

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA**

IN RE:)	
)	CASE NO. 12-1220
The Cliffs Club & Hospitality Group, Inc.,)	
et al., d/b/a The Cliffs Golf & Country)	
Club,)	CHAPTER 11
)	
Debtors.)	
)	

**KEOWEE INVESTMENT PROPERTIES, LLC’S RESPONSE
TO ADEQUACY OF DEBTORS’ DISCLOSURE STATEMENT**

Keowee Investment Properties, LLC (“KIP”) files this Response to Adequacy of Debtors’ Disclosure Statement (the “Response”) and, in support thereof, states as follows:

Background

1. The Debtors filed their chapter 11 cases on February 28, 2012.
2. KIP is a creditor and party in interest in these chapter 11 cases.
3. Specifically, KIP is party to a recorded easement agreement (the “Easement” with The Cliffs at Keowee Springs Golf & Country Club, LLC (“Keowee Springs”).
4. KIP filed a Proof of Claim setting forth a description of KIP’s claims against Keowee Springs. The Proof of Claim was filed on May 31, 2012. A true and correct copy of the Proof of Claim is annexed hereto and incorporated herein by reference as Exhibit “A”.

Disclosure Statement Response

5. Section 1125 of the Bankruptcy Code requires that a debtor provide a disclosure statement containing “adequate information of a kind and in sufficient detail as far as is reasonably practical in light of the nature of the history of the debtor and the condition of the debtor’s books and records . . . that would enable such a hypothetical investor of the relevant class to make an informed judgment about the plan . . .”

6. The purpose of the disclosure statement requirement is to provide creditors with essential information that would enable them to make an informed judgment as to whether to vote for or against a plan.

7. KIP submits that the Debtors' disclosure statement contains insufficient information with respect to KIP's claim so as to provide KIP a meaningful opportunity to evaluate whether voting for or against the Debtors' plan is appropriate.

8. Specifically, the plan and disclosure statement are silent as to KIP's Easement. KIP is unable to determine whether the plan contains any specific provisions regarding the treatment of KIP's Easement, and, if so, what that treatment may be.

9. The Debtors' schedules and statement (as amended as recently as June 27, 2012) list KIP as a counterparty to an executory contract as set forth on amended Schedule G. Specifically, KIP is listed as being a counterparty to a "agreement" with no other descriptive reference.¹

10. KIP submits that it is not a counterparty to any executory contract nor is it aware of any executory contract to which it may be a party. As set forth in the Proof of Claim, KIP is a party to a recorded Easement Agreement containing real property rights – and not any executory contract within the meaning of Section 365 of the Bankruptcy Code.

11. To sum up, KIP's issues with the Debtors' plan are two fold: (a) the plan and disclosure statement describe an executory contract to which KIP is allegedly a party and to which KIP has no knowledge (and, therefore, is unable to determine how to vote on the plan with respect to this alleged categorization) and (b) the plan is silent as to KIP's Easement rights, which Easement is the only known source of claim against Keowee Springs.

¹ Specifically, there is no date or description of the "agreement" that would enable KIP to determine to which specific agreement the debtors may be referring.

12. KIP respectfully requests that the disclosure statement be amended to provide greater description regarding KIP's claim and the treatment of KIP's claim so as to comply with Section 1125 of the Bankruptcy Code.

13. KIP further reserves all its rights and remedies with respect to the confirmability of the Debtors' chapter 11 plan once further provisions have been made regarding the treatment and description of KIP's claims.

WHEREFORE, KIP respectfully requests that the Court deny approval of the Debtors' Disclosure Statement and grant KIP such other and further relief as the Court deems just and proper.

DATED: June 28, 2012
Greenville, SC

Respectfully Submitted:

/s/ Rory D. Whelehan
Rory D. Whelehan (Federal I.D. No. 7657)
North Carolina State Bar No. 16882
South Carolina Bar No. 012915
WOMBLE CARLYLE SANDRIDGE & RICE, LLP
P.O. Box 10208
Greenville, SC 29603-0208
Tel: (864) 255-5404/Fax: (864) 255-5484
Attorney for Keowee Investment Properties, LLC

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of **KEOWEE INVESTMENT PROPERTIES, LLC'S RESPONSE TO ADEQUACY OF DEBTORS' DISCLOSURE STATEMENT** was filed electronically and was therefore served electronically on those entities that have properly registered for such electronic service and by United States Mail, first class, proper postage affixed to the following parties on June 28, 2012:

Linda Barr
Office of United States Trustee
1835 Assembly Street, Suite 953
Columbia, SC 29201

Joseph F. Buzhardt, III
Office of United States Trustee
1835 Assembly Street, Suite 953
Columbia, SC 29201

Gary W. Marsh
J. Michael Levensgood
Bryan E. Bates
McKenna Long & Aldridge, LLP
303 Peachtree Street, Suite 5300
Atlanta, GA 30308

Dana Wilkinson
Law Office of Dana Wilkinson
365-C East Blackstock Road
Spartanburg, SC 29301

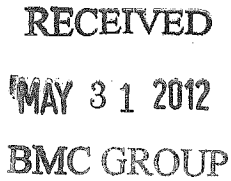
John Monaghan
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Julio E. Mendoza, Jr.
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1230 Main Street, Suite 700
Columbia, SC 29201

/s/ Rory D. Whelehan

Rory D. Whelehan (Federal I.D. No. 7657)
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Attorney for Keowee Investment Properties, LLC

B 10 (Official Form 10) (12/11)

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	
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): Keowee Investment Properties, LLC		COURT USE ONLY	
Name and address where notices should be sent: Rory D. Whelehan Womble Carlyle Sandridge & Rice, LLP P. O. Box 10208, Greenville, SC 29601 Telephone number: (864) 255.5404 email: rwhelehan@wcsr.com			<input type="checkbox"/> Check this box if this claim amends a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____
Name and address where payment should be sent (if different from above): Telephone number: _____ email: _____		<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.	
1. Amount of Claim as of Date Case Filed: \$ <u>Unliquidated</u> <p>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.</p>			
2. Basis for Claim: <u>See attachment.</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. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: Value of Property: \$ _____ Annual Interest Rate _____% <input type="checkbox"/> Fixed or <input type="checkbox"/> Variable (when case was filed)		Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____	
5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any part of the claim falls into one of the following categories, check the box specifying the priority and state the amount.			
<input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).	<input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier – 11 U.S.C. §507 (a)(4).	<input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. §507 (a)(5).	Amount entitled to priority: \$ _____
<input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. §507 (a)(7).	<input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. §507 (a)(8).	<input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. §507 (a) (____).	
*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)			



B 10 (Official Form 10) (12/11)

2

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:

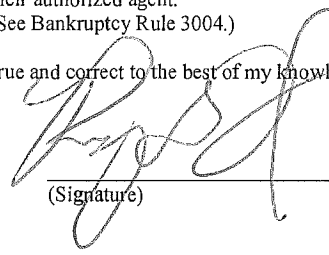
8. Signature: (See instruction #8)

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: Rory D. Whelehan
 Title: Attorney
 Company: Womble Carlyle Sandridge & Rice LLP
 Address and telephone number (if different from notice address above):
P. O. Box 10208
Greenville, SC 29601
 Telephone number: (864) 255.5404 email: rwhelehan@wcsr.com


 (Signature) 5/30/2012 (Date)

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

INSTRUCTIONS FOR PROOF OF CLAIM FORM

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

Items to be completed in Proof of Claim form

Court, Name of Debtor, and Case Number:

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

Creditor's Name and Address:

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

1. Amount of Claim as of Date Case Filed:

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

2. Basis for Claim:

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

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

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

3a. Debtor May Have Scheduled Account As:

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

3b. Uniform Claim Identifier:

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

4. Secured Claim:

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

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

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

6. Credits:

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

7. Documents:

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

8. Date and Signature:

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

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) 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.

EXHIBIT A

PROOF OF CLAIM ATTACHMENT

In Re The Cliffs at Keowee Springs Golf & Country Club, LLC
Case No. 12-01230

This proof of claim attachment is submitted by Keowee Investment Properties, LLC (“KIP”) and sets forth KIP’s claims against The Cliffs at Keowee Springs Golf & Country Club, LLC (the “Debtor”) arising from an easement agreement as described below.

Background of Claim

A. The Debtor

The Debtor filed its chapter 11 case on February 28, 2012 (the “Petition Date”). As of the Petition Date, the Debtor had granted an easement (the “Easement”) to KIP. The Easement was entered into by and between KIP and the Debtor on August 5, 2011. The Easement grants KIP certain real property rights relating to the Debtor’s residential development known as the Cliffs at Keowee Springs (the “Cliffs”). The Cliffs is an upscale residential community that contains certain amenities associated with upscale living. These amenities include, but are not necessarily limited to, golfing facilities, club dining facilities, and other associated amenities. The amenities are owned and operated by the Debtor.

B. KIP

KIP holds title to certain real property fronting Lake Keowee. KIP is in the process of developing its real estate for sale as lots suitable for residential development. Specifically, KIP’s real property has been subdivided to provide for the sale of not less than 240 lots to the public. KIP is in the process of completing the development of its real property for sale. This process is almost complete.

C. The Claim

Pursuant to the Easement, the Debtor granted KIP an irrevocable right, among other things, for KIP as well as purchasers of lots from KIP (and other parties defined in the easement) to have the right to purchase club membership interests from the Debtor. Specifically, KIP, and lot owners who purchase lots from KIP, have the right to purchase club memberships as set forth in the Easement and for prices set forth in the Easement. The right of KIP and its lot purchasers to purchase club memberships from the Debtor is a material and integral part of the value of KIP’s real property, including the lots that may be purchased by end users from KIP. Stated differently, the value of KIP’s lots is enhanced by the rights KIP has obtained in the Easement. If KIP (or lot purchasers from KIP) do not have the right to purchase club memberships as defined in the Easement, the value of KIP’s lots will be materially diminished.

Basis of Claim

The chapter 11 plan and disclosure statement filed by the Debtor with respect to its reorganization is unclear as to the treatment of KIP's claim. KIP, therefore, files this claim as a protective measure to preserve its rights to assert any amount of damages that can be proven against the Debtor as a result of the breach of the Easement. Specifically, the plan and disclosure statement filed by the Debtor are silent as to the treatment of KIP's Easement and the rights given to KIP under the Easement. Moreover, the Debtor has scheduled KIP as being a counterparty to an executory contract as set forth in the Debtor's schedules and statements filed on March 30, 2012. KIP is unaware of any executory contract to which it is a party with the Debtor. Specifically, the Easement supersedes all other agreements that KIP may have entered into with the Debtor (superseded documents are attached). KIP intends to file an objection to the Debtor's disclosure statement to require the Debtor to completely identify the nature of the executory contract to which the Debtor claims KIP is a counterparty and describe the treatment to which KIP's claim may be provided. By filing this claim, KIP does not acknowledge it is a counterparty to any executory contract with the Debtor. Rather, the essence of KIP's claim against the Debtor is embodied in the Easement and such claim is an interest in real property.

Therefore, KIP's claim at this point is unliquidated and contingent but in an amount not less than the damages associated with any breach of the Easement, including, but not necessarily limited to, the diminution in value of KIP's real property in such amounts to be proven at trial.

Right to Supplement or Amend Proof of Claim

This proof of claim is submitted as to this Debtor, but KIP reserves the right to supplement and amend its claim as may be permitted under the Federal Rules of Bankruptcy Procedure. KIP has attached documents regarding this claim and reserves the right to assert and attach additional documents evidencing the claim. KIP reserves the right to amend, modify, or supplement this proof of claim at any time.

DATED: May 30, 2012
Greenville, South Carolina



Rory D. Whelehan (Federal I.D. No. 7657)
North Carolina State Bar No. 16882
South Carolina Bar No. 012915
WOMBLE CARLYLE SANDRIDGE & RICE
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**IRREVOCABLE EASEMENT AND AGREEMENT FOR
ACCESS, USE AND ENJOYMENT**

THIS IRREVOCABLE EASEMENT AND AGREEMENT FOR ACCESS, USE AND ENJOYMENT (this "*Agreement*") is made this 5th day of August, 2011 (the "*Effective Date*"), by and among The Cliffs at Keowee Springs Golf & Country Club, LLC, a South Carolina limited liability company ("*Grantor*"), Longview Land Co., LLC ("*Longview*") and Keowee Investment Properties, LLC, ("*KIP*") a South Carolina limited liability company (hereinafter collectively "*Grantee*").

WITNESSETH:

WHEREAS, Grantor is the owner and operator of The Cliffs at Keowee Springs Golf & Country Club (the "*Club*") and all real property and improvements associated therewith located in Pickens County, South Carolina, as more fully described on Exhibit A attached hereto (collectively, the "*Club Property*");

WHEREAS, Grantor is responsible for, among other things, (i) the operation and maintenance of all facilities and other amenities appurtenant to the Club (collectively, the "*Club Facilities*"), and (ii) the sales and issuance of memberships for the Club ("*Club Memberships*") together with the administration of all other documents and contract rights related to Club Memberships, including, without limitation, all membership agreements governing existing and future Club members (collectively, the "*Membership Plan*");

WHEREAS, Grantee is the owner of that certain real property located in Pickens County, South Carolina (as more fully described on Exhibit B attached hereto, (the "*Development Property*") which is contiguous to the residential development known as The Cliffs at Keowee Springs and which is contiguous and adjacent to the Club Property; and

WHEREAS, pursuant to that certain Restated and Amended Agreement dated February 26, 2009, as amended by that First Amendment to Restated and Amended Agreement dated October 29, 2010 (hereinafter "*Prior Agreements*"), Grantor agreed to hold in reserve up to two hundred forty (240) Full Golf and/or Family Memberships for the benefit of KIP; and

WHEREAS, Grantor and Grantee desire to ratify the Prior Agreements and have agreed that the Easement (as defined below) and the Lot Rights (as defined below) are necessary for the successful development of the Development Property, and also are in the best interest of the Club.

NOW, THEREFORE, in consideration of the sum of Ten and No/100 Dollars (\$10.00), and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantor and Grantee hereby agree as follows:

1. Grant of Irrevocable Easement of Access, Use and Enjoyment. Grantor does hereby give, grant and convey to Grantee and each Eligible Owner (defined below) and to the Development Property (or portions thereof subdivided into residential lots, individually a "Lot" and collectively

the "Lots"), an irrevocable and alienable non-exclusive easement for the access, use and enjoyment of the Club Property, the Club Facilities, and any other improvements now or hereafter located thereon and therein (the "*Easement*") and does hereby give, grant and convey to the Grantee and each Eligible Owner and to the Development Property an irrevocable and alienable right for the access, use and enjoyment of the Club Property, the Club Facilities and other improvements now or hereafter located thereon and therein (the "*Lot Rights*"); provided Grantee or such Eligible Owner purchases a Club Membership from Grantor in accordance with this Agreement.

As used herein, the term "*Eligible Owner*" shall mean the Grantee, the owner of the Development Property, a Lot, or Lots who either: (i) acquires the Development Property, Lot or Lots directly from Grantee; or (ii) any Purchaser who acquires the Development Property, Lot, or Lots from an Eligible Owner.

2. Option to Purchase Club Membership Interest. Grantor hereby grants Grantee and each Eligible Owner the right and option to purchase an applicable Club Membership in accordance with the terms of this Agreement and the Membership Plan ("*Option to Purchase*"). Memberships offered by the Grantor in the Membership Plan as of the date of this Agreement are Wellness, Family, and Full Golf. The Option to Purchase shall run with the title to the Development Property, a Lot, or Lots and may be exercised by Grantee or any Eligible Owner at anytime. The purchase price for such Club Membership shall equal the lesser of the price set forth in the Membership Plan or the lowest price for such Club Membership that is otherwise available at the time of the exercise of the Option to Purchase, in each case for the specific category of Club Membership sought to be purchased ("*Membership Fee*"). Grantee or the Eligible Owner may exercise the Option to Purchase by submitting a membership application to the Grantee based upon the then-current application form, provided, however, that, notwithstanding the terms of any such application form or the terms of the Membership Plan, the Grantee or Eligible Owner, as applicable, shall not be denied a Club Membership for any reason other than failure to make application and to pay the Membership Fee within the required time periods as set out in the Membership Plan, or, thereafter, (a) failure to pay the applicable dues (which dues shall be the same dues as are otherwise paid by the other Club Members within the same category of membership) and applicable usage charges and fees; or (b) failure to comply with the general membership standards, practices and policies of the Membership Plan. In no event shall Grantor discriminate against the Grantee or Eligible Owner(s) in favor of other members or prospective members. Notwithstanding anything to the contrary in the Membership Plan, all applicable categories of Club Membership shall be available to Grantee or any Eligible Owner for purchase under the terms of this Agreement provided that such Grantee or Eligible Owner submits the required application and fees for the purchase of a Club Membership in accordance with this Agreement.

GRANTOR ACKNOWLEDGES AND CONFIRMS THAT TWO HUNDRED FORTY (240) FULL GOLF/FAMILY/WELLNESS MEMBERSHIPS ARE IN RESERVE FOR THE SOLE BENEFIT OF GRANTEE AND ANY ELIGIBLE LOT OWNER TO PURCHASE PURSUANT TO THE TERMS AND CONDITIONS SET FORTH HEREIN.

3. Reservation of Rights. Grantor reserves the right for itself, its employees, agents, contractors, invitees, tenants, and successors in title to the Club Property and the Club Facilities, and all current and future members of the Club in good standing pursuant to the Membership Plan

(collectively, "*Club Members*"), to use the Club Property and Club Facilities in any lawful manner which will not materially interfere with the Easement rights and Lot Rights of Grantee and any Eligible Owner granted herein.

4. Covenants Running with the Land. The Easement, the Lot Rights, and the Option to Purchase shall burden all of the Club Property and the Club Facilities, and shall forever be appurtenant to and benefit the Development Property, Lot or Lots. The Easement, the Lot Rights, the Option to Purchase and all other rights granted herein shall constitute covenants running with the land, and shall apply to, inure to the benefit of, and be binding upon Grantor and Grantee, and their respective successors, successors-in-title, assigns, and mortgagees, including, without limitation, (a) any Applicable Mortgagee; and (b) any Eligible Owner.

5. Estoppel. Each party hereto agrees, at any time and from time to time, upon not less than fifteen (15) day's prior written notice by any other party, to execute, acknowledge and deliver to the requesting party a statement in writing certifying (a) that this Agreement is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications) (or specifying the ground for claiming that this Agreement is not in force and effect), (b) whether there are then existing any defaults of any of the terms, covenants or conditions hereof upon the part of the other party (and if so, specifying the same) and (c) whether, to the best knowledge of the certifying party, the requesting party is in default in its performance of any covenant, agreement or condition contained in this Agreement and, if so, specifying each such default of which the certifying party may have knowledge, and (d) such other matters as the requesting party may reasonably request.

7. Notices. Each notice to any party concerning the subject matter of this Agreement shall be in writing and shall be deemed to have been properly given or serviced by (i) the deposit of the same with the United States Postal Service, or any official successor thereto, designated as registered or certified mail, return receipt requested, bearing adequate postage and addressed as hereinafter provided or (ii) delivery by UPS, Federal Express, Airborne or other reputable overnight commercial courier with receipt for delivery obtained by courier. Each notice shall be effective upon being deposited as aforesaid and shall be deemed to have been received three (3) business days from and after such deposit. Each notice may also be served by personal service addressed as hereinafter provided. By giving each of the other parties at least ten (10) days prior written notice thereof, and party shall have the right from time to time to change the address(es) (other than to a post office box) thereof and to specify as the address(es) therefore any other address(es) within the United States of America. Any written notice from a party's attorney-at-law given in the manner specified herein shall be deemed to constitute notice from such party. Notices shall be addressed as follows:

Grantor: The Cliffs at Keowee Springs Golf & Country Club, LLC
 3598 Highway 11
 Travelers Rest, SC 29690
 Attn: Jonathan Scott Carlton

Grantee: Keowee Investment Properties, LLC
183 Faris Circle
Greenville, SC 29605
Attn: Gregory A. Saad

Grantee: Longview Land Co., LLC
3598 Highway 11
Travelers Rest, SC 29690
Attn: James B. Anthony

with a copy to: Thomas F. Dugas
Horton Drawdy Ward Mullinax & Farry, PA
307 Pettigru Street
Greenville, SC 29601

8. Authority. Grantor represents and warrants that it is the lawful owner of fee title to the Club Property and Club Facilities, and has all right and authority to enter into this Agreement and grant the Easement and the Lot Rights and Option to Purchase herein. Grantee hereby represents and warrants that Grantee has the right and authority to enter into this Agreement and accept the benefits of the Easement and the Lot Rights and Option to Purchase granted herein. Grantor hereby represents and warrants that Grantor has obtained all necessary consents authorizing the execution of this Agreement, including without limitation, any consents required pursuant to the holder or beneficiary under any encumbrance affecting title to the Club Property that is senior to this Agreement.

9. Non-Contravention of Organizational Documents. The execution of this Agreement by Grantor and the Easement and the Lot Rights and Option to Purchase granted herein, or Grantor's execution of any other documentation or instruments relating to this Agreement and its respective performance thereunder, will not violate or contravene Grantor's organizational documents, any applicable law or regulation, or any agreement of any kind to which Grantor or affiliates of Grantor is a party.

10. Ownership, Control and Conversion to Equity Member-Owned Club. As of the date hereof, Grantor hereby represents and warrants that the ownership and control of the Club Property and Club Facilities, including, without limitation, the issuance of the Club Memberships, is vested solely with Grantor, and Grantor has not provided written or oral notice to any other person or entity of Grantor's intention to convert the Club to an equity member-owned club (as such action is specifically reserved in the Membership Plan), and Grantor will not take any action to cause the Club to be converted to an equity member-owned club without the prior written consent of Developer and any Eligible Owner (which consent may be withheld in its sole and absolute discretion). For so long as the Option to Purchase remains in effect, Grantor will not cause the Club Property or the Club Facilities to be directly or indirectly transferred, conveyed, assigned, mortgaged, pledged, hypothecated, subjected to any other liens, options or otherwise divest Grantor's interest therein to any other person or entity.

11. Additional Documents. Grantor shall execute and deliver to Grantee or any Eligible Owner, upon demand, such additional assurances, writings or other instruments as may be reasonably

required by Grantee to evidence the Easement and the Lot Rights and Option to Purchase granted herein.

12. No Waiver. No consent or waiver, express or implied, by any party to or of any breach or default by any other party in the performance by such other party of the obligations thereof under this Agreement shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other party of the same or any other obligations of such other party under this Agreement. Failure on the part of one of the parties hereto to complain of any act or failure to act of any of the other parties or to declare such other party in default, irrespective of how long such failure continues, shall not constitute a waiver of such party of the rights thereof under this Agreement.

13. Severability. If any provision of this Agreement or the application thereof to any entity or circumstance shall be invalid or unenforceable to any extent and such invalid provision does not materially affect the right of the parties hereto, the remainder of this Agreement and the application of such provision to any other entity or circumstance shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

14. Applicable Law. This Agreement shall be interpreted, construed and enforced in accordance with the substantive laws, not the conflicts laws or choice of law rules, of the State of South Carolina.

15. Rule Against Perpetuities. Grantor and Grantee have created the future-interests contained herein by a nondonative transfer, and each intend for this Agreement created herein to be exempt from the Uniform Statutory Rule Against Perpetuities (the "*Rule*") pursuant to S.C. Code of Laws §27-6-50. Nevertheless, if a court of competent jurisdiction holds that the Statutory Rule Against Perpetuities applies to this Agreement, then any future interests shall terminate on the later of (i) twenty-one (21) years following the death of James B. Anthony, and (ii) the last day of the period allowed for vesting under the Rule, such that the future interests created herein shall thereby be deemed valid under the Rule.

16. Modification or Amendment. No provision of this Agreement or the Easement or the Lot Rights or Option to Purchase granted herein may be released, subordinated, modified, rescinded or amended in whole or in part by Grantor without the prior written consent of Grantee. No provision of the Membership Plan shall be modified or amended in any manner that would have a material, adverse effect on Grantee or any Eligible Owner without their prior written consent, unless such modification or amendment is universally applied to all persons eligible for a Membership pursuant to the Membership Plan. The provisions of this Section shall not limit the right of the Grantor to change the Membership fees and dues structure and amounts from time to time in the Grantor's sole discretion, so long as such changes are universally applied to all Members of a particular Membership category.

17. Entire Agreement. This Agreement contains the entire agreement of the parties hereto with respect to the Easements, the Lot Rights, and other agreements contained herein, and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein or incorporated herein by reference shall be of any force or effect.

18. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same instrument.

19. Time of the Essence. Time shall be of the essence of this Agreement and each and every term and condition thereof.

20. Remedies. If any of the parties violates any covenant set forth herein or otherwise defaults under this Agreement after reasonable notice and opportunity to cure (in no event less than 20 business days), the non-defaulting party or parties (as applicable) shall have the right (but not any duty) to exercise, on a cumulative basis, any or all rights or remedies available at law or equity, including, without limitation, the right to obtain restraining orders, injunctions and decrees of specific performance with respect to any such uncured violation or default. Should any party prevail in the enforcement of any rights conferred herein, that party will be entitled to recover the reasonable expenses associated with enforcing those rights from the party or parties (as applicable) that it prevailed against, including but not limited to reasonable attorney's fees.

21. Recitals. The parties hereto hereby represent that, to the best of their knowledge, the recitals set forth at the beginning of this Agreement are true and correct as of the date hereof.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the parties hereto has duly signed, sealed and delivered this Agreement, as of the day and year first above written.

In the presence of:

Monty [Signature]
Samuel S. Hyde

GRANTOR:

The Cliffs at Keowee Springs Golf & Country Club, LLC,

a South Carolina limited liability company

By: The Cliffs Club & Hospitality Group, Inc,

Its: Sole Member

By: *Jonathan Scott Carlton*

Title: President

State of South Carolina
County of Greenville

The foregoing instrument was acknowledged before me this 5th day of August, 2011 by Jonathan Scott Carlton, President of The Cliffs Club & Hospitality Group, Inc., Sole Member of The Cliffs at Keowee Springs Golf & Country Club, LLC, a South Carolina limited liability company, on behalf of the limited liability company.

Samuel S. Hyde
Notary Public for South Carolina

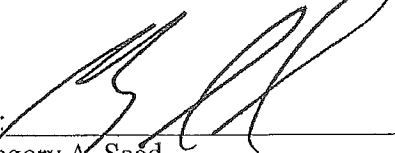
My commission expires: 8-31-19

In the presence of:



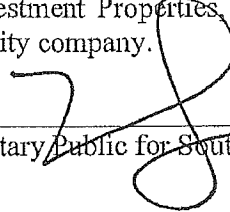
GRANTEE:

Keowee Investment Group, LLC,
a South Carolina limited liability company

By: 
Gregory A. Saad
Manager

State of South Carolina
County of Greenville

The foregoing instrument was acknowledged before me this 5th day of August, 2011 by Gregory A. Saad, as Manager of Keowee Investment Properties, LLC, a South Carolina limited liability company, on behalf of the limited liability company.


Notary Public for South Carolina

My commission expires: 10/16/16

In the presence of:

GRANTEE:

Longview Land Co., LLC,
a South Carolina limited liability company

By: _____
James B. Anthony
Manager

State of South Carolina
County of Greenville

The foregoing instrument was acknowledged before me this 5th day of August, 2011 by James B. Anthony, as Manager of Longview Land Co., LLC, a South Carolina limited liability company, on behalf of the limited liability company.

Notary Public for South Carolina

My commission expires: _____

In the presence of:

GRANTEE:

Keowee Investment Group, LLC,
a South Carolina limited liability company

By: _____
Gregory A. Saad
Manager

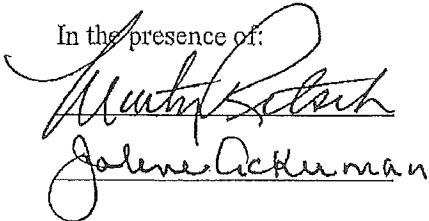
State of South Carolina
County of Greenville

The foregoing instrument was acknowledged before me this 5th day of August, 2011 by Gregory A. Saad, as Manager of Keowee Investment Properties, LLC, a South Carolina limited liability company, on behalf of the limited liability company.

Notary Public for South Carolina

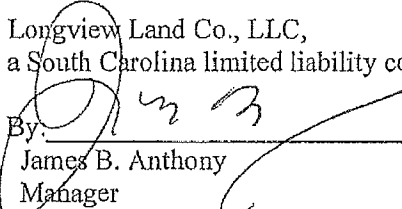
My commission expires: _____

In the presence of:


Mandy Rutsch
Johene Ackerman

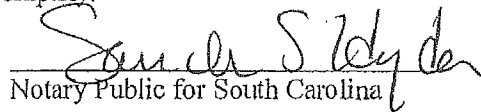
GRANTEE:

Longview Land Co., LLC,
a South Carolina limited liability company

By: 
James B. Anthony
Manager

State of South Carolina
County of Greenville

The foregoing instrument was acknowledged before me this 5th day of August, 2011 by James B. Anthony, as Manager of Longview Land Co., LLC, a South Carolina limited liability company, on behalf of the limited liability company.


Notary Public for South Carolina

My commission expires: 8-31-19

EXHIBIT A

"Club Property"

BEACH HOUSE:

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 4.29 acres, more or less, on plat entitled "Survey for The Cliffs at Keowee Springs Golf and Country Club, LLC, Property of Cliffs at Keowee Springs, LLC" prepared by Lindsey and Associates, Inc., dated February 9, 2010 and recorded in the Register of Deeds Office for Pickens County, State of South Carolina, in Plat Book 594 at Page 304, reference to said plat is hereby made for a more complete metes and bounds description thereof.

T.M.S. # P/O 4130-00-57-7163

LODGE & SPA TRACT:

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 11.03 acres, more or less, shown on plat entitled "Survey for The Cliffs at Keowee Springs Golf and Country Club, LLC" prepared by Lindsey and Associates, Inc., dated February 18, 2010 and recorded in the Register of Deeds Office for Pickens County, State of South Carolina, in Plat Book 594 at Page 324, reference to said plat is hereby made for a more complete metes and bounds description thereof.

T.M.S. # 4130-00-66-0735

CLUBHOUSE/WELLNESS CENTER:

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 28.29 acres, more or less, on plat entitled "Property of Keowee Springs Golf & Country Club, LLC & Waterfall Investment Group, LLC, Survey for Keowee Springs Golf & Country Club, LLC" prepared by Lindsey and Associates, Inc., dated February 23, 2010, revised on _____, and recorded in the Register of Deeds Office for Pickens County, State of South Carolina, in Plat Book _____ at Page _____, reference to said plat is hereby made for a more complete metes and bounds description thereof.

MARINA & GRILLE:

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 2.03 acres, more or less, on that plat entitled "Survey for Waterfall Investment Group, LLC, Survey for The Cliffs at Keowee Springs Golf & Country Club, LLC" prepared by Lindsey and Associates, Inc., dated April 8, 2010 and recorded in the Register of Deeds Office for Pickens

County, State of South Carolina, in Plat Book 594 at Page 340, reference to said plat is hereby made for a more complete metes and bounds description thereof.

T.M.S. # P/O 4140-00-14-2051

TURN HOUSE SITE:

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 1.80 acres, more or less, on plat entitled "Survey of Keowee Springs Turn House Site, Survey for Waterfall Investment Group, LLC" prepared by Lindsey & Associates, Inc., dated August 1, 2007, revised April 10, 2008 and recorded in the Register of Deeds Office for Pickens County, State of South Carolina, in Plat Book 591 at Page 348, reference to said plat is hereby made for a more complete metes and bounds description thereof.

T.M.S. # 4140-00-28-8109

GOLF TRAINING FACILITY

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 3.30 acres, more or less, shown on plat entitled "Property of Cliffs Golf Course Holding Company, LLC, Survey for Cliffs at Keowee Springs Golf & Country Club, LLC" prepared by Lindsey and Associates, Inc., dated December 2, 2008 and recorded in the Register of Deeds Office for Pickens County, State of South Carolina, in Plat Book 593 at Page 302, reference to said plat is hereby made for a more complete metes and bounds description thereof.

T.M.S. #4130-00-75-8146

EXHIBIT "B"

All those certain pieces, parcels or tracts of land situate, lying and being in the State of South Carolina, County of Pickens, being shown and designated as **Parcel #1, containing 102.39 acres**, more or less, **Parcel #2, containing 113.89 acres**, more or less, **Parcel #3, containing 102.39 acres**, more or less, and **Parcel #4, containing 69.59 acres**, more or less, upon a plat entitled "Boundary Survey for Longview Land Co., LLC", dated April, 2002, revised August 22, 2008, prepared by CBS Surveying & Mapping, Inc., recorded in the Office of the Register of Deeds for Pickens County, SC on August 27, 2008 in Plat Book 592 at Page 257; reference to said plat being made for a more complete metes and bounds description thereof.

ALSO:

All that certain piece, parcel or tract of land situate, lying and being in the State of South Carolina, County of Pickens, being shown and designated as **Parcel #5, containing 188.31 acres**, more or less, upon a plat entitled "Boundary Survey for Longview Land Co., LLC", dated April, 2002, revised August 22, 2008, prepared by CBS Surveying & Mapping, Inc., recorded in the Office of the Register of Deeds for Pickens County, SC on August 27, 2008 in Plat Book 592 at Page 257; reference to said plat being made for a more complete metes and bounds description thereof.

ALSO:

All that certain piece, parcel or lot of land situate, lying and being in the State of South Carolina, County of Pickens, being shown and designated as Parcel "B", containing 0.437 acres (19,041.41 sq ft) upon a plat entitled "Survey for Roger D. Kelley & Longview Land Company, LLC", dated August 21, 2009, prepared by Lindsey & Associates, Inc., of record in the Office of the Register of Deeds for Pickens County, SC on May 7, 2010 in Plat Book 595 at Page 24; reference being hereby made to said plat for a more complete and accurate metes and bounds description.

LESS HOWEVER:

All that certain piece, parcel or lot of land situate, lying and being in the State of South Carolina, County of Pickens, being shown and designated as Parcel "A", containing 0.077 acres (3,370.16 sq ft) upon a plat entitled "Survey for Roger D. Kelley & Longview Land Company, LLC", dated August 21, 2009, prepared by Lindsey & Associates, Inc., of record in the Office of the Register of Deeds for Pickens County, SC on May 7, 2010 in Plat Book 595 at Page 24; reference being hereby made to said plat for a more complete and accurate metes and bounds description.