

UNITED STATES BANKRUPTCY COURT DISTRICT OF SOUTH CAROLINA	PROOF OF CLAIM
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Name of Debtor: The Cliffs Club & Hospitality Group, Inc.	Case Number: 12-01220
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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) : George D. COX OR Betty H. COX	
Name and address where notices should be sent: 29347867011398 George and Betty Cox 151 Banks Road Easley, SC 29640 (CELL) 423-6244	
RECEIVED MAY 17 2012 BMC GROUP	

If you have already filed a proof of claim with the Bankruptcy Court or BMC, you do not need to file again.
THIS SPACE IS FOR COURT USE ONLY

Creditor Telephone Number ~~804-423-6244~~ bhcox@bellsouth.net

Name and address where payment should be sent (if different from above): SAME AS ABOVE	<input type="checkbox"/> 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.
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Check this box to indicate that this claim amends a previously filed claim.
Court Claim Number (if known): _____
Filed on: _____

1. AMOUNT OF CLAIM AS OF DATE CASE FILED \$ 250,000.00
 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: MORTGAGE NOTE
 (See instruction #2)

3. LAST FOUR DIGITS OF ANY NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR: <u>01229</u>	3a. Debtor may have scheduled account as: _____ (See instruction #3a)	3b. Uniform Claim Identifier (optional): _____ (See instruction #3b)
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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: \$ 750,000
 Annual Interest Rate: 15 % 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: \$ 250,000
 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:

<input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).	<input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).
<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"/> Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5).
<input type="checkbox"/> 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).	<input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a) (_____).
	<input type="checkbox"/> 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.



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)

*** NOTE: SEE MEMBERSHIP AMENDMENT AGREEMENT IN CASE OF DEFAULT.**

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.
 (Attach copy of power of attorney, if any.) I am the trustee, or the debtor, or their authorized agent.
 (See Bankruptcy Rule 3004.) I am a guarantor, surety, indorser, or other codebtor.
 (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: George D. COX OR Betty H. Cox George D. Cox 5-14-12
 Title: _____
 Company: _____ Betty H. Cox 5-14-12
 Address and telephone number (if different from notice address above): _____ (Signature) (Date)

Telephone number: (864) 423-6244 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



Doc ID: 003918540009 Type: MTG

MORTGAGE

BK **2994** PG **334-342**

THIS MORTGAGE (hereinafter referred to as the "Mortgage") is made and entered into this 27th day of July, 2011, by **Victoria A. Anthony** (hereinafter referred to as the "Mortgagor"), whose address is 3101 Table Rock Road Pickens, SC 29671, and **George D. Cox or Betty H. Cox** (hereinafter referred to as the "Mortgagee"), whose address is 151 Banks Road, Easley SC 29640.

Ret: 1500

ARTICLE ONE
GRANT OF MORTGAGE

001363

1.1 GRANT. In order to secure and enforce the payment, performance and observance of the Obligations set forth hereinafter, and for and in consideration thereof and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Mortgagor does hereby execute and deliver this Mortgage to the Mortgagee and does hereby grant, bargain, mortgage, sell, transfer, convey, assign, warrant and confirm unto the Mortgagee, its successors and assigns, all of the Mortgagor's right, title and interest in and to the Property identified hereinafter, to HAVE AND TO HOLD the Property, all parts thereof, and all and singular the rights, hereditaments and appurtenances appertaining or belonging thereto, unto the Mortgagee, its successors and assigns, to its own use and benefit forever, subject, however, to the terms and conditions herein.

1.2 OBLIGATIONS SECURED. The Obligations secured by this Mortgage consist of the following (hereinafter collectively referred to as the "Obligations"): The payment of all indebtedness evidenced by that certain promissory note (hereinafter referred to as the "Note") of even date executed by the Mortgagor and payable to the Mortgagee in the maximum principal sum of Two Hundred Fifty Thousand (\$250,000.00) Dollars, together with interest thereon, and any renewals, extensions or modifications thereof, upon which final payment in full is due (if not sooner paid) on July 27th, 2012, and which Note is made a part hereof by reference to the same extent as though set forth in full herein. Upon payment of the Obligations, the Mortgagee shall cause this Mortgage to be satisfied in the records of the Office of the Recorder of Deeds for Oconee County, South Carolina.

1.3 THE PROPERTY. The Property mortgaged and conveyed to the Mortgagee hereunder consists of the following (herein collectively referred to as the "Property"):

a. The Land. All of the land located in the Oconee County, State of South Carolina described fully in "Exhibit A" attached hereto and incorporated herein (hereinafter referred to as the "Land");

b. The Improvements. All buildings, structures and improvements of every nature and kind hereafter erected on the Land (hereinafter referred to as the "Improvements");

c. Easements or Other Interests. All rights, title and interest of the Mortgagor in and to all easements, rights of way, covenants, rights and appurtenances now or subsequently pertaining to and in favor of the Property, and all rights of enforcement thereof, and all rights of the Mortgagor in and to all streets, alleys, passages, ways, waters and water courses adjoining the Land, whether any of the foregoing be now owned or hereafter acquired by the Mortgagor, and the reversion, remainder, rents, issues and profits thereof, and all of the estate, right, title, interests, property, possession, claim and demand whatsoever, at law as well as in equity, of the Mortgagor thereto; and

d. Other Rights. All replacements, renewals, substitutions, accessions, additions, proceeds, profits or products of any of the foregoing; all proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims; and all estates, interests, rights, titles, powers and privileges appurtenant or incident to any of the foregoing.

1.4 WARRANTIES OF TITLE. The Mortgagor covenants and warrants that it is seized of an indefeasible estate in fee simple in and to the Property and that it has the full title thereto, together with the full right, power and lawful authority to mortgage, grant and convey the Property; that the Property is free and clear of all liens, security interests and encumbrances whatsoever except for recorded restrictions, declarations, easements, rights of way and building set-backs, including but not limited to, the "no-build" area shown on the plat attached hereto as Exhibit B, the original of which has been or is to be recorded in the Office of the Register of Deeds for Oconee County, South Carolina. The "no-build" area is not intended to limit the building of a dock or gazebo or similar type structure built for enjoyment of the lake as may be approved by the required Architectural Review Committee. The Mortgagor further covenants to warrant and forever defend the Property unto the Mortgagee, his successors and assigns forever, from and against the Mortgagor and the claims of all other persons whomsoever. This Mortgage

FILED FOR RECORD
OCONEE COUNTY, S.C.
REGISTER OF DEEDS

2011 AUG - 9 A 9:45

shall remain in full force and effect unless and until all of the Obligations are paid, performed, observed and discharged in full.

ARTICLE TWO COVENANTS OF THE MORTGAGOR

2.1 PERFORMANCE AND PAYMENT. The Mortgagor shall perform, observe, and comply with all provisions of the Note and this Mortgage and shall promptly pay to the Mortgagee all principal, interest, and all other sums of money payable under the Note and pursuant to the provisions of this Mortgage without deduction or credit of any nature, and whether in due course and whether due by virtue of acceleration as provided hereinafter.

2.2 COMPLIANCE WITH LAWS AND COVENANTS. The Mortgagor covenants and warrants that the Property presently complies with and will continue to comply in all material respects with all applicable private restrictive covenants, easements and conditions of public record applicable to the Property, all applicable zoning and subdivision ordinances and building codes, all applicable ordinances and regulations affecting the use, construction and occupancy of the Improvements and all other applicable federal, state and local laws, rules, regulations, ordinances, codes, permits, licenses, interpretations and orders of any nature whatsoever with respect to the Property. The Mortgagor shall, promptly upon receipt, forward to the Mortgagee any notice received from any federal, state or other governmental body claiming that the Mortgagor or the Property is not in compliance with any such law, rule, regulation, covenant, or ordinance, and the Mortgagor shall take all reasonable steps to cure any such non-compliance.

2.3 TAXES, ASSESSMENTS AND LIENS.

a. Taxes and Assessments. The Mortgagor shall promptly pay or bond off, when and as due, all regular and special taxes, assessments, utility charges, and other charges, rates, dues, fees, levies, fines, impositions, liabilities, obligations, judgment, rents, and encumbrances of every nature and kind whatsoever now or subsequently levied or assessed upon or applicable to the Property or any operations thereon, or upon or against the interest of the Mortgagee therein, as well as all income taxes, assessments and other governmental charges levied and imposed by the United States of America or any state, county or other governmental taxing authority upon or against the Mortgagor or in respect to the Property or any part thereof. Notwithstanding the foregoing, however, the Mortgagor shall be entitled by appropriate proceedings to contest the validity of any such tax, assessment or charge so long as collection of the same by foreclosure of the lien thereof or otherwise upon the Property is stayed during the pendency of such proceedings and the Mortgagor deposits with the authority to which such tax, assessment or charge is payable, or in some other escrow arrangement satisfactory to the Mortgagee, funds or other appropriate security satisfactory to the Mortgagee for payment of or security for payment of the same, together with any applicable interests and penalties, should the same be determined to be due and owing.

b. Mechanic's and Other Liens. In the event of filing of any mechanic's, materialmen's or laborers' lien upon the Property, or any portion thereof, the Mortgagor shall give written notice thereof to the Mortgagee within thirty (30) days following service of written notice of such lien upon the Mortgagor and the Mortgagor shall obtain the discharge of such lien by payment, bonding or other means allowable at law within sixty (60) days following service of notice of such lien or claim of lien upon the Mortgagor.

c. Taxes Affecting Mortgagee's Interest. If any state, federal, municipal, or other governmental law, order, rule or regulation, passed subsequent to the date hereof, shall in any manner change or modify existing laws governing the taxation of mortgages or debts secured by mortgages, or the manner of the collection of any such taxes, and imposing a tax (either directly or indirectly) on this Mortgage or the Obligations secured hereby, the Mortgagee shall have the right to require the Mortgagor to pay to the Mortgagee within thirty (30) days following notice thereof, any costs to be borne by the Mortgagee attributable to the change of such law or laws.

d. No Credit Against the Obligations. The Mortgagor shall not claim, demand or be entitled to receive any credit against the Obligations for so much of the taxes, assessments or similar impositions assessed against the Property or any part thereof, as are applicable to the Obligations or to the Mortgagee's interest in the Property. No deduction shall be claimed from the taxable value of the Property or any part thereof by reason of the Note or this Mortgage.

2.4 MAINTENANCE OF THE PROPERTY.

a. Maintenance and Repair. The Mortgagor shall preserve and maintain the Property in good condition and repair, ordinary wear and tear excepted. The Mortgagor shall not permit, commit or suffer any waste, nuisance, impairment or deterioration of the Property or any part thereof, or any action or omission which will increase the risk of fire or other hazard to the Property or any part thereof.

b. Inspection. The Mortgagee and its representatives are authorized to enter upon and inspect the Property at any time during the life of this Mortgage, and the Mortgagor shall promptly make any repair or maintenance which may reasonably be required by the Mortgagee or its designated inspector as a result of any such inspection.

c. Compliance with Laws. The Mortgagor shall promptly comply with all present and future laws, ordinances, rules and regulations of any governmental authority affecting the Property.

2.5 CONDEMNATION. The Mortgagor represents to the Mortgagee that, to the best of its knowledge and belief, no condemnation or eminent domain proceedings are threatened or pending which will or might affect the Property, and in the event that the Mortgagor acquires knowledge or notice of such pending or threatened condemnation or eminent domain, the Mortgagor shall immediately thereafter give to the Mortgagee written notice of all details respecting such potential action. The Mortgagor shall apply any awards or proceeds received toward the repair, restoration or replacement of the Property so taken or toward repayment of any of the outstanding Obligations.

2.6 PERFORMANCE AND EXPENDITURES BY MORTGAGEE.

a. The Mortgagee may, at its sole discretion, take any action and make any disbursements necessary to protect its interest hereunder, including without limitation, actions or disbursements with respect to threatened, pending or contemplated actions, proceedings or disputes in which Mortgagee is or might be made a party or is a party plaintiff or party defendant, or which affects or might affect the Note or this Mortgage, or any of the interest of the Mortgagee or the Mortgagor therein, including without limitation, foreclosure of this Mortgage, condemnation of any portion of the Property or any action or protect the security hereof. The Mortgagor will pay or reimburse the Mortgagee immediately without demand for all costs, fees, charges, expenses and attorney's fees incurred or paid by the Mortgagee in any foregoing matter, including but not limited to bankruptcy, insolvency, litigation, code enforcement, eminent domain, or any other matter or proceeding involving the Note or this Mortgage or the Property, or in which the Mortgagee is otherwise designated a party plaintiff or party defendant.

b. Performance of Defaults. If the Mortgagor shall not pay when due any tax, assessment, insurance premium or utility or other charge, or timely perform or observe any other covenant, condition, term, representation or warranty in this Mortgage or the Note, then the Mortgagee, at its sole discretion, but without any obligation whatsoever, may perform or observe the same, or authorize itself or others to enter the Property or any part thereof for such purposes without thereby becoming liable to the Mortgagor or any person in possession, with all payments so made or costs or expenses so incurred to be added to the Obligations secured hereby and to be repaid immediately by the Mortgagor upon demand.

c. Nature of Expenditures. All sums paid or incurred by the Mortgagee pursuant to this provision shall bear interest at the rate then applicable to principal under the Note until the date of payment. The Mortgagee shall be the sole judge of the legality, validity and priority of any tax, assessment, premium, charge, claim or payment, and of the necessity or advisability of such expenditure.

2.7 FURTHER ASSURANCES. At any time, and from time to time, upon the Mortgagee's request, the Mortgagor shall make, execute and deliver, and cause to be made, executed and delivered to the Mortgagee and, where appropriate, shall cause to be recorded, filed, re-recorded or refiled and in such offices and places as shall be deemed desirable by the Mortgagee any and all such further mortgages, instruments of further assurance, certificates and other documents as the Mortgagee may consider necessary or desirable in order to continue and preserve the Obligations, this Mortgage, and the lien of this Mortgage as a first and prior lien upon all of the Property, subject only to those matters of title described in Article 1 above. Upon any failure by the Mortgagor to do so, the Mortgagee may make, execute, procure, record, file, re-record or re-file any and all such mortgages, instruments, financing statements, certificates and documents for and in the name of the Mortgagor, and the Mortgagor hereby irrevocably appoints the Mortgagee as the agent and attorney-in-fact of the Mortgagor to do so.

2.8 ESTOPPEL AFFIDAVITS. The Mortgagor, within ten (10) days after written request from the Mortgagee, shall furnish a written statement, duly acknowledged, in such form as may be required by the Mortgagee,

setting forth the unpaid principal balance of the Note and that there are no offsets or defenses against full payment and performance thereof or, if such offsets and defenses are claimed, specifying the same in reasonable detail. The Mortgagee, within ten (10) days after written request from the Mortgagor, shall furnish its written statement to the Mortgagor setting forth the unpaid principal of the Note, the date through which payments have been received, and that it has no knowledge of any default by the Mortgagor or, if such default exists, specifying the same in reasonable detail.

2.9 AFTER ACQUIRED PROPERTY. The lien of this Mortgage will automatically attach, without further act, to all after acquired property located in or on or attached to, or used or intended to be used in connection with, or with the operation of the Property or any part thereof.

2.10 BOOKS AND RECORDS. The Mortgagor shall keep and maintain at all times, complete, true and accurate books, records and rent rolls with respect to the Property, any operations thereon, and as to the Mortgagor, in form and content satisfactory to the Mortgagee, in accordance with generally accepted accounting principles consistently applied. The Mortgagee shall at all times have the right to examine the books, records, accounts and rent rolls maintained by the Mortgagor, or such other person as maintains the records, and to make such copies or abstracts thereof as the Mortgagee shall desire.

2.11 FUTURE ADVANCES. This Mortgage shall secure any future advances, with interest thereon at the rate then applicable to principal under the Note, made by the Mortgagee to or for the benefit of the Mortgagor, whether obligatory or not, to the same extent as though such future advances were made at the execution of the Note and this Mortgage; provided, however, that at no time shall the indebtedness secured by this Mortgage exceed the maximum principal sum of the Note, plus interest thereon, and such other sums as may become Obligations secured pursuant to the provisions of this Mortgage.

2.12 INDEMNIFICATION. The Mortgagor shall appear in and defend any suit, action or proceeding that might in any way, in the Mortgagee's sole judgment, affect the value of the Property, the Mortgagor's title thereto, or the rights, powers or interests of the Mortgagee hereunder. The Mortgagor shall at all times indemnify, hold harmless and reimburse the Mortgagee within thirty (30) days following written demand therefor for any and all loss, damage, expense or costs, including without limitation, attorney's fees arising out of or incurred in connection with any such suit, action or proceeding.

2.13 TRANSFER OF PROPERTY OR INTEREST IN MORTGAGOR. Except as may otherwise be expressly set forth herein or except for a transaction in which the Mortgagee is paid in full pursuant to the terms of the Note, the Mortgagor shall not, whether voluntarily, involuntarily or by process of law, sell, convey, transfer, lease or encumber, or consent to, create, permit or allow any encumbrance, subordinate mortgage or lien, or any other debt, charge or lien against the Property whatsoever.

2.14 ENVIRONMENTAL COMPLIANCE. Neither the Mortgagor, nor the Mortgagor's agents, employees, contractors or tenants shall generate, manufacture, refine, transport, treat, store, handle, dispose of, release, discharge, produce, or process any materials as defined as hazardous waste or substances under the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. Section 9601, et seq.), the Resource Conservation and Recovery Act (42 U.S.C. Section 6903, et seq.), the Hazardous Materials Transportation Act (42 U.S.C. Section 1801, et seq.), the Toxic Substances Control Act (15 U.S.C. Section 2601, et seq.), the Clean Air Act (42 U.S.C. Section 7401, et seq.), the Clean Water Act (33 U.S.C. Section 1251, et seq.), the South Carolina Hazardous Substances Act (S. C. Code Section 23-39-10, et seq.), and the South Carolina Underground Petroleum Environmental Response Bank Act (S. C. Code Section 44-2-10, et seq.), all as now existing or hereafter amended, or any other environmental protection laws or regulations presently or hereafter enacted unless such actions shall be in total and complete compliance with all applicable environmental laws, rules and regulations. No hazardous materials will be introduced or maintained on the premises in any manner unless done in strict compliance with applicable environmental laws, rules and regulations. The Mortgagor, and its agents, employees, contractors and tenants shall comply with all governmental regulations regarding environmental protection, shall keep the Property free and clear of any liens imposed pursuant to any applicable governmental requirements respecting environmental protection, and shall conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove any such hazardous materials on, from or affecting the Property pursuant to any such applicable governmental requirements. The Mortgagor shall indemnify, defend and hold harmless the Mortgagee from and against all liens, claims, damages, actions, causes of action, losses, damages, liabilities, costs and expenses whatsoever, including without limitation, penalties and reasonable attorneys' fees, incurred or suffered by or asserted against the Mortgagee, for, with respect to or as a direct or indirect result of the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release upon or from the Property of any such hazardous materials, regardless of whether the same may be caused

by or within the control of the Mortgagor, whether intentional or unintentional, or due to the violation of any applicable governmental requirements regarding environmental protection or any covenant or representation contained in this Mortgage with respect thereto by the Mortgagor. The foregoing covenants, provisions and indemnities shall survive any foreclosure or other realization by the Mortgagee on this Mortgage which may result in acquisition by the Mortgagee or conveyance by the Mortgagee of fee title of any other lesser right, title or interest, in or to the Property.

ARTICLE THREE DEFAULT AND REMEDIES

3.1 EVENTS OF DEFAULT. The term "Event of Default", wherever used in this Mortgage, shall mean any one or more of the following events:

a. Failure by the Mortgagor to pay any installment of principal and/or interest under the Note within thirty (30) days following written notice to the Mortgagor from the Mortgagee that any such installment of principal and/or interest has not been paid when due;

b. Failure by the Mortgagor to pay any other sums secured by this Mortgage within thirty (30) days following written notice to the Mortgagor from the Mortgagee requiring payment thereof;

c. Failure by the Mortgagor to perform, keep or observe any other covenant, condition, warranty, representation, obligation or agreement set forth in the Note or this Mortgage not cured to the Mortgagee's satisfaction within thirty (30) days following written notice to the Mortgagor from the Mortgagee specifying such breach by the Mortgagor;

d. Falsity in any material respect of any representations or warranties of the Mortgagor contained in the Note or the Mortgage as of the date made;

e. Any of the following actions by, against or involving the Mortgagor or any guarantor or endorser of all or any part of the Obligations: (1) filing of a voluntary petition in bankruptcy; (2) adjudication as a bankrupt or insolvent; (3) the filing of any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency, or other relief for debtors; (4) any petition for, consent to or acquiescence in the appointment of any trustee, receiver or liquidator for the Mortgagor or any such guarantor or endorser, or of all or any income or profits therefrom; (5) the making of any general assignment for the benefit of creditors; (6) the admission in writing of its inability to pay its debts when due; (7) the entry by a court of competent jurisdiction of any order, judgment or decree approving a petition filed against the Mortgagor or any such guarantor or endorser seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, which order, judgment, or decree remains unvacated and unstayed for an aggregate of sixty (60) days from the date of entry thereof; or (8) the appointment of any trustee, receiver or liquidator of the Mortgagor or any such guarantor or endorser, or of all or any substantial part of the Property or of any or all of the rents, revenues, issues, earnings, profits or income thereof, without the prior written consent of the Mortgagee, which appointment shall remain unvacated or unstayed for an aggregate of sixty (60) days from the date of appointment.

3.2 REMEDIES UPON DEFAULT. Upon occurrence of any Event of Default, the Mortgagee shall have the right to immediately exercise any and all of the following rights and remedies without further notice to the Mortgagor:

a. Right to Perform for Mortgagor. The Mortgagee may, but shall not be obligated to, perform any covenant, duty or Obligation of the Mortgagor whatsoever, the expense or payment of which shall be added to and become a part of the Obligations which the Mortgagor hereby covenants and agrees to pay to the Mortgagee immediately upon demand, with interest at the rate as set forth in the Note;

b. Right to Accelerate. The Mortgagee shall have the right to accelerate and declare the Note and all outstanding Obligations to be immediately due and payable in full;

c. Right to Foreclose. The Mortgagee shall have the right to foreclose this Mortgage and to have a judicial sale of the Property, as an entirety or in separate lots or parcels, under the judgment or decree of a Court of competent jurisdiction. The Mortgagee shall retain the right at all times to bid upon

and purchase the Property, or any portion thereof, at such sale, and upon compliance with such bid, to hold, retain, possess and dispose of the Property or the portion thereof so acquired in its own absolute right without further accountability of any nature to the Mortgagor or any other persons whomsoever. The Mortgagee shall further, at its option, be authorized to foreclose this Mortgage subject to the rights of any tenants of the Property, and the failure to name any such tenants as parties defendant to any such foreclosure proceedings and to foreclose their rights will not be, nor be asserted by the Mortgagor or any other persons to be, a defense to any proceedings instituted by the Mortgagee to collect the sums secured hereby or to collect any deficiency remaining unpaid after the foreclosure sale of the Property. The Mortgagee shall have the right to credit the amount of its bid, should it be the successful bidder on the Property or any portion thereof, upon the unpaid outstanding amount of the Obligations in lieu of a cash payment therefor;

d. Right to Sue for Enforcement of Obligations. In addition to all rights of foreclosure set forth hereinabove and with or without entry into or taking possession of the Property as hereinafter provided, the Mortgagee shall have the right to enforce payment, performance and/or observance of any of the Obligations by instituting any other proceedings at law or in equity (including specific performance) for payment, observance or performance of the Obligations or of any other terms or conditions set forth in the Note or this Mortgage, including without limitation, the right to seek judgment for the recovery of all outstanding Obligations either before, after or during the pendency of or as a part of any actions for foreclosure or enforcement of this Mortgage without any impairment of the lien of this Mortgage or the rights, powers and remedies conferred upon the Mortgagee, or the foreclosure of the lien hereof;

e. Right to Appointment of Receiver. The Mortgagee, upon application to a court of competent jurisdiction, shall have the absolute right to the appointment of a receiver of the Property and of the income, rents, issues and profits thereof, without regard to the value or occupancy of the Property and without any showing of any insolvency, fraud, or mismanagement on the part of the Mortgagor, and without the necessity of filing any judicial or other proceeding other than the proceeding for the appointment for such receiver. Such receiver shall have all powers granted to the Mortgagee herein to enter upon and operate the Property, together with any other powers available to receivers by law and as may be conferred by the Court which appoints such receiver. All expenditures of any nature incurred in connection with such receivership shall be deemed to be a part of the Obligations and shall be secured by this Mortgage;

f. Rights to Collect Rents and Other Income. The Mortgagee shall have the right to collect and receive all income, revenues, rents, issues and profits of or attributable to the Property, any operations thereon, and any leases thereof, with or without entry upon or taking possession of the Property as provided hereinafter;

g. Right to Enter, Take Possession Of, and Operate the Property. The Mortgagor shall, immediately upon demand from the Mortgagee, forthwith surrender to the Mortgagee actual possession of the Property. To the extent permitted by law, the Mortgagee, itself or through its agents or representatives, may enter upon, take and maintain exclusive possession of the Property, or any part thereof, with all costs and expenses thereof (including without limitation, all costs, expenses and attorneys' fees incurred in connection with any suit or proceeding which may be brought by the Mortgagee to obtain immediate possession of the Property as aforesaid) to be a part of the Obligations secured by this Mortgage. Upon such entry and taking possession of the Property, the Mortgagee, in its own name or in the name of the Mortgagor, may hold, store, use, conduct the business thereof, make repairs, replacements, alterations, and improvements to the Property and any portion thereof, and enter into agreements with others to exercise any of the foregoing powers, all as the Mortgagee may deem necessary or desirable; or

h. Suits to Protect the Property. The Mortgagee shall have the right to institute and maintain any suits and proceedings which it may deem advisable for the purpose of preventing any impairment of the Property by any acts which may be unlawful or in violation of this Mortgage, preserving and protecting its interest in the Property, or restraining the enforcement of or compliance with any legislation or governmental regulations, rules or orders, the enactment or enforcement of which may impair the security hereunder or the Mortgagee's interest herein.

3.3 WAIVER OF REDEMPTION. To the fullest extent permitted by law, the Mortgagor, for itself and all who may at any time claim through or under it, hereby waives and releases all benefits of any applicable law exempting the Property from attachment, levy or sale on execution, stay of execution, exemption from civil process, redemption or extension of time for payment.

3.4 APPLICATION OF PROCEEDS. Any proceeds of any nature and kind derived from the exercise of any remedy conferred herein following occurrence of an Event of Default shall be applied to the Obligations in such order of priority as the Mortgagee shall determine.

3.5 DISCONTINUANCE OF PROCEEDINGS. The Mortgagee at its sole option for any reason whatsoever, shall have the right to discontinue at any time any proceedings for enforcement of this Mortgage, in which case the Mortgagor and the Mortgagee shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of the Mortgagee shall continue as if no such proceeding had occurred or had been taken.

3.6 NO WAIVER. No delay or failure by the Mortgagee to exercise any right or remedy conferred hereunder upon occurrence of an Event of Default shall be deemed a waiver by the Mortgagee of any future right to exercise such right or remedy or any other right or remedy provided herein; nor shall any waiver of any Event of Default be deemed to be a waiver of any other Event of Default or of the future occurrence of the same Event of Default.

3.7 NATURE OF REMEDIES. No right, power or remedy conferred upon or reserved to the Mortgagee by the Note or this Mortgage is exclusive of any other right, power or remedy. Each right, power and remedy is cumulative and concurrent; shall be in addition to any other right, power and remedy under the Note or this Mortgage, and now or hereafter existing at law, in equity or by statute; and may be pursued separately, successively or concurrently against the Mortgagor and/or the Property, at the sole discretion of the Mortgagee. The Mortgagor hereby ratifies any and all acts which the Mortgagee shall lawfully do by virtue hereof.

ARTICLE FOUR MISCELLANEOUS

4.1 USURY. The Mortgagor and the Mortgagee intend at all times to comply with all applicable usury and similar laws, if any. Should any such laws, whether now or hereafter existing, at any time render usurious any provisions of the Note or this Mortgage, then all excess amounts theretofore collected by the Mortgagee shall be refunded to the Mortgagor or applied to the reduction of the unpaid outstanding principal balance of the Note, with the Note to thereupon be reformed, and the amounts collectible thereafter to be reduced to permit the recovery by the Mortgagee of the fullest amount allowable by law and otherwise called for in the Note.

4.2 SURVIVAL. All representations, warranties and covenants made herein or in the Note shall survive the execution and delivery hereof and shall remain in full force and effect until complete payment and discharge of the Obligations.

4.3 SEVERABILITY. Unenforceability or invalidity for any reason of any provision of this Mortgage or the Note shall not limit or impair the operation, validity or enforceability of any other provision of this Mortgage or the Note.

4.4 NOTICES. All notices, requests and demands to or upon the respective parties made or required to be made pursuant to the terms of the Note or this Mortgage shall be in writing and shall be deemed to be given or made when personally delivered or when deposited in (a) the United States mail, registered or certified, postage prepaid, return receipt requested, or (b) Federal Express or other comparable overnight private courier service, addressed in any such event, to the Mortgagor or the Mortgagee at the address set forth hereinabove or at such other address as may hereafter be designated in writing by the respective parties hereto.

4.5 GOVERNING LAW. This Mortgage shall be governed and construed under and in accordance with the laws of the State of South Carolina. The Mortgagor, by execution of this Mortgage, agrees that any legal actions or proceedings with respect to this Mortgage shall be subject to the jurisdiction of and shall be brought in the courts of the State of South Carolina.

4.6 WAIVER OF JURY TRIAL. *The Mortgagor and Mortgagee acknowledge that the right to trial by jury is a Constitutional one, but that it may be waived. Each party, after consulting (or having had this opportunity to consult) with counsel of their choice, knowingly and voluntarily, and for their mutual benefit, waives any right to trial by jury in the event that litigation arises regarding the performance or enforcement of, or in any way related to, this Mortgage or the Obligations.*

4.7 HEIRS, SUCCESSORS AND ASSIGNS. This Mortgage shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns. It is expressly recognized and

EXHIBIT A

ALL that piece, parcel, lot or tract of land lying and being in Oconee County, South Carolina and shown and designated as a "The Cliffs at Keowee Falls South, Towne Landing, Lot 8, 1.14 acres" on a plat entitled "Keowee Falls South Towne Landing, Lots 2 thru 32" Lindsey & Associates, Inc., dated February 8, 2007 and recorded in the Register of Deeds office for Oconee County in Plat Book B358 at Pages 6 & 7.

This being a portion of the same property conveyed to Keowee Falls Investment Group, LLC by Deed from F. H. Myers Construction Corp. recorded in the Oconee County ROD in Deed Book 1822 at Page 163 on March 1, 2011.

TMS#: 41099-06-01-008

See Deed 1849 pg. 211

FILED FOR RECORD
OCONEE COUNTY, S.C.
REGISTER OF DEEDS
2011 AUG -9 A 9:45

MEMBERSHIP AGREEMENT

THIS MEMBERSHIP AGREEMENT (this "Agreement") is executed this 30 day of April, 2010, by and between **THE CLIFFS CLUB & HOSPITALITY GROUP, INC.** (the "Club") and **VICTORIA A. ANTHONY** (the "Lender") and is executed and delivered in connection with that certain Loan Agreements (the "Loan Agreements") executed simultaneously herewith between Lender and The Cliffs Communities, Inc. (the "Borrower"). Capitalized terms used herein but not otherwise defined have the meanings given to such terms in the Loan Agreement.

WHEREAS, the Club is the administrator and owner of the club facilities (including but not limited to Cliffs at High Carolina, Cliffs at Mountain Park, Cliffs at Keowee Falls North, Cliffs at Keowee Falls South, The Cliffs at Keowee Springs, Cliffs at Keowee Vineyards, Cliffs at Glassy, Cliffs Valley, Cliffs Valley North and Cliffs at Walnut Cove) located in Borrower's residential developments and has been duly authorized to enter into this Membership Agreement;

WHEREAS, Borrower and Lender have entered into the Loan Agreement; and the Lender has entered into Loan Agreements with Other Lenders, this Membership Agreement may be assigned to the Other Lenders based on the Property used as collateral assigned to these Lenders.

WHEREAS, the Loan Agreement provides that after the occurrence and during the continuance of an Event of Default, a Golf Membership will be made available to a third party purchaser of each piece of Property that is part of the Collateral; and

WHEREAS, the execution and delivery of this Agreement is a condition to the effectiveness of the Loan Agreements.

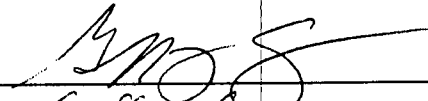
NOW, THEREFORE, in consideration of the above premises and the mutual promises and covenants contained in the Loan Agreement and the other Loan Documents, Borrower, Lender, and Club agree as follows:

1. Upon the occurrence and during the continuance of an Event of Default, in addition to the Lender's right to enforce its rights and remedies pursuant to the Loan Documents, the Lender will be entitled to exercise the right to offer and sell (at the then prevailing membership rates) one Golf Club Membership for each piece of Property that is part of the Collateral pursuant to the terms and conditions set forth in the Membership Plan; provided, however, that the Lender shall not be entitled to receive any payments from the Borrower in respect of the Golf Club Memberships. The Lender shall only offer and sell the Golf Club Memberships to purchasers of each such Property.
2. This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina without regard to conflict of laws principles.

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto as of the date first written above.

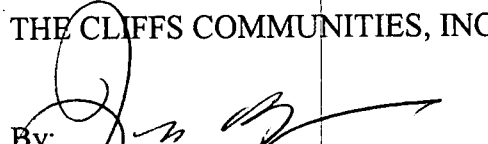
CLUB:

CLUB'S HOSPITALITY GROUP
THE CLIFFS GOLF & COUNTRY CLUB, INC.

By: 
Name: *Geoffrey Carey*
Title: *EVP CCHG, Inc.*

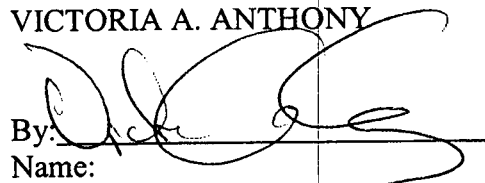
BORROWER:

THE CLIFFS COMMUNITIES, INC.

By: 
Name:
Title:

LENDER:

VICTORIA A. ANTHONY

By: 
Name:

George D. Cox
151 Banks Rd.
Easley, SC 29640

U.S. POSTAGE
PAID
EASLEY, SC
29640
MAY 14, 2012
AMOUNT
\$1.30
00020105-03



1000

56317

FIRST CLASS

RECEIVED
MAY 17 2012
BMC GROUP

BMC Group, Inc.
ATTN: Cliffs Claims Processing
PO Box 3020
Chanhassen, MN 56317-3020

FIRST CLASS