

UNITED STATES BANKRUPTCY COURT District of South Carolina		PROOF OF CLAIM
Name of Debtor: The Cliffs Club & Hospitality Group, Inc., et al.		Case Number: 12-01220
<i>NOTE: This form should not be used to make a claim for an administrative expense 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.</i>		
Name of Creditor (the person or other entity to whom the debtor owes money or property): Carl R. Renfro, Trustee of the Carl R. and Carolyn S. Renfro Revocable Living Trust		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____
Name and address where notices should be sent: James M. Bailey P.O. Box 1069 Ponca City, OK 74602 Telephone number: (580) 762-6666		<div style="text-align: center; font-weight: bold; font-size: 1.2em;">RECEIVED</div> <div style="text-align: center; font-weight: bold; font-size: 1.2em;">MAY 29 2012</div> <div style="text-align: center; font-weight: bold; font-size: 1.2em;">BMC GROUP</div>
Name and address where payment should be sent (if different from above): Telephone number:		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.
1. Amount of Claim as of Date Case Filed: \$ <u>N/A</u> If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. <input type="checkbox"/> 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.		5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. 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"/> 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"/> Contributions to an employee benefit plan – 11 U.S.C. §507 (a)(5). <input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. §507 (a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. §507 (a)(8). <input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. §507 (a)(). Amount entitled to priority: \$ _____
2. Basis for Claim: <u>executory contract</u> (See instruction #2 on reverse side.)		*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.
3. Last four digits of any number by which creditor identifies debtor: <u>8279</u> 3a. Debtor may have scheduled account as: _____ (See instruction #3a on reverse side.)		
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input checked="" type="checkbox"/> Other Describe: <u>See Attachment "A"</u> Value of Property: \$ _____ Annual Interest Rate _____ % 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: \$ _____		
6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim. 7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 7 and definition of "redacted" on reverse side.) DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain:		
Date: 05/24/2012	Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. Carl R. Renfro, Trustee	
		FOR COURT USE ONLY Cliffs POC 01033

Attachment "A"

The basis of this claim arises from a secured loan by the Carl R. Renfro and Carolyn S. Renfro Revocable Living Trust (the "Trust") to Cliffs Communities, Inc. ("CCI"). The Trust entered into a Loan Agreement (the "Loan Agreement") attached hereto as Exhibit "1" pursuant to which the Trust loaned the money to CCI secured by first priority real estate Mortgages on properties owned by CCI affiliated entities. The Mortgages are attached as Exhibits "2," "3" and "4." The Loan Agreement provides that upon default by CCI, the Trust has the right to offer and sell golf club memberships ("Memberships") for each piece of property that is a part of the collateral. At the time this transaction was entered into, CCI owned and controlled the Master Membership Plan of the Cliffs Clubs ("MMP"). Apparently ownership and/or control of the MMP has been transferred to or acquired by Clubs Club & Hospitality Group, Inc. ("ClubCo") or a parent subsidiary or affiliate thereof. This claim is being filed to establish and preserve the rights of the Trust under the Loan Agreement and related documents as to the Memberships, as the Trust was neither informed of, nor did it consent to any transfer of control of the MMP. It is anticipated by Trust that as a part of the ClubCo reorganization, the MMP will be substantially amended, modified or rescinded as a part of that proceeding and the Trust files this claim to preserve its rights pertaining to Memberships as provided in the Loan Agreement.

LOAN AGREEMENT

THIS LOAN AGREEMENT (this "Agreement") is made and entered into this 25th day of August, 2009, by and among **The Cliffs Communities, Inc.**, a South Carolina corporation (the "Borrower"), **James B. Anthony** (the "Guarantor"), and **Carl R. Renfro or Carolyn S. Renfro, Trustors and/or Trustees of The Carl R. and Carolyn S. Renfro Revocable Living Trust, dated June 10, 1997** (the "Lender").

WITNESSETH:

The Borrower and the Lender have agreed for the Lender to provide certain financing to Borrower as more particularly described in this Agreement, upon compliance by the Borrower with the terms and provisions hereof. In consideration of the covenants, terms, provisions and conditions set forth hereinafter and of the financing identified hereinafter to be provided by the Lender to the Borrower and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the Borrower, the Guarantor and the Lender hereby agree as follows:

ARTICLE ONE DEFINITIONS

1.1 CERTAIN DEFINITIONS. As used in this Agreement, the following terms shall have the following meanings:

(a) ADMINISTRATIVE SERVICES AGREEMENT. The Administrative Services Agreement of even date by and among the Lender, the Borrower, the Guarantor, and the Third Party Administrator.

(b) ADVANCES. All advances of Loan proceeds hereunder made by the Lender to or for the benefit of the Borrower for the purposes set forth in this Agreement.

(c) AFFILIATE. Any Person directly or indirectly owning five percent (5%) or more of the voting stock or equity interests of an entity or of which the named Person owns five percent (5%) or more of such voting stock or equity interests; (b) any Person controlling, controlled by or under common control with such named Person; (c) any officer, director or employee of such named Person or any Affiliate of the named Person; and (d) any family member of the named Person or any Affiliate of such named Person.

(d) AGREEMENT. This Agreement as defined above shall include all exhibits, schedules, amendments, modifications and supplements to this Agreement, now or hereafter executed by the Obligors and the Lender.

(e) APPRAISER. The appraiser selected by the Borrower, subject to approval by the Lender, to appraise the value of the Property to secure the Loan.

- (f) CLIFFS CONSTRUCTION. Cliffs Construction, LLC, a South Carolina limited liability company.
- (g) CLOSING. The date of the execution and delivery hereof by the Obligors and the Lender.
- (h) COLLATERAL. Collateral shall mean and include the Property securing the Obligations pursuant to the provisions of Article Two of this Agreement.
- (i) EVENT OF DEFAULT. Event of Default shall have the meaning specified in Article Six, provided that there shall have been satisfied any requirement in connection with such event for the giving of notice or the lapse of time, or both.
- (j) GOLF CLUB MEMBERSHIPS. Memberships which provide access to all golf courses, sports, wellness and fitness centers, clubhouses, dining facilities, equestrian and marina facilities, hiking and walking trails, private parks and pavilions located within The Cliffs Communities (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), subject to the terms, conditions and limitations of the Membership Plan.
- (k) GOVERNMENTAL AUTHORITY OR GOVERNMENTAL AUTHORITIES. Any federal, state or local governmental, quasi-governmental or regulatory authority, agency, department, commission, board, bureau, instrumentality or subdivision, including courts, tribunals and arbitrators.
- (l) GOVERNMENTAL REQUIREMENTS. All laws, ordinances, orders, rules or regulations of all Governmental Authorities, including without limitation zoning ordinances, subdivision regulations, building codes, environmental regulations, public health regulations, fire protection codes, and all other laws, ordinances, orders, rules or regulations imposed by applicable Governmental Authorities.
- (m) GUARANTOR. Guarantor has the meaning set forth in the introductory paragraph hereof and includes any other Person hereinafter guaranteeing all or any portion of the Obligations.
- (n) GUARANTY AGREEMENT. The Guaranty Agreement of even date from the Guarantor to the Lender guaranteeing the Obligations.
- (o) HAZARDOUS MATERIALS. Any substance (i) which is or becomes defined as a "hazardous waste", "hazardous substance", pollutant or contaminant under any Governmental Requirement relating to the protection of human health or the environment including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601, et. seq.), and the Resource Conservation and Recovery Act (42 U.S.C. Section 6903, et. seq.), (ii) the presence of which requires investigation or remediation under any Governmental Requirement relating to the protection of human health or the environment; (iii)

which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or may become regulated by any Governmental Authorities; (iv) the presence of which on the Property causes or threatens to cause a nuisance upon the Property or to adjacent properties, or poses or threatens to pose a hazard to the health or safety of persons on or about the Property or adjacent properties; (v) the presence of which on adjacent properties could constitute a trespass thereon by the Borrower; or (vi) which contains gasoline, diesel fuel, other petroleum hydrocarbons, asbestos, asbestos-containing materials, formaldehyde, or polychlorinated biphenyls.

(p) KEOWEE SPRINGS. The Cliffs at Keowee Springs, LLC, a South Carolina limited liability company.

(q) LOAN. The loan financing pursuant to this Agreement, as evidenced by the Note, inclusive of all of the Obligations, Collateral and Loan Documents respecting the same.

(r) LOAN DOCUMENTS. This Agreement, the Note, the Mortgage, the Guaranty Agreement, the Administrative Services Agreement, and any and all other loan documents, instruments and certificates, required to be executed and/or delivered to the Lender in connection with the Loan as required under any of the terms of this Agreement.

(s) MATURITY DATE. August 25, 2014.

(t) MEMBERSHIP PLAN. That certain Master Membership Plan of The Cliffs Clubs, as amended and modified from time to time, a copy of which is attached hereto as Exhibit "A".

(u) MORTGAGE. Collectively, any mortgage of even date executed by Cliffs Construction, Keowee Springs or Mountain Park for the benefit of the Lender as security for the Obligations and covering the Property, including any improvements.

(v) MOUNTAIN PARK. The Cliffs at Mountain Park, LLC, a South Carolina limited liability company.

(w) NOTE. The Promissory Note of even date from the Borrower to the Lender evidencing the Borrower's obligation to repay the Loan to the Lender, with interest, in accordance with the terms set forth therein.

(x) OBLIGATIONS. All indebtedness, liabilities and obligations to be paid, performed and/or observed by the Obligors in connection with the Loan, all of which are secured by the Collateral and which are defined more fully in the Loan Documents.

(y) OBLIGORS. Collectively, the Borrower and the Guarantor.

(z) PERSON. A corporation, limited liability company, an association, a partnership, an organization, a business, an individual or a governmental or political subdivision thereof, or any Governmental Authority.

(aa) PROPERTY. Those certain parcels of land and all improvements thereon located in the Counties of Pickens, Greenville, and Oconee, State of South Carolina, having an appraised value equal to approximately 200% in the case of improved parcels and 300% in the case of unimproved parcels of the total principal amount of the Loan, to be provided by Borrower, Cliffs Construction, Keowee Springs, and/or Mountain Park as Collateral for the Obligations, the land being more fully described on Exhibit "B" attached hereto and incorporated herein; provided, however, upon the sale of any or all of the Property to a third party purchaser, such sold Property shall no longer be Property hereunder.

(bb) SUBSTITUTED PROPERTY. Property which is substituted as Collateral for the Loan in the event that any part of the Property is sold and the Borrower requests an Advance from the Lender.

(cc) THIRD PARTY ADMINISTRATOR. The Trust and Investment Group Division of The Palmetto Bank, its successors and assigns.

(dd) TITLE COMMITMENT. The Lender's title insurance commitment number 09-7797 issued by the Title Insurer, effective August 14, 2009 in the amount of the Note.

(ee) TITLE INSURER. Investors Title Insurance Company.

(ff) TITLE POLICY. The Lender's title policy issued pursuant to the Title Commitment.

1.2 USE OF DEFINED TERMS. All terms defined in this Agreement shall have the same defined meanings when used in any other Loan Documents, unless the context shall require otherwise.

1.3 ACCOUNTING TERMS. All accounting terms not specifically defined herein shall have the meanings generally attributed to such terms under Generally Accepted Accounting Principles ("GAAP") consistently applied.

1.4 TERMINOLOGY. All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders, the singular shall include the plural, and the plural shall include the singular. Titles of Articles and Sections in this Agreement are for convenience only and neither limit nor amplify the provisions of this Agreement, and all references in this Agreement to Articles, Sections, Subsections, paragraphs, clauses, subclauses, Schedules or Exhibits shall refer to the corresponding Article, Section, Subsection, paragraph, clause, subclause of, Schedule or Exhibit attached to, this Agreement unless specific reference is made to the articles, sections or other subdivisions of or Schedule or Exhibit to another document or instrument.

1.5 SCHEDULES AND EXHIBITS. All Schedules and Exhibits attached hereto are by reference made a part hereof as fully as if the contents thereof were set forth expressly herein.

ARTICLE TWO
THE LOAN TRANSACTION

2.1 FINANCING. This Agreement is executed by and among the parties hereto for the purpose of setting forth all terms and conditions with respect to the Loan and is intended to include all covenants, conditions, representations and warranties made in connection with the Loan. This Agreement shall be deemed to incorporate by reference all of the terms set forth in all of the Loan Documents. Should any conflict arise between any terms of this Agreement and any other Loan Document, the terms of this Agreement shall prevail; except that the terms of the Note respecting the repayment obligations of the Borrower shall prevail over any inconsistent provision of this Agreement or any other Loan Document.

2.2 EVIDENCE OF INDEBTEDNESS. Subject to and upon the terms and conditions of this Agreement, the Lender agrees to lend and to make available to the Borrower and the Borrower agrees to accept and borrow from the Lender an amount not to exceed the sum of \$5,000,000.00 at any one time outstanding, which indebtedness shall be evidenced by the Note. Upon ten (10) days written notice to Lender, Borrower may reduce the maximum principal amount of the Loan, provided such reduction shall not be less than the aggregate amount of principal outstanding as of the date of such notice and Lender shall execute and deliver, or cause to be executed and delivered, to the Borrower, Obligors and Cliffs Construction, Keowee Springs and Mountain Park such revisions to the Loan Documents or further documents, instruments, certificates, assurances and other items, and shall do all such additional and further acts and deeds which Borrower, Obligors and Cliffs Construction, Keowee Springs and Mountain Park shall reasonably deem necessary or desirable to effectuate such reduction, release of Collateral, and the intent of this Agreement.

2.3 INTEREST RATE. During the term of the Loan, the interest rate under the Note shall be fourteen percent (14%) per annum. Interest shall accrue only upon funds actually advanced by the Lender to and for the benefit of the Borrower pursuant to the terms of the Note and this Agreement, based upon a 365/366-day year.

2.4 ADVANCES. Lender agrees, on the terms and conditions set forth in this Agreement, to make Advances to Borrower from time to time until the Maturity Date in amounts such that the aggregate principal amount of such Advances at any one time outstanding will not exceed the principal amount of the Note. Borrower shall give Lender irrevocable telephonic notice of each proposed advance not later than 2:00 p.m. (local time in Greenville, South Carolina) (a) at least five business days before each proposed advance. Each such notice shall specify (i) the date of such advance, which shall be a business day and (ii) the amount of each advance. Notices received after 2:00 p.m. (local time in Greenville, South Carolina) shall be deemed received on the next business day. Lender's acceptance of such a request shall be indicated by its making the advance requested. Such advance shall be made available to Borrower in immediately available funds by deposit into a deposit account specified by Borrower.

2.5 COMMITMENT FEE. Borrower shall pay to Lender a fee for each day equal to the product of (i) five percent (5%) per annum multiplied by (ii) the difference between (A) the maximum principal amount of the Loan and (B) the aggregate outstanding amount of the Loan

on such day, payable monthly on the first day of each month with respect to the immediately preceding month.

2.6 TERM. The term of the Loan shall end on the Maturity Date.

2.7 REPAYMENT. Interest payments will be due and payable by the Borrower within five (5) business days following the end of each month. Principal will be payable by the Borrower immediately upon the Maturity Date, but the Loan may be prepaid or repaid by Borrower in whole or in part at any time upon notice to the Lender. Upon the sale of each designated parcel of land, including all improvements thereto, located in the Property, the Borrower shall pay an amount equal to fifty percent (50%) of the appraised value of the Property sold to pay the then outstanding principal balance on the Loan and accrued and unpaid interest through the date of such sale.

2.8 NOTE. The sums advanced hereunder shall be evidenced by the Note and shall be payable to the order of Lender in the principal amount and pursuant to the terms set forth in this Agreement.

2.9 ORIGINATION FEE. At each Advance, Borrower will pay to Lender a one percent (1%) origination fee; provided, however, that the aggregate amount of all origination fees shall not exceed \$50,000.00.

2.10 COLLATERAL AND APPRAISAL. The Note and all other Obligations shall be secured by the Collateral, all in accordance with the terms and provisions of the Loan Documents. The appraised value of the Property and any Substituted Property at all times during the term of the Loan shall be equal to approximately 200% in the case of improved parcels and 300% in the case of unimproved parcels of the total principal amount of the Loan. The initial appraisals for the Property are dated as of Closing, and Borrower shall update the appraisals each six months during the term of the Loan or as otherwise agreed upon in writing by the Borrower and the Lender.

2.11 GUARANTY. The Loan and the other Obligations will be guaranteed by the Guarantor pursuant to the Guaranty Agreement. The Guaranty Agreement will terminate upon the repayment of the Obligations.

2.12 CLUB MEMBERSHIPS. 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.

2.13 PURPOSES AND USES. The proceeds of the Loan will be used for the purposes of providing working capital and funding capital improvements and general corporate purposes (including operating expenses) of the Borrower.

ARTICLE THREE CONDITIONS PRECEDENT

The obligation of the Lender to make the Loan available to the Borrower is subject to the Borrower's obligation to execute and/or deliver to the Lender, or the waiver by the Lender of the Borrower's obligation to execute and/or deliver to the Lender, at or prior to the Closing, the following instruments and documents, all of which shall first be reviewed by and must be reasonably acceptable to the Lender and its legal counsel as to both form and substance:

3.1 LOAN DOCUMENTS. The Note, the Mortgage, the Guaranty Agreement and such other Loan Documents as Lender may reasonably require from time to time. At or immediately upon Closing, the Mortgage and any other Loan Documents which the Lender shall require to be recorded or filed shall be recorded and filed in the appropriate recording offices.

3.2 TITLE INSURANCE AND DOCUMENTS. The Borrower shall have delivered to the Lender the Title Commitment from the Title Insurer, whereby the Title Insurer shall insure the Mortgage as of the date and time of its recordation as a good and valid first priority Mortgage upon the Property without exception, other than as set forth in the Title Commitment, subject only to the review and approval by the Lender of all exceptions set forth therein and subject to fulfillment of the requirements precedent to the issuance of the Title Policy and endorsements as are set forth in the Title Commitment. The Borrower covenants and agrees to provide to the Lender prior to Closing, for review and approval, copies of all exceptions to title listed in Schedule B-2 of the Title Commitment, and appropriate owner's and contractor's affidavit and lien waiver forms. Immediately upon recordation of the Mortgage, the Borrower shall cause the Title Insurer to issue and deliver to the Lender the Title Policy insuring the Mortgage as a good and valid first Mortgage upon the Property as of the date and time of recording thereof, in conformity with the Title Commitment and without exception other than previously set forth in the Title Commitment and thereafter approved by the Lender.

3.3 APPRAISAL. The written appraisals of the value of the Property by the Appraiser dated as of Closing, setting forth an appraised value of the Property equal to approximately 200% in the case of improved parcels and 300% in the case of unimproved parcels of the total principal amount of the Loan.

3.4 ORGANIZATIONAL AND SUPPORTING DOCUMENTS. The Borrower shall submit to the Lender its written and executed Certificate, to which shall be attached true copies of its Articles of Incorporation, Bylaws and all amendments thereto, and appropriate resolutions authorizing the transactions contemplated herein and designating its authorized signatories who shall have the power and authority to execute and deliver all Loan Documents on its behalf. Each of Cliffs Construction, Keowee Springs, and Mountain Park shall submit to the Lender its written and executed certificate, to which shall be attached true copies of its Articles of Organization, its Operating Agreement, and all amendments thereto, and appropriate resolutions

authorizing the transactions contemplated herein and designating its authorized signatories who shall have the power and authority to execute and deliver all Loan Documents on its behalf.

3.5 INSURANCE. Policy or policies of insurance, with receipts indicating payment in full of all premiums thereon, confirming public liability insurance insuring the Borrower and providing coverage of Lender as an additional insured. Borrower shall provide to Lender a certificate issued by Borrower's insurance company setting forth the amount of insurance, the additional insured endorsement, the policy number, the date of expiration, and an endorsement that Lender party shall receive more than thirty (30) days written notice prior to cancellation, non-renewal, material change to or expiration of the policy.

3.6 CLOSING DISBURSEMENT. A closing statement which shall evidence the payment by the Borrower at Closing of all expenses of or connected with the Closing of the Loan, including without limitation the full loan origination fee, all recording fees, documentary stamps, title insurance premiums, title examination fees, insurance premiums, appraisal fees, and reasonable attorneys' fees for the Lender's attorneys, any other applicable reasonable costs and expenses associated or connected with the Closing of the Loan.

3.7 OPINION OF BORROWER'S COUNSEL. An opinion of Borrower's counsel substantially in the form and content as attached hereto as Exhibit "C".

3.8 CONDITIONS PRECEDENT TO ADVANCE OF LOAN PROCEEDS. The obligation of the Lender to make the Loan and disburse any monies hereunder is subject to the compliance by the Borrower with the following requirements at the time of each such advance:

A. Interest Reserve Account. Borrower will establish and maintain an Interest Reserve Account under the control of the Third Party Administrator in an amount equal to approximately one (1) year of interest payment Obligations of Borrower on the aggregate amount of Advances outstanding from time to time. Beginning on September 30, 2009 and each quarter thereafter, the Third Party Administrator will prepare a monthly status report that will include the principal amount and accrued interest on all outstanding Advances made by the Lender to the Borrower from time to time and the amount required to maintain not less one (1) year of interest payment obligations in the Interest Reserve Account. If the amount in the Interest Reserve Account is depleted below the required minimum as reported in the most recent monthly status report, Borrower will be required within 30 days from the date of written notice from the Third Party Administrator of such deficiency to deposit an amount into the Interest Reserve Account necessary to restore the amount on deposit to equal at least one year of interest due from Borrower to the Lender on all outstanding Advances from Lender to Borrower as of the date of such report. If Borrower fails to fund the Interest Reserve Account as required, then the Third Party Administrator will deliver a written demand to the Guarantor to deposit an amount required to fund the Interest Reserve Account as required.

B. Representations and Warranties. All representations and warranties of the Obligors contained in this Agreement and all Loan Documents shall be true and correct in all material respects on the date of any advance.

C. Other Conditions. All Conditions Precedent set forth in Article Three of this Agreement shall have been and shall remain fulfilled in all material respects on the date of any advance.

D. Performance. The Borrower shall have fully performed all duties and Obligations required to be performed hereunder as of or prior to the date of such requested advance.

E. No Defaults. The Borrower shall not be in breach or default in the performance or observance of any other terms and provisions of this Agreement or of any other Loan Document on the date of any advance, and there shall have been no material adverse change in the financial condition of the Borrower or the Guarantor subsequent to the Closing, except as shall have been reported in writing to the Lender and approved or waived in writing by the Lender.

3.9 Rights of Lender. Notwithstanding any other provisions hereof, the Lender shall not be obligated to make any advance in the event that the appraised value of the Property does not meet the requirements of the Loan Agreement. No waiver by the Lender of any condition precedent, representation, warranty or covenant herein in connection with any advance hereunder shall be construed as a waiver of the Lender's right to require strict compliance with the same or any other condition precedent, representation, warranty or covenant subsequently.

ARTICLE FOUR REPRESENTATIONS AND WARRANTIES

In order to induce the Lender to enter into and execute this Agreement and to make the Loan to the Borrower, the Borrower and the Guarantor make the following representations and warranties to the Lender, each of which shall survive the execution of this Agreement and remain in full force and effect until complete payment and discharge of the Obligations:

4.1 EXISTENCE. The Borrower is duly organized, validly existing and in good standing under the laws of the State of South Carolina, duly qualified to transact business in the State of South Carolina with full power and authority to enter into the Loan, to execute and deliver the Loan Documents to which it is a party and to perform in accordance with the terms thereof.

Cliffs Construction is duly organized, validly existing and in good standing under the laws of the state of South Carolina with full power and authority execute and deliver the Loan Documents to which it is a party and to perform in accordance with the terms thereof.

Keowee Springs is duly organized, validly existing and in good standing under the laws of the state of South Carolina with full power and authority execute and deliver the Loan Documents to which it is a party and to perform in accordance with the terms thereof.

Mountain Park is duly organized, validly existing and in good standing under the laws of the state of South Carolina with full power and authority execute and deliver the Loan Documents to which it is a party and to perform in accordance with the terms thereof.

4.2 AUTHORITY. The Borrower has full power and authority to execute, deliver and perform the Borrower's Obligations under the Loan Documents. Cliffs Construction has full power and authority to execute, deliver and perform the Obligations under the Mortgage to which it is a party. Keowee Springs has full power and authority to execute, deliver and perform the its Obligations under the Mortgage to which it is a party. Mountain Park has full power and authority to execute, deliver and perform the its Obligations under the Mortgage to which it is a party. Borrower, Guarantor, Cliffs Construction, Keowee Springs and Mountain Park each has taken all appropriate action to authorize the execution and delivery of this Agreement and the Loan Documents to which each is a party by all necessary persons on its behalf. The execution, delivery and performance by the Obligor of the Loan Documents to which each is a party does not and will not require the consent of any other parties or any Governmental Authorities, nor will the same contravene the governing documents of the Borrower, Guarantor, Cliffs Construction, Keowee Springs or Mountain Park, or any applicable Governmental Requirements presently in effect, nor will the same result in any breach of or constitute a default under any material agreement or instrument to which any Obligor is a party or by which the Property is affected that could reasonably be expected to result in a material adverse effect on the financial condition of the Borrower or the Guarantor.

4.3 LEGALLY ENFORCEABLE AGREEMENT. This Agreement and each of the Loan Documents are duly and properly executed and delivered by each party thereto for value received and constitute the valid Obligations of such party, legally binding upon and enforceable against such party in accordance with their respective terms, not subject to any defense based upon usury, capacity of such party or, to the best of such party's knowledge, other defense, except as may be subsequently limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the enforcement of creditors' rights generally and obligations of good faith and fair dealing.

4.4 DOCUMENTATION. Each party has delivered to the Lender all documents, financial statements, certificates, licenses, permits, authorizations, consents, exemptions, approvals, and contracts required to be submitted to the Lender hereunder or required by any applicable Governmental Authority, all of which are material conditions precedent to the funding of the Loan by the Lender and all of which are, to the best of such party's knowledge, true, accurate and complete in all material respects as of the date hereof.

4.5 LITIGATION. No actions, suits or proceedings are pending or, to the best of the Obligor's knowledge, threatened before any Court, Governmental Authority or arbitrator (a) involving the validity, priority or enforceability of this Agreement, the Mortgage, any other Loan Document, or title to or the enforceability of the Mortgage upon the Property, or (b) against or affecting any Obligor which could reasonably be expected to, in the aggregate, materially adversely affect the financial conditions of the Obligor or the ability of the Obligor to perform any of the Obligations.

4.6 NO DEFAULTS. No party is presently in default under any of the terms or conditions of this Agreement, the Note, the Mortgage, any other Loan Document, or any order, injunction, judgment, award, or decree of any applicable judicial or Governmental Authority.

4.7 OPERATIONS. The execution, delivery and performance of the Obligations by the Obligor do not and will not violate or contravene any provisions of any instrument creating or governing the operations of any of the Obligor, and will not result in a material breach of or constitute a default under any other mortgage, deed of trust, bank loan, credit agreement or other instrument to which any Obligor is a party or by which any Obligor may be bound or affected that could reasonably be expected to result in a material adverse effect on the financial condition of the Borrower or the Guarantor.

4.8 DISCLOSURE. To the best of the Obligor's knowledge, no representation or warranty of the Obligor contained in this Agreement or any other Loan Document contains any materially untrue statement or omission of any material fact.

4.9 SOLVENCY. There is not pending or, to the best of the Obligor's knowledge, threatened by or against any of the Obligor, nor is there contemplated any petition in bankruptcy, order for relief (whether voluntary, involuntary or by operation of law), any assignment for the benefit of creditors, any petition seeking reorganization or arrangement under the bankruptcy laws of the United States of America or any state thereof, any liquidation of all or the greater portion of the property of any of the Obligor or any other action brought under the aforesaid bankruptcy laws or other similar laws involving any of the Obligor.

4.10 ENVIRONMENTAL MATTERS. To the Obligor's knowledge, (a) the Property is free from Hazardous Materials in violation of any Governmental Requirement and does not constitute an environmental hazard of any type under any applicable Governmental Requirement; (b) there has been no production, disposal, storage, release, discharge, spill, leak, dumping, or emission on the Property of any Hazardous Materials or any activity thereon which could have produced Hazardous Materials or toxic effects on humans, flora, or fauna; (c) neither the Borrower nor any third parties have developed, discharged, buried, released or otherwise placed Hazardous Materials on the Property, including the soil, surface water or ground water thereof; and (d) there is no evidence of the release, discharge, leaking, dumping, emission, or seepage, by accident or otherwise, of Hazardous Materials onto or into the Property. The Borrower has received no warning, notice of violation, administrative complaint, judicial complaint or other formal or informal notice with respect to any Hazardous Materials on the Property and is not aware of any current or previous owner thereof receiving any such notices or complaints from any Governmental Authority with respect thereto.

4.11 ASSET OWNERSHIP. Each party has good and marketable title to all of the Collateral proposed to be owned by it.

ARTICLE FIVE
COVENANTS

The Obligors hereby covenant with the Lender for the duration of the Loan as follows:

5.1 INSPECTIONS. Upon reasonable advance notice, the Obligors shall permit the Lender, the Appraiser and any other persons designated by the Lender to enter upon and inspect the Property during normal business hours. The Borrower and Guarantor agree to comply with all reasonable requirements and recommendations of the Lender with respect to any matters revealed by any of the foregoing inspections. Unless an Event of Default shall have occurred and be continuing, the cost of any such entry and inspection shall be the responsibility of the Lender.

5.2 TAXES AND ASSESSMENTS. The Borrower shall promptly pay and discharge all taxes, assessments and other charges and levies imposed upon the Property, as well as all claims of any kind which, if unpaid, might become a lien or charge upon or against the Property, except such taxes, assessments, charges, levies and claims as are being disputed by the Borrower in good faith.

5.3 COSTS AND EXPENSES. Upon representation of reasonable evidence or invoice, the Borrower shall promptly pay all reasonable charges, fees and expenses required to satisfy the terms and conditions of this Agreement, including without limitation all taxes and recording expenses, all reasonable legal fees and expenses of the Lender's legal counsel, all fees and expenses of the Appraiser and Third Party Administrator, and all other reasonable costs and expenses of any nature incurred pursuant to the terms of this Agreement.

5.4 FURTHER ASSURANCES. The Borrower, Cliffs Construction, Keowee Springs and/or Mountain Park shall execute and deliver, or cause to be executed and delivered, to the Lender such further documents, instruments, certificates, assurances and other items, and shall do all such additional and further acts and deeds which the Lender shall reasonably deem necessary or desirable to comply with the terms and conditions of, or to effectuate the intent of, this Agreement or to preserve or protect the Collateral or other security for any of the Obligations.

5.5 INDEMNITY. The Obligors shall indemnify, defend and hold harmless the Lender from and against all third-party liens, claims, demands, actions, causes of action, assessments, losses, damages, liability, costs and expenses, including without limitation, interest, reasonable attorneys' fees and penalties, arising out of, affecting or in connection with the Loan, the Property, the execution and performance of this Agreement or any other Loan Documents, any acts or omissions of the Obligors, any breach of this Agreement or any of the Loan Documents, the disbursement of monies by the Lender, or any lien or claim of lien filed for record against the Property, except to the extent any such items arise from the negligence, gross negligence or willful misconduct of the Lender. The provisions of this Section 5.5 shall survive the payment and discharge of the Note and shall remain in full force and effect for so long as the possibility of any such third-party liens, claims, demands, actions, causes of action, assessments, losses, damages, liability, costs and expenses shall exist. This indemnity shall not apply with respect to conditions or occurrences first arising after title to the Property is transferred by foreclosure or

deed in lieu of foreclosure or with the consent of the Lender; provided, however, the foregoing indemnity shall continue to apply to conditions or occurrences in existence before title to the Property is transferred by foreclosure or deed in lieu of foreclosure or with the consent of Lender which are not discovered until after the transfer of such Property.

5.6 NOTICE OF DEFAULT. The Obligors shall promptly furnish written notice to the Lender of the occurrence of any Event of Default under this Agreement, any of the Loan Documents, or of any event which would become an Event of Default hereunder or thereunder upon lapse of any time specified herein or therein.

5.7 NOTICE OF LITIGATION. Each Obligor, Cliffs Construction, Keowee Springs, and Mountain Park shall furnish to the Lender immediately upon receipt thereof, copies of any pleadings in litigation, notices of bankruptcy, notices of default, or notices of any proceedings before any Governmental Authority which involve the Property or any Obligor, Cliffs Construction, Keowee Springs, or Mountain Park, and which in any instance, alone or in the aggregate with other actions or proceedings, if determined adversely to the Borrower, the Guarantor, Cliffs Construction, Keowee Springs, or Mountain Park, could reasonably be expected to result in a material adverse effect on the financial condition of the Borrower, the Guarantor, Cliffs Construction, Keowee Springs, or Mountain Park or their ability to perform under the Loan Documents.

5.8 INSURANCE REQUIREMENTS. The Borrower shall maintain and furnish to the Lender copies of all insurance policies and renewals thereof required of the Borrower pursuant to this Agreement and the Loan Documents in full force and effect throughout the term of the Loan. All liability policies shall designate the Lender as an additional insured. Borrower shall provide to Lender a certificate issued by Borrower's insurance company setting forth the amount of insurance, the additional insured endorsement, the policy number, the date of expiration, and an endorsement that Lender party shall receive more than thirty (30) days written notice prior to cancellation, non-renewal, material change to or expiration of the policy.

5.9 LICENSES AND PERMITS. Throughout the term hereof, the Obligors shall maintain in full force and effect all certificates, licenses, permits, authorizations, consents and approvals from applicable Governmental Authorities relating to the Property, except to the extent that the failure to maintain any such items in full force and effect could not reasonably be expected to result in a material adverse effect on the financial condition of the Obligors.

5.10 PERFORMANCE PURSUANT TO LOAN DOCUMENTS. The Obligors shall at all times perform in accordance with and comply with all terms, conditions, covenants, and requirements set forth herein, in the Note, the Mortgage and all of the other Loan Documents.

5.11 ENVIRONMENTAL COMPLIANCE. Neither the Borrower, Cliffs Construction, Keowee Springs, nor Mountain Park, nor any of the agents, employees or tenants of either shall generate, manufacture, refine, transport, treat, store, handle, dispose of, release, discharge, produce or process any Hazardous Materials at or upon the Property in violation of any applicable Governmental Requirements. The Borrower, Cliffs Construction, Keowee Springs and Mountain Park and the agents of each shall comply with all Governmental Requirements

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 Hazardous Materials on, from or affecting the Property pursuant to any applicable Governmental Requirements. The Borrower shall indemnify, defend and hold harmless the Lender from and against all liens, claims, damages, actions, causes of action, losses, damages, liabilities, costs, and expenses whatsoever, including without limitation, penalties and reasonable attorney's fees, incurred or suffered by or asserted against the Lender, 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 Hazardous Materials, regardless of whether the same may be caused by or within the control of the Obligors, whether intentional or unintentional, or due to the violation of any applicable Governmental Requirements regarding environmental protection or of any covenant or representation contained herein with respect thereto by the Obligors, except to the extent arising from the negligence, gross negligence or willful misconduct of the Lender. The foregoing covenants, provisions and indemnities shall survive any foreclosure or other realization by the Lender on the Mortgage which may result in acquisition by the Lender or conveyance by the Lender of fee title, or any other lesser right, title and interest, in or to the Property. This indemnity shall not apply with respect to conditions or occurrences first arising after title to the Property is transferred by foreclosure or deed in lieu of foreclosure or with the consent of the Lender; provided, however, the foregoing indemnity shall continue to apply to conditions or occurrences in existence before title to the Property is transferred by foreclosure or deed in lieu of foreclosure or with the consent of the Lender which are not discovered until after the transfer of such Property.

5.12 PRESERVATION OF EXISTENCE. The Borrower, Cliffs Construction, Keowee Springs and Mountain Park each shall preserve and maintain its existence throughout the term of the Loan, without material modification.

5.13 FINANCIAL STATEMENTS. The Guarantor shall furnish to the Lender annual updated financial statements, together with copies of annual signed tax returns (including attached schedules) within one hundred twenty (120) days following the end of the respective fiscal or calendar year.

ARTICLE SIX DEFAULT AND REMEDIES

6.1 EVENTS OF DEFAULT. The term "Event of Default" means any one or more of the following events:

- A. Failure by the Borrower to pay any installment of principal and/or interest under the Note within any applicable grace period;
- B. Failure by any Obligor to fully, completely and timely perform or observe any other Obligations under this Agreement or to perform, observe, satisfy or comply with any term, covenant, condition, obligation or agreement set forth in the Note, the

Mortgage, or any of the other Loan Documents, and which failure is not cured within any applicable grace period, or, if no grace period is set forth therein as to any such failure, if such default is not cured to the Lender's satisfaction within thirty (30) days following the date of receipt of notice by the Obligors from the Lender specifying such failure;

C. Falsity in any material respect of any representations or warranties contained herein, or in the Note, the Mortgage, or any of the other Loan Documents as of the date made; or

D. Any of the following actions by, against or involving any Obligor: (1) the dissolution or termination of existence, (2) the filing of a voluntary petition in bankruptcy; (3) the adjudication as bankrupt or insolvent; (4) 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; (5) any petition for, consent to or acquiescence in the appointment of any trustee, receiver or liquidator for any Obligor, or of all or any part of the Property or of the rents, issues, royalties, income or profits therefrom; (6) the making of any general assignment for the benefit of creditors; (7) the entry by a court of competent jurisdiction of any order, judgment or decree approving a petition filed against any Obligor 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 any Obligor, 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 Lender, which appointment shall remain unvacated or unstayed for an aggregate of sixty (60) days from the date of appointment.

6.2 REMEDIES UPON DEFAULT. Upon occurrence and during the continuance of any Event of Default, the Lender shall have the right to immediately exercise any and all of the following rights and remedies without further notice to the Borrower:

A. Remedies in Loan Documents. In addition to all other rights and remedies set forth herein, the Lender shall have the absolute right to assert and exercise any and all rights and remedies set forth in the Note, the Mortgage and all of the other Loan Documents.

B. Termination. The Lender may suspend or terminate all obligations of the Lender under this Agreement, including without limitation, the obligation of the Lender to make any Advance.

C. Costs and Expenses. All reasonable costs and expenses of every nature and kind incurred by the Lender in the exercise of any of the foregoing remedies, including without limitation, reasonable attorneys' fees actually incurred without reference to any

statutory presumption or calculation, shall be and constitute a portion of the Obligations, which shall be secured by the Collateral.

D. No Waiver. No delay or failure by the Lender to exercise any right or remedy conferred hereunder shall be deemed a waiver by the Lender of any future right to exercise such right or remedy or of 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.

E. Nature of Remedies. All of the foregoing rights and remedies are cumulative and concurrent; shall be in addition to any other right, power and remedy set forth herein or in any of the other Loan Documents, and now or hereafter existing in law at equity, or otherwise; and may be pursued separately, successively or concurrently against all or any of the Obligors and/or the Property at the sole discretion of the Lender during the continuance of an Event of Default.

6.3 RELEASE OF COLLATERAL. Upon the sale of all or any portion of the Property and delivery to Lender of the net proceeds thereof as contemplated by Section 2.6, Lender shall deliver to Borrower an original release from the Mortgage to the extent of the sold Property, in recordable form, and otherwise reasonably acceptable in form and substance to Borrower.

ARTICLE SEVEN MISCELLANEOUS

7.1 ENTIRE AGREEMENT. This Agreement supersedes all prior discussions between the Obligors and the Lender with respect to the Loan and contains the sole and entire understanding between the parties with respect to the Loan except for such other terms and conditions as may be set forth in the other Loan Documents. No amendments, conditions, deletions, modifications or changes to or of this Agreement shall be of any force or effect whatsoever unless reduced to writing and executed by the parties hereto.

7.2 SURVIVAL. All representations, warranties and covenants made herein shall survive the execution and delivery of this Agreement and the disbursement of the Loan, and shall remain in full force and effect until complete payment and discharge of all Obligations.

7.3 SEVERABILITY. Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but unenforceability or invalidity for any reason of any provision of this Agreement shall be limited strictly to such provision and shall not limit or impair the operation, validity or enforceability of any other provision of this Agreement.

7.4 COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same Agreement.

7.5 TIME IS OF THE ESSENCE. Time is and shall be of the essence of this Agreement and all performance hereunder.

7.6 RELATIONSHIP OF PARTIES. Neither any provision of this Agreement or any of the other Loan Documents nor any acts of the parties to this Agreement or any of the other Loan Documents shall be construed to create a partnership or joint venture between the Obligors and the Lender nor to make any party the agent or representative of the other, nor shall any provision hereof nor any acts of the parties hereunder be construed to make the Lender liable to anyone for any labor or services performed or rendered on, or materials supplied or furnished to, the Property or for any debts or claims accruing against the Borrower on account thereof. Nothing in this Agreement shall be construed to create any privity of contract or other relationship between the Lender and anyone performing or rendering labor or services on, or supplying or furnishing materials to, the Property or for the construction of any improvements thereon. In all respects the relationship of the Borrower and the Lender hereunder shall be solely that of debtor and creditor.

7.7 NO THIRD PARTY BENEFICIARIES. All conditions to the obligations of the Lender to advance monies under this Agreement are imposed solely and exclusively for the benefit of the Lender. Neither the Borrower nor any other Person shall, under any other circumstances, be deemed to be a beneficiary of any such conditions, any or all of which may be freely waived in whole or in part by the Lender at any time if in its sole discretion the Lender deems it advisable to do so.

7.8 NOTICES. All notices, requests, demands and other communications allowed, made or required to be made pursuant to the terms of this Agreement shall be in writing and shall be deemed to be given or made when personally delivered (including personal delivery by Federal Express or other nationally recognized overnight private courier service) or three (3) days after deposit in the United States mail, registered or certified, postage prepaid, return receipt requested, addressed in any such event to the party to whom such communication is directed at such address as is set forth for such party below or at such other address as may hereafter be designated in writing by the respective parties hereto:

AS TO BORROWER:

The Cliffs Communities, Inc.
3598 Highway 11
Travelers Rest, SC 29690

AS TO ANTHONY:

James B. Anthony
3101 Table Rock Road
Pickens, SC 29671

AS TO LENDER:

Carl R. Renfro or Carolyn S. Renfro, Trustors
and/or Trustees of The Carl R. and Carolyn S.
Renfro Revocable Living Trust, dated June 10,
1997
Attn: Carl R. Renfro
3100 Cadet
Ponca City, OK 74604

With copy to:

James M. Bailey
1922 Lake Road (74604)
P.O. Box 1069
Ponca City, OK 74602

7.9 GOVERNING LAW. This Agreement and the other Loan Documents shall be deemed contracts made under the laws of the State of the South Carolina and shall be governed by and construed in accordance with the laws of said state (excluding its conflict of laws provisions if such provisions would require application of the laws of another jurisdiction) except insofar as the laws of another jurisdiction may, by reason of mandatory provisions of law, govern the perfection, priority and enforcement of the Mortgage.

7.10 CONSENT TO JURISDICTION. The Obligors, by execution of this Agreement, agree that any legal actions or proceedings with respect to this Agreement and, at the Lender's sole option, any other Loan Documents shall be subject to the jurisdiction of and shall be brought in any state or federal court of competent jurisdiction sitting in the County of Greenville, State of South Carolina, or as to the Mortgage the county and state in which the Property is situate, to which such jurisdiction and venue the Obligors hereby irrevocably consent by execution hereof. The Obligors each irrevocably waive any objection, including without limitation any objection to the laying of venue based on the grounds of forum non conveniens, which they or either of them may now or hereafter have to the bringing of any such action or proceeding in such jurisdiction. Nothing herein shall affect the right of the Lender to serve process in any manner permitted by law or limit the right of the Lender to bring proceedings upon any other Loan Documents or against another party to any of the Loan Documents in the courts of any other jurisdiction.

7.11 HEIRS, SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns, provided that the Borrower shall not assign or otherwise transfer voluntarily, involuntarily or by operation of law any rights, responsibilities, liabilities or Obligations hereunder except pursuant to the applicable provisions of the Mortgage and with the express written consent of the Lender as provided thereunder. Unless an Event of Default shall have occurred and be continuing, the Lender shall not assign or otherwise transfer this Agreement, the Note or any other Loan Document without the prior written consent of the Borrower.

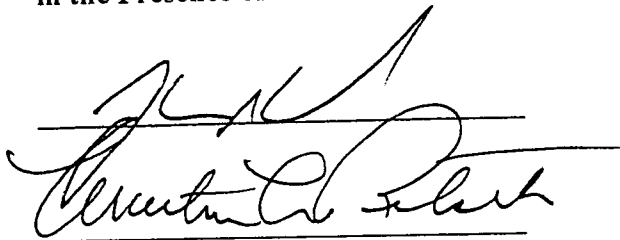
7.12 CAPTIONS. The headings and captions in this Agreement are included only as a matter of convenience and for reference, and in no way define, limit, extend or describe the scope of this Agreement or the intent of any other provision hereof.

7.13 WAIVER OF JURY TRIAL. THE OBLIGORS, TO THE MAXIMUM EXTENT PERMITTED BY LAW, WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION ARISING FROM OR RELATED TO THIS AGREEMENT.

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

[Signatures on following page]

Signed, Sealed and Delivered
in the Presence of:



BORROWER:

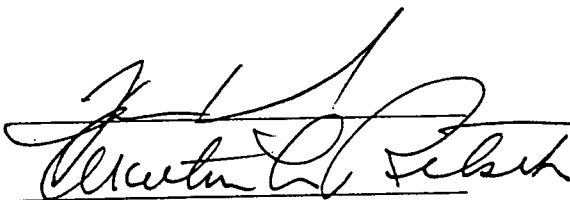
THE CLIFFS COMMUNITIES, INC.

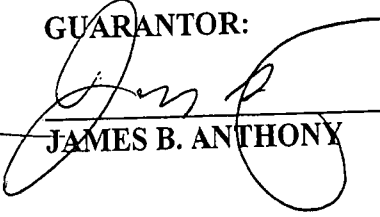
By:  (Seal)

Name: James B. Anthony

Title: President

GUARANTOR:




JAMES B. ANTHONY

LENDER:

Carl R. Renfro or Carolyn S. Renfro,
Trustors and/or Trustees of The Carl R.
and Carolyn S. Renfro Revocable Living
Trust, dated June 10, 1997

By:  (Seal)

Name: _____

Title: _____

Signed, Sealed and Delivered
in the Presence of:

BORROWER:

THE CLIFFS COMMUNITIES, INC.

By: _____ (Seal)
Name: _____
Title: _____

GUARANTOR:

JAMES B. ANTHONY

LENDER:

**Carl R. Renfro or Carolyn S. Renfro,
Trustors und/or Trustees of The Carl R.
and Carolyn S. Renfro Revocable Living
Trust, dated June 10, 1997**

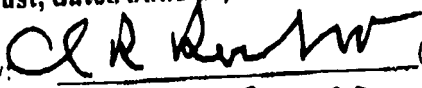
By:  (Seal)
Name: CARL R. RENFRO
Title: TRUSTEE

Exhibit A

Master Membership Plan of The Cliffs Clubs

Exhibit B

Property

ALL that certain piece, parcel or lot of land with all improvements thereon or hereafter constructed thereon situate, lying and being in the County of Oconee, State of South Carolina, being shown and designated as Lot No. 1, Falls Golf Cottages at Keowee Falls South f/k/a Linkside Villas at Keowee Falls South, as shown in Plat Book 163 at Pages 9-10 and more recently on a plat thereof entitled, "Falls Golf Cottage at Keowee Falls South", in Plat Book B-218 at Pages 3-4 and recorded in the Register of Deeds Office for Oconee County, State of South Carolina, reference to said latter plat is hereby made for a more complete metes and bounds description thereof.

This being the same property conveyed unto SRJ Timberlands, LLC by deed from Keowee Falls Investment Group, LLC, dated October 10, 2008 and recorded on October 14, 2008 in Deed Book 1687 at Page 76 in the Register of Deeds Office for Oconee County, State of South Carolina.

ALSO:

ALL that certain piece, parcel or lot of land with all improvements thereon or hereafter constructed thereon situate, lying and being in the County of Pickens, State of South Carolina, being known and designated as Lot No. 10 of The Residences at the Keowee Springs Lodge & Spa as shown on a plat thereof entitled, "Survey of The Residences at the Keowee Springs Lodge & Spa Phase 3 - Lots 1 thru 30 & 40 thru 41", dated September 11, 2006 and recorded in the Register of Deeds Office for Pickens County, State of South Carolina, in Plat Book 592 at Page 259, reference to said plat is hereby made for a more complete metes and bounds description thereof.

This being the same property conveyed unto Cliffs Construction, LLC by deed from The Cliffs at Keowee Springs, LLC, dated February 8, 2007 and recorded on February 22, 2007 in Deed Book 1078 at Page 177 in the Register of Deeds Office for Pickens County, State of South Carolina.

ALSO:

ALL that certain piece, parcel or lot of land with all improvements thereon or hereafter constructed thereon situate, lying and being in the County of Greenville, State of South Carolina, being known and designated as Lot No. 15 on a plat thereof entitled, "Survey of The Cliffs at Mountain Park Phase 1- Lots 9 thru 15", dated March 20, 2006, last revised on August 2, 2006 and recorded in the Register of Deeds Office for Greenville County, State of South Carolina, in Plat Book 1015 at Page 54, reference to said plat is hereby made for a more complete metes and bounds description thereof.

This being a portion of the same property conveyed unto The Cliffs at Mountain Park, LLC by deed from Waterfall Investment Group, LLC, dated July 14, 2006 and recorded on July 14, 2006 in Deed Book 2216 at Page 573 in the Register of Deeds Office for Pickens County, State of South Carolina.

ALSO:

ALL that certain piece, parcel or lot of land with all improvements thereon or hereafter constructed thereon situate, lying and being in the County of Pickens, State of South Carolina, being shown and designated as Lot No. 19, The Residences at the Keowee Springs Lodge & Spa as shown on a plat thereof entitled, "Survey of The Residences at the Keowee Springs Lodge & Spa, Phase 3, Lots 1 thru 13 & 40 thru 41", in Plat Book 592 at Page 259 and recorded in the Register of Deeds Office for Pickens County, State of South Carolina, reference to said plat is hereby made for a more complete metes and bounds description thereof.

This being the same property conveyed unto SRJ Timberlands, LLC by deed from Cliffs Construction, LLC, dated October 10, 2008 and recorded on October 14, 2008 in Deed Book 1216 at Page 42 in the Register of Deeds Office for Pickens County, State of South Carolina.

ALSO:

ALL that certain piece, parcel or lot of land with all improvements thereon or hereafter constructed thereon situate, lying and being in the County of Pickens, State of South Carolina, being shown and designated as Lot No. CP-13 as shown on a plat thereof entitled, "Survey of The Cliffs at Keowee Vineyards Club Cottages, Lots CP-6 thru CP-13", in Plat Book 569 at Pages 14 & 15 and recorded in the Register of Deeds Office for Pickens County, State of South Carolina, reference to said plat is hereby made for a more complete metes and bounds description thereof.

This being the same property conveyed unto Cliffs Construction, LLC by deed from Keowee Investment Group, LLC, dated June 20, 2007 and recorded on June 27, 2007 in Deed Book 1110 at Page 118 in the Register of Deeds Office for Pickens County, State of South Carolina, and by that corrective deed dated August 7, 2007 and recorded on August 7, 2007 in Deed Book 1122 at Page 129 in the Register of Deeds Office for Pickens County, State of South Carolina.

ALSO:

ALL those certain pieces, parcels or lots of land with all improvements thereon or hereafter constructed thereon situate, lying and being in the County of Pickens, State of South Carolina, being shown and designated as Lots No. 53 and 54 Cliffs at Keowee Springs, Phase 1, according to plat recorded in the Office of the Register of Deeds for Pickens County in Plat Book 525 at Pages 1 and 2, reference to said plat is hereby made for a more complete metes and bounds description thereof.

This being a portion of the same property conveyed unto The Cliffs at Keowee Springs, LLC by deed from Keowee Springs Group, LLC, dated August 19, 2009 and recorded on August 21, 2009 in Deed Book 1269 at Page 321 in the Register of Deeds Office for Pickens County, State of South Carolina.

Exhibit C

Opinion from Borrower's Counsel

CERTIFIED TRUE COPY

Register of Deeds

Oconee County, S.C.

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

By: P. Westmoreland

Date: 8/27/09 MORTGAGE

Inst # 200914180 DocType:MTG Page 1 of 1
13 BKM:4067 PG:53 08/27/2009 at 08:41:
AM, Fee:\$19.00 PAUL MCGUFFIN
REGISTER OF DEEDS PICKENS CO., SC

2009 AUG 27 A 9:36

THIS MORTGAGE (this "Mortgage") is made and entered into this 25th day of August, 2009, by **Cliffs Construction, LLC** (the "Mortgagor"), a South Carolina limited liability company, whose address is 3598 Hwy 11, Travelers Rest, SC 29671, and **Carl R. Renfro or Carolyn S. Renfro, Trustors and/or Trustees, The Carl R. and Carolyn S. Renfro Revocable Living Trust dated June 10, 1997** (the "Mortgagee").

WITNESSETH:

WHEREAS, the Mortgagee has made on this date and shall make at subsequent dates certain loans to The Cliffs Communities, Inc., a South Carolina corporation (the "Borrower"), pursuant to that certain Loan Agreement of even date herewith by and among the Borrower, James B. Anthony, an individual and resident of the State of South Carolina (as guarantor), and the Mortgagee (as amended and modified from time to time, the "Loan Agreement"), such loans to be evidenced by that certain Promissory Note dated as of even date herewith made by the Borrower to the Mortgagee in the original principal amount of \$5,000,000.00 (as amended and modified from time to time, the "Note"); and

WHEREAS, the Mortgagee is and will be unwilling to make such loans to the Borrower without the execution, delivery and recording of this Mortgage; and

WHEREAS, the Mortgagor and Keowee Springs are subsidiaries of the Borrower and as such will derive direct and indirect economic benefits from the making of such loans and other financial accommodations provided to the Borrower pursuant to the Loan Agreement; and

WHEREAS, capitalized terms used herein but not defined shall have the meanings given to such terms in the Loan Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE ONE
GRANT OF MORTGAGE

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,

aw. Ret. 19.00
J. Dan - Holland
722 E. McFee Ave
Gullee, SC 29601

002682

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 (i) the payment of all indebtedness evidenced by the Note and (ii) all other Obligations (as defined in the Loan Agreement) (hereinafter collectively referred to as the "Obligations"). 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 Pickens County, South Carolina and 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 County of Pickens and the County of Oconee, 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-back and other items set forth in the Title Policy (collectively, "Permitted Liens"). The Mortgagor further covenants to warrant and forever defend the Property unto the Mortgagee, its successors and assigns forever, from and against the Mortgagor and the claims of all other

persons whomsoever other than Permitted Liens. This Mortgage shall remain in full force and effect unless and until all of the Obligations are paid in full.

ARTICLE TWO COVENANTS OF THE MORTGAGOR

2.1 PERFORMANCE AND PAYMENT. The Mortgagor shall perform, observe, and comply with all provisions of this Mortgage.

2.2 COMPLIANCE WITH LAWS AND COVENANTS. The Mortgagor covenants and warrants that the Property presently complies in all material respects 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 material compliance with any such law, rule, regulation, covenant, or ordinance, and the Mortgagor shall take all reasonable steps to cure any such non-compliance to the extent such non-compliance could reasonably be expected to result in a material adverse effect on the value of the Property.

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 any such item 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 such contest is made in good faith.

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, 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 USE, MAINTENANCE AND REPAIR OF THE PROPERTY.

a. Use, Maintenance and Repair. The Mortgagor shall use and operate the Property in compliance in all material respects with all applicable laws and ordinances, covenants, and restrictions. 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, ordinary wear and tear excepted or any action or omission in the absence of reasonable care 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 in accordance with the provisions of the Loan Agreement, 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.

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 written 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. Performance of Defaults. If the Mortgagor shall not pay when due any tax, assessment, insurance premium or utility or other charge (subject to Mortgagor's right to contest such item in accordance with the terms hereof), or timely perform or observe any other covenant, condition or term, and so long as an Event of Default shall have occurred and be continuing, in this Mortgage, then the Mortgagee, at its sole discretion, but without any obligation whatsoever, may perform or observe the same, or authorize himself 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 reasonable payments so made or reasonable costs or expenses so incurred to be added to the Obligations and to be repaid immediately by the Mortgagor upon demand.

b. 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.

2.7 FURTHER ASSURANCES. At any time, and from time to time, upon the Mortgagee's reasonable 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 reasonably desirable by the Mortgagee any and all such further mortgages, instruments of further assurance, certificates and other documents as the Mortgagee may consider reasonably 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 Permitted Liens. 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 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 Borrower, 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 Obligations 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.

2.9 INDEMNIFICATION. The Mortgagor shall appear in and defend any suit, action or proceeding that could reasonably be expected to result in a material adverse effect on 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, reasonable attorney's fees arising out of or incurred in connection with any such suit, action or proceeding.

2.10 TRANSFER OF PROPERTY OR INTEREST IN MORTGAGOR. Mortgagor shall be permitted to sell, convey, or transfer, all or any part of the Property so long as the net proceeds thereof are applied to the Obligations in accordance with the terms of the Loan Agreement.

2.11 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 compliance in all material respects 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 compliance in all material respects with applicable environmental laws, rules and regulations. The Mortgagor, and its agents, employees, contracts and tenants shall comply in all material respects 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 reasonably 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, 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 to the extent such items do not arise from the negligence, gross negligence or willful misconduct of Mortgagee. 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 REMEDIES UPON DEFAULT. Upon occurrence and during the continuance 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 Obligations 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 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 reasonable expenditures of any nature incurred in connection with such receivership shall be deemed to be a part of the Obligations;

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, personally or through its agents or representatives, may enter upon, take and maintain exclusive possession of the Property, or any part thereof, with all reasonable costs and expenses thereof (including without limitation, all reasonable costs, expenses and reasonable 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. 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.

3.2 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.

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

3.4 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.

3.5 NO WAIVER. No delay or failure by the Mortgagee to exercise any right or remedy conferred hereunder upon occurrence and during the continuance 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.

3.6 NATURE OF REMEDIES. No right, power or remedy conferred upon or reserved to the Mortgagee by 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 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.

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 shall

survive the execution and delivery hereof and shall remain in full force and effect until complete payment of the Obligations.

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

4.4 NOTICES. All notices, requests, demands and other communications allowed, made or required to be made pursuant to the terms of this Mortgage shall be in writing and shall be deemed to be given or made when personally delivered (including personal delivery by Federal Express or other nationally recognized overnight private courier service) or three (3) days after deposit in the United States mail, registered or certified, postage prepaid, return receipt requested, addressed in any such event to the party to whom such communication is directed at such address as is set forth for such party below or at such other address as may hereafter be designated in writing by the respective parties hereto:

AS TO MORTGAGOR:

Cliffs Construction, LLC
3598 Highway 11
Travelers Rest, SC 29690

AS TO MORTGAGEE:

The Carl R. and Carolyn S. Renfro
Revocable Trust dated June 10, 1997
ATTN: Carl R. Renfro
3100 Cadet
Ponca City, OK 74604

with a copy to:

James M. Bailey
1922 Lake Road (74604)
P.O. Box 1069
Ponca City, OK 74602

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.

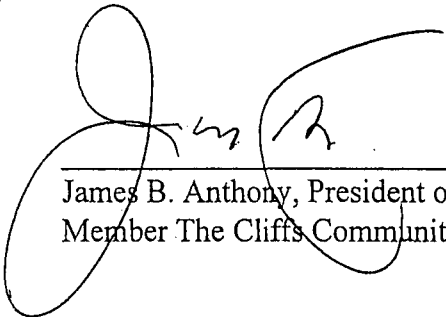
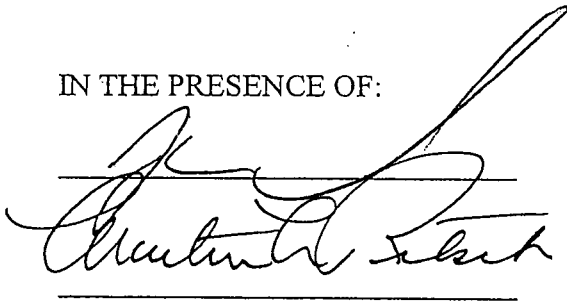
4.6 WAIVER OF JURY TRIAL. *The Mortgagor and Mortgagee acknowledge that the right to trial by jury is a Constitutional one, but that it may be waived. Each party, after consulting (or having had this opportunity to consult) with counsel of their choice, knowingly and voluntarily, and for their mutual 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.

4.8 CAPTIONS. The headings and captions in this Mortgage are included only as a matter of convenience and for reference, and in no way define, limit, extend or describe the scope of this Mortgage or the intent of any other provision hereof.

IN WITNESS WHEREOF, this Mortgage has been duly executed by the Mortgagor as of the date first written above.

IN THE PRESENCE OF:



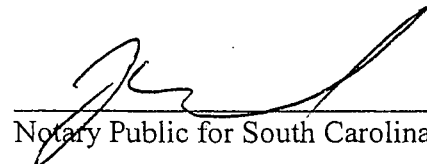
(Seal)
James B. Anthony, President of Managing
Member The Cliffs Communities, Inc.

STATE OF SOUTH CAROLINA)

) ACKNOWLEDGMENT

COUNTY OF GREENVILLE)

The foregoing instrument was acknowledged before me this 25th day of August, 2009 by James B. Anthony.



Notary Public for South Carolina

My commission expires: 1-2-11

EXHIBIT A

ALL that certain piece, parcel or lot of land with all improvements thereon or hereafter constructed thereon situate, lying and being in the County of Oconee, State of South Carolina, being shown and designated as Lot No. 1, Falls Golf Cottages at Keowee Falls South f/k/a Linkside Villas at Keowee Falls South, as shown in Plat Book 163 at Pages 9-10 and more recently on a plat thereof entitled, "Falls Golf Cottage at Keowee Falls South", in Plat Book B-218 at Pages 3-4 and recorded in the Register of Deeds Office for Oconee County, State of South Carolina, reference to said latter plat is hereby made for a more complete metes and bounds description thereof.

TMS #: 066-05-01-001

This being the same property conveyed unto Cliffs Construction, LLC by deed from SRJ Timberlands, LLC, dated August 25, 2009 and recorded on _____, 2009 in Deed Book _____ at Page _____ in the Register of Deeds Office for Oconee County, State of South Carolina.

ALSO:

ALL that certain piece, parcel or lot of land with all improvements thereon or hereafter constructed thereon situate, lying and being in the County of Pickens, State of South Carolina, being known and designated as Lot No. 10 of The Residences at the Keowee Springs Lodge & Spa as shown on a plat thereof entitled, "Survey of The Residences at the Keowee Springs Lodge & Spa Phase 3 - Lots 1 thru 30 & 40 thru 41", dated September 11, 2006 and recorded in the Register of Deeds Office for Pickens County, State of South Carolina, in Plat Book 592 at Page 259, reference to said plat is hereby made for a more complete metes and bounds description thereof.

TMS #: 4130-00-58-3071

This being the same property conveyed unto Cliffs Construction, LLC by deed from The Cliffs at Keowee Springs, LLC, dated February 8, 2007 and recorded on February 22, 2007 in Deed Book 1078 at Page 177 in the Register of Deeds Office for Pickens County, State of South Carolina.

ALSO:

ALL that certain piece, parcel or lot of land with all improvements thereon or hereafter constructed thereon situate, lying and being in the County of Pickens, State of South Carolina, being shown and designated as Lot No. 19, The Residences at the Keowee Springs Lodge & Spa as shown on a plat thereof entitled, "Survey of The Residences at the Keowee Springs Lodge & Spa, Phase 3, Lots 1 thru 13 & 40 thru 41", in Plat Book 592 at Page 259 and recorded in the Register of Deeds Office for Pickens County, State of South Carolina, reference to said plat is hereby made for a more complete metes and bounds description thereof.

TMS#: 4130-00-67047

This being the same property conveyed unto Cliffs Construction, LLC by deed from SRJ Timberlands, LLC, dated August 25, 2009 and recorded on August 27, 2009 in Deed Book 1271 at Page 188 in the Register of Deeds Office for Pickens County, State of South Carolina.

ALSO:

ALL that certain piece, parcel or lot of land with all improvements thereon or hereafter constructed thereon situate, lying and being in the County of Pickens, State of South Carolina, being shown and designated as Lot No. CP-13 as shown on a plat thereof entitled, "Survey of The Cliffs at Keowee Vineyards Club Cottages, Lots CP-6 thru CP-13", in Plat Book 569 at Pages 14 & 15 and recorded in the Register of Deeds Office for Pickens County, State of South Carolina, reference to said plat is hereby made for a more complete metes and bounds description thereof.

TMS#: 4133-00-25-4342

This being the same property conveyed unto Cliffs Construction, LLC by deed from Keowee Investment Group, LLC, dated June 20, 2007 and recorded on June 27, 2007 in Deed Book 1110 at Page 118 in the Register of Deeds Office for Pickens County, State of South Carolina, and by that corrective deed dated August 7, 2007 and recorded on August 7, 2007 in Deed Book 1122 at Page 129 in the Register of Deeds Office for Pickens County, State of South Carolina.

MORTGAGE

THIS MORTGAGE (this "Mortgage") is made and entered into this 25th day of August, 2009, by **The Cliffs at Keowee Springs, LLC** (the "Mortgagor"), a South Carolina limited liability company, whose address is 3598 Hwy 11, Travelers Rest, SC 29671, and **Carl R. Renfro or Carolyn S. Renfro, Trustors and/or Trustees, The Carl R. and Carolyn S. Renfro Revocable Living Trust dated June 10, 1997** (the "Mortgagee").

WITNESSETH:

WHEREAS, the Mortgagee has made on this date and shall make at subsequent dates certain loans to The Cliffs Communities, Inc., a South Carolina corporation (the "Borrower"), pursuant to that certain Loan Agreement of even date herewith by and among the Borrower, James B. Anthony, an individual and resident of the State of South Carolina (as guarantor), and the Mortgagee (as amended and modified from time to time, the "Loan Agreement"), such loans to be evidenced by that certain Promissory Note dated as of even date herewith made by the Borrower to the Mortgagee in the original principal amount of \$5,000,000.00 (as amended and modified from time to time, the "Note"); and

WHEREAS, the Mortgagee is and will be unwilling to make such loans to the Borrower without the execution, delivery and recording of this Mortgage; and

WHEREAS, the Mortgagor and Cliffs Construction are subsidiaries of the Borrower and as such will derive direct and indirect economic benefits from the making of such loans and other financial accommodations provided to the Borrower pursuant to the Loan Agreement; and

WHEREAS, capitalized terms used herein but not defined shall have the meanings given to such terms in the Loan Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE ONE GRANT OF MORTGAGE

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 (i) the payment of all indebtedness evidenced by the Note and (ii) all other Obligations (as defined in the Loan Agreement) (hereinafter collectively referred to as the "Obligations"). 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 Pickens 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 County of Pickens, 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-back and other items set forth in the Title Policy (collectively, "Permitted Liens"). The Mortgagor further covenants to warrant and forever defend the Property unto the Mortgagee, its successors and assigns forever, from and against the Mortgagor and the claims of all other persons whomsoever other than Permitted Liens. This Mortgage shall remain in full force and

effect unless and until all of the Obligations are paid in full.

ARTICLE TWO **COVENANTS OF THE MORTGAGOR**

2.1 **PERFORMANCE AND PAYMENT.** The Mortgagor shall perform, observe, and comply with all provisions of this Mortgage.

2.2 **COMPLIANCE WITH LAWS AND COVENANTS.** The Mortgagor covenants and warrants that the Property presently complies in all material respects 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 material compliance with any such law, rule, regulation, covenant, or ordinance, and the Mortgagor shall take all reasonable steps to cure any such non-compliance to the extent such non-compliance could reasonably be expected to result in a material adverse effect on the value of the Property.

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 any such item 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 such contest is made in good faith.

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, 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 USE, MAINTENANCE AND REPAIR OF THE PROPERTY.

a. Use, Maintenance and Repair. The Mortgagor shall use and operate the Property in compliance in all material respects with all applicable laws and ordinances, covenants, and restrictions. 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, ordinary wear and tear excepted or any action or omission in the absence of reasonable care 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 in accordance with the provisions of the Loan Agreement, 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.

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 written 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. Performance of Defaults. If the Mortgagor shall not pay when due any tax, assessment, insurance premium or utility or other charge (subject to Mortgagor's right to contest such item in accordance with the terms hereof), or timely perform or observe any other covenant, condition or term, and so long as an Event of Default shall have occurred and be continuing, in this Mortgage, then the Mortgagee, at its sole discretion, but without any obligation whatsoever, may perform or observe the same, or authorize himself 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 reasonable payments so made or reasonable costs or expenses so incurred to be added to the Obligations and to be repaid immediately by the Mortgagor upon demand.

b. 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.

2.7 FURTHER ASSURANCES. At any time, and from time to time, upon the Mortgagee's reasonable 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 reasonably desirable by the Mortgagee any and all such further mortgages, instruments of further assurance, certificates and other documents as the Mortgagee may consider reasonably 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 Permitted Liens. 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 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 Borrower, 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 Obligations 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.

2.9 INDEMNIFICATION. The Mortgagor shall appear in and defend any suit, action or proceeding that could reasonably be expected to result in a material adverse effect on 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, reasonable attorney's fees arising out of or incurred in connection with any such suit, action or proceeding.

2.10 TRANSFER OF PROPERTY OR INTEREST IN MORTGAGOR. Mortgagor shall be permitted to sell, convey, or transfer, all or any part of the Property so long as the net proceeds thereof are applied to the Obligations in accordance with the terms of the Loan Agreement.

2.11 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 compliance in all material respects 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 compliance in all material respects with applicable environmental laws, rules and regulations. The Mortgagor, and its agents, employees, contracts and tenants shall comply in all material respects 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 reasonably 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, 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 to the extent such items do not arise from the negligence, gross negligence or willful misconduct of Mortgagee. 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 REMEDIES UPON DEFAULT. Upon occurrence and during the continuance 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 Obligations 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 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 reasonable expenditures of any nature incurred in connection with such receivership shall be deemed to be a part of the Obligations;

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, personally or through its agents or representatives, may enter upon, take and maintain exclusive possession of the Property, or any part thereof, with all reasonable costs and expenses thereof (including without limitation, all reasonable costs, expenses and reasonable 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. 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.

3.2 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.

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

3.4 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.

3.5 NO WAIVER. No delay or failure by the Mortgagee to exercise any right or remedy conferred hereunder upon occurrence and during the continuance 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.

3.6 NATURE OF REMEDIES. No right, power or remedy conferred upon or reserved to the Mortgagee by 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 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.

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 shall survive the execution and delivery hereof and shall remain in full force and effect until complete

payment of the Obligations.

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

4.4 NOTICES. All notices, requests, demands and other communications allowed, made or required to be made pursuant to the terms of this Mortgage shall be in writing and shall be deemed to be given or made when personally delivered (including personal delivery by Federal Express or other nationally recognized overnight private courier service) or three (3) days after deposit in the United States mail, registered or certified, postage prepaid, return receipt requested, addressed in any such event to the party to whom such communication is directed at such address as is set forth for such party below or at such other address as may hereafter be designated in writing by the respective parties hereto:

AS TO MORTGAGOR:

The Cliffs at Keowee Springs, LLC
3598 Highway 11
Travelers Rest, SC 29690

AS TO MORTGAGEE:

The Carl R. and Carolyn S. Renfro
Revocable Trust dated June 10, 1997
ATTN: Carl R. Renfro
3100 Cadet
Ponca City, OK 74604

with a copy to:

James M. Bailey
1922 Lake Road (74604)
P.O. Box 1069
Ponca City, OK 74602

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.

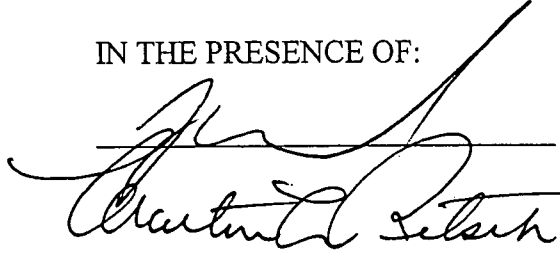
4.6 WAIVER OF JURY TRIAL. *The Mortgagor and Mortgagee acknowledge that the right to trial by jury is a Constitutional one, but that it may be waived. Each party, after consulting (or having had this opportunity to consult) with counsel of their choice, knowingly and voluntarily, and for their mutual 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.

4.8 CAPTIONS. The headings and captions in this Mortgage are included only as a matter of convenience and for reference, and in no way define, limit, extend or describe the scope of this Mortgage or the intent of any other provision hereof.

IN WITNESS WHEREOF, this Mortgage has been duly executed by the Mortgagor as of the date first written above.

IN THE PRESENCE OF:



James B. Anthony, President of Managing
Member The Cliffs Communities, Inc. (Seal)

STATE OF SOUTH CAROLINA)
) ACKNOWLEDGMENT
COUNTY OF GREENVILLE)

The foregoing instrument was acknowledged before me this 25th day of August, 2009 by James B. Anthony.



Notary Public for South Carolina

My commission expires: 1-21

EXHIBIT A

ALL those certain pieces, parcels or lots of land with all improvements thereon or hereafter constructed thereon situate, lying and being in the County of Pickens, State of South Carolina, being shown and designated as Lots No. 53 and 54, Cliffs at Keowee Springs, Phase 1, according to plat recorded in the Office of the Register of Deeds for Pickens County in Plat Book 525 at Pages 1 and 2, reference to said plat is hereby made for a more complete metes and bounds description thereof.

TMS # 4131-00-90-1637 (Lot 53)

4131-00-90-2803 (Lot 54) - *WHEREIN SHOWN BY 2806*

This being the same property conveyed unto the Mortgagors herein by deed from Keowee Springs Group, LLC, dated August 19, 2009 and recorded on August 21, 2009 in Deed Book 1268 at Page 321 in the Register of Deeds Office for Pickens County, State of South Carolina.

This instrument was prepared by:

J. Darryl Holland Law Firm
722 E. McBee Avenue
Greenville, SC 29601

**MODIFICATION OF NOTE, MORTGAGE
AND/OR LOAN DOCUMENTS**
(For Commercial Real Estate Loans Only)

BORROWER(S) NAME(S) AND ADDRESS(ES) Name: Cliffs Communities, Inc. Name: Name: Name: Address: 3598 Hwy 11 City, State, ZIP: Travelers Rest, SC 29671	MODIFICATION TO NOTE OR CREDIT AGREEMENT DATED: <u>August 25, 2009</u>
MORTGAGOR(S) NAME(S) AND ADDRESS(ES) Name: Cliffs Construction, LLC Name: Name: Name: Address: 3598 Highway 11 City, State, ZIP: Travelers Rest, SC 29671	MODIFICATION TO MORTGAGE DATED: <u>August 25, 2009</u>
LENDER NAME AND ADDRESS Name: The Carl R. and Carolyn S. Renfro Revocable Living Trst Address: City, State, ZIP:	LOAN NO./NOTE NO.: _____

This Modification of Note, Mortgage and/or Loan Documents (this "Loan Modification Agreement") is made and entered into this 22 day of October, 2009, by and between Cliffs Communities, Inc.

_____, ("Borrower") and
Cliffs Construction, LLC

_____, ("Mortgagor") and
The Carl R. and Carolyn S. Renfro Revocable Living Trust dated June 10, 1997 ("Lender").

WITNESSETH:

WHEREAS, on August 25, 2009, Borrower executed a promissory note or credit agreement (the "Note"), a Mortgage (as herein defined) and/or certain other loan documentation (all and singular, the "Loan Documents") in connection with Loan No./Note No. _____ (the "Loan") in favor of Lender evidencing, describing, and/or securing indebtedness in the original principal amount of Five Million and No/100 Dollars (\$ 5,000,000.00), said principal sum accruing interest and being due and payable as stated in the Note;

WHEREAS, said Loan and Loan Documents are secured by a mortgage (the "Mortgage") executed by Mortgagor for the benefit of Lender and encumbers the real property described therein (the "Property"), and recorded in Official Records Book 4067, Page 53 of Pickens County, South Carolina;

WHEREAS, the Mortgage, as herein modified, shall secure not only payment of the Loan and performance of the obligations set forth in the Loan Documents, but shall also secure the full, timely, and final payment and performance of all of the Secured Debt (as herein defined); and

WHEREAS, Borrower, Mortgagor, and Lender desire that the Note, Mortgage, and all other Loan Documents be amended and modified as set forth in this Loan Modification Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower, Mortgagor, and Lender hereby agree that:

- ☐ **EXTENSION:** Check the box if this is an extension and complete the following information. The final maturity date of the principal sum of the Loan and the Note are extended from _____ to _____ at which time all outstanding amounts due and payable to Lender under the Loan, the Note and all other Loan Documents shall be paid in full, and the Mortgage is modified accordingly.
- ☒ **SUBSTITUTION OF REAL PROPERTY COLLATERAL:** Check the box if this is a substitution of real property collateral and complete the following information. Under the terms of the Loan Documents, [Check one or both] ☒ Mortgagor ☐ Borrower granted to Lender a lien on and security interest in the Property described in the Mortgage as collateral (the "Collateral") for the payment of the indebtedness evidenced by the Note.

Lender hereby releases its security interest in that part of the Collateral (the "Released Collateral") described on Schedule A-1 attached hereto and incorporated herein by this reference. [Check one or both] ☒ Mortgagor ☐ Borrower hereby assigns, grants, mortgages, bargains, sells, and conveys to Lender, and grants to Lender a lien on and security interest in, the real property described on Schedule A-2 attached hereto and incorporated herein by this reference (the "Substituted Collateral") in substitution for the Released Collateral as security for the payment of the indebtedness evidenced by the Note. The Substituted Collateral provides additional or substitute security for the Loan and all other Secured Debt, the securing of which is evidenced by the Mortgage previously filed, upon the filing of which certain fees and taxes provided by law have been paid. The Substituted Collateral secures the Loan and all other Secured Debt. [Note: If Borrower and Mortgagor are not the same party, both must execute this Loan Modification Agreement.]

- ☐ **ADDITIONAL REAL PROPERTY COLLATERAL:** Check the box if this is a grant of additional real property collateral and complete the following information. [Check one or both] ☐ Mortgagor ☐ Borrower hereby (i) agree(s) that the description of the real property in which Lender is granted a security interest under the Mortgage is hereby amended to include the real property described on Schedule B attached hereto and incorporated herein by this reference ("Additional Collateral"), and (ii) assigns, grants, mortgages, bargains, sells, and conveys to Lender, and grants to Lender a lien on and security interest in, the Additional Collateral as security for the payment of the indebtedness evidenced by the Note. The Additional Collateral provides additional or substitute security for the Loan, the securing of which is evidenced by the Mortgage previously filed, upon the filing of which certain fees and taxes provided by law have been paid. The Additional Collateral secures the Loan and all other Secured Debt. [Note: If Borrower and Mortgagor are not the same party, both must execute this Loan Modification Agreement.]

- ☐ **LOAN AMOUNT/CREDIT LIMIT:** Check the box if this is a change to the Loan amount or credit limit and complete the following information. The principal amount borrowed or available to be borrowed under the Loan or line of credit is ☐ increased ☐ decreased from _____

Dollars (\$ _____) to _____

Dollars (\$ _____).

If the Loan amount is being increased hereby, Borrower hereby acknowledges receipt from Lender of the amount of such increase. ☐ If the line of credit or credit limit is being increased hereby, Borrower acknowledges receipt from Lender of an advance of \$ _____ made contemporaneously herewith. The Note evidences the Loan, as modified and amended in this Loan Modification Agreement.

- ☐ **INTEREST RATE/MARGIN/INDEX:** Check the box if this is a change to the interest rate, margin or index rate terms and complete the following information.

Effective on _____, the interest rate on the Note shall be changed from _____

to:

Check the applicable box as to the interest rate or margin and complete the following information.

- ☐ A fixed rate of _____ % per annum.
☐ A variable rate of _____ % per annum ☐ below ☐ above ☐ equal to the following index rate:

The interest rate may change _____ (the "Change Date"). If this box is checked ☐ the interest rate will not increase or decrease more than _____ % on each Change Date. Subject to applicable law, the minimum interest rate on the Note as amended shall be _____ % per annum and the maximum interest rate on the Note as amended shall not exceed _____ % per annum or the maximum interest rate the Lender is permitted to charge by law, whichever is less.

- ☐ **PAYMENT TERMS:** Check the box if the payment terms have changed because of the changes herein, or as otherwise mutually agreed to by Borrower, Mortgagor and Lender, and state the new payment terms below:

Borrower and/or Mortgagor agree to pay Lender [Check all that apply]: ☐ a loan modification fee in the amount of \$ _____, and/or ☐ a _____ fee in the amount of \$ _____. Fees being reimbursed to or for the benefit of the Lender are as follows: _____

General provisions applicable to this Loan Modification Agreement:

(1) Except as modified herein, all the terms, definitions, and conditions of the Loan Documents are incorporated herein by this reference and shall remain in full force and effect. Borrower and/or Mortgagor agree to execute any additional loan documents requested or required by Lender in connection with the Loan Documents, as amended, and/or this Loan Modification Agreement. Terms not otherwise defined in this Loan Modification Agreement shall have the meanings ascribed to them in the original Loan Documents.

(2) Nothing contained herein shall be construed to impair the security of Lender under the Note, Mortgage or any other Loan Document, whether executed in conjunction with the Loan evidenced by the Note or otherwise. All collateral shall continue to secure all present and future Secured Debt and all present and future collateral shall be subject to all of the terms and provisions of the Mortgage, all of which terms and provisions shall remain in full force and effect. Mortgagor and/or Borrower hereby authorize Lender to prepare and record or file such security instruments, financing statements, and other Loan Documents deemed appropriate by Lender to perfect or to further reflect Lender's security interest in the Collateral and to continue such perfection therein. No Collateral shall be deemed released unless Lender itself actually agrees to a release and executes and delivers a written release.

(3) This Loan Modification Agreement shall be binding upon the parties hereto and their personal representatives, heirs, beneficiaries, successors and assigns. If more than one person signs below as Borrower or as Mortgagor, such persons are jointly and severally bound under this Loan Modification Agreement.

(4) Borrower and/or Mortgagor agree to pay directly or reimburse Lender for all fees and taxes incurred or paid to any public official(s) by Lender in connection with this Loan Modification Agreement, including, without limitation, fees for the perfection and continuation of perfection of Lender's security interest in existing or new Collateral and/or the cost of any release.

(5) If Borrower and Mortgagor are the same party, execution in either capacity (Borrower or Mortgagor) shall be deemed to be execution in both capacities. This Loan Modification Agreement applies in all respects to both Borrower and Mortgagor, if they are different persons. Reference to Borrower includes Mortgagor and reference to Mortgagor includes Borrower.

(6) The Mortgage and this Loan Modification Agreement have been or are being executed in connection with a credit agreement for "commercial purposes" in that they have been or are being entered into by an individual, partnership, trust, corporation or other legal entity that is engaged in business or agricultural endeavors solely in order to finance such endeavors.

(7) The Substituted Collateral and Additional Collateral shall be subject to all of the terms and provisions of the Mortgage, all of which shall remain in full force and effect and shall be fully applicable to the Substituted Collateral and/or Additional Collateral. Without limiting the generality of the foregoing, all representations and warranties made in the Mortgage by Mortgagor regarding the Collateral shall apply equally to the Substituted Collateral and the Additional Collateral, including, without limitation, the warranty that title thereto is vested in Mortgagor free and clear of all liens and encumbrances other than the liens and encumbrances expressly excluded on any Schedules to this Loan Modification Agreement. Mortgagor and/or Borrower hereby authorize Lender to prepare and record or file such mortgages and financing statements and other Loan Documents deemed appropriate by Lender to perfect Lender's security interest in the Substituted Collateral and/or the Additional Collateral and to continue such perfection therein. Lender will record or file Loan Documents evidencing the release by Lender of the Released Collateral, but no such recordation will be made until Lender has recorded any Loan Documents necessary to perfect Lender's security interest in the Substituted Collateral and/or Additional Collateral, as the case may be.

(8) The Lender shall have all of the rights and remedies of a secured party under the laws of the state where the Lender is located, including, without limitation, those specified in Article 9 of the Uniform Commercial Code of the state where the Lender is located. The Lender is authorized to record this instrument, to add any necessary language for recordation (such as "This instrument prepared by" information), and to file such financing statements, continuation statements, and amendments thereof, as the Lender may determine, all at Lender's discretion and Borrower's and Mortgagor's expense. All existing and future collateral shall secure all of the Secured Debt.

(9) The Mortgage and all collateral shall secure all of the loans, debts, and obligations specified in the Mortgage, in each promissory note referred to therein, and in all other Loan Documents and/or Related Documents (as defined herein), including the Loan. In addition to those debts and obligations, the Mortgage and all collateral shall be deemed to secure all of the following: The faithful, full, timely, and final payment of all present and future obligations for the payment of money of the Borrower and any other present and future Obligor (as defined herein) to the Lender; and the faithful, full, timely, and final performance of all present and future obligations of performance of the Borrower and any other present and future Obligor to the Lender including, without limitation: (a) the faithful, full, timely, and final payment of all present and future payment obligations specified in the Related Documents, including the Note and the Mortgage; (b) the faithful, full, timely, and final performance of all present and future obligations of performance specified in the Related Documents, including the Note and the Mortgage; and (c) all other present and future payment and performance obligations of each Obligor to the Lender, no matter how acquired, arising, or evidenced, including all consumer and business loans (but excluding any consumer loan as to which required federal or state disclosures were not adequately made). All of these payment and performance obligations specified in this paragraph are referred to in the Mortgage and this Loan Modification Agreement as the "Secured Debt."

(10) The term "Secured Debt" includes and is intended to include not only presently outstanding amounts of the indebtedness described herein but also future advances and all other obligations now or hereafter described in any document or instrument whatsoever, whether obligatory, optional or both, to the same extent as if such future advances were made contemporaneously with the execution of the Mortgage, even if or though no advance is made at the time of the execution of the Mortgage and even if or though no part of the Secured Debt is outstanding at the time that any advance is made.

(11) It shall not matter how any debt or performance obligations are now or hereafter evidenced, or whether sums are advanced by the Lender to the Mortgagor, Borrower or other Obligor, or advanced by the Lender's expending money for the Mortgagor's, Borrower's or other Obligor's account or benefit, or advanced or expended to enforce, enhance, defend, complete, insure, protect, and/or foreclose upon any collateral or obligation, including any guaranty, or with respect to the appointment of a receiver for any Obligor or collateral, or advanced to defend, declare, or enforce the Mortgage or any other Related Document, or purchased by the Lender from another creditor; all of such sums are included in and expressly intended to be included in the term "Secured Debt."

(12) All advances, except obligatory advances, shall bear interest from the date of advance until final payment thereof at the maximum contract rate of interest permitted by law. Prior to default, obligatory advances shall bear interest at the rate specified in the Note.

(13) All advances under the Loan and the Loan Documents, including those made pursuant to or in connection with this Loan Modification Agreement shall relate back to the time of the earliest perfection of Lender's security interest in any collateral and shall be prior and superior to subsequent encumbrances and conveyances unless otherwise expressly required by law.

(14) Reference to "Collateral" or "collateral," unless otherwise expressly stated, means and includes the Property, the Substituted Collateral, the Additional Collateral, all other collateral described in any Related Documents (including the Mortgage), and all products and proceeds thereof, whether now existing or hereafter created or arising.

(15) Reference to "Obligor" means and includes any present or future person who is a maker, co-maker, accommodation maker, borrower, guarantor, surety, pledgor, hypothecator, endorser, mortgagor, and other provider of collateral, and this term also includes the Mortgagor. Reference to "Lender" includes the Lender under the Mortgage and reference to "Lender" includes the "Lender."

(16) Reference to "Related Documents" means each and every document or instrument previously, now, or hereafter executed in connection with the Loan or any other Secured Debt including, without limitation, the Mortgage, the Loan Documents, this Loan Modification Agreement, all promissory notes, loan agreements, credit agreements, environmental agreements, deeds of trust, deeds to secure debt, security deeds, collateral agreements, mortgages, security agreements, pledge agreements, hypothecation agreements, letter of credit agreements, factoring agreements, financing documents, financing statements, change in terms agreements, and all other related documents and instruments, including all renewals, extensions, amendments, modifications, substitutions, supplements, restatements or other changes thereto and/or in connection therewith. Reference to any document or instrument, and/or to any Secured Debt, shall also include all renewals, extensions, amendments, modifications, substitutions, supplements, restatements or other changes thereto and/or in connection therewith. This modification and Loan Modification Agreement apply expressly to all prior modifications of the Note, Mortgage, and any other Loan Documents.

(17) The parties acknowledge and agree that this instrument is a modification and amendment of the Note and other Loan Documents and/or Related Documents, as herein specified; and that, except for the advance of additional funds or other change specified herein, is not intended to be a creation of new indebtedness or any other form of novation. All provisions of this Loan Modification Agreement relating to the Note or other indebtedness shall apply with equal force and effect to existing and future Loan Documents, to existing and future Related Documents (if applicable), to the Secured Debt, and to each and all promissory notes hereinafter executed which in whole or in part represent a renewal, extension for any period, increase or rearrangement of any part of the Secured Debt, including that originally evidenced by the Note. No renewal promissory note or act of renewal shall in any event release or constitute a novation in respect of the original promissory note(s) or any other Loan Document(s) or Related Document(s), or as to any collateral or other security (including guaranties) unless the Lender executes a document specifically stating that the Lender intends there to be a novation and in fact uses the word "novation." The parties expressly agree that they do not intend, now or in the future, to cause or permit any implicit or non-express novation or release.

(18) The Borrower and Mortgagor hereby acknowledge and agree that the Lender has timely and fully performed all of Lender's obligations to them and each of them and they have no claims or grievances against the Lender as of the date hereof. To the extent that the Borrower and/or Mortgagor believes that it has such a claim in consideration of the Lender's entering into this Loan Modification Agreement, all such claims are hereby expressly waived.

IN WITNESS WHEREOF, this Loan Modification Agreement is executed by the undersigned under seal on the day and year first written above. By signing below, Borrower and/or Mortgagor acknowledge that Borrower and/or Mortgagor have read, understand, and agree to the terms of this Loan Modification Agreement, and acknowledge receipt of an exact copy of this Loan Modification Agreement.

(THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK.)

BORROWER:

_____(SEAL)

(Type or Print Name)

BORROWER:

_____(SEAL)

(Type or Print Name)

BORROWER:

_____(SEAL)

(Type or Print Name)

BORROWER:

_____(SEAL)

(Type or Print Name)

BORROWER:

_____(SEAL)

By: The Cliffs Communities, Inc.

Title: James B. Anthony, President

Attest: _____

Title: _____

[CORPORATE SEAL]

BORROWER:

_____(SEAL)

By: _____

Title: _____

Attest: _____

Title: _____

[CORPORATE SEAL]

Signed, sealed and delivered in the presence of:

Chanty Black
(Witness)

MORTGAGOR:

_____(SEAL)

(Type or Print Name)

MORTGAGOR:

_____(SEAL)

(Type or Print Name)

MORTGAGOR:

_____(SEAL)

(Type or Print Name)

MORTGAGOR:

_____(SEAL)

(Type or Print Name)

MORTGAGOR:

_____(SEAL)

By: Cliffs Construction, LLC

Title: James B. Anthony, President of

Attest: Managing Member of Cliffs

Title: Communities, Inc.

[CORPORATE SEAL]

LENDER:

The Carl R. & Carolyn S. Renfro Revocable
Living Trust dated June 10, 1997

By: _____

Title: _____

Attest: _____

Title: _____

[CORPORATE SEAL]

May Ag...
(Witness)

PROBATE:

STATE OF South Carolina COUNTY OF Greenville ss.

Personally appeared before me, the undersigned witness who, being duly sworn, depose and said that (s)he saw the Borrower and/or Mortgagor* (and each Borrower and/or Mortgagor if more than one) sign, seal, and deliver the foregoing Loan Modification Agreement and that (s)he, together with the other witness whose name appears as a witness, witnessed the execution thereof. *and/or Lender

Sworn to and subscribed before me this 22
day of October, 2009

Seach S. Dyer (Seal)
Notary Public for South Carolina

My commission expires: 8-31-19

BORROWER:

_____(SEAL)

(Type or Print Name)

MORTGAGOR:

_____(SEAL)

(Type or Print Name)

BORROWER:

_____(SEAL)

(Type or Print Name)

MORTGAGOR:

_____(SEAL)

(Type or Print Name)

BORROWER:

_____(SEAL)

(Type or Print Name)

MORTGAGOR:

_____(SEAL)

(Type or Print Name)

BORROWER:

_____(SEAL)

(Type or Print Name)

MORTGAGOR:

_____(SEAL)

(Type or Print Name)

BORROWER:

_____(SEAL)

By: The Cliffs Communities, Inc.
Title: James B. Anthony, President
Attest: _____
Title: _____
[CORPORATE SEAL]

MORTGAGOR:

_____(SEAL)

By: Cliffs Construction, LLC
Title: James B. Anthony, President of
Attest: Managing Member of Cliffs
Title: Communities, Inc.
[CORPORATE SEAL]

BORROWER:

_____(SEAL)

By: _____
Title: _____
Attest: _____
Title: _____
[CORPORATE SEAL]

LENDER:
The Carl R. & Carolyn S. Renfro Revocable
Living Trust dated June 10, 1997

By: Carl R. Renfro
Title: CARL R. RENFRO
Attest: TRUSTEE
Title: _____
[CORPORATE SEAL]

Signed, sealed and delivered in the presence of:

[Signature]
(Witness)

[Signature]
(Witness)

PROBATE:

STATE OF OKLAHOMA, COUNTY OF MCAL ss.

Personally appeared before me, the undersigned witness who, being duly sworn, deposed and said that (s)he saw the Borrower and/or Mortgagor* (and each Borrower and/or Mortgagor if more than one) sign, seal, and deliver the foregoing Loan Modification Agreement and that (s)he, together with the other witness whose name appears as a witness, witnessed the execution thereof. *and/or Lender

Sworn to and subscribed before me this 26th
day of JULY, 2009.

[Signature] (Seal)
Notary Public for South Carolina OKLAHOMA

My commission expires: 6/20/12

NOTARY #

02608526

Schedule A-1 - Released Collateral

ALL that certain piece, parcel or lot of land with all improvements thereon or hereafter constructed thereon situate, lying and being in the State of South Carolina, County of Pickens, being shown and designated as Lot No. Ten (10), of The Residences at the Keowee Springs Lodge & Spa as shown on a plat thereof entitled, "Survey of The Residences at the Keowee Springs Lodge & Spa Phase 3 - Lots 1 thru 30 & 40 thru 41", dated September 11, 2006, and recorded in the Register of Deeds for Pickens County, State of South Carolina, in Plat Book 592 at Page 259, reference to said plat is hereby made for a more complete description thereof.

Schedule A-2 - Substituted Collateral

ALL that certain piece, parcel or lot of land with all improvements thereon or hereafter constructed thereon situate, lying and being in the State of South Carolina, County of Pickens, being shown and designated as Lot Nos. Forty-Three (43) and Forty-Four (44), of The Residences at the Keowee Springs Lodge & Spa as shown on a plat thereof entitled, "Survey of The Residences at the Keowee Springs Lodge & Spa Phase 3 - Lots 35 thru 39 & Lots 42 thru 82", dated September 24, 2006, and recorded in the Register of Deeds for Pickens County, State of South Carolina, in Plat Book 593 at Page 263, reference to said plat is hereby made for a more complete description thereof.

Schedule B - Additional Collateral

None.

CONFIRMATION OF GUARANTY

For value received, the receipt and sufficiency of which are hereby acknowledged, the undersigned guarantor (and each of the undersigned, if more than one, jointly and severally) (the "Guarantor") hereby acknowledges that the terms and provisions of the above and foregoing Loan Modification Agreement are to the personal financial benefit of Guarantor and hereby agrees that all of the terms and provisions of any guaranty previously executed by Guarantor guaranteeing payment of the Loan identified hereinabove and/or any of the obligations of Borrower and/or Mortgagor under the Mortgage and/or any obligations of Borrower under any other Loan Documents, whether executed in connection with the Loan evidenced by the Note or otherwise, shall continue to apply to the Loan, Note, Mortgage and other Loan Documents as amended and modified by the above Loan Modification Agreement, and all of the terms and provisions of such guaranty shall be fully binding upon Guarantor and shall remain in full force and effect in accordance with the terms and provisions of such guaranty. Guarantor further acknowledges and agrees that Guarantor's approval of the Loan Modification Agreement is not necessary because the guaranty agreement between Guarantor and the Lender permits Lender to make the modifications specified in the Loan Modification Agreement without Guarantor's consent, but that on this one occasion Lender has elected to obtain Guarantor's consent; provided, however, that Lender has done so without binding itself to seek Guarantor's consent in any future transactions or modifications.

IN WITNESS WHEREOF, each of the undersigned Guarantors has duly executed and delivered this Confirmation of Guaranty to Lender under seal the day and year first above written.

GUARANTOR:

James B. Anthony

GUARANTOR:

(SEAL)

(SEAL)

GUARANTOR:

(SEAL)

GUARANTOR:

(SEAL)

GUARANTOR:

By: _____ (SEAL)

Its: _____

Attest: _____

Its: _____

[CORPORATE SEAL]

GUARANTOR:

By: _____ (SEAL)

Its: _____

Attest: _____

Its: _____

[CORPORATE SEAL]

GUARANTOR:

By: _____ (SEAL)

Its: _____

Attest: _____

Its: _____

[CORPORATE SEAL]

JAMES M. BAILEY

Attorney at Law
1922 Lake Road
P.O. Box 1069
Ponca City, Oklahoma 74602

TELEPHONE 580 762-6666

EMAIL jamesbailey885@msn.com

FACSIMILE 580 765-6850

May 25, 2012

VIA UPS OVERNIGHT

BMC Group
Cliffs Claims Processing
18675 Lake Drive East
Chanhassen, MN 55317


Re: **The Cliffs Club & Hospitality Group, Inc., et al.
Bankruptcy Case No. 12-10220**

Dear Sir/Madame:

Enclosed are three (3) Proofs of Claim (original and one copy each) in the above-referenced matter. Please file the originals and return file-stamped copies in the enclosed envelope.

Thank you for your assistance in this matter.

Best regards,

A handwritten signature in black ink, appearing to be 'JMB' with a stylized flourish extending from the end.

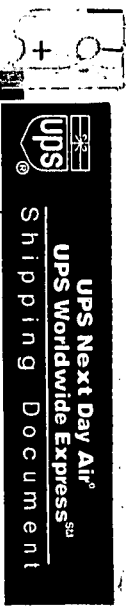
JAMES M. BAILEY

JMB/js
Enclosures

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