

<b>UNITED STATES BANKRUPTCY COURT</b> <b>District of South Carolina</b>		<b>PROOF OF CLAIM</b>
Name of Debtor: <b>The Cliffs at High Carolina Golf &amp; Country Club, LLC d/b/a The Cliffs Golf &amp; Country Club</b>		Case Number: <b>12-01231</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>Bruce Cassidy, Jr.</b>		<b>COURT USE ONLY</b>
Name and address where notices should be sent: <b>7925 Waterton Lane Lakewood Ranch, FL 34202</b>		<input type="checkbox"/> Check this box if this claim amends a previously filed claim.
Telephone number: <b>(740) 632-6952</b> email: <b>bcassidyjr@yahoo.com</b>		Court Claim Number: _____ (If known)
Name and address where payment should be sent (if different from above):		Filed on: _____
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.
<b>RECEIVED</b> <b>MAY 31 2012</b> <b>BMC GROUP</b>		
1. Amount of Claim as of Date Case Filed:      \$ <u>2,600,000.00</u>		
If all or part of the claim is secured, complete item 4.		
If all or part of the claim is entitled to priority, complete item 5.		
<input type="checkbox"/> Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.		
2. Basis for Claim: <u>Membership Contract</u> (See instruction #2)		
3. Last four digits of any number by which creditor identifies debtor:	3a. Debtor may have scheduled account as: <u>1025</u> (See instruction #3a)	3b. Uniform Claim Identifier (optional): _____ (See instruction #3b)
4. Secured Claim (See instruction #4) Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information.		Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any:
Nature of property or right of setoff: <input checked="" type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other		\$ <u>2,600,000.00</u>
Describe: Value of Property: \$ <u>in excess of \$2,600,000.00</u>		Basis for perfection: <u>see membership handout</u>
Annual Interest Rate _____ % <input type="checkbox"/> Fixed or <input type="checkbox"/> Variable (when case was filed)		Amount of Secured Claim:      \$ <u>2,600,000.00</u>
		Amount Unsecured:              \$ <u>0.00</u>
5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507 (a). If any part of the claim falls into one of the following categories, check the box specifying the priority and state the amount.		
<input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507 (a)(1)(A) or (a)(1)(B).	<input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier – 11 U.S.C. § 507 (a)(4).	<input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. § 507 (a)(5).
<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)(____).
		Amount entitled to priority: \$ _____
*Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.		
6. Credits. The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #6)		



**7. Documents:** Attached are **redacted** copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. If the claim is secured, box 4 has been completed, and **redacted** copies of documents providing evidence of perfection of a security interest are attached. (See instruction #7, and the definition of "redacted".)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

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

Check the appropriate box.

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

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: Patrick W. Carothers

Title: Attorney in Fact

Company: Thorp Reed & Armstrong, LLP

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

One Oxford Centre, 301 Grant Street, 14th FL  
Pittsburgh, PA 15219

  
(Signature)

05/30/2012

(Date)

Telephone number: (412) 394-2325 email: pcarothers@thorpreed.com

*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.

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

In re:	)	
	)	
The Cliffs at High Carolina Golf & Country Club, LLC <i>d/b/a</i> The Cliffs Golf & Country Club,	)	CHAPTER 11
	)	Case No. 12-01231
	)	
Debtor.	)	Jointly Administered <sup>1</sup>

**ADDENDUM TO PROOF OF CLAIM**

In support of the attached proof of claim (the "Proof of Claim"), Bruce Cassidy, Jr. ("Cassidy") hereby represents as follows:

1. This proof of claim is made as a claim in the amount of \$2,600,000.00 (the "Debt") from that certain Founder's Program Agreement executed April 14, 2008 by and between The Cliffs at High Carolina, LLC and Bruce Cassidy, Jr. Supporting documentation pertaining to the Debt is enclosed herein.

2. Cassidy reserves the right to amend, modify or supplement this Proof of Claim for any reason in any way, including, but not limited to, the right to assert priority, secured or administrative expense for any or all the claims set forth herein, and to file and assert any additional claims that may be or later become due.

3. The filing of this Proof of Claim is not and shall not be deemed or construed as (a) a waiver or release of Cassidy's rights against any person, entity or property, (b) a consent by Cassidy to the jurisdiction of this Court or any court with respect to the proceedings, if any, commenced in any case against or otherwise involving Cassidy, (c) a waiver or release of Cassidy's right to trial by jury in this Court or any other court in any proceeding as to any and all matter so triable herein, whether or not the same be designated legal or private rights, or in any case, controversy or proceedings related hereto, notwithstanding the designation or not of such matters as "core proceedings" pursuant to 28 U.S.C. § 157(b)(2), and whether such jury trial right is pursuant to statute or the United States Constitution, (d) a consent by Cassidy to a jury

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<sup>1</sup> The jointly administered Debtors, followed by the last four digits of their respective taxpayer identification numbers and Chapter 11 case numbers, are as follows: The Cliffs Club & Hospitality Group, Inc. (6338) (12-01220); CCHG Holdings, Inc. (1356) (12-01223); The Cliffs at Mountain Park Golf & Country Club, LLC (2842) (12-01225); The Cliffs at Keowee Vineyards Golf & Country Club, LLC (5319) (12-01226); The Cliffs at Walnut Cove Golf & Country Club, LLC (9879) (12-01227); The Cliffs at Keowee Falls Golf & Country Club, LLC (3230) (12-01229); The Cliffs at Keowee Springs Golf & Country Club, LLC (2898) (12-01230); The Cliffs at High Carolina Golf & Country Club, LLC (4293) (12-01231); The Cliffs at Glassy Golf & Country Club, LLC (6559) (12-01234); The Cliffs Valley Golf & Country Club, LLC (6486) (12-01236); Cliffs Club & Hospitality Service Company, LLC (9665) (12-01237).

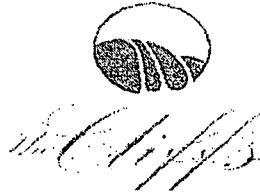
trial in this Court or any other court in any proceeding as to any and all matters so triable herein or in any case, controversy or proceeding related hereto pursuant to 28 U.S.C. § 157(e) or otherwise, (e) a waiver or release of Cassidy's right to have any and all final orders in any and all on-core matters or proceedings entered only after de novo review by a United States District Court Judge, (f) a waiver of Cassidy's right to move to withdraw the reference with respect to (i) the subject matter jurisdiction of this Proof of Claim, (ii) any objection thereto or (iii) any other proceeding which may be commenced in these cases relating to the Proof of Claim or otherwise involving Cassidy, (g) an election of remedies, or (h) an acknowledgement that Cassidy received adequate notice of any bar date fixed in this case.

In re The Cliffs at High Carolina Golf & Country Club, LLC  
Debtor

Case No. 12-01231  
(If known)

**SCHEDULE G - EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

NAME AND MAILING ADDRESS, INCLUDING ZIP CODE. OF OTHER PARTIES TO LEASE OR CONTRACT	DESCRIPTION OF CONTRACT OR LEASE AND NATURE OF DEBTOR'S INTEREST. STATE WHETHER LEASE IS FOR NONRESIDENTIAL REAL PROPERTY. STATE CONTRACT NUMBER OF ANY GOVERNMENT CONTRACT
1025 CASSIDY, JR, BRUCE 597 BRAYBARTON BLVD STEUBENVILLE, OH 43952	AGREEMENT HONORARY MEMBERSHIP CONTRACT
5679 CLIFFS CLUB & HOSPITALITY SERVICE COMPANY, LLC 3598 HWY 11 TRAVELERS REST, SC 29690	AGREEMENT SERVICE CO SERVICE CONTRACT
4962 CRUTCHFIELD, KEVIN 14964 SPRINGVIEW RIDGE BRISTOL, VA 24202	AGREEMENT MEMBERSHIP CONTRACT
1026 FRIEDMAN, BRUCE 3827 HONORS WAY MARTINEZ, GA 30907	AGREEMENT HONORARY MEMBERSHIP CONTRACT
4985 FUHS, PAUL 6037 DANENHAUER LANE MAYS LANDING, NJ 08330	AGREEMENT MEMBERSHIP CONTRACT
4982 GEORGE, JAMES 12 LANCASTER BOULEVARD BLUFFTON, SC 29909-3131	AGREEMENT MEMBERSHIP CONTRACT
4987 GISEL, WILLIAM 101 BEARD AVENUE BUFFALO, NY 14214	AGREEMENT MEMBERSHIP CONTRACT
4986 GOLDBERG, DANIEL 7 OYSTER BAY DRIVE RUMSON, NJ 07760	AGREEMENT MEMBERSHIP CONTRACT
4971 GOODMAN, BARRY 7 ROLLING HILL ROAD OLD WESTBURY, NY 11568	AGREEMENT MEMBERSHIP CONTRACT
4992 GUERRIERI, JAMES 7107 WILSON MILLS ROAD GATES MILLS, OH 44040	AGREEMENT MEMBERSHIP CONTRACT
4959 HUGHES, SCOTT 122 SUN DROP COURT SUNSET, SC 29685	AGREEMENT MEMBERSHIP CONTRACT
4976 JOHNSON, BRUCE 66 FOREST ROAD ASHEVILLE, NC 28803	AGREEMENT MEMBERSHIP CONTRACT
4977 KERN, CHARLIE 15 SUNSET BAY DRIVE BELLEAIR, FL 33756	AGREEMENT MEMBERSHIP CONTRACT
4968 KING, HEW 2800 RAMBLING PATH ANDERSON, SC 29621	AGREEMENT MEMBERSHIP CONTRACT



**The Cliffs at High Carolina  
Founder's Program**

**Founder's Program Agreement**

This Agreement describes the Founder's Program at High Carolina, a unique and limited opportunity that offers many rights, opportunities and benefits associated with a membership in The Cliffs at High Carolina. This Agreement is divided into three parts: (i) summary of the terms of the Founder's Program; (ii) detailed description of the terms and conditions; and (iii) legal disclosures associated with participation in the Founder's Program. If you would like to participate in the Founder's Program, please review this Agreement and sign below.

**I. Summary of the Terms**

The following is a summary of the primary terms of the Founder's Program at The Cliffs at High Carolina. These are described in greater detail under the Terms and Conditions below.

**Initial Deposit.**

To participate in the Founder's Program, a participant must make an initial deposit of \$2,000,000. It is not required, but this initial deposit may be used towards the purchase of a homesite in The Cliffs at High Carolina.

**Program Benefits.**

Participation in the Founder's Program includes the following benefits.

- **Homesite Credit:** A \$2,500,000 homesite credit to be used towards the purchase of one or more homesites in the area currently designated as Founder's Ridge or another location in High Carolina.
- **Honorary Club Membership:** A Lifetime Honorary Full Golf (Founder's) Membership in The Cliffs at High Carolina Golf and Country Club. Membership will allow the participant access to all of the High Carolina facilities, amenities, and golf course (usage fees are applicable). Participants in the Founder's Program will have full reciprocal privileges at all Cliffs Communities, including The Cliffs international properties (usage fees are applicable).
- **Preferred Purchase Opportunity:** A preferred purchase opportunity for a homesite located in the area currently designated as Founder's Ridge in The Cliffs at High Carolina.
- **The ability to offer a Full Golf Club Membership to a potential purchaser with any future sale of your property in The Cliffs at High Carolina.**
- **Unique Founder's Gift Package and Club Offerings.**

## H. Terms and Conditions

### Homesite Credit.

Each participant in the Founder's Program will be entitled to a \$2,500,000 Homesite Credit towards the purchase price of a homesite located in The Cliffs at High Carolina. The Homesite Credit will be applied to the then current list price of High Carolina property, with any excess to be paid by the participant. If the list price of the lot purchased is less than the amount of the Homesite Credit, the participant may apply the remaining amount of the Homesite Credit towards an additional homesite located in The Cliffs at High Carolina. The Homesite Credit can only be used on homesites in High Carolina. A full Homesite Credit may not be transferred to a third party within one year following the payment of the initial deposit, and thereafter may be transferred to a third party only with the prior written consent of The Cliffs. No partial amount of a Homesite Credit may be transferred to a third party, and there will be no reimbursement for any unused portion of a Homesite Credit.

The Cliffs anticipates that the inaugural release of homesites in High Carolina, excluding those in the area currently designated as Founder's Ridge, will be made available for purchase beginning in November 2008. The Cliffs anticipates that the homesites in the area currently designated as Founder's Ridge will be released and available for purchase beginning in November 2009. A participant in the Founder's Program may apply the Homesite Credit towards the purchase of a homesite at any time following the release of the lots.

If a participant in the Founder's Program does not use the Homesite Credit within three years from the initial release date of homesites in High Carolina, such participant may request a full refund of the initial deposit (\$2,000,000), without interest. No portion of the initial deposit will be refundable prior to the end of the three-year period following the initial release date.

### Lifetime Honorary High Carolina Golf and Country Club Membership.

Each participant in the Founder's Program will be provided with an Honorary Club Membership in The Cliffs at High Carolina Golf & Country Club. The Honorary Club Membership will entitle each participant access to the High Carolina club facilities, amenities, and golf course. The Honorary Club Membership will be provided for the lifetime of a participant in the Founder's Program. The Cliffs will waive the membership initiation deposit for all participants in the Founder's Program. In addition, if a participant elects to use the Homesite Credit to purchase a homesite within the area currently designated as Founder's Ridge or a homesite to be released after November 2009, The Cliffs will also waive all subsequent Honorary Club Membership annual club dues for the life of the participant. Participants who elect to purchase a homesite in the initial homesite offering, currently anticipated to be November 2008, and in advance of the homesites being released for sale in the area currently designated as Founder's Ridge, will be required to pay annual club dues (which will begin within 60 days of the opening of The Cliffs at High Carolina golf course). If a participant in the Founder's Program does not use the Homesite Credit within three years from the initial release date of homesites in High Carolina and requests a full refund of the initial deposit, The Cliffs will nevertheless waive all subsequent Honorary Club Membership annual club dues for the life of the participant.

The Honorary Club Membership may be retained even if a participant in the Founder's Program does not purchase a homesite in High Carolina or sells his property in the future. In addition, a participant in the Founder's Program who purchases a homesite in The Cliffs at High Carolina will have the right to offer a Full Golf Membership to a potential purchaser upon the future sale of his property. The potential purchaser would pay the then current membership initiation deposit to The Cliffs at High Carolina Golf and Country Club (not to the participant).

### Preferred Purchase Opportunity on Founder's Ridge.

Each participant in the Founder's Program will have a preferred opportunity to purchase a homesite in the area currently designated as Founder's Ridge. When the homesites in the area currently referred to as Founder's Ridge are released (currently anticipated to be in November 2009), each participant in the Founder's Program who has not previously used the full Homesite Credit will have an opportunity to select a homesite in the area currently designated as Founder's Ridge for purchase. At the appropriate time, The Cliffs will outline the selection process for all properties and notify all participants in the Founder's Program. It is anticipated that the selection process will have components of a lottery selection process to make it fair and equitable for all participants of the Founder's Program. The selection process for property at The Cliffs at High Carolina will be at the sole determination and discretion of The Cliffs.

Unique Founder's Gift Package and Club Offerings.

Each participant in the Founder's Program will receive a unique gift package and club offerings only available to participants of the Founder's Program.

Conditions on Participation in the Founder's Program.

The Founder's Program is an exclusive program being offering to a limited number of qualified persons. To participate in the Founder's Program, a participant must represent and agree to each of the following statements by setting forth such participant's initials below.

(a) I am an "accredited investor" as defined by Rule 501(a) promulgated under the federal Securities Act of 1933, because I am either (i) a natural person and my individual net worth, or joint net worth with my spouse, at the time of my purchase exceeds \$1,000,000 or I had an individual income in excess of \$200,000 in each of the two most recent years or joint income with my spouse in excess of \$300,000 in each of those years and I have a reasonable expectation of reaching the same income level in the current year, or (ii) an entity that qualifies as an accredited investor. I agree to provide The Cliffs with any additional information it may request to verify that I am an accredited investor.

         [Initial Here]

(b) I have had an opportunity to ask questions of and receive answers from representatives of The Cliffs concerning participation in the Founder's Program. I also understand that The Cliffs will, upon my request, make available to me a copy of any relevant information regarding The Cliffs or the plans for High Carolina and its proposed development which The Cliffs possesses or can obtain without unreasonable expense. I have such knowledge and experience in financial and business matters that I am capable of evaluating the merits and risks of the investment in the Founder's Program. I acknowledge that I have conducted my own due diligence with respect to The Cliffs, the Founder's Program, the development plans for High Carolina, and any other matter which I believe to be material to my decision to participate in the Founder's Program and further acknowledge that I am making my decision to participate based on this due diligence.

         [Initial Here]

(c) I am participating in the Founder's Program for my own account and not with the intent to sell my Homesite Credit to others. I acknowledge that there are restrictions on my ability to transfer my Homesite Credit or the other benefits associated with participation in the Founder's Program, as described above.

         [Initial Here]

(d) I acknowledge that I have read and understand the Legal Disclosures set forth below, including the description of the financial risks that may be associated with my participation in the Founder's Program.

         [Initial Here]

(e) I acknowledge that The Cliffs provided this Agreement to me on a confidential basis solely for me to consider participating in the Founder's Program. I acknowledge that this offer is not transferable to any other person and



I agree on behalf of myself and my representatives to maintain the confidentiality of the information provided to me in connection with my evaluation of the Founder's Program.

CC JC [Initial Here]

(f) I acknowledge that although I am receiving a Homesite Credit that can be used to purchase real estate in High Carolina, I am under no obligation to purchase this real estate, and no interest in land or real property of any sort is being offered or sold pursuant to this Agreement.

CC JC [Initial Here]

### III. Legal Disclosures

(a) The Cliffs is offering participation in the Founder's Program to a limited number of persons, which will not exceed 40 participants. Deposits from participants will not be held in escrow. The Cliffs intends to use the funds generated from the deposits made by Founder's Program participants for general corporate purposes, including development of The Cliffs at High Carolina, including its facilities, amenities, and golf course. The Cliffs does not anticipate generating sufficient proceeds from these deposits to cover all of the costs of developing High Carolina. The Cliffs anticipates generating the remaining funds necessary for developing High Carolina through cash on hand and lines of credit it believes it can secure. Nevertheless, there is a risk that The Cliffs may not have or be able to raise sufficient funds to complete High Carolina on a timely basis, or at all. If this were to occur, the value of the High Carolina lots and club membership could be negatively affected.

(b) The Cliffs anticipates that homesites in The Cliffs at High Carolina will become available for purchase beginning in November 2008, and homesites in the area currently designated as Founder's Ridge will become available for purchase beginning in November 2009. In addition, The Cliffs anticipates that the High Carolina golf course will be completed and open for play in 2010. However, The Cliffs makes no assurances that these dates will be achieved. Real estate construction can be subject to delays due to many factors, including conditions beyond The Cliffs' control such as environmental issues, third party delays, government regulation, weather, and other natural conditions. The occurrence or re-occurrence of any such conditions may require increased capital expenditures by The Cliffs and could cause delays in the proposed release dates and opening date. If any of these events were to occur, the value of the High Carolina lots and club membership could be negatively affected.

(c) The Homesite Credit may be used towards the purchase of a homesite in High Carolina at The Cliffs' then current list price for the homesites. The Cliffs makes no representation that this list price will be equal to or greater than the fair market value of the homesites. In addition, The Cliffs makes no assurances that any participant in the Founder's Program will be able to sell any homesite at a price equal to or greater than the price at which the homesite was purchased. Golf is a discretionary recreational activity with relatively high participation costs. A severe economic downturn could weaken sales of the real estate and in turn reduce the value of the real estate in The Cliffs at High Carolina.

(d) A participant in the Founder's Program may request a full refund of such participant's deposit, without interest, if such participant does not use the Homesite Credit within three years of the initial release date of the High Carolina properties. This repurchase obligation would be an unsecured liability of The Cliffs at High Carolina, L.L.C., which is a subsidiary of The Cliffs Communities, Inc. There can be no assurances that The Cliffs at High Carolina, L.L.C. will have sufficient available funds to repay this deposit in full upon demand, or even at all.

(e) This Agreement shall be governed by and construed in accordance with the domestic laws of the State of South Carolina without giving effect to any choice or conflict of law provision or rule (whether of the State of South Carolina or any other jurisdiction) that would cause the application to this Agreement of the laws of any jurisdiction other than the State of South Carolina. Subject to the provisions of Section (f) below, all legal proceedings arising out of or relating to this Agreement or any other transactions contemplated hereby shall be brought either in the United States District Court of South Carolina, Greenville Division, or in any court in Greenville County of the State of South Carolina having jurisdiction thereof. The parties consent and waive all objections to the personal jurisdiction of, and venue in, any such court.

*SDP*

(f) Except as may be otherwise set forth herein, any dispute, controversy, difference or claim arising out of or relating to or in connection with this Agreement or the transactions contemplated hereby shall be finally settled by arbitration in accordance with the then existing Rules for Commercial Arbitration of the American Arbitration Association or any successor thereto. Any such arbitration shall be submitted to a three member panel selected through the rules governing selection and appointment of such panels of the American Arbitration Association or any successor thereto. The arbitration shall be conducted in Greenville, South Carolina, or such other place as the parties thereto may agree. The award rendered by the arbitrators in the arbitration proceeding shall be final and binding upon the parties thereto and a judgment thereon may be entered in any court of competent jurisdiction.

(g) This Agreement shall constitute the entire agreement between the parties hereto with respect to the subject matter hereof. This Agreement may be amended or modified only by a writing executed by the party to be bound thereby. This Agreement may be executed in multiple counterparts, each of which shall constitute an original but all of which shall constitute but one and the same instrument. This Agreement may be executed and delivered by facsimile transmission, which will constitute the legal delivery hereof. This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina.



SIGNATURE PAGE  
TO

THE FOUNDER'S PROGRAM AGREEMENT WITH THE CLIFFS AT HIGH CAROLINA, LLC

IN WITNESS WHEREOF, the undersigned has executed this Founder's Program Agreement and delivered the required initial deposit as of the date set forth below:

[Signature]  
Witness

[Signature]  
Witness

Bruce A. Cassidy Jr  
Name: Bruce A Cassidy Jr  
Title: Partner Redacted

State of Residence or Incorporation:  
Ohio  
THORN REAL ESTATE INVESTMENTS, LLC  
Address: 6512 N. 24<sup>th</sup> Park Road  
Sum. OH 43188

Email: BCASSIDYJR@YANCO.COM

Phone Number: 7 Redacted.

S.S.#: Redacted

Date: April 14, 2008

Accepted:

THE CLIFFS AT HIGH CAROLINA, LLC

By: [Signature]  
Name:  
Its: SCOTT D. BEVILLE  
• EXECUTIVE VICE PRESIDENT, CLIFFS COMMUNITIES, INC.  
• PRESIDENT, CLIFFS REAL ESTATE, INC.

Date: 4/14/08



**Gregory W. Hauswirth**  
Direct Dial 412 394 2453 (Pittsburgh)  
302 250 4748 (Wilmington)  
Email: ghauswirth@thorpreed.com

ATTORNEYS AT LAW SINCE 1895

**VIA FEDERAL EXPRESS**

May 30, 2012

BMC Group, Inc.  
Attn: Cliffs Claims Processing  
18675 Lake Drive East  
Chanhassen, MN 55317-3020

Re: The Cliffs at High Carolina Golf & Country Club, LLC d/b/a The  
Cliffs Golf & Country Club (12-01231)

Dear Claims Agent:

Enclosed please find one (1) Proof of Claim against The Cliffs at High Carolina Golf & Country Club, LLC d/b/a The Cliffs Golf & Country Club, along with one (1) additional copy of the Proof of Claim and a self-addressed Federal Express envelope.

Kindly return a date-stamped copy of the Proof of Claim in the enclosed envelope.

Please contact me with any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "G. Hauswirth", written over a horizontal line.

Gregory W. Hauswirth

*Pittsburgh*

*Philadelphia*

*Wheeling*

*Wilmington*

*Princeton*

GWH/rlh  
Enclosures

cc: Patrick W. Carothers

Thorp Reed & Armstrong, LLP  
One Oxford Centre  
301 Grant Street, 14th Floor  
Pittsburgh, PA 15219-1425  
412 394 7711  
412 394 2555 Fax

(01361656)

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Thorp Reed & Armstrong, LLP  
FINANCIAL INSTITUTION & REAL ESTATE  
301 Grant Street, 14th Floor  
Pittsburgh, PA 15219



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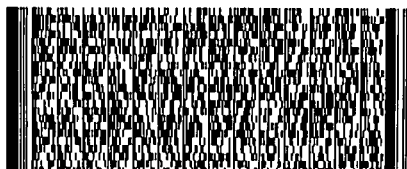
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**Attn: Cliffs Claims Processing**  
**BMC Group, Inc.**  
**18675 LAKE DR E**  
  
**CHANHASSEN, MN 55317**

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