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| UNITED STATES BANKRUPTCY COURT | | District of South Carolina | PROOF OF CLAIM |
| Name of Debtor: The Cliffs at Keowee Springs Golf & Country Club, LLC | | Case Number: 12-01230 | <p style="text-align: center;">COURT USE ONLY</p> <input type="checkbox"/> Check this box if this claim amends a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____ |
| 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): CKS 55, LLC | | | |
| Name and address where notices should be sent: Mr. Scott Beville 501 Spaulding Lake Drive Greenville, SC 29615 | | <div style="border: 1px solid black; padding: 5px; display: inline-block;"> RECEIVED MAY 31 2012 BMC GROUP </div> | <input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to this claim. Attach copy of statement giving particulars. |
| Telephone number: (864) 616-9624 email: bevilletigers@yahoo.com | | | |
| 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>200,000.00</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>Memberships for Springs lots 55 & 56 to benefit claimant</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>200,000.00</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"/> 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"/> Contributions to an employee benefit plan – 11 U.S.C. § 507 (a)(5). | |
| | | <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: Scott Beville
 Title: Member
 Company: CKS 55, LLC
 Address and telephone number (if different from notice address above):

S Beville 5/29/12
 (Signature) (Date)

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.

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 Keowee Springs Golf & Country Club, LLC

Creditor: CKS 55, LLC

Attachments:

1. Purchase and Sale Agreement
2. Extension Agreement
3. Membership Agreement
4. Deed of Property
5. Notice of Default Letter

Grantee's Address:

501 Spaulding Lake Dr.
Greenville, SC 29615

Space above this line for recording information

STATE OF SOUTH CAROLINA)
) TITLE TO REAL ESTATE
COUNTY OF PICKENS)

KNOW ALL MEN BY THESE PRESENTS THAT, THE CLIFFS AT KEOWEE SPRINGS, LLC herein referred to as Grantor for and in consideration of the sum of THREE MILLION FOUR HUNDRED THOUSAND AND 00/100 (3,400,000.00) Dollars paid by CKS 55, 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 piece, parcel or lot of land with all improvements thereon or hereafter constructed thereon situate, lying and being in the County of Pickens, State of South Carolina, being shown and designated as Lot No. 55, Cliffs at Keowee Springs, Phase I, according to plat recorded in the Office of the Register of Deeds for Pickens County in Plat Book 525 at Pages 1 & 2, reference to said plat is hereby made for a more complete metes and bounds description thereof.

T.M.S.#: 4131-00-91-1088

ALSO:

ALL that certain piece, parcel or lot of land with all improvements thereon or hereafter constructed thereon situate, lying and being in the County of Pickens, State of South Carolina, being shown and designated as Lot No. 56, Cliffs at Keowee Springs, Phase I, according to plat recorded in the Office of the Register of Deeds for Pickens County in Plat Book 525 at Pages 1 & 2, reference to said plat is hereby made for a more complete metes and bounds description thereof.

T.M.S.#: 4131-00-91-3151

This being the same property conveyed unto the Grantor herein by deed from Victoria A. Anthony, dated April 24, 2008 and recorded on April 25, 2008 in Deed Book 1181 at Page 26 in the Register of Deeds Office for Pickens County, State of South Carolina. Property then conveyed to Cliffs at Keowee Springs, LLC by deed of Keowee Springs Group, LLC dated 4/23/09, recorded 5/1/09 in the ROD Office for Pickens County, SC in Deed Book 1250 at Page 1.

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 24th day of April, in the year of 2009

Signed, Sealed and Delivered
in the Presence of:

Charlene Graham

Sandra S. Hyde

The Cliffs at Keowee Springs, LLC

Marty Ritsch
By: Marty Ritsch, Duly Authorized Agent

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
24th day of April, 2009

Charlene Graham

Sandra S. Hyde
Notary Public for the State of South Carolina
My Commission Expires: 10-26-09

PURCHASE AND SALE AGREEMENT

This Purchase Agreement ("Agreement") is made and entered into this 24 day of APRIL 2009, by and between The Cliffs At Keowee Springs, LLC and or assigns ("**Purchaser**") and CKS 55, 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:

See Exhibit "A" attached hereto and incorporated herein by reference

2. **Purchase Price.**

- (a) The purchase price for the property is agreed to be TBD on the Date of Closing, which shall be not less than 366 days from the date of closing of the contract in Exhibit B.
- (b) If Seller holds property for a minimum of 366 days and the Purchaser is unable to perform under the agreement, the Purchaser shall cancel Note and Mortgage attached as Exhibit C in the amount of \$1,600,000.
- (c) Monthly escrow payments shall be made to Seller in the amount of TBD. Such payments shall be credited to the above purchase price.
- (d) 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.
- (e) All Closing costs related to this transaction shall be paid by the Purchaser.
- (f) **Date and Place of Closing.** Closing shall take place at the office of John D. Holland on or after 366 days from days from the date of closing of the contract in Exhibit B at a time to be agreed upon by Seller and Purchaser.

3. **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.

4. **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.

5. **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.

6. **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.

7. **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.

8. **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.

9. **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.

10. **Special Provisions.**

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

11. **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.

12. **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.
13. **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.
14. **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.
15. **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.
16. **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.
17. **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.
18. **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:

Kelly Edwards
Daphne Bryant

Seller
CKS 55, LLC

By: [Signature]

IN THE PRESENCE OF:

Kelly Edwards
Daphne Bryant

Purchaser
The Cliffs at Keowee Springs, LLC

By: [Signature]
By: James B. Anthony, President of
Single Member The Cliffs Communities, Inc.

EXHIBIT A
PROPERTY DESCRIPTION

EXHIBIT B

PURCHASE AND SALE AGREEMENT BETWEEN CKS 55 LLC
(PURCHASER) AND THE CLIFFS AT KEOWEE SPRINGS LLC (SELLER)

EXHIBIT C

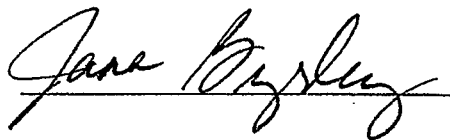
NOTE AND MORTGAGE DUE TO THE CLIFFS AT KEOWEE SPRINGS LLC

PURCHASE AND SALE EXTENSION AGREEMENT

The Cliffs at Keowee Springs, LLC and or assigns ("Purchaser") and CKS 55, LLC ("Seller") hereby agree on this the 24th day of April, 2010, to extend the Purchase Agreement ("Agreement") made and entered into on the 24th day of April, 2009, , by and between The Cliffs at Keowee Springs, LLC and or assigns ("Purchaser") and CKS 55, LLC ("Seller")..

The Purchaser and the Seller agree to extend this agreement until April 24, 2011 and agree that all Terms and Conditions included in the Agreement will remain in effect until this closing date.

IN THE PRESENCE OF:



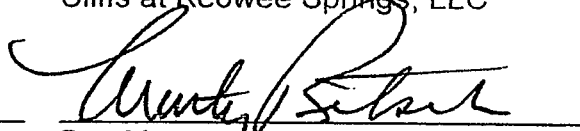
Seller
CKS 55, LLC


By: Scott D. Beville
Managing Member

IN THE PRESENCE OF:



Purchaser
Cliffs at Keowee Springs, LLC


By: Marty Ritsch,
as Treasurer of the Cliffs Communities, Inc.
Sole Member

MEMBERSHIP AGREEMENT

THIS Membership Agreement ("Agreement") is executed this 26 day of February, 2010, by and between The Cliffs at Keowee Springs Golf & Country Club, LLC (hereinafter the "Club"), James B. Anthony, The Cliffs Communities, Inc., and The Cliffs at Keowee Springs, LLC (collectively hereinafter the "Cliffs"), and CKS 1 LLC (Seller) and is attached to that certain Purchase and Sale Agreement (the "Agreement") executed on August 12, 2009, property described on Exhibit "A" ("Property").

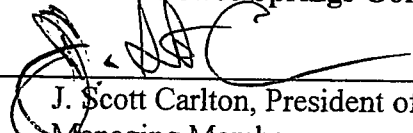
WHEREAS, the Club is the administrator and owner of the club facilities located in The Cliffs at Keowee Springs and has been duly authorized to enter into this Membership Agreement.

WHEREAS, CKS 1 LLC, Cliffs and Club agree that in an event of default, a Golf Membership will be made available to a third party purchaser of the Property.

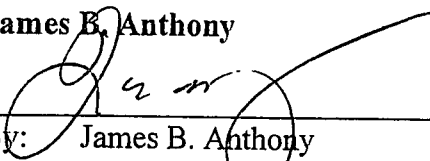
NOW, THEREFORE, in consideration of the above premises and the mutual promises and covenants contained in the Agreement and all Exhibits attached thereto, Club, Cliffs, and CKS 1 LLC agree as follows:

In the event of an uncured default by Cliffs under the Purchase and Sale Agreement and incorporated herein by reference, Club, Cliffs, and CKS 1 LLC 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 Seller.

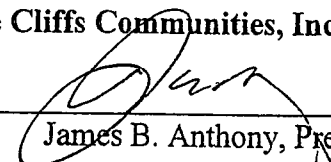
The Cliffs at Keowee Springs Golf & Country Club, LLC

By:  2-26-10
Date
J. Scott Carlton, President of
Managing Member

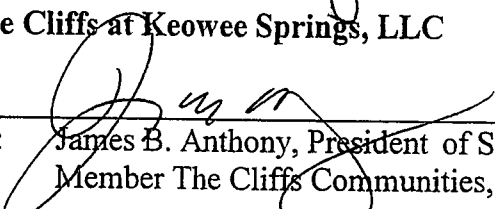
James B. Anthony

By:  2-26-10
Date
James B. Anthony

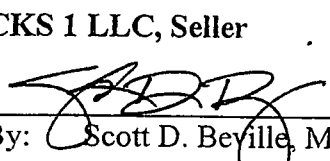
The Cliffs Communities, Inc.

By:  2-26-10
Date
James B. Anthony, President

The Cliffs at Keowee Springs, LLC

By:  2-26-10
Date
James B. Anthony, President of Single
Member The Cliffs Communities, Inc.

CKS 1 LLC, Seller

By:  2-26-10
Date
Scott D. Beville, Managing Partner

Grantee's Address:

501 Spaulding Lake Dr.
Greenville, SC 29615

Space above this line for recording information

STATE OF SOUTH CAROLINA

)

TITLE TO REAL ESTATE

COUNTY OF PICKENS

)

KNOW ALL MEN BY THESE PRESENTS THAT, THE CLIFFS AT KEOWEE SPRINGS, LLC herein referred to as Grantor for and in consideration of the sum of THREE MILLION FOUR HUNDRED THOUSAND AND 00/100 (3,400,000.00) Dollars paid by CKS 55, 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 piece, parcel or lot of land with all improvements thereon or hereafter constructed thereon situate, lying and being in the County of Pickens, State of South Carolina, being shown and designated as Lot No. 55, Cliffs at Keowee Springs, Phase I, according to plat recorded in the Office of the Register of Deeds for Pickens County in Plat Book 525 at Pages 1 & 2, reference to said plat is hereby made for a more complete metes and bounds description thereof.

T.M.S.#: 4131-00-91-1088

ALSO:

ALL that certain piece, parcel or lot of land with all improvements thereon or hereafter constructed thereon situate, lying and being in the County of Pickens, State of South Carolina, being shown and designated as Lot No. 56, Cliffs at Keowee Springs, Phase I, according to plat recorded in the Office of the Register of Deeds for Pickens County in Plat Book 525 at Pages 1 & 2, reference to said plat is hereby made for a more complete metes and bounds description thereof.

T.M.S.#: 4131-00-91-3151

This being the same property conveyed unto the Grantor herein by deed from Victoria A. Anthony, dated April 24, 2008 and recorded on April 25, 2008 in Deed Book 1181 at Page 26 in the Register of Deeds Office for Pickens County, State of South Carolina. Property then conveyed to Cliffs at Keowee Springs, LLC by deed of Keowee Springs Group, LLC dated _____, recorded _____ in the ROD Office for Pickens County, SC in Deed Book _____ at Page _____.

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.

CKS 55, LLC
501 Spaulding Lake Drive
Greenville, SC 29615
(864) 616-9625

November 30, 2011

Via Courier

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

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

RE: **Notice of Purchaser's Default** - Purchase and Sale Agreement dated April 24, 2009 and the Purchase and Sale Extension dated April 24, 2010 for the Purchase of Section 1, Lot 55 and Section 1, Lot 56, at The Cliffs at Keowee Springs located in Six Mile, SC in Pickens County.

Dear Mr. Anthony:

I am writing to you individually and as President of The Cliffs Communities, Inc. ("The Cliffs"), sole member of The Cliffs at Keowee Springs, LLC ("The Cliffs at Keowee Springs"). The purpose of this letter is to provide The Cliffs at Keowee Springs, you and The Cliffs with written notice of default by Purchaser under the above-referenced Purchase and Sale Agreement dated April 24, 2009 and the Purchase and Sale Extension Agreement between The Cliffs at Keowee Springs, as Purchaser, you and The Cliffs, as Guarantors, and CKS 55, LLC, as Seller. The aforementioned agreements shall be hereinafter collectively referred to as the "Purchase and Sale Agreements".

As provided in the Purchase and Sale Agreements, The Cliffs at Keowee Springs had until April 24, 2011 (the "Purchase Date") to complete the purchase of the above-referenced property (the "Property"). It has been more than seven months since the Purchase Date and, despite numerous conversations and commitments from you & Tim Cherry, The Cliffs at Keowee Springs has failed to complete the purchase of the Property and is in default under the Purchase and Sale Agreements.

Although it is under no obligation to do so, CKS 55, LLC is hereby providing The Cliffs at Keowee Springs, 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 30, 2011. As outlined in Section 2. of the Purchase and Sales Agreement, at closing, The Cliffs would be expected to reimburse CKS 55, LLC for 2010 property taxes and any other carrying costs incurred or paid by CKS 55, LLC. These amounts have been provided to Marty Ritsch (Senior Controller for The Cliffs) and Tim Cherry (CFO for The Cliffs) under separate cover. If such default is not cured by said date, CKS 55, LLC 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, CKS 55, LLC shall be entitled to exercise its rights under that certain Membership Agreement dated February 26, 2010 (the "Membership Agreement") between The Cliffs at Keowee Springs Golf & Country Club, LLC (the "Club"), The Cliffs at Keowee Springs, and CKS 55, LLC.

We sincerely hope that you will cure this default by the above date. In order to further protect the interest of CKS 55, 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 Keowee Springs and of CKS 55's intentions with respect to the Membership Agreement. A copy of the Membership Agreement is on file with The Cliffs and enclosed herewith.

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

Sincerely,

On behalf of CKS 55, LLC:



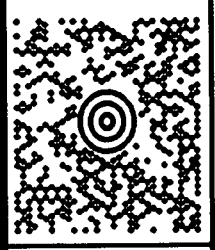
Scott D. Beville - Managing Member

cc: Mr. Timothy B. Cherry (Via Courier)
Mr. Mark Dye - Member
Mr. Todd Kimmelman - Member
Mr. Brian Holden

NANCY GOLDSMITH
864-371-1052
CLIFFS CORPORATE OFFICE
3598 HIGHWAY 11
TRAVELERS REST SC 29690

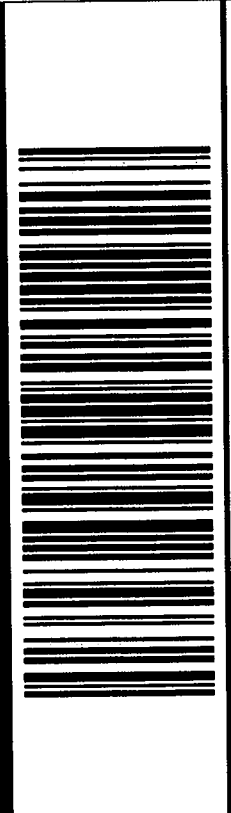
3 LBS PAK 1 OF 1

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

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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.

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MAY 31 2012
BMC GROUP