Did the Board of Directors have your best interests at heart when negotiating an agreement with the Declarant, giving him wide-ranging rights to C lots within our community? Two independent analyses gave the Declarant a nearly 90% favorability rating, based on the signed contract. Here are the findings, complete with references to specific language in the Agreement.

1. Long-term exclusive control over Class "C" lots

The Declarant receives a 15-year exclusive option, automatically renewing up to 30 years: "The term of the Option… shall be fifteen (15) consecutive years… automatically renew… not longer than 30 years…" This is unusually long for a land-development option and restricts the Club's ability to sell or repurpose land for decades.

2. Extremely low fixed purchase price

The Declarant may buy any Development Phase Lot for $1,000 per lot: "Purchase Price per lot shall be $1,000.00 per lot." This price does not adjust for inflation, market conditions, or rising land values over 30 years.

3. Minimal annual cost for broad rights

The Declarant pays only $5,000 per year for exclusive control over hundreds of lots: "Declarant shall pay $5,000… on each consecutive anniversary…" This is disproportionately small compared to the value of the rights granted.

4. Right of first refusal on all other Class "C" lots

The Declarant gets "right of first refusal" on every Class "C" lot outside development phases: "The Club further grants… a right of first refusal with regard to all Class 'C' lots lying outside the boundaries…" This effectively gives the Declarant control over all undeveloped land.

5. Declarant is not required to develop anything

The Declarant has no obligation to build roads or utilities: "Declarant is not required by this Agreement to develop any particular area…" This allows them to hold land strategically without improving it.

6. Ability to terminate dormant phases

If no development occurs for 5 years, the Declarant can terminate phases: "The Club or the Declarant may terminate this Agreement… as to any or all dormant phases…" This gives the Declarant a unilateral escape hatch.

7. Club must convey by quitclaim deed

The Club provides no title warranty: "The Club shall convey… by quitclaim deed… makes no representations regarding the state of the title…" This protects the Declarant from title liability while exposing the Club to disputes.

8. Declarant controls sewer timing

The Club must extend sewer only after Declarant submits plans and pays its portion: "The Club shall extend sewer… when… Declarant has paid… and… delivered its development plan…" If the Declarant delays, the Club cannot proceed.

Does this bring into question the recently Board-approved changes to the Sewer Policy?

Risks to the membership where the Declarant is favored

1. Loss of control over undeveloped land

The Club cannot market Development Phase Lots and must offer ROFR on all other Class "C" lots. This restricts the Club's ability to generate revenue or pursue alternative development strategies.

2. Long-term encumbrance (up to 30 years)

The agreement ties the Club's hands for decades, even if community needs or priorities change.

3. Financial exposure from low purchase price

Selling lots for $1,000 each may significantly undervalue Club assets, reducing long-term financial stability.

4. Infrastructure timing controlled by Declarant

Sewer extensions depend entirely on Declarant action.
If the Declarant delays, other lot owners may be stuck without utilities.

5. Title risk

The Club conveys by quitclaim deed and admits it may not own full title: “The Club neither warrants nor represents that it owns fee simple title…” This could expose the Club to disputes with third parties or purchasers.

6. Potential dues and assessment impacts

Lots remain Class “C” until sewer and roads are installed.
If the Declarant delays development, dues revenue from upgraded Class “A” lots is delayed.

7. Declarant can cherry-pick lots

Because the Declarant can exercise the option selectively, they may buy only the most valuable lots, leaving the Club with less desirable parcels.

8. No obligation to cure title issues

The Declarant can walk away from lots with title problems, leaving the Club to deal with them.

The bottom-line:

The agreement strongly favors the Declarant. The Club and its membership assume long-term restrictions, financial risks, and operational uncertainty, while the Declarant receives broad rights with minimal obligations and extremely favorable pricing.

Questions you should be asking of the Board:

1. Why did our contracted attorney, Kenneth Chadwell, draft a contract that was blatantly detrimental to the Club and its members?
2. Why did Board members (Greg Jones, Bruce Horn, Ellen Anderson, Mark McClain, Monica Hysell, Mary K. Jacobsen, and Scott Hartema) agree to and allow a

document to be signed that severely limits the opportunity for community growth and gave the Declarant unprecedented control over the future of Fairfield Glade?

3. With the understanding of this contract, is the Board fulfilling its legally-mandated fiduciary responsibilities to ALL members?
4. How is this contract with the Declarant tied to the recently approved changes to the Sewer Policy?