

# Cliffs developer works to avoid foreclosure on 100 properties

Anthony says he's confident company can get through difficulty

By David Dykes

STAFF WRITER  
ddykes@greenvilleonline.com

Developer Jim Anthony, beset by a shortage of cash, says he is facing foreclosure on about 100 Cliffs Communities Inc. properties — though Anthony is confident that he and the company he built will work through this spot.

Anthony told GreenvilleOnline.com he is behind on payments on a \$20 million note to Worthington Hyde Partners, an Atlanta-based real estate investment firm, and foreclosure is looming. Most of the land is in The Cliffs at Keowee Falls, one of eight residential-golf projects developed or started by his company, Anthony said.

He said he is in talks with Worthington Hyde to restructure the note with more favorable terms, including a lower interest rate. He is certain an agreement will be reached and foreclosure avoided, Anthony said.

Anthony and Bob Worthington, chairman and chief executive officer of Worthington Hyde, said they were having “friendly discussions” about a resolution.

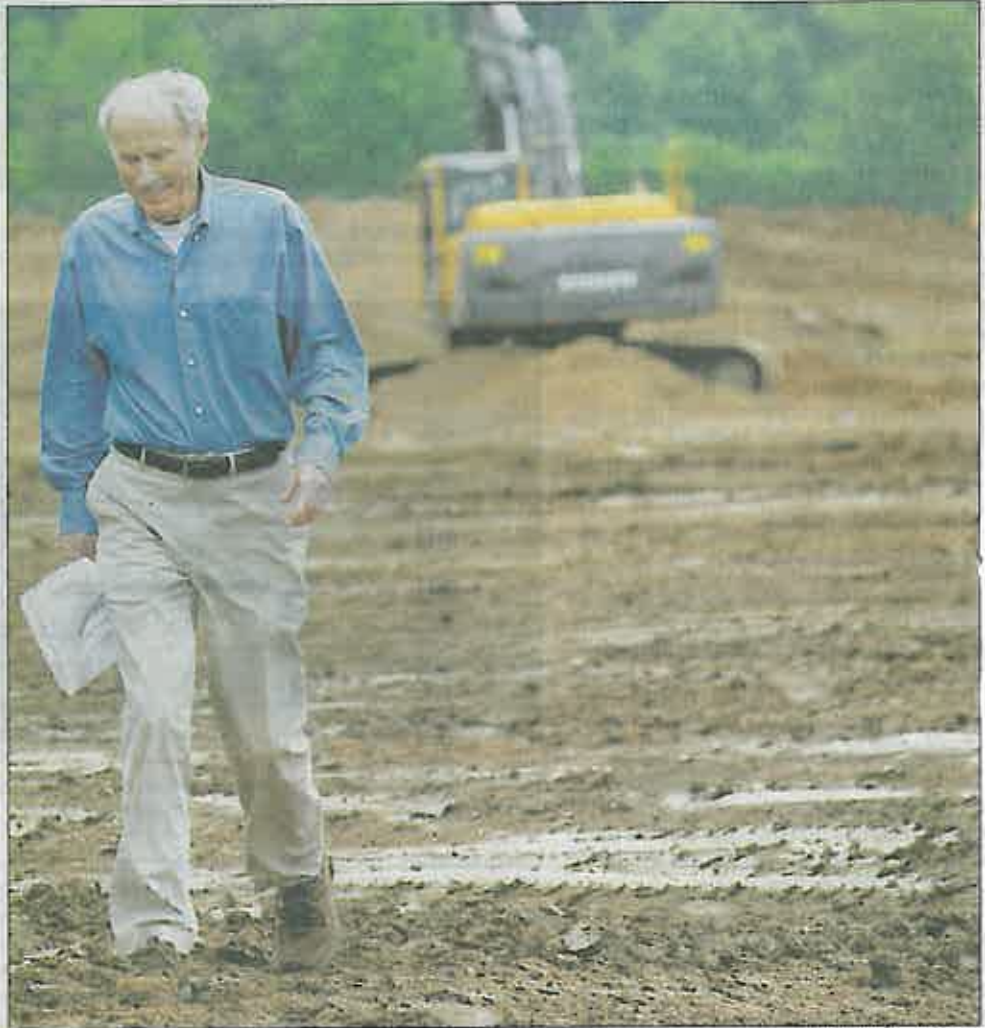
“Jim’s a fine man and he has worked extremely hard to build a great business. He’s got a great brand,” Worthington told GreenvilleOnline.com. “He is no different than virtually everyone that has been in the business he’s been in the last several years.

“He’s had to try to work through an unprecedented time in the real-estate economy.”

Worthington added, “None of this is personal. It’s just business.”

Worthington said that because his firm is owed money, it filed a complaint against Anthony’s company as part of South Carolina’s judicial foreclosure process.

According to its website,



HEIDI HEILBRUNN / Staff

Developer Jim Anthony says he's confident he can work through financial problems and prevent foreclosure on about 100 Cliffs Communities properties.

## TAKE A LOOK

Learn more about each of The Cliffs' eight communities in photos at GreenvilleOnline.com.

Worthington Hyde provided a \$20 million first mortgage to The Cliffs that was secured by “a portfolio of highly amenitized lake lots and raw land” in an environment “where traditional sources of financing had become particularly scarce.”

Oconee County property records show that in August



SUZIE RIDDLE / Staff

See **CLIFFS** on page 3A

# CLIFFS

FROM PAGE 1A

2008 Keowee Falls Investment Group LLC, which Anthony said is a subsidiary of The Cliffs Communities, obtained a \$20 million promissory note from Worthington Hyde.

About \$17 million remains, said Tim Cherry, The Cliffs' chief financial officer.

The property held as collateral by Worthington Hyde is only a small percentage of the remaining Cliffs' property, Cherry said. The company still has 4,000 lots and parcels to be developed representing more than \$2 billion in retail sales at today's prices, Anthony and Cherry said.

Anthony said The Cliffs, which is privately held, and Worthington Hyde are discussing three options to avoid foreclosure. Those include a joint venture, extending the term of the Worthington Hyde loan and adjusting the interest rate or a sales and marketing agreement, he said.

Anthony and Cherry said they have met with property owners in The Cliffs' communities to explain the company's strategy.

"We've known for a long time we needed to recapitalize the company," Cherry said. "And that's what we're doing. We're taking pieces of debt, we're putting them in joint ventures and land banks, all of which give us a longer runway for the marketplace to recover."

The Cliffs hired a management-consulting firm to examine the company's business model, budgets, cash flows and overall debt structure, he said.

Some of The Cliffs' short-term debt facilities "were no longer reflective of current market rates" and the company began asking creditors to renegotiate loans, Cherry said.

"That's been a process that's consumed most waking hours for a number of months," he said. "And candidly, we've now been able to work through about two-thirds of our total debt, satisfactorily, with this strategy."

The son of a factory worker, Anthony has devoted himself to developing luxury residential communities within the United States and other properties around the world.

He never attended college. At age 19, a year after finishing Dacusville High School, he went to work as a lineman for what was

then Southern Bell.

He built a real-estate development business on the side, and since 1991 the Dacusville native has made money developing pieces of the backcountry he came to love while hiking and fishing as a youth.

This latest turn is another in a series of financial moves by Anthony to stay on course with development of The Cliffs' communities after banks tight-

ened credit and home sales slowed in the economic downturn.

In January, Anthony said he had entered a joint venture with a Dallas, Texas, firm that would allow The Cliffs to "significantly" reduce its debt, increase cash flow and provide capital for ongoing operations.

Last April, Anthony said he had reached a critical goal for his company, raising more than \$60 million

from property owners who stepped up and loaned him money to complete amenities associated with his golf course projects.

Bordered by hundreds of thousands of acres of protected woodlands, three national forests and one national park, The Cliffs' communities offer homes and home sites in a variety of settings.

Founded in 1991, Anthony's company includes

three mountain communities in Greenville County — The Cliffs at Glassy, Cliffs Valley, and The Cliffs at Mountain Park — as well as three lakeside communities at The Cliffs at Keowee, and two mountain developments just outside Asheville, The Cliffs at Walnut Cove and The Cliffs at High Carolina, a project under construction featuring a golf course designed by Tiger Woods.

EWS

greenvilleonline.com 3A



Staff file

About 100 Cliffs properties, most at The Cliffs at Keowee Falls, are at risk of foreclosure, according to developer Jim Anthony, but Anthony has been working with the lender to restructure the debt.