

Exhibit C

**GLOBAL SETTLEMENT**  
**AGREEMENT AND GENERAL**  
**RELEASE**  
(Walk Away)

THIS SETTLEMENT AGREEMENT AND GENERAL RELEASE (the "Agreement") is made this \_\_\_\_\_ day of \_\_\_\_\_, 2013 by and between \_\_\_\_\_ (collectively, the "Lot Owner") and PCB-ARC, Inc. ("PCB," and together with the Lot Owner, collectively the "Parties," and each individually, a "Party").

**RECITALS**

WHEREAS on \_\_\_\_\_, 20\_\_\_\_, Lot Owner entered into that certain Real Estate Sales Contract (the "Sales Contract") with 3D Resorts-Bluegrass, LLC ("3D Resorts") to purchase certain real estate located at the Green Farm Resort (defined herein) (the "Premises"), more particularly described on Exhibit 1 attached hereto and made a part hereof. The Premises is located within a Grayson County, Kentucky development commonly known as "Green Farm Resort" or "The Falls Resort".

WHEREAS pursuant to the terms of the Sales Contract, 3D Resorts agreed to sell the Premises to Lot Owner in return for (i) a down payment of \$\_\_\_\_\_ made on \_\_\_\_\_, 20\_\_\_\_, and (ii) Lot Owner's promise to pay \$\_\_\_\_\_ to 3D Resorts pursuant to that certain Promissory Note dated \_\_\_\_\_, 20\_\_\_\_, in the principal amount of \$\_\_\_\_\_ (the "Note").

WHEREAS the Note is secured by that certain Mortgage dated \_\_\_\_\_, 20\_\_\_\_, and recorded in the Grayson County, Kentucky Clerk's Office at Book \_\_\_ Page \_\_\_ of the \_\_\_\_\_ (the "Mortgage," and together with the Note, collectively, the "Loan Documents").

WHEREAS the principal balance outstanding under the Loan Documents was, and Lot Owner currently owes, \$\_\_\_\_\_ as of the June 30, 2013 (the "Indebtedness").

WHEREAS on June 17, 2011 the Attorney General for the Commonwealth of Kentucky (the "Kentucky AG") filed a state-court complaint styled *Commonwealth of Kentucky v. 3D Resorts Communities, LLC, et al.*, Civ. Action 11-CI-212 in the Grayson County Circuit Court (the "State Complaint") against, among others, 3D Resorts. The State Complaint, among other things, seeks to rescind the Note.

WHEREAS on November 16, 2011 (the "Petition Date"), 3D Resorts filed a voluntary petition for relief under Chapter 7 of the Bankruptcy Code in the United States Bankruptcy Court for the Western District of Texas, San Antonio Division. Subsequent to the Petition Date, 3D Resorts' case was transferred to the Bankruptcy Court for the Western District of Kentucky on

December 8, 2011 and is currently styled *In re 3D Resorts-Bluegrass, LLC*, Case No. 11-41599 (the "Bankruptcy Case").

WHEREAS on \_\_\_\_\_, 2012, Lot Owner filed a proof of claim (the "Proof of Claim") [Claim No. \_\_\_\_\_] in the Bankruptcy Case in the amount of \$\_\_\_\_\_.

**ALTERNATIVE LANGUAGE TO ABOVE PARAGRAPH: WHEREAS, Lot Owner did not file a proof of claim in the Bankruptcy Case.**

WHEREAS on June 14, 2013, the Consumer Financial Protection Bureau (the "CFPB") filed an administrative proceeding (the "Administrative Proceeding") against 3D Resorts seeking, among other things, to rescind the Note.

WHEREAS on July 17, 2013, PlainsCapital Bank was granted relief from the automatic stay in the Bankruptcy Case to take all necessary actions and enforce its rights against the Note. See Bankruptcy Case at Docket No. 316.

WHEREAS on July 18, 2013, PCB purchased, pursuant to a UCC sale conducted by PlainsCapital Bank, all of 3D Resorts' rights, title, and interests in the Note, the Indebtedness, and the Loan Documents.

WHEREAS as more fully described in this Agreement, the Parties agree that PCB will purchase and accept a conveyance of all of Lot Owner's right, title, and interest in and to the Premises, thereby extinguishing Lot Owner's liability under the Note and liability to pay the remainder of the Indebtedness, subject to the terms and conditions hereinafter set forth.

WHEREAS PCB is willing, upon the terms and conditions hereinafter set forth, to accept such conveyance of Lot Owner's right, title, and interest in and to the Premises in consideration of the provisions of this Agreement and Exhibit 1.

NOW, THEREFORE, in consideration of the promises, covenants and obligations described below, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby covenant and agree as follows:

#### AGREEMENTS

1. Transfer and Conveyance. Lot Owner shall transfer and convey to PCB the Premises, all appurtenances thereto, any improvements and/or fixtures situated in, on, or about the Premises and owned by Lot Owner on the date of execution of this Agreement (the "Closing Date"), as-is, and with no further representations or warranties as to the condition of the Premises.

2. Deed and Closing. The transactions contemplated herein shall be closed at a time and place designated by agreement of the Parties. On or before, but dated as of, the Closing Date, Lot Owner shall execute and deliver to PCB, or its assignee, a transferable and recordable Deed ("Deed") to the Premises in the form of Exhibit 1 attached hereto and made a part hereof.

3. Possession. On the Closing Date, Lot Owner shall surrender all rights Lot Owner may have to possession of the Premises to PCB, or its assignee(s).

4. Representations and Warranties.

(a) Lot Owner hereby makes the following representations and warranties for the purpose of inducing PCB to enter into this Agreement and to accept the Deed, each of which shall survive the execution of this Agreement and the consummation of the transactions contemplated herein, and each of which shall be construed as true and correct on the Closing Date:

i. Lot Owner understands he or she is the owner(s) of the fee simple estate in the Premises and has no knowledge of any recorded, unrecorded or undisclosed legal or equitable interest in the Premises owned or claimed by any person, trustee, partnership, firm, corporation or other entity, except for any outstanding dues owed to the Green Farm Property Owners Association, property taxes and the Mortgage;

ii. Lot Owner has entered into this Agreement freely and fairly after having had the opportunity to have, or the benefit of, counsel of Lot Owner's choosing and has not been induced by duress or other pressure from PCB or any person, firm, or corporation acting, or thought to be acting, for or on behalf of PCB, to enter into this Agreement or to convey the Premises to PCB or its assignee(s);

iii. The Deed shall be an absolute conveyance of title in fact as well as form;

iv. Each of the Recitals is true and correct; and

v. Lot Owner is duly authorized to enter into this Agreement.

(b) For the purpose of inducing Lot Owner to enter into this Agreement, PCB hereby makes the following representations and warranties to Lot Owner, each of which shall survive the execution of this Agreement and the consummation of the transactions contemplated herein, and each of which shall be construed as true and correct on the Closing Date:

i. PCB has entered into this Agreement freely and fairly after having had the benefit of counsel of PCB's choosing and has not been induced by duress or other pressure from any person, firm, or corporation acting, or thought by PCB to be acting, for or on behalf of Lot Owner, to enter into this Agreement or to accept the conveyance of the Premises from Lot Owner;

ii. The Deed shall be an absolute conveyance of title in fact as well as form;

- iii. PCB has not entered into this transaction with the intent to defraud, hinder, or delay any third parties;
- iv. Each of the Recitals is true and correct; and
- v. PCB is duly authorized to enter into this Agreement.

Lot Owner and PCB make their respective representations and warranties in Paragraph 4(a) and 4(b) above with the understanding that none of the Parties nor their attorneys or other agents have any reason to believe that any of such representations and warranties is incorrect.

5. Release of Lot Owner. In fulfillment of this Agreement, effective as of the Closing Date, PCB, along with its successors, assigns, predecessors, parents, affiliates, subsidiaries, shareholders, servicers, officers, directors, employees, agents, attorneys, or other representatives, does hereby release and discharge Lot Owner, his or her attorneys, insurers, assignees, transferors, transferees, employees, servants, agents, heirs, beneficiaries, devisees, legatees, estate(s), and representatives, absolutely and forever, from any and all claims, demands, damages, actions, or causes of action, known or unknown, suspected or unsuspected, anticipated or unanticipated, arising out of the Loan Documents, the Indebtedness, or the Bankruptcy Case. Provided, however, that nothing herein shall release or waive any claims, demands, damages, actions, and causes of action arising in or under or relating to this Agreement, or occurring or arising after the date of this Agreement.

6. Release of 3D Resorts, PCB and PCB's Affiliates. In fulfillment of this Agreement, effective as of the Closing Date, Lot Owner, his or her successors, assigns, predecessors, parents, affiliates, subsidiaries, shareholders, servicers, officers, directors, employees, agents, attorneys, or other representatives, does hereby release and discharge 3D Resorts, PlainsCapital Bank and PCB, their attorneys, insurers, assignees, transferors, transferees, successors, assigns, predecessors, parents, affiliates, subsidiaries, shareholders, servicers, officers, directors, employees, agents, or other representatives, absolutely and forever, from any and all claims, demands, damages, actions, or causes of action, known or unknown, suspected or unsuspected, anticipated or unanticipated, which he or she may now have or may hereafter acquire, including but not limited to those arising out of the Proof of Claim, the Indebtedness, Loan Documents or the Bankruptcy Case. Provided, however that nothing herein shall release or waive any claims, rights, and causes of action arising in or under or relating to this Agreement or occurring or arising after this Agreement. *ALTERNATIVE LANGUAGE:* [Further, Lot Owner shall execute and deliver to PCB on the Closing Date the withdrawal of claim in the form attached hereto as Exhibit 2.]

7. No Credit Reporting. PCB promises on behalf of itself and its servicer(s), agents, employees, representatives, parents, affiliates, subsidiaries, attorneys, and any and all other related parties or entities that neither PCB nor any of the aforementioned related parties will report this Agreement, the status of Lot Owner's payment obligations, the Deed, and/or payment history, the Loan Documents or any items related to this transaction and settlement to any third party credit reporting bureaus, offices, or agencies. Additionally, PCB promises (to the extent possible) that it will not cause third-party servicers to report this Agreement, the status of Lot Owner's payment obligations and/or payment history, the Loan Documents or any items related

to this transaction and settlement to any third-party credit reporting bureaus, offices, or agencies, and that it will affirmatively request of any such servicer not make any such report relative to Lot Owner. To the extent that such reporting shall occur, PCB and its affiliates shall fully cooperate in the removal and/or correction of such information as requested by Lot Owner. PCB is obligated by the United States Internal Revenue Code to deliver to Lot Owner and the Internal Revenue Service a form 1099-A in substantially the form attached hereto as Exhibit 3.

8. Good Faith. Lot Owner and PCB agree that they are entering into this Agreement in good faith.

9. Kentucky Law. This Agreement and the provisions hereof shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. The Parties hereby consent to the personal jurisdiction of the State Courts of Kentucky or the Federal Courts sitting in Kentucky, and acknowledge that venue is proper in the State Courts of Kentucky or in the Federal Courts in the Western District of Kentucky.

10. Damage: Destruction or Appropriation of the Premises. As of the Closing Date, all risk of loss or damage to the Premises shall be borne by PCB or its assignee(s).

11. Hazardous Substances. To Lot Owner's knowledge, there is not constructed, deposited, stored, disposed, placed, or located on the Premises: (i) any chemical, material or substance defined as or included in the definition of "hazardous wastes," "hazardous substances," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," or "toxic substances" or words of similar import under applicable local, state, or federal law or under the laws of the Commonwealth of Kentucky; the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601, *et seq.*; the Hazardous Materials Transportation Act, as amended, 49 U.S.C. § 1801, *et seq.*; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901, *et seq.*; and the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251, *et seq.*; or (ii) any other material, element, compound, solution, mixture, substance, or other matter of any kind, including solid, liquid, or gaseous material, that may cause or contribute to damage to the public health or the environment and no underground storage tanks are located on the Premises.

12. Successors. The rights and obligations herein contained shall inure to the benefit of and be binding upon the Parties hereto and their respective heirs, personal representatives, successors, and assigns.

13. Captions. The caption or title of the paragraphs of this Agreement are for convenience and reference only and in no way shall be construed to modify, amplify, or otherwise affect the interpretation or construction of this Agreement.

14. Survival of Representations, Warranties and Indemnities. Each of the Parties' representations, warranties, and indemnities herein and in the Deed shall survive the Closing Date, the delivery of the Deed and consummation of the transactions contemplated hereunder.

15. Lot Owner's Liability Under the Loan Documents. It is expressly intended by the Parties that the conveyance by the Deed does extinguish and release any and all of Lot Owner's liability for the Indebtedness and under the Loan Documents (including, for the avoidance of

doubt, the Mortgage, Note, obligation to pay any utility connection charges and all other obligations of Lot Owner arising out of or in connection with the Loan Documents).

16. Time is of the Essence. Time is of the essence of this Agreement.

17. Modification. This Agreement shall not be modified by either party by oral representation made before or after the execution of this Agreement. All modifications must be in writing and signed by the party to be charged therewith.

18. Entire Agreement. This Agreement contains the entire understanding and agreement between the Parties with respect to the matters referred to herein. No other representations, covenants, undertakings, or other prior or contemporaneous agreements, oral or written, which are not specifically incorporated herein, shall be deemed in any way to exist or bind any of the Parties. The Parties acknowledge that each party has not executed this Agreement in reliance on any such promise, representation, or warranty.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the first date set forth above, and if this Agreement is executed in counterparts, each shall be deemed an original. Further, the Parties hereby agree that a copy of a Party's signature, including but not limited to those by facsimile transmission or electronic scan shall be accepted and enforceable as an original.

**LOT OWNER:**

By: \_\_\_\_\_

Printed: \_\_\_\_\_

By: \_\_\_\_\_

Printed: \_\_\_\_\_

**PCB-ARC, Inc.:**

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

Exhibit C

Exhibit 1

SEND TAX BILL TO:

PCB-ARC, Inc.  
2323 Victory Ave., Suite 1400  
Dallas, TX 75219

DEED

This Deed is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by and between \_\_\_\_\_, FIRST PARTY, and PCB-ARC, Inc., with an office at 2323 Victory Ave., Suite 300 Dallas, TX 75219, SECOND PARTY.

WITNESSETH: For and in consideration of SECOND PARTY'S acceptance of this Deed in full satisfaction of FIRST PARTY' indebtedness to SECOND PARTY secured by SECOND PARTY'S mortgage lien against the real estate described below in the amount of \$\_\_\_\_\_ as of June 30, 2013, FIRST PARTY hereby grant, bargain, sell and convey unto SECOND PARTY, its successors and assigns forever, the following described real estate located in Grayson County, Kentucky:

Lot(s) \_\_\_\_\_, Section \_\_\_\_\_ of the Falls Resort and Golf Club f/k/a Green Farm Resort, as described in the map and plat thereof recorded in Cabinet 2, Slide 545 of the Plat Records of Grayson County, Kentucky.

Being a part of the same land conveyed by GF Resort, L.P., to Grantor 3D Resorts-Bluegrass, L.L.C., by Deed dated December 26, 2008, and recorded in Deed Book 388, Page 322, records of the Grayson County Court Clerk's Office.

TO HAVE AND TO HOLD the above-described real estate, together with all appurtenances thereunto belonging or in anywise appertaining unto SECOND PARTY, its successors and assigns forever, without covenant of warranty.

It is the intention of the parties that SECOND PARTY'S interest in the real property described above under a mortgage from FIRST PARTY shall not merge with SECOND PARTY'S interest created hereunder, and that such mortgage remains in full force and effect until specifically released of record by SECOND PARTY.

FIRST PARTY and SECOND PARTY certify that the consideration reflected in this deed is the full consideration paid by SECOND PARTY for the above-described real estate.

The property tax bill for the current year should be sent to SECOND PARTY at the address set forth above.

IN TESTIMONY WHEREOF, witness the signature of FIRST PARTY on the date first written above.

FIRST PARTY:

SECOND PARTY:

\_\_\_\_\_  
(NAME)

By: \_\_\_\_\_

\_\_\_\_\_  
(NAME)

Title:  
PCB-ARC, Inc.

COMMONWEALTH OF KENTUCKY  
COUNTY OF GRAYSON

The foregoing instrument was subscribed, sworn to, and acknowledged before me by  
\_\_\_\_\_ and \_\_\_\_\_, FIRST PARTY, this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
Notary Public, Kentucky - State at Large  
My commission expires: \_\_\_\_\_

STATE OF TEXAS  
COUNTY OF DALLAS

The foregoing instrument was subscribed, sworn to, and acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_, 201\_\_, by \_\_\_\_\_, \_\_\_\_\_ of \_\_\_\_\_,  
for and on behalf of said corporation.

\_\_\_\_\_  
Notary Public, Texas  
My commission expires: \_\_\_\_\_

THIS INSTRUMENT PREPARED BY:

Brian H. Meldrum  
STITES & HARBISON, PLLC  
400 W. Market Street, Suite 1800  
Louisville, Kentucky 40202  
Telephone: (502) 681-0578  
[bmeldrum@stites.com](mailto:bmeldrum@stites.com)



Exhibit 2  
Withdrawal of Claim

(if applicable)

IN THE UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF KENTUCKY  
OWENSBORO DIVISION

In re: §  
3D Resorts-Bluegrass, LLC, § CASE NO. 11-41599-ACS  
Debtor § CHAPTER 11  
§  
§

NOTICE OF WITHDRAWAL OF PROOF OF CLAIM NO. [REDACTED]

PLEASE TAKE NOTICE that [REDACTED] ("Claimant") files this notice of withdrawal of Proof of Claim No. [REDACTED] that it filed in the above-captioned case, on or about \_\_\_\_\_, 2012. The Claimant hereby withdraws Proof of Claim No. [REDACTED] with prejudice from the above-referenced bankruptcy case.

Dated: August \_\_\_\_, 2013

Respectfully submitted,

[INSERT CONTACT INFO HERE]

Exhibit 3  
Form 1099-A

Exhibit D

**GLOBAL SETTLEMENT**  
**AGREEMENT AND GENERAL**  
**RELEASE**  
(\$1,000 Credit)

THIS SETTLEMENT AGREEMENT AND GENERAL RELEASE (the "Agreement") is made this \_\_\_\_\_ day of \_\_\_\_\_, 2013 by and between \_\_\_\_\_ (collectively, the "Lot Owner") and PCB-ARC, Inc. ("PCB," and together with the Lot Owner, collectively the "Parties," and each individually, a "Party").

**RECITALS**

WHEREAS on \_\_\_\_\_, 20\_\_\_\_, Lot Owner entered into that certain Real Estate Sales Contract (the "Sales Contract") with 3D Resorts-Bluegrass, LLC ("3D Resorts") to purchase certain real estate located at the Green Farm Resort (defined herein) (the "Premises"), more particularly described on Exhibit 1 attached hereto and made a part hereof. The Premises is located within a Grayson County, Kentucky development commonly known as "Green Farm Resort" or "The Falls Resort".

WHEREAS pursuant to the terms of the Sales Contract, 3D Resorts agreed to sell the Premises to Lot Owner in return for (i) a down payment of \$\_\_\_\_\_ made on \_\_\_\_\_, 20\_\_\_\_, and (ii) Lot Owner's promise to pay \$\_\_\_\_\_ to 3D Resorts pursuant to that certain Promissory Note dated \_\_\_\_\_, 20\_\_\_\_, in the principal amount of \$\_\_\_\_\_ (the "Note").

WHEREAS the Note is secured by that certain Mortgage dated \_\_\_\_\_, 20\_\_\_\_, and recorded in the Grayson County, Kentucky Clerk's Office at Book \_\_\_ Page \_\_\_ of the \_\_\_\_\_ (the "Mortgage," and together with the Note, collectively, the "Loan Documents").

WHEREAS the principal balance outstanding under the Loan Documents was, and Lot Owner currently owes, \$\_\_\_\_\_ as of June 30, 2013 (the "Indebtedness").

WHEREAS on June 17, 2011 the Attorney General for the Commonwealth of Kentucky (the "Kentucky AG") filed a state-court complaint styled *Commonwealth of Kentucky v. 3D Resorts Communities, LLC, et al.*, Civ. Action 11-CI-212 in the Grayson County Circuit Court (the "State Complaint") against, among others, 3D Resorts. The State Complaint, among other things, seeks to rescind the Note.

WHEREAS on November 16, 2011 (the "Petition Date"), 3D Resorts filed a voluntary petition for relief under Chapter 7 of the Bankruptcy Code in the United States Bankruptcy Court for the Western District of Texas, San Antonio Division. Subsequent to the Petition Date, 3D Resorts' case was transferred to the Bankruptcy Court for the Western District of Kentucky on

December 8, 2011 and is currently styled *In re 3D Resorts-Bluegrass, LLC*, Case No. 11-41599 (the "Bankruptcy Case").

WHEREAS on \_\_\_\_\_, 2012, Lot Owner filed a proof of claim (the "Proof of Claim") [Claim No. \_\_\_\_\_] in the Bankruptcy Case in the amount of \$\_\_\_\_\_.

*ALTERNATIVE LANGUAGE TO ABOVE PARAGRAPH:* WHEREAS, Lot Owner did not file a proof of claim in the Bankruptcy Case.

WHEREAS on June 14, 2013, the Consumer Financial Protection Bureau (the "CFPB") filed an administrative proceeding (the "Administrative Proceeding") against 3D Resorts seeking, among other things, to rescind the Note.

WHEREAS on July 17, 2013, PlainsCapital Bank was granted relief from the automatic stay in the Bankruptcy Case to take all necessary actions and enforce its rights against the Note. See Bankruptcy Case at Docket No. 316.

WHEREAS on July 18, 2013, PCB purchased, pursuant to a UCC sale conducted by PlainsCapital Bank, all of 3D Resorts' rights, title, and interests in the Note, the Indebtedness, and the Loan Documents.

NOW, THEREFORE, in consideration of the promises, covenants and obligations described below, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby covenant and agree as follows:

#### AGREEMENTS

1. Closing. The transactions contemplated herein shall be closed at a time and place designated by agreement of the Parties ("Closing Date").

2. Consideration by PCB. In consideration of PCB's promises contained in this Agreement, on the Closing Date, PCB, or its assignee, shall deliver to Lot Owner the balance remaining of the sum of one thousand dollars and 00/100 (\$1,000.00) after first: (a) deducting \$\_\_\_\_\_ for all *ad valorem* real property taxes paid on the Lot Owner's behalf by PlainsCapital Bank or 3D Resorts and any current taxes due including related interest and fees ("Taxes"); (b) crediting the Note in the amount of \$\_\_\_\_\_; and (c) deducting the Lot Owner's outstanding dues owed to the Green Farm Property Owners' Association in the amount of \$\_\_\_\_\_ ("POA Dues"). Any monies credited against Taxes or POA Dues shall be retained by PCB.

3. Representations and Warranties.

(a) Lot Owner hereby makes the following representations and warranties for the purpose of inducing PCB to enter into this, each of which shall survive the execution of this Agreement and the consummation of the transactions contemplated herein, and each of which shall be construed as true and correct on the Closing Date:

i. Lot Owner understands he or she is the owner(s) of the fee simple estate in the Premises and has no knowledge of any unrecorded or undisclosed legal or equitable interest in the Premises owned or claimed by any person, trustee, partnership, firm, corporation or other entity, except for any outstanding dues owed to the Green Farm Property Owners Association, property taxes and the Mortgage;

ii. Lot Owner has entered into this Agreement freely and fairly after having had the opportunity to have, or the benefit of, counsel of Lot Owner's choosing and has not been induced by duress or other pressure from PCB or any person, firm, or corporation acting, or thought to be acting, for or on behalf of PCB, to enter into this Agreement or to convey the Premises to PCB or its assignee(s);

iii. Each of the Recitals is true and correct; and

iv. Lot Owner is duly authorized to enter into this Agreement.

(b) For the purpose of inducing Lot Owner to enter into this Agreement, PCB hereby makes the following representations and warranties to Lot Owner, each of which shall survive the execution of this Agreement and the consummation of the transactions contemplated herein, and each of which shall be construed as true and correct on the Closing Date:

i. PCB has entered into this Agreement freely and fairly after having had the benefit of counsel of PCB's choosing and has not been induced by duress or other pressure from any person, firm, or corporation acting, or thought by PCB to be acting, for or on behalf of Lot Owner, to enter into this Agreement;

ii. PCB has not entered into this transaction with the intent to defraud, hinder, or delay any third parties;

iii. Each of the Recitals is true and correct; and

iv. PCB is duly authorized to enter into this Agreement.

Lot Owner and PCB make their respective representations and warranties in Paragraph 3(a) and 3(b) above with the understanding that none of the Parties nor their attorneys or other agents have any reason to believe that any of such representations and warranties is incorrect.

4. Release of Lot Owner. In fulfillment of this Agreement, effective as of the Closing Date, PCB, along with its successors, assigns, predecessors, parents, affiliates, subsidiaries, shareholders, servicers, officers, directors, employees, agents, attorneys, or other representatives, does hereby release and discharge Lot Owner, his or her attorneys, insurers, assignees, transferors, transferees, employees, servants, agents, heirs, beneficiaries, devisees, legatees, estate(s), and representatives, absolutely and forever, from any and all claims, demands, damages, actions, or causes of action, known or unknown, suspected or unsuspected, anticipated or unanticipated, arising out of the Loan Documents, the Indebtedness, or the Bankruptcy Case.

Provided, however, that nothing herein shall release or waive any claims, demands, damages, actions, and causes of action arising in or under or relating to this Agreement, or occurring or arising after the date of this Agreement.

5. Release of 3D Resorts, PCB and PCB's Affiliates. In fulfillment of this Agreement, effective as of the Closing Date, Lot Owner, his or her successors, assigns, predecessors, parents, affiliates, subsidiaries, shareholders, servicers, officers, directors, employees, agents, attorneys, or other representatives, does hereby release and discharge 3D Resorts, PlainsCapital Bank and PCB, their attorneys, insurers, assignees, transferors, transferees, successors, assigns, predecessors, parents, affiliates, subsidiaries, shareholders, servicers, officers, directors, employees, agents, or other representatives, absolutely and forever, from any and all claims, demands, damages, actions, or causes of action, known or unknown, suspected or unsuspected, anticipated or unanticipated, which he or she may now have or may hereafter acquire, including but not limited to those arising out of the Proof of Claim, the Indebtedness, Loan Documents or the Bankruptcy Case. Provided, however that nothing herein shall release or waive any claims, rights, and causes of action arising in or under or relating to this Agreement or occurring or arising after this Agreement. *ALTERNATIVE LANGUAGE:* [Further, Lot Owner shall execute and deliver to PCB on the Closing Date the withdrawal of claim in the form attached hereto as Exhibit 2.]

6. No Credit Reporting. PCB promises on behalf of itself and its servicer(s), agents, employees, representatives, parents, affiliates, subsidiaries, attorneys, and any and all other related parties or entities that neither PCB nor any of the aforementioned related parties will report this Agreement, the status of Lot Owner's payment obligations, and/or payment history, the Loan Documents or any items related to this transaction and settlement to any third party credit reporting bureaus, offices, or agencies. Additionally, PCB promises (to the extent possible) that it will not cause third-party servicers to report this Agreement, the status of Lot Owner's payment obligations and/or payment history, the Loan Documents or any items related to this transaction and settlement to any third-party credit reporting bureaus, offices, or agencies, and that it will affirmatively request of any such servicer not make any such report relative to Lot Owner. To the extent that such reporting shall occur, PCB and its affiliates shall fully cooperate in the removal and/or correction of such information as requested by Lot Owner.

7. Good Faith. Lot Owner and PCB agree that they are entering into this Agreement in good faith.

8. Kentucky Law. This Agreement and the provisions hereof shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. The Parties hereby consent to the personal jurisdiction of the State Courts of Kentucky or the Federal Courts sitting in Kentucky, and acknowledge that venue is proper in the State Courts of Kentucky or in the Federal Courts in the Western District of Kentucky.

9. Successors. The rights and obligations herein contained shall inure to the benefit of and be binding upon the Parties hereto and their respective heirs, personal representatives, successors, and assigns.

10. Captions. The caption or title of the paragraphs of this Agreement are for convenience and reference only and in no way shall be construed to modify, amplify, or otherwise affect the interpretation or construction of this Agreement.

11. Survival of Representations, Warranties and Indemnities. Each of the Parties' representations, warranties, and indemnities herein shall survive the Closing Date and consummation of the transactions contemplated hereunder.

12. Time is of the Essence. Time is of the essence of this Agreement.

13. Modification. This Agreement shall not be modified by either party by oral representation made before or after the execution of this Agreement. All modifications must be in writing and signed by the party to be charged therewith.

14. Entire Agreement. This Agreement contains the entire understanding and agreement between the Parties with respect to the matters referred to herein. No other representations, covenants, undertakings, or other prior or contemporaneous agreements, oral or written, which are not specifically incorporated herein, shall be deemed in any way to exist or bind any of the Parties. The Parties acknowledge that each party has not executed this Agreement in reliance on any such promise, representation, or warranty.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the first date set forth above, and if this Agreement is executed in counterparts, each shall be deemed an original.

*[Signatures to Follow]*



**LOT OWNER:**

By: \_\_\_\_\_

Printed: \_\_\_\_\_

By: \_\_\_\_\_

Printed: \_\_\_\_\_

**PCB-ARC, Inc.:**

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

**Exhibit 1**  
**Property Description of the Premises**

Exhibit 2  
Withdrawal of Claim

(if applicable)

IN THE UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF KENTUCKY  
OWENSBORO DIVISION

In re:	§	
	§	CASE NO. 11-41599-ACS
3D Resorts-Bluegrass, LLC,	§	
	§	CHAPTER 11
	§	
Debtor	§	

NOTICE OF WITHDRAWAL OF PROOF OF CLAIM NO. [REDACTED]

PLEASE TAKE NOTICE that [REDACTED] ("Claimant") files this notice of withdrawal of Proof of Claim No. [REDACTED] that it filed in the above-captioned case, on or about \_\_\_\_\_, 2012. The Claimant hereby withdraws Proof of Claim No. [REDACTED] with prejudice from the above-referenced bankruptcy case.

Dated: August \_\_\_\_, 2013

Respectfully submitted,

[INSERT CONTACT INFO HERE]

Exhibit E

**GLOBAL SETTLEMENT**  
**AGREEMENT AND GENERAL**  
**RELEASE**  
(§4,000 Credit)

THIS SETTLEMENT AGREEMENT AND GENERAL RELEASE (the "Agreement") is made this \_\_\_\_\_ day of \_\_\_\_\_, 2013 by and between \_\_\_\_\_ (collectively, the "Lot Owner") and PCB-ARC, Inc. ("PCB," and together with the Lot Owner, collectively the "Parties," and each individually, a "Party").

RECITALS

WHEREAS on \_\_\_\_\_, 20\_\_\_\_, Lot Owner entered into that certain Real Estate Sales Contract (the "Sales Contract") with 3D Resorts-Bluegrass, LLC ("3D Resorts") to purchase certain real estate located at the Green Farm Resort (defined herein) (the "Premises"), more particularly described on Exhibit 1 attached hereto and made a part hereof. The Premises is located within a Grayson County, Kentucky development commonly known as "Green Farm Resort" or "The Falls Resort".

WHEREAS pursuant to the terms of the Sales Contract, 3D Resorts agreed to sell the Premises to Lot Owner in return for (i) a down payment of \$ \_\_\_\_\_ made on \_\_\_\_\_, 20\_\_\_\_, and (ii) Lot Owner's promise to pay \$ \_\_\_\_\_ to 3D Resorts pursuant to that certain Promissory Note dated \_\_\_\_\_, 20\_\_\_\_, in the principal amount of \$ \_\_\_\_\_ (the "Note").

WHEREAS the Note is secured by that certain Mortgage dated \_\_\_\_\_, 20\_\_\_\_, and recorded in the Grayson County, Kentucky Clerk's Office at Book \_\_\_ Page \_\_\_ of the \_\_\_\_\_ (the "Mortgage," and together with the Note, collectively, the "Loan Documents").

WHEREAS the principal balance outstanding under the Loan Documents was, and Lot Owner currently owes, \$ \_\_\_\_\_ as of June 30, 2013 (the "Indebtedness").

WHEREAS on June 17, 2011 the Attorney General for the Commonwealth of Kentucky (the "Kentucky AG") filed a state-court complaint styled *Commonwealth of Kentucky v. 3D Resorts Communities, LLC, et al.*, Civ. Action 11-CI-212 in the Grayson County Circuit Court (the "State Complaint") against, among others, 3D Resorts. The State Complaint, among other things, seeks to rescind the Note.

WHEREAS on November 16, 2011 (the "Petition Date"), 3D Resorts filed a voluntary petition for relief under Chapter 7 of the Bankruptcy Code in the United States Bankruptcy Court for the Western District of Texas, San Antonio Division. Subsequent to the Petition Date, 3D Resorts' case was transferred to the Bankruptcy Court for the Western District of Kentucky on

December 8, 2011 and is currently styled *In re 3D Resorts-Bluegrass, LLC*, Case No. 11-41599 (the "Bankruptcy Case").

WHEREAS on \_\_\_\_\_, 2012, Lot Owner filed a proof of claim (the "Proof of Claim") [Claim No. \_\_\_\_\_] in the Bankruptcy Case in the amount of \$ \_\_\_\_\_,

**ALTERNATIVE LANGUAGE TO ABOVE PARAGRAPH:** WHEREAS, Lot Owner did not file a proof of claim in the Bankruptcy Case.

WHEREAS on June 14, 2013, the Consumer Financial Protection Bureau (the "CFPB") filed an administrative proceeding (the "Administrative Proceeding") against 3D Resorts seeking, among other things, to rescind the Note.

WHEREAS on July 17, 2013, PlainsCapital Bank was granted relief from the automatic stay in the Bankruptcy Case to take all necessary actions and enforce its rights against the Note. See Bankruptcy Case at Docket No. 316.

WHEREAS on July 18, 2013, PCB purchased, pursuant to a UCC sale conducted by PlainsCapital Bank, all of 3D Resorts' rights, title, and interests in the Note, the Indebtedness, and the Loan Documents.

NOW, THEREFORE, in consideration of the promises, covenants and obligations described below, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby covenant and agree as follows:

#### AGREEMENTS

1. Closing. The transactions contemplated herein shall be closed at a time and place designated by agreement of the Parties ("Closing Date").

2. Consideration by PCB. In consideration of PCB's promises contained in this Agreement, on the Closing Date, PCB, or its assignee, shall deliver to Lot Owner the balance remaining of the sum of four thousand dollars and 00/100 (\$4,000.00) after first: (a) deducting \$ \_\_\_\_\_ for all *ad valorem* real property taxes paid on the Lot Owner's behalf by PlainsCapital Bank or 3D Resorts and any current taxes due including related interest and fees ("Taxes"); (b) crediting the Note in the amount of \$ \_\_\_\_\_; and (c) deducting the Lot Owner's outstanding dues owed to the Green Farm Property Owners' Association in the amount of \$ \_\_\_\_\_ ("POA Dues"). Any monies credited against Taxes or POA Dues shall be retained by PCB.

3. Representations and Warranties.

(a) Lot Owner hereby makes the following representations and warranties for the purpose of inducing PCB to enter into this Agreement, each of which shall survive the execution of this Agreement and the consummation of the transactions contemplated herein, and each of which shall be construed as true and correct on the Closing Date:

i. Lot Owner understands he or she is the owner(s) of the fee simple estate in the Premises and has no knowledge of any unrecorded or undisclosed legal or equitable interest in the Premises owned or claimed by any person, trustee, partnership, firm, corporation or other entity, except for any outstanding dues owed to the Green Farm Property Owners Association, property taxes and the Mortgage;

ii. Lot Owner has entered into this Agreement freely and fairly after having had the opportunity to have, or the benefit of, counsel of Lot Owner's choosing and has not been induced by duress or other pressure from PCB or any person, firm, or corporation acting, or thought to be acting, for or on behalf of PCB, to enter into this Agreement or to convey the Premises to PCB or its assignee(s);

iii. Each of the Recitals is true and correct; and

iv. Lot Owner is duly authorized to enter into this Agreement.

(b) For the purpose of inducing Lot Owner to enter into this Agreement, PCB hereby makes the following representations and warranties to Lot Owner, each of which shall survive the execution of this Agreement and the consummation of the transactions contemplated herein, and each of which shall be construed as true and correct on the Closing Date:

i. PCB has entered into this Agreement freely and fairly after having had the benefit of counsel of PCB's choosing and has not been induced by duress or other pressure from any person, firm, or corporation acting, or thought by PCB to be acting, for or on behalf of Lot Owner, to enter into this Agreement;

ii. PCB has not entered into this transaction with the intent to defraud, hinder, or delay any third parties;

iii. Each of the Recitals is true and correct; and

iv. PCB is duly authorized to enter into this Agreement.

Lot Owner and PCB make their respective representations and warranties in Paragraph 3(a) and 3(b) above with the understanding that none of the Parties nor their attorneys or other agents have any reason to believe that any of such representations and warranties is incorrect.

4. Release of Lot Owner. In fulfillment of this Agreement, effective as of the Closing Date, PCB, along with its successors, assigns, predecessors, parents, affiliates, subsidiaries, shareholders, servicers, officers, directors, employees, agents, attorneys, or other representatives, does hereby release and discharge Lot Owner, his or her attorneys, insurers, assignees, transferors, transferees, employees, servants, agents, heirs, beneficiaries, devisees, legatees, estate(s), and representatives, absolutely and forever, from any and all claims, demands, damages, actions, or causes of action, known or unknown, suspected or unsuspected, anticipated or unanticipated, arising out of the Loan Documents, the Indebtedness, or the Bankruptcy Case.

Provided, however, that nothing herein shall release or waive any claims, demands, damages, actions, and causes of action arising in or under or relating to this Agreement, or occurring or arising after the date of this Agreement.

5. Release of 3D Resorts, PCB and PCB's Affiliates. In fulfillment of this Agreement, effective as of the Closing Date, Lot Owner, his or her successors, assigns, predecessors, parents, affiliates, subsidiaries, shareholders, servicers, officers, directors, employees, agents, attorneys, or other representatives, does hereby release and discharge 3D Resorts, PlainsCapital Bank and PCB, their attorneys, insurers, assignees, transferors, transferees, successors, assigns, predecessors, parents, affiliates, subsidiaries, shareholders, servicers, officers, directors, employees, agents, or other representatives, absolutely and forever, from any and all claims, demands, damages, actions, or causes of action, known or unknown, suspected or unsuspected, anticipated or unanticipated, which he or she may now have or may hereafter acquire, including but not limited to those arising out of the Proof of Claim, the Indebtedness, Loan Documents or the Bankruptcy Case. Provided, however that nothing herein shall release or waive any claims, rights, and causes of action arising in or under or relating to this Agreement or occurring or arising after this Agreement. *ALTERNATIVE LANGUAGE:* [Further, Lot Owner shall execute and deliver to PCB on the Closing Date the withdrawal of claim in the form attached hereto as Exhibit 2.]

6. No Credit Reporting. PCB promises on behalf of itself and its servicer(s), agents, employees, representatives, parents, affiliates, subsidiaries, attorneys, and any and all other related parties or entities that neither PCB nor any of the aforementioned related parties will report this Agreement, the status of Lot Owner's payment obligations, and/or payment history, the Loan Documents or any items related to this transaction and settlement to any third party credit reporting bureaus, offices, or agencies. Additionally, PCB promises (to the extent possible) that it will not cause third-party servicers to report this Agreement, the status of Lot Owner's payment obligations and/or payment history, the Loan Documents or any items related to this transaction and settlement to any third-party credit reporting bureaus, offices, or agencies, and that it will affirmatively request of any such servicer not make any such report relative to Lot Owner. To the extent that such reporting shall occur, PCB and its affiliates shall fully cooperate in the removal and/or correction of such information as requested by Lot Owner.

7. Good Faith. Lot Owner and PCB agree that they are entering into this Agreement in good faith.

8. Kentucky Law. This Agreement and the provisions hereof shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. The Parties hereby consent to the personal jurisdiction of the State Courts of Kentucky or the Federal Courts sitting in Kentucky, and acknowledge that venue is proper in the State Courts of Kentucky or in the Federal Courts in the Western District of Kentucky.

9. Successors. The rights and obligations herein contained shall inure to the benefit of and be binding upon the Parties hereto and their respective heirs, personal representatives, successors, and assigns.



10. Captions. The caption or title of the paragraphs of this Agreement are for convenience and reference only and in no way shall be construed to modify, amplify, or otherwise affect the interpretation or construction of this Agreement.

11. Survival of Representations, Warranties and Indemnities. Each of the Parties' representations, warranties and indemnities herein shall survive the Closing Date and consummation of the transactions contemplated hereunder.

12. Time is of the Essence. Time is of the essence of this Agreement.

13. Modification. This Agreement shall not be modified by either party by oral representation made before or after the execution of this Agreement. All modifications must be in writing and signed by the party to be charged therewith.

14. Entire Agreement. This Agreement contains the entire understanding and agreement between the Parties with respect to the matters referred to herein. No other representations, covenants, undertakings, or other prior or contemporaneous agreements, oral or written, which are not specifically incorporated herein, shall be deemed in any way to exist or bind any of the Parties. The Parties acknowledge that each party has not executed this Agreement in reliance on any such promise, representation, or warranty.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the first date set forth above, and if this Agreement is executed in counterparts, each shall be deemed an original.

*[Signatures to Follow]*

**LOT OWNER:**

By: \_\_\_\_\_

Printed: \_\_\_\_\_

By: \_\_\_\_\_

Printed: \_\_\_\_\_

**PCB-ARC, Inc.:**

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

**Exhibit 1**  
**Property Description of the Premises**

Exhibit 2  
Withdrawal of Claim

(if applicable)

IN THE UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF KENTUCKY  
OWENSBORO DIVISION

In re:	§	
	§	CASE NO. 11-41599-ACS
3D Resorts-Bluegrass, LLC,	§	
	§	CHAPTER 11
	§	
Debtor	§	

NOTICE OF WITHDRAWAL OF PROOF OF CLAIM NO. [REDACTED]

PLEASE TAKE NOTICE that [REDACTED] ("Claimant") files this notice of withdrawal of Proof of Claim No. [REDACTED] that it filed in the above-captioned case, on or about \_\_\_\_\_, 2012. The Claimant hereby withdraws Proof of Claim No. [REDACTED] with prejudice from the above-referenced bankruptcy case.

Dated: August \_\_\_\_, 2013

Respectfully submitted,

[INSERT CONTACT INFO HERE]

EXHIBIT F

UNITED STATES OF AMERICA  
Before the  
CONSUMER FINANCIAL PROTECTION BUREAU

ADMINISTRATIVE PROCEEDING  
File No. 2013-CFPB-0002

In the Matter of:

3D Resorts-Bluegrass, LLC

STIPULATION AND  
CONSENT TO ISSUANCE  
OF A CONSENT ORDER

The Consumer Financial Protection Bureau (“CFPB” or “Bureau”) initiated an administrative proceeding against 3D Resorts-Bluegrass, LLC (“Respondent” or “3D Resorts-Bluegrass”), pursuant to 12 U.S.C. §§ 5563 and 5565, for violations of the Interstate Land Sales Full Disclosure Act (“ILSA”), 15 U.S.C. §§ 1701-1720, and its implementing regulations.

In the interest of compliance and resolution of the matter, 3D Resorts-Bluegrass, by and through Thomas M. Duddy, the Chapter 11 Trustee for the bankruptcy estate of 3D Resorts-Bluegrass (the “Trustee”), hereby stipulates and consents to the issuance of the Consent Order (“Consent Order”) to which this Stipulation and Consent to the Issuance of a Consent Order is attached, and which is incorporated herein by reference.

In consideration of the above premises, and in consideration of the Settlement Agreement and Release by and between PlainsCapital Bank and PCB-ARC, Inc., the Trustee, 3D Resorts-Bluegrass, the Bureau, and the Office of the Attorney General for the Commonwealth of Kentucky dated ^, 2013 (the “Settlement Agreement”), which is attached hereto as Exhibit 1 and incorporated herein by reference, the Director of the CFPB, through his authorized representative, and Respondent, through the Trustee, stipulate and agree to the

following:

#### **Jurisdiction**

1. The CFPB has jurisdiction over this matter pursuant to Sections 1053 and 1055 of the Consumer Financial Protection Act ("CFPA"), 12 U.S.C. §§ 5563 and 5565.

#### **Consent**

2. Respondent agrees to the issuance of the Consent Order. Respondent admits the CFPB's jurisdiction over Respondent and the subject matter of this action.
3. Respondent agrees that the Consent Order shall be deemed an "order issued with the consent of the person concerned" under 12 U.S.C. § 5563(b)(4), and agrees that the Consent Order shall become a final order, effective upon issuance, and shall be fully enforceable by the CFPB under 12 U.S.C. §§ 5563(d)(1) and 5565.
4. Respondent enters into this Stipulation and Consent to the Issuance of a Consent Order voluntarily.
5. Except as set forth in the Settlement Agreement and the release by the CFPB in connection therewith, Respondent acknowledges that no promise or representation has been made by the CFPB or any member, officer, employee, agent, or representative of the CFPB, with regard to any criminal liability or civil liability outside of this action that may have arisen or may arise from the facts underlying this action or immunity from any such criminal liability.
6. The Consent Order shall be given collateral estoppel effect against Respondent, without further proof, in any proceeding before the CFPB or in any subsequent civil litigation by the CFPB to enforce the Consent Order or its rights to any payment or monetary judgment under the Consent Order.
7. The terms and provisions of this Stipulation and the Consent Order shall be binding upon, and inure to the benefit of, the parties hereto and their successors in interest. Nothing in this

Stipulation or the Consent Order, express or implied, shall give to any person or entity, other than the parties hereto, and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim under this Stipulation or the Consent Order.

8. Respondent agrees that the CFPB may present the Consent Order to the CFPB Director for signature and entry without further notice.

#### Waivers

9. Respondent, by consenting to this Stipulation, hereby waives:
  - a. Any right to service of the Consent Order, and agrees that issuance of the Consent Order will constitute notice to the Respondent of its terms and conditions;
  - b. Any objection to the jurisdiction of the CFPB, including, without limitation, under section 1053 of the Dodd-Frank Act;
  - c. All hearings under the statutory provisions under which the proceeding has been instituted; the filing of proposed findings of fact and conclusions of law; proceedings before, and a recommended decision by, a hearing officer; all post-hearing procedures; and any other procedural right available under 12 U.S.C. § 5563 or 12 CFR Part 1081;
  - d. The right to seek any administrative or judicial review of the Consent Order;
  - e. Any claim for fees, costs or expenses against the CFPB, or any of its agents or employees, and any other governmental entity, related in any way to this enforcement matter or the Consent Order, whether arising under common law or under the terms of any statute, including, but not limited to the Equal Access to Justice Act and the Small Business Regulatory Enforcement Fairness Act of 1996;



for these purposes, Respondent agrees that Respondent is not the prevailing party  
in this action because the parties have reached a good faith settlement;

- f. Any other right to challenge or contest the validity of the Consent Order;
- g. Such provisions of the CFPB's rules or other requirements of law as may be construed to prevent any CFPB employee from participating in the preparation of, or advising the Director as to, any order, opinion, finding of fact, or conclusion of law to be entered in connection with this Stipulation or the Consent Order; and
- h. Any right to claim bias or prejudice by the Director based on the consideration of or discussions concerning settlement of all or any part of the proceeding.

CONSUMER FINANCIAL PROTECTION  
BUREAU

Date: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

THOMAS M. DUDDY, TRUSTEE OF  
3D RESORTS-BLUEGRASS, LLC

Date: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

COMMONWEALTH OF KENTUCKY  
GRAYSON CIRCUIT COURT  
DIVISION II  
CIVIL ACTION NO. 11-CI-212

COMMONWEALTH OF KENTUCKY, ex rel.  
JACK CONWAY, ATTORNEY GENERAL

PLAINTIFF

v.

CONSENT JUDGMENT AS TO SPECIFIC DEFENDANT

3D RESORTS COMMUNITIES LLC, et al.

DEFENDANTS

\* \* \* \* \*

THIS CONSENT JUDGMENT [hereinafter, "Judgment"] is entered into on the \_\_\_\_ day of September, 2013, by and between the COMMONWEALTH OF KENTUCKY, ex rel. JACK CONWAY, ATTORNEY GENERAL [hereinafter, "Attorney General" or "Plaintiff"]; and 3D RESORTS BLUEGRASS, LLC [hereinafter, "Specified Defendant"], and is intended as a compromise of the claims brought by the Attorney General against the Specified Defendant [and only the Specified Defendant] in the litigation styled, *Commonwealth of Kentucky v. 3D Resorts Communities, LLC, et al.*, Case No. 11-CI-212 and filed in the Grayson Circuit Court.

WHEREAS, this matter arose upon the filing of a Complaint on or about June 17, 2011, by the Attorney General of Kentucky alleging that the Specified Defendant and others violated the Kentucky Consumer Protection Act [KRS 367.110 et seq.], and the Kentucky Recreation and Retirement Use Land Sales Act, as follows:

- Engaging in unfair, false, misleading or deceptive acts or practices in the form of active misrepresentations as to infrastructure and amenities and certain financing thereof, in violation of KRS 367.170, during the sales and marketing to

consumers of recreation or retirement real estate lots in Grayson County, Kentucky in the development commonly known as “Green Farm Resort”;

- Failing to properly register and/or bond with the Office of the Attorney General as required by KRS 367.470 et seq.;
- Breaching the written Agreement executed on December 22, 2008 by and between the Specified Defendant and the Office of the Attorney General.

WHEREAS, the Specified Defendant has denied the claims asserted in the above-referenced lawsuit;

WHEREAS, the Specified Defendant is a for-profit entity and has, at all times relevant herein, engaged in the business of soliciting, promoting, marketing and/or selling recreation or retirement use real estate within the Commonwealth of Kentucky;

WHEREAS, on or about November 16, 2011, the Specified Defendant filed a Chapter 7 bankruptcy petition in the United States Bankruptcy Court for the Western District of Texas;

WHEREAS, on or about December 8, 2011 the United States Bankruptcy Court for the Western District of Texas entered an Order converting the case to a Chapter 11 and transferring the case to the United States Bankruptcy Court for the Western District of Kentucky (the “Bankruptcy Court”);

WHEREAS, on or about January 11, 2012, Thomas M. Duddy was appointed as the Chapter 11 Trustee for the Specified Defendant and continues to serve in that capacity;

WHEREAS, on or about July 31, 2013, the United States Bankruptcy Court for the Western District of Kentucky entered an Order granting the Attorney General’s Motion for Relief from Stay, thereby allowing the instant litigation to proceed;

WHEREAS, the parties to this Judgment have reached a compromise in the bankruptcy

proceeding of the matters being herein litigated which provides, *inter alia*, for specific consumer relief and civil monetary penalties which is attached as Exhibit 1 and incorporated herein (“Global Settlement Agreement”). The Global Settlement Agreement has been approved by the Bankruptcy Court;

WHEREAS, the Specified Defendant represents that it has full and complete authority to enter into this Agreement and to be legally bound hereby and the Attorney General expressly relies upon said representation;

WHEREAS, the parties hereto desire to compromise their claims and resolve this litigation;

**WHEREFORE, IT IS HEREBY AGREED AS FOLLOWS:**

1. As consideration for the settlement of this litigation, the Specified Defendant agrees to the following injunctive and/or prospective relief as of the date of entry of this Judgment:

a. The Specified Defendant shall be prohibited and permanently enjoined from directly or indirectly engaging in any misleading, unfair or deceptive acts or practices in the conduct of its business which are violative of the Kentucky Consumer Protection Act, KRS 367.110 et seq., and/or the Kentucky Recreation and Retirement Use Land Sales Act, KRS 367.470 et seq. The Specified Defendant shall fully comply with all provisions of the Kentucky Consumer Protection Act, KRS 367.110 et seq.

b. The Specified Defendant whether directly or indirectly, through any corporate or private entity, partnership or association, shall be prohibited and permanently enjoined from engaging, operating or conducting business in any way within the Commonwealth of Kentucky as a “subdivider” in the “development” of “recreation and retirement use” land, as those terms are defined in KRS 367.472, without first being:

(i) properly and fully registered and/or bonded as required by the Kentucky Recreation and Retirement Use Land Sales Act, KRS 367.470 *et seq.*, or,

(ii) in full compliance with the federal Interstate Land Sale Full Disclosure Act, as provided in KRS 367.486, including but not limited to receiving any necessary approvals from federal enforcement authorities and filing duplicate registration statements with the Office of the Attorney General.

2. Nothing in this Judgment shall preclude or in any way foreclose investigative action against any of the Defendants or any other person or entity under any legal authority granted to the Kentucky Attorney General with respect to any violations that occur after the execution of this Judgment.

3. The Specified Defendant agrees to notify its agents, employees, representatives, successors and assigns of the execution of this Judgment and the terms and conditions contained herein.

4. Notwithstanding the foregoing, nothing in this Judgment shall operate to waive, relinquish or release any and all liabilities, rights, claims, demands, damages, complaints, actions, costs, causes of action or suits of any kind that the Attorney General may possess against any other person or entity who is not a party to or released by the Global Settlement Agreement, including but not limited to any agent of the Specified Defendant and including any of the other Defendants in this litigation. The Attorney General hereby expressly reserves and maintains its claims and causes of action against any individual or entity not specifically identified and released in the Global Settlement Agreement. In addition, nothing herein shall operate to prevent or impede the Attorney General from amending its Complaint to name as Defendants entities or individuals other than those specifically released in the Global Settlement Agreement.

5. Nothing in this Judgment shall be construed to waive or limit any private right of action by any individual consumer or entity.

6. The Specified Defendant shall not represent, either directly or indirectly, that the Kentucky Attorney General has approved, condoned or sanctioned any portion or aspect of the Specified Defendant's business operations.

7. By entering into this Judgment, the Specified Defendant does not agree to or admit any liability, fault or wrongdoing in this proceeding but acknowledges reasonable bases for the claims as stated against it exist sufficient to support the entry of this Consent Judgment pursuant to KRS 367.190.

8. The Specified Defendant acknowledges that it has read and understands the provisions of this Judgment and has had full and complete opportunity to consult with its attorney(s) regarding this Judgment.

9. This Judgment and the Global Settlement Agreement set forth the entire understanding between the parties, and there are no representations, arrangements, or understandings, oral or written, between the parties relating to the subject matter of this Judgment which are not fully expressed therein or attached hereto.

10. This matter shall remain on the active docket of the Grayson Circuit Court, Division II, for further proceedings as necessary and appropriate.

**THEREFORE**, in consideration of the terms and conditions as stated hereinabove, the parties execute this Judgment effective as of the date first written above.

**APPROVED:**

\_\_\_\_\_  
DATE

\_\_\_\_\_  
ROBERT A. MILLER, JUDGE  
DIVISION 2

**AGREED:**

**JACK CONWAY  
ATTORNEY GENERAL**

\_\_\_\_\_  
TODD E. LEATHERMAN  
MARYELLEN B. MYNEAR  
Assistant Attorneys General  
Consumer Protection Division  
1024 Capital Center Drive, Suite 200  
Frankfort, KY 40601  
COUNSEL FOR PLAINTIFF

**3D RESORTS-BLUEGRASS, LLC**

By: \_\_\_\_\_  
THOMAS M. DUDDY  
Chapter 11 Trustee

MICHAEL A. FIORELLA  
Sullivan, Mountjoy, Stainback & Miller, P.S.C.  
100 St. Ann Street  
P.O. Box 727  
Owensboro, KY 42302-0727  
COUNSEL FOR TRUSTEE

Exhibit H

IN THE UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF KENTUCKY  
OWENSBORO DIVISION

IN RE;	§	
	§	CASE NO. 11-41599-ACS
3D RESORTS-BLUEGRASS, LLC,	§	
	§	CHAPTER 11
Debtor.	§	

**ORDER APPROVING MOTION FOR APPROVAL OF COMPROMISE  
AND SETTLEMENT PURSUANT TO BANKRUPTCY RULE 9019**

This matter having come before this Court on the *Motion for Approval of Compromise and Settlement Pursuant to Bankruptcy Rule 9019* [Docket No. 13-0000] (the "Motion")<sup>1</sup> filed by Thomas M. Duddy ("Trustee"), Chapter 11 Trustee for 3D Resorts-Bluegrass, LLC's ("Debtor") bankruptcy estate (the "Estate"); the Court finds that it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; the Court finds that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); the Court finds that the Trustee has shown good, sufficient, and sound business purpose and justification for the relief requested in the Motion; the Court finds that the relief requested in the Motion is in the best interests of the Debtor, the Estate and the creditors thereof; the Court finds that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and the Court finds that, after due deliberation, good and sufficient cause exists for granting the relief requested in the Motion; Accordingly, **IT IS THEREFORE**

**ORDERED** that the Motion is **GRANTED**; and it is further

**ORDERED** that all objections to the Motion, if any, which have not been withdrawn are hereby overruled or denied; and it is further

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<sup>1</sup> All capitalized terms not defined herein shall have the meanings ascribed to them in the Motion.



**ORDERED** that the Agreement, in substantially the form attached to the Motion as Exhibit A, is approved, and the terms of the Agreement are hereby incorporated into this Order;<sup>2</sup> and it is further

**ORDERED** that the Trustee is authorized and directed to fully perform any and all obligations consistent with the Agreement, and under the deadlines set forth in the Agreement (including the "Effective Date" as defined in the Agreement), to execute, deliver, and implement any and all instruments, documents, and papers, including the Agreement, and to take any and all actions reasonably necessary or appropriate to consummate the settlement approved herein and to perform any and all obligations contemplated hereunder.

**ORDERED** that the Debtor, PCB, ARC, the CFPB, and the KYOAG are hereby directed to fully perform any and all obligations consistent with the Agreement, and under the deadlines set forth in the Agreement (including the "Effective Date" as defined in the Agreement), to execute, deliver, and implement any and all instruments, documents, and papers, including the Agreement, and to take any and all actions reasonably necessary or appropriate to consummate the settlement approved herein and to perform any and all obligations contemplated hereunder; and it is further

**ORDERED** that this Order is final and shall not be stayed by Fed. R. Bankr. P. 6004(h) or any other rule or statute; and it is further

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<sup>2</sup> If there is any conflict between this Order and the Agreement, the terms of the Agreement shall control.

ORDERED that this Court retains exclusive jurisdiction with respect to all matters arising from, arising in, or related to the Agreement or to implementation of this Order.

Prepared by:

/s/ Michael A. Fiorella  
Michael A. Fiorella  
SULLIVAN, MOUNTJOY,  
STAINBACK & MILLER, P.S.C.  
100 St. Ann Street  
Owensboro, KY 42303-0727  
Telephone: (270) 926-4000  
[mfiorella@smsmlaw.com](mailto:mfiorella@smsmlaw.com)

*Counsel for Thomas M. Duddy, Trustee*

IN THE UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF KENTUCKY  
OWENSBORO DIVISION

IN RE:	§	
	§	CASE NO. 11-41599-ACS
3D RESORTS-BLUEGRASS, LLC,	§	
	§	CHAPTER 11
Debtor.	§	

**ORDER APPROVING MOTION FOR APPROVAL OF COMPROMISE  
AND SETTLEMENT PURSUANT TO BANKRUPTCY RULE 9019**

This matter having come before this Court on the *Motion for Approval of Compromise and Settlement Pursuant to Bankruptcy Rule 9019* [Docket No. 423] (the “**Motion**”)<sup>1</sup> filed by Thomas M. Duddy (“**Trustee**”), Chapter 11 Trustee for 3D Resorts-Bluegrass, LLC’s (“**Debtor**”) bankruptcy estate (the “**Estate**”); the Court finds that it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; the Court finds that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); the Court finds that the Trustee has shown good, sufficient, and sound business purpose and justification for the relief requested in the Motion; the Court finds that the relief requested in the Motion is in the best interests of the Debtor, the Estate and the creditors thereof; the Court finds that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and the Court finds that, after due deliberation, good and sufficient cause exists for granting the relief requested in the Motion; Accordingly, **IT IS THEREFORE**

**ORDERED** that the Motion is **GRANTED**; and it is further

**ORDERED** that all objections to the Motion, if any, which have not been withdrawn are hereby overruled or denied; and it is further

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<sup>1</sup> All capitalized terms not defined herein shall have the meanings ascribed to them in the Motion.

**ORDERED** that the Agreement, in substantially the form attached to the Motion as Exhibit A, is approved, and the terms of the Agreement are hereby incorporated into this Order;<sup>2</sup> and it is further

**ORDERED** that the Trustee is authorized and directed to fully perform any and all obligations consistent with the Agreement, and under the deadlines set forth in the Agreement (including the “Effective Date” as defined in the Agreement), to execute, deliver, and implement any and all instruments, documents, and papers, including the Agreement, and to take any and all actions reasonably necessary or appropriate to consummate the settlement approved herein and to perform any and all obligations contemplated hereunder.

**ORDERED** that the Debtor, PCB, ARC, the CFPB, and the KYOAG are hereby directed to fully perform any and all obligations consistent with the Agreement, and under the deadlines set forth in the Agreement (including the “Effective Date” as defined in the Agreement), to execute, deliver, and implement any and all instruments, documents, and papers, including the Agreement, and to take any and all actions reasonably necessary or appropriate to consummate the settlement approved herein and to perform any and all obligations contemplated hereunder; and it is further

**ORDERED** that this Order is final and shall not be stayed by Fed. R. Bankr. P. 6004(h) or any other rule or statute; and it is further

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<sup>2</sup> If there is any conflict between this Order and the Agreement, the terms of the Agreement shall control.

**ORDERED** that this Court retains exclusive jurisdiction with respect to all matters arising from, arising in, or related to the Agreement or to implementation of this Order.

Prepared by:

/s/ Michael A. Fiorella  
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