

# **SECTION ONE**

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## TIMESHARE REGISTRATION PACKET

### **NOTICE: PLEASE READ THIS FIRST!**

The enclosed registration materials are divided into three parts. The written materials for each part are sectioned separately. Section One consists of reference materials, various guidelines and a copy of the Act. Section Two contains Statement of Record questionnaires, which require completion. Section Three contains the material and preprinted parts necessary for composing your Public Offering Statement (POS).

In order to best understand the procedure to follow in preparing your registration, we suggest the following:

1. Section One, containing the reference materials. Included you will find a copy of the Act, and the guidelines covering such subjects as assessments, blanket encumbrances and title reports. It is suggested that after a brief review of these materials, they be set aside for reference, if and when you need them.
2. Next, in Section Two, you will find the questionnaire sections for the Statement of Record. Put together the exhibits and documents referred to in Section XI of the Statement of Record.
3. You are now ready to put together the Public Offering Statement (POS). In Section Three, you will find cover pages and several preprinted parts for your POS, written and prepared by the agency to be used in your POS. You will also find instructions for putting together the POS.

This registration must be completed by the developer and approved by this office prior to offering timeshares to persons in Idaho.

If you have any questions, please contact Mr. Craig Boyack, Idaho Real Estate Commission, (208) 334-3285, ext. 114.

STATE OF IDAHO  
REAL ESTATE COMMISSION

GUIDELINES: ADVERTISING AND PROMOTIONAL ACTIVITY

The Subdivided Lands Disposition Act, Chapter 18, Title 55, Idaho Code, requires that all developer advertising be reviewed and approved by the Commission staff for assurance that it is not false, misleading, or deceptive. During recent months this office, the office of the Attorney General, the Federal Trade Commission and other consumer protection agencies have received a number of complaints about direct-mail solicitations and so-called sweepstakes. Rather than relying solely on review of individual mailing and promotional materials, we feel it appropriate to issue general guidelines concerning direct mailing and sweepstakes, so that direct mailers and developers will have guidance in planning their advertising and promotional material, prior to going to the expense and trouble of printing. Our purposes are to achieve uniformity and treat all developers consistently and fairly, and to protect the public from deception. Prior to utilizing mailing or other promotional materials, developers must still submit direct-mailing material to this office for review prior to utilizing them.

I. Direct Mailing and Sweepstakes Solicitations:

1. In any instances where a give-away item is to be received by 90% or more of the recipients of a solicitation, the give-away should be identified as a "gift" not a prize and identified as a gift both in the mailing and at the time of any telephone contact.
2. Give-away items to be received by less than 90 percent of those persons whose names are placed in a drawing, should be identified as prizes.
3. The approximate retail value of both gifts and prizes shall be stated. Mail-order catalogs such as Sears, Penneys, or Jafco shall be utilized to determine retail prices on such items wherever possible.
4. No solicitation is to represent that the mailing or telephone call is the result of a special selection of that person when, in fact, the selection is general and from some mailing list, whatever its source.
5. No solicitation is to represent that it is being made for the purpose of a survey, contest, or poll, when in fact it is a market approach in an effort to sell a timeshare or other development. Solicitations should state the true nature and purpose of the solicitation.
6. Solicitations for a presentation should state the approximate length of the presentation.
7. Solicitations offering prizes or awards, the result of sweepstakes drawings

shall state the odds of winning both on the mailing and conspicuously at the site.

8. If a sweepstakes or drawing is involved, an address is to be provided where recipients of the solicitation may write and receive a list of winners.
9. In solicitations involving sweepstakes and drawings wherein there is a board or other media utilized containing winning numbers, such notice of winning numbers shall be posted conspicuously and in a location easily seen by the prospect.
10. Envelopes: Envelopes in which direct-mail solicitations are made shall contain no writing that would imply that the recipient is either receiving a check or receiving a mailing from a governmental agency, unless such be the fact.
11. Photographs: If photographs, drawings, or sketches are utilized in a mailing which are not those of the project being advertised, it should be stated conspicuously on the solicitation that they are not those of the project.
12. No developer, its agent or salesperson shall take from, or retain any direct-mail materials, from a recipient once they have been received by the recipient, unless for the purpose of getting a confirmed prize to a recipient.
13. If a developer or its agents makes contact with a prospect by telephone, the solicitor should state the actual gifts available or prize to be won, not simply a category in which a recipient has won a prize, or is to receive a gift.
14. Any restrictions to be placed on persons eligible to receive gifts, prizes or presentations must be conspicuously stated in any solicitations. No restrictions may be placed in a solicitation based upon race, sex, or a marital, credit, employment or student status.
15. Any gifts or prizes given as substitutes for those promised or offered, whether delivered at the time promised or later on a "rain-check" basis, must be clearly and demonstrable of greater value than the substituted item.
16. It is the responsibility of the developer or its sales agent to make delivery of any "rain-check" gifts.

## II. Identification of Sales Staff:

1. All members of the developer's staff who make any form of contact with the public must clearly identify themselves. Those subject to personal identification include telephone room solicitors, supervisors, team managers, sales managers, and salespersons. Identification should be by name if over the phone and either by business card or lapel pin in instances of person-to-person contact.

### III. Public Offering Statement:

1. All prospects must be given a Public Offering Statement whether or not a purchase is made. For off-site presentations, the Public Offering Statement shall be presented to the prospect prior to the time any agreement is offered to a prospect to be signed. For on-site marketing, the Public Offering Statement should be presented to a Prospect prior to commencing a tour.

**IDAHO “SUBDIVIDED LANDS DISPOSITION ACT”**

**CHAPTER 18, TITLE 55, IDAHO CODE**

**Administered by the Idaho Real Estate Commission**

Effective July 1, 1984

55-1801. TITLE. This act shall be known and may be cited as the “Subdivided Lands

Disposition Act.”

55-1802. DEFINITIONS. When used in this act, unless the context otherwise requires:

1. “Commission” means the Idaho Real Estate Commission;
2. “Disposition” includes sale, lease, assignment, award by lottery, or any other transaction concerning a subdivision, if undertaken for gain or profit;
3. “Offer” includes any inducement, solicitation, or attempt to encourage a person to acquire an interest in land, if undertaken for gain or profit;
4. “Person” means an individual, corporation, government, or governmental subdivision or agency, business trust, estate, trust, partnership, unincorporated association, two (2) or more of any of the foregoing having a joint or common interest, or any other legal or commercial entity;
5. “Purchaser” means a person who acquires or attempts to acquire or succeeds to an interest in land;
6. “Subdivided” means any owner of subdivided land who offers it for disposition or the principal agent of an inactive owner; and
7.
  - a. “Subdivision” and “subdivided lands” mean any land situated outside the state of Idaho which is divided or is proposed to be divided for the purpose of disposition into five (5) or more lots, parcels, units, or interests and also includes any land, whether contiguous or not, if five (5) or more lots, parcels, units, or interests are offered as a part of a common promotional plan of advertising and sale.
  - b. In addition to the definition stated in subsection 7a above, “subdivision” and “subdivided lands” mean any time shared property located within or without this state which is offered to purchasers or is proposed to be offered to purchasers.
8. “Time shared property” means any real property in which the use and occupancy rights are divided or proposed to be divided into more than thirteen (13) units, interests, or parcels in accordance with a fixed or variable time schedule on a periodic basis that allocates the use or occupancy among the persons holding similar interests.

55-1803. ADMINISTRATION OF ACT. This act shall be administered by the Idaho Real Estate Commission.

55-1804. PROHIBITIONS ON DISPOSITIONS OF INTERESTS IN SUBDIVISIONS.

Unless the subdivided lands or the transaction is exempt under section 55-1805, Idaho Code, it shall be unlawful for any person in this state:

1. To offer or to dispose of any interest in subdivided lands located without this state prior to the time that the subdivided lands are registered in accordance with this act.
2. To dispose of any interest in subdivided lands unless a current public offering statement is delivered to the purchaser and the purchaser is afforded a reasonable opportunity to examine the public offering statement prior to the disposition.
3. To offer or dispose of any interest in a time shared property located within or without this state prior to the time that the time shared property is registered in accordance with this act.

#### 55-1805. EXEMPTIONS.

1. Unless the method of disposition is adopted for the purpose of evasion of this act, the registration provisions of this act do not apply to offers or dispositions of an interest in land:
  - a. By a purchaser of subdivided lands for his own account in a single or isolated transaction.
  - b. If fewer than five (5) separate lots, parcels, units, or interests in subdivided lands are offered by a person in a period of twelve (12) months;
  - c. By any salaried employee in the normal course of his employment for an owner who is not in the business of making real estate sales when the transaction is incidental to the principal activities or business of the owner and where no added incentive such as a bonus or commission or other fee is paid to the employee for the transaction;
  - d. By any person holding a duly executed power of attorney from the owner or principal agent of an inactive owner when the power of attorney is executed for the performance of a specific real estate transaction;
  - e. To persons who are engaged in the business of construction of buildings for resale or to persons who acquire an interest in subdivided lands for the purpose of engaging, and do engage, in the business of construction of buildings for resale.
  - f. Pursuant to court order;
  - g. By any government or government agency; or
  - h. As cemetery lots or interests.
2. Unless the method of disposition is adopted for the purpose of evasion of this act, the registration provisions of this act do not apply to:
  - a. Offers and dispositions of securities currently registered with the Idaho

- Commissioner of Finance; or
- b. A subdivision as to which the Commission has granted an exemption as provided in Section 55-1811.

55-1806. APPLICATION FOR REGISTRATION.

1. The application for registration of subdivided lands shall be filed as prescribed by the Commission and shall contain the following documents and information:
  - a. An irrevocable appointment of the Commission to receive service of any lawful process in any noncriminal proceeding arising under this act against the applicant or his personal representative;
  - b. A legal description of the subdivided lands offered for registration, together with a map showing the division proposed or made, the dimensions of the lots, parcels, units, or interests, and the relation of the subdivided lands to existing streets, roads, waterways, schools, churches, shopping centers, public transportation facilities in existence or under construction;
  - c. The state or jurisdictions in which an application for registration or similar document has been filed, and any adverse order, judgment, or decree entered in connection with the subdivided lands by the regulatory authorities in each jurisdiction or by any court;
  - d. The applicant's name, address, and the form, date, and jurisdiction of organization; and the address of each of its offices in this state;
  - e. The name, address, and principal occupation for the past five (5) years of every director and officer of the applicant or person occupying a similar status or performing similar functions; the extent and nature of his interest in the applicant or the subdivided lands as of a specified date within thirty (30) days of the filing of the application.
  - f. A statement, in a form acceptable to the Commission, of the condition of the title to the subdivided lands including encumbrances as of a specified date within thirty (30) days of the date of application by a title opinion of a licensed attorney, not a salaried employee, officer, or director of the applicant or owner, or by other evidence of title acceptable to the Commission;
  - g. Copies of the instruments which will be delivered to a purchaser to evidence his interest in the subdivided lands and of the contracts and other agreements which a purchaser will be required to agree to or sign;
  - h. Copies of the instruments by which the interest in the subdivided lands was acquired and a statement of any lien or encumbrance upon the title and copies of the instruments creating the lien or encumbrance, if any, with data as to recording;
  - I. If there is a lien or encumbrance affecting more than one (1) lot, parcel, unit, or interest, a statement of the consequences for a purchaser of failure to discharge the lien or encumbrance and the steps, if any, taken to protect the purchaser in case of this eventuality;

- j. Copies of instruments creating easements, restrictions, or other encumbrances affecting the subdivided lands;
  - k. A statement of the zoning and other governmental regulations affecting the use of the subdivided lands and also of any existing tax and existing or proposed special taxes or assessments which affect the subdivided lands;
  - l. A statement of the existing provisions for legal and physical access or, if none exists, a statement to that effect; a statement of the existing or proposed provisions for sewage disposal, water, and other public utilities in the subdivision; a statement of the improvements to be installed, the schedule for their completion, and a statement as to the provisions for improvement maintenance;
  - m. A narrative description of the promotional plan for the disposition of the subdivided lands, including the range of selling prices or rents at which it is proposed to dispose of the lots in the subdivision, together with copies of all advertising material which has been prepared for public distribution by any means of communication;
  - n. A copy of its articles of incorporation, with all amendments thereto, if the subdivider is a corporation; copies of all instruments by which the trust is created or declared, if the subdivider is a trust; copies of its articles of partnership or association and all other papers pertaining to its organization, if the subdivider is a partnership, unincorporated association, or any other legal or commercial entity; and if the purported holder of legal title is a person other than the subdivider, copies of the above documents for such person;
  - o. The proposed public offering statement;
  - p. Such current financial statements, certified or otherwise, as the Commission may require; and
  - q. Such other information and such other documents and certifications as the Commission may require as being reasonably necessary or appropriate for the protection of purchasers.
2. If the subdivider registers additional subdivided lands to be offered for disposition, he may consolidate the subsequent registration with any earlier registration offering subdivided lands for disposition under the same promotional plan.
  3. The subdivider shall immediately report to the Commission any material changes in the information contained in an application for registration.
  4. As a condition precedent to the registration of any subdivided lands, the Commission shall require that the subdivider file a bond executed to the State of Idaho for the use, benefit, and protection of any person and conditioned for the faithful compliance by the subdivider, his agents, and his employees with all of the provisions of this act, as amended, and with all rules, regulations, and orders made pursuant thereto and for the faithful performance and payment of all obligations of the subdivider, his agents,

and his employees in connection with the registration. The indemnity bond shall be of such type and in such form and shall be in such amount as the Commission shall deem necessary to protect purchasers when the volume of business of the subdivider and other relevant factors are taken into consideration, but in no event less than ten thousand dollars (\$10,000). Any such bond shall have as surety thereon a surety company authorized to do business in this state.

#### 55-1807. PUBLIC OFFERING STATEMENT

1. A public offering statement shall disclose fully and accurately the physical characteristics of the subdivided lands offered and shall make known to prospective purchasers all unusual and material circumstances or features affecting the subdivided lands. The proposed public offering statement submitted to the Commission shall be in a form prescribed by it and shall include the following:
  - a. The name and principal address of the subdivider;
  - b. A general description of the subdivided lands starting the total number of lots, parcels, units, or interests in the offering;
  - c. The significant terms of any encumbrances, easements, liens, and restrictions, including zoning and other regulations, affecting the subdivided lands and each unit or lot, and a statement of all existing taxes and existing or proposed special taxes or assessments which affect the subdivided lands;
  - d. A statement of the use for which the property is offered;
  - e. Information concerning improvements in existence or under construction including streets, water supply, levees, drainage control systems, irrigation systems, sewage disposal facilities, and customary utilities, and the estimated cost, date of completion, and responsibility for construction and maintenance of existing and proposed improvements which are referred to in connection with the offering or disposition of any interest in subdivided lands; and
  - f. Such other information contained in the application for registration, and any amendments thereto, and such other information as the Commission may require as being necessary or appropriate in the public interest or for the protection of purchasers.
2. The public offering statement shall not be used for any promotional purposes before registration of the subdivided lands and afterwards only if it is used in its entirety. No person may advertise or represent that the Commission approves or recommends the subdivided lands or disposition thereof. No portion of the public offering statement may be underscored, italicized, or printed in larger or heavier or different color type than the remainder of the statement unless the Commission requires it.
3. The Commission may require the subdivider to alter or amend the proposed public offering statement in order to assure full and fair disclosure to prospective purchasers, and no change in the substance of the promotional plan or plan of

disposition or development of the subdivision may be made after registration without notifying the Commission and without making appropriate amendment of the public offering statement. A public offering statement is not current unless all amendments are incorporated.

55-1808. INQUIRY AND EXAMINATION. Upon receipt of an application for registration in proper form, the Commission shall forthwith initiate an examination to determine that:

1. The subdivider can convey or cause to be conveyed the interest in subdivided lands offered for disposition if the purchaser complies with the terms of the offer, and, when appropriate, that release clauses, conveyances in trust, escrow and impoundage provisions, and other safeguards have been provided;
2. There is reasonable assurance that all proposed improvements will be completed as represented;
3. The advertising material and the general promotional standards are not false or misleading and comply with the standards prescribed by the Commission in its Rules and Regulations and afford full and fair disclosure;
4. The subdivider has not, or if a corporation, its officers, directors, and principals have not been convicted of a crime involving land dispositions or any aspect of the land sales business in this state, the United States, or any other state or foreign country within the past ten (10) years and has not been subject to any injunction or administrative order within the past ten (10) years restraining a false or misleading promotional plan involving land dispositions;
5. There is no evidence which would reasonably lead the Commission to believe that the subdivider, or if a corporation, its officers, directors, or principals are contemplating a fraudulent or misleading sales promotion; and
6. The public offering statement requirements of this act have been satisfied.

55-1809. NOTICE OF FILING -- REGISTRATION -- FEES.

1. Upon receipt of the application for registration in proper form and of a registration fee of two hundred fifty dollars (\$250), the Commission shall issue a notice of filing to the applicant. In addition to the application for registration fee, the following fees are payable prior to issuance of an order of registration; five dollars (\$5.00) per lot, parcel, unit or interest number fifty (50) to two hundred fifty (250); four dollars (\$4.00) per lot, parcel, unit or interest numbering two hundred fifty-one (251) to five hundred (500); three dollars (\$3.00) per lot, parcel, unit or interest numbering five hundred one (501) to seven hundred fifty (750). The maximum application and

registration fee is twenty-five hundred dollars (\$2,500). Within ninety (90) days from the date of the notice of filing, the Commission shall enter an order registering the subdivided lands or rejecting the registration. If no order of rejection is entered within ninety (90) days from the date of notice of filing, the land shall be deemed registered unless the applicant has consented in writing to a delay.

2. If the Commission affirmatively determines, upon inquiry and examination, that the requirements of Section 55-1808, Idaho Code, have been met, it shall enter an order registering the subdivided lands and shall designate the form of the public offering statement.
3. If the Commission determines, upon inquiry and examination, that any of the requirements of Section 55-1808, Idaho Code, have not been met, the commission shall notify the applicant that the application for registration must be corrected in the particulars specified within ten (10) days. If the requirements are not met within the time allowed, the Commission shall enter an order rejecting the registration which shall include the findings of fact upon which the order is based. The order rejecting the registration shall not become effective for twenty (20) days during which time the applicant may petition for reconsideration and shall be entitled to a hearing.
4. Registration under this act shall be effective as of the date of the registration order for a period of one (1) year and may be renewed for additional periods of one (1) year by filing, not later than fifteen (15) days prior to the expiration of a registration, a renewal application in such form and containing such information as the Commission shall prescribe, together with the payment of a renewal fee of two hundred fifty dollars (\$250), plus one dollar (\$1.00) for each lot, parcel, unit, or interest. A late renewal fee of twenty-five dollars (\$25.00) per day will be charged for each day the renewal application is late, with a maximum late fee of five hundred dollars (\$500). Each amendment to the original registration requires a twenty-five dollar (\$25.00) fee. The initial registration and any renewal fees shall not be returned or refunded for any reason.
5. All fees collected by the Commission under this act shall be deposited at least monthly with the State Treasurer and said funds so deposited shall be deposited to the credit of the Special Real Estate Fund. All funds so deposited are hereby appropriated to the Commission for the purpose of carrying out the provisions of this act. All expenditures from said fund by the Commission under the provisions of this act shall be paid out on warrants drawn by the Sate Auditor upon presentation of proper vouchers approved by the Commission. Such claims and supporting vouchers shall be examined by the State Board of Examiners in the same manner as other claims against the State of Idaho. For the purpose of carrying out the objects of this act and in the exercise of the powers herein granted, the Commission shall have powers to make orders concerning the disbursement of the moneys in said Special Real Estate Fund, including the payment of compensation and expenses of its

members, clerks, and employees and for the payment of printing and for such other expenses as deemed necessary.

55-1810. ANNUAL REPORT. Within thirty (30) days after each annual anniversary date of an order registering subdivided lands, the subdivider shall file a report in the form prescribed by the Commission. The reports shall reflect any material changes in information contained in the original application for registration.

55-1811. GENERAL POWERS AND DUTIES.

1. The Commission shall have the authority to promulgate, to amend, and to repeal reasonable rules and regulations for the administration and enforcement of this act. Such rules and regulations shall include, but not be limited to, provisions for advertising standards to assure full and fair disclosure; provisions for escrow or trust agreements or other means to assure that all improvements referred to in the application for registration and advertising will be completed and that purchasers will receive the interest in land for which they contracted; provisions for operating procedures; and such other rules and regulations as are necessary or proper to accomplish the purposes of this act.
2. All advertising material of any nature whatsoever prepared for use in connection with the offer and disposition of any interests in subdivided lands registered under this act shall be submitted to and approved by the Commission prior to its use.
3. Whenever it appears that a person has engaged or is about to engage in acts or practices which constitute or will constitute a violation of the provisions of this act or of a rule or regulation or order hereunder, the Commission, with or without prior administrative proceedings, may bring an action in any district court to enjoin the acts or practices and to enforce compliance with this act or any rule or regulation or order hereunder. Upon a proper showing, a permanent or temporary injunction or restraining order may be granted.
4. The Commission may intervene in a suit involving subdivided lands. In any suit by or against a subdivider involving subdivided lands, the subdivider promptly shall furnish the Commission notice of the suit and copies of all pleadings.
5. The Commission may:
  - a. Accept registrations filed in other states or with the Federal government;
  - b. Contract with similar agencies in this state or other jurisdictions to perform investigative functions.
6. The Commission shall cooperate with similar agencies in other jurisdictions to establish uniform filing procedures and forms, uniform public offering statements, advertising standards, rules, regulations, and common administrative practices.

7. The Commission may exempt a subdivision of ten (10) or fewer lots, parcels, units, or interests from the provisions of this act if it determines that the plan of promotion and disposition is primarily directed to persons in the local community in which the subdivision is located.

55-1812. FRAUDULENT PRACTICES. It shall be a fraudulent practice, and it shall be unlawful:

1. For any person knowingly to subscribe to or make or cause to be made any material false statement or representation in any application, financial statement, or other document or statement required to be filed under any provision of this act, or to omit to state any material statement or fact in any such document or statement which is necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading;
2. For any person, in connection with the offer, disposition, or purchase of subdivided lands, directly or indirectly, to employ any device, scheme, or artifice to defraud;
3. For any person, in connection with the offer, disposition, or purchase of subdivided lands, directly or indirectly, to make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or
4. For any person, in connection with the offer, disposition, or purchase of subdivided lands, directly or indirectly, to engage in any act, practice, or course of business which operates or would operate as a fraud or deception upon purchasers or the public.

55-1813. INVESTIGATIONS AND PROCEEDINGS.

1. The Commission shall investigate any subdivision offered for disposition in this state and may:
  - a. Rely upon any relevant information concerning a subdivision obtained from the Federal Housing Administration, the United States Veterans Administration, or any other federal agency or any state agency having comparable duties in relation to subdivisions;
  - b. Require the applicant to submit reports prepared by competent engineers as to any hazard to which any subdivision offered for disposition is subject or any factor which affects the utility of interests within the subdivision, and require evidence of compliance in removing or minimizing all hazards reflected in engineering reports;
  - c. Require an on-site inspection of the subdivision by a person or persons

designated by it. All expenses incurred in connection with an on-site inspection shall be defrayed by the applicant, and the Commission shall require a deposit sufficient to defray such expenses in advance;

- d. Make public or private investigations within or outside this state to determine whether any person has violated or is about to violate this act or any rule, regulation, or order hereunder, or to aid in the enforcement of this act or in prescribing rules and regulations and forms hereunder; and
  - e. Require or permit any person to file a statement in writing, under oath or otherwise as the Commission determines, as to all the facts and circumstances concerning the matter to be investigated.
2. For the purpose of any investigation or proceeding under this act, the Commission or any person designated by it may administer oaths or affirmations, and upon its own motion or upon the request of any party the Commission or any person designated by it shall have the power to administer oaths, take depositions or witnesses in and out of the state of Idaho in the manner of civil cases, require the attendance of such witnesses and the production of such books, records, and papers as it may desire at any hearing before it or deposition authorized by it, pertaining in any manner to any matters of which it has authority to investigate and for that purpose the board may issue a subpoena for any witness or a subpoena duces tecum to compel the production of any books, records, or papers directed to the sheriff of any county of the state of Idaho, where such witness resides, or may be found, which shall be served and returned in the same manner as a subpoena in a civil case is returned. The fees and mileage of witnesses shall be the same as that allowed in the district courts in civil cases. In any cases of disobedience to, or neglect of, any subpoena or subpoena duces tecum served upon any person, or the refusal of any witness to testify to any matter regarding which he may lawfully be interrogated, it shall be the duty of the district court, or any judge thereof, of any county in this state in which such disobedience, neglect or refusal occurs, upon application of the Commission, to compel obedience in proceedings for contempt as in the case of disobedience of the requirements of any subpoena issued from such court or for refusal to testify therein. The person accused in such proceeding shall have the same right of subpoena upon making application to the Commission as set out in this act. Prior to the service of any subpoena authorized by this act, the Commission or the accused person must secure an order authorizing the service of the subpoena from a district judge. Application to a district judge for authorization to serve a subpoena shall be on ex parte motion supported by an affidavit of a member of the Commission, the accused person or his attorney, setting forth the reasons why the person applying for permission to serve the subpoena believes the testimony or evidence to be obtained will be pertinent to the investigation, inquiry or hearing. The order shall be filed with the Commission.
3. The Commission may permit a person registered with the Commission whose conduct or actions may be under investigation to waive formal proceedings and enter

into a consent proceeding whereby orders, rules, or letters of censure or warning, whether formal or informal, may be entered against said person.

4. Except as otherwise provided in this act, all proceedings under this act shall be in accordance with Chapter 52, Title 67, Idaho Code.

#### 55-1814. CEASE AND DESIST ORDERS.

1. If the Commission determines after notice and hearing that a person has:
  - a. Violated any provision of this act;
  - b. Directly or through an agent or employee knowingly engaged in any false, deceptive, or misleading advertising, promotional, or sales methods to offer or dispose of any interest in subdivided lands;
  - c. Made any substantial change in the plan of disposition and development of the subdivided lands subsequent to the order of registration without obtaining prior written approval from the Commission;
  - d. Disposed of any subdivided lands which have not been registered with the Commission; or
  - e. Violated any lawful order or rule or regulation of the Commission; it may file an action in the district court for an order requiring the person to cease and desist from the unlawful practice and to take such affirmative action as in the judgment of the district court will carry out the purposes of this act.
2. If the district court makes a finding of fact in writing that the public interest will be irreparably harmed by delay in issuing an order, it may issue a temporary cease and desist order. Prior to issuing the temporary cease and desist order, the district court may require that the Commission whenever possible, by telephone or otherwise has given notice of the proposal to apply for a temporary cease and desist order to the person. Every temporary cease and desist order shall include in its terms a provision that upon request a hearing will be held promptly to determine whether or not it becomes permanent.

#### 55-1815. REVOCATION.

1. A registration may be revoked after notice and hearing upon a written finding of fact that the subdivider has:
  - a. Failed to comply with the terms of a cease and desist order;
  - b. Been convicted or found liable in any court subsequent to the filing of the application for registration of a crime or tort involving fraud, deception, false pretenses, misrepresentation, false advertising, or dishonest dealing in real estate transactions;
  - c. Disposed of, concealed, or diverted any funds or assets of any person so as to

- d. Failed faithfully to perform any stipulation or agreement made with the Commission as an inducement to grant any registration, to reinstate any registration, or to approve any promotional plan or public offering statement; or
  - e. Made intentional misrepresentations or concealed material facts in an application for registration. Finding of fact, if set forth in statutory language, shall be accompanied by a concise and explicit statement of the underlying facts supporting the findings.
2. If the district court finds after notice and hearing that the subdivider has been guilty of a violation for which revocation could be ordered, it may issue a cease and desist order instead.

55-1816. JUDICIAL REVIEW. A person who has exhausted all administrative remedies available within the Commission and who is aggrieved by any final decision of the Commission is entitled to judicial review in accordance with Chapter 52, Title 67, Idaho Code.

55-1817. REAL ESTATE LICENSE REQUIRED. No real estate broker or salesman shall offer or dispose of subdivided lands within or from this state, except in dispositions and transactions exempt under Section 55-1805, unless said real estate broker or salesman is licensed pursuant to Chapter 20, Title 54, Idaho Code.

55-1818. EXTRADITION. In proceedings for extradition of a person charged with a crime under this act, it need not be shown that the person whose surrender is demanded has fled from justice or at the time of the commission of the crime was in the demanding or other state.

55-1819. CIVIL REMEDY.

1. Every disposition made in violation of any of the provisions of this act, or of any order issued by the Commission under any of the provisions of this act, shall be voidable at the election of the purchaser. The person making such disposition, and every director, officer, salesman, or agent of or for such person who shall have participated or aided in any way in making such disposition, shall be jointly and severally liable to such purchaser in any action at law in any court of competent jurisdiction for the consideration paid for the lot, parcel, unit, or interest, together with interest at the rate of six per cent (6%) per year from the date of payment, property taxes and assessments paid, court costs, and reasonable attorney=s fees, less the amount of any income received from the subdivided lands, upon tender of appropriate instruments of reconveyance made at any time before the entry of judgment. If the purchaser no longer owns the lot, parcel, unit, or interest in subdivided lands, he may recover the amount that would be recoverable upon a tender of a reconveyance less the value of the land when disposed of and less interest at the rate of six per cent (6%) per year on that amount from the date of disposition.

2. No action shall be brought under this section for the recovery of the consideration paid after five (5) years from the date of such disposition.
3. Any stipulation or provision purporting to bind any person acquiring subdivided lands to waive compliance with this act or any rule or regulation or order under it is void.
4. The rights and remedies provided by this act shall be in addition to any and all other rights and remedies that may exist at law or in equity.

55-1820. JURISDICTION. Dispositions of subdivided lands are subject to this act, and the district courts of this state have jurisdiction in claims or causes of action arising under this act if:

1. The subdivider's principal office is located in this state; or
2. Any offer or disposition of subdivided lands is made in this state, whether or not the offeror or offeree is then present in this state; if the offer originates within this state or is directed by the offeror to a person or place in this state and received by the person or at the place to which it is directed.

55-1821. SERVICE OF PROCESS.

1. In addition to the methods of service provided for in the Idaho rules of civil procedure and Idaho statutes, service may be made on a person who has filed a consent to service of process by delivering a copy of the process to the office of the Commission, but it is not effective unless the Plaintiff (which may be the Commission in a proceeding instituted by it):
  - a. Forthwith sends a copy of the process and of the pleading by certified or registered mail to the defendant or respondent at his last known address, and
  - b. The plaintiff's affidavit of compliance with this section is filed in the case on or before the return day of the process, if any or within such further time as the court allows.

55-1822. EVIDENTIARY MATTERS.

1. In any action, civil or criminal, where a defense is based upon any exemption provided for in this act, the burden of proving the existence of such exemption shall be upon the party raising such defense.
2. In any action, civil or criminal, a certificate signed and sealed by the Commission stating compliance or noncompliance with the provisions of this act shall be admissible in any such action.

55-1823. PENALTIES. Any person who shall willfully violate any provision of this act or who willfully violates any rule or regulation or order of the Commission made and served upon said person pursuant to the provisions of this act, or who shall willfully engage in any act, practice, or transaction declared by any provision of this act to be unlawful shall be guilty of a felony.

STATE OF IDAHO  
SUBDIVIDED LANDS DISPOSITION REGISTRATION  
REAL ESTATE COMMISSION

GUIDELINES AND INSTRUCTIONS FOR FULL NARRATIVE REGISTRATIONS

TIMESHARE OFFERINGS

I. GENERAL INFORMATION: THE NATURE OF A REGISTRATION

A registration consists of four (4) parts:

- (1) Compiling a Statement of Record to be kept on file with the Executive Director, Real Estate Commission.
- (2) Composing an acceptable Public Offering Statement. (Throughout these instructions the term Public Offering Statement will use the acronym POS.).
- (3) Agency review and approval of the developer's advertising and promotional materials.
- (4) Agency review and approval of any required property, title, trust or escrow arrangement.

STATEMENT OF RECORD: The Statement of Record is the name given to the entire compilation of documents and written materials which are on file with the agency. It also includes the developer's advertising and a promotional plan. The Statement of Record serves several purposes: it supports the disclosure and write-ups found in the Public Offering Statement. It is a source of additional and more detailed information for public and purchaser review. The complete Statement of Record is kept on file with the agency. Certain portions of it are also kept in a file in the developer's sales office for purchaser reference and review.

PROCEDURES FOR REGISTRATION: The first step in a registration application is to complete the information forms to be found in your registration packet. Cover all information requests fully. If a particular question is not applicable to your set of facts, place an "N/A" by the question. In some instances it may be appropriate to comment why a particular question is not believed to be relevant to your situation.

All responses must be legible, and, preferably typed. Incomplete, inconsistent or illegible responses may mean delay in completion of a registration since the questionnaire may have to be returned for clarification.

DOCUMENTATION NEEDED AS EXHIBITS: As you proceed through the Statement of Record you will note references to various documents required. Put all such documents together into a single packet or folder. Reference each as an exhibit. Do this by placing a tab on the edge of each document containing the appropriate reference number. Section XI of the Statement of Record questionnaire will identify the documents needed and further explain the method of preparation.

Some particular comments about some of the required documents are as follows:

1. TITLE OPINIONS: The statute requires that a title opinion, current to within twenty days of the date of the registration application, be filed along with the application. Such opinion is to show, along with the status of title, any encumbrances, liens or judgments affecting any of the property. For projects involving condominium units the opinion should cover the whole unit being timeshared. For other types of properties, the opinion should cover any site or property in which the purchaser is to obtain an estate, or is to be utilized for use or occupancy purposes.

If the development is sited in a jurisdiction where title opinions of the nature and form known in the state of Idaho are not available, developers must present the best evidence of title available and standard for that jurisdiction. Abstracts or title opinions drawn up by attorneys will be accepted only if title reports by professional title companies are not available and it is the practice in the community for attorneys to provide title abstracts.

2. PLATS, SURVEYS AND BUILDING PLANS: Registration requirements for these types of documents must be approached on a case-by-case basis. Generally, however, habitation projects not yet constructed will require a full-sized plat or a survey map as well as the proposed building plans. On the other hand, a project involving completed buildings where all purchasers are given an on-site tour prior to a financial commitment may require neither plat map nor building plans. The need for such documents will be determined at the time the initial application is filed.

3. COPIES OF SALE DOCUMENTS: The act requires that the agency review the sale documents and any other contractual materials to be signed, initialed or agreed to by purchasers, for the purpose of locating and disclosing any "fine print" hazards. All earnest monies or any other form of purchaser agreement must contain the following provisions (The provisions may be attached by addendum):

- (1) If the project involves the disposition of fee or tenancy-in-common estate or long-term leasehold, a provision wherein the seller will agree to provide title insurance or a title opinion at time of closing.

- (2) The seller's commitment to record the purchaser's agreement in all situations where such agreements are recordable or made of record in the jurisdiction where the project is sited.

"In order to comply with the registration requirements of the state's Act (55-18.06 (h)), the seller agrees to record your purchase agreement at time of closing or as soon as possible after your signing."

NOTE: DEVELOPERS SHOULD MAKE CERTAIN THAT PURCHASE AGREEMENTS ARE FORMATTED AND HANDLED IN A MANNER THAT WILL SATISFY THE RECORDING REQUIREMENTS OF THE JURISDICTION WHERE A PROJECT IS SITED. IN THE STATE OF IDAHO THIS MEANS THAT ALL AGREEMENTS MUST BE ACKNOWLEDGED.

ASSURING TITLE, THE COMPLETION OF FACILITIES AND THE AVAILABILITY OF TIMESHARE ACCOMMODATIONS AND TIMESHARE INTERVALS: IC 55-1808

(1) requires that the agency must determine, before approving any registration, that "the developer can convey or cause to be conveyed, the interest in a development offered for disposition..." and when appropriate, that release clauses, conveyances in trust, or other safeguards have been provided. When this requirement of the Act is applied to the wide variety of structurings found in timeshare marketing, it means that the agency must somehow guarantee the availability of the timeshare properties for the use and occupancy of timeshare purchasers, as promised by the developer. Such availability may be assured by non-intervention clauses, deed release provisions, clear-title closings, property trusts, escrows, or any combination thereof.

Developers are urged to submit for agency review any proposed escrow or trust arrangement prior to filing declarations or finalizing an arrangement. Copies of all documents to be utilized in such arrangements must be provided for the Statement of Record and agency review. The adequacy of any arrangement must be approached on a case-by-case basis and according to the project program and plan.

ASSOCIATIONS, ASSESSMENTS AND FINANCIAL RECORDS: If a timeshare project utilizes any form of an association or organization of similar purpose, to own or manage timeshare properties, certain documents and procedures are required.

Assessments: The Act provides the agency with jurisdiction to place association funds and assessment collections in trust arrangements, if necessary to protect such funds. Assessments collected for the purpose of normal day-by-day operational or maintenance purposes, will not ordinarily be required to be placed in a trust arrangement. There are certain requirements concerning the treasurer of the association, the maintenance and handling of association finances, books, and records, that developers may be required to

follow. There are agency guidelines covering the subject of association assessments.

Governing Documents and Declarations: A DEVELOPMENT MAY NOT BE REGISTERED IF THERE ARE PROVISIONS IN THE GOVERNING DOCUMENTS IN CONFLICT WITH, OR WHICH MAKE IMPOSSIBLE, AGENCY MONITORING AND PROTECTION OF OWNER ASSESSMENTS OR ASSESSMENT FUNDS. Developers would be prudent to provide office staff with copies of proposed covenants, declarations and project governing documents before recording, so as to make certain there are no improper provisions in those documents. Provisions in declarations, covenants or the governing documents allowing the developer to easily amend covenants or by-laws early during the sales program are not considered to be favorable to the interest of purchasers. Such provisions must be disclosed in bold print in the Public Offering Statement.

Board of Directors: Organization Meetings: Board of director or management committee meetings must be held at least once annually if required by law or the governing documents. Details about such meetings must be placed in the Public Offering Statement. Notice of meetings must be provided all members of the association. The notice must state generally the agenda to be followed, call specific attention to matters to be voted on, as well as giving the time, date and location of the meeting.

Minutes of Meetings: Minutes of meetings should be taken, transcribed and be made available to all members. A copy of such minutes is to be provided to the agency.

Association Books and Records: These should be kept in a safe place and be made available for member inspection at reasonable times and hours.

The Association as a Developer: After transfer of control by the promoter of the association to the timeshare owners, it will continue to be the obligation of the association and its timeshare membership to cooperate fully with the agency in providing all information necessary about its management, finances, and the status of the common properties.

Assessments for Capital Improvements: Assessments designated for capital improvements or the completion of developer promised facilities must be collected and held in a trust arrangement.

Association Operating Budget(s): Developers collecting assessments on behalf of the association for any purpose will be asked to provide the budget, or other financial information upon which the amount of assessment is predicated. Ideally, there should be both an annual budget for that fiscal year and a long-term five- or ten-year budget. These budgets should provide for reserve accounts for replacement, repair and maintenance of depreciable items such as, painting, asphalt replacement, building, carpets, equipment, etc.

Failure to evaluate assessments upon competent budgets and expense information, may

require disclosure about the likelihood of future assessment, or that it appears that developers may be “low-balling” assessments.

ABBREVIATED REGISTRATIONS: In situations where a project is sited outside of this state, and where a developer has already registered the project with a regulatory agency in the state where the project is sited, the developer may be able to abbreviate the state of Idaho registration processes and paper work by utilizing the disclosure document and registration materials of the foreign state. An abbreviated state of Idaho Public Offering Statement will be required. Whether or not this substitute procedure can be utilized will depend upon the nature and competency of the other state’s registration. It will be necessary to supply copies of the foreign state’s registration materials and disclosure statement so that they can be reviewed for their competency and adequacy.

ADVERTISING: The agency is required to review developer advertising and promotional activity to make certain that it is not false, misleading or deceptive (IC 55-2809 (3)).

Registrants must submit advertising, promotional script, and all writings to be utilized for agency review and approval fifteen (15) days before its usage. The Act forbids certain types of advertising and promotional activity felt to be misleading and deceptive. Advertising is also reviewed to see that it agrees with information given to the POS and the Statement of Record.

Not exclusive of others, the following activities or materials are considered as advertising or promotional and subject to agency review and approval:

1. Direct mailing containing any type of promotional literature;
2. Direct telephone solicitations;
3. Promotional dinners;
4. Free gifts or drawings of any type;
5. Newsletters, reports, and all hand out materials;
6. Movies and slides;
7. All materials supplied by, and about timeshare exchange networks; and
8. All statements and representations made by sales staff.

As soon as the proposed advertising and promotional activity has been reviewed, the developer will be notified whether it has been approved or rejected, including suggestions for correcting noted deficiencies or violations.

**DEVELOPERS ARE RESPONSIBLE FOR ANY MISREPRESENTATIONS MADE BY THEIR SALES STAFF.**

PURCHASER AGREEMENTS: The Act requires that contracts and agreements which purchasers are to sign must be submitted for the Statement of Record. They thereby become

public documents, available for review upon request. Any agreement or check list that a purchaser has to initial or sign is of a similar status.

SINCE THE SALE DOCUMENTS AND ALL ADVERTISING MATERIAL ARE PART OF THE STATEMENT OF RECORD AND THUS PUBLIC DOCUMENTS, DEVELOPERS MUST PROVIDE PROSPECTIVE PURCHASERS, OR OTHERS MAKING SUCH REQUESTS, WITH COPIES OF PURCHASER AGREEMENT FORMS AND ADVERTISING MATERIALS.

FILING FEES: Filing fees for any type of registration are as prescribed in IC 55-1809 (4). Each timeshare interval created by declarations or by contract at the time of marketing available for sale purposes is considered a unit, interest or parcel of real estate.

CONSOLIDATIONS: Developments are registered for specific and identified intervals. Developers, involved with open-ended timeshare projects, such as a common-interest club, or a phased condominium project, may wish to register an initial number of intervals and add to the registration more intervals, as sales progress and it is determined to add to the sales program. If a consolidation involves major change in the project or its marketing, it may be necessary to re-submit and process the added inventory as a new registration. In most instances, developers should be able to simply amend their original registration and POS, as necessary.

PURCHASER RECEIPT FOR PUBLIC OFFERING STATEMENTS: For any type of a registration developers are required to have each purchaser sign a receipt for having received the Public Offering Statement. These receipts protect the developer and should be retained in a safe place for at least six years (statute of limitations on contracts). Registrants will not ordinarily be required to submit these receipts to the agency for review. Registrants should note, however, that if there are complaints that purchasers are not being given disclosure statements, that there is an over selling of timeshare intervals, or that developers are not reporting sales, developers may be required to present copies of the receipts as evidence of compliance with the Act's requirements.

THE PUBLIC OFFERING STATEMENT (POS): After the Statement of Record has been prepared, exhibits compiled and labeled, the developer should prepare his draft of the proposed Public Offering Statement. The procedure and format to be used in preparing the POS is fully explained in "Guidelines and Instructions for the Preparation of a Timeshare Public Offering Statement", available from this office.

The POS is to be given to each potential purchaser prior to the signing of any purchase agreement, or at the time the property is being shown. The Act provides that any person, whether or not they are a prospect, is to be given a POS, if they request one.

## II. COMPOSING THE PUBLIC OFFERING STATEMENT (POS):

It is the responsibility of the developer to prepare the first draft of the POS. The more complete and accurate that first draft, the less time it should take to get registered. The agency reserves the right to reject the application and return the POS, "as is" if it appears that the developer has not made reasonable effort to prepare the draft.

The POS cannot be reviewed until all documents and other information required for the Statement of Record are on file. The examiner must have all pertinent documentation and information at hand before reviewing the POS and registration application.

Although it is the developer's responsibility to prepare the POS as well as any subsequent re-drafts, staff will always be available by telephone or personal interview for assistance in the preparation of the POS.

THE POS MUST BE TYPED FOR ITS INITIAL AGENCY PRESENTATION. IT MUST BE PREPARED ON STANDARD LETTER-SIZE PLAIN PAPER IN THE FORMAT AND STYLE OF THE SAMPLE POS. ONCE THE FINAL FORM AND CONTENT OF THE POS HAVE BEEN AGREED UPON, DEVELOPERS MAY EITHER PRINT OR PHOTOCOPY THE POS FOR PUBLIC PRESENTATION.

## III. NOTICE OF FILING OR NOTICE OF IMPROPER FORM:

When the developer has completed the Statement of Record questionnaire, prepared the exhibits and the first draft of the POS, the filing should be delivered to this office by registered mail or other means assuring delivery. When received, staff will review the application to make certain that the questionnaire is complete, that the filing fee is enclosed and documentation is complete. If any document or other information is missing, or there are other deficiencies; e.g., no filing fee or improper POS format, a "Notice of Improper Form" will be sent the developer along with identification of the documents or information needed.

NOTICE OF FILING: Once all necessary documentation and information is in the application file, the developer will be sent a "Notice of Filing". This term refers to a statutory requirement that once the application is complete in form and content, the agency has ninety (90) days during which to approve or reject an application.

If the developer's proposed POS is found deficient or any other statutory requirements are found to be lacking, a "Notice of Rejection" will be ordered. At the time of giving such notice, specific suggestions for changes in the POS or correction of other deficiencies will be provided. Most suggestions made for amending the POS are subject to discussion. Once agreed upon, statements made in Part IV of the POS are considered to be those of the developer and must be attested to as such. Other parts of the POS are agency presentations.

If the initial draft of a POS has been rejected, the developer's corrected draft of the POS will be reviewed immediately when received. It has been our experience that unless there is a major disagreement over proposed write-ups, the second draft of the POS will usually be found acceptable.

COMPOSITION OF THE POS: JARGON AND TECHNICAL LANGUAGE:

Whenever possible try to use simple words and short sentences in composing write-ups. Please do not use legal or technical jargon. A common complaint is that verbiage is pulled directly from technical documents and not understandable. Quote actual verbiage from legal and fine print documents as seldom as possible. Try to explain the facts in your POS write-ups just as if you had met the reader on the street and were explaining the project to him. Our staff examiners will usually request re-writes for sections of a proposed POS containing lengthy or difficult to understand legal or technical jargon.

IV. FINAL PREPARATION, PACKAGING, AND MAILING INSTRUCTIONS:

- A. At this point the developer should have completed the following steps toward registration:
  - (1) Completed the appropriate sections of the Statement of Record questionnaire;
  - (2) Compiled necessary documents in an exhibit portfolio, tabbed and referenced by number; and,
  - (3) Completed the proposed Public Offering Statement.
  
- B. The final procedures for presenting the application are then as follows:
  - (1) Retain at least one copy of the proposed POS. However, do not yet have large numbers of copies printed or photocopied. Most likely changes in the POS will be necessary. Use the copy of the POS which you retain as a work copy for any proposed second draft.
  - (2) Make certain you retain a copy, or the original of the entire Statement of Record before mailing.
  - (3) Make certain that the sample sale documents contain any required provisions as noted earlier.
  - (4) If the developer has already prepared promotional or advertising materials to

be used, copies of all such proposed advertising and promotional material should be placed in a separate file and mailed with the application. It may be necessary to make special arrangements for agency review of promotional materials such as slides or movies.

- (5) Bind together the Statement of Record, the portfolio of documents, the proposed POS, the application card and the advertising and promotional material.
- (6) Prepare a cover letter containing a brief description of the offering, and the date the application was mailed.
- (7) It is preferable that this cover letter and cashier's check or money order in the amount of the required filing fee be mailed separately to the address given below. (To provide notice should application materials be lost in the mail).
- (8) Your filing fee cashier's check or money order should be made out to "The Idaho Real Estate Commission". SEND NO CASH.
- (9) If the cover letter is sent separately, include a copy of your cover letter with the application materials. After wrapping securely, forward your application materials to the address given below. **THIRD CLASS MAIL OFTEN TAKES CONSIDERABLE TIME TO REACH ITS DESTINATION. IF THE APPLICATION IS TO BE MAILED, DEVELOPERS WOULD BE PRUDENT TO HAVE IT SENT CERTIFIED FIRST CLASS. THE AGENCY CANNOT BE RESPONSIBLE FOR APPLICATIONS LOST OR DELAYED IN THE MAIL.**
- (10) Please do not advertise, offer to sell, or sell until your registration application has been reviewed and approved. Likewise, the proposed Public Offering Statement should not be distributed until the registration and the POS have been approved.
- (11) After your application has been received here you will ordinarily receive either a "Notice of Filing" or "Notice of Improper Form", within ten (10) working days.
- (12) Once the application is complete and you have received a "Notice of Filing" the application is placed on a review calendar for examination, in its turn.
- (13) If the first draft of your proposed POS is rejected, you should prepare a second draft. Your second draft will be reviewed by staff as soon as received.

- (14) Should a developer disagree with any changes proposed by the staff examiner, the content of the POS is open for discussion.
- (15) As soon as the POS and the registration has been approved, staff will contact the developer by telephone and advise of approval. An Order of Registration will follow. The original of the approved draft of the POS will be returned to the developer. It will be the official POS and the developer should make all necessary copies or printings from that original.
- (16) The address to which registrations should be mailed or staff contacted for assistance is given below:

IDAHO REAL ESTATE COMMISSION  
PO BOX 83720  
BOISE ID 83720-0077  
PHONE (208) 334-3285

- (17) DEVELOPER ASSISTANCE: Office Appointment: Our staff will be pleased to assist you with your registration, whether by phone, mail or an office appointment. If you feel an office appointment is necessary, PLEASE CALL FOR AN APPOINTMENT. We try to accommodate drop-ins, but our staff resources are limited and developers should consult with the examiner who will be working on their registration. Making an appointment will assure consultation with the appropriate person.

## **SECTION TWO**

### **SECTION I - General Information About Developer**

#### **VI. Registration Questionnaire**

#### **X. Developer's Plan of Promotion, Advertising and Sale**

#### **XI. Developer's Exhibits and Documentation of Record**

#### **XII. Developer's Application Affidavits of Record**

#### **Bond for Subdivider**

#### **Irrevocable Consent**

Development Name \_\_\_\_\_  
Reference Number \_\_\_\_\_

STATE OF IDAHO  
SUBDIVIDED LANDS DISPOSITION REGISTRATION  
REAL ESTATE COMMISSION

SECTION I: GENERAL INFORMATION ABOUT THE DEVELOPER

(If any of the questions are not applicable to your offering, so indicate with an "N/A". Developer is statutorily defined as anyone owning and marketing thirteen or more Timeshare interests).

1. The name of the developer is: \_\_\_\_\_  
\_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_

2. Does the developer have a general agent or one with a power of attorney?  
Yes ( ) No ( ). If Yes, identify - name and address and briefly explain the nature and degree of the agent's authority: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

3. The person to be responsible for preparing the developer's registration with the State of Idaho is: Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_

4. The developer's general marketing or sales agent is:  
(If the general sales agent is not the developer, the agent must be a real estate broker licensed in Idaho.

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

Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_

5. List the names, addresses, and business telephone numbers of Idaho Real Estate licensees and/or other persons who will be actively engaged in marketing your offering in this state:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. The developer's attorney (involved with this project) is:

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(R-01-84)

Name:

Address:

Telephone:

7. The developer's accountant or the person responsible for preparing budgets, records, and financial information for this development is:

Name:

Address:

Telephone:

8. The person who will be preparing the application for registration is:

Name:

Address:

Telephone:

A copy of any correspondence should be sent to:

9. Location of sales records: (In this space identify the future location of all sales records and purchaser receipts):

The custodian of these records will be:

10. The Developer as a Legal Entity: (initial the appropriate box):

- a.  The developer is a single proprietor (owner).
- b.  The developer is a husband/wife joint tenancy or community property owner.
- c.  The developer is a general partnership.
- d.  The developer is a joint venture.
- e.  The developer is a corporation.
- f.  The developer, as an individual, is the General Partner in a Limited Partnership.
- g.  The developer is an officer, owner, or has an interest in a corporation that is the General Partner in a Limited Partnership.
- h.  Other. Describe in detail:

11. If the developer is a corporation, provide the State of Idaho registration number and list all

other states, provinces or foreign jurisdictions where it licensed to do business.

12. Is there a parent corporation, joint venture, partnership or other person that owns, manages, directs or controls the applicant developer? Yes [  ] No [  ].  
If so, identify. Explain the nature of the relationship.
  
13. Does the applicant developer as an affiliate, or other means, manage, direct or control any subsidiary corporation, joint venture, partnership, or person who is in any manner involved with this development? Yes [  ] No [  ] If yes, identify and explain the relationship.
  
14. Identify any professional or business licenses held by the developer in this state or other jurisdictions (such as: attorney, accountant, real estate, contractor, teacher, etc.):
  
15. If the developer is a corporation, partnership, joint venture or other organization, state whether or not it was organized for the sole purpose of developing or marketing this development. Provide a general description of other business or professional activities engaged in by the developer:
  
16. Identify by name, location and type of offering, all land developments, subdivisions, planned unit developments, timeshare, camping club, or other recreational offerings that the developer, its parent corporation or its subsidiaries has owned, sold, or promoted during the past ten (10) years:
  
17. If the developer or its affiliates is a corporation or a corporation within a limited partnership, for each person owning ten percent or more of the stock, in such corporation, identify the person and the percentage of stock owned:

STATE OF IDAHO  
 SUBDIVIDED LANDS DISPOSITION REGISTRATION  
 REAL ESTATE COMMISSION

REGISTRATION QUESTIONNAIRE; PART VI THE PROGRAM  
 AND PROJECT PROPERTIES

1. Name of project
2. Date and place marketing program started
3. The total number of timeshare intervals planned to be sold or that are already dedicated to the project is:
4. Of the total available how many intervals have already been sold?
5. In which states is the developer currently marketing?
6. In what other states does the developer intend to market?
7. Is the project closed-ended  or open-ended (phased)  ?
8. Nature of interest to be sold: (Check one of the following)
  - (1) Fee interval
  - (2) Tenancy-in-common
  - (3) Common-interest club
  - (4) Leasehold estate
  - (5) License to use (vacation timeshare lease plan)
  - (6) Other (describe briefly)
9. Identify all timeshare properties involved in the project or the timeshare program: (use a separate sheet if necessary)

<u>Name of Property</u>	<u>Location (address)</u>	<u>Type of Property</u> Condo, Motel, Residence, etc.	<u>Number of Whole</u> <u>Units in Property</u>	<u>Number of</u> <u>Timeshared</u> <u>Intervals</u>
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10. Current Ownership: For each timeshare property or unit to be timeshared, or involved in the program, provide the following information covering ownership of the properties.

<u>Properties</u>	<u>Current Owner of Underlying Land</u>	<u>Current Owner of Building or Property</u>	<u>Current Owner of The Whole Units</u>
-------------------	---	--	---

11. Future Ownership: (where will title lie) For each timeshare property or unit to be timeshared, or involved in the program. Provide the following information covering ownership of the properties.

<u>Properties</u>	<u>Future Owner of Underlying Land</u>	<u>Future Owner of Building or Property</u>	<u>Future Owner of the Whole Units</u>
-------------------	--	---	--

12. If the promoter/developer does not now have fee title to any of the properties to be timeshared, explain the present color of title, and by what means and when title will be acquired:

13. Identify each timeshare property and its amenities or facilities, the construction of which is not completed. Give the projected date of completion, estimated cost and person responsible for completion:

14. Will the project be marketed or constructed in phases? Yes [ ] No [ ]. If yes, outline the plan of implementation.

15. Identify all timeshare associations, condominium associations or master associations (PUDS) wherein timeshare purchasers will have memberships.

<u>Name of Association</u>	<u>Type or Purpose</u>	<u>Statute Enabling</u>	<u>Present Control of the Association</u>
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16. Project Recreational Facilities: Identify and describe briefly all recreational facilities that are advertised or promised by the developer available to timeshare purchasers, currently or in the future.

17. State the current and future ownership and construction status of all such facilities.

<u>Facility</u>	<u>Current Title</u>	<u>Future Title</u>	<u>Construction Status</u>
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18. Who will be responsible for managing the timeshare project and the timeshare properties (name and address)?

19. Does the developer or any of its agents, principals, subsidiaries, officers, directors, or partners intend in any way to be involved with the operation, management, or control of the timeshare properties once the marketing program is finished? Yes [ ] No [ ]. If yes, explain:

20. Briefly explain the arrangement for housekeeping and servicing the interiors of the timeshared properties.

21. Has the developer, or any affiliate of the developer signed any contract(s) to manage or service the properties. Yes [ ] No [ ] If yes, give the date and parties to such a contract(s).

22. Exchange Program: Identify the exchange network to be utilized. Give date of contract with the exchange, the number of interval memberships and projects that have to date been approved by the exchange. If the developer is to utilize its own exchange program, describe the program and who will be responsible for reservations:
23. The developer's program will be fixed time [ ] floating time [ ]. If floating time describe the program and identify the person responsible for reservations.
24. Is the project a common interest club? Is it open ended? Yes [ ] No [ ].
25. Assessments: State current amount of assessments, to whom and when assessment payments are to be made:
26. Escrows: Are there to be escrows of any type? Yes [ ] No [ ]. If yes, identify escrow agent and nature of the escrow.
27. Property Trusts: Will property of any description be placed in trust? Yes [ ] No [ ]. If yes, identify the properties and explain the trust.
28. Project Declarations: Have declarations of any description been placed in trust? Yes [ ] No [ ]. If yes, identify the properties and explain the trust.

29. Generally, explain by what means the developer or sponsor will guarantee product delivery or availability of the accommodation units for the future use, occupancy, ownership or possession of interval owners.

30. Property Rentals: Will purchasers, by any means, be able to rent their units, accommodations or intervals? Yes [ ] No [ ]. If yes, explain the procedure and cover fully whether or not the developer will be involved in arranging for such rentals. If no, explain the restriction.

Name of Development

STATE OF IDAHO  
SUBDIVIDED LANDS DISPOSITION REGISTRATION  
REAL ESTATE COMMISSION

SECTION X. DEVELOPER'S PLAN OF PROMOTION, ADVERTISING AND SALE:

1. Describe generally the developer's plan of promotion:

2. Will the developer be using direct mail advertising of any type?

Yes [ ] No [ ]

If yes, identify the mailing organization. Describe generally the promotional plan and nature of the literature to be mailed.

3. Will prospects be offered:

(1) Free gifts, bonuses or prizes?

Yes [ ] No [ ]

(2) Free dinners?

Yes [ ] No [ ]

(3) Free transportation?

Yes [ ] No [ ]

(4) Fly and see or site inspection revocation rights?

Yes [ ] No [ ]

(5) Money-back guarantees under other conditions?

Yes [ ] No [ ]

If yes to any of the above, please explain.

4. Identify all other media (newspapers, television stations, radio stations, magazines, etc.) to be utilized in the promotional plan:

5. Will there be association or developer newsletters sent to purchasers?

Yes [ ] No [ ]

6. Does the developer, or its agents, propose to advertise, promote or sell the registered offering as a financial investment?

Yes [ ] No [ ]

If yes, the developer must fully support any such proposal, both with financial information and fully audited financial statements.

7. Will there be restrictions placed upon the purchasers' rights to resell their lots, units, intervals or interests?

Yes [ ] No [ ]

8. Will there be restrictions placed upon time-payment contract purchasers for selling or assigning their agreements or interests?

Yes [ ] No [ ]

9. Will the developer be selling, discounting, or assigning as security for loans, its time-payment receivables?

Yes [ ] No [ ]

If yes, identify and explain the plan:

SECTION XI: DEVELOPER'S EXHIBITS AND DOCUMENTATION OF RECORD

GENERAL INFORMATION; This Section identifies documents needed for the record and the registration application.

This form has been devised for taking care of documentation needs for a variety of offerings. It is unlikely that any one developer will need file all noted documents. If there is any question about the need for a document, the developer should submit the document as an exhibit. Failure to present necessary documents might cause delay in receiving a Notice of Filing and Registration.

There should be no need to duplicate documents found in exhibits. If an appropriate document has already been provided elsewhere, simply make note in the left-hand side of the page referencing where that document(s) was previously submitted; e.g., "See Exhibit\_\_\_\_\_." Please do not submit originals of documents unless requested.

Read down the list and provide the documents as appropriate. Each document or group of documents provided as an exhibit should have an index tab placed somewhere on its right side, protruding conspicuously and labeled by referencing to that exhibit's identifying number as found on the request page. The final compilation of documents should be bound together by clips, loose-leaf binder or similar means, making the compilation easily identifiable and readily accessible for staff examination.

FOREIGN NON-ENGLISH JURISDICTIONS: Documents whose original is in a language other than English must have a separately attached English translation of their contents.

1. A sample or prototype of the marketing purchaser agreement and all other documents or writings to be signed or initialed by timeshare purchasers. Label this material as Exhibit 1.
2. Provide copies of all recorded and unrecorded encumbrances, mortgages, trust deeds, leases, developer contract purchase agreements (including any amendments and release clauses), liens, and judgments of record that might affect title to any of the units or interests being whole or timeshare offered. Label this material as Exhibit 2.
3. Provide an opinion of title, title report or certificate which as been issued within the preceding twenty (20) days, covering all whole or timeshare units or interests and properties being offered for sale or that are servicing the development. If the development is sited in a jurisdiction where title insurance or title opinions are not commonly available elsewhere in the statement, the developer should have explained how title is recorded and made of record. In such a case, provide the appropriate document(s) showing current status of the developer's title. Label this material as Exhibit 3.
4. Provide copies of any declarations or project governing instruments for development. These should show the recording information and adopting signatures. Label this material as Exhibit 4.
5. Provide copies of any Articles of Incorporation or By-laws to be applicable to this development. These should show the appropriate filing evidence and adopting signatures. Label this material as Exhibit 5.
6. Provide copies of all covenants and restrictions to be applicable to this development. Label this material as Exhibit 6. These should show evidence of recordation.
7. Provide copies of all promotional and advertising material to be used or that may already have been used in this state, in your sales and marketing program. This is to include all TV or radio scripts, newspaper and magazine ads, direct mailing materials, handouts,

- promotional meetings, slides, movies, talks and newsletters. Include all such material as identified in Section X, "The Developer's Plan of Promotion" of this application. Label this material as Exhibit 7.
8. Provide copies of any listing agreement or similar marketing contract which has been or is to be signed between the developer and a marketing or real estate agent for marketing and selling your inventory in the state of Idaho. Label this material as Exhibit 8.
  9. If the developer/promoter, its parent or subsidiary, is a corporation, or a corporation that is the general partner for a limited partnership, provide a copy of the Articles of Incorporation, or certificate to do business in the state of Idaho, annual reports to the state showing officers and directors, as filed for the past three (3) years; and the current by-laws. Label this material as Exhibit 9.
  10. If the developer, its parent or its subsidiary is a general partnership or joint venture, supply copies of the partnership agreement. Label this material as Exhibit 10.
  11. If the developer, its parent or its subsidiary is a limited partnership or real estate syndication, provide a copy of the Articles of Limited Partnership, all amendments thereto and a list (names and addresses) of all investors, and any syndication agreement. Label this material as Exhibit 11.
  12. If there are any construction bonds, bonds covering utilities, recreation facilities, or bonds to be used for any other purpose in the planning and construction of this development, provide copies of the same. Label this material as Exhibit 12.
  13. If this offering has been registered elsewhere as a security, timeshare, condominium, or land development, provide copies of the disclosure statements (POS) that have been approved in such registrations. Label this material as Exhibit 13.
  14. If there have been any adverse administrative orders, permit denials, or filing of civil or criminal lawsuits involving the development or the developer, provide full copies of same, including developer answers to any lawsuits. Label this material as exhibit 14.
  15. If the development's administrative review processes involve zoning changes or the passage of special local ordinances or laws in order to accommodate the developer's plans for this development, provide a copy of the ordinance or order of such zoning change. Label this material as Exhibit 15.
  16. If, as part of any platting, condominium or subdivision administrative review process, the developer has made any commitments or agreed to any conditions or restrictions in order to gain local approval of the project, provide a copy of the record of proceedings before the local agency, or other written record of such commitments; also a copy of any agency staff report known by the developer to have been utilized in the agency review process. Label this material as Exhibit 16.
  17. If any escrow arrangement has been prepared by the developer or others for the purpose of guaranteeing clear title for contract purchasers, or for handling the blanket encumbrance requirements, provide a copy of all documents proposed to be used in the escrow arrangements. These should include the original escrow contract and the escrow instructions to be given the agent. Label this material as Exhibit 17.
  18. If a trust or escrow arrangement is proposed for any other purpose, such as holding purchaser funds pending completion of facilities, or the purchase of property by the developer, provide copies of all documents used in the trust arrangement. Include all correspondence and any reports of record from the trustee. Label this material as Exhibit 18.

19. If a trust arrangement has been prepared by the developer, the association, or others, for the collection or holding of assessments or any other monies to be used for the purpose of construction or maintenance of development properties, owned commonly, or otherwise, provide a copy of all documents proposed to be used in this trust arrangement. Include any correspondence or reports from the trustee. Label this material as Exhibit 19.
20. If any type of a reservations program or marketing feasibility study will be utilized in planning or financing this development wherein purchasers will make pre-construction commitments to purchase, provide a copy of the document to be signed by purchasers (if not already provided in Exhibit 1). Label this material as Exhibit 20.
21. If the developer promises or advertises, or if he is committed to the availability of any other improvement or amenity to service the development or its residents (including recreational facilities), and if not already provided elsewhere, provide adequate and full documentation to support the facts, all proposed advertising, developer promises, and the information proposed to be found in the POS concerning the availability of such improvement(s). Include copies of all correspondence from regulatory agencies and the suppliers. Label this material as Exhibit 21.
22. If the development involves associations, clubs or similar organization(s) for the purpose of owning or managing common elements, improvements, amenities, recreational facilities or other community property servicing this development and/or its residents for each such organization, provide the following:
  - (1) Copies of all governing documents, including the Articles of Incorporation, by-laws, administrative rules, and any amendments thereto. Include the last three (3) annual reports for the corporation that have been sent to a regulatory agency.
  - (2) Copies of the transcribed minutes of all Board of Director or membership meetings held during the past year, and,
  - (3) Copies of any newsletters or other informational materials provided officers, directors or members during the past year.

Label all of the above materials as Exhibit 22.

23. If any association budgets, short or long term, have been prepared or promulgated for usage by the association(s) or the promoter/developer, or if

There have been any association income tax returns prepared for the IRS during the past two (2) years, or if

For any association financial statements or reports covering association finances that have been prepared or promulgated for association, developer or member usage, provide copies of all such reports, statements, budgets or returns. Label this material as Exhibit 23.

**NOTE: IF THE PROMOTER/DEVELOPER NO LONGER HAS IN-FACT CONTROL OF THE ASSOCIATION, AND HAS DIFFICULTY IN OBTAINING ANY OF THE ABOVE MATERIALS, EXPLAIN BELOW. ALSO IDENTIFY (NAME AND ADDRESS) THOSE PERSONS IN THE ASSOCIATION WHO WOULD MOST LIKELY HAVE ACCESS TO THE DOCUMENTS.**

24. If the developer, individually, or as an officer/director of the association (2), has committed, or proposes to commit the association to any management, employment, or other contract, lease or agreement that serves, or would serve, to financially commit the association, provide copies of all such commitments. Label this material as Exhibit 24.

25. If the development is a condominium, or if it contains tracts or acreage that will contain condominiums, and if not already provided elsewhere, provide: 1) A copy of all filed and recorded condominium declarations or master deeds, by-laws, plats and building plans involving such condominiums (or those that are to be filed). Label this material as Exhibit 25.
26. If the developer intends pre-construction marketing surveys, feasibility studies or a purchaser reservations program, and if not already provided elsewhere, provide a copy of agreements to be signed by purchasers and also a copy of the contract with the escrow agent. Label this material as Exhibit 26.
27. If the developer has arranged for FHA, VA or other institutional financing for the individual unit or timeshare purchasers, provide a copy of the approval (or rejection) letter and all related correspondence from such institution. Label this material as Exhibit 27.
28. If construction of any accommodation, property or facility has not been completed, provide copies of the construction loan commitment, financial statement or other evidence of the availability of construction funds. Label this evidence as Exhibit 28.
29. If a timeshare offering, and property is sited in a foreign jurisdiction, submit a letter from an appropriate local agency - or other evidence - showing that timeshare of units is permitted in the area zoning or the declarations that there will be no violation of the local jurisdiction's Timeshare Act or condominium documents. Label this material as Exhibit 29.
30. If appropriate to the offering submit a readable floor plan of the condominium or property. Label this material as Exhibit 30.
31. Submit a complete description of all furnishings to be included with each condominium or timeshare unit. Label this material as Exhibit 31.
32. Submit a copy of the documents (contract, option, earnest money, deed) whereby the promoter has obtained or will be obtaining title to the units. Label this material as Exhibit 32.
33. Submit, if not already provided, a copy of any contract signed by the promoter with any managing or servicing agent. Label this material as Exhibit 33.
34. If any outside agency will service the developer's purchase agreements, provide a copy of the service agreement. Label this material as Exhibit 34.
35. If purchasers or owners of the interest in an offering must pay fees or charges beyond prescribed assessments for the use, occupancy or possession of accommodations, facilities or services in the project, provide a copy of the schedule for such fees. Label this material as Exhibit 35.
36. Provide copies of any other documents not requested herein that you consider pertinent to this application and your public offering and briefly state on a separate page the nature and purpose of these documents. Label this material as Exhibit 36.
37. Copies of all insurance policies covering the project or the association. (Photostats will be adequate).

Name of Development:

STATE OF IDAHO  
SUBDIVIDED LANDS DISPOSITION REGISTRATION  
REAL ESTATE COMMISSION

SECTION XII. DEVELOPER'S APPLICATION AFFIDAVITS OF RECORD:

I/We, \_\_\_\_\_, of

(Street Address)

(County)

(State)

of the development known as: \_\_\_\_\_,

BEING DULY SWORN, DEPOSE AND ATTEST TO THE FOLLOWING AFFIDAVITS OF RECORD:

Encumbrances  
and Liens:

- 1) THAT, THERE ARE NO ENCUMBRANCES, liens, easements, lawsuits or judgments affecting this development or title to the lots, units, interests, acreages and properties being registered herein, other than those stated in this application, or otherwise noted in the public offering statement and/or the title opinion. I/We will not knowingly cause any encumbrances, liens or easements to affect title to the properties in this development without first notifying the Real Estate Commission. I/We will contact the agency immediately should any encumbrances, liens, easements or lawsuits come of record or possibly affect title to said registered properties. Copies of all lawsuits or liens that are filed involving or naming any property or facility in this development will be immediately provided to the agency; and,

Hazards:

- 2) THAT, I/We are aware of no hazardous conditions, including those of noise, safety, or health, that affect or might affect this development other than those that are disclosed in this application, or that are to be disclosed in the Public Offering Statement. Should any hazards arise or come to my/our attention during the term of this registration, I/we will immediately notify all past and present purchasers and Real Estate Commission of such hazards, and,
- 3) THAT neither myself/ourselves nor any person with an ownership interest of 5 percent (5%) or more in this development, or if a corporation, none of the officers, directors, principals, nor any of the developer's managers, or sales employees of the corporation, are known to ever have been convicted of a crime involving land dispositions or any aspect of the land sales business in this state, the United States or any other state or foreign country within the past ten (10) years, with the following exceptions: (If none so state)
- 4) THAT, PROVIDED THEY ARE recordable in the jurisdiction where the development is sited, I/we will record all purchaser time payment agreements and pay all applicable state or locally-required property or excise taxes, either prior to, or at the time of purchaser commitment; and,
- 5) THAT, UNLESS EXPLAINED OTHERWISE AND ELSEWHERE IN THIS APPLICATION, I/we will not knowingly or intentionally sell lots, units or interests in this development sight-unseen, and,
- 6) THAT, UNLESS FULLY DOCUMENTED, DISCLOSED in my/our Public Offering Statement and agreed to by the agency, neither I/we or my/our agents, will knowingly or intentionally advertise or promote the lots, units or interest in this development as investment potential; and,

- 7) THAT, after completion of this application and the statements made herein, I/we have re-examined the application, the initialings, the statements and the information provided herein, including all documents, exhibits and references, and certify under penalty of perjury or revocation of any granted registration, that all initialings, statements, information and documentation presented, are, to the best of my/our knowledge and belief, true, correct and complete in all respects; and,
- 8) THAT, I/we have completed and signed this affidavit and affirmation in the capacity of (i.e., owner, partner, officer, attorney, etc.):

and my/our authority to make this affidavit and complete this form is as follows:

NOTE: If authority is other than that of an owner, the Affidavit signer should attach a copy of the source of authority as part of the registration documentation.

(Signature)

(Typed or printed name)

(Signature)

(Typed or printed name)

STATE OF            )  
                          ) ss.  
County of            )

ON THIS \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, personally appeared before me

\_\_\_\_\_ known to me to be the individual(s) described herein and who executed the within instrument and acknowledged that \_\_\_\_\_ signed and sealed the same as a free and voluntary act and deed, for the uses and purposes herein stated.

GIVEN UNDER MY HAND and official seal this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC in and for the state of  
\_\_\_\_\_, residing at

\_\_\_\_\_  
My commission expires: \_\_\_\_\_

NOTE: If the developer is a single proprietor and married, signatures of both husband and wife must be affixed unless it can be verified that the development is the single property of either of the spouses.

BOND OF SUBDIVIDER UNDER THE  
SUBDIVIDED LANDS DISPOSITION ACT  
(Time Shared Property)  
IDAHO REAL ESTATE COMMISSION

KNOW ALL MEN BY THESE PRESENTS: BOND NO. \_\_\_\_\_

That we \_\_\_\_\_, of \_\_\_\_\_, in the county of \_\_\_\_\_, State of \_\_\_\_\_, as Principal, and \_\_\_\_\_, a corporation, duly organized under the laws of the State of \_\_\_\_\_, and licensed to do business under the laws of the State of Idaho as Surety, are held and firmly bound unto the State of Idaho in the full penal sum of \_\_\_\_\_ DOLLARS ( ) for the payment of which will and truly be made, we bind ourselves and our legal representative, jointly and severally, by these presents.

Sealed with our Seals and dated this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_.

WHEREAS, The above bound principal in compliance with the provisions of Title 55, Chapter 18, Idaho Code, cited as the Subdivided Lands Disposition Act, and the rules and regulations promulgated by the Idaho Real Estate Commission, is about to engage or continue in the business of offering for sale and selling in Idaho Time shared property, in the capacity of a subdivider, as defined by Title 55, Chapter 18, Idaho Code.

NOW THEREFORE, if the Timeshared property of said principal be registered by the Idaho Real Estate Commission as provided by the Subdivided Lands Disposition Act, and if said principal shall conduct his business and himself in accordance with the provisions of said Act, said principal shall pay to the extent of \_\_\_\_\_ DOLLARS ( ), all judgments recovered against him for loss or damage to any person, as defined in said Act, arising out of the sale or disposition of any Time shared property, then this obligation to be void, otherwise this obligation to remain in full force and effect.

This bond shall be in full force and effect from the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, and continuously thereafter for each successive year until canceled as provided herein.

The surety may cancel this bond as to future liability by giving thirty (30) days written notice by registered mail addressed to the principal at the address in this bond stated, and to the Idaho Real Estate commission. If the principal does not execute and have approved a new bond prior to the effective day of such cancellation by the Surety, the registration of all subdivided lands of the principal under the Subdivided Lands Act will be automatically revoked by operation of law. If at any time during the term hereof the principal furnishes a new bond accepted by the Commission, this bond shall be canceled as of the date of said approval. The surety shall remain liable however, subject to all the terms, conditions and provisions of this bond, for any and all acts covered by this bond committed prior to the date of such cancellation.

IN WITNESS WHEREOF, The said principal has hereunto set his hand and seal, and the said surety has caused these presents to be signed by its duly authorized officers and its corporate seal to be hereunto affixed the day and year first above written.

COUNTERSIGNED	_____ Principal
_____	_____ Surety
Resident Agent	
_____	_____ Attorney-in-Fact
Address	



## **SECTION THREE**

- 1. Preparing the Public Offering Statement (POS)**
- 2. Public Offering Statement including Purchaser's Receipt**

Preparation Instructions - Public Offering Statement - Format #3, Timeshare

STATE OF IDAHO  
SUBDIVIDED LANDS DISPOSITION ACT  
REAL ESTATE COMMISSION

PREPARING THE PUBLIC OFFERING STATEMENT (POS):  
FORMAT #3 FOR TIMESHARE PROJECTS

Before preparing a draft for a Public Offering Statement (POS), the developer should review agency guidelines and general instructions for the registration of timeshare offerings. Please note that the draft must be typed and presented on unlined 8-1/2" by 11" letter-size paper. The draft should utilize only one side of the paper although the final approved document that is to be used for public distribution may utilize both sides of a sheet of paper.

**IMPORTANT:** THE POS MUST BE PREPARED BY USING THE AGENCY-PRESCRIBED FORMAT AND IS TO INCLUDE ALL PARTS, SECTIONS AND INFORMATION AREAS AS OUTLINED IN THESE INSTRUCTIONS, UNLESS NOTED OTHERWISE.

IF A REGISTRATION APPLICATION IS SUBMITTED WITH A POS THAT UTILIZES A NON-PRESCRIBED, OR AN OBSOLETE FORMAT, OR ONE WITH ANY OF THE NECESSARY PARTS, SECTIONS OR PAGES MISSING, THE POS MAY BE RETURNED FOR COMPLETION OR RE-DOING. SUCH A SUBMISSION WILL CONSTITUTE A DEFICIENT FILING AND MAY DELAY THE REGISTRATION.

**SAMPLE PUBLIC OFFERING STATEMENT:** A sample POS has been provided in the registration packet. It is there for your guidance. It is suggested that you use it as a reference while drafting your own POS. The sample POS and the informational sections in it, have been intentionally designed to cover a wide variety of factual situations. The situations disclosed quite likely will not all be the same as those found in your own project; however, developers should informationally address each of the paragraphs captioned in the sample POS. They are outlined below. Give the facts as you believe them to be for your own project.

There are several agency-prepared, pre-printed parts and pages to be utilized in preparing your POS. These will be found in your registration packet and are as follows:

- 1) Pre-printed cover pages, containing the front page, developer=s affidavit and consent to service and purchaser’s receipt for a Public Offering Statement, form #SLD-55-155 (01-82);
- 2) Pre-printed part, “General Information Applicable to All Registration Offerings” form #SLD-55-160 (01-82);

SLD-55-150  
POS Instructions - Format #3 - Timeshare  
(R-01-82)

- 3) Pre-printed part, “General Information About Timeshare Offerings”, form #SLD-55-165 (01-82);
- 4) Pre-printed part, “General Information About Common-Interest Offerings”, form #SLD 55-170 (01-82); and
- 5) A Table of Contents page.

Pre-printed cover and affidavit pages, #SLD-55-155; the General Information pre-printed pages, #SLD-55-160; the pre-printed pages, “General Information About Time-Share”, #SLD-55-165; and a table of contents page are to be utilized in preparing the POS for all types of timeshare offerings. The pre-printed section #SLD-55-170; “A Commonly-Owned Property” is to be utilized and included in the POS only if an offering is involved with purchaser participation, or membership in a form of condominium, common-owner, or timeshare association.

PREPARATION INSTRUCTIONS:

- 1) Remove pre-printed material #SLD-55-155 from the packet. Detach the top page. It will serve as the front page and page 2 of your POS. Do not at this time complete any of the blanks found on these pages. The registration examiner will later advise what information should be placed in these blanks, after the POS and its contents have been approved.
- 2) A “Table of Contents” sheet, to be included as pages 3 and 4, is next added. It should be prepared by the developer AFTER the final draft and content of the POS have been approved.
- 3) Remove the pre-printed pages, #SLD-55-160, “General Information”: and place it in the POS behind the Table of Contents. It will become Part I of your POS. NOTE: THIS PRE-PRINTED PART WAS DESIGNED TO BE UTILIZED IN REGISTRATIONS, GENERALLY, AND THERE MAY BE SOME PARAGRAPHS OR STATEMENTS NEEDING DELETION OR REWORDING IN ORDER TO BE EXACTLY REPRESENTATIVE OF THE FACTS IN YOUR SITUATION. IF SO, THE DEVELOPERS SHOULD AMEND OR REWORD WHERE NECESSARY AND MAKE REFERENCE TO HAVING DONE SO ON THE PAGE IN THE MARGIN NEXT TO THE CORRECTION.
- 4) Remove the pre-printed pages, #SLD-55-165, “General Information About Timeshare” and place it behind your Part I. This pre-printed section will become Part II of your POS.
- 5) If your purchasers are to be members in an association, or involved with ownership and management of property by means of an association you should next utilize pre-printed pages #SLD-55-070, “Commonly-Owned Property.” It will constitute Part III of the POS and should be placed directly behind the pre-printed Part II.

NOTE; THIS PRE-PRINTED PART WAS DESIGNED TO BE UTILIZED IN

REGISTRATIONS, GENERALLY, AND THERE MAY BE SOME PARAGRAPHS OR STATEMENTS NEEDING DELETION OR REWORDING IN ORDER TO BE EXACTLY REPRESENTATIVE OF THE FACTS IN YOUR SITUATION. IF SO, THE DEVELOPER SHOULD AMEND OR REWORD WHERE NECESSARY AND MAKE REFERENCE TO HAVING DONE SO ON THE PAGE IN THE MARGIN NEXT TO THE CORRECTIONS.

- 6) Part III or Part IV of the POS - as the case may be - is next prepared. This part will contain information prepared by the developer. The write-ups are to be prepared by following the format and outline of captioned sections, as provided ahead in these instructions. Not all of the captioned sections will be appropriate or utilized for every type of project. You usually will find it noted herein when a section might not apply to a particular situation.
- 7) Those developers with projects involving associations will need to prepare an additional section for their POS. It will contain the developer's write-ups and information about the association. The write-ups are to be prepared by following the format and outline of captioned sections which are provided in these instructions. AGAIN, DEPENDING UPON THE NATURE OF YOUR ASSOCIATION, SOME OUTLINED SECTIONS OR PROPOSED WRITE-UPS MAY NOT BE APPLICABLE TO YOUR SITUATION.
- 8) Suggestions for the informational content of the captioned sections are provided in these instructions. After the write-ups for the final part of the POS have been completed, the developer should conclude the POS by adding the final two pages of the POS. These are pre-printed and will be found in the registration packet. The next to last page is entitled, "Developer's Irrevocable Consent". THIS PAGE SHOULD BE COMPLETED, SIGNED, DATED AND NOTARIZED ONLY AFTER THE REGISTRATION HAS BEEN APPROVED AND THE FINAL CONTENT OF THE POS HAS BEEN DETERMINED.
- 9) The final page, pre-printed and found in your registration packet is the "Purchaser's Receipt for the Public Offering Statement". When finally ready for public presentation, this page should contain no printing on its opposite side, as it is to be removed and retained by the developer as soon as it has been signed by the recipient of the POS.
- 10) Assuming that instructions (1) through (9) have been followed, the draft POS should be ready for agency presentation. At this point:
  1. Please do not number the pages, fill in the blanks or list the Statement of Record documentation on the pre-printed pages. At the time of the final approval of the POS and the registration, the developer should then type in the documents to be made available, as part of the Statement of Record, in the project's sales office(s).
  2. Do not yet sign and notarize the attestation and affidavit page. The signature should be affixed after the content of the POS is finally determined.
  3. Do retain several copies of the first POS draft as a worksheet and for later referral. Please do not pre-print or photocopy large number of copies of your

first POS draft. There will most likely be changes needed before final approval. Your POS should be numbered, blanks filled in, signatures affixed and notarized, only after its final contents and pages have been agreed upon by the developer and the agency.

STATE OF IDAHO  
SUBDIVIDED LANDS DISPOSITION REGISTRATION

OUTLINE AND WRITE-UP SUGGESTIONS FOR THE  
DEVELOPER FOR PART III (OR IV) OF THE POS:

DEVELOPERS: First, prepare a heading for the first page of this section as follows:  
(See page Of the sample POS:)

---

STATE OF IDAHO  
SUBDIVIDED LANDS DISPOSITION REGISTRATION

PART : DEVELOPER'S INFORMATION ABOUT (fill in the name of your  
development)

TO THE READER: This part of the Public Offering Statement (POS)  
contains specific information about this registered timeshare project and has been provided by the  
developer.

The developer of this offering is: (Type in the name and address of the  
developer)

---

OUTLINE FOR THE CAPTIONED SECTIONS:

- I. THE DEVELOPER: GENERAL INFORMATION AND BACKGROUND:
- II. THE PROJECT; HISTORY AND GENERAL INFORMATION:
- III. THE NATURE OF THE INTEREST WHICH YOU ARE PURCHASING:
- IV. IDENTITY AND DESCRIPTION OF THE INTERVALS: CURRENT AND  
FUTURE SALES INVENTORY:
- V. MARKETING AND SELLING THE PROJECT:
- VI. LEGAL TITLE TO THE PROJECT PROPERTIES:
  - A. Current:
  - B. Future:
- VII. ENCUMBRANCES AND HAZARDS AFFECTING TITLE TO PROJECT  
PROPERTIES:
- VIII. THE FUTURE STABILITY OF THE PROPERTIES: ARRANGEMENTS FOR  
ASSURING AVAILABILITY OF THE PROPERTIES FOR OCCUPANCY AND USE:
- XI. PURCHASER PROTECTIONS:

- X. THE PURCHASER SALES AGREEMENT:
  - A. Recordability:
  - B. Alienation, revocation, acceleration and other restrictive hazard clauses:
  - C. Assignability:
  - D. Collection or escrow agent:
  - E. Other:
  
- XI: DEVELOPER-ARRANGED FINANCING:
  
- XII: PURCHASER COSTS:
  
- XIII: RESTRICTIONS AFFECTING PURCHASER USE AND ENJOYMENT:
  
- XIV: MANAGING AND SERVICING THE PROJECT:
  
- XV: INVESTMENT POTENTIAL:
  
- XVI: THE TIMESHARE EXCHANGE PROGRAM:
  
- XVII: PURCHASER CONVENIENCES;
  - A. Transportation; Facilities and Costs:
  - B. Community Services:
  - C. Car Rental, Parking:
  - D. Outside Social and Recreational Facilities:
  - E. Other:
  
- XVIII: PHYSICAL HAZARDS THAT MIGHT AFFECT PROJECT PROPERTIES:
  
- XIX: THE “\_\_\_\_\_” ASSOCIATION: YOUR MEMBERSHIP AND INVOLVEMENT:
  - A. General Information About Your Association:
  - B. The Nature of your Involvement with the Association:
  - C. Description of Association-Owned Properties:
  - D. Ownership Status of Commonly-Owned Properties:
  - E. Construction Status of Association Properties:
  - F. Number and Type of Individuals to be Making Use of Association Properties:
  - G. The Association: Its Legal Structure:
  - H. Assessments:
  - I. Special Assessments:
  - J. Assessment Collection:
  - K. Assessment Trust Arrangement:
  - L. Association Insurances Coverages:
  - M. Dissolution: Distribution of Association Assets To Members:

SUGGESTIONS FOR WRITE-UPS AND INFORMATIONAL CONTENT OF THE OUTLINED SECTIONS:

**IMPORTANT:** Each development is unique. The developer is responsible for including in each section of the POS any other information, not suggested or referenced to herein, that might be of importance to a prospective purchaser. As you compose your POS, refer to the sample POS as a guide. Refer also to the information and documentation presented in your Statement of Record. The information in the POS, the Statement of Record and advertising must all be in agreement. **INFORMATION OF PARTICULAR IMPORTANCE OR SITUATIONS IN YOUR DEVELOPMENT WHICH MIGHT CONSTITUTE A HAZARD SHOULD BE PLACED IN BOLD-PRINT AND IN SOME INSTANCES, UNDERLINED.** Once the content of the POS has finally been agreed upon and a registration approved, developers may have the POS tumbled (printing on both sides of the page). However, for the original draft, please print on only one side of the page. **AVOID LEGAL AND TECHNICAL JARGON: WHENEVER POSSIBLE, USE SIMPLE WORDS AND EXPRESSIONS:**

**I. THE DEVELOPER: GENERAL INFORMATION AND BACKGROUND:**

Identify - name and business address. If a corporation, identify those individuals owning more than a 25% interest in the corporation (the purpose for this information is to let purchasers know the identity of the individuals they are dealing with in small, non-public corporations). Provide the date and number of the corporate registration. Identify the registered agent - name and address - years in operation, primary type of business involvement, and experience with other recreation or timeshare projects. If the developer is a limited partnership, provide similar information about the general partner of that partnership.

**II. THE PROJECT: HISTORY AND GENERAL INFORMATION:**

**NOTE: THE AMOUNT AND TYPE OF INFORMATION TO BE PROVIDED IN THIS SECTION WILL DEPEND UPON THE CIRCUMSTANCES. PROJECTS TOTALLY SITED IN-STATE AND SOLD ONLY AFTER AN ON-SITE INSPECTION MAY ABBREVIATE THE INFORMATIONAL CONTENT OF THIS SECTION: WHEREAS, AN UNCOMPLETED, OUT-OF-STATE PROJECT, SOLD OFF-SITE WOULD REQUIRE DISCLOSURE FULLY COVERING THE PROPOSED PROJECT.**

Identify each property or site to be utilized in the offering. Give their locations and physical characteristics. If the availability of facilities in nearby recreational areas is to be advertised, describe them and state the distance in road miles from such recreational areas. Identify all residential building structures, their ages, physical characteristics, and number of units. Identify and describe any recreational facilities to be part of the project. If condominiums are involved, state whether or not they are conversions, the number of units with whole-unit owners, the number in timeshare ownership and the number involved in rental pool arrangements. **NOTE: THE PURPOSE FOR THIS INFORMATION IS TO DISCLOSE ANY POTENTIAL CONFLICTS OF INTEREST BETWEEN OWNERS OF UNITS OR PROBLEMS WITH**

MANAGEMENT. Was the project originally designed for timesharing? If a leasehold condominium, identify the underlying acreage owner and nature of the leasehold.

III. NATURE OF THE INTEREST WHICH YOU ARE PURCHASING:

What kind of an interest will the purchaser obtain? A few examples:

“Purchasers will obtain an undivided 1/50th ownership as a tenant-in-common with 49 other owners of a residential four bedroom house. The dates and times that each owner will occupy and use the property will be contractually determined when each owner signs a time interval purchase agreement with the developer. Ownership of your interest will be in your name and is recordable, transferable and insurable;”

OR,

“Purchasers will obtain a twenty-year-term legal right to occupy and use certain residential units and recreational facilities in the project hotels. The dates of occupancy and use will be determined by reservation and availability of non-specified residential units. The purchaser will obtain no form of title or legal ownership to the properties;”

OR,

“The purchaser will obtain a fee ownership of a condominium residential unit for a fixed, pre-determined interval of time each year. This ownership and title is recordable, insurable and transferable. The date and time of your interval ownership will be determined and contracted when you make a purchase;”

OR,

“Purchasers will obtain an undivided 1/500th common-interest ownership of a 1200-acre ranch, including the residences, certain recreational facilities and all acreages. Ownership will be by means of membership and ownership in a non-profit corporation which will take legal title to the property. The date and term of your occupancy and use of the property will be determined by yearly reservation in the season contracted for, at the time you make a purchase.”

There could be descriptions for other types of structuring. The exact verbiage to be utilized will depend upon the nature of the project structuring, the purchaser agreement and other circumstances.

IV. IDENTITY AND DESCRIPTION OF THE INTERVALS: CURRENT AND FUTURE SALES INVENTORY:

Developers and their sales agents will most likely already have this information available in their sales materials. The information may be referenced to as a sales

handout or an attachment to the POS. The information should identify the buildings, units, time intervals, seasons and price ranges of the intervals.

V. **MARKETING AND SELLING THE PROJECT:**

Identify the general marketing agent, the local sales agent and state licensees (if any).

If the developer is utilizing its own sales staff, make this fact known, including the employee or corporate status of such salespersons. NOTE: A MAJOR CONSUMER COMPLAINT COMING TO THE DIVISION'S ATTENTION ABOUT TIMESHARE MARKETING HAS BEEN THAT PURCHASERS OFTEN CANNOT IDENTIFY THE SALESPERSONS OR THE AUTHORITY OF THE SALESPERSONS WITH WHOM THEY DEAL. PURCHASERS ARE ENTITLED TO SUCH INFORMATION, PARTICULARLY IF THE SALESPEOPLE ARE NOT STATE LICENSED. SALESPERSONS SHOULD CLEARLY IDENTIFY THEMSELVES - A BUSINESS CARD IS SUGGESTED.

If the developer has been utilizing direct-mail solicitations, information about these promotions must be provided. Identify the mailing organization, the nature of the mailings, odds at winning free gifts, and conditions to qualifying for prizes.

Developers not utilizing direct mailings, boiler-room telephone solicitations, or similar marketing approaches, should abbreviate the write-ups for this section.

If the developer is advertising a site-inspection revocation agreement for purchasers, the details of same must be fully disclosed and the agreement conditions fully spelled out in this section of the POS.

VI. **LEGAL TITLE TO THE PROJECT PROPERTIES:**

Identify who currently has title to all properties being utilized in the project. If the developer is not currently the fee owner, explain fully the developer's current ownership status, the date and the method by which he is to obtain title. Chain back title from the developer to the current owner. If title is to be transferred to purchasers or an association in the future, cover the method, and date or conditions of transfer. Who will have future ownership and legal title to development properties once the sale program is ended? If the purchaser's agreement or interest has a terminal date, state this fact and cover fully, in bold print to whom title to the property will revert on the terminal date. For common-interest association ownerships, if there were a dissolution of an association or membership arrangement during the term of agreement, to whom would the assets normally revert?

VII. **ENCUMBRANCES AND HAZARDS AFFECTING TITLE TO PROJECT PROPERTIES:**

These are of the type as identified on pages 3 and 4 of the general guidelines for the registration of timeshare offerings. Are there mortgages, liens, judgments or other encumbrances affecting the properties? Does the developer have clear title? If

construction is in progress, is payment for contractors assured? Identify any mortgages, beneficiaries, lien or judgment holders and the amounts owed.

VIII. THE FUTURE AVAILABILITY OF THE PROPERTIES: ARRANGEMENT FOR ASSURING AVAILABILITY OF THE PROPERTIES FOR OCCUPANCY AND USE:

NOTE: THIS SECTION IS TO BE COMPLETED BY THOSE PROMOTERS OF PROJECTS INVOLVING OCCUPANCY AND USE ARRANGEMENTS WHEREIN THE PURCHASER IS TO OBTAIN NO FORM OF ESTATE OR COMMON-INTEREST TITLE OR OWNERSHIP. PROMOTERS OF FEE INTERVAL, TENANCY-IN-COMMON AND UNDIVIDED COMMON-INTEREST OWNERSHIPS SHOULD SKIP THIS SECTION.

Those promoters selling no-title “occupancy and use” should disclose fully in this section how they can assure the availability of all of the properties for purchaser occupancy and use during the entire term of their agreements. How can the purchaser be assured that contingencies such as bankruptcy, death, liens, encumbrances, fire, natural hazards, even a sale by the owner, will not wipe out the availability of the property? If the property becomes unavailable, what arrangements are there to assure refund of purchaser payments? IF THERE ARE NO SUCH ASSURANCES, DEVELOPERS MUST DISCLOSE THIS FACT IN A SEPARATE PARAGRAPH OF BOLDLY CAPTIONED, UNDERLINED PRINT.

IX. PURCHASER PROTECTIONS:

- A. Escrow and trust arrangements:
- B. Title insurance:
- C. Recording of Purchaser Agreements:
- D. Other:

In this section cover fully any escrow or trust arrangements utilized to protect purchaser titles, payments and contracts. Among others, these might include true escrows (titles and collections), trust for the holding of title to properties, escrows holding purchaser contracts until a certain percentage of sales are closed. NOTE: DEVELOPERS MUST PROVIDE ADEQUATE PURCHASER PROTECTIONS TO ASSURE COMPLIANCE WITH THE BLANKET ENCUMBRANCE PROVISIONS OF THE ACT. IT SHOULD BE NOTED THAT WHERE PROJECTS ARE SITED OUT-OF-STATE AND ARE ALSO REGISTERED IN THE STATE WHERE THE PROPERTIES ARE SITED, SOME STATES TAKE THE POSITION - AS DOES THE STATE OF IDAHO - THAT THEIR STATUTES ARE EXTRA-TERRITORIAL IN JURISDICTION: I.E., THEIR STATUTE AND THE REGISTRATION REQUIREMENTS APPLY TO SALES OUT OF STATE AS WELL AS TO THOSE IN STATE. IF DEVELOPERS ARE REGISTERED ELSEWHERE UNDER SUCH CIRCUMSTANCES, OUR STAFF MAY ASSIST THAT STATE WITH ENFORCEMENT OF ANY ESCROW AND TRUST ARRANGEMENTS REQUIRED BY THE FOREIGN STATE JURISDICTION IF DOING SO WILL SERVE TO PROTECT PURCHASERS IN THIS STATE. THE SAME ESCROW OR TRUST ARRANGEMENT MAY BE REQUIRED FOR REGISTRATIONS IN THIS STATE AS IN THE STATE WHERE THE PROJECT IS LOCATED. DEVELOPERS SHOULD REFER TO THE REGULATORY AGENCY AND THE

STATUES OF THE STATE WHERE A PROJECT IS ALREADY REGISTERED IF A PROJECT IS ALSO SITED IN THAT STATE. IS THAT STATE'S STATUTE EXTRA-TERRITORIAL IN ITS JURISDICTION.

Cover in this section the recording of purchaser agreements, and providing of title insurance (if available).

Cover any other purchaser protections such as bonding or letters of credit to assure construction of facilities.

X. THE PURCHASER SALES AGREEMENT:

Summarize in simple language any of the provisions that appear unusual or that might constitute a hazard to the purchaser. In bold-print, pay particular attention to any restrictions, alienation, revocation, acceleration or penalty clauses. Does the developer intend to sell or discount purchaser contracts? If so, what about the "Holder in Due Course" rule? Is the contract in a recordable form? When and where will it be recorded? Will collections on the contracts be serviced elsewhere? If so, where will payments be sent? If the agreements contain clauses totally revoking the purchaser's membership or right to use for failure to pay assessments, such provisions must be disclosed in a separate paragraph of **BOLD AND UNDERLINED PRINT**.

NOTE: DEVELOPERS MAY BE REQUIRED TO PROVIDE OPINION OF COUNSEL THAT CERTAIN PROVISIONS FOUND IN SOME SALES AGREEMENTS ARE LEGALLY ENFORCEABLE.

XI. DEVELOPER-ARRANGED FINANCING:

Describe the program of financing. What terms are available? Who will carry the "paper" or service its collection? Will purchaser agreements be hypothecated or sold? Identify the parties to such arrangements and any personal or inter-locking corporate business relationship between the developer and others handling, servicing, or purchasing developer "paper". Are there discounts to the purchaser for pre-payment or for cash payment? Restrictions against pre-payment? Will payment obligations balloon?

XII. PURCHASER COSTS:

Identify and estimate those purchaser costs beyond the actual purchase price. Include closing costs, condominium start-up fees, annual assessments, hotel or motel service charges, reservation charges, exchange charges, and any other costs that a purchaser might incur in the process of occupying and using the property.

### XIII. RESTRICTIONS AFFECTING PURCHASER USE AND ENJOYMENT:

This section is to cover possible restrictions, conditions or limitations on use beyond those considered as blanket encumbrances. Examples might be restrictions found in covenants and restrictions of record; rules, bylaws, and the regulations of foreign jurisdictions or local ordinances. Not exclusive of others, following are more examples:

- A. If a foreign jurisdiction, cover requirements or procedures for visas, inoculations, restrictions on ownership of property, special taxes:
- B. Restrictions involving pets or children:
- C. Local ordinances affecting personal activity or use of property:
- D. Penalties for failure to vacate or give notice to management:
- E. Restrictions on use and occupancy by friends or non-relatives:
- F. Restrictions and conditions on reservations in “floating time” projects:
- G. The existence of a co-owner’s right of partition; and,
- H. Internal Revenue Service severability for collection of taxes.

This section also provides the developer with an opportunity to give notice to purchasers about any areas of non-responsibility on the part of the developer himself.

### XIV. MANAGING AND SERVICING THE PROJECT:

This is most important information for the purchasers. Cover fully how the developer proposes to assure purchasers that:

- A. The residential and recreational properties will be adequately managed;
- B. The individual units will be serviced (keys, clean linens, housekeeping, etc.) and,
- C. Taxes, insurance, security and any other such hazards to the property are taken care of during an interval owner’s absence.

Identify the managing and servicing agent(s). Identify any management or service contracts that have been signed or are to be signed. Disclose fully the terms of the contracts, the compensation paid the manager; any business or inter-locking corporate relationship between the management and the developer, or, the marketing agent and the developer. **STRESS:** How does the developer guarantee managerial and servicing performance? If

there are limitations or problems, they should be disclosed. Summarize any unusual or restrictive authority granted the manager. Disclose future management. How is management selected and hired? How are purchasers involved in this selection process?

#### XV. INVESTMENT POTENTIAL:

Most developers will not find this section applicable to their offering, in which case they should skip over this section after preparing a write-up in caps as follows:

ATHE DEVELOPER AND ITS AGENTS WILL NOT BE SELLING OR ADVERTISING THE INTERVALS FOR INVESTMENT PURPOSES AND ANY SALESPERSON MAKING SUCH A REPRESENTATION HAS NO AUTHORITY TO DO SO AND IS IN VIOLATION OF THE STATE'S SUBDIVIDED LANDS DISPOSITION ACT.

NOTE: Developers may utilize an investment approach for sale purposes. If they intend to do so, they should make their intentions known and provide the script and advertising to be used to the agency early during the registration process, in order that the type of support documentation and disclosure can be agreed upon. Generally speaking, developers utilizing an investment approach will be required to give evidence to support such an approach, and the statements and materials that are to be utilized.

The rationale for requiring additional and full information about the investment potential of an offering, is that those purchasing for investment purposes are entitled to a type of information beyond that ordinarily presented in the POS.

#### XVI. THE TIMESHARE EXCHANGE PROGRAM:

The information to be provided in this section will vary, depending upon which exchange network the developer has joined, or the nature of his own program, if the project has its own network of exchange properties. Generally speaking, restrictions, conditions, or hazards of any nature to an exchange membership, resort availability and request fulfillment should be noted and explained.

The degree and type of information needed will also depend upon the nature of the developer's offering and the stress placed upon exchange programs during the sales program. A project with its own network or involving so-called "club" memberships most likely will be laying heavier stress on the exchange benefits than will a project selling fee intervals in established condominiums. The following is some of the information to be considered for both developer-owned and independent exchanges:

- A. The identity of the exchange and how the system works:
- B. The past performance record of the exchange network (if available):
- C. How reservation requests are handled, limitations on filling requests, priorities for filling:

- D. Any monetary discounts or penalties affecting memberships:
- E. The consequences to members for violation of terms of membership;  
**THE CIRCUMSTANCES UNDER WHICH MEMBER MAY LOSE THEIR MEMBERSHIPS (IN BOLD PRINT):**
- F. Any information that the exchanges themselves may wish to stress: and,
- G. Any additional information required in order to comply with the American Land Development Association's (ALDA) standards of conduct for exchange members.

**XVII. PURCHASER CONVENIENCES:**

The amount and type of write-up for this section will depend upon where project properties are sited. Projects located in this state and sold on-site will ordinarily not require much information, in that purchasers presumably will be familiar with the conveniences and surrounding circumstances. On the other hand, if sales are to be primarily off-site, information will be required covering a number of purchaser conveniences and necessities. Among others, some subject areas are: Hospitals, doctors, shopping, transportation to the site, car rentals, telephone service, driver's licensing, gasoline availability, parking and laundry facilities.

**XVIII. PHYSICAL HAZARDS THAT MIGHT AFFECT PROJECT PROPERTIES:**

Hazards within or nearby the development are to be disclosed in caps. These might include gravel pits, bogs, irrigation ditches (mosquito hazards), slides, railroads, garbage dumps, beach or river tidal currents, truck traffic from logging operations, noise from nearby highways and airports, as well as volcanoes, earthquakes, hurricanes or flooding.

Information provided in this section would include not only the more traditional physical hazards, but also hazards such as any political instability of the government of a foreign country where a project might be sited, and transportation problems reaching project properties.

Developers may also use this section to publicly disclaim personal responsibility for conditions or hazards which they do not believe should be their responsibility (is such be the case).

WRITE-UP AND INFORMATIONAL SUGGESTIONS FOR THE DEVELOPER TO FOLLOW  
IN PREPARING SECTION XIX.: THE “ \_\_\_\_\_ ” ASSOCIATION:  
YOUR MEMBERSHIP INVOLVEMENT:

(NOTE: Do not include this section in your POS unless your project includes purchaser-involvement in a type of condominium, common-interest, community or timeshare association).

Timeshare marketing involves the use of a variety of associations designed to be utilized for somewhat different purposes. There is, for example, a considerable difference between a timeshare association whose sole purpose is to maintain and service the interior of a condominium unit and one designed to manage a 500-acre ranch and its outdoor recreational facilities. The informational areas and the proposed write-ups have necessarily been designed to cover such a variety of situations.

Developers may feel that some of the information suggested is not applicable to their situation, or that it has already been provided elsewhere. In the first instance, the developer should place in the section in question the following statement: “THIS SECTION IS NOT APPLICABLE TO THIS DEVELOPMENT.” In the latter instance, the developer should place in the section in question the following statement: “THIS SUBJECT HAS ALREADY BEEN COVERED ELSEWHERE, IN SECTION \_\_\_ OF THIS PUBLIC OFFERING STATEMENT.”

(NOTE: As used herein, “Association” shall mean any organization similar to those arranged as non-profit corporations enabled under this state’s Non-Profit Corporations Act, whether or not those statutes are utilized and regardless of the terminology utilized by the developer.)

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XIX. THE \_\_\_\_\_ ASSOCIATION: YOUR MEMBERSHIP  
AND INVOLVEMENT:

- A. GENERAL INFORMATION ABOUT YOUR ASSOCIATION: In this section identify any association which interval purchasers will be required to, or may voluntarily become, members. Give a brief history of each association, when and where incorporated, the law under which incorporated, the legal address and purpose. The description of the association should go beyond form and verbiage and disclose the true legal nature of the entity. This is done by a close scrutiny of the underlying documentation. For example, many timeshare promoters will advertise an association enabled under either the state’s Condominium Property Act (Ch. 15 Title 55, Idaho Code.), the Non-Profit Corporation Act, as a “club”. Such description often cloaks the true nature of the entity. The true legal nature of the organization must be disclosed. Among other facts, disclose the statute, law or procedure legally enabling the organization.
- B. THE NATURE OF YOUR INVOLVEMENT WITH THE ASSOCIATION: Briefly explain the purchaser’s involvement - the obligations, responsibilities and benefits - as well as the true legal nature of the interest which he is purchasing in the

association and its properties.

C. DESCRIPTION OF ASSOCIATION-OWNED PROPERTIES: If not already covered elsewhere in the Public Offering Statement, Identify all properties owned, or to be owned, by the association.

D. OWNERSHIP STATUS OF COMMONLY-OWNED PROPERTIES:  
If not already covered elsewhere, cover current and future ownership of the properties identified in Section “C”. State the method, date or condition of transfer of title. If title is not yet in the name of the association, cover the arrangement that will legally assure such transfer of title. If none, this fact should be disclosed in bold print.

E. CONSTRUCTION STATUS OF ASSOCIATION PROPERTIES: A write-up is required for this section in those situations where any residences, amenities or recreational facilities are to be owned by the association, but which have not yet been completed. Provide the following information:

1. Identify each non-completed property:
2. The estimated cost of completing the facilities:
3. The person(s) responsible for completion and payment of the facilities, and the identity of the contractors doing the work:
4. The schedule for completion; and,
5. Guarantees such as bonding, bank credit, escrows, etc., for completion

F. NUMBER AND TYPE OF INDIVIDUALS TO BE MAKING USE OF ASSOCIATION PROPERTIES:

Cover whether or not the governing documents, covenants, declarations or any other sources, allow (or disallow) the use or occupancy of association properties by non-timeshare owners. Does the developer or the association plan, or have the authority to rent or sell any type of uses to “outsiders”? The purpose for this information is to let the purchaser know what the “use” load is and what classes of persons will be using the properties. Some example situations to be covered are:

1. Hourly or daily fee rentals for “outsiders” to use facilities such as swimming pools, golf courses, or tennis courts:
2. Long-term memberships of any type allowing “outsiders” to use facilities:
3. The total number of users of properties that belong to a condominium association, wherein a unit is being timeshared:
4. A future increase in the number of users of recreational facilities because of added timeshare inventory on the part of the developer:
5. The rental of residential intervals to others, whenever a timeshare purchaser fails to reserve or “show” for the use of his unit. (Who retains the income in such situations?)
6. Can an interval owner use recreational facilities belonging to a project during times other than that residential time reserved or owned by that owner?

G. THE ASSOCIATION: ITS LEGAL STRUCTURE: This section is to cover the structuring of the association and the processes for its governance.

1. Board of Directors - State how the current members were selected and the selection process. Describe the board's function, its purposes and powers. Identify the current board members. (NOTE: The developer's comments here should agree with actual provisions found in applicable law and the governing documents).
2. Association Officers - Describe how the current officers were selected and the procedure and authorization for their selection. Briefly explain the duties of the officers. Identify the current officers and directors. Identify and state the amount of compensation being received by any officer, and the authority for such compensation.
  - (a) Treasurer - We consider this to be the most important officer in an association. In order to assure that there is compliance, the developer might refer to agency guidelines concerning the collection and handling of assessments. Identify the person who is to collect, and be responsible for assessments.

Explain how the treasurer was selected, the treasurer responsibilities, if any, as far as assessments, funds and financial records are concerned. Is, or will the treasurer be bonded? Who has check or withdrawal (signature) authority for association funds? Describe the responsibilities of the treasurer for keeping records, accounting for funds and mailing out reports.
3. Association Registered Agent - Identify: name and address. Explain the purpose of such an agent (receipt of process).
4. Association Address - Where the official mail is to be received. Where association officers or management may be contacted by members.
5. Classes of Memberships - Identify and explain each class of membership authorized by statute and the governing documents.
6. Voting Rights and Procedures - Explain fully the voting rights of timeshare members. Cover areas of management and government that are to be voted upon by members or by the board of directors. Cover methods and procedures for voting, what constitutes a quorum and whether or not there is voting by proxy. Cover accumulated voting, voting by mail. If a condominium is involved, how is the vote allowed the apartment unit being timeshared to be determined and represented at association meetings?
7. Control of the Association - Cover who now has voting and in-fact control of the association. Explain how and when voting control of the association will

transfer from the promoter/developer to all member/owners collectively.

Cover any changes in the voting and control situation that might result if the developer/promoter adds future divisions to the project; i.e., voting control might shift, or continue with the developer for an extended period of time. If there are to be future divisions, when does its new block of votes become available to the developer/promoter? Do the arrangements provide that future units or offerings be included within the same association?

Good planning requires that developers encourage early owner/member participation in governing the association. Describe the developer's plans towards achieving this goal.

8. Removal of Directors and Officers - Explain how this is done.
9. Amending the Governing Documents - Explain briefly the procedure for amending the governing documents. If the covenants or documents allow the developer/promoter, or others, to easily and immediately amend their provisions. This is considered a HAZARD and a bold-print warning must be given about the situation. (Early purchasers may have uses and governing provisions changed by the developer. This could mean easy and early change at developer whim, adversely affecting member voting rights, dissolution rights, assessment responsibilities, (ETC)
10. Board of Director's Meetings - Cover when meetings are mandatorily required or may be held voluntarily. Cover required notice and who is entitled to attend. Cover the types of activity that must be considered and reviewed at such meetings. Provide the date and place of the last board meeting. Provide the date and place of the next annual meeting.
11. Special Meetings - Cover fully any provisions for special meetings that might be called by either the directors or the members. If there are no provisions for members to call special meetings, this might be considered a hazard and could require bold-print disclosure.
12. Association Committees - Identify, if any, and how one can serve on them.
13. Books, Records and Financial Reports - Books, records and association financial records should be kept in a place where they are available for member review during reasonable times. Identify the person(s) responsible for their preparation, care and custody.
14. Association Budgets - (See guidelines on assessments). Cover the existence and preparation of the current operating budget and any long-term (capital) budgets. Who prepared these budgets? Where are they kept for review? Disclose, in caps, if there has been no long-term budget with allowance for depreciation reserves, utilized in determining the amount of assessments. This fact could mean that there will be substantial increase in assessments, or special assessments in the future.

15. Operation Costs and Deficiencies - Particularly during early stages of the sales program, there may be insufficient assessment funds to pay for day-by-day maintenance or the operating costs of the association. Cover the possibility of any operational deficiencies. Will the developer/promoter make up any such deficiencies? If so, for how long and under what limitations? Describe what would happen if sales were to lag or if there were to be unforeseen contingencies, with a resulting shortage of operational funds? How long will the developer make up such deficiencies?
16. Replacement Reserves - If the association is to own significant amounts of property, cover fully, in caps, whether there are long-term (five or ten year) budgets that set up reserves for future repairs and replacement of depreciated properties. Budgets should list those items considered depreciable and cover their reserve allowances. If there are no budgets making provision for reserve allowances, and current assessments do not include funding of reserve accounts, so state, in caps. Explain how replacement of depreciable property is to be achieved. NOTE: Both current and capital budgets are considered part of the developer's Statement of Record and should be available for purchaser and member/owner review in the developer's sales office as well as the association office.

H. ASSESSMENTS: Cover fully, the amount, purpose, date and place of payment of the general assessment. Explain the authority for this assessment; i.e., vote at the last board meeting and their authority to do so, as found in the governing documents.

(NOTE: Assessments should not be collected directly by developer's sales agent, but by the treasurer, a trustee, or other appropriate officer of the association.)

IDENTIFY AND EXPLAIN THE SOURCES, AND FINANCIAL INFORMATION UTILIZED, FOR DETERMINING THE ASSESSMENT AMOUNT.

IF THE DEVELOPER HAS FAILED TO PROJECT ASSESSMENTS ON THE BASIS OF REALISTIC, (LONG-TERM) BUDGETS, OR IF THERE ARE DEFICIENCIES IN THE DEVELOPER'S BUDGETS, IN THAT THEY FAIL TO PROVIDE FOR RESERVES TO REPLACE DEPRECIABLE PROPERTY, THIS FACT AND ITS POSSIBLE CONSEQUENCES MUST BE DISCLOSED. DISCLOSE, IN CAPS, THE LIKELIHOOD THAT "CURRENT ASSESSMENTS MAY BE UNDER-ESTIMATED; ARE NOT BASED UPON FIRM DATA, AND THAT THERE IS A LIKELIHOOD OF FUTURE INCREASES IN ASSESSMENTS OR SPECIAL ASSESSMENTS."

Cover, in caps, in a separate paragraph, whether or not the developer is obligated, or will agree, to pay assessments on unsold or repossessed inventory. If lots are being sold directly to or through builders, will these builders pay assessments during the interim of their ownership? Cover also the obligation of the developer to pay assessments for in-arrears or unpaid assessments of timeshare purchasers who have defaulted.

PUBLIC OFFERING STATEMENT

(Required by the State of Idaho for Idaho resident purchasers)

ALL PURCHASERS FROM IDAHO SHOULD READ THIS ENTIRE DOCUMENT CAREFULLY BEFORE SIGNING ANYTHING:

PROJECT NAME \_\_\_\_\_ TYPE OF PROJECT \_\_\_\_\_

COUNTY OF: \_\_\_\_\_ EFFECTIVE DATE OF ORIGINAL REGISTRATION: \_\_\_\_\_

STATE OF: \_\_\_\_\_ IDAHO STATE REGISTRATION NO. \_\_\_\_\_

DEVELOPERS: \_\_\_\_\_

REGISTRATION WITH STATE OF IDAHO: Idaho law requires that developers register certain types of developments with the State of Idaho. The purpose of registration is to provide full and complete information about the Project. You are to receive this information through this disclosure report. This disclosure report is the PUBLIC OFFERING STATEMENT.

THE STATEMENT OF RECORD: Developers are required to file numerous documents and other materials known as the Statement of Record. The Statement of Record supports the developer's disclosure made in this report. The Statement of Record may also be of interest to you if you want more details about this project. The entire Statement of Record is kept on file in the Real Estate Commission office. Portions of it are also to be in the developer's sales office. At both locations, the Statement of Record is a public file, available upon request for review by anyone during reasonable office hours. Each purchaser of a lot is to be given access to these documents of record before signing an agreement.

The developers sales office is located at \_\_\_\_\_, and the telephone number is \_\_\_\_\_.

COPIES OF THE FOLLOWING DOCUMENTS FROM THE DEVELOPER'S STATEMENT OF RECORD SHOULD BE AVAILABLE AT THE ABOVE SALES OFFICE(S) FOR YOUR REVIEW:

1. A title opinion provided by \_\_\_\_\_.
2. Copies of all final recorded plat(s) for all divisions in the document:
3. A copy of the Idaho Subdivided Lands Disposition Act.

4. For further information about laws which govern the sale of out-of-state property or general information about subdivided lands, condominiums, and timeshares, call or write:

IDAHO REAL ESTATE COMMISSION  
PO BOX 83720  
BOISE ID 83720-0077  
(208) 334-3285

DISCLAIMER: The Real Estate Commission and the State of Idaho neither approves nor disapproves of the merits of this offering. Although the Commission has taken reasonable precautions to determine if the statements made in this disclosure are true and correct, the Real Estate Commission disclaims any responsibility. All statements should be considered to be statements of the developer.

## GENERAL INFORMATION

### APPLICABLE TO ALL REGISTERED OFFERINGS

**DEVELOPER ADVERTISING:** All advertising and promotional activity must be submitted to the Idaho Real Estate Commission for review and approval prior to usage. Advertising and sales pitches stressing investment potential are generally prohibited. Purchasers who feel they have been induced by the developer or the sales staff to make a purchase in this project for profit-making purposes are urged to contact the Idaho Real Estate Commission.

**INSPECTION OF PROPERTY:** Purchasers would be prudent to visit and inspect any project before making a commitment to purchase. As a general rule, it is not advisable to purchase property (or an interest in property) site-unseen.

**PURCHASER CONTRACTS:** The developer will be using some form of a written sales agreement. Read that agreement carefully. Do not rely on any verbal representations that conflict with the print. Verbal representations are usually not enforceable. Sales persons should not make statements that contradict this Public Offering Statement or the sales contract. As a condition to registration, the developer must permit you to take with you for leisurely inspection and consideration a copy of any agreement that you might be expected to sign or initial. If the developer declines to permit such leisurely inspection, you are urged to contact the Idaho Real Estate Commission.

Do not sign any purchase agreement until you have carefully read and considered all of its provisions.

## GENERAL INFORMATION ABOUT TIMESHARES

This registered offering is a timeshare project. "Timeshare" refers to the structuring and marketing of a variety of properties, ownership, and occupancy arrangements all having one element in common -- the sharing of property by a number of persons for vacation, recreational, or other purposes. Many types of property may be timeshared, including hotels, motels, condominiums, residential houses, recreational parks, a mix of such properties and even personal property such as ships.

There are also a variety of ownership and occupancy arrangements, all of which generally fall into one of two categories: (1) those where you buy a legal ownership or shared-ownership interest; or (2) those where ownership of the property remains with the developer or with someone else. You get no type of legal ownership--you buy a long-term use or occupancy right, the nature of which is not clearly defined legally, but which is somewhat similar to a long-term part-time lease. You will find variations in each of these types.

**FIXED OR FLOATING TIME:** Timeshares are usually structured and sold as "fixed time" or "floating time". "Fixed Time" means that you have occupancy and use of a particular unit or site at a fixed time and date each year. "Floating time" means that your right to use and occupancy in a specific or non-specific unit will be determined by reservation and unit availability. "Floating time" allows more flexibility in determining when your vacation may be taken. Before purchasing a "floating time" timeshare project, you should determine the ratio of memberships to units and make certain that the developer will not oversell or enter into excessive numbers of sale agreements as compared with the number of units available. If the ratio is too high, there could be long waiting periods and difficulties in making reservations.

**WHICH TIMESHARE IS BEST?** It is difficult to say which type of timeshare is "best". Each timeshare must be viewed on its own merits based on the facts and the purchaser's own needs and interests. You should study the legal structure, the nature and location of the property, the type of accommodations, management proficiency, seasonal and climactic preferences, as well as your own personal tax situation. Some considerations might be:

1. What kind of vacation do you want?
2. Will there be limitations on your availability for vacations?
3. Where do you want to vacation?
4. How much can you afford?
5. Are there adequate guarantees of title and availability of the properties?
6. Who will be managing the association?
7. How much time do you have to assist in managing an association?
8. What kind of a use do you want to make of the property?
9. What will be your vacation habits for the coming years?
10. What is your income and tax situation?

**PURCHASING:** It would be prudent for you to shop or investigate more than one project before making a decision to purchase timeshare intervals. If you are buying a timeshare, it is your responsibility to make certain there are no judgments, liens, or encumbrances jeopardizing your right of ownership in the property. If you are purchasing in a right-to-use arrangement, be sure you know what guarantee is provided by the developer to assure availability.

**MANAGEMENT:** After assuring your rights of ownership, occupancy and use, competent, on-going management is the most important element to consider. You should carefully evaluate the arrangements to manage the property and service the units. If you are to be personally involved in management through an association, carefully evaluate and review the management contract(s), association budgets, and financial statements.

**MEMBERSHIP IN THE ASSOCIATION--COMMONLY MANAGED PROPERTY:** A purchase of an interest in some types of registered offerings requires that you be a member of a timeshare association. Through legally enforceable provisions in the recorded declarations, your membership in the association will be mandatory and automatic the moment you make your purchase. Membership will mean certain responsibilities and obligations. The association runs things as sort of a mini-government, operating under legal documents and laws. There may be restrictions enforced limiting the way in which you may occupy or use your unit and the project properties.

**ASSESSMENTS AND ASSOCIATION BUDGETS:** In order to provide funds for operation and maintenance of the common properties, the association will have authority to levy assessments against your percentage of interest in the property. If you are delinquent in the payment of assessments, the association may have the authority to enforce payment through court proceedings, or your interest in the project or ability to use or occupy the facilities or participate in management may in other ways be jeopardized. If for any reason you fail to use or occupy your unit for the contracted time period, you should realize that you must still pay the usual prescribed member assessment, whether or not you have used project properties and facilities.

**EXCHANGE NETWORKS:** Nearly all timeshare projects utilize membership in an exchange network. The advantages of membership in an exchange network are obvious and will most likely be explained to you by the developer during the sales presentation. The exchange companies usually provide their own promotional materials for promoter/member usage during sales presentations. Continued membership in any exchange network is not assured by the developer or any government agency. The value of your membership in an exchange network is only as good as the timeshare you have purchased. The value of the timeshare that you are purchasing should be your first and primary consideration. Buy because of your interval--not because of exchange availability.

**CONDOMINIUMS:** If you are purchasing a timeshare in a condominium, be sure you understand the documents which control and govern the condominium. Also carefully read the information provided in this Public Offering Statement.

State of Idaho  
Subdivided Lands Disposition Registration

PURCHASER'S RECEIPT OF  
PUBLIC OFFERING STATEMENT

TO THE BUYER: You are requested to sign this receipt upon receiving and reviewing a copy of the Public Offering Statement. Do not sign this receipt until you have received a complete copy of The Public Offering Statement and made certain that it is the one dated and referred to on this receipt page and that all pages are intact.

RECEIPT: On \_\_\_\_\_, 20\_\_\_\_, I received a copy of the Public  
(date)  
Offering Statement consisting of \_\_\_\_\_ pages for:

(name of development)

STATE OF IDAHO REGISTRATION NUMBER: \_\_\_\_\_:

I was given an opportunity to inspect the documents said to be in the Developer's Statement of Record.

Please circle one: I (did) (did not) purchase a lot, unit or timeshare:

Buyer's Signature: \_\_\_\_\_

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

Buyer's Name: \_\_\_\_\_  
(Please print or type)

Address: \_\_\_\_\_

Salesperson's Signature: \_\_\_\_\_

TO THE DEVELOPER: This receipt page is considered to be part of your Public Offering Statement. When copies of the official Public Offering Statement returned to you are printed or photocopied, this page should be filled in with necessary information and attached at the end. When a person is given a Public Offering Statement, remove this page and have the purchaser/recipient read and sign. Keep this receipt in a safe place. It is your protection. Unless requested by the Commission, you will not ordinarily be required to provide the Commission with photocopies of the receipts.