

UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA

PROOF OF CLAIM



Your Claim is Scheduled As Follows:
Schedule/Claim ID: s3887
AMOUNT/CLASSIFICATION:
UNKNOWN UNSECURED
(CONTINGENT UNLIQUIDATED DISPUTED)

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

Case Number:
12-01225

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

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

CCHR B, LLC

Name and address where notices should be sent:

29347866009106

CCHR B, LLC
Marty Ritsch, Member
3598 Hwy 11
Travelers Rest, SC 29690

RECEIVED

MAY 31 2012

BMC GROUP

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

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

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

Creditor Telephone Number 864-371-1063 email: m.ritsch@cliffscommunities.com

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

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

THIS SPACE IS FOR COURT USE ONLY

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

Court Claim Number (if known):

Filed on:

Payment Telephone Number () email:

1. AMOUNT OF CLAIM AS OF DATE CASE FILED \$ 100,000

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

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

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

2. BASIS FOR CLAIM: see attached rights to sell membership + funds to benefi + CCHR B, LLC v. Hase Orefook 101-1

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

3a. Debtor may have scheduled account as: unsecured (See instruction #3a)

3b. Uniform Claim Identifier (optional): (See instruction #3b)

4. SECURED CLAIM: (See instruction #4)

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

Nature of property or right of setoff:
Describe:

Real Estate Motor Vehicle Other

Value of Property: \$

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

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

Basis for Perfection:

Amount of Secured Claim: \$

Amount Unsecured: \$ 100,000

5. Amount of Claim Entitled to Administrative Expense status under 11 U.S.C. § 503(b)(9) or Priority under 11 U.S.C. § 507(a). If any part of the claim falls into one of the following categories, check the box specifying the administrative expense or priority and state the amount.

Amount entitled to priority: \$

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

You MUST specify the priority of the claim:

Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7).

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

Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).

Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5).

Other - Specify applicable paragraph of 11 U.S.C. § 507(a) ().

Value of goods received by the debtor within 20 days before the date of the bankruptcy filing - 11 U.S.C. § 503(b)(9).

* Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

Cliffs POC



01248

6. CREDITS: The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #6)

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

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

If the documents are not available, please explain:

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

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

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

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

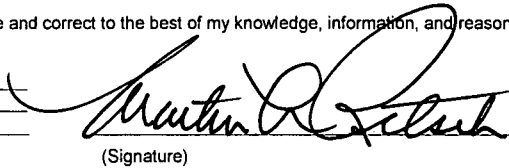
8. SIGNATURE: (See instruction #8)

Check the appropriate box.

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

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

Print Name: Martin Bitsch
Title: Member
Company: CCHRB, LLC

 5/25/12
(Signature) (Date)

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

Telephone number: email:

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

LIST OF DEBTORS:

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

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, there may be exceptions to these general rules.

ITEMS TO BE COMPLETED IN PROOF OF CLAIM FORM (IF NOT ALREADY PROPERLY FILLED IN)

Court, Name of Debtor, and Case Number:

Fill in the federal judicial district where the bankruptcy case was filed (for example, Central District of California), the bankruptcy debtor's full name, and the case number. If you received a notice of the case from the Claims Agent, BMC Group, some or all of this information may have been already completed.

Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the date of the bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on delivering health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if an interested party objects to the claim.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:

Report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

3b. Uniform Claim Identifier:

If you use a uniform claim identifier, you may report it here. A uniform claim identifier is an optional 24-character identifier that certain large creditors use to facilitate electronic payment in chapter 13 cases.

4. Secured Claim:

Check whether the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See Definitions) If the claim is secured,

check the box for the nature and value of property that secures the claim, attach copies of lien documentation and state, as of the date of the bankruptcy filing the annual interest rate (and whether it is fixed or variable), and the amount past due on the claim.

5. Amount of Claim Entitled to Administrative Expense Under 11 U.S.C. § 503 (b)(9) or Priority Under 11 U.S.C. § 507(a).

If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See Definitions) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Credits:

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

7. Documents:

Attach redacted copies of any documents that show the debt exists and a lien secures the debt. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary in addition to the documents themselves. FRBP 3001(c) and (d). If the claim is based on delivering health care goods or services, limit disclosing confidential health care information. Do not send original documents, as attachments may be destroyed after scanning.

8. Date and Signature:

The individual completing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2), authorizes courts to establish local rules specifying what constitutes a signature. If you sign this form, you declare under penalty of perjury that the information provided is true and correct to the best of your knowledge, information, and reasonable belief. Your signature is also a certification that the claim meets the requirements of FRBP 9011(b). Whether the claim is filed electronically or in person, if your name is on the signature line, you are responsible for the declaration. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. If the claim is filed by an authorized agent, attach a complete copy of any power of attorney, and provide both the name of the individual filing the claim and the name of the agent. If the authorized agent is a servicer, identify the corporate servicer as the company. Criminal penalties apply for making a false statement on a proof of claim.

DEFINITIONS

DEBTOR

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

CREDITOR

A creditor is a person, corporation, or other entity to whom the debtor owes a debt that was incurred before the date of the bankruptcy filing. See 11 U.S.C. §101(10).

CLAIM

A claim is the creditor's right to receive payment for a debt owed by the debtor on the date of the bankruptcy filing. See 11 U.S.C. §101(5). A claim may be secured or unsecured.

PROOF OF CLAIM

A proof of claim is a form sued by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. This form must be filed with the court-appointed Claims Agent, BMC Group, at the address listed on the reverse side of the first page.

SECURED CLAIM Under 11 U.S.C. §506(a)

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car. A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court

judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

UNSECURED CLAIM

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

CLAIM ENTITLED TO PRIORITY Under 11 U.S.C. §507(a)

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

REDACTED

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor must show only the last four digits of any social-security, individual's tax-identification, or financial-account number, only the initials of a minor's name, and only the year of any person's date of birth. If the claim is based on the delivery of health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information.

EVIDENCE OF PERFECTION

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

INFORMATION

OFFERS TO PURCHASE A CLAIM

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. §101 *et seq.*), and any applicable orders of the bankruptcy court.

Date-Stamped Copy

Return claim form and attachments, if any. If you wish to receive an acknowledgement of your claim, please enclose a self-addressed stamped envelope and a second copy of the proof of claim form with any attachments to the Claims Agent, BMC Group, at the address on the second page of this form.

Please read – important information: upon completion of this claim form, you are certifying that the statements herein are true.

Be sure all items are answered on the claim form. If not applicable, insert "Not Applicable."

ONCE YOUR CLAIM IS FILED YOU CAN OBTAIN OR VERIFY YOUR CLAIM NUMBER BY VISITING www.bmcgroup.com/cliffs

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

Creditor: CCHRB, LLC

Attachments:

1. Purchase and Sale Agreement
2. Deed for Property
3. Membership Agreement
4. Default Notice

PURCHASE AND SALE AGREEMENT

This Purchase Agreement ("Agreement") is made and entered into this 1st day of February, 2011, by and between The Cliffs at Mountain Park, LLC. and or assigns ("**Purchaser**") and CCHRB, LLC ("**Seller**").

For and in consideration of the purchase price set forth herein and the mutual promises, covenants, and warranties contained in this Agreement, Seller agrees to sell and Purchaser agrees to purchase on the terms and conditions set forth below:

1. **Property Description.** The real property (hereinafter "Property") which is the subject of this Agreement is as follows:

Cliffs at Mountain Park, LLC
Village Overlook RU-101-1
321 Imperia Court
Travelers Rest, SC 29690

2. **Purchase Price.**

- (a) The purchase price for the property is agreed to be Four Hundred Ninety Thousand Dollars (\$490,000) less any funds due to the Purchaser on the Date of Closing. The Purchaser shall pay to the Seller \$2,046.88 per month starting March 1, 2011 and shall continue until the Date of Closing. The Purchaser shall also be credited with the amount of all loan payments made until the Closing Date.

Or

Cliffs will place the Property for sale on Company property inventory and if the property sales prior to the Date of Closing in Paragraph 3, Seller will receive proceeds from the sale in the amount of the balance of the mortgage owed by the Seller (CCHRB, LLC) plus 6% of the original loan value from February 1, 2011 until sold and all other proceeds, closing costs and expenses normally due from seller, will be received or paid by the Purchaser of this agreement.

- (b) If the Property does not sale to a third party then at the Date of Closing, listed in Paragraph 3, Purchaser shall pay all closing costs, including, but not limited to, preparation of deed, statutory deed recording fee (formerly known as deed stamps), all attorneys fees for seller and purchaser's attorneys, title abstract fees, title insurance binders, title insurance premiums, and any and all closing costs typically paid by a seller and/or a purchaser in a South Carolina real estate transaction.

7. **Prorations.** There shall be no proration of county taxes, municipal taxes (if applicable), applicable water and sewer charges, maintenance assessments, property owners association dues, rent payments, or other applicable taxes and charges. Seller agrees to be responsible for the payment of all of the aforementioned charges prior to the date of this Agreement and after the closing of this transaction.
8. **Brokerage Fees.** Purchaser and Seller acknowledge and represent that they are dealing directly with each other with regard to this transaction and there is not real estate brokerage fee due at closing from Seller or Purchaser.
9. **Default.** Time is of the essence in each paragraph of the Agreement where a performance time is stipulated. If Purchaser or Seller fails to perform any covenant of this Agreement, the other party may seek any available legal or equitable remedy, and may terminate this Agreement.

If the Purchaser Defaults on this Purchase and Sale Agreement, all monies owed to the Purchaser by the Seller, shall be forgiven.

10. **1031 Exchange.** Seller and Purchaser agree that either party may effectuate a tax deferred exchange under Section 1031 of the Internal Revenue Code and to cooperate in said exchange provided that the party not effectuating the 1031 exchange shall not incur any additional liability, costs, or expense.

11. **Special Provisions.**

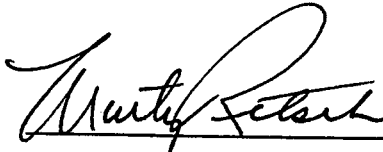
- (a) Seller cannot assign, transfer or sell property without written consent of the Purchaser.

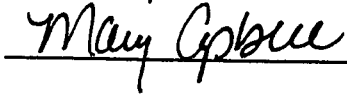
12. **Miscellaneous.** The invalidity or unenforceability of any provision of this Agreement shall not affect the other provisions of this Agreement, which shall be construed in all respects as if the invalid and unenforceable provision were omitted. For the convenience of the parties, duplicate originals of this Agreement may be executed and each original shall be deemed to be an original instrument. This Agreement shall be governed and construed in accordance with the laws of the State of South Carolina. Titles of the paragraphs and subparagraphs included in this Agreement have been inserted as a matter of convenience for reference only and shall not affect the meaning or construction of any of its terms or provisions. This Agreement and all documents and instruments incorporated in this Agreement by specific reference are intended by the parties to be the final and entire expression of their agreement and constitute a complete and exclusive statement of the terms of this Agreement notwithstanding any representations or statements to the

warrants that he/she has been authorized to do so by the Board of Directors of such Corporation, by the members of the limited liability company, or by the partners of any other legal entity.

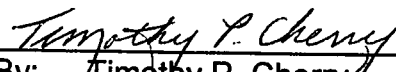
19. **Manner of Transferring Title.** Purchaser requests that Seller prepare the deed of conveyance to vest title in The Cliffs at Mountain Park, LLC.

IN THE PRESENCE OF:



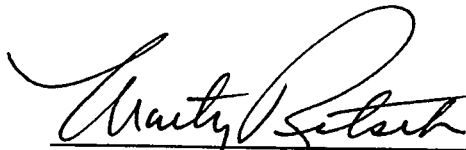


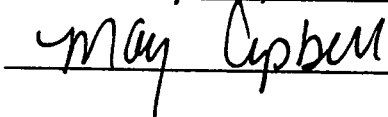
Seller
CCHRB, LLC



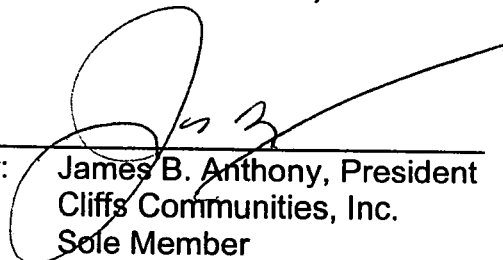
By: Timothy P. Cherry
Managing Member

IN THE PRESENCE OF:





Purchaser
Cliffs at Mountain Park, LLC



By: James B. Anthony, President
Cliffs Communities, Inc.
Sole Member

**EXHIBIT B
PURCHASE AND SALE AGREEMENT**

This Purchase Agreement ("Agreement") is made and entered into this 1st day of February, 2011, by and between The Cliffs at Mountain Park, LLC. and or assigns ("**Purchaser**") and CCHRB, LLC ("**Seller**").

For and in consideration of the purchase price set forth herein and the mutual promises, covenants, and warranties contained in this Agreement, Seller agrees to sell and Purchaser agrees to purchase on the terms and conditions set forth below:

1. **Property Description.** The real property (hereinafter "Property") which is the subject of this Agreement is as follows:

Cliffs at Mountain Park, LLC
Village Overlook RU-101-1
321 Imperia Court
Travelers Rest, SC 29690

2. **Purchase Price.**

- (a) The purchase price for the property is agreed to be Four Hundred Ninety Thousand Dollars (\$490,000) less any funds due to the Purchaser on the Date of Closing. The Purchaser shall pay to the Seller \$2,046.88 per month starting March 1, 2011 and shall continue until the Date of Closing. The Purchaser shall also be credited with the amount of all loan payments made until the Closing Date.

Or

Cliffs will place the Property for sale on Company property inventory and if the property sales prior to the Date of Closing in Paragraph 3, Seller will receive proceeds from the sale in the amount of the balance of the mortgage owed by the Seller (CCHRB, LLC) plus 6% of the original loan value from February 1, 2011 until sold and all other proceeds, closing costs and expenses normally due from seller, will be received or paid by the Purchaser of this agreement.

- (b) If the Property does not sale to a third party then at the Date of Closing, listed in Paragraph 3, Purchaser shall pay all closing costs, including, but not limited to, preparation of deed, statutory deed recording fee (formerly known as deed stamps), all attorneys fees for seller and purchaser's attorneys, title abstract fees, title insurance binders, title insurance premiums, and any and all closing costs typically paid by a seller and/or a purchaser in a South Carolina real estate transaction.

- (c) Prior to any closing, Purchaser shall reimburse to Seller all carrying costs such as property taxes and property owner dues at the time an invoice is presented for reimbursement.
3. **Date and Place of Closing.** Closing shall take place at the office of John D. Holland on or before February 1, 2012 at a time to be agreed upon by Seller and Purchaser.
4. **Conveyance of Property.** Seller shall convey marketable title to the Property pursuant to this Agreement by fee simple general warranty deed, free from encumbrances, but subject to matters of record, including, but not limited to, taxes and assessments not yet due, all special easements, restrictions and conditions shown on any recorded subdivision plat, licenses and easements for utilities serving the property, the Declaration and the By-laws of the Association, applicable ordinances and all other easements, rights-of-ways, restrictive or utility easements, restrictions, covenants, affirmative obligations and conditions of record in the Office of the Register of Deeds. If a title insurance company which is a member of the American Land Title Association will issue a binder to issue an Owner's Title Insurance Policy, at Seller's Expense, insuring the title to the Property at regular rates in an amount equal to the Purchase Price, Seller will be deemed to be able to convey marketable title in fee simple.
5. **Title.** Purchaser agrees to notify Seller in writing of any defects in title as soon as reasonably possible prior to the date of closing. If Seller cannot deliver a General Warranty Deed to the Property, subject to the exceptions in the title binder, Seller will have the right to extend the closing date for an additional thirty (30) days to comply with the terms of the title binder. If there is found to be any defect in the title which cannot be corrected within the thirty (30) day extension, either party may terminate this Agreement, and at such time, neither Seller or Purchaser shall have any further rights hereunder.
6. **Inspection.** Purchaser shall have reasonable access to Property to have Property inspected by reputable inspectors, at its own expense. Inspections must be completed before closing.

If Purchaser is not satisfied with the inspections for any reason, Purchaser shall have the option of: (a) accepting the Property in its present condition, or (b) terminating this Agreement, in which case neither the Seller or Purchaser shall have any further rights hereunder. Closing shall constitute acceptance of Property in its then existing condition, unless provision is otherwise made in writing.

7. **Prorations.** There shall be no proration of county taxes, municipal taxes (if applicable), applicable water and sewer charges, maintenance assessments, property owners association dues, rent payments, or other applicable taxes and charges. Seller agrees to be responsible for the payment of all of the aforementioned charges prior to the date of this Agreement and after the closing of this transaction.
8. **Brokerage Fees.** Purchaser and Seller acknowledge and represent that they are dealing directly with each other with regard to this transaction and there is not real estate brokerage fee due at closing from Seller or Purchaser.
9. **Default.** Time is of the essence in each paragraph of the Agreement where a performance time is stipulated. If Purchaser or Seller fails to perform any covenant of this Agreement, the other party may seek any available legal or equitable remedy, and may terminate this Agreement.

If the Purchaser Defaults on this Purchase and Sale Agreement, all monies owed to the Purchaser by the Seller, shall be forgiven.

10. **1031 Exchange.** Seller and Purchaser agree that either party may effectuate a tax deferred exchange under Section 1031 of the Internal Revenue Code and to cooperate in said exchange provided that the party not effectuating the 1031 exchange shall not incur any additional liability, costs, or expense.

11. **Special Provisions.**

- (a) Seller cannot assign, transfer or sell property without written consent of the Purchaser.

12. **Miscellaneous.** The invalidity or unenforceability of any provision of this Agreement shall not affect the other provisions of this Agreement, which shall be construed in all respects as if the invalid and unenforceable provision were omitted. For the convenience of the parties, duplicate originals of this Agreement may be executed and each original shall be deemed to be an original instrument. This Agreement shall be governed and construed in accordance with the laws of the State of South Carolina. Titles of the paragraphs and subparagraphs included in this Agreement have been inserted as a matter of convenience for reference only and shall not affect the meaning or construction of any of its terms or provisions. This Agreement and all documents and instruments incorporated in this Agreement by specific reference are intended by the parties to be the final and entire expression of their agreement and constitute a complete and exclusive statement of the terms of this Agreement notwithstanding any representations or statements to the

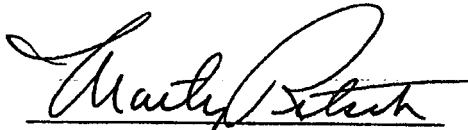
contrary previously made. This Agreement may not be amended, modified, altered or changed in any respect whatsoever, except by a further written agreement duly executed by the parties. Failure by Seller or Purchaser to insist upon or enforce any of its rights hereunder shall not constitute a waiver thereof. In the event of litigation relating to enforcement of rights under this Agreement, the prevailing party shall be entitled to recover all litigation expenses, including, but not limited to, attorneys' fees and court costs, from the non-prevailing party. Seller acknowledges that the closing agent for this transaction is required by the provisions of the Internal Revenue Code of 1986, as amended, to complete and file a Form 1099B relating to the sale and, if Seller is a non-resident of South Carolina, a withholding return will be filed with the South Carolina Tax Commission. Seller will cooperate and provide all information required to the closing agent. This Agreement shall be binding on and inure to the benefit of the parties and their respective heirs, devisees, personal representatives, successors and assigns.

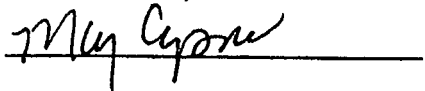
13. **Survival of Warranties.** Except as otherwise expressly provided herein, it is the express intention and agreement of the parties to this Agreement that all covenants, agreements, statements, representations, and warranties made by Purchaser and Seller in this Agreement, shall survive the closing of this transaction and the recordation of the deed.
14. **Additional Covenants and Warranties.** Seller and Guarantors hereby represent and warrant that all due diligence items provided to Purchaser, including, but not limited to covenants and restrictions, "Will Serve" letters, land plans, Phase I Environmental Reports, and appraisals are accurate and that there have been no substantial changes with regard to the facts and conditions contained therein which would inhibit the Purchaser's ability to develop the Property as outlined in said due diligence items.
15. **Facsimile as Counterpart.** Purchaser and Seller agree that receipt of a signed Agreement by facsimile will be the same as receipt of an original signed Agreement.
16. **Memorandum of Purchase and Sale Agreement.** Seller and Purchaser agree to execute a Memorandum of this Purchase and Sale Agreement to be recorded at any time after the closing of this transaction.
17. **Additional Agreements.** The Seller and Purchaser acknowledge that additional Purchase and Sale Agreements have been executed simultaneously with this Agreement and have been executed simultaneously with this Agreement and are included as Exhibit B.
18. **Authorization.** Each individual executing this Agreement on behalf of a corporation, limited liability company, or other legal entity, represents and

warrants that he/she has been authorized to do so by the Board of Directors of such Corporation, by the members of the limited liability company, or by the partners of any other legal entity.

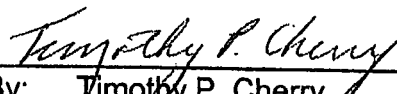
19. **Manner of Transferring Title.** Purchaser requests that Seller prepare the deed of conveyance to vest title in The Cliffs at Mountain Park, LLC.

IN THE PRESENCE OF:



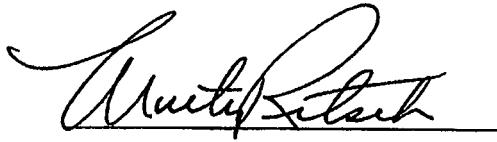



Seller
CCHRB, LLC



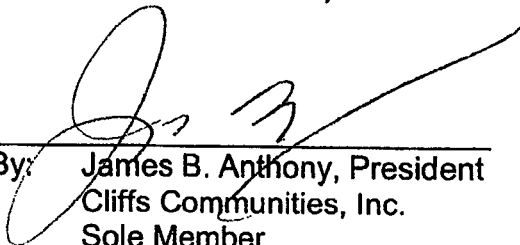
By: Timothy P. Cherry
Managing Member

IN THE PRESENCE OF:





Purchaser
Cliffs at Mountain Park, LLC



By: James B. Anthony, President
Cliffs Communities, Inc.
Sole Member

Grantee's Address:

PK
3598
3595 Highway 11
Travelers Rest, SC 29690



2011008448

DEED
2 PGS

Book: DE 2383 Page: 5299-5300

February 03, 2011 03:35:05 PM Cons: \$475,000.00
Rec: \$10.00 Cnty Tax: \$522.50 State Tax: \$1,235.00

FILED IN GREENVILLE COUNTY, SC

Space above this line for recording information

STATE OF SOUTH CAROLINA)

TITLE TO REAL ESTATE

COUNTY OF GREENVILLE)

KNOW ALL MEN BY THESE PRESENTS THAT, CT PROPERTY, LLC herein referred to as Grantor for and in consideration of the sum of FOUR HUNDRED SEVENTY FIVE THOUSAND AND 00/100 (475,000.00) Dollars paid by CCHRB, LLC, hereinafter referred to as Grantee in the State aforesaid, the receipt of which is hereby acknowledged, granted, bargained, sold and released, and by these presents does grant, bargain, sell and release unto the said Grantee, heirs, successors, and assigns forever:

ALL that certain condominium unit being in the County of Greenville, State of South Carolina, being shown and designated as RU 1011 of the Village Overlook Horizontal Property Regime, as more fully described in the Master Deed for the Village Overlook Horizontal Property Regime, dated January 14, 2009 and recorded January 15, 2010 in the Register of Deeds Office for Greenville County, State of South Carolina in Deed Book 2351 at Page 5063, and any amendments thereto.

T.M.S. #0662.17-01-017.00

This being the same property conveyed unto the Grantors herein by deed from Cliffs Construction, LLC, dated September 29, 2009 and recorded on October 5, 2009 in Deed Book 2362 at Page 5932 in the Register of Deeds Office for Greenville County, State of South Carolina.

This conveyance is made subject to all easements, conditions, covenants, restrictions and rights-of-way which are a matter of public record and/or actually existing upon the grounds affecting the above-described property.

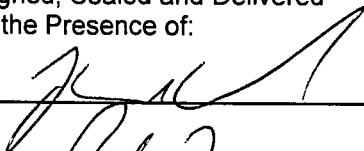
TOGETHER with all and singular the rights, members, hereditaments and appurtenances to said premises belonging or in anywise incident or appertaining.

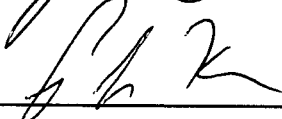
TO HAVE AND TO HOLD all and singular the premises before mentioned unto the Grantee and the Grantee's heirs or successors and assigns forever.

AND THE GRANTOR does hereby bind the Grantor and the Grantors' heirs, successors or assigns, and personal representatives to warrant and forever defend all and singular said premises unto the Grantee and Grantee's heirs or successors and against every person whomsoever lawfully claiming or to claim the same or any part thereof.

WITNESS the Grantors' hand and seals this 1st day of February, in the year of 2011

Signed, Sealed and Delivered
in the Presence of:





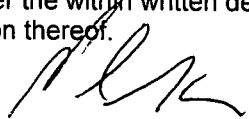
CT Property, LLC

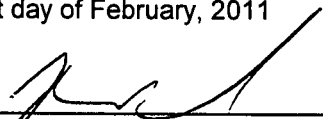

By: James Clark, Member/Manager

STATE OF SOUTH CAROLINA
COUNTY OF GREENVILLE

Personally appeared before me the undersigned witness and made oath that (s)he saw the within named Grantor sign, seal and as the Grantors' act and deed, deliver the within written deed and that (s)he, with the other witness subscribed above, witnessed the execution thereof.

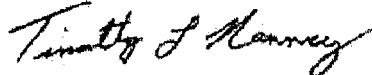
SWORN to before me this
1st day of February, 2011





Notary Public for the State of South Carolina
My Commission Expires: 12-29-20

FILED FOR RECORD IN GREENVILLE COUNTY, SC ROD
2011008448 Book: DE 2383 Page: 5299-5300
February 03, 2011 03:35:05 PM



MEMBERSHIP AGREEMENT

THIS Membership Agreement ("Agreement") is executed this 1st day of February 2011 by and between The Cliffs at Mountain Park Golf & Country Club, LLC (hereinafter the "Club"), The Cliffs at Mountain Park, LLC., James B. Anthony and The Cliffs Communities, Inc., (hereinafter collectively the "Cliffs"), and CCHRB, LLC (Sellers) and is attached to that certain Exhibit B Purchase and Sale Agreement (the "Agreement") executed on February 1, 2011, for property described as follows:

Cliffs at Mountain park, LLC
Village Overlook RU 101-1
321 Imperia Court
Travelers rest, SC 29690.

WHEREAS, the Club is the administrator and owner of the club facilities located in The Cliffs at Mountain Park and has been duly authorized to enter into this Membership Agreement.

WHEREAS, Club, Cliffs and the Sellers agree that in an event of default (i.e. failure to repurchase Property as outlined in Exhibit B), a Golf Membership will be made available to a third party purchaser of the Property.

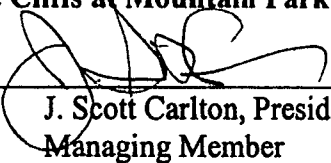
NOW, THEREFORE, in consideration of the above premises and the mutual promises and covenants contained in the Agreement and all Exhibits attached thereto, Club, Cliffs, and Sellers agree as follows:

In the event of an uncured default by Cliffs under the Exhibit B Purchase and Sale Agreement and incorporated herein by reference, Club, Cliffs, and the Sellers, agree that a Full Golf Membership will be made available to a third party purchaser at the then prevailing rate. The proceeds from the sale of the Membership in conjunction with the sale of Property to a Third Party Purchaser shall inure to the benefit of Sellers.

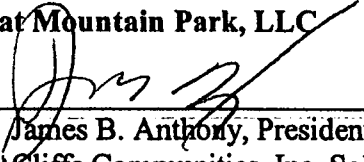
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MEMBERSHIP AGREEMENT

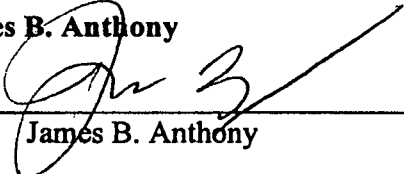
The Cliffs at Mountain Park Golf & Country Club, LLC


By: J. Scott Carlton, President of
Managing Member 2/1/11
Date

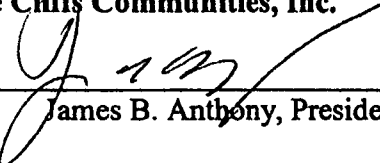
Cliffs at Mountain Park, LLC


By: James B. Anthony, President
Cliffs Communities, Inc. Sole Member 2-1-11
Date

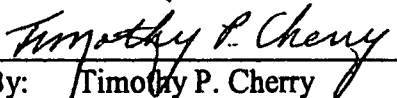
James B. Anthony


By: James B. Anthony 2-1-11
Date

The Cliffs Communities, Inc.


By: James B. Anthony, President 2-1-11
Date

CCHRB, LLC


By: Timothy P. Cherry
Managing Member 2-1-11
Date

CCHRB, LLC
Greenville, SC 29609

November 14, 2011

Via Federal Express

The Cliffs at Mountain Park, LLC
c/o Mr. James B. Anthony
3598 Highway 11
Travelers Rest, SC 29690

RE: **Notice of Purchaser's Default** - Purchase and Sale Agreement dated February 1, 2011 for the Purchase of a condominium located at 321 Imperia Court, Village Overlook RU-101-1, Cliffs at Mountain Park, Travelers Rest, SC 29690

Dear Mr. Anthony:

We are writing to you as President of The Cliffs Communities, Inc. ("The Cliffs"), sole member of The Cliffs at Mountain Park, LLC ("The Cliffs at Mountain Park"). The purpose of this letter is to provide The Cliffs at Mountain Park, you and The Cliffs with written notice of default by Purchaser under the above-referenced Purchase and Sale Agreement dated February 1, 2011 between The Cliffs at Mountain Park, as Purchaser and CCHRB, LLC, as Seller. The aforementioned agreement shall be hereinafter referred to as the "Purchase and Sale Agreement".

As provided in the Purchase and Sale Agreement, The Cliffs at Mountain Park is obligated to pay monthly installments in the amount of two thousand forty six dollars and eighty eight cents (\$2046.88) until the Date of Closing, February 1, 2012. It has been more than four months since a payment has been received, which makes The Cliffs at Mountain Park in default of the Agreement.

Although it is under no obligation to do so, CCHRB is providing The Cliffs at Mountain Park, as Purchaser, thirty (30) days from the date of this letter to cure Purchaser's default by catching up the past due amounts or proceeding with the purchase of the Property by December 15, 2011. At closing, The Cliffs would be expected to reimburse CCHRB for property taxes and any other carrying costs incurred or paid by CCHRB. If such default is not cured by said date, CCHRB shall have the right to pursue any legal or equity remedy available to it including, but not limited to, its right to terminate the Purchase and Sale Agreement, sell the Property to a third party, and seek damages for breach of the Purchase and Sale Agreement. In addition, CCHRB shall be able to exercise its rights

November 14, 2011
Page 2

under that certain Membership Agreement dated February 1, 2011 (the "Membership Agreement") between The Cliffs at Mountain Park Golf & Country Club, LLC (the "Club"), The Cliffs at Mountain Park, James B. Anthony, and CCHRB, LLC.

We sincerely hope that you will cure this default by the above date. In order to further protect the interest of CCHRB, LLC, however, I am also sending a copy of this letter to Timothy P. Cherry, as President of the Club and as President of The Cliffs Club & Hospitality Group, Inc., notifying him of the default by The Cliffs at Mountain Park and of CCHRB's intentions with respect to the Membership Agreement. A copy of the Membership Agreement is enclosed herewith.

Should you have any questions or wish to discuss this matter, do not hesitate to call me.

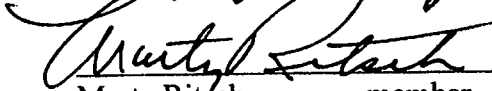
Sincerely,

CCHRB, LLC


Richard Hubble member


Scott Carlton member


Timothy P. Cherry member

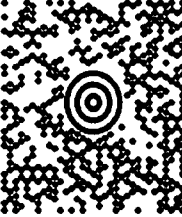

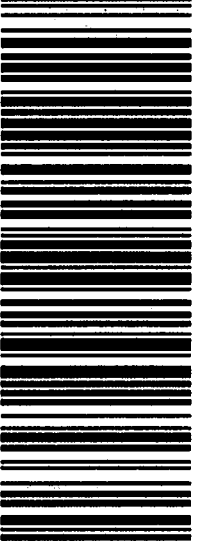


Marty Ritsch member

cc: Mr. Timothy P. Cherry (Via Federal Express)

UPS CampussShip: View/Print Label

1. Ensure there are no other shipping or tracking labels attached to your package. Select the Print button on the print dialog box that appears. Note: If your browser does not support this function select Print from the File menu to print the label.
2. Fold the printed sheet containing the label at the line so that the entire shipping label is visible. Place the label on a single side of the package and cover it completely with clear plastic shipping tape. Do not cover any seams or closures on the package with the label. Place the label in a UPS Shipping Pouch. If you do not have a pouch, affix the folded label using clear plastic shipping tape over the entire label.
3. GETTING YOUR SHIPMENT TO UPS
 UPS locations include the UPS Store®, UPS drop boxes, UPS customer centers, authorized retail outlets and UPS drivers.
 Find your closest UPS location at: www.ups.com/dropoff
 Take your package to any location of The UPS Store®, UPS Drop Box, UPS Customer Center, UPS Alliances (Office Depot® or Staples®) or Authorized Shipping Outlet near you. Items sent via UPS Return Services(SM) (including via Ground) are also accepted at Drop Boxes. To find the location nearest you, please visit the Resources area of CampussShip and select UPS Locations.
 Customers with a Daily Pickup
 Your driver will pickup your shipment(s) as usual.

FOLD HERE

NANCY GOLDSMITH 864-371-1052 CLIFFS CORPORATE OFFICE 3598 HIGHWAY 11 TRAVELERS REST SC 29690		3 LBS	PAK	1 OF 1
SHIP TO: CLIFFS CLAIMS PROCESSING BMC GROUP INC 18675 LAKE DRIVE EAST CHANHASSEN MN 55317-9383				
		MN 559 9-03 		
UPS NEXT DAY AIR 1 TRACKING #: 1Z 7Y9 T95 01 9591 4158				
				
BILLING: P/P				
CS 14.1.10. WGTB80 27.0A 04/2012				
				

RECEIVED
MAY 31 2012
BMC GROUP