

UNITED STATES BANKRUPTCY COURT		District of South Carolina	PROOF OF CLAIM
Name of Debtor: The Cliffs at Mountain Park Golf & Country Club, LLC		Case Number: 12-01225	
NOTE: Do not use this form to make a claim for an administrative expense that arises after the bankruptcy filing. You may file a request for payment of an administrative expense according to 11 U.S.C. § 503.			
Name of Creditor (the person or other entity to whom the debtor owes money or property): SRJ Timberlands No. 2, LLC			
Name and address where notices should be sent: Mr. Martin Ristch 3598 Highway 11 Travelers Rest, SC 29690		COURT USE ONLY <input type="checkbox"/> Check this box if this claim amends a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____	
Telephone number: (864) 371-1063 email: mristsch@cliffscommunities.com		<div style="border: 1px solid black; padding: 10px; margin: 0 auto; width: 150px;"> RECEIVED MAY 31 2012 BMC GROUP </div>	
Name and address where payment should be sent (if different from above): Telephone number: _____ email: _____			
1. Amount of Claim as of Date Case Filed: \$ <u>100,000.00</u> If all or part of the claim is secured, complete item 4. If all or part of the claim is entitled to priority, complete item 5. <input type="checkbox"/> Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.			
2. Basis for Claim: <u>Right to sell membership agreement (CMP-TC Lot 72) (SEE ATTACHED)</u> (See instruction #2)			
3. Last four digits of any number by which creditor identifies debtor:	3a. Debtor may have scheduled account as: _____ (See instruction #3a)	3b. Uniform Claim Identifier (optional): _____ (See instruction #3b)	
4. Secured Claim (See instruction #4) Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information.		Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any: \$ _____	
Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: _____		Basis for perfection: _____	
Value of Property: \$ _____		Amount of Secured Claim: \$ _____	
Annual Interest Rate _____ % <input type="checkbox"/> Fixed or <input type="checkbox"/> Variable (when case was filed)		Amount Unsecured: \$ <u>100,000.00</u>	
5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507 (a). If any part of the claim falls into one of the following categories, check the box specifying the priority and state the amount.			
<input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507 (a)(1)(A) or (a)(1)(B).	<input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier – 11 U.S.C. § 507 (a)(4).	<input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. § 507 (a)(5).	
<input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. § 507 (a)(7).	<input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. § 507 (a)(8).	<input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. § 507 (a)(____).	
		Amount entitled to priority: \$ _____	
*Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.			
6. Credits. The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #6)			



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

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

If the documents are not available, please explain:

8. Signature: (See instruction #8)

Check the appropriate box.

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

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

Print Name: Martin Ritsch
Title: Member
Company: SRJ Timberlands No.2, LLC
Address and telephone number (if different from notice address above):

Telephone number: _____ email: _____

 5/25/12
(Signature) (Date)

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

INSTRUCTIONS FOR PROOF OF CLAIM FORM

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

Items to be completed in Proof of Claim form

Court, Name of Debtor, and Case Number:

Fill in the federal judicial district in which the bankruptcy case was filed (for example, Central District of California), the debtor's full name, and the case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is at the top of the notice.

Creditor's Name and Address:

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

1. Amount of Claim as of Date Case Filed:

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

2. Basis for Claim:

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

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

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

3a. Debtor May Have Scheduled Account As:

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

3b. Uniform Claim Identifier:

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

4. Secured Claim:

Check whether the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See Definitions.) If the claim is secured, check the box for the nature and value of property that secures the claim, attach copies of lien documentation, and state, as of the date of the bankruptcy filing, the annual interest rate (and whether it is fixed or variable), and the amount past due on the claim.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507 (a).

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

6. Credits:

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

7. Documents:

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

8. Date and Signature:

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

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

Creditor: SRJ Timberlands 2, LLC

Attachments:

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

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement ("Agreement") is made and entered into this 30th day of April, 2009, by and between Cliffs at Mountain Park, LLC ("Purchaser") and James B. Anthony, The Cliffs Communities, Inc., ("Guarantors") of 3598 Highway 11, Travelers Rest, SC 29690 and SRJ Timberlands 2, 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
Section Timber Creek
Lot #72
259 Carolina Wren Trail
Marietta, SC 29661

2. **Purchase Price.**

- a The purchase price for the property is agreed to be a total of \$800,000 plus 10.0% per annum from the date of this agreement until the Date of Closing. The Purchaser shall pay \$4,000.00 per month, beginning June 8, 2009 and continuing on the 8th of each month thereafter, through and including 8th of the month of the Date of Closing as set forth in Paragraph 3. The monthly payments will be adjusted on a quarterly basis, so that the payments made are equal to the actual amount of the interest paid on the loan by SRJ Timberlands 2, LLC. The final purchase price will be adjusted by the amount of the amount paid that is applied to the SRJ Timberlands bank loan balance. These monthly payments are to be considered as escrow payments to be applied to the purchase price at the time of repurchase. The Purchaser agrees to pay the balance due on April 30, 2011.
- b this agreement can be extended for an additional 366 days if agreed to by both the Purchaser and the Seller thirty days prior to the closing date of April 30th, 2011. If this agreement is extended for an additional 366 days, a payment of \$160,000.00 shall be made to SRJ Timberlands 2, LLC.

- a. At Closing or on April 30th, 2011, the Purchaser shall cancel Note and Mortgage attached as Exhibit C.
 - b. 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.
 - c. All Closing costs related to this transaction shall be paid by the Purchaser.
 - d. Both the Purchaser and the Seller agree that during the period of time from April 30th, 2009 until this property is repurchased by the Purchaser, that the property shall remain on the market for sale and that the following incentives will be offered: Membership Discount of \$50,000.00; Club Dues Credit of \$20,000.00 and a Wellness Membership of \$4,000.00.
3. **Date and Place of Closing.** Closing shall take place at the office of Purchaser's attorney, unless otherwise agreed, at a time during normal working hours as agreed upon by Seller and Purchaser. Closing shall take place on April 30th, 2011, or on a date as agreed to by the Seller.
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 Purchaser'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 and in any event not later than five (5) days from the date of closing. In case legal steps are necessary to perfect the title, the action must be taken by either party as applicable promptly at each party's own expense. If there is found to be any defect in the title which cannot be corrected within forty five (45) days, the Agreement shall be considered null and void.

6. **Inspection.** Purchaser shall have reasonable access to Property to have Property inspected by reputable inspectors, at her own expense. Inspections must be completed before closing.

If either party is not satisfied with the inspections for any reason, they shall have the option of: (a) accepting the property in its present condition, or (b) terminating this Agreement, in which case the earnest money shall be refunded to Purchaser. 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. Purchaser agrees to be responsible for the payment of all of the aforementioned charges from the date of this Agreement until the Date of Closing.

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.

If the Purchaser fails to close on or before April 30th, 2011 the Purchaser shall be in Default of this Purchase and Sale Agreement.

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.**

The obligations of Purchaser contained in this Agreement shall be guaranteed jointly and severally by James B. Anthony, The Cliffs Communities, and Inc., (sometimes referred to herein collectively as "Guarantors").

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 the Purchaser and Seller in this Agreement, shall survive the closing of this transaction and the recordation of the deed.

14. **Additional Covenants and Warranties.** Purchaser and Guarantors hereby represent and warrant that all due diligence items provided to Seller, 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 Seller's ability to develop the Property as outlined in said due diligence items, should Purchaser default under this Agreement.
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. **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.
17. **Manner of Transferring Title.** Unless otherwise notified, the Seller shall prepare the deed of conveyance to vest title in Keowee Falls Investment Group, LLC and Cliffs Construction Company, LLC.

IN THE PRESENCE OF:

Marty Ritsch
Mary Caplan

Purchaser:

The Cliffs at Walnut Cove, LLC

J B A

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

GUARANTORS:

J B A
James B. Anthony

THE CLIFFS COMMUNITIES, INC.

By: J B A
Its: James B. Anthony, president

IN THE PRESENCE OF:

J B A
Litts Caplan
Marty Ritsch
J B A
Marty Ritsch
Mary Caplan
Marty Ritsch
J B A

Seller

SRJ TIMBERLANDS 2, LLC

Martin L. Ritsch
By: Martin L. Ritsch

Richard Hubble
By: Richard Hubble

Timothy P. Cherry
By: Timothy P. Cherry

Donald Nickell
By: Donald Nickell

EXHIBIT B
PURCHASE AND SALE AGREEMENT

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3. **Date and Place of Closing.** Closing shall take place at the office of Purchaser's attorney, unless otherwise agreed, at a time during normal working hours as agreed upon by Seller and Purchaser. Closing shall take place on April 30th, 2011, or on a date as agreed to by the Seller.
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 Purchaser'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.
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If either party is not satisfied with the inspections for any reason, they shall have the option of: (a) accepting the property in its present condition, or (b) terminating this Agreement, in which case the earnest money shall be refunded to Purchaser. Closing shall constitute acceptance of Property in its then existing condition, unless provision is otherwise made in writing.

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14. **Additional Covenants and Warranties.** Purchaser and Guarantors hereby represent and warrant that all due diligence items provided to Seller, 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 Seller's ability to develop the Property as outlined in said due diligence items, should Purchaser default under this Agreement.
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16. **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.
17. **Manner of Transferring Title.** Unless otherwise notified, the Seller shall prepare the deed of conveyance to vest title in Keowee Falls Investment Group, LLC and Cliffs Construction Company, LLC.

IN THE PRESENCE OF:

Martin L. Ritsch

May Cyren

Purchaser:

The Cliffs at Walnut Cove, LLC

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

GUARANTORS:

James B. Anthony

THE CLIFFS COMMUNITIES, INC.

By: James B. Anthony, president

IN THE PRESENCE OF:

JBBA

Libby Carey

Marty Ritsch

JBBA

May Cyren

Marty Ritsch

Marty Ritsch

JBBA

Seller

SRI TIMBERLANDS 2, LLC

By: Martin L. Ritsch

By: Richard Hubble

By: Timothy P. Cherry

By: Donald Nickell

EXHIBIT A



2009040950

DEED

3 PGS

Book:DE 2357

Page:2277-2279

May 22, 2009 11:14:44 AM

Cons:\$1,625,000.00

Rec:\$10.00

Cnty Tax:\$1,787.50 State Tax:\$4,225.00

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, THE CLIFFS AT MOUNTAIN PARK, LLC herein referred to as Grantor for and in consideration of the sum of ONE MILLION SIX HUNDRED TWENTY FIVE THOUSAND AND 00/100 (\$1,625,000.00) Dollars to us paid by SRJ TIMBERLANDS NO. 2, LLC, hereinafter referred to as Grantee in the State aforesaid, the receipt of which is hereby acknowledged, has granted, bargained, sold and released, and by these presents does grant, bargain, sell and release unto the said Grantee, his heirs, successors, and assigns forever:

ALL that certain piece, parcel or lot of land, together with improvements thereon, if any, situate, lying and being located in the County of Greenville, State of South Carolina, know and designated as Lot 72, Cliffs at Mountain Park, Phase I, Timber Creek, containing 2.49 acres, more or less, as shown on that certain plat entitled "The Cliffs at Mountain Park, Phase I, Timber Creek, Lots 64 thru 76", dated July 5, 2006, revised December 14, 2006 and recorded in the Register of Deeds Office for Greenville County, South Carolina in Plat Book 1026 at Page 65. Aforesaid plat is specifically incorporated herein and reference is made thereto for a more complete and accurate description of the metes, bounds, courses and distances of the property concerned herein.

Also, a non-exclusive right of ingress and egress on and upon Carolina Wren Trail and Highridge Parkway to Highway 11 as shown and designated on a survey for The Cliffs at Mountain Park, Phase I, Timber Creek, Lots 64 thru 76, recorded in the Register of Deeds Office for Greenville County, in Plat Book 1026 at Page 65.

This being the same property conveyed unto the Grantors herein by deed from Snyder Corporation of Greenville, dated September 21, 2007 and recorded September 27, 2007 in Deed Book 2291 at Page 1701 in the Register of Deeds Office for Greenville County, South Carolina.

TMS: 0666.05-01-076.00

Grantee Address: 3598 Hwy 11
Travelers Rest, SC 29690

This property is conveyed subject to all of the terms, provisions, conditions, rights, privileges, restrictions, obligations and easements set forth in the Declaration of Covenants, Conditions and Restrictions for The Cliffs at Mountain Park, recorded in the Office of the Register of Deeds for Greenville County in Deed Book 2225 at Pages 1909 thru 1992, and as may thereafter be modified or amended.

WITNESS my Hand and Seal this 15th day of May, 2009.

Signed, Sealed and Delivered
in the Presence of:

Witness #1 [Signature]
Witness #2 Kelly Edwards

THE CLIFFS AT MOUNTAIN PARK, LLC
By [Signature]

STATE OF SOUTH CAROLINA
COUNTY OF GREENVILLE

Personally appeared before me the undersigned and made oath that she saw the within named Grantor, by it's duly authorized officer, sign, seal and as its act and deed, deliver the within-written Deed for the uses and purposes therein mentioned, and that she with the other witness subscribed aboved witnessed the execution thereof.

SWORN to before me this
15th day of May, 2009.

Kelly Edwards

[Signature]
Notary Public for the State of South Carolina
My Commission Expires: 1-2-11

FILED FOR RECORD IN GREENVILLE COUNTY, SC ROD
2009040950 Book: DE 2357 Page: 2277-2279
May 22, 2009 11:14:44 AM

Timothy J. Manning

SRJ Timberlands 2, 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

The Cliffs Communities, Inc.
c/o Mr. James B. Anthony
3598 Highway 11
Travelers Rest, SC 29690

Mr. James B. Anthony
3598 Highway 11
Travelers Rest, SC 29690

RE: **Notice of Purchaser's Default** - Purchase and Sale Agreement dated April 30, 2009 for the Purchase of a home located at 259 Carolina Wren Trail, Timber Creek lot 72, Cliffs at Mountain Park, Marietta, SC 29661

Dear Mr. Anthony:

We are writing to you individually and 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 April 30, 2009 between The Cliffs at Mountain Park, as Purchaser, you and The Cliffs, as Guarantors, and SRJ Timberlands 2, 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 had until April 30, 2011 (the "Purchase Date") to complete the purchase of the above-referenced property (the "Property"). It has been more than six months since the Purchase Date and The Cliffs at Mountain Park has failed to complete the purchase of the Property or continue paying the carrying costs as defined on page 3 sub-paragraph b of the Agreement, and is in default under the Purchase and Sale Agreement.

November 14, 2011

Page 2

Although it is under no obligation to do so, SRJ Timberlands 2 is providing The Cliffs at Mountain Park, as Purchaser, and you and The Cliffs, as Guarantors, thirty (30) days from the date of this letter to cure Purchaser's default by proceeding with the purchase of the Property by December 15, 2011. At closing, The Cliffs would be expected to reimburse SRJ Timberlands 2 for property taxes and any other carrying costs incurred or paid by SRJ Timberlands 2. If such default is not cured by said date, SRJ Timberlands 2 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 Agreements, sell the Property to a third party, and seek damages for breach of the Purchase and Sale Agreements. In addition, SRJ Timberlands 2 shall be entitled to exercise its rights under that certain Membership Agreement dated April 30, 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 SRJ Timberlands 2, LLC.

We sincerely hope that you will cure this default by the above date. In order to further protect the interest of SRJ Timberlands 2, 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 SRJ Timberlands 2'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.

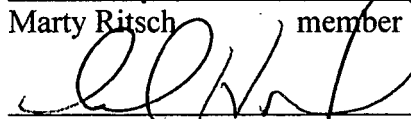
Sincerely,

SRJ Timberlands 2, LLC


Richard Hubble member


Timothy P. Cherry member


Marty Ritsch member


Don Nickell member

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

MEMBERSHIP AGREEMENT

THIS Membership Agreement ("Agreement") is executed this 30th day of April, 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 SRJ Timberlands 2, LLC (Sellers) and is attached to that certain Exhibit B Purchase and Sale Agreement (the "Agreement") executed on April 30, 2009, ("Property") as described below:

Cliffs at Mountain Park, LLC
Section: Timber Creek Lot #72
Marietta, SC 29661
Greenville County

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:

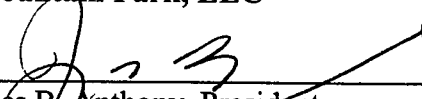
In the event of an uncured default by Cliffs under the Exhibit B Purchase and Sale Agreement and incorporated herein by reference, Club, Cliffs, and the Sellers, agree that a Full Golf Membership will be made available to a third party purchaser at the then prevailing rate. The proceeds from the sale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

REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK


The Cliffs at Mountain Park Golf & Country Club, LLC

By:  4-30-11
J. Scott Carlton, President of
Managing Member Date

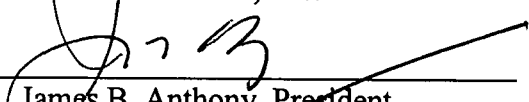
Cliffs at Mountain Park, LLC

By:  4-30-11
James B. Anthony, President
Cliffs Communities, Inc. Sole Member Date

James B. Anthony

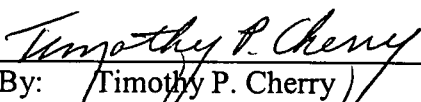
By:  4-30-11
James B. Anthony Date

The Cliffs Communities, Inc.

By:  4-30-11
James B. Anthony, President Date

MEMBERSHIP AGREEMENT

SRL Timberlands 2, LLC

By:  4-30-11
Timothy P. Cherry
Managing Member Date

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

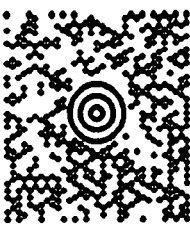

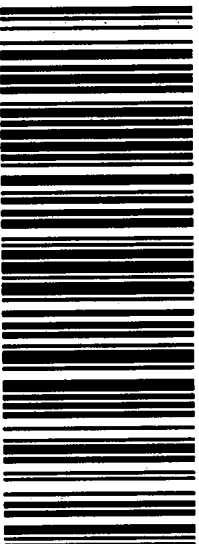
UPS locations include the UPS Store®, UPS drop boxes, UPS customer centers, authorized retail outlets and UPS drivers.

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 CampusShip 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 CLIFPS CORPORATE OFFICE 3598 HIGHWAY 11 TRAVELERS REST SC 29690		3 LBS	PAK	1 OF 1
SHIP TO: CLIFPS CLAIMS PROCESSING BMC GROUP INC 18675 LAKE DRIVE EAST CHANHASSEN MN 55317-9383				
		MIN 559 9-03 		
UPS NEXT DAY AIR 1				
TRACKING #: 1Z 7Y9 T95 01 9591 4158				
		BILLING: P/P		
CS 14.1.10. W007B0 27.0A 04/2012				

RECEIVED
MAY 31 2012
BMC GROUP