

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF SOUTH CAROLINA

PROOF OF CLAIM

Name of Debtor:

Case Number:  
12-01227

The Cliffs at Walnut Cove Golf + Country Club, LLC

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):

SRJ Timberlands, LLC

Name and address where notices should be sent:

29347868009142  
SRJ Timberlands, LLC  
Marty Ritsch, Member  
3598 Hwy 11  
Travelers Rest, SC 29690

RECEIVED

MAY 31 2012

BMC GROUP

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

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

THIS SPACE IS FOR COURT USE ONLY

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

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

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

Court Claim Number (if known):

Filed on:

Payment Telephone Number ( ) email:

1. AMOUNT OF CLAIM AS OF DATE CASE FILED \$ 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. P. Funds to benefit SRJ Timberlands. Cliffs at Walnut Cove Ph. 3A, Lot 17*

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 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



01256

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  
Chanhausen, MN 55317-3020

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

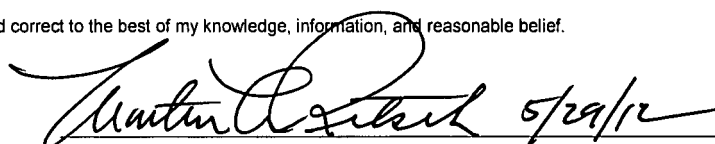
**8. SIGNATURE:** (See instruction #8)

Check the appropriate box.

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

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

Print Name: Martin Ritsch  
Title: member  
Company: SRJ Timberlands, LLC

  
(Signature)      5/29/12  
(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

## PURCHASE AND SALE AGREEMENT

This Purchase Agreement ("Agreement") is made and entered into this 9 day of February, 2009, by and between The Cliffs at Walnut Cover, LLC. and, or assigns ("**Purchaser**") and SRJ Timberlands, 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 Walnut Cove, LLC  
Section 3A Lot 17  
Arden, NC 28704  
Buncombe County

2. **Purchase Price.**

- (a) The purchase price for the property is agreed to be Five Hundred Sixty Thousand Dollars (\$560,000) plus interest at a rate of 10.0% per annum from the Date of this Agreement until the Date of Closing. If the property is not purchased on the Date of Closing of February 9, 2011 the Purchaser shall pay monthly to the Seller an amount equal to the monthly interest due on the Sellers loan.

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 as described above 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 9, 2011 or on a date as agreed to by the Seller, 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 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.

If the Purchaser fails to close on or before February 9, 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.**

- (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 Communities, Inc.

IN THE PRESENCE OF:

Maury Felsen  
May Capbell

Seller  
SRJ TIMBERLANDS, LLC

Timothy P. Cherry  
By: Timothy P. Cherry, Managing Member

IN THE PRESENCE OF:

Maury Felsen  
May Capbell

Purchaser  
Cliffs at Walnut Cove, LLC

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



**EXHIBIT B  
PURCHASE AND SALE AGREEMENT**

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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.
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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.

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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.
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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 Communities, Inc.

IN THE PRESENCE OF:

Marty Retsch

May Cypbell

Seller  
SRJ TIMBERLANDS, LLC

Timothy P. Cherry  
By: Timothy P. Cherry, Managing Member

IN THE PRESENCE OF:

Marty Retsch

May Cypbell

Purchaser  
Cliffs at Walnut Cove, LLC

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

## MEMBERSHIP AGREEMENT

THIS Membership Agreement ("Agreement") is executed this 9th day of February 2011 by and between The Cliffs at Walnut Cove Golf & Country Club, LLC (hereinafter the "Club"), The Cliffs at Walnut Cove, LLC., James B. Anthony and The Cliffs Communities, Inc., (hereinafter collectively the "Cliffs"), and SRJ Timberlands, LLC (Sellers) and is attached to that certain Exhibit B Purchase and Sale Agreement (the "Agreement") executed on February 9, 2009, for property described as follows:

Cliffs at Walnut Cove, LLC  
Section 3A Lot 17  
Arden, NC 28704  
Buncombe County

WHEREAS, the Club is the administrator and owner of the club facilities located in The Cliffs at Walnut Cove 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.

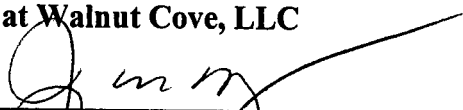
**REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK**

**MEMBERSHIP AGREEMENT**

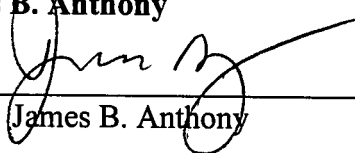
**The Cliffs at Walnut Cove Golf & Country Club, LLC**

  
By: J. Scott Carlton, President of 2-9-11  
Managing Member Date

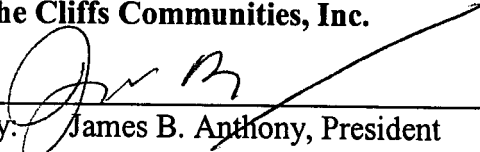
**Cliffs at Walnut Cove, LLC**

  
By: James B. Anthony, President 2-9-11  
Cliffs Communities, Inc. Sole Member Date

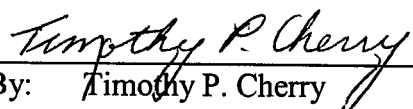
**James B. Anthony**

  
By: James B. Anthony 2-9-11  
Date

**The Cliffs Communities, Inc.**

  
By: James B. Anthony, President 2-9-11  
Date

**SRJ Timberlands, LLC**

  
By: Timothy P. Cherry 2-9-11  
Managing Member Date



Workflow No. 2668424



Doc ID: 021713680002 Type: CAP  
Recorded: 02/10/2009 at 11:22:51 AM  
Fee Amt: \$1,137.00 Page 1 of 2  
Excise Tax: \$1,120.00  
Workflow# 2668424  
Buncombe County, NC  
Otto V. DeBruhl Register of Deeds  
BK 4646 PG 1570-1571

Excise Tax \$ 1,120.00

Recording Time, Book and Page

Tax Lot No. \_\_\_\_\_ Parcel Identifier No. 9633.01-18-6428  
Verified by \_\_\_\_\_ County on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

Mail after recording to J. Danyel Holland, Attorney at Law 722 E. Metzger Ave, Greenville, SC 29601  
This instrument was prepared by Tucker Law Firm, 168-B South Liberty Street, Asheville, North Carolina 28812

Brief Description for the index Lot 17, Phase 3A, Cliffs at Walnut Cove

**NORTH CAROLINA SPECIAL WARRANTY DEED**

THIS DEED made the 6<sup>th</sup> day of February, 2009, by and between

GRANTOR	GRANTEE
<b>GRANDSOUTH BANK</b> Post Office Box 6548 Greenville, South Carolina 29606	SRJ Timberlands, LLC. 3598 HWY 11 TRAVELERS REST SC 29690

Copy

Enter in appropriate block for each party: name, address, and, if appropriate, character of entity, e.g., corporation or partnership.

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

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt and sufficiency of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situated in BUNCOMBE County, North Carolina and more particularly described as follows:

**BEING** all of LOT 17 as shown on a plat of Phase 3A, The Cliffs at Walnut Cove, which said plat is duly recorded in Plat Book 96, at Page 61 in the Office of the Register of Deeds for Buncombe County, North Carolina, reference to which is hereby made for a more particular description.

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TOGETHER WITH a non-exclusive, perpetual easement for ingress and egress over and upon and across the roads existing or as may hereafter be altered or constructed as set forth in the Deed recorded in Book 4047 at Page 639.

The property hereinabove described was acquired by Grantor by Trustee's Deed recorded in Deed/Record Book 4641, Pages 1652-1654.

A map showing the above described property is recorded in Plat Book 96, Page 61.

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

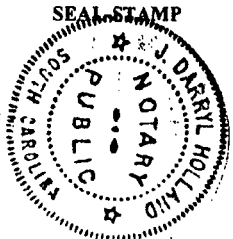
And the Grantor covenants with the Grantee, that Grantor has done nothing to impair such title as Grantor received, and that Grantor will warrant and defend the title against the lawful claims of all persons claiming by, under or through Grantor, except for the exceptions hereinafter stated.

Title to the property hereinabove described is hereby conveyed subject to all valid and subsisting restrictions, reservations, covenants, conditions, rights of ways, easements, liens and other matters properly of record, if any and current year ad valorem taxes.

IN WITNESS WHEREOF, the Grantor has hereunto set his hand and seal, or if corporate, has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, the day and year first above written.

GRANDSOUTH BANK

*Michael A. Dean* (SEAL)  
By: Senior VICE PRESIDENT



STATE OF SC Greenville COUNTY.  
I, the undersigned, a Notary Public of the County and State aforesaid, certify that Michael A. Dean personally appeared before me this day and acknowledged that he is Senior Vice President of GrandSouth Bank, and that he, as such officer/agent, being duly authorized to do so, executed the foregoing instrument on behalf of GrandSouth Bank. Witness my hand and official stamp or seal, this the 9th day of February, 2009.

My commission expires: 12/11 [Signature] Notary Public

The foregoing Certificate(s) of \_\_\_\_\_ is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

REGISTER OF DEEDS FOR BUNCOMBE COUNTY

By \_\_\_\_\_ Deputy/Assistant-Register of Deeds.

***SRJ Timberlands, 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 December 17, 2009 for the Purchase of a condominium located at Village Overlook Building D Unit 412, 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 December 17, 2009 between The Cliffs at Mountain Park, as Purchaser and SRJ Timberlands, 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 three thousand seven hundred dollars and no cents (\$3700.00) until the Date of Closing, December 17, 2011. 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, SRJ Timberlands 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 17, 2011. At closing, The Cliffs would be expected to reimburse SRJ Timberlands for property taxes and any other carrying costs incurred or paid by SRJ Timberlands. If such default is not cured by said date, SRJ Timberlands 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

November 14, 2011

Page 2

third party, and seek damages for breach of the Purchase and Sale Agreement. In addition, SRJ Timberlands shall be able to exercise its rights 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 SRJ Timberlands, LLC.


We sincerely hope that you will cure this default by the above date. In order to further protect the interest of SRJ Timberlands, 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' intentions with respect to the Membership Agreement. A copy of the Membership Agreement is enclosed herewith.

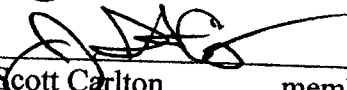
Should you have any questions or wish to discuss this matter, do not hesitate to call.

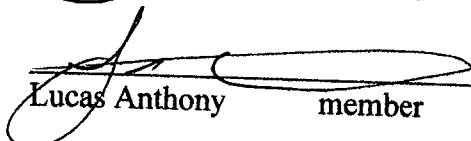
Sincerely,

SRJ Timberlands, LLC

  
Richard Hubble member

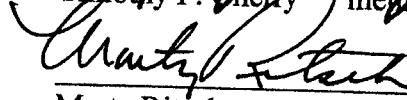
  
Scott Beville member

  
Scott Carlton member

  
Lucas Anthony member

James B. Anthony member

  
Timothy P. Cherry member

  
Marty Ritsch member

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

UPS CampusShip: 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.

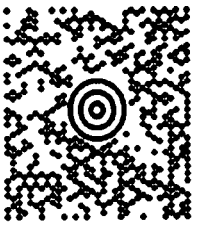

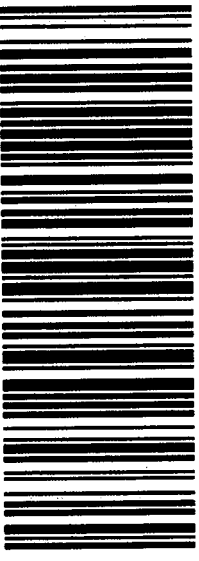

Find your closest UPS location at: [www.ups.com/dropoff](http://www.ups.com/dropoff)

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.

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NANCY GOLDSMITH 864-371-1052 CLIFFS CORPORATE OFFICE 3598 HIGHWAY 11 TRAVELERS REST SC 29690		<b>3 LBS</b>	<b>PAK</b>	<b>1 OF 1</b>
<b>SHIP TO:</b> CLIFFS CLAIMS PROCESSING BMC GROUP INC 18675 LAKE DRIVE EAST CHANHASSEN MN 55317-9383				
		<b>MN 559 9-03</b> 		
<b>UPS NEXT DAY AIR</b> <b>1</b>				
TRACKING #: 1Z 7Y9 T95 01 9591 4158				
				
BILLING: P/P				
CS 14.1.10. WXP080 27.0A 04/2012				

RECEIVED  
 MAY 31 2012  
 BMC GROUP