

A \$60 million alliance takes The Cliffs Communities to new heights.

An extraordinary collaboration between owners and management redefines community in The Carolinas.

The 3,000 property owners of the Cliffs Communities come from a wide variety of places, backgrounds, preferences and persuasions, but they have in common a fierce love of life in the part of the world known as The Carolina Preserve.

In April, 2010 more than 500 Cliffs members came together to make a \$60 million investment in that lifestyle and amenities in The Cliffs' eight Carolina communities located between Asheville, NC and Greenville, SC.

With six courses already completed, a portion of the investment will be used to complete new amenities, including two much-anticipated championship courses – a Gary Player design at The Cliffs at Mountain Park, where Player also has his North American headquarters and a private home; and the only Tiger Woods Design course in the U.S. at The Cliffs at High Carolina. Other new amenities will include a beach club, wellness centers spa, clubhouses and additional capital renovations.

The member-led investment in the club and hospitality entity, dubbed "ClubCo.", was initiated in the fall of 2009 by a group

of members including Steve Humphrey, who sits on the community's Financial Advisory Committee. "We felt that a member funded investment could create a win-win for all involved. The Cliffs could support sales by keeping construction of amenities on track and residents could gain a nice return in the process."

For many of the members who invested, the decision was a relatively easy one. "Six communities and six golf courses were complete, and the amenities were essentially debt-free," says Humphrey. And unlike many developers, Cliffs founder and CEO Jim Anthony has remained involved in the management of the day-to-day operations of The Cliffs Communities for two decades. "Jim Anthony's 20-year track record of honoring his commitments was the key reason we knew this venture could work. They've made honest, open communication the foundation our alliance is built on."

"The ClubCo process was one of radical transparency - a Member Advisory Group with representatives from each of The Cliffs eight communities facilitated discussion and maximized disclosure during many, many meetings with Cliffs man-



On June 21, 2010, several hundred members gathered atop Glassy Rock at The Cliffs to celebrate the signing of the **ClubCo Alliance**.

agement. The Cliffs responded by opening its books to owners, a move many of us felt demonstrated dedication to a collaborative environment," said David Bailey, who also served on the Finance Advisory Committee.

The trust that had been built through 20 years of management/owner relations, coupled with the transparency of the process, resulted in an unprecedented financial vote of confidence in The Cliffs.

For attorney Don Tucker, who chaired the Legal and Due Diligence subcommittee of the Member Advisory Group, the members' investment in ClubCo was an innovative, proactive

gesture. "It says a lot about our community. This alliance stemmed from creative cooperation and a shared vision of what The Cliffs Communities are now and will be in the future."

Anthony says that now, more than ever, The Cliffs will be built on collaboration. "ClubCo has given us a template of how to work together. As we go into our third decade, it's really a new beginning."

The Cliffs has benefited not only from its members' involvement, but a confluence of trends that have made The Carolinas one of the nation's most desirable places to live. In fact, a recent study by the Luxury

Institute ranked North Carolina the second most popular destination in the U.S. among affluent American households.

"The wealthy in America are now looking for truly meaningful places where they can enjoy a variety of seasons and activities from golf to gardening all in one place with their family and friends," says Luxury Institute CEO Milton Pedraza.

The Cliffs Communities are located in the western Carolinas – an area that includes what Business Week magazine calls the "boom-belt" of Greenville, SC, and Asheville, NC, which has been honored with accolades for everything from its

mountain adventures to its downtown culture. And with more than 3,000 property owners, eight communities, six completed golf courses, wellness centers and numerous other amenities in and around the storied mountains, valleys and lakes of The Carolina Preserve, The Cliffs is one of America's most comprehensive private communities as well as its most cohesive. "We are invested in many ways in The Cliffs," says Julie Taylor, president of The Cliffs Resident Outreach Program. "It's not just a place to live, it's a place to believe in."

To learn more, visit www.cliffscommunities.com or call 1-866-435-5123.