


<b>UNITED STATES BANKRUPTCY COURT</b>		<b>District of South Carolina</b>	<b>PROOF OF CLAIM</b>
Name of Debtor: <b>The Cliffs at Keowee Springs Golf &amp; Country Club, LLC</b>		Case Number: <b>12-01230</b>	
NOTE: <i>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.</i>			
Name of Creditor (the person or other entity to whom the debtor owes money or property): <b>East Parkins Mill Land Company, LLC</b>			<b>COURT USE ONLY</b>
Name and address where notices should be sent: <b>Mr. Don Nickell, Jr., Managing Member 480 East Parkins Mills Road Greenville, SC 29607</b>			<input type="checkbox"/> Check this box if this claim amends a previously filed claim.  Court Claim Number: _____ (If known)  Filed on: _____
Telephone number: <b>(864) 325-2928</b> email: <b>dnickell@advantisllc.com</b>			
Name and address where payment should be sent (if different from above):		<b>RECEIVED</b>  <b>MAY 31 2012</b>  <b>BMC GROUP</b>	<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: _____ email: _____			
<b>1. Amount of Claim as of Date Case Filed:</b> \$ <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.			
<b>2. Basis for Claim:</b> <u>See attached Membership Agreement (Springs Lot 50, Ph 1)</u> <b>(SEE ATTACHED)</b> (See instruction #2)			
<b>3. Last four digits of any number by which creditor identifies debtor:</b> _____		<b>3a. Debtor may have scheduled account as:</b> _____ (See instruction #3a)	<b>3b. Uniform Claim Identifier (optional):</b> _____ (See instruction #3b)
<b>4. Secured Claim (See instruction #4)</b> 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.		<b>Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any:</b> \$ _____	
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>	
<b>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.</b>			
<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: \$ _____
Cliffs POC  01269			
*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.			
<b>6. Credits.</b> 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. (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: Donald H. Nickell, Jr.

Title: Managing Member

Company: East Parkins Mill Land Company, LLC

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

(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.

**DEFINITIONS****INFORMATION****Debtor**

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

**Creditor**

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

**Claim**

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

**Proof of Claim**

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with the clerk of the same bankruptcy court in which the bankruptcy case was filed.

**Secured Claim Under 11 U.S.C. § 506 (a)**

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

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

**Unsecured Claim**

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

**Claim Entitled to Priority Under 11 U.S.C. § 507 (a)**

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

**Redacted**

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

**Evidence of Perfection**

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

**Acknowledgment of Filing of Claim**

To receive acknowledgment of your filing, you may either enclose a stamped self-addressed envelope and a copy of this proof of claim or you may access the court's PACER system ([www.pacer.psc.uscourts.gov](http://www.pacer.psc.uscourts.gov)) for a small fee to view your filed proof of claim.

**Offers to Purchase a Claim**

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

Debtor: Cliffs at Keowee Springs Golf & Country Club, LLC

Creditor: East Parkins Mill Land Company, LLC

Attachments:

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

## PURCHASE AND SALE EXTENDED AGREEMENT

This Purchase Agreement ("Agreement") is made and entered into this 3rd day of June, 2010, by and between The Cliffs at Keowee Springs, LLC and ("Purchaser") and James B. Anthony and The Cliffs Communities, Inc., ("Guarantors") of 3598 Highway 11, Travelers Rest, SC 29690 and East Parkins Mill Land Company, 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 Keowee Springs, LLC  
Section 1  
Lot # 50  
Six Mile, SC 29682  
Pickens County

2. **Purchase Price.**

- (a) The purchase price for the property is agreed to be One Million One Hundred Thirty-Seven Thousand Seven Hundred Eighty Dollars (\$1,138,610.00) on the Date of Closing, which shall be not less than 366 days from the date of closing of the contract in Exhibit A.
- (b) At Closing the Purchaser shall cancel Note and Mortgage attached as Exhibit B in the amount of \$420,000.00.
- (c) Monthly escrow payments shall be made to Seller in the amount of \$13,217.00. 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) 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 in 2011.

(g) **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.

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. Purchaser 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, or for charges incurred during the period that this property is held by the Seller..

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:

Melanie Smith  
Nancy B. Goldsmith

Seller  
East Parkins Mill Land Company, LLC

By: [Signature]  
Mr Don Nickell, Managing Member

IN THE PRESENCE OF:

Walter R. [Signature]  
May [Signature]

Purchaser  
The Cliffs at Keowee Springs, LLC

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

Guarantor  
The Cliffs Communities, Inc.

Walter R. [Signature]  
May [Signature]

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

Guarantor  
James B. Anthony

Walter R. [Signature]  
May [Signature]

By: [Signature]  
By: James B. Anthony

**EXHIBIT A**

**PURCHASE AND SALE AGREEMENT BETWEEN EAST PARKINS MILL  
LAND COMPANY, LLC (PURCHASER) AND THE CLIFFS AT KEOWEE  
SPRINGS LLC (SELLER)**

**EXHIBIT B**

**NOTE AND MORTGAGE DUE TO THE CLIFFS AT KEOWEE SPRINGS LLC**

## MEMBERSHIP AGREEMENT

THIS Membership Agreement ("Agreement") is executed this \_\_\_\_ day of February, 2010, by and between The Cliffs at Keowee Springs Golf & Country Club, LLC (hereinafter the "Club"), The Cliffs at Keowee Springs, LLC (hereinafter the "Cliffs"), and East Parkins Mill Land Company, LLC (Seller) and is attached to that certain Purchase and Sale Agreement (the "Agreement") executed on May 28, 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, East Parkins Mill Land Company, 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 East Parkins Mill Land Company, LLC, agree as follows:

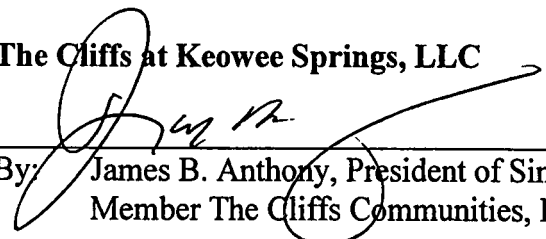
In the event of an uncured default by Cliffs under the Purchase and Sale Agreement and incorporated herein by reference, Club, Cliffs, and East Parkins Mill Land Company, LLC, agree that a Full Golf Membership will be made available to a third party purchaser at the then prevailing rate. The proceeds 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:   
J. Scott Carlton, President of  
Managing Member

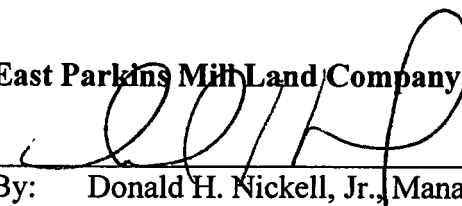
2-26-10  
Date

**The Cliffs at Keowee Springs, LLC**

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

2-26-10  
Date

**East Parkins Mill Land Company, LLC, Seller**

By:   
Donald H. Nickell, Jr., Managing Member

3/1/10  
Date

EXHIBIT A

Grantee's Address:

480 East Parkins Mill Road  
Greenville, SC 29607

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 ONE AND 00/100 (1.00) Dollars paid by EAST PARKINS MILL LAND COMPANY, 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. 50, containing 1.420 acres, more or less, Phase I, Cliffs at Keowee Springs, on a plat prepared by Neal H. O'Connor, Jr., PLS, In Plat Book 564 at Page 1-B, recorded in the Register of Deeds Office for Pickens County, State of South Carolina, reference to said plat is hereby made for a more complete metes and bounds description thereof

TMS # 4131-00-80-5647

This being the same property conveyed unto the Grantor herein by deed from Waterfall Investment Group, LLC, dated May 31, 2004 and recorded in Deed Book 819 at Page 1 in the Register of Deeds Office for Pickens County, State of South Carolina.

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

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

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

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

WITNESS the Grantors' hand and seals this 24th day of July, in the year of 2009

SATIS

Signed, Sealed and Delivered  
in the Presence of:

The Cliffs at Keowee Springs, LLC

Kim M. Smith

Marty Smith

By:  
As Its:

Jason [Signature]

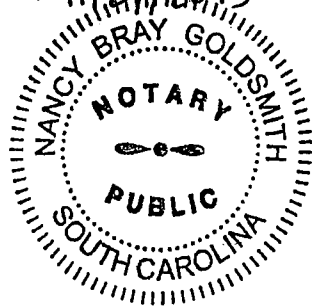
STATE OF SOUTH CAROLINA  
COUNTY OF PICKENS

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 July, 2009

Kim M. Smith

Nancy Bray Goldsmith  
Notary Public for the State of South Carolina  
My Commission Expires: 11/24/2015



Rec'd 10/5/11

**EAST PARKINS MILL LAND COMPANY, LLC**  
480 East Parkins Mill Road  
Greenville, SC 29607  
(864) 325-2928

October 5, 2011

**Via Federal Express**

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 May 28, 2009 for the Purchase of Lot #50, Section 1, Cliffs at Keowee Springs

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 May 28, 2009 between The Cliffs at Keowee Springs, as Purchaser, you and The Cliffs, as Guarantors, and East Parkins Mill Land Company, LLC, as Seller. Said Agreement was extended by that certain Purchase and Sale Extension Agreement dated May 3, 2010 and by that certain Purchase and Sale Extended Agreement dated June 3, 2010. 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 June 3, 2011 (the "Purchase Date") to complete the purchase of the above-referenced property (the "Property"). It has been more than three 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.

Mr. Donald H. Nickell, Jr.

October 5, 2011

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Although it is under no obligation to do so, East Parkins Mill Land Company 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 November 2, 2011. At closing, The Cliffs would be expected to reimburse East Parkins Mill Land Company for 2010 property taxes and any other carrying costs incurred or paid by East Parkins Mill Land Company. If such default is not cured by said date, East Parkins Mill Land Company 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, East Parkins Mill Land Company 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 East Parkins Mill Land Company.

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

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

Sincerely,

EAST PARKINS MILL LAND COMPANY, LLC



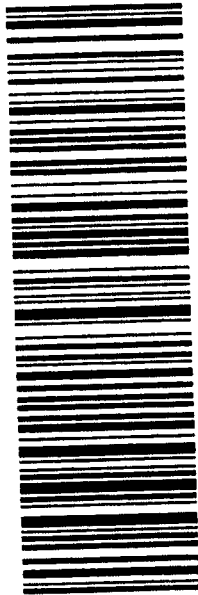
Donald H. Nickell, Jr.  
Managing Member

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



THU - 06 OCT A5  
 PRIORITY OVERNIGHT  
 DSR  
 29690  
 SC-US GSP

FedEx  
 TRK# 8769 2312 3532  
 0200  
 27 LQKA



For FedEx Express® Shipments Only

**FedEx** NEW Package  
 Express US Airbill

1 From  
 Date 10/5/11  
 Sender's Name Don Nisco  
 Company First Precision Manufacturing LLC  
 Address 480 E. Phoenix  
 City Green Mill  
 State IL ZIP 60607  
 Phone 630-326-2928

2 Your Internal Billing Reference

3 To  
 Recipient's Name Trans K Agency  
 Company Trans K Agency  
 Address 2528 Highway 11  
 City Phoenix AZ  
 State AZ ZIP 85020  
 Phone 602-271-1000



4 Express Package Seal

NOTE: Service order has changed. Please select carefully.  
 Next Business Day  
 FedEx First Overnight  
 FedEx Priority Overnight  
 FedEx Standard Overnight

5 Packaging

FedEx Envelope\*  
 FedEx Pak\*  
 FedEx Box  
 FedEx Tube  
 Other

6 Special Handling and Delivery Signature Options

SATURDAY Delivery  
 No Signature Required  
 Direct Signature  
 Indirect Signature  
 Dry Ice  
 Cargo Aircraft

7 Payment Bill to

Sender:  Sender  
 Recipient  
 Third Party  
 Credit Card  
 Cash

fedex.com 1.800.GoFedEx 1.800.463.3339

Insert  
 airbill  
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8769 2312 3532

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10:00  
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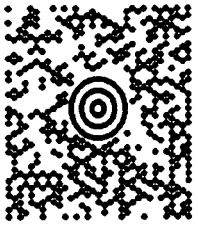

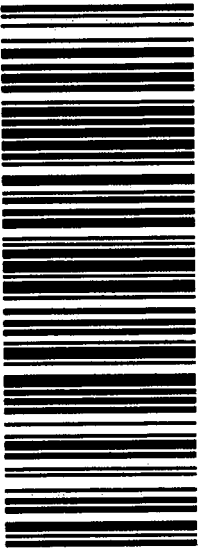

1. Ensure there are no other shipping or tracking labels attached to your package. Select the Print button on the print dialog box that appears. Note: If your browser does not support this function select Print from the File menu to print the label.

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](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.

FOLD HERE

NANCY GOLDSMITH 864-371-1052 CLIPPS 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> CLIPPS 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				
		GS 14.1.10    WXP7880 27.04. 04/2012		

RECEIVED  
 MAY 31 2012  
 BMC GROUP