 55317-3020

BY MESSENGER OR OVERNIGHT DELIVERY TO:
BMC Group, Inc
Attn: Cliffs Claims Processing
18675 Lake Drive East
Chanhassen, MN 55317

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: JOHN CLANCY
Title: _____
Company: _____

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

(Signature)

(Date)

Telephone number: _____ email: _____

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

LIST OF DEBTORS:

Case Name	Case Nbr
The Cliffs Club & Hospitality Group, Inc.	12-01220
CCHG Holdings, Inc.	12-01223
The Cliffs at Mountain Park Golf & Country Club, LLC	12-01225
The Cliffs at Keowee Vineyards Golf & Country Club, LLC	12-01226
The Cliffs at Walnut Cove Golf & Country Club, LLC	12-01227
The Cliffs at Keowee Falls Golf & Country Club, LLC	12-01229
The Cliffs at Keowee Springs Golf & Country Club, LLC	12-01230
The Cliffs at High Carolina Golf & Country Club, LLC	12-01231
The Cliffs at Glassy Golf & Country Club, LLC	12-01234
The Cliffs Valley Golf & Country Club, LLC	12-01236
Cliffs Club & Hospitality Service Company, LLC	12-01237

**THE CLIFFS GOLF & COUNTRY CLUB, INC.
VALLEY GOLF MEMBERSHIP AGREEMENT**

This is to certify that **John and Karen Clancy** have made application for membership in The Cliffs Golf & Country Club at The Cliffs Valley. The membership classification applied for is a **Valley Golf Membership**.

It is acknowledged that he/she will submit membership fees in the amount **One Hundred and Twenty Five Thousand Dollars (\$125,000)**. The following is the scheduled due dates and amounts of future payments:

Per Trade Addendum

It is further agreed that the member(s) understand the membership classification purchased, its privileges and benefits, and refund values associated with a resignation from the club, as outlined in The Cliffs Golf & Country Clubs Master Membership Plan, rules and regulations.

MEMBERSHIP CLASSIFICATION:
MEMBERSHIP ACCOUNT NUMBER:
INITIATION DEPOSIT:
PROPERTY REFERENCE:

Valley Golf
C435
\$125,000.00
Section CVN Lot 17

I have received and reviewed official club documents, specifically The Cliffs & Country Club, Inc. Master Membership Plan, rules and regulations outlining the Cliffs Membership Program. I agree to participate and become enrolled as a member of The Cliffs Valley Golf & Country Club, Inc., which is managed and operated by The Cliffs Golf & Country Club, Inc. and agree to pay the applicable membership fees in the amount(s) indicated above.

My rights and privileges as a member shall be governed by the plan documents and the club's by-laws, rules and regulations. Membership in the club does not convey any ownership, stock or equity certificate or other rights of ownership. As a member, I cannot be assessed as a matter of contract with the Club, and I assume no liability whatsoever in connection with the membership other than the payment of an applicable membership fee, dues and charges incurred by myself, my family and guests.

The Club reserves the right to set membership classification limitations. The Club has the plenary power to modify classes of memberships, their definitions, privileges, requirements and availability.

I shall be bound by the terms and conditions of the plan documents, as they may be amended from time to time in accordance with their terms and this membership purchase agreement.

I agree to pay the dues, fees and charges applicable to my membership classification(s) set forth by the club ownership, as it may be amended from time to time.

I hereby agree to release and discharge the Club, its ownership, affiliates, employees and agents from any and all claims and causes of actions that I may have against any of them regarding the Club membership program and facilities, except claims and causes of action arising from misrepresentations or omissions in the club documents.

By signing this form, the Member(s) acknowledges, as a matter of record, the type of Membership classification, and its privileges, and the refund value of initiation deposit paid in the event of resignation or transfer of membership. Furthermore, the Member(s) has received a copy of the Clubs Master Membership Plan, rules and regulations, and has an understanding of the same.

11-5-09
Date
Nate Weyand
Nate Weyand
Membership Director
The Cliffs Golf & Country Clubs

11/10/09
Date
John Clancy
Member Signature
Karen Clancy
Member Signature

J. DARRYL HOLLAND
LAW FIRM
722 E. MCBEE AVENUE
GREENVILLE, SOUTH CAROLINA 29601

TELEPHONE: (864) 467-0500

FACSIMILE: (864) 467-9398

February 25, 2010

John J. Clancy
Karen Danish Clancy
146 Country Club Drive
Commack, NY 11725

RE: Closing on Lot 17, Cliffs Valley North

Dear Mr. and Mrs. Clancy:

Pursuant to the closing on the purchase of your lot, enclosed please find your Owners Policy of Title Insurance issued to you by Chicago Title Insurance Company and the original recorded deed.

We recommend that you keep the policy in a safe place with your other important papers, and Chicago Title recommends that you retain the policy permanently even after any future sale of your property to a third party, in the event that any issue ever arises that may be covered by or relate to such title insurance.

We sincerely appreciate the opportunity to be of service in this matter and I would ask that you please contact our office if you have any questions or if we may be of further assistance.

Yours very truly,

Ashley C. Tobias
Ashley C. Tobias, Associate

Enclosures



Excise Tax: \$ 592.00

Drafted By: Ashley C. Tobias, 722 E. McBee Avenue, Greenville, SC 29601

Mail To: Ashley C. Tobias, 722 E. McBee Avenue, Greenville, SC 29601

STATE OF NORTH CAROLINA)

GENERAL WARRANTY DEED

COUNTY OF HENDERSON)

THIS DEED, made and entered into this 15 day of January, 2010, by and between THE CLIFFS AT GLASSY, INC., hereinafter called "Grantors", and JOHN J. CLANCY AND WIFE, KAREN DANISH CLANCY, 146 COUNTRY CLUB DRIVE, COMMACK, NY 11725 hereinafter called "Grantees".

WITNESSETH:

That said Grantors, for and in consideration of the sum of Ten Dollars (\$10.00), and other good and valuable consideration, to him in hand paid, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey, unto the Grantees, their successors and assigns, in fee simple, all that certain lot or parcel of land lying and being in _____ Township, HENDERSON County, North Carolina, and more particularly described as follows:

Being all of Lot 17 as shown on a plat of Cliffs Valley North, The Cliffs at Glassy, which said plat is duly recorded in Plat Slide 7946, in The Office of the Register of Deeds for Henderson County, North Carolina, reference to which is hereby made for more particular description.

To have and to hold the aforesaid lot or parcel of land and all privileges and appurtenances thereunto belonging to them, the Grantees, their successors and assigns, in fee simple, free and discharged from all right, title, claim or interest of the Grantors or anyone claiming by, through or under them.

And the Grantors covenant with the Grantees, that Grantors are seized of the premises in fee simple; has the right to convey the same in fee simple; that title is marketable and free and clear of all encumbrances; and that Grantors will warrant and defend the title against the lawful claims of all persons whomsoever. Title to the property hereinabove described is subject to the following exceptions: any conditions, rights-of-way, easements and restrictions of record, if any, and 2008 Henderson County Ad Valorem property taxes, not yet due or payable, which were prorated at closing.

The designation "Grantor" and "Grantee", as used herein, shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine, or neuter as required by context.

The above described property was acquired by Grantors in Book 1199 Page 64 and in Book 1325 Page 129, HENDERSON County Registry.

IN WITNESS WHEREOF, the Grantors have caused this instrument to be signed in his name, the day and year first above written.

The Cliffs at Glassy, Inc.

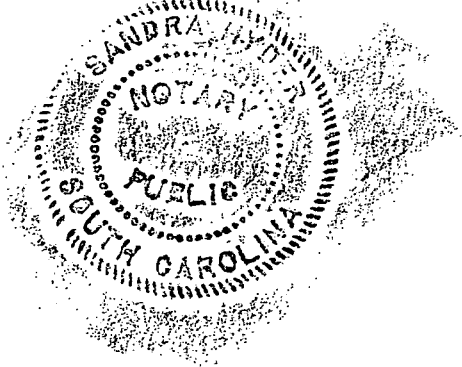
Marty Ritsch (SEAL)

By: MARTY RITSCH

Its: TREASURER

State of South Carolina -- Greenville County

I, Sandra S Hyde a Notary Public for said County and State, do hereby certify that Marty Ritsch, Treasurer of The Cliffs at Glassy, Inc., a South Carolina Corporation, as Grantor, personally appeared before me this day and, being duly sworn, acknowledged the due execution of the foregoing instrument on behalf of said corporation. Witness my hand and official stamp or seal this the 15th day of January, 2010.



Sandra S Hyde
Notary Public
My commission expires: 8-31-19

Trade Addendum

Addendum to purchase agreement between John and Karen Clancy *Purchaser* and The Cliffs Valley North, LLC, *Seller* regarding homesite CVN-17 in The Cliffs Valley North.

1. The Purchaser shall convey to the Seller, Lot 50, Cliffs at Mountain Park ("Exchange Lot") for a credit of (\$296,000) free and clear of all liens, encumbrances and any other matters affecting title to said Exchange Lot.
2. The Purchaser shall convey Exchange Lot to the Seller, simultaneously with the closing of Lot CVN 17.
3. The Purchaser shall pay the cost of preparing the deed, deed transfer fees, and any attorney fees in association with the conveyance of Exchange Lot. *and will pay any and all closing costs JCB*
4. Taxes and assessments will be prorated between Purchaser and Seller as the date of closing.
5. Upon Purchaser exchanging CMP 50, The Cliffs Golf & Country Clubs agrees to refund the Cliffs at Mountain Park Golf Membership initiation deposit of \$125,000 at closing. Purchaser agrees to submit an initiation deposit for the Cliffs Valley Golf Membership on CVN 17 in the amount of \$125,000 at closing.

6. Purchaser shall purchase a title insurance policy for the benefit of the seller.

It is hereby agreed to this 15 of Sept 2009. *JCB*

[Signature]
John Clancy (Purchaser)

[Signature]
Karen Clancy (Purchaser)

[Signature]
Cliffs Construction, LLC (Seller)
Cliffs at Panther Mountain, Inc.

[Signature]
The Cliffs Golf & Country Club, Inc. (Club)

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 Cliffs Valley North, Lot 17, Cliffs Valley North**. 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.

Check one of the following:

☒ JK (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 \$0 (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: \$0.

☐ _____ (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: \$296,000

- (i) ☐ _____ (Initial) Wellness Initiation 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: \$
- (ii) ☐ _____ (Initial) Family Initiation 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: \$
- (iii) ☒ JK (Initial) Golf Membership, 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: \$125,000
- (iv) **SUB-TOTAL, Purchase Price of Lot plus Membership Deposit Due at Closing:** \$421,000
- (v) **Initial Earnest Money Deposit.** An Earnest Money Deposit paid to Escrow Agent herewith: \$0
- (vi) **Additional Deposit Due.** An additional Earnest Money Deposit due Escrow Agent within _____ 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): \$ 421,000

C. **Escrow Agent.** The "Escrow Agent" is J. Darryl Holland, Esq., Attorneys at Law, 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 September 17, 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 applicable State 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 applicable County ordinance, Seller has posted a cash or surety bond or an irrevocable letter of credit issued on Seller's behalf to applicable County, 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 applicable 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 South Carolina Department of Health and Environmental Control 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, the monthly and/or annual assessments of the Association, and any special assessments assessed by it. Failure to pay such assessments and charges when due may result in the imposition of liens against Purchaser's Lot. Purchaser hereby acknowledges that by owning the lot, Purchaser will be liable to the applicable water, sewerage, electric and gas, if any 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.

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 feed 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, manned and unmanned gate houses accessing the project. The paved roads to lots within The Cliffs Valley North will be maintained by and at the cost of The Cliffs Valley Community Association, Inc. when completed by Seller. Also with respect to Lots located within Cliffs Valley North above 1,400 feet elevation, Seller anticipates transferring ownership of the water supply systems to Blue Ridge Rural Water Service Company, Inc. If conveyance of a water system is not conveyed to a private, regulated or public utility as aforesaid, Seller may convey

25

the same to a community 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 Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for Cliffs Valley and Cliffs Valley North recorded in the Office of Register of Deeds for Greenville County, SC and Henderson County, NC, 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 Valley Community Association, Inc. (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. Either Purchaser or Purchaser's contractor will also be responsible for posting a bond with the NCC prior to commencing construction, as published from time to time by the ARC.

4.3 Size of Residence. Purchaser also acknowledges that the Declaration requires minimum square footages for residences constructed within The Cliffs Valley North based upon the area in which Purchaser's Lot is located. See Section 11.8 of the 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 Valley North includes the Club's operation of various commercial, private golf and country club facility adjacent to or within the boundaries of The Cliffs Valley North. 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 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 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 Valley North. 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 Valley North 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 or Henderson County North 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 references therein in any recorded covenants. There is no assurance that any facilities or amenities shown for planning or proposed development purposes will ever be constructed, except only those which Seller herein covenants to complete or which are disclosed to be completed in the HUD Property Report for the Lot.

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

9.4 **Notices.** Any and all notices or other communication provided for in this Agreement will be given in writing and delivered by personal delivery or by registered or certified mail, first class postage prepaid, or by facsimile transmission. Any notice mailed in accordance with this Section 9.4 will be deemed received upon actual receipt thereof or after the expiration of five (5) days, whichever is earlier. Notice sent by facsimile transmission will be deemed received on the date of its transmission, provided transmission occurs prior to 5:00 p.m., Eastern Time, and the sender retains proof of its transmittal and receipt without error. Notice will be addressed as follows:

If to Seller: The Cliffs at Panther Mountain, Inc.
3598 Highway 11
Travelers Rest, SC 29690
Attention: Marty Ritsch
FAX: 864-371-1542

If to the Escrow Agent: J. Darryl Holland, Esq.
722 E. McBee Ave.
Greenville, South Carolina 29601
FAX: 864-654-3696

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 (Executed)
- (c) Copy of Plat
- (c) Design and Construction Guidelines.
- (d) 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, and as 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 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 Valley North. 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 a 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 THE 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



For Purchaser


9.18 **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



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):

- ☒ ARB Guidelines
- ☒ Plat
- ☒ Covenants and Restrictions
- ☒ Lot Trade Addendum

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

ATC
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:

John Clancy
Karen Clancy
9 / 15 / 09
Month Day Year

The "Closing Date" is: TBD

Print or Type:

Name: John and Karen Clancy

Telephone (Work): 631-513-0753

Name: Telephone (Home): 631-462-7567

Address:

FAX Number:

E-mail Address: jckdc@hotmail.com

Name in Which to Title Property. TBD

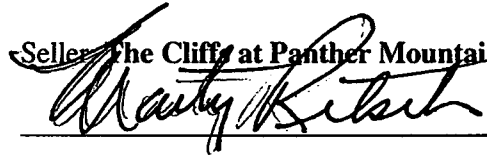
(Insert the name or names to which Purchaser wishes title to the Lot to be deeded)

Name of Real Estate Agent(s): Brad Childs

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

(BALANCE OF PAGE PURPOSELY BLANK)

WITNESS:

Seller: The Cliffs at Panther Mountain, Inc.


TREASURER

9 21 09
Month Day Year

Property: Section: Cliffs Valley North, Lot 17
Lot Purchase Price: \$296,000
Membership: \$ 125,000
Total: \$ 421,000

(BALANCE OF PAGE PURPOSELY BLANK)

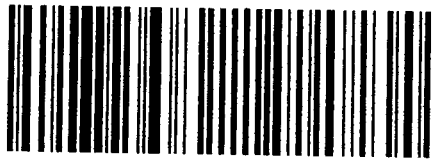
RECEIVED

MAY 01 2012

BMC GROUP

BMC GROUP, INC
ATTN: CLIFFS PROCESSING
PO BOX 3020
CHANHASSEEN, MN 55317-3020

7009 2820 0002 7579 4499



CERTIFIED MAIL™

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

U.S. POSTAGE
PAID
ZIRCONIA, NC
28790
APR 26, 12
AMOUNT

\$6.15
00079054-02



0000