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IN THE CIRCUIT COURT OF DAVIDSON COUNTY, TENNESSEE
TWENTIETH JUDICIAL DISTRICT AT NASHVILLE

FILED
2006 AUG 29 PM 1:27

RICHARD R. ROOKER, CLERK

STATE OF TENNESSEE,
Petitioner,

P. Powers
D.C.

v.

No. 06C2253

FAIRFIELD RESORTS, INC., a Delaware
corporation,

Respondent.

AGREED ORDER

This cause came to be heard on the State of Tennessee's Petition and the Parties' Assurance of Voluntary Compliance, and the Court is of the opinion that said Assurance of Voluntary Compliance should be approved.

IT IS, THEREFORE, ORDERED, ADJUDGED, and DECREED that the Assurance of Voluntary Compliance, annexed hereto as Exhibit A, is incorporated herein by reference as if set forth fully herein, and is, hereby, made a part of this Order; the Assurance hereby is approved.

IT IS ORDERED, ADJUDGED, and DECREED that the Assurance is hereby approved unless rescinded by the parties or modified by this Court for good cause shown.

IT IS ORDERED, ADJUDGED, AND DECREED that, Respondent shall comply with all terms set forth in the Assurance.

terms set forth in the Assurance.

IT IS ORDERED, ADJUDGED, AND DECREED that Respondent shall pay to the Attorney General the sum of FIFTY THOUSAND DOLLARS (\$50,000.00) in civil penalties and TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000) for costs of investigation and attorneys fees to the State of Tennessee Attorney General's office, from the date of entry of this Assurance and Agreed Order as set forth in the Assurance of Voluntary Compliance.

IT IS ORDERED, ADJUDGED, AND DECREED that SEVENTY-FIVE THOUSAND DOLLARS (\$75,000.00) of the attorneys' fees and costs set forth in paragraph 7.1 of the Assurance shall be paid by the Attorney General's Office to the Tennessee Division of Consumer Affairs to reimburse the Division for costs charged to it and for additional costs and expenses, which shall be used for consumer protection purposes at the sole discretion of the Director of the Division of Consumer Affairs.

IT IS FURTHER ORDERED, ADJUDGED, and DECREED as follows:

Jurisdiction of this Court over the subject matter herein and over the Respondent and any successors for the purposes of entering into and enforcing this Assurance and Agreed Order is admitted. Jurisdiction is retained by this Court for the purpose of enabling the parties to apply for such further orders and directions as may be necessary or appropriate for the construction, modification or execution of this Assurance and Agreed Order. Pursuant to Tenn. Code Ann. § 47-18-107, venue as to all matters between the parties relating hereto or arising out of this Assurance is solely in the Circuit Court of Davidson County, Tennessee.

The Attorney General has solely prepared and filed in Circuit Court for Davidson County, a Petition for approval hereof. Respondent hereby waives any and all rights which it may have to

be heard in connection with judicial proceedings upon said Petition and the entry of the Agreed Order and this Assurance.

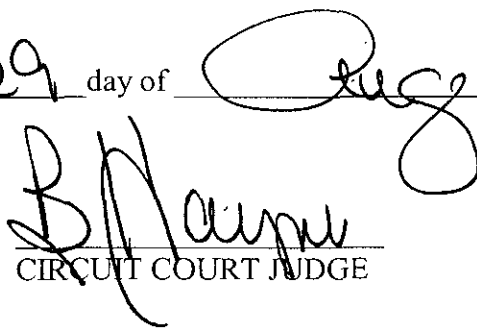
Nothing in the Assurance shall be construed to limit the authority of the Attorney General to protect the interests of the State or the people of the State of Tennessee.

This Agreed Order and the incorporated Assurance shall only be enforceable by the parties to this action.

All costs associated with filing and distribution of this Agreed Order, Assurance and Petition and any other incidental cost or expenses incurred thereby shall be borne by Respondent. No court costs shall be taxed against the State as mandated by Tenn Code Ann. § 47-18-116. Costs shall be taxed to Respondent, except the parties will be responsible for their own discretionary costs.

IT IS SO ORDERED.

ENTERED this the 29 day of Aug, 2006.


CIRCUIT COURT JUDGE

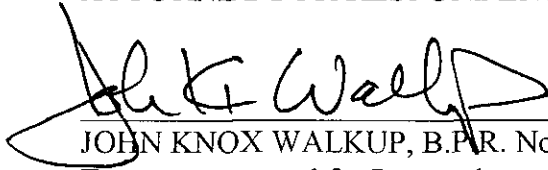
APPROVED FOR ENTRY:

FOR PETITIONER, STATE OF TENNESSEE



MEREDITH DEVAULT, B.P.R. No. 9157
Senior Counsel
Tennessee Attorney General's Office
P.O. Box 20207
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(615) 532-2578; fax: (615) 532-2910

ATTORNEY FOR RESPONDENT

A handwritten signature in black ink, appearing to read "John Knox Walkup", is written over a horizontal line.

JOHN KNOX WALKUP, B.P.R. No. 007776

Tennessee counsel for Respondent

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IN THE CIRCUIT COURT OF DAVIDSON COUNTY, TENNESSEE
FOR THE TWENTIETH JUDICIAL DISTRICT AT NASHVILLE

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STATE OF TENNESSEE,

Petitioner,

v.

FAIRFIELD RESORTS, INC., a Delaware
corporation,

Respondent.

RICHARD R. BOOKER, CLERK

P. Wiers D.C.

No. 00C2253

ASSURANCE OF VOLUNTARY COMPLIANCE

Pursuant to Tenn. Code Ann. § 47-18-107, the State of Tennessee, by and through Paul G. Summers, the Attorney General and Reporter ("Attorney General"), at the request of the Director of the Division of Consumer Affairs of the Department of Commerce and Insurance ("Division"), accept this Assurance of Voluntary Compliance ("Assurance") given by Fairfield Resorts, Inc., a Delaware corporation, located at 8427 South Park Circle, Orlando, FL 32819. Respondent Fairfield Resorts, Inc., is doing business in Tennessee and throughout the United States. Fairfield Resorts, Inc. ("Respondent" or "FRI") was formerly known as Fairfield Communities, Inc., and also formerly known as Fairfield Land Development Company.

WITNESSETH:

Some of the facts and circumstances surrounding the execution of this Assurance are as follows:

A. **The State's Position.** The Division and the Attorney General conducted an investigation of specific business practices of Respondent near Crossville, Tennessee. These practices include the mass marketing of undeveloped lots as investments and/or future home sites for a consumer's retirement years. During Respondent's sales promotions of the undeveloped lots, employees, their salesmen and others, made representations and commitments to the public regarding improvements, such as water, roads, and sewer installation and other amenities that would be provided in the near future. Even years later these improvements of lots, in areas sold to consumers, have not been provided or fulfilled. Respondent's business practices are more fully described in the Petition. As a result of the investigation, the Division and the Attorney General determined that certain acts and practices of Respondent violated the Tennessee Consumer Protection Act of 1977, Tenn. Code Ann. §§ 47-18-101, *et seq.* (the "Act").

B. **The Respondent's Position.** Respondent neither admits nor denies any wrongdoing and affirmatively states the following: "The specific business practices alleged primarily occurred in the 1970's and 1980's and all sales of lots offered and completed during this time and thereafter were made utilizing disclosure documents that were filed with a federal agency. This written documentation neither promoted the sale of the undeveloped lots on the basis of investment nor represented that utilities would be completed in the near future. The Respondent agrees to enter into this Assurance of Voluntary Compliance to bring closure to this matter and to fulfill the Respondent's longstanding commitment to Fairfield Glade."

C. Pursuant to Tenn. Code Ann. § 47-18-107(c), acceptance of this Assurance by Respondent shall not be considered an admission of a prior violation of the Consumer Protection

Act. Therefore, pursuant to Tenn. Code Ann. § 47-18-107, Respondent desires to give this Assurance, and the Attorney General desires to accept it, in order to avoid the expense of litigation.

NOW, THEREFORE, acting pursuant to Tenn. Code Ann. § 47-18-107, Respondent gives, and the Attorney General accepts, the following assurances:

1. DEFINITIONS

As used in this Assurance and accompanying Agreed Final Order, the following words or terms shall have the following meanings:

- 1.1 "Agreed Final Order", "Agreed Order" or "Order" shall mean the Agreed Final Order filed contemporaneously with this Assurance of Voluntary Compliance.
- 1.2 "Assurance of Voluntary Compliance" or "Assurance" shall refer to this document entitled Assurance of Voluntary Compliance in the matter of *State of Tennessee v. Fairfield Resorts, Inc.*, a Delaware corporation.
- 1.3 "Attorney General" shall refer to the Office of the Tennessee Attorney General and any employee or other staff acting on behalf of the Attorney General.
- 1.4 "Clear and Conspicuous" or "Clearly and Conspicuously": A statement is "Clear and Conspicuous" or "Clearly and Conspicuously" disclosed if, by whatever medium, it is readily understandable and presented in such size, color, contrast, location, and audibility, compared to other information with which it is presented, that is readily apparent to the person to whom it is disclosed. If such statement is necessary as a modification, explanation or clarification to other information with which it is presented, it must be presented in close proximity to the information it modifies, in a manner which is readily noticeable and understandable. Further, a disclosure of information is not clear and conspicuous if, among other things, it is obscured by the background against which it appears or there are other distracting elements. Warnings, safety disclosures or statements of limitation must be set out in close conjunction with the benefits described, or with appropriate captions, of such prominence that warnings, safety disclosures or statements of limitation are not minimized, rendered obscure, presented in an ambiguous fashion, or intermingled with the context of the statement so as to be confusing or misleading.
- 1.5 "Community Club" shall refer to Fairfield Glade Community Club, a Tennessee non-profit corporation.

- 1.6 "Consumer" means any person, a natural person, individual, governmental agency or other entities, partnership, corporation, trust, estate, incorporated or unincorporated association, and any other legal or commercial entity however organized, but not including, the Respondent.
- 1.7 "Developed lot" shall refer to real estate lots serviced by water, sewer, and paved roads.
- 1.8 "Division" or "Division of Consumer Affairs" shall refer to the Tennessee Division of Consumer Affairs of the Department of Commerce and Insurance.
- 1.9 "Eligible consumer" shall refer to a consumer who is covered by the terms of this Assurance and as such eligible for the consumer relief set forth in the Assurance.
- 1.10 "Petition" shall refer to the Petition filed by the Attorney General's Office contemporaneously with the Assurance of Voluntary Compliance and the Agreed Final Order.
- 1.11 "Petitioner," "State of Tennessee," or "Attorney General" shall refer to the Office of the Tennessee Attorney General and Reporter.
- 1.12 "Respondent" or "FRI" shall refer to Fairfield Resorts, Inc., f/k/a Fairfield Communities, Inc., and f/k/a Fairfield Land Development Co., Inc., any corporate successors and bulk transferees of its lots at Fairfield Glade and any and all agents of same.
- 1.13 "Successor" or "heir" when referring to a consumer shall mean any person who acquired a real estate lot via inheritance, gift, or similar relationship.
- 1.14 "Tennessee Consumer Protection Act" or "Consumer Act" shall refer to the Tennessee Consumer Protection Act of 1977, as amended, and related statutes found at Tenn. Code Ann. §§ 47-18-101, *et seq.*
- 1.15 "Undeveloped" lot shall refer to real estate lots not serviced by water, sewer, and paved roads.

2. JURISDICTION

2.1 Jurisdiction of this Court over the subject matter herein and over the person of the Respondent for the purposes of entering into and enforcing this Assurance and the accompanying Order is admitted. Jurisdiction is retained by this Court for the purpose of enabling the parties to

apply for such further orders and directions as may be necessary or appropriate for the construction, modification or execution of this Assurance and the accompanying Agreed Order, including enforcement of compliance therewith and assessment of penalties against Respondent for violation(s) thereof. Respondent agrees to pay all court costs and reasonable attorneys' fees and any costs associated with any successful petitions to enforce any provision of this Assurance and the accompanying Order against Respondent.

3. VENUE

3.1 Pursuant to Tenn. Code Ann. § 47-18-107, venue as to all matters between the parties relating hereto or arising out of this Assurance is solely in the Circuit Court of Davidson County, Tennessee.

4. PERMANENT INJUNCTION AND REHABILITATION

It is hereby agreed that upon approval of this Assurance by the Court, Respondent and anyone in concert with Respondent, shall, with the regard to the future sale of lots or homes in Tennessee, be permanently and forever enjoined, restrained and bound from directly or indirectly engaging in the practices set forth herein and affirmatively required as appropriate:

- 4.1 Respondent shall be prohibited from directly or indirectly engaging in any misleading, unfair or deceptive acts or practices in the conduct of its business. Respondent shall fully comply with all provisions of the Tennessee Consumer Protection Act of 1977, Tenn. Code Ann. §§ 47-18-101, *et seq.*, including but not limited to §§ 47-18-104(a) and (b)(27), which prohibit unfair and deceptive acts and practices.
- 4.2 Respondent shall not directly or indirectly, in any offer for sale of any real estate interest, represent, promote or otherwise indicate that the interest in real estate has a rate of return or term or phrase of similar import.

- 4.3 Respondent shall not directly or indirectly represent that goods or services have or will have sponsorship, approval, characteristics, ingredients, quantities, uses or benefits that they do not have or will not have.
- 4.4 Prior to consummation of any lot sale, Respondent shall affirmatively, clearly and conspicuously disclose in writing all material terms, conditions and restrictions associated with any offer or sale of a lot to a consumer. Such disclosures include, but are not limited to, the following terms:
- (A) Compulsory membership in any property owners' association necessitating the payment of dues or any other monetary obligations;
 - (B) All consequences of consumers' failure to pay all monetary obligations, including but not limited to membership dues to the property home owners' association, *e.g.*, inability to use amenities, if any, such as pools and golf courses, until dues are paid;
 - (C) All consequences of consumers' failure to pay the developer for the property;
 - (D) Rescission rights and refunds, including the name and address of the Respondent's office to contact regarding rescission and refunds. Respondent shall have a reasonable rescission policy designed to allow consumers a reasonable time to review their decision; and
 - (E) The estimated total costs to hook up to sewer, utilities and water supply.

Respondent's sales scripts, including oral representations made by its sales personnel during each sales presentation or any other contact with a consumer, its sales promotional materials and all training materials shall not be inconsistent with the above required disclosures and not in violation of any provision of this Assurance of Voluntary Compliance.

- 4.5 Respondent shall establish, implement and enforce a policy requiring that all oral representations of Respondent's sales personnel engaged in the sale of lots in Tennessee or to Tennessee consumers (including but not limited to employees and independent contractors) shall be consistent with all written representations of the Respondent.
- 4.6 Respondent shall not directly or indirectly represent that goods or services are of a particular standard, quality or grade, if they are of another.
- 4.7 Respondent shall not directly or indirectly advertise or promote goods or services without intent to sell as advertised and promoted.

- 4.8 Respondent shall not directly or indirectly represent that a consumer transaction confers or involves rights, remedies, or obligations that it does not have or involve or which are prohibited by law.
- 4.9 Respondent shall not directly or indirectly cause confusion or misunderstanding with respect to the authority of a salesperson, representative or agent to negotiate the final terms of a consumer transaction.
- 4.10 Respondent shall train its sales staff, including temporary or contract employees, involved in Respondent's lot/home sales in Tennessee or directed at Tennesseans about misrepresentations and other unfair and deceptive acts and practices as set forth in the Tennessee Consumer Protection Act, §§ 47-18-101, *et seq.* Respondent's training materials shall include but not be limited to, a copy of the Tennessee Consumer Protection Act, Tenn. Code Ann. §§ 47-18-101, *et seq.* A copy of this Assurance and Agreed Order shall be distributed to all Respondent's lot/home sales staff in Tennessee.
- 4.11 Respondent shall not directly or indirectly use or employ a chain referral sales plan in connection with the sale or offer to sell of goods, merchandise or anything of value, which uses the sales technique, plan, arrangement or agreement in which the buyer or prospective buyer is offered the opportunity to purchase goods or services and, in connection with the purchase, receives the seller's promise or representation that the buyer shall have the right to receive compensation or consideration in any form for furnishing to the seller names of other prospective buyers if the receipt of compensation or consideration is contingent upon the occurrence of any event subsequent to the time the buyer purchases merchandise or goods or anything of value.
- 4.12 Respondent shall not directly or indirectly use statements or illustrations in any advertisement which create a false impression of the grade, quality, quantity, make, value, age, size, color, usability or origin of the goods or services offered, which may otherwise misrepresent the goods or services in such a manner that later, on disclosure of the true facts, there is likelihood that the buyer may be switched from the advertised goods or services to other goods or services.
- 4.13 Respondent shall not directly or indirectly represent to consumers that any additional improvements or amenities (or term of similar improvement or terms or phrase of similar import) will be made within a time frame or specific time if such is not the case. If the time frame or specific time is delayed due to unforeseen circumstances, the reason(s) for the unforeseen delay shall be documented and that information along with a projection for completion of the improvements or amenities in light of the unforeseen circumstances shall be distributed in writing by United States postage

pre-paid first class mail to consumer lot owners within a reasonable time of learning of the delay.

- 4.14 Respondent shall not directly or indirectly represent that a sale of a lot comes with the benefits of a warranty, guaranty or trade-in program unless all terms and conditions of such program are affirmatively, clearly and conspicuously disclosed in writing to consumers in advance of the purchase.
- 4.15 Respondent shall be required to affirmatively complete and honor any warranty, guarantee or trade in/exchange program as previously promoted in writing to a consumer.
- 4.16 After entry of this Assurance, all of Respondent's warranties, guarantees and trade-in/exchange programs shall be in writing and provided to the consumer prior to consummation of any sale.
- 4.17 Respondent shall be prohibited from directly or indirectly retroactively altering or changing a warranty, guarantee or trade-in program unless the change is to offer a greater benefit to consumers and consumer agrees it offers an increase in benefits.
- 4.18 Respondent shall be prohibited from representing or promoting that a consumer will receive a certain percentage or value appreciation per year (or term of phrase of similar import) of any good or service, including but not limited to the purchase of a lot, unless in fact that is the case.
- 4.19 Respondent shall be prohibited from using or employing any contracts, agreements or other documents which provide that the costs "are to be determined" or term or phrase of similar import.
- 4.20 Respondent shall be prohibited from representing that a consumer's rights were terminated in the reorganization bankruptcy of Fairfield Communities, Inc. and related entities, when such is not the case.
- 4.21 Within ten (10) days of entry of this Assurance, the Respondent shall affirmatively contact, in writing, all consumers whose information is on record with the Respondent (the Respondent has represented that such information dates back six (6) years) and who was previously notified with incorrect information regarding the bankruptcy and its impact upon the consumer. A copy of each such notification shall also be simultaneously provided to Attorney General. The required notification is attached hereto as Exhibit A. These consumers, who were incorrectly told by Respondent that the bankruptcy court cut off their rights, shall be treated as having complained before the entry of this Assurance and shall be categorized and obtain the same relief as complainants who complained before entry of this Assurance and the

Agreed Final Order as provided in Sections 5 and 6 of this Assurance. Additionally, for a period of six (6) months after entry of the Assurance, consumers who can establish that Respondent incorrectly notified them that their rights were cut off by the bankruptcy shall have the same consumer relief set forth in the appropriate category as that offered other complainants who complained before entry of this Assurance, as provided in Sections 5 and 6 of this Assurance.

- 4.22 Prior to purchase of any lot/home, Respondent shall advise orally and in writing all consumers who indicate that they intend to purchase a lot/home, that they may take as much time as needed or required, to consider and review all contracts, documents and disclosures required herein, including allowing the consumers to take all materials with them to view away from sales office and/or salesperson.
- 4.23 Respondent shall establish, implement and enforce disciplinary consequences for any employee, temporary employee or independent contractor who violates any provision of this Order and/or the Tennessee Consumer Protection Act.
- 4.24 Respondent shall pay all applicable dues it is obligated to pay to the Community Club in a timely fashion for lots it owns.
- 4.25 Respondent shall not directly or indirectly discriminate between non-resident owners and resident owners in its development of lots, e.g., pavement of roads and access roads, proximity to sewer lines, making water available, or any other duties to the entire ownership.

5. CONSUMER RELIEF

5.1 The Parties have agreed to consumer relief as part of the State's rehabilitation effort as set forth in this Assurance. The consumer relief is based on the current lot status of consumer lots at Fairfield Glade near Crossville, Tennessee. The universe of consumers to receive relief consists of those whose written complaints were submitted to the Tennessee Attorney General, the Tennessee Division of Consumer Affairs, Tennessee Real Estate Commission, any entity of the State of Tennessee, any Better Business Bureau in the State of Tennessee or Florida, the Respondent or the Fairfield Glade Community Club on or before the date of entry of this Assurance and the Agreed Order and all records reflecting telephone calls between consumers and the Tennessee Attorney

General's office or the Tennessee Division of Consumer Affairs on or before the date of entry of this Assurance and the Agreed Order. The categories below are determined by the current status of the applicable lots. Respondent represents and warrants that the approximate value of the rehabilitation program set forth in Section 5 is approximately Four Million Dollars (\$4,000,000.00). If the eligible consumer disputes the category to be applied or the calculation of the amount paid, the eligible consumer has the option of arbitration, pursuant to Section 5.10 of this Assurance.

5.2 Within twenty-one (21) days of entry of this Assurance of Voluntary Compliance the first wave of notices to consumers shall be mailed by the Respondent and all initial notices shall be sent by the Respondent no later than seventy-five (75) days of entry of this Assurance of Voluntary Compliance¹, Respondent shall send a notice attached as Collective Exhibit B via certified mail to the last known address of eligible consumers, and shall re-send to any address located, to all eligible consumers as set forth in Section 5.1. Respondent shall provide a pre-addressed postage pre-paid return envelope with the notice. Within fourteen (14) days of entry of this Assurance, the Respondent shall provide the Attorney General with an alphabetical list by last name of the names and last known addresses of the eligible consumers under Section 5.1 to whom Respondent shall send notice pursuant to this Assurance. The parties acknowledge that to the best of their belief, all such eligible consumer information has been provided to the Respondent except the Attorney General will contact the other entities of state government and the Better Business Bureaus to obtain their records of consumer information eligible under Section 5.1 within ten (10) days of entry of this Assurance. The Attorney General will request that the responding entity provide a letter or other

¹The purpose of the 21-75 day period is to permit the Respondent to conduct a phased or staggered mailing to be in a better position to handle consumer calls relating to the mailings.

certification that the records provided represent the consumer information received by the entity prior to entry of the Assurance of Voluntary Compliance. The information, once received, will be provided to Respondent. The Attorney General shall have a reasonable time to obtain the needed consumer information from the other entities of state government and the Better Business Bureaus, except as set forth herein, not to exceed sixty (60) days after the date of receipt of the request unless the Attorney General is required to serve statutory legal process to receive the information. In that situation, the Attorney General will work with the Respondent to provide the information within as short a time frame as is reasonable under the circumstances and the parties agree it may exceed sixty (60) days. Any consumer information received by the Attorney General from these entities will be provided to the Respondent within ten (10) business days of receipt.

5.3 The following “complaint categories” apply for consumer relief under this Assurance:

(A) **Consumers or successors who still own a lot.**

Consumers who submitted a complaint to any one of the specific entities listed in Section 5.1 prior to entry of the Assurance shall be eligible for relief if the consumer or successor/heir currently owns the lot referenced in their complaint (or the lot is currently owned by an successor or heir of the consumer/complainant) and the consumer returns the claim form notice or re-sent notice postmarked within sixty (60) days of mailing the specific notice to the particular consumers. Consumers qualifying in this category shall have the following relief options:

- (i) If the lot is not currently developed, the consumer may elect to deed the lot back to the Respondent, free and clear of all liens and encumbrances related to a mortgage or past due property taxes but the consumer shall have no obligation to bring current any obligations relating to Community Club assessments, using a special warranty deed (this deed shall in no way require a consumer to pay for any fees, transfer taxes,

title searches, title policies or any other costs to deed the property back to Respondent) form which is subject to the approval of the Attorney General and receive a refund of sixty-five (65%) of the purchase price paid by the eligible consumer for the lot. If the lot was inherited or gifted to the eligible consumer, the refund shall be 65% of the purchase price paid by the person from whom the lot was inherited or person giving the lot to the eligible consumer. Said refund will be provided by Respondent within no more than three (3) weeks of receipt of the request and the executed deed; Respondent shall respond to a consumer's claim form requesting this option by sending the applicable refund check along with the letter attached as Exhibit C. No promotional materials may be included with this mailing and it shall be sent by certified, return receipt requested mail postage paid with envelopes approved by the Attorney General and clearly marked "Postmaster: Please Forward and Address Correction Requested"; or

(ii) If the consumer's lot is not currently developed and the consumer purchased the lot directly from the Respondent, the consumer or the consumer's successors or heirs may trade the lot to a Fairfield-owned developed lot with a current purchase price of at least the price paid for the consumer's lot and up to 150% of the amount of the consumer's purchase price for the lot he/she is trading. If the lot was inherited or gifted to the consumer, the refund shall be based on the purchase price paid by the person from whom the lot was inherited or the purchase price paid by the person who gave the consumer the lot. Respondent will first determine the number of trade requests received under this relief option. If Respondent has a sufficient number of developed lots available for trade, the consumer will be provided with a traded lot. This option is available on a first come first serve basis. No consumer electing this trade option will be asked to pay any additional money for an exchanged or traded lot. The Respondent shall provide an exchanged lot for each consumer that requests a trade or exchange pursuant to this Assurance, even if it means Respondent provides a lot of a greater value to the consumer beyond the 150% value at no cost to the consumer. The 150% amount is not a limit on trade-in values. Respondent shall be required to have sufficient lots to trade within the 150% value or must trade to greater value lots at no cost to the consumer. In the unlikely event that Respondent does not have sufficient developed lots available for the trade in requests, Respondent shall develop additional lots within eleven (11) months of entry of this Assurance of Voluntary Compliance. Respondent shall develop paved roads and paved access roads and water and shall cooperate with the Fairfield Glade Community Club in its sewer installation efforts. At the consumer's election, he/she may, upon notice that no developed lot is immediately available for trade in, choose to deed their undeveloped lot back to Fairfield and receive sixty-five percent (65 %) of the consumer's purchase price within no more than three (3) weeks of Respondent's receipt of the request from the consumer. If the property was inherited or gifted to the consumer, the refund shall be based on the purchase price paid by the person from whom the lot was inherited or the purchase price paid by the person who

gave the consumer the lot. Respondent shall respond to a consumer's claim form requesting this option by sending the letter and deed attached as Collective Exhibit D. No promotional materials may be included with this mailing and it shall be sent by certified, return receipt requested mail postage paid with envelopes approved by the Attorney General and clearly marked "Postmaster: Please Forward and Address Correction Requested".

Any consumer with a developed lot or with an existing home on his/her lot is not eligible for relief under this category.

B. Consumers or successors who sold lots for 30% or less of the purchase price.

Consumers who submitted a complaint to any one of the entities listed in Section 5.1 prior to entry of the Assurance shall be eligible for relief if the consumer or successor sold the lot for thirty percent (30%) or less of the purchase price and the consumer returns the refund form notice or re-sent notice postmarked within sixty (60) days of mailing the specific notice to the particular consumer. Within three (3) weeks of making a request and submission of applicable documentation relating to the sale of the lot (if this documentation is not already in Respondent's records), consumers qualifying in this category shall be paid fifty percent (50%) of their lot purchase price, less the amount received in the sale of the lot, plus all documented or readily ascertainable sales expenses, including but not limited to, commissions, auction fees, transfer and title transfer fees and taxes. If the property was inherited or gifted to the consumer, the refund shall be based on the purchase price paid by the person from whom the lot was inherited or the purchase price paid by the person who gave the consumer the lot. For example, if a consumer's original purchase price for a lot was \$10,000.00 and it was sold at auction for \$1,000.00 and the auction fees, title and transfer fees were \$500.00, the consumer's refund would be calculated as follows:

\$10,000.00	original purchase price
<u>- 1,000.00</u>	lot sale price
\$ 9,000.00	
<u>+ 500.00</u>	expenses of sale
\$ 9,500.00	
<u>x 50%</u>	
\$ 4,750.00	refund amount

Respondent shall respond to a consumer's claim form requesting this relief option by sending the applicable refund check and the letter attached as Exhibit E. No promotional materials may be included with this mailing and it shall be sent by certified, return receipt requested mail postage paid with envelopes approved by the Attorney General and clearly marked "Postmaster: Please Forward and Address Correction Requested".

No consumer receiving more than 30% at the time of sale of the purchase price of their lot is eligible for relief under this consumer relief category.

C. Consumers or successors who lost their lot to foreclosure, deed in lieu of foreclosure or voluntary surrender.

Consumers who submitted a complaint to any one of the entities listed in Section 5.1 prior to entry of the Assurance shall be eligible for the consumer relief if the consumer's heirs or successors lost their lot to foreclosure, deed in lieu of foreclosure or voluntary surrender and the consumer returns the claim form notice postmarked within sixty (60) days of mailing the specific notice to the particular consumers. Within three (3) weeks of making a request and the consumer providing documentation establishing the foreclosure, deed in lieu of foreclosure or voluntary surrender (if this information has not already been provided or is in Respondent's or the Community Club's records), consumers qualifying in this category shall be paid a refund by Respondent of fifty percent (50%) of all assessments paid on their lot to

the Fairfield Glade Community Club by the original purchasers/consumer, by consumer's heirs and/or assigns who paid assessments or dues on the lot before losing or forfeiting it to the Club. Respondent shall respond to a consumer's claim form requesting this relief option by sending the applicable refund check and the letter attached as Exhibit F. No promotional materials may be included with this mailing and it shall be sent by certified, return receipt requested mail postage paid with envelopes approved by the Attorney General and clearly marked "Postmaster: Please Forward and Address Correction Requested".

5.4 Consumer complaint or consumer information does not specify lot status.

Investigation by the Respondent and the Fairfield Glade Community Club shall determine, within twenty (20) days of entry of this Assurance, if not before, which category of lot(s) status may be applicable to that particular consumer and shall provide the benefits described in the appropriate lot(s) status. If reasonable investigation by Respondent cannot determine the lot status, Respondent shall mail by certified, return receipt requested first class postage pre-paid, the letter and notice attached as Collective Exhibit G, the consumer shall have sixty (60) days from receipt of the mailing to return the claim form to be eligible for the consumer relief option described in this Assurance. No promotional materials may be included with this mailing and it shall be sent in envelopes approved by the Attorney General and clearly marked "Postmaster: Please Forward and Address Correction Requested".

5.5 Consumer who falls into more than one category listed. Any eligible consumer who falls into multiple consumer relief categories listed above shall have their choice of category benefit options. (If more than one lot is or was owned by a single eligible consumer, that eligible consumer can have the benefit of any consumer relief category applying to each particular lot.)

5.6 Any eligible consumer pursuant to Section 5.1 who was inadvertently omitted from the consumer list shall be eligible for the applicable consumer relief categories listed above if one party to this agreement notifies the other party of an omission of an eligible consumer within ninety (90) days of entry of this Assurance.

5.7 Except as agreed in writing by the parties, the lists and reports under Sections 5.2, 6.3 and 6.12 provided to the State of Tennessee and in the possession of the Respondent shall not be released to any person to protect the interest of consumer privacy, to prevent further marketing to these consumers and possible identity theft.

5.8 Respondent also agrees that the consumer names, addresses, telephone numbers and other personally identifiable information gathered or otherwise obtained during this consumer relief program will not be used for any marketing purposes or provided to any other person for any reason including but not limited for the purposes of marketing these consumers now or in the future.

5.9 If any consumer's notices are returned as "undeliverable" by the Postmaster, the Respondent shall employ reasonable "skip tracing" techniques for a period not to exceed one hundred twenty (120) days. If the consumer's notice remains "undeliverable" after resending to the new address found by skip tracing, Respondent will publish a notice from the Attorney General in the form attached hereto as Exhibit H. Within ten (10) days of completion of Respondent's skip tracing efforts, the Respondent and the Attorney General agree to determine the final locations to place appropriate advertisements designed to reach the consumers on the list. The parties agree to take into account the number of unlocated consumers and where they last resided when determining the final list of publications where the advertisements will be placed. However, the parties agree that all advertisements will be at least six (6) inches by eight (8) inches and shall run at least two

consecutive Saturdays and Sundays, within sixty (60) days of establishing the final list of consumers who cannot be located. The advertisements are expected to be placed in the *Crossville Chronicle*, *The Glade Sun*, and any other Fairfield Community Club Publications, *USA Today*, the *Tennessean* and the *Knoxville News-Sentinel* provided that these publications are appropriate in light of the number of unlocated consumers and the last known addresses of those consumers. The advertisements will not be placed in the classified or other legal notices section of the publications but instead will be in the front sections of these publications in a clear and conspicuous location agreed upon the parties with the goal of locating and reaching the consumers on the list. Consumers located through this advertisement process shall be mailed the applicable notice required to be sent to other consumers via certified, first class mail and the eligible consumer shall have an additional sixty (60) days from the date of mailing to respond to be eligible for the consumer relief categories. All costs associated with the publication and preparation of the notice required in this paragraph shall be paid by the Respondent.

5.10 Consumers have an option to appeal to an independent arbitrator.

A. Should any complaining consumer disagree with the applicable consumer relief category status assigned to him/her or the amount paid under the Assurance based on the established formulas and procedures set forth herein after providing written verification of their current status to Respondent and Respondent disagrees with the consumer, the consumer may appeal to an independent arbitrator for resolution of any dispute, at Respondent's cost. The arbitrator's decision is final and binding upon the consumer and Respondent for the purposes of this Assurance.

B. If any eligible consumers contend they have been placed into the incorrect consumer relief category for restitution purposes or incorrectly paid by Respondent under this Assurance of Voluntary Compliance, once Respondent learns of this dispute and disagrees with the consumer's position, Respondent shall send the eligible consumer via first class, United States mail postage pre-paid, the letter and arbitration request form attached as Collective Exhibit I which shall inform the eligible consumer of the reason for the classification and/or calculation of his/her restitution and inform him/her of the option to

submit his/her claim to an Arbitrator. Eligible consumers must mail their election for arbitration within sixty (60) days of the mailing of Collective Exhibit I. The postmark of the consumer's mailing shall determine whether it is received in a timely manner. No other materials shall be included with this mailing. No promotional materials may be included with this mailing and it shall be sent in envelopes approved by the Attorney General and clearly marked "Postmaster: Please Forward and Address Correction Requested".

C. Within thirty (30) days of entry of this Assurance, the Arbitrator shall be selected jointly by agreement of the Director of the Division of Consumer Affairs, the Attorney General and the Respondent. The Arbitrator shall be a licensed attorney with an office located within a thirty (30) mile radius of the Attorney General's Office in Nashville, Tennessee.

D. Once the Arbitrator is selected, Respondent and the Arbitrator shall enter into a contract providing for the method of payment for his/her services and requiring the Arbitrator to comply with the terms of the Assurance and Agreed Order, and to respond to requests for information by the Attorney General and Division of Consumer Affairs, within ten (10) days of a written request, with copies of records, documents and reports reasonably necessary to ascertain the performance of the Respondent and the Arbitrator and their obligations under this Assurance as to the eligible consumers and to determine, based on credible evidence, compliance with the terms of this Assurance and Agreed Order.

E. The Arbitrator shall review each timely request for arbitration and other information within a reasonable time, not to exceed sixty (60) days after receipt of the arbitration form and other information from the Respondent. The Arbitrator shall make his/her decision based on the written submission but may make a written request for additional information in writing from either the Respondent or the eligible consumer and/or the Attorney General's Office.

F. The Arbitrator shall review timely submissions of dispute based on a credible evidence standard. If the Arbitrator determines that there is credible evidence that the eligible consumer has essentially complied with the necessary terms to be eligible for restitution or explained why the refund calculation is incorrect and the eligible consumer's request is eligible for reimbursement under a different consumer relief category or for an additional refund, the Arbitrator shall decide for the eligible consumer. If the Arbitrator believes the Respondent has fully complied with each requirement of the Assurance and Agreed Order and therefore the eligible consumer is not eligible for reclassification or recalculation of the reimbursement due to him/her, the Arbitrator shall decide for the Respondent.

G. The Arbitrator shall notify the eligible consumer and the Respondent of his or her decision by United States mail first class postage, pre-paid, within ten (10) business days of the decision. The envelopes used for these mailings shall be clearly and conspicuously

marked "Postmaster: Address Correction Requested". If the Arbitrator decides for the eligible consumer, such notification shall include the amount awarded the specific consumer based upon the reclassification and/or recalculation. Respondent shall make any restitution payment awarded by the Arbitrator, subject to the limitations contained herein, within thirty (30) days of receipt of the Arbitrator's decision regarding each particular eligible consumer. When Respondent mails the restitution payment to the eligible consumer, Respondent shall also send a copy of Exhibit J. No other materials other than Exhibit J and the check shall be sent in this mailing. It shall be sent by certified, return receipt requested mail postage paid with envelopes approved by the Attorney General and clearly and conspicuously marked "Postmaster: Please Forward and Address Correction Requested".

H. If the Arbitrator decides for the Respondent, the Arbitrator shall so notify the eligible consumer and the Respondent of the decision within ten (10) business days by United States mail first class postage, pre-paid. The envelopes used for the mailings set forth in (F) and (G) shall be approved by the Attorney General and Clearly and Conspicuously marked "Postmaster: Please Forward and Address Correction Requested."

I. Each decision of the Arbitrator is final and not appealable by the State, the Respondent or the eligible consumer; however, it shall not restrict the consumer's private rights pursuant to Section 10.1. Both the State and Respondent retain the right to object to the process of review by the Arbitrator and seek relief from such process as permitted by applicable law.

J. Respondent shall make available to the Arbitrator, at no cost, and upon reasonable notice, all documents, persons and other information reasonably necessary to the Arbitrator to make a decision regarding an eligible consumer who sought arbitration pursuant to this section.

5.11 The parties agree that it is their intent that neither the Respondent nor the consumer shall be held responsible for any past due Community Club assessment obligations being passed to them as a result of a consumer deeding a lot to them under the rehabilitation program set forth in Section 5 of this Assurance of Voluntary Compliance. However, once the lots are deeded to Respondent, Respondent will be responsible for ongoing assessment obligations to the Community Club associated with the lot.

5.12 The parties may agree in writing by mutual agreement to extend any time line or deadline set forth in the consumer relief section of this Assurance.

6. CONSUMER RELIEF/RESTITUTION PROCEDURES

6.1 Within twenty-one (21) days of entry of this Order, the Respondent shall mail a packet of material described in Section 5. Such packet of materials shall include a letter from the Attorney General of the State of Tennessee (attached hereto as Exhibit Collective B) printed on letterhead chosen at the sole discretion of the Attorney General, the claim form to return to participate in this consumer restitution program, and a pre-addressed, postage prepaid envelope. Consumers with the option to receive consumer relief under this Assurance in Section 5, shall indicate their election by returning the claim form enclosed in the packet within sixty (60) days of the mailing of the packet to a particular consumer. The timeliness of a refund claim form or request to trade in shall be determined by the postmark on the mailing. Respondent shall provide monetary relief, as described in Section 5, within ninety (90) days of Respondent's mailing of the packet or three (3) weeks from the date of Respondent's receipt of the consumer's response, whichever is shorter. Consumers who are offered the option to trade to another lot in Section 5 shall indicate their option by returning the form enclosed in the packet within sixty (60) days of the mailing of the packet. Consumers who do not respond within sixty (60) days of the mailing of the specific packet attached as Collective Exhibit B will not be subject to any restitution under this Assurance except as otherwise set forth herein.

6.2 The Respondent shall provide written notice to the Attorney General establishing the required advertisements were published on the required dates and in the required locations and formats for each agreed upon publication within ten (10) business days of publication of those advertisements.

6.3 The packet of materials required by Section 5 shall be mailed through the United States Postal Service via certified, first class mail postage pre-paid. All envelopes will be chosen at the sole discretion of the Attorney General and must be clearly marked "POSTMASTER: PLEASE FORWARD AND ADDRESS CORRECTION REQUESTED." In the event any envelope is returned with a corrected or forwarding address, Respondent shall again mail the full package to the consumer through the United States Postal Service via certified, first class postage pre-paid mail to the correct address. For said consumers, the sixty (60) day period set forth in Section 6.1 shall not commence until the date of mailing the second notice and packet to the consumer's corrected address. The Attorney General shall receive written notification of the name, corrected address and date of mailing the second notification to any consumer within five (5) days of mailing the second notice.

6.4 The refund claim form or trade-in option form chosen by the consumer, under the appropriate category set forth in Section 5, must be postmarked no later than sixty (60) days of mailing of the specific packets to the applicable eligible consumers.

6.5 Respondent shall be prohibited from including any other materials, including promotional materials, with any mailing required by this Assurance.

6.6 Consumer refunds shall be by check drawn on an account with sufficient cash balance to fund all refunds in accordance with this Assurance. All consumer refunds shall be mailed by certified, first class United States postage pre-paid mail within ninety (90) days of the receipt of the refund request along with the required letter as set forth in Section 5. Envelopes shall be marked "Postmaster: Please Forward and Address Correction Requested" and refunds shall be re-mailed in the same fashion with an address correction, where applicable.

6.7 Any consumer refund check due to a consumer who is now deceased shall be made payable to the "Estate of" that particular consumer. Respondent shall have no liability or further responsibility for identifying the correct consumer to receive a check in such an estate situation. However, if the check is uncashed or undeliverable, it shall be turned over to State of Tennessee's unclaimed property as set forth herein.

6.8 Any consumer refund check due to multiple parties where the property is jointly owned shall be issued to all persons listed as property owners on the deed. Respondent shall have no liability or further responsibility for identifying the correct consumer to receive a check in such multiple owner situations. However, if the check is uncashed or undelivered, it shall be turned over to State of Tennessee's unclaimed property as set forth herein.

6.9 Any consumer refund check due to consumers who are now divorced shall be jointly issued to both the former husband and former wife. Respondent shall have no further liability or responsibility for identifying the correct consumer to receive a check in a divorce situation. However, if the check is uncashed or undelivered, it shall be turned over to State of Tennessee's unclaimed property fund as set forth herein.

6.10 In the event a refund or restitution check is issued to a consumer under Section 5 of this Assurance of Voluntary Compliance and it is not cashed or it is returned undeliverable to the Respondent after using skip tracing, those funds due such consumers shall be treated as unclaimed property in the possession of the State of Tennessee pursuant to the Uniform Disposition of Unclaimed Property Act, Tenn. Code Ann. § 66-29-101, *et seq.* These funds may be delivered to the Treasurer prior to the statutory due date of one (1) year set forth in Tenn. Code Ann. § 66-29-110, covering unclaimed property held by courts, public officers and agencies. The Respondent shall

provide a report to the Attorney General and Reporter within twelve (12) months of the entry of the Assurance which details the amount delivered to the Treasurer for treatment as unclaimed property under the state statute. A copy of each report to the Treasurer regarding unclaimed property shall be provided to the Attorney General under State law. *See* Tenn. Code Ann. § 66-29-113.

6.11 Respondent is responsible for all costs associated with the consumer relief/rehabilitation/restitution process set forth in Sections 4, 5 and 6, including, but not limited to, arbitrator costs, all costs associated with the mailing and content of the packet of materials, notices, all letterhead, envelopes, copying charges, postage and costs associated with the issuance of refund checks and costs associated with the trade-in process.

6.12 Within twelve (12) months of entry of this Order, the Respondent shall file with the Attorney General the following information:

- A. A report of all monies paid to consumers who, under the appropriate categories listed in Section 5 elected to obtain a partial refund of their purchase price. Such report shall verify and certify that eligible consumers who opted for a partial refund from the Respondent have, in fact, received the refund required by this Order. Additionally, the Respondent shall verify and certify compliance with each provision of this Assurance with respect to exchange or trade of lots, costs and development of lots. Such reports shall be supplemented as needed.
- B. An alphabetical list by last name of the full name and address of each consumer who requested an exchange to a developed lot along with identification of the date a developed lot was provided and or will be provided and the approximate value of the lots received as a trade in. Such reports shall be supplemented as needed.
- C. An alphabetical list by last name of the full name and address of each consumer who requested the monetary relief provided herein and the amount of each individual consumer's refund and the total amount of all refunds provided. Such reports shall be supplemented as needed.

- D. The Attorney General may request interim reports or lists prior to the 12 month period. Respondent will respond to such requests within a reasonable amount of time not to exceed thirty (30) days from receipt of said request.
- E. An acknowledgment that each officer, director or employee of Respondent engaged in lot/home sales in Tennessee has received a copy of this Assurance and has certified to having read it.

6.13 Within ten (10) days of receipt of a request from the Attorney General or Division of Consumer Affairs Division for evidence that a specific consumer or consumers have received the required packet and/or their refunds, or exchanges, or evidence of promised development of lots, Respondent shall provide written verification by providing any documents, books and records necessary to establish to the satisfaction of the Attorney General or Director of the Division of Consumer Affairs that the money portion of the rehabilitation process has been completed in compliance with this Assurance and that the other rehabilitation efforts, exchange for developed lots and/or developing lots with improvements, as agreed to by Respondent, have been achieved or will be achieved within twelve (12) months of entry of this Assurance. Such documents shall include, but not be limited to, copies of the front and back of canceled checks (or other proof of payment of restitution amounts which establish that a particular eligible consumer received their restitution payment) and/or mailing records along with certified mail receipts indicating that the specific consumer or consumers received the required restitution amounts or the exchanged lots or are having their lot developed and improved with all costs borne by the Respondent. This paragraph shall in no way limit the Attorney General's option to obtain documents, records and/or testimony pursuant to section 9 or any other law, regulation or rule.

7. ATTORNEYS' FEES AND COSTS TO THE STATE

7.1 The Respondent shall pay the sum of Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00) to the State of Tennessee for attorneys' fees and costs of investigation, prosecution and monitoring for compliance of this matter, which may be used for consumer protection purposes at the sole discretion of the Attorney General. Said payment shall be made by providing the Attorney General or his designated representative a check backed by good and sufficient funds made payable to the "Treasurer, State of Tennessee - Attorney General" on the day of execution of this Assurance.

7.2 Seventy-Five Thousand and 00/100 Dollars (\$75,000.00) of the attorneys' fees and costs set forth in Section 7.1 shall be paid to the Tennessee Division of Consumer Affairs to reimburse the Division for costs charged to it and for additional costs and expenses, which shall be used for consumer protection purposes at the sole discretion of the Director of the Division of Consumer Affairs.

8. CIVIL PENALTIES

8.1 For remedial purposes, the Respondent shall pay the sum of Fifty Thousand and 00/100 Dollars (\$ 50,000.00) to the State of Tennessee as a civil penalty pursuant to Tenn. Code Ann. § 47-18-108(b)(3). Said payment shall be made by providing the Attorney General or his designated representative a check backed by good and sufficient funds made payable to the "Treasurer, State of Tennessee - Civil Penalties" on the day of execution of this Assurance.

9. MONITORING AND COMPLIANCE

9.1 Upon request, Respondent agrees to provide books, records and documents to the Attorney General or Division of Consumer Affairs, at any time, and further, to informally or formally

under oath, provide testimony and other information to Attorney General or Division of Consumer Affairs, relating to compliance with this Assurance. Respondent shall make any requested information available within one (1) week of the request, at the Office of the Attorney General, Consumer Advocate and Protection Division, the John Sevier State Office Building located at 500 Charlotte Avenue, Nashville, Tennessee, or alternatively, at any other location within the State of Tennessee that is mutually agreeable in writing to Respondent and the Attorney General. This section shall in no way limit the Attorney General or Division of Consumer Affairs' right to obtain documents, information, or testimony pursuant to any federal or state law, regulation, or rule.

9.2 The Attorney General or the Division of Consumer Affairs have the right to test shop Respondent for the purpose of confirming compliance with this Assurance and state law. The test shoppers are not required to disclose that they are representatives of the State of Tennessee when making contact with Respondent. Further, the State of Tennessee may record any or all aspects of its solicitations or visit(s) with Respondent in audio or video form without notice to Respondent. The Respondent agrees to void any sale that is commenced by a test shopper at the conclusion of the sale upon notification that it was test shopping conducted by the State.

10. PRIVATE RIGHT OF ACTION

10.1 Pursuant to Tenn. Code Ann. §§ 47-18-109 and 47-18-107(e), nothing in this Assurance shall be construed to affect any private right of action that a consumer/person may hold against Respondent.

11. PENALTY FOR FAILURE TO COMPLY

11.1 Pursuant to Tenn. Code Ann. § 47-18-107(c), Respondent understands that upon execution and filing of this Assurance, (subject to Section 13.24) any subsequent failure to comply

with the terms hereof is prima facie evidence of a violation of the Tennessee Consumer Protection Act.

11.2 Pursuant to Tenn. Code Ann. § 47-18-107(f), Respondent understands that any knowing violation of the terms of this Assurance shall be punishable by civil penalties of not more than One Thousand Dollars (\$1,000.00) for each violation, in addition to any other appropriate penalties and sanctions, including but not limited to contempt sanctions and the imposition of attorneys' fees and costs. Respondent agrees to pay all court costs and attorneys' fees associated with any successful petitions to enforce this Assurance and Agreed Order against the Respondent.

12. REPRESENTATIONS AND WARRANTIES

12.1 Respondent represents and warrants that the execution and delivery of this Assurance is its free and voluntary act, that this Assurance is the result of good faith negotiations, and that Respondent agrees that the Assurance and terms hereof are fair and reasonable. The parties warrant that they will implement the terms of this Assurance in good faith. Further, no offer, agreements, or inducements of any nature whatsoever have been made to it by the State of Tennessee, its attorneys or any employee of the Attorney General 's Office or the Division of Consumer Affairs to procure this Assurance.

12.2 Respondent represents that signatories to this Assurance have authority to act for and bind the Respondent and to act for and bind successors in interest.

12.3 Respondent and its successors in interest agree that any future, additional successors in interest shall be bound by the terms of this Assurance and Agreed Order.

12.4 Respondent warrants and represents that Fairfield Resorts, Inc. is the proper party to this Assurance and the accompanying Agreed Order.

12.5 Respondent warrants and represents that Fairfield Resorts, Inc. is the true legal name of the entity entering into this Assurance and accompanying Agreed Order.

12.6 Respondent represents and warrants that it will coordinate and cooperate with the Fairfield Glade Community Club to select an area for development and for the placement of sewer if additional lots are needed for eligible consumers selecting a lot trade option under this Assurance such that the expense associated with the placement of sewers will be reduced.

12.7 Respondent represents and warrants that its present business intent is to continue to develop its properties in Fairfield Glade, Tennessee. Further, Respondent represents and warrants, it will use its best efforts to cooperate and engage in good faith negotiations with Fairfield Glade Community Club to achieve a mutually agreeable plan of development at Fairfield Glade near Crossville intended to provide for paved roads, water, and sewer access for undeveloped lots on an ongoing basis. Development pursuant to such plan shall be conditioned on factors agreed upon by Respondent and the Fairfield Glade Community Club.

12.8 Respondent further acknowledges and understands that the Attorney General expressly relies upon all of the representations and warranties set forth herein, and that if they are false, unfair, deceptive, misleading or inaccurate, the Attorney General has the right to move to vacate or set aside this Assurance, if the Attorney General so elects.

13. GENERAL PROVISIONS

13.1 Respondent will not participate directly or indirectly in any activity to form a separate entity or corporation for the purpose of engaging in acts prohibited in this Assurance or for any other purpose which would otherwise circumvent any part of this Assurance or the spirit or purposes of this Assurance.

13.2 Neither Respondent nor anyone acting on its behalf shall state or imply or cause to be stated or implied that the Attorney General, the Division of Consumer Affairs, the Department of Commerce and Insurance, or any other governmental unit of the State of Tennessee approved, sanctioned, or authorized any practice, act, or conduct of the Respondent.

13.3 Acceptance of this Assurance by the State shall not be deemed approval by the State of any of Respondent's advertising or other business practices.

13.4 Within thirty (30) days of the entry of this Assurance, Respondent shall submit a copy of this Assurance to each of its officers, directors, employees and any third parties who act directly or indirectly on behalf of the Respondent as an agent, independent contractor or who are involved in conducting any lot sales in the State of Tennessee. Within forty-five (45) days of entry of this Assurance, Respondent shall provide the Attorney General with an affidavit verifying and certifying that all required persons, including any known successors in interest have been supplied with a copy of this Assurance.

13.5 This Assurance and the accompanying Agreed Order may only be enforced by the parties hereto.

13.6 The titles and headers to each section of this Assurance are for convenience purposes only and are not intended by the parties to lend meaning to the actual provisions of the Assurance.

13.7 This document shall not be construed against the "drafter" because both parties participated in the drafting of this document.

13.8 This Assurance and the accompanying Agreed Order constitutes the complete agreement of the parties with regard to the resolution of the matters set forth in the State's Petition. This Assurance is limited to resolving only matters set forth in the State's Petition.

13.9 Nothing in this Assurance shall be construed to limit the authority of the Attorney General to protect the interests of the State or the people of the State of Tennessee. In addition, this Assurance shall not bar the State, the Tennessee Department of Financial Institutions, the Tennessee Real Estate Commission, or any other governmental entity from enforcing laws, regulations or rules against Respondent.

13.10 Upon entry, this Assurance of Voluntary Compliance shall be binding and effective against Respondent and Respondent's corporate successors in interest, including other businesses, however organized, and assigns and upon said successors in interest of Respondent's interests at Fairfield Glade. The obligations, responsibilities, duties, rights and privileges set forth in this Assurance of Voluntary Compliance shall be binding upon Respondent, including Respondent's corporate successors in interest, or other types of businesses, however organized, who acquire Respondent's lots at Fairfield Glade in Crossville, Tennessee. The parties agree that the Attorney General will record the Agreed Order and Assurance of Voluntary Compliance, and all exhibits thereto, in the office of the Clerk of the Davidson County Circuit Court.

13.11 In the event the court does not approve this Assurance, this Assurance shall be of no force and effect against the State of Tennessee or Respondent.

13.12 Nothing in this Assurance constitutes an agreement by the State of Tennessee concerning the characterization of the amounts paid hereunder for purposes of any proceeding under the Internal Revenue Code or any state tax laws.

13.13 Respondent's payments under the terms of this Assurance constitute remedial action such as civil restitution in the public interest under the State's police power and shall not be considered in any form or manner as punitive in effect or nature for any purpose.

13.14 No waiver, modification, or amendment of the terms of this Assurance shall be valid or binding unless made in writing, signed by the both parties, approved by the Court and then only to the extent set forth in such written waiver, modification or amendment.

13.15 Any failure by any party to this Assurance and the Agreed Order to insist upon the strict performance by any other party of any of the provisions of this Assurance and the accompanying Agreed Order shall not be deemed a waiver of any of the provisions of this Assurance and the accompanying Agreed Order, and such party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Assurance and Agreed Order and the imposition of any applicable penalties, including but not limited to contempt, civil penalties and/or the payment of attorneys' fees to the State.

13.16 If any clause, provision or section of this Assurance shall, for any reason, be held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect any other clause, provision or section of this Assurance and this Assurance shall be construed and enforced as if such illegal, invalid or unenforceable clause, section or other provision had not be contained herein.

13.17 Respondent waives any and all challenges in law or equity to the entry of the Assurance and Agreed Order by the courts. Further, Respondent waives any right to appeal, petition for certiorari, move to reargue or rehear or to otherwise be heard in connection with any judicial proceedings under this Assurance and Agreed Order.

13.18 Time shall be of the essence with respect to each provision of this Assurance that requires action to be taken by either party within a stated time period or upon a specified date.

13.19 This Assurance sets forth the entire agreement between the parties, and there are no representations, agreements, arrangements, or understandings, oral or written, between the parties relating to the subject matter of this Assurance which are not fully expressed herein or attached hereto.

13.20 Respondent, Fairfield Resorts, Inc., f/k/a Fairfield Communities Inc. and Fairfield Land Development Company shall fully comply with all final Tennessee court orders to which it was a party, and the Fairfield Glade Community Club through its members as derivative shareholders was a party.

13.21 Nothing in this Assurance or the accompanying Agreed Order shall be construed to waive any claims of Sovereign Immunity the State may have in any action or proceeding.

13.22 Respondent hereby expressly waives and relinquishes any and all rights, remedies, appeals or other interests that they may possess to a jury trial or any derivative rights that flow from a trial by jury under the Tennessee Constitution or United States Constitution or any other law, regulation or rule.

13.23 If Respondent has fully complied with all the terms of this Assurance and state law and Respondent avers under oath to this Court that it has so complied with this Assurance and state law and Respondent will no longer sell lots in the State of Tennessee, Respondent may file a motion to relieve it of its obligations under the injunctive provisions of this Assurance, the Attorney General will not oppose such a motion.

13.24 If the Attorney General determines that Respondent has failed to comply with the terms of this Assurance and if in the Attorney General's sole discretion, the failure to comply does not threaten the health or safety of the citizens of the State of Tennessee or elsewhere, the Attorney

General agrees to notify Respondent of such failure to comply and Respondent shall have ten (10) days from receipt of the notice to provide a good faith written response to the Attorney General's determination. The response shall include at a minimum:

- (A) a sworn statement that Respondent is in full compliance with the Assurance;
- (B) a sworn statement providing a detailed explanation of how the alleged violation(s) occurred;
- (C) a sworn statement of what steps Respondent has taken to cure the alleged violation(s); or
- (D) a sworn statement that the alleged violation(s) cannot be reasonable cured within ten (10) days from receipt of the notice, but (i) Respondent has begun to take the corrective steps detailed in the statement to cure the violation(s); (ii) Respondent is diligently pursuing such corrective action with due and reasonable diligence; and (iii) Respondent has provided the Attorney General with a reasonable time table for curing each violation.

Nothing herein shall be construed to exonerate any contempt or failure to comply with any provision of this Order after the date of its entry, to compromise the authority of the Attorney General to initiate a proceeding for contempt, or to compromise the authority of the court to punish as contempt any violation of this Assurance and Agreed Order.

13.25 The parties agree that after entry of this Assurance, any consumer complaints regarding Respondent's business practices received by a State of Tennessee complaint-handling agency will be handled in the normal course of business as similar complaints received by the complaint-handling agency. Any such consumer complaints should be sent to: Fairfield Resorts, Attention: Consumer Affairs, 8427 South Park Circle, Suite 500, Orlando, Florida, 32819. If budget constraints alter the process by which complaints are handled by any State of Tennessee agency, the complaint agency may follow the same procedure being used to handle other complaints. Nothing

herein shall require any entity of the State of Tennessee to expend any funds to handle any complaint in any particularly unique or different manner.

14. COMPLIANCE WITH ALL LAWS, REGULATIONS AND RULES

14.1 Nothing in this Assurance and the accompanying Order shall be construed as relieving Respondent of the obligation to comply with all state and federal laws, regulations and rules.

15. FILING OF ASSURANCE

15.1 Following the execution of this Assurance, the Attorney General shall file in the Circuit Court for Davidson County a Petition, Agreed Order and this Assurance for the Court's approval. Respondent hereby waives any and all rights which it may have to be heard in connection with judicial proceedings upon the Petition. Respondent agrees to pay all costs of filing such Petition, Assurance and Agreed Order. Simultaneously with the execution of this Assurance, Respondent shall execute an Agreed Order. This Assurance is made a part of and is incorporated into the Agreed Order. The Respondent agrees that it consents to the entry of this Assurance and Agreed Order without further notice.

16. APPLICABILITY OF ASSURANCE TO RESPONDENT AND SUCCESSORS

16.1 Respondent and its corporate or other business successors in interest, however organized, agree that the duties, responsibilities, burdens and obligations undertaken in connection with this Assurance shall apply to it, to each of its officers, heirs, directors, managers, agents, assigns, representatives, employees, partners, subsidiaries, affiliates, parents, related entities, joint venturers, persons or other entities they control, manage or operate, Respondent's successors in interest and assigns, and to other persons or entities acting directly or indirectly on behalf of Respondent and Respondent's successors in interest or assigns.

17. NOTIFICATION TO STATE

17.1 For five (5) years following execution of this Assurance, Respondent shall notify the Office of the Attorney General, in writing, at least thirty (30) days prior to the effective date of any proposed changes in its corporate structure, such as dissolution, assignment, or sale resulting in the emergence of a successor corporation or firm, the creation or dissolution or subsidiaries, or any other changes in Respondent's status that may affect compliance with obligations arising out of this Assurance.

17.2 Any notices required to be sent to the State or the Respondent by this Assurance shall be sent by United States mail, certified mail return receipt requested or other nationally recognized courier service that provides for tracking services and identification of the person signing for the document. The documents shall be sent to the following addresses:

For the Attorney General:

Deputy Attorney General
Office of the Tennessee Attorney General
Consumer Advocate and Protection Division
Post Office Box 20207
Nashville, Tennessee 37202-0207
Tel: (615) 741-1671
Fax: (615) 532-2910

For the Respondent Fairfield Resorts, Inc. and Successors in Interest:

Fairfield Resorts, Inc.
Attention: General Counsel
Office of the General Counsel
8427 South Park Circle, Suite 500
Orlando, Florida 32819
Tel: (407) 370-5200
Fax: (407) 370-5222

18. FACSIMILE SIGNATURES

18.1 The parties agree and the Court approves that facsimile copies of a parties' signature may be attached to this Assurance and will constitute an original for the purposes of entering into this Assurance. The original signature page of the parties will be provided to the Attorney General as soon as practicable.

19. COURT COSTS

19.1 All costs associated with the filing and distribution of this Assurance and any other incidental costs or expenses incurred thereby shall be borne by Respondent. No costs shall be taxed against the State as provided by Tenn. Code Ann. § 47-18-116. Further, no discretionary costs shall be taxed to the State.

FOR THE ATTORNEY GENERAL OF THE STATE OF TENNESSEE:



PAUL G. SUMMERS
Attorney General & Reporter
B.P.R. No. 6285



MEREDITH DEVAULT
Senior Counsel
B.P.R. No. 9157



BRANT HARRELL
Assistant Attorney General
B.P.R. No. 24470
Office of the Tennessee Attorney General
Consumer Advocate and Protection Division
Post Office Box 20207
Nashville, TN 37202-0207
Tel: (615) 532-9299
Fax: (615) 532-2910

APPROVED BY:

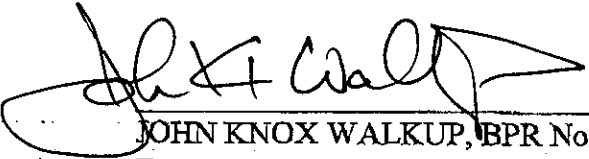


MARY CLEMENT
DIRECTOR
Division of Consumer Affairs
Department of Commerce and Insurance
500 James Robertson Parkway
5th Floor, Davy Crockett Tower
Nashville, TN 37243-0600
(615) 741-4737

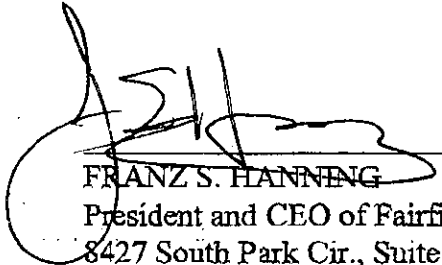
FOR RESPONDENT:



MIKE MOORE, ESQ., MSB 3452
MIKE MOORE LAW FIRM
10 Canebroke Blvd. Ste. 150
P.O. Box 321048
Flowood, MS 39232
Tel: 601 933 0070
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Attorney for Respondent



JOHN KNOX WALKUP, BPR No. 007776
Tennessee counsel for Respondent
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2525 West End Avenue
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FRANZ S. HANNING
President and CEO of Fairfield Resorts, Inc.
8427 South Park Cir., Suite 500
Orlando, FL 32819
Tel: 407-370-5202
Fax: 407-370-5292

98828

EXHIBIT A

Copy

STATE OF TENNESSEE

Office of the Attorney General



FILED
2006 AUG 29 PM 2:10
RICHARD R. ROOKER, CLERK
P. W. M.

ANDY D. BENNETT
CHIEF DEPUTY ATTORNEY GENERAL

PAUL G. SUMMERS
ATTORNEY GENERAL AND REPORTER

MICHAEL E. MOORE
SOLICITOR GENERAL

LUCY HONEY HAYNES
ASSOCIATE CHIEF DEPUTY
ATTORNEY GENERAL

MAILING ADDRESS
P. O. BOX 20207
NASHVILLE, TN 37202

CORDELL HULL AND JOHN SEVIER
STATE OFFICE BUILDINGS

TELEPHONE 615-741-3491
FACSIMILE 615-741-2009

(Insert Date)

**IMPORTANT: YOU MUST RESPOND BY NO LATER THAN (INSERT DATE)
TO BE ELIGIBLE UNDER THE AGREEMENT**

Consumer Name
Consumer Address
Consumer Address

RE: *State of Tennessee v. Fairfield Resorts, Inc.*, Davidson County Circuit Court
Case No. _____/Your Eligibility for Refund or Other Relief

Dear Consumer:

Attorney General Paul G. Summers and the Director of the Division of Consumer Affairs, Mary Clement, have reached a court approved agreement with Fairfield Resorts, Inc. regarding Fairfield Glade near Crossville, Tennessee. The agreement concerns the past sale of real estate lots at Fairfield Glade, Tennessee. Records indicate that you own or have owned a lot at Fairfield Glade, near Crossville, Tennessee. Records also indicate that you may have received incorrect information regarding the effect of a bankruptcy filed by Fairfield Communities, Inc. in 1992.

Contrary to what you were told, your rights pertinent to Fairfield or the Community Club may not have been cut off by the bankruptcy of Fairfield Communities, Inc. You may now be eligible for a refund or other relief under the agreement.

Bankruptcy Category Letter

Page 2

PLEASE NOTE, YOU MUST SIGN AND RETURN THE ATTACHED CONSUMER RELIEF CLAIM FORM IN THE ENCLOSED ADDRESSED, POSTAGE PRE-PAID ENVELOPE BY NO LATER THAN (INSERT DATE) TO BE ELIGIBLE FOR A REFUND OR OTHER RELIEF.

Under the terms of the agreement, consumers have been divided into three categories based upon the current ownership status of the lot. Because we do not know your current lot status, we do not yet know which category you (if any) will fall into for consumer relief. Below are summaries of each category.

- (1) Current Undeveloped Lot Owner Category: This category is for consumers who still own their Fairfield Glade lot and that lot remains undeveloped. An undeveloped lot is a real estate lot not serviced by water, sewer and paved roads. There are two relief options available to this category of consumers.
 - (A) The first option allows you to deed your lot back to Fairfield Resorts, Inc. for a refund of 65% of the purchase price you paid for the lot. If the lot was inherited or gifted to you, the refund shall be 65% of the purchase price paid by the assignor/person from whom the lot was inherited or the person who gave you the lot. Should you choose this option, the necessary deed transfer form will be mailed to you by Fairfield Resorts upon their receipt of your Consumer Relief Claim Form; or
 - (B) You may elect to trade your undeveloped lot for a Fairfield Resorts owned, developed lot at Fairfield Glade. A developed lot is a real estate lot serviced by water, sewer, and paved roads. If you wish to trade your lot, the developed lot you will receive from Fairfield Resorts will have a current purchase price of at least the price you paid for your lot, and the trade will be at no cost to you. This option is available on a first come, first served basis only. Fairfield Resorts has a limited number of lots available ready to trade. However, if you choose this lot trade option but no additional developed lots are available, you may choose to be placed on a waiting list for a lot which will be developed within eleven (11) months. If you choose this lot trade option but no additional developed lots are available and you do not wish to be placed on a waiting list, you may choose instead to receive 65% of the purchase price you paid for the lot. If the lot was inherited or gifted to you, the refund shall be 65% of the purchase price paid by the assignor/person from whom the lot was inherited or the person who gave you the lot. Should you choose this option, the necessary deed transfer form will be mailed to you by Fairfield Resorts upon their receipt of your Consumer Relief Claim Form.

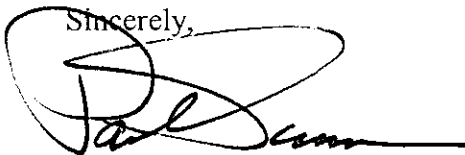
Bankruptcy Category Letter

Page 3

- (2) Lot Sold Category: Under the terms of the agreement, if you sold your Fairfield Glade lot for less than 30% of your purchase price, you are eligible to receive a refund of 50% of their purchase price, less the amount for which the lot was sold, plus all expenses associated with the sale. If the lot was inherited or gifted to you, the refund shall be determined based on the purchase price paid by the assignor/person from whom the lot was inherited or the person who gave you the lot.
- (3) Lot Lost due to Foreclosure, Deed in Lieu of Foreclosure or Voluntary Surrender: Under the terms of the settlement, consumers who lost their Fairfield Glade lot due to foreclosure, deed in lieu of foreclosure or voluntary surrender are eligible for a refund of 50% of the assessments paid by you to the Fairfield Glade Community Club.

Enclosed is the Consumer Relief Claim Form. Based upon responses to the questions on the claim form, you should be able to determine the appropriate complaint category and choose your desired relief option. **Please note you may be asked to provide additional information before receiving any consumer relief.**

My Office and the Division of Consumer Affairs are pleased to be able to offer you these options as part of our agreement. If you have any questions about this consumer relief program, you may call Fairfield Resorts Consumer Affairs toll-free at 1-866-324-8599.

Sincerely,

PAUL G. SUMMERS
Attorney General

cc: Meredith Devault

98708

EXHIBIT B

STATE OF TENNESSEE

Office of the Attorney General



FILED
2006 AUG 29 PM 2:10
RICHARD R. ROCKER, CLERK

ANDY D. BENNETT
CHIEF DEPUTY ATTORNEY GENERAL

PAUL G. SUMMERS
ATTORNEY GENERAL AND REPORTER

MICHAEL E. MOORE
SOLICITOR GENERAL

LUCY HONEY HAYNES
ASSOCIATE CHIEF DEPUTY
ATTORNEY GENERAL

MAILING ADDRESS
P.O. BOX 20207
NASHVILLE, TN 37202

CORDELL HULL AND JOHN SEVIER
STATE OFFICE BUILDINGS
TELEPHONE 615-741-3491
FACSIMILE 615-741-2009

(Insert Date)

**IMPORTANT: YOU MUST RESPOND BY NO LATER THAN (INSERT DATE)
TO BE ELIGIBLE UNDER THE SETTLEMENT**

Consumer Name
Consumer Address
Consumer Address

RE: *State of Tennessee v. Fairfield Resorts, Inc.*, Davidson County Circuit Court
Case No. _____ /Your Eligibility for Refund or Other Relief in "Lot Lost
due to Foreclosure, Deed in Lieu of Foreclosure or Voluntary Surrender Category"

Dear Consumer:

Attorney General Paul G. Summers and the Director of the Division of Consumer Affairs Mary Clement have reached a court approved agreement with Fairfield Resorts, Inc. regarding Fairfield Glade in Crossville, Tennessee. The agreement concerns the past sale of real estate lots at Fairfield Glade, Tennessee. Records indicate that you filed a complaint regarding your purchase of a Fairfield Glade lot, therefore, you may be eligible for a refund or other relief under the settlement. **PLEASE NOTE, YOU MUST SIGN AND RETURN THE ATTACHED CONSUMER RELIEF CLAIM FORM IN THE ENCLOSED ADDRESSED, POSTAGE PRE-PAID ENVELOPE BY NO LATER THAN (INSERT DATE) TO BE ELIGIBLE FOR RESTITUTION.**

Under the terms of the settlement, consumers have been divided into three categories based upon the substance of their complaints. Records have placed you in the "Lot Lost due to

Lot Lost Due to Foreclosure Category Letter

Page 2

Foreclosure, Deed in Lieu of Foreclosure or Voluntary Surrender” category. Under the terms of the settlement, as a consumer who lost your Fairfield Glade lot due to foreclosure, deed in lieu of foreclosure or voluntary surrender, you are eligible for a refund of 50% of the assessments you paid to the Fairfield Glade Community Club.

Again, you must sign the Consumer Relief Claim Form and return it by no later than (INSERT 60 DAYS) to be eligible for a refund or other relief under this settlement.

If you believe you have been incorrectly placed in the “Lot lost due to foreclosure, deed in lieu of foreclosure or voluntary surrender” consumer relief category, please contact Fairfield Resorts by calling, toll free, 1-866-324-8599. If you and Fairfield Resorts are unable to agree on your consumer relief category, you may request an arbitration request form from Fairfield Resorts. You will have 60 days to return the arbitration form. There is no cost to you for the arbitration program.

Under the terms of the agreement, consumers have been divided into three categories. Below are summaries of each category.

- (1) Current Undeveloped Lot Owner Category: This category is for consumers who still own their Fairfield Glade lot and that lot remains undeveloped. An undeveloped lot is a real estate lot not serviced by water, sewer and paved roads. There are two relief options available to this category of consumers.
 - (A) The first option allows you to deed your lot back to Fairfield Resorts, Inc. for a refund of 65% of the purchase price you paid for the lot. If the lot was inherited or gifted to you, the refund shall be 65% of the purchase price paid by the assignor/person from whom the lot was inherited or the person who gave you the lot. Should you choose this option, the necessary deed transfer form will be mailed to you by Fairfield Resorts upon their receipt of your Consumer Relief Claim Form.
 - (B) You may elect to trade your undeveloped lot for a Fairfield Resorts owned, developed lot at Fairfield Glade. A developed lot is a real estate lot serviced by water, sewer, and paved roads. If you wish to trade your lot, the developed lot you will receive from Fairfield Resorts will have a current purchase price of at least the price you paid for your lot, and the trade will be at no cost to you. This option is available on a first come, first served basis only. Fairfield Resorts has a limited number of lots available ready to trade. However, if you choose this lot trade option but no additional developed lots are available, you may choose to be placed on a waiting list for a lot which will be developed within eleven (11) months. If you choose this lot trade option but no additional developed lots are

Lot Lost Due to Foreclosure Category Letter
Page 3

available and you do not wish to be placed on a waiting list, you may choose instead to receive 65% of the purchase price you paid for the lot. If the lot was inherited or gifted to you, the refund shall be 65% of the purchase price paid by the assignor/person from whom the lot was inherited or the person who gave you the lot. Should you choose this option, the necessary deed transfer form will be mailed to you by Fairfield Resorts upon their receipt of your Consumer Relief Claim Form.

- (2) Lot Sold Category: Under the terms of the agreement, if you sold your Fairfield Glade lot for less than 30% of your purchase price, you are eligible to receive a refund of 50% of their purchase price, less the amount for which the lot was sold, plus all expenses associated with the sale. If the lot was inherited or gifted to you, the refund shall be determined based on the purchase price paid by the assignor/person from whom the lot was inherited or the person who gave you the lot; or
- (3) Lot Lost due to Foreclosure, Deed in Lieu of Foreclosure or Voluntary Surrender: Under the terms of the settlement, consumers who lost their Fairfield Glade lot due to foreclosure, deed in lieu of foreclosure or voluntary surrender are eligible for a refund of 50% of the assessments paid by you to the Fairfield Glade Community Club.

My Office and the Division of Consumer Affairs are pleased to be able to offer you this option as part of our settlement. If you have any questions about this consumer relief program, you may call Fairfield Resorts Consumer Affairs toll-free at 1-866-324-8599. Please understand a large number of consumers are eligible for relief under this program so it may take a little while for you to receive a response.

Sincerely,



PAUL G. SUMMERS
Attorney General

cc: Meredith Devault



Copy

**FAIRFIELD GLADE
TENNESSEE ATTORNEY GENERAL AGREEMENT
CONSUMER RELIEF SOLD/FORECLOSED LOT CLAIM FORM**

**IMPORTANT NOTE: THIS FORM MUST BE RETURNED TO:
FAIRFIELD RESORTS, INC. USING THE ENCLOSED SELF-ADDRESSED
STAMPED ENVELOPE NO LATER THAN (INSERT DATE)
TO BE ELIGIBLE FOR CONSUMER RELIEF UNDER
THE ATTORNEY GENERAL'S AGREEMENT**

Consumer's Name: _____
Address: _____
Fairfield Contract: _____ Addition () _____ Lot() _____ Block() _____

INSTRUCTIONS:

If any of the above information is incorrect, please print the correct information in the corrected information box below. Then, follow the steps listed below. If you need any assistance understanding or completing this form, contact a Fairfield Resorts Consumer Affairs representative at (866) 324-8599 or e-mail Fairfield at fairfieldconsumeraffairs@fairfieldresorts.com.

FOR CORRECTED INFORMATION ONLY:
Name: _____
Address: _____
Fairfield Lot Information (addition, lot, block) _____

Current Lot Status: Records reflect that you sold your lot or lost your lot at Fairfield Glade through foreclosure, voluntary surrender or deed in lieu of foreclosure. Please check one of the following boxes

- Still own your lot.
- Sold your lot.
- Lost your lot through foreclosure, voluntary surrender or deed in lieu of foreclosure.
- Other. Please explain _____

If you believe you have been incorrectly placed in the Foreclosed Lot consumer relief category, please contact Fairfield Resorts by calling, toll free, 1-866-324-8599. If you and Fairfield Resorts are unable to agree on your consumer relief category, you may request an arbitration request form from Fairfield Resorts. You will have 60 days to return the form. There is no cost to you for the arbitration program.

TELEPHONE CONTACT INFORMATION

Daytime telephone: _____ Evening telephone: _____

THIS INFORMATION WILL NOT BE USED FOR MARKETING PURPOSES ONLY TO CONTACT YOU ABOUT THIS CLAIM FORM AND CLAIM PROCESS, IF NECESSARY**STEP 1: CONSUMER CONFIRMATION:***(Select One)*

- I am the consumer(s) printed above.
- I am the successor or heir of the consumer printed above.
- I am neither the consumer printed above or the successor/heir. (Please contact Fairfield Resorts using the telephone number or email listed above.)
- Other. Please explain _____

STEP 2: PURCHASE CONFIRMATION FOR THE ABOVE-REFERENCED LOT*(Select One)*

- This lot was purchased directly from Fairfield.
- This lot was purchased from an entity other than Fairfield. (Please provide purchase documentation, including the price you paid for the lot, when you return this form.)
- Other. Please explain _____
- Unknown. (Please contact Fairfield Resorts using the telephone number or email listed above.)

STEP 3: CURRENT OWNERSHIP STATUS CONFIRMATION AND ASSOCIATED RELIEF*(Select One)*

- I lost my lot due to foreclosure, voluntary surrender or deed in lieu of foreclosure.
- I sold my lot.
- Other. Please explain _____

PLEASE CONTINUE COMPLETING THE INFORMATION ON THE NEXT PAGE 

STATE OF TENNESSEE

Office of the Attorney General



PAUL G. SUMMERS
ATTORNEY GENERAL AND REPORTER

MAILING ADDRESS

P.O. BOX 20207
NASHVILLE, TN 37202

INSERT DATE

ANDY D. BENNETT
CHIEF DEPUTY ATTORNEY GENERAL

LUCY HONEY HAYNES
ASSOCIATE CHIEF DEPUTY
ATTORNEY GENERAL

MICHAEL E. MOORE
SOLICITOR GENERAL

CORDELL HULL AND JOHN SEVIER
STATE OFFICE BUILDINGS

TELEPHONE 615-741-3491
FACSIMILE 615-741-2009

**IMPORTANT: YOU MUST RESPOND BY NO LATER THAN (INSERT DATE)
TO BE ELIGIBLE UNDER THE SETTLEMENT**

Consumer Name
Consumer Address
Consumer Address

RE: *State of Tennessee v. Fairfield Resorts, Inc.*, Davidson County Circuit Court
Case No. _____ /Your Eligibility for Refund or Other Relief in "Consumer
Sold Lot Category"

Dear Consumer:

Attorney General Paul G. Summers and the Director of the Division of Consumer Affairs, Mary Clement, have reached a court approved agreement with Fairfield Resorts, Inc. regarding Fairfield Glade near Crossville, Tennessee. The settlement concerns the past sale of real estate lots at Fairfield Glade, Tennessee. Records indicate that you filed a complaint regarding your purchase of a Fairfield Glade lot; therefore, you may be eligible for a refund or other relief under the settlement. **PLEASE NOTE, YOU MUST SIGN AND RETURN THE ATTACHED CONSUMER RELIEF CLAIM FORM IN THE ENCLOSED ADDRESSED, POSTAGE PRE-PAID ENVELOPE BY NO LATER THAN (INSERT 60 DAYS) TO BE ELIGIBLE FOR RESTITUTION.**

Under the terms of the settlement, consumers have been divided into three categories based upon the substance of their complaints. Records have placed you in the "Consumer Sold their Lot" category. Under the terms of the agreement, if you sold your Fairfield Glade lot for less than 30% of your purchase price, you are eligible to receive a refund of 50% of their purchase price, less the amount for which the lot was sold, plus all expenses associated with the sale. If the lot was inherited or gifted to you, the refund shall be determined based on the purchase price paid

Consumer Lot Sold Category Letter

Page 2

by the assignor/person from whom the lot was inherited or the person who gave you the lot

Again, you must sign the Consumer Relief Claim Form and return it by no later than (insert 60 days) to be eligible for a refund or other relief under this settlement.

If you believe you have been *incorrectly* placed in the “Consumer Lot Sold” consumer relief category, please contact Fairfield Resorts by calling, toll free, 1-866-324-8599. If you and Fairfield Resorts are unable to agree on your consumer relief category, you may request an arbitration request form from Fairfield Resorts. You will have 60 days to return the arbitration form. There is no cost to you for the arbitration program.

Under the terms of the agreement, consumers have been divided into three categories. Below are summaries of each category.

(1) Current Undeveloped Lot Owner Category: This category is for consumers who still own their Fairfield Glade lot and that lot remains undeveloped. An undeveloped lot is a real estate lot not serviced by water, sewer and paved roads. There are two relief options available to this category of consumers.

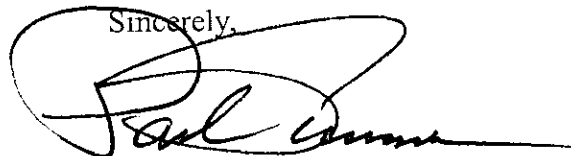
(A) The first option allows you to deed your lot back to Fairfield Resorts, Inc. for a refund of 65% of the purchase price you paid for the lot. If the lot was inherited or gifted to you, the refund shall be 65% of the purchase price paid by the assignor/person from whom the lot was inherited or the person who gave you the lot. Should you choose this option, the necessary deed transfer form will be mailed to you by Fairfield Resorts upon their receipt of your Consumer Relief Claim Form; or

(B) You may elect to trade your undeveloped lot for a Fairfield Resorts owned, developed lot at Fairfield Glade. A developed lot is a real estate lot serviced by water, sewer, and paved roads. If you wish to trade your lot, the developed lot you will receive from Fairfield Resorts will have a current purchase price of at least the price you paid for your lot, and the trade will be at no cost to you. This option is available on a first come, first served basis only. Fairfield Resorts has a limited number of lots available ready to trade. However, if you choose this lot trade option but no additional developed lots are available, you may choose to be placed on a waiting list for a lot which will be developed within eleven (11) months. If you choose this lot trade option but no additional developed lots are available and you do not wish to be placed on a waiting list, you may choose instead to receive 65% of the purchase price you paid for the lot. If the lot was inherited or gifted to you, the refund shall be 65% of the purchase price paid by the assignor/person from whom the lot was inherited or the person who gave you the lot. Should you choose this option, the necessary deed transfer form will be mailed to you by Fairfield Resorts upon their receipt of your Consumer Relief Claim Form.

Consumer Lot Sold Category Letter
Page 3

- (2) Lot Sold Category: Under the terms of the agreement, if you sold your Fairfield Glade lot for less than 30% of your purchase price, you are eligible to receive a refund of 50% of their purchase price, less the amount for which the lot was sold, plus all expenses associated with the sale. If the lot was inherited or gifted to you, the refund shall be determined based on the purchase price paid by the assignor/person from whom the lot was inherited or the person who gave you the lot.
- (3) Lot Lost due to Foreclosure, Deed in Lieu of Foreclosure or Voluntary Surrender: Under the terms of the settlement, consumers who lost their Fairfield Glade lot due to foreclosure, deed in lieu of foreclosure or voluntary surrender are eligible for a refund of 50% of the assessments paid by you to the Fairfield Glade Community Club.

My Office and the Division of Consumer Affairs are pleased to be able to offer you this option as part of our settlement. If you have any questions regarding this consumer relief program, you may call Fairfield Resorts Consume Affairs toll-free at 1-866-324-8599. Please understand a large number of consumers are eligible for relief under this program so it may take a little while for you to receive a response.

Sincerely,

PAUL G. SUMMERS
Attorney General

cc: Meredith Devault

98321



Copy

**FAIRFIELD GLADE
TENNESSEE ATTORNEY GENERAL AGREEMENT
CONSUMER RELIEF SOLD/FORECLOSED LOT CLAIM FORM**

**IMPORTANT NOTE: THIS FORM MUST BE RETURNED TO:
FAIRFIELD RESORTS, INC. USING THE ENCLOSED SELF-ADDRESSED
STAMPED ENVELOPE NO LATER THAN (INSERT DATE)
TO BE ELIGIBLE FOR CONSUMER RELIEF UNDER
THE ATTORNEY GENERAL'S AGREEMENT**

Consumer's Name: _____
Address: _____
Fairfield Contract: _____ Addition () _____ Lot() _____ Block() _____

INSTRUCTIONS:

If any of the above information is incorrect, please print the correct information in the corrected information box below. Then, follow the steps listed below. If you need any assistance understanding or completing this form, contact a Fairfield Resorts Consumer Affairs representative at (866) 324-8599 or e-mail Fairfield at fairfieldconsumeraffairs@fairfieldresorts.com.

FOR CORRECTED INFORMATION ONLY:
Name: _____
Address: _____
Fairfield Lot Information (addition, lot, block) _____

Current Lot Status: Records reflect that you sold your lot or lost your lot at Fairfield Glade through foreclosure, voluntary surrender or deed in lieu of foreclosure. Please check one of the following boxes

- Still own your lot.
- Sold your lot.
- Lost your lot through foreclosure, voluntary surrender or deed in lieu of foreclosure.
- Other. Please explain _____

If you believe you have been incorrectly placed in the Sold/Foreclosed Lot consumer relief category, please contact Fairfield Resorts by calling, toll free, 1-866-324-8599. If you and Fairfield Resorts are unable to agree on your consumer relief category, you may request an arbitration request form from Fairfield Resorts. You will have 60 days to return the form. There is no cost to you for the arbitration program.

TELEPHONE CONTACT INFORMATION

Daytime telephone: _____ Evening telephone: _____

THIS INFORMATION WILL NOT BE USED FOR MARKETING PURPOSES ONLY TO CONTACT YOU ABOUT THIS CLAIM FORM AND CLAIM PROCESS, IF NECESSARY

STEP 1: CONSUMER CONFIRMATION:

(Select One)

- I am the consumer(s) printed above.
- I am the successor or heir of the consumer printed above.
- I am neither the consumer printed above or the successor/heir. (Please contact Fairfield Resorts using the telephone number or email listed above.)
- Other. Please explain _____

STEP 2: PURCHASE CONFIRMATION FOR THE ABOVE-REFERENCED LOT

(Select One)

- This lot was purchased directly from Fairfield.
- This lot was purchased from an entity other than Fairfield. (Please provide purchase documentation, including the price you paid for the lot, when you return this form.)
- Other. Please explain _____
- Unknown. (Please contact Fairfield Resorts using the telephone number or email listed above.)

STEP 3: CURRENT OWNERSHIP STATUS CONFIRMATION AND ASSOCIATED RELIEF

(Select One)

- I lost my lot due to foreclosure, voluntary surrender or deed in lieu of foreclosure.
- I sold my lot.
- Other. Please explain _____

PLEASE CONTINUE COMPLETING THE INFORMATION ON THE NEXT PAGE 

STEP 4: RETURN THIS COMPLETED FORM TO FAIRFIELD RESORTS, INC.

Carefully review this form to make sure you have completed and responded to all requested information.

PLEASE KEEP A COPY OF THIS CONSUMER RELIEF FORM, COVER LETTER AND ANY ATTACHMENTS FOR YOUR RECORDS. Return this form no later than (Insert Date) in the pre-addressed, postage paid envelope provided. Be sure that you have completed all of the steps above and sign and date below. Include any documentation requested, if applicable. Please be advised under the agreement and state law, participation in this claim process will not release or waive any private right of action you may have against Fairfield. If you have provided all the information requested and are eligible for relief, you will receive your deed transfer form or refund from Fairfield in ___ weeks.

**Return this form in the postage paid self-addressed envelope to:
Fairfield Resorts, Inc.
8427 South Park Circle, Suite 500
Orlando, FL 32819
Attn: Consumer Affairs TN AG Agreement**

Print Consumer Name

Consumer Signature

Date

If lot is jointly owned, each consumer owning the lot needs to sign this form.

Print Consumer Name

Consumer Signature

Date

Print Consumer Name

Consumer Signature

Date

STATE OF TENNESSEE

Office of the Attorney General



PAUL G. SUMMERS
ATTORNEY GENERAL AND REPORTER

MAILING ADDRESS

P.O. BOX 20207
NASHVILLE, TN 37202

MICHAEL E. MOORE
SOLICITOR GENERAL

CORDELL HULL AND JOHN SEVIER
STATE OFFICE BUILDINGS

TELEPHONE 615-741-3491
FACSIMILE 615-741-2009

ANDY D. BENNETT
CHIEF DEPUTY ATTORNEY GENERAL

LUCY HONEY HAYNES
ASSOCIATE CHIEF DEPUTY
ATTORNEY GENERAL

(Insert Date)

IMPORTANT: YOU MUST RESPOND BY NO LATER THAN (INSERT DATE)
TO BE ELIGIBLE UNDER THE SETTLEMENT

Consumer Name
Consumer Address
Consumer Address

RE: State of Tennessee v. Fairfield Resorts, Inc., Davidson County Circuit Court
Case No. _____/Your Eligibility for Refund or Other Relief in "Current
Undeveloped Lot Owner Category"

Dear Consumer:

Attorney General Paul G. Summers and the Director of the Division of Consumer
Affairs Mary Clement have reached a court approved agreement with Fairfield Resorts, Inc.
regarding Fairfield Glade near Crossville, Tennessee. The agreement concerns the past sale of
real estate lots at Fairfield Glade, Tennessee. Records indicate that you filed a complaint
regarding your purchase of a Fairfield Glade lot; therefore, you may be eligible for a refund or
other relief under the settlement. PLEASE NOTE, YOU MUST SIGN AND RETURN THE
ATTACHED CONSUMER RELIEF CLAIM FORM IN THE ENCLOSED ADDRESSED,
POSTAGE PRE-PAID ENVELOPE BY NO LATER THAN (INSERT DATE) TO BE
ELIGIBLE FOR A REFUND OR OTHER RELIEF.

Under the terms of the agreement, consumers have been divided into three categories
based upon the substance of their complaints. Consumers with developed lots or with an existing
home on their lot are not eligible for consumer relief under the terms of the agreement. Records
have placed you in the "Current Undeveloped Lot Owner" category. As the current owner of an
undeveloped lot at Fairfield Glade, there are two restitution options available to you:

Current Undeveloped Lot Owner Category Letter
Page 2

(A) The first option allows you to deed your lot back to Fairfield Resorts, Inc. for a refund of 65% of the purchase price you paid for the lot. If the lot was inherited or gifted to you, the refund shall be 65% of the purchase price paid by the assignor/person from whom the lot was inherited or the person who gave you the lot. Should you choose this option, the necessary deed transfer form will be mailed to you by Fairfield Resorts upon their receipt of your Consumer Relief Claim Form; or

(B) You may elect to trade your undeveloped lot for a Fairfield Resorts owned, developed lot at Fairfield Glade. A developed lot is a real estate lot serviced by water, sewer, and paved roads. If you wish to trade your lot, the developed lot you will receive from Fairfield Resorts will have a current purchase price of at least the price you paid for your lot, and the trade will be at no cost to you. This option is available on a first come, first served basis only. Fairfield Resorts has a limited number of lots available ready to trade. However, if you choose this lot trade option but no additional developed lots are available, you may choose to be placed on a waiting list for a lot which will be developed within eleven (11) months. If you choose this lot trade option but no additional developed lots are available and you do not wish to be placed on a waiting list, you may choose instead to receive 65% of the purchase price you paid for the lot. If the lot was inherited or gifted to you, the refund shall be 65% of the purchase price paid by the assignor/person from whom the lot was inherited or the person who gave you the lot. Should you choose this option, the necessary deed transfer form will be mailed to you by Fairfield Resorts upon their receipt of your Consumer Relief Claim Form.

Again, you must sign the Consumer Relief Claim Form and return it by no later than (INSERT 60 DAYS) to be eligible for a refund or other relief under this settlement.

If you believe you have been incorrectly placed in the Current Undeveloped Lot Owner consumer relief category, please contact Fairfield Resorts by calling, toll free, 1-866-324-8599. If you and Fairfield Resorts are unable to agree on your consumer relief category, you may request an arbitration request form from Fairfield Resorts. You will have 60 days to return the arbitration form. There is no cost to you for the arbitration program.

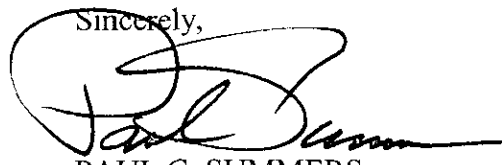
Under the terms of the agreement, consumers have been divided into three categories. Below are summaries of the other two categories.

- (1) Lot Sold Category: Under the terms of the agreement, if you sold your Fairfield Glade lot for less than 30% of your purchase price, you are eligible to receive a refund of 50% of your purchase price, less the amount for which the lot was sold, plus all expenses associated with the sale. If the lot was inherited or gifted to you, the refund shall be determined based on the purchase price paid by the assignor/person from whom the lot was inherited or the person who gave you the lot.

Current Undeveloped Lot Owner Category Letter
Page 3

- (2) Lot Lost due to Foreclosure, Deed in Lieu of Foreclosure or Voluntary Surrender:
Under the terms of the settlement, consumers who lost their Fairfield Glade lot due to foreclosure, deed in lieu of foreclosure or voluntary surrender are eligible for a refund of 50% of the assessments paid by you to the Fairfield Glade Community Club.

My Office and the Division of Consumer Affairs are pleased to be able to offer you these options as part of our settlement. If you have any questions about this consumer relief program, you may call Fairfield Resorts Consumer Affairs toll-free at 1-866-324-8599. Please understand a large number of consumers are eligible for relief under this program so it may take a little while for you to receive a response.

Sincerely,

PAUL G. SUMMERS
Attorney General

cc: Meredith Devault

98320



Copy

FAIRFIELD GLADE TENNESSEE ATTORNEY GENERAL AGREEMENT CONSUMER RELIEF LOT OWNER CLAIM FORM

**IMPORTANT NOTE: THIS FORM MUST BE RETURNED TO:
FAIRFIELD RESORTS, INC. USING THE ENCLOSED SELF-ADDRESSED
STAMPED ENVELOPE NO LATER THAN (INSERT DATE)
TO BE ELIGIBLE FOR CONSUMER RELIEF UNDER
THE ATTORNEY GENERAL'S AGREEMENT**

Consumer's Name: (variable) _____
Address:(variable) _____
Fairfield Contract (variable) _____ Addition () _____ Lot() _____ Block() _____

INSTRUCTIONS:

If any of the above information is incorrect, please print the correct information in the corrected information box below. Then, follow the steps listed below. If you need any assistance understanding or completing this form, contact a Fairfield Resorts Consumer Affairs representative at (866) 324-8599 or email Fairfield at fairfieldconsumeraffairs@fairfieldresorts.com.

FOR CORRECTED INFORMATION ONLY:
Name: _____
Address: _____
Fairfield Lot Information (addition, lot, block) _____

Current Lot Status: Records reflect that you currently own the above lot at Fairfield Glade. If you do not own the lot, please indicate if you have:

- Sold your lot.
- Lost your lot through foreclosure, voluntary surrender or deed in lieu of foreclosure.
- Other. Please explain _____

Please Note: If you own a developed lot or a lot with an existing home built on it, you are not eligible for relief under the agreement.

If you believe you have been incorrectly placed in a consumer relief category, please contact Fairfield Resorts by calling, toll free, 1-866-324-8599. If you and Fairfield Resorts are unable to agree on your consumer relief category, you may request an arbitration request form from Fairfield Resorts. You will have 60 days to return the form. There is no cost to you for the arbitration program.

TELEPHONE CONTACT INFORMATION

Daytime telephone: _____ Evening telephone: _____

THIS INFORMATION WILL NOT BE USED FOR MARKETING PURPOSED ONLY TO CONTACT YOU ABOUT THIS CLAIM FORM AND CLAIM PROCESS, IF NECESSARY

PLEASE CONTINUE COMPLETING THE INFORMATION ON THE BACK OF THIS PAGE → STEP 1: CONSUMER CONFIRMATION: (Select One)

- I am the consumer(s) printed above.
- I am the successor or heir of the consumer printed above.
- I am neither the consumer printed above or the successor/heir. (Please contact Fairfield Resorts using the telephone number or email listed above.)
- Other. Please explain _____

STEP 2: PURCHASE CONFIRMATION FOR THE ABOVE-REFERENCED LOT (Select One)

- This lot was purchased directly from Fairfield.
- This lot was purchased from an entity other than Fairfield. (Please provide purchase documentation, including the price you paid for the lot, when you return this form.)
- Other. Please explain _____
- Unknown. (Please contact Fairfield Resorts using the telephone number or email listed above.)

STEP 3: CURRENT OWNERSHIP STATUS CONFIRMATION AND ASSOCIATED RELIEF (Select One)

- The lot I currently own is undeveloped. If you currently own a developed lot (i.e. a lot serviced by paved roads, water, and sewer), you are not eligible. Choose one of the two options listed below.
 - Trade my lot to Fairfield for a Fairfield-owned developed lot.
 - Deed my lot back to Fairfield and receive a refund of 65% of my purchase price.
- Other. Please explain _____

PLEASE CONTINUE COMPLETING THE INFORMATION ON THE NEXT PAGE →

STEP 4: RETURN THIS COMPLETED FORM TO FAIRFIELD RESORTS, INC.

Carefully review this form to make sure you have completed and responded to all requested information.

PLEASE KEEP A COPY OF THIS CONSUMER RELIEF FORM, COVER LETTER AND ANY ATTACHMENTS FOR YOUR RECORDS. Return this form no later than (Insert Date) in the pre-addressed, postage paid envelope provided. Be sure that you have completed all of the steps above and sign and date below. Include any documentation requested, if applicable. Please be advised under the agreement and state law, participation in this claim process will not release or waive any private right of action you may have against Fairfield. If you have provided all the information requested and are eligible for relief, you will receive your deed transfer form or refund from Fairfield in ___ weeks.

**Return this form in the postage paid self-addressed envelope to:
Fairfield Resorts, Inc.
8427 South Park Circle, Suite 500
Orlando, FL 32819
Attn: Consumer Affairs TN AG Agreement**

Print Consumer Name

Consumer Signature

Date

If lot is jointly owned, each consumer owning the lot needs to sign this form.

Print Consumer Name

Consumer Signature

Date

Print Consumer Name

Consumer Signature

Date

EXHIBIT C

Office of the Attorney General



PAUL G. SUMMERS
ATTORNEY GENERAL AND REPORTER

MAILING ADDRESS

P.O. BOX 20207
NASHVILLE, TN 37202

(Insert Date)

ANDY D. BENNETT
CHIEF DEPUTY ATTORNEY GENERAL

LUCY HONEY HAYNES
ASSOCIATE CHIEF DEPUTY
ATTORNEY GENERAL

Copy
FILED
2006 AUG 29 PM 2:11
RICHARD R. ROOKER, CLERK

MICHAEL E. MOORE
SOLICITOR GENERAL

CORDELL HULL AND JOHN SEVIER
STATE OFFICE BUILDINGS

TELEPHONE 615-741-3491
FACSIMILE 615-741-2009

Consumer Name
Consumer Address
Consumer Address

RE: *State of Tennessee v. Fairfield Resorts, Inc.*, Davidson County Circuit Court
Case No. _____ /Your Refund Check

Dear Consumer:

Enclosed is your refund check resulting from the court approved agreement between the State of Tennessee and Fairfield Resorts, Inc. regarding lot sales at Fairfield Glade in Crossville, Tennessee. Please be advised under the agreement and state law, participation in this consumer relief process will not release or waive any private right of action you may have against Fairfield Resorts, Inc. Should you have any questions or problems regarding your refund, please call a Fairfield Resorts Consumer Affairs representative, toll-free, at 1-866-324-8599 or e-mail Fairfield at fairfieldconsumeraffairs@fairfieldresorts.com.

If you do not agree with the amount of your refund or the consumer relief category you were placed in, you should contact Fairfield Resorts at the numbers listed above. If you are unable to resolve your dispute with them, you have the right to have the matter reviewed by an independent arbitrator, at no cost to you. Fairfield Resorts will provide you the necessary form and you will have 60 days from the time you and Fairfield determine you cannot resolve the matter to return the arbitration request form. My Office and the Division of Consumer Affairs are pleased to be able to offer you this refund as a part of the agreement.

Sincerely,

PAUL G. SUMMERS
Attorney General

cc: Meredith Devault

EXHIBIT D

Copy

STATE OF TENNESSEE

Office of the Attorney General



FILED
2006 AUG 29 PM 2:11
RICHARD R. FOCKER, CLERK
[Signature]

ANDY D. BENNETT
CHIEF DEPUTY ATTORNEY GENERAL

PAUL G. SUMMERS
ATTORNEY GENERAL AND REPORTER

MICHAEL E. MOORE
SOLICITOR GENERAL

LUCY HONEY HAYNES
ASSOCIATE CHIEF DEPUTY
ATTORNEY GENERAL

MAILING ADDRESS
P.O. BOX 20207
NASHVILLE, TN 37202

CORDELL HULL AND JOHN SEVIER
STATE OFFICE BUILDINGS

TELEPHONE 615-741-3491
FACSIMILE 615-741-2009

(Insert Date)

Consumer Name
Consumer Address
Consumer Address

RE: *State of Tennessee v. Fairfield Resorts, Inc.*, Davidson County Circuit Court
Case No. _____ /Your Deed Transfer Form for a Lot Exchange

Dear Consumer:

As we previously notified you, Attorney General Paul G. Summers and the Director of the Division of Consumer Affairs Mary Clement have reached a court approved agreement with Fairfield Resorts, Inc. regarding Fairfield Glade in Crossville, Tennessee. The agreement concerns the past sale of real estate lots at Fairfield Glade, Tennessee. You indicated on your timely filed Consumer Relief Claim Form that you would like to exchange your undeveloped lot for a Fairfield-owned developed lot.

Under the terms of the agreement, the developed lot you will receive from Fairfield will have a current purchase price of at least the price you paid for your lot, and the trade will be at no cost to you. Enclosed please find a deed transfer form. Please complete and sign the form and return it to Fairfield Resorts in the addressed, postage paid envelope provided. Upon receipt of the form, Fairfield Resorts will, within 14 days, send you a contract agreement. Upon Fairfield Resorts' receipt of your signed contract agreement, Fairfield Resorts will, within six (6) weeks, send you a special warranty deed.

If the requests for trade in lots exceeds the lots Fairfield has available, you will be notified you have the choice of waiting for them to develop a new area within 11 months or you may elect to receive 65% of your original purchase price.

Lot Exchange Letter
Page 2

Should you have any questions about this process, please feel free to call a Fairfield Resorts Consumer Affairs representative at 1-866-324-8599 or e-mail Fairfield at fairfieldconsumeraffairs@fairfieldresorts.com.

My Office and the Division of Consumer Affairs are pleased to be able to offer you this lot trade option as a part of the agreement.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul G. Summers", written over the word "Sincerely,".

PAUL G. SUMMERS
Attorney General

cc: Meredith Devault

98640

THIS INSTRUMENT PREPARED BY:
Fairfield Resorts, Inc.
8427 South Park Circle, Suite 500
Orlando FL 32819

Contract No.: «CONTRACT»

SPECIAL WARRANTY DEED

THIS DEED, Made this August 28, 2006, by and between «GRANTOR1» and «GRANTOR2», «SURVIVORSHIP» "Grantor(s)" whose address is «ADDRESS» «CITYSTATEZIP» and Lawyers Title Insurance Corporation, a Virginia Corporation, "Grantee" as Nominee for Fairfield Resorts, Inc., a Delaware corporation, I/k/a Fairfield Communities, Inc., a Delaware corporation, as Beneficial Owner, under the terms of a Title Clearing Agreement dated July 1, 2001, as amended and restated,

WITNESSETH,

That the Grantor(s), for and in consideration of Ten Dollars and other good and valuable consideration to it paid by Grantee, the receipt of which is hereby acknowledged, do(es) hereby grant, transfer, sell and convey unto Grantee the tract or parcel of land lying and being in the County of Cumberland and the State of Tennessee, to wit:

Lot Number «LOT_NO», Block «BLOCK», «SUBDIVISION» Addition of Fairfield Glade, as per plat recorded in Plat Book «PLAT_BOOK», Page «PLAT_PAGE», in the Register's Office of Cumberland County, Tennessee. Less and except oil, gas, and other minerals. Subject to restrictive covenants, limitations, and conditions contained in the Declaration of Covenants and Restrictions as filed of record at Book 99, Page 370 et seq, and any amendments and supplements thereto, all as recorded in the Register's Office of Cumberland County, Tennessee.

Being the same property conveyed to Grantor(s) herein by virtue of a deed from Fairfield Resorts, Inc. or Lawyers Title Insurance Corporation and recorded in the Register's Office in Deed Book «DEED_BOOK» Page «DEED_PAGE» on «DEEDRECDATE».

TO HAVE AND TO HOLD unto Grantee and Grantee's successors and assigns forever; subject, however, to the restrictions, easements and other conditions hereinabove contained. Grantor(s) do(es) hereby fully warrant the title of all the premises hereby conveyed has not changed during Grantor(s) possession and will defend the same against the lawful claims of all persons claiming by, through or under the Grantor(s), but no further or otherwise.

The plural number as used herein shall equally include the singular and vice versa. The masculine or feminine gender as used herein shall equally include the neuter.

EXHIBIT E

STATE OF TENNESSEE

Office of the Attorney General



PAUL G. SUMMERS
ATTORNEY GENERAL AND REPORTER

MAILING ADDRESS

P.O. BOX 20207
NASHVILLE, TN 37202

(Insert Date)

ANDY D. BENNETT
CHIEF DEPUTY ATTORNEY GENERAL

LUCY HONEY HAYNES
ASSOCIATE CHIEF DEPUTY
ATTORNEY GENERAL

MICHAEL E. MOORE
SOLICITOR GENERAL

CORDELL HULL AND JOHN SEVIER
STATE OFFICE BUILDINGS

TELEPHONE 615-741-3491
FACSIMILE 615-741-2009

Copy
FILED
2006 AUG 29 PM 2:11
RICHARD R. FOGHER, CLERK
D.G. Moore

Consumer Name
Consumer Address
Consumer Address

RE: *State of Tennessee v. Fairfield Resorts, Inc.*, Davidson County Circuit Court
Case No. _____ /Your Refund Check

Dear Consumer:

Enclosed is your refund check resulting from the court approved agreement between the State of Tennessee and Fairfield Resorts, Inc. regarding lot sales at Fairfield Glade in Crossville, Tennessee. Please be advised under the agreement and state law, participation in this consumer relief process will not release or waive any private right of action you may have against Fairfield Resorts, Inc. Should you have any questions or problems regarding your refund, please call a Fairfield Resorts Consumer Affairs representative, toll-free, at 1-866-324-8599 or e-mail Fairfield at fairfieldconsumeraffairs@fairfieldresorts.com.

If you do not agree with the amount of your refund or the consumer relief category you were placed in, you should contact Fairfield Resorts at the numbers listed above. If you are unable to resolve your dispute with them, you have the right to have the matter reviewed by an independent arbitrator, at no cost to you. Fairfield Resorts will provide you the necessary form and you will have 60 days from the time you and Fairfield determine you cannot resolve the matter to return the arbitration request form. My Office and the Division of Consumer Affairs are pleased to be able to offer you this refund as a part of the agreement.

Sincerely,

PAUL G. SUMMERS
Attorney General

cc: Meredith Devault

EXHIBIT F

STATE OF TENNESSEE

Office of the Attorney General



PAUL G. SUMMERS
ATTORNEY GENERAL AND REPORTER

MAILING ADDRESS

P.O. BOX 20207
NASHVILLE, TN 37202

(Insert Date)

ANDY D. BENNETT
CHIEF DEPUTY ATTORNEY GENERAL

LUCY HONEY HAYNES
ASSOCIATE CHIEF DEPUTY
ATTORNEY GENERAL

MICHAEL E. MOORE
SOLICITOR GENERAL

CORDELL HULL AND JOHN SEVIER
STATE OFFICE BUILDINGS

TELEPHONE 615-741-3491
FACSIMILE 615-741-2009

COPY FILED
2006 AUG 29 PM 2:11
RICHARD H. FOGGER, CLERK
D.C.

Consumer Name
Consumer Address
Consumer Address

RE: *State of Tennessee v. Fairfield Resorts, Inc.*, Davidson County Circuit Court
Case No. _____ /Your Refund Check

Dear Consumer:

Enclosed is your refund check resulting from the court approved agreement between the State of Tennessee and Fairfield Resorts, Inc. regarding lot sales at Fairfield Glade in Crossville, Tennessee. Please be advised under the agreement and state law, participation in this consumer relief process will not release or waive any private right of action you may have against Fairfield Resorts, Inc. Should you have any questions or problems regarding your refund, please call a Fairfield Resorts Consumer Affairs representative, toll-free, at 1-866-324-8599 or e-mail Fairfield at fairfieldconsumeraffairs@fairfieldresorts.com.

If you do not agree with the amount of your refund or the consumer relief category you were placed in, you should contact Fairfield Resorts at the numbers listed above. If you are unable to resolve your dispute with them, you have the right to have the matter reviewed by an independent arbitrator, at no cost to you. Fairfield Resorts will provide you the necessary form and you will have 60 days from the time you and Fairfield determine you cannot resolve the matter to return the arbitration request form. My Office and the Division of Consumer Affairs are pleased to be able to offer you this refund as a part of the agreement.

Sincerely,

PAUL G. SUMMERS
Attorney General

cc: Meredith Devault

EXHIBIT G

Office of the Attorney General



PAUL G. SUMMERS
ATTORNEY GENERAL AND REPORTER

MAILING ADDRESS

P.O. BOX 20207
NASHVILLE, TN 37202

ANDY D. BENNETT
CHIEF DEPUTY ATTORNEY GENERAL

LUCY HONEY HAYNES
ASSOCIATE CHIEF DEPUTY
ATTORNEY GENERAL

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FILED
2006 AUG 29 PM 12:11
RICHARD R. ROOKER, CLERK

MICHAEL E. MOORE
SOLICITOR GENERAL
CORDELL HULL AND JOHN SEVIER
STATE OFFICE BUILDINGS
TELEPHONE 615-741-3491
FACSIMILE 615-741-2009

(Insert Date)

IMPORTANT: YOU MUST RESPOND BY NO LATER THAN (INSERT DATE)
TO BE ELIGIBLE UNDER THE AGREEMENT

Consumer Name
Consumer Address
Consumer Address

RE: State of Tennessee v. Fairfield Resorts, Inc., Davidson County Circuit Court
Case No. _____/Your Eligibility for Refund or Other Relief

Dear Consumer:

Attorney General Paul G. Summers and the Director of the Division of Consumer Affairs
Mary Clement have reached a court approved agreement with Fairfield Resorts, Inc. regarding
Fairfield Glade near Crossville, Tennessee. The agreement concerns the past sale of real estate
lots at Fairfield Glade, Tennessee. Records indicate that you filed a complaint regarding your
purchase of a Fairfield Glade lot; therefore, you may be eligible for a refund or other relief under
the agreement. PLEASE NOTE, YOU MUST SIGN AND RETURN THE ATTACHED
CONSUMER RELIEF CLAIM FORMS IN THE ENCLOSED ADDRESSED, POSTAGE
PRE-PAID ENVELOPE BY NO LATER THAN (INSERT DATE) TO BE ELIGIBLE
FOR A REFUND OR OTHER RELIEF.

Under the terms of the agreement, consumers have been divided into three categories
based upon the current ownership status of the lot. Consumers with developed lots or with an
existing home on their lot are not eligible for consumer relief under the terms of the agreement.
Records have been unable to determine the status of your lot. As a result, we do not yet know
which category you will fall into for consumer relief. Below are summaries of each category.

- (1) Current Undeveloped Lot Owner Category: This category is for consumers who
still own their Fairfield Glade lot and that lot remains undeveloped. An
undeveloped lot is a real estate lot not serviced by water, sewer and paved roads.

Lot Status Unknown Category Letter

Page 2

There are two relief options available to this category of consumers.

- (A) The first option allows you to deed your lot back to Fairfield Resorts, Inc. for a refund of 65% of the purchase price you paid for the lot. If the lot was inherited or gifted to you, the refund shall be 65% of the purchase price paid by the assignor/person from whom the lot was inherited or the person who gave you the lot. Should you choose this option, the necessary deed transfer form will be mailed to you by Fairfield Resorts upon their receipt of your Consumer Relief Claim Form; or
- (B) You may elect to trade your undeveloped lot for a Fairfield Resorts owned, developed lot at Fairfield Glade. A developed lot is a real estate lot serviced by water, sewer, and paved roads. If you wish to trade your lot, the developed lot you will receive from Fairfield Resorts will have a current purchase price of at least the price you paid for your lot, and the trade will be at no cost to you. This option is available on a first come, first served basis only. Fairfield Resorts has a limited number of lots available ready to trade. However, if you choose this lot trade option but no additional developed lots are available, you may choose to be placed on a waiting list for a lot which will be developed within eleven (11) months. If you choose this lot trade option but no additional developed lots are available and you do not wish to be placed on a waiting list, you may choose instead to receive 65% of the purchase price you paid for the lot. If the lot was inherited or gifted to you, the refund shall be 65% of the purchase price paid by the assignor/person from whom the lot was inherited or the person who gave you the lot. Should you choose this option, the necessary deed transfer form will be mailed to you by Fairfield Resorts upon their receipt of your Consumer Relief Claim Form.
- (2) Lot Sold Category: Under the terms of the agreement, if you sold your Fairfield Glade lot for less than 30% of your purchase price, you are eligible to receive a refund of 50% of their purchase price, less the amount for which the lot was sold, plus all expenses associated with the sale. If the lot was inherited or gifted to you, the refund shall be determined based on the purchase price paid by the assignor/person from whom the lot was inherited or the person who gave you the lot.
- (3) Lot Lost due to Foreclosure, Deed in Lieu of Foreclosure or Voluntary Surrender: Under the terms of the agreement, consumers who lost their Fairfield Glade lot due to foreclosure, deed in lieu of foreclosure or voluntary surrender are eligible for a refund of 50% of the assessments paid by you to the Fairfield Glade Community Club.

Again, you must sign the Consumer Relief Claim Form and return it by no later than (INSERT 60 DAYS) to be eligible for a refund or other relief under this agreement.

Lot Status Unknown Category Letter
Page 3

Enclosed is the Consumer Relief Claim Form. Based upon the information you previously provided and your responses to the questions on the claim form, you should be able to determine the appropriate complaint category and choose your desired relief option. **Please note you may be asked to provide additional information before receiving any consumer relief.**

My Office and the Division of Consumer Affairs are pleased to be able to offer you these options as part of our agreement. If you have any questions about this consumer relief program, you may call Fairfield Resorts Consumer Affairs toll-free at 1-866-324-8599.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul G. Summers", with a large, stylized flourish at the end.

PAUL G. SUMMERS
Attorney General

cc: Meredith Devault

98626



**FAIRFIELD GLADE
TENNESSEE ATTORNEY GENERAL AGREEMENT
CONSUMER RELIEF CLAIM
STATUS UNKNOWN FORM**

IMPORTANT NOTE: THIS FORM MUST BE RETURNED TO FAIRFIELD RESORTS, INC. NO LATER THAN (INSERT DATE) TO BE ELIGIBLE UNDER THE ATTORNEY GENERAL'S AGREEMENT FOR CONSUMER RELIEF

Consumer's Name: _____
Address: _____
Fairfield Contract _____ Addition () _____ Lot() _____ Block() _____

INSTRUCTIONS:

If any of the above information is incorrect, please print the correct information below. Then, follow the steps listed below. If you need any assistance understanding or completing this form, contact a Fairfield Resorts Consumer Affairs representative at (866) 324-8599 or email Fairfield at fairfieldconsumeraffairs@fairfieldresorts.com.

FOR CORRECTED INFORMATION ONLY:
Name: _____
Address: _____
Fairfield Lot Information (addition, lot, block) _____

Current Lot Status: Records do not reflect the current status of your lot. Please indicate the status of your lot:

- Currently own lot.
- Sold your lot.
- Lost your lot through foreclosure, voluntary surrender or deed in lieu of foreclosure.
- Other. Please explain _____

Please Note: If you own a developed lot or a lot with an existing home built on it, you are not eligible for relief under this agreement.

Once you are placed in a lot status category, if you do not agree with your category placement, you will be mailed an arbitration notice which you must return within 60 days to be eligible to have an independent arbitrator review your relief category at no cost to you.

PLEASE CONTINUE COMPLETING THE INFORMATION ON THE BACK OF THIS PAGE

TELEPHONE CONTACT INFORMATION

Daytime telephone: _____ Evening telephone: _____

THIS INFORMATION WILL NOT BE USED FOR MARKETING PURPOSES ONLY TO CONTACT YOU ABOUT THIS CLAIM FORM AND CLAIM PROCESS, IF NECESSARY**STEP 1: CONSUMER CONFIRMATION:(Select One)**

- I am the consumer(s) printed above.
- I am the successor or heir of the consumer printed above.
- I am neither the consumer printed above or the successor/heir. (Please contact Fairfield Resorts using the telephone number or email listed above.)
- Other. Please explain _____

STEP 2: PURCHASE CONFIRMATION FOR THE ABOVE-REFERENCED LOT (Select One)

- This lot was purchased directly from Fairfield.
- This lot was purchased from an entity other than Fairfield. (Please provide purchase documentation, including the price you paid for the lot, when you return this form.)
- Other. Please explain _____
- Unknown. (Please contact Fairfield Resorts using the telephone number or email listed above.)

STEP 3: CURRENT OWNERSHIP STATUS CONFIRMATION AND ASSOCIATED RELIEF (Select One)

- I currently own this lot. If you own this lot, **GO TO STEP 4.**
- I sold this lot. If you sold the lot for less than 30% of your purchase price, you will receive a refund from Fairfield of 50% of your original purchase price, minus the amount you made from the sale of your lot, plus any sales expenses. **GO TO STEP 5.**
- I lost this lot through foreclosure, voluntary surrender or deed in lieu of foreclosure. If you lost your lot for any of these reasons, you will receive a refund from Fairfield of 50% of the Community Club dues you paid while you owned the lot. **GO TO STEP 5.**
- Other. Please explain _____

PLEASE CONTINUE COMPLETING THE INFORMATION ON THE NEXT PAGE 

STEP 4: RELIEF OPTIONS FOR CONSUMERS WHO CURRENTLY OWN THE LOT LISTED ABOVE

***THIS STEP IS ONLY FOR THOSE CONSUMERS WHO CURRENTLY OWN A LOT*
(Select One)**

My lot is currently undeveloped. If your lot is undeveloped, choose one of the two options listed below.

Trade my lot to Fairfield for a Fairfield-owned developed lot.

Deed my lot back to Fairfield and receive a refund of 65% of my purchase price.

My lot is currently developed or has a home on it. Consumers in this category are not eligible for relief under this agreement.

Other. Please explain _____

STEP 5: RETURN THIS COMPLETED FORM TO FAIRFIELD RESORTS, INC.

PLEASE KEEP A COPY OF THIS CONSUMER RELIEF FORM, COVER LETTER AND ANY ATTACHMENTS FOR YOUR RECORDS. Return this form no later than (Insert Date) in the pre-addressed, postage paid envelope provided. Be sure that you have completed all of the steps above and sign and date below. Include any documentation requested, if applicable. If you have provided all the information requested and are eligible for relief, you will receive your deed transfer form or refund from Fairfield in ___ weeks.

**Return this form in the postage paid self-addressed envelope to:
Fairfield Resorts, Inc.
8427 South Park Circle, Suite 500
Orlando, FL 32819
Attn: Consumer Affairs TN AG Agreement**

Print Consumer Name

Consumer Signature

Date

If lot is jointly owned, each consumer owning the lot needs to sign this form.

Print Consumer Name

Consumer Signature

Date

Print Consumer Name

Consumer Signature

Date

EXHIBIT H

FILED

AUG 29 PM 2:12

RICHARD R. ROOKER, CLERK

[Handwritten Signature]
D.C.



**IMPORTANT NOTICE TO CONSUMERS FROM
ATTORNEY GENERAL PAUL SUMMERS AND THE DIRECTOR
OF THE DIVISION OF CONSUMER AFFAIRS MARY CLEMENT:**

**IF YOUR NAME IS LISTED IN THIS NOTICE, YOU MAY BE
ELIGIBLE TO RECEIVE MONEY OR OTHER RELIEF**

The following people own or did own lots at Fairfield Glade in Tennessee and filed a complaint with the State, the Better Business Bureau, Fairfield Resorts, or Fairfield Glade Community Club and may be eligible to receive money as a result of an agreement with the State Attorney General.

(ALPHABETICAL LIST OF CONSUMERS' NAMES IN BOLD TYPE with City/State)

CALL 1-866-324-8599

to find out if you are eligible and to request your claim form.

Don't delay, you must request your claim form by no later than _____, 2006.

To review the agreement go to www.attorneygeneral.state.tn.us/cases/cases.htm

EXHIBIT I



Copy

TENNESSEE ATTORNEY GENERAL AGREEMENT WITH FAIRFIELD RESORTS, INC. CONSUMER REQUEST FOR ARBITRATION FORM

Return Request for Arbitration Form in the self-addressed postage paid envelope to:
Fairfield Resorts, Inc.
Attn: Consumer Affairs TN AG Agreement
8427 South Park Circle, Suite 500
Orlando, Florida 32819

FILED
2006 AUG 29 PM 2:12
RICHARD R. ROOKER, CLERK
P. Williams

**IMPORTANT NOTE: THIS REQUEST FOR ARBITRATION FORM MUST
BE RETURNED TO THE ABOVE ADDRESS BY
NO LATER THAN (insert date: 60 days from mailing)
TO BE ELIGIBLE FOR ARBITRATION AND
IF APPLICABLE A CHANGE IN YOUR REFUND AMOUNT
AND/OR CHANGE IN CONSUMER RELIEF CATEGORY.**

You notified Fairfield Resorts that you believe you were either placed incorrectly in a consumer relief category or that your refund amount was incorrect. As a result, if you would like to request that an independent arbitrator, at no cost to you, review the category for consumer relief and/or the calculation of your refund amount, you must complete this form and provide copies of all information you want considered by the arbitrator. The Arbitrator may also contact you for additional information.

Please type or clearly print your responses to the following items:

Name: _____

Address: _____

City, State, Zip: _____

Daytime phone number: _____ Evening phone number: _____

Signature _____

Date _____

Check appropriate response:

I was incorrectly placed in the wrong consumer category. (Attach an explanation and any supporting information.)

My refund amount is incorrect. (Attach an explanation and any supporting information.)

You should initially hear from Arbitrator in approximately _____ weeks.

**PLEASE KEEP A COPY OF THIS REQUEST FOR ARBITRATION FORM, AND
ATTACHMENTS FOR YOUR RECORDS.**