

**[DEVELOPER]
DISCLOSURE STATEMENT FOR
[TIME SHARE OWNERSHIP PROGRAM]**

Name of Time Share Plan or Building:

Registration Details:

PLEASE ENSURE THAT YOU READ THIS DISCLOSURE STATEMENT CAREFULLY BEFORE SIGNING ANYTHING

This disclosure statement is prepared and issued by the developer of the time share plan. It is not prepared or issued by the State/Province of _____. **THE STATE/PROVINCE OF _____ HAS NOT PASSED ON THE MERITS OF THE TIME SHARE PLAN DESCRIBED HEREIN.**

**DISCLOSURE STATEMENT FOR THE
[TIME SHARE OWNERSHIP PROGRAM]
A FEE SIMPLE VACATION OWNERSHIP PROGRAM**

1. **Developer:** DEVELOPER, a _____ corporation ("Developer"), with its principal place of business and mailing address at _____, _____, phone no. _____, fax no. _____, is the developer of _____ Vacation Ownership Program (the "Program") which is located in _____ condominium project ("Condominium") located at _____. The Developer is offering for sale, vacation ownership interests in the Program called "Ownership Interests," in apartment units ("Unit") located in the Condominium. All capitalized terms not otherwise specifically defined in this document have the meanings ascribed to such terms in the Program Declaration, defined below.

2. **Plan Manager (Program Operator).** Owners of Ownership Interests will manage this Program through an association of owners (the "Association"). Certain of its management responsibilities, duties and authority, as described in Paragraph 15.C.(2) below, will be given to an agent, called the "Program Operator." MANAGEMENTCO, a _____ corporation, is the Program Operator. Its business and mailing address at _____, _____, phone no. _____, fax no. _____. _____ is the responsible managing employee of the Program Operator, whose address is the same as that of the Program Operator. The Program Operator is the Developer. It is not anticipated, however, that the Developer will receive any more favorable treatment as an Owner other than as may be expressly set forth in the Program Documents. The Program Operator's responsibilities and authority include, among other things: (i) oversight of the management and maintenance of the Units; (ii) preparing a budget for the Program and assessing and collecting Program Expenses and Charges from each Owner; (iii) the administration, management and operation of the reservation system of the Program; (iv) providing Owners with an opportunity to review the Program Documents; and (v) keeping a record of receipts and expenditures relating to the Program.

3. **Time Share Plan (Vacation Ownership Program).**

(a) *Type of Program: When and how it was established.* In timeshare or vacation ownership programs generally, the right to use property circulates each year from one person to another and so on, and this cycle repeats itself year after year. In ownership programs, people who have this right to use also have an ownership interest in the property.

This Program is an ownership type of program. The initial properties in this Program are certain apartments located in the Condominium located at _____, _____. The Developer has the reserved right to add other Units in the Condominium to the Program from time to time, but has no obligation to do so.

The Program is created and Units in the Program have been committed to time sharing by a set of legal documents called the "Program Documents." They include "_____ Vacation Ownership Program Declaration of Covenants, Conditions and Restrictions" ("Program Declaration"), which is the basic document governing the Program. It is dated _____ and is officially recorded at the _____ (land registry office) of _____ as Document No. _____.

- (b) *General Description of Ownership Interests.* An "Ownership Interest" in this Program consists of:
- (i) an ownership share ("Ownership Share") in one Unit in the Program; plus
 - (ii) the right to reserve and then exclusively use that Unit if an Owner has "Fixed Unit Rights" or either that Unit or any Unit in the Program of the same type if an Owner has "Floating Unit Rights"
 - A. every year (if an Every Year Ownership Share is purchased), or every odd or even year (if an Odd Year Ownership Share or an Even Year Ownership Share is purchased); or
 - B. a fixed or floating basis for an approximate one-week period; plus
 - (iii) a membership in the Association.

(c) *Specifics of Ownership Interest.*

- (i) **Nature of One Ownership Share.** For each Ownership Interest purchased, a Buyer will receive an undivided interest, as a tenant in common, in a Unit. The Ownership Share may be either a 1/____ interest per each Ownership Interest with either Odd Year Rights or Even Year Rights, or a _____ interest per each Ownership Interest with Every Year Rights. Each Buyer will have a "fee simple" ownership, which is the most absolute form of property ownership recognized by law. The type of Ownership Interest each Buyer chooses (i.e., with Every Year Rights, Odd Year Rights or Even Year Rights), and the Unit in which that Buyer will have an Ownership Share and the specific undivided interest in that Unit will be stated in the deed ("First Deed") that will be recorded to transfer the Ownership Interest to that Buyer. A Buyer becomes an Owner when the Buyer's First Deed is recorded.
- (ii) **Reservation and Use Rights.** For each Ownership Interest owned, an Owner will have, during the Use Period such Owner reserves and confirms (called either "Confirmed Time" or "Assigned Time"): (a) the exclusive right to occupy and use the Unit assigned and confirmed (called either the "Confirmed Unit" or "Assigned Unit") and its common furnishings, and (b) the non-exclusive right to use with others the common elements of the Condominium. The manner of reserving and confirming a Use Period as well as the assignment of a Unit depends upon which reservation and use rights a Buyer selects from the alternatives explained below.
 - A. **UNIT TYPES.** Units in the Program are divided into _____ "Unit Types" as set forth in the attached Schedule "____" subject, however, to the right of the Developer to add other or different Unit Types to the Program from time to time. Each Owner will have the right to use a particular type of Unit based on the type of Unit in which such Owner has an Ownership Share.
 - B. **USE YEARS.** Time is divided as stated and explained in the attached Schedule "____" (the "Calendar"). Time is thus divided into "Use Years." Each Use Year is further divided into 52 "Time Periods" (or, in some Use Years, 53 Time Periods). 51 (or in some Use Years, 52) of these Time Periods will be 'Use Periods." A Use

Period is the one-week period starting at "check-in" time in the afternoon and ending at "check-out" time in the morning one week later. Each Use Period is identified by the number of its corresponding Time Period. In those Use Years having 53 Time Periods, the Developer will be entitled to use the 53rd Period, under certain conditions as detailed in the Program Declaration. The check-in/check-out day for each Use Period will be either a Thursday, Friday, Saturday or Sunday, and will be established each Use Year by the Program Operator. The exact time of day for check-in and check-out is stated in the Program Rules, which currently state that check-in time is 4:00 p.m. and check-out time is 10:00 a.m.

The times between Use Periods (i.e. between check-out and check-in) and the one Time Period in each Use Year that is not a Use Period are called "Service Periods." The Association must use Service Periods to prepare the Unit for the next person to use and to do maintenance and repairs. If an Owner has an Assigned Time for two (2) or more consecutive Use Periods, however, the Use Periods will run continuously from check-in for the first Use Period to check-out for the last Use Period with no Service Period. If the Owner so requests, however, the Association must service the Unit at the end of each Use Period at no extra expense to the Owner.

- C. EVERY YEAR, ODD YEAR OR EVEN YEAR RIGHTS. Each Ownership Interest will provide for reservation and use rights every year, or every other year in the odd or even numbered years. The type of yearly rights, "Every Year Rights," "Odd Year Rights" or "Even Year Rights," each Buyer chooses will be stated in the First Deed transferring an Ownership Interest to that Buyer.
- D. FIXED OR FLOATING UNIT RIGHTS. Owners will have either "Fixed Unit Rights" or "Floating Unit Rights." Fixed Unit Rights means that the Owner will be guaranteed the use of the Unit in which such Owner has an Ownership Share. Floating Unit Rights means that even though an Owner owns an Ownership Share in a specific Unit, the Owner will not be guaranteed the use of that Unit or any other specific Unit. Instead, for each Use Year, the Program Operator will assign to the Owner the use of one of the Units in the Program of that Owner's Unit Type. The Unit thus assigned is called the Owner's "Confirmed" or Assigned Unit," and may vary from Use Year to Use Year.
- E. FIXED OR FLOATING TIME RIGHTS. For each Ownership Interest an Owner will have either "Fixed Time Rights" or "Floating Time Rights." Fixed Time Rights means that an Owner's Use Period is permanently reserved or fixed to a Time Period that is specifically numbered in the Calendar.

An Owner with Fixed Time Rights is not guaranteed any specific check-in/check-out day. Instead, the Owner must reserve and confirm for each Use Year a specific check-in/ check-out day (either Thursday, Friday, Saturday or Sunday) as required by the Program Rules, or the Owner may lose the permanent reservation for that Use Year. An Owner's Fixed Use Period with a reserved and confirmed check-in/ check-out day is that Owner's "Confirmed" or Assigned Time."

Floating Time Rights means that for each Use Year an Owner must reserve a Use Period in a specific week of that Use Year. To give a Buyer these rights, in the First Deed transferring an Ownership Interest to that Buyer, the Developer will expressly state that a Buyer has Floating Time Rights. For each Ownership Interest, in accordance with the Program Rules, an Owner with Floating Time Rights may reserve and confirm any Use Period with a specific check-in/check-out day. Such a reserved and confirmed Use Period with a

specific check-in/check-out day is called the Owner's "Confirmed or Assigned Time."

An Owner may declare that the Owner's Fixed Time Rights are converted to Floating Time Rights. If the Owner does so, the Owner must thereafter reserve and confirm a Use Period on the same basis as Owners with Floating Time Rights. If then permitted by and in accordance with the Program Rules, an Owner with Fixed Time Rights may also convert to Floating Time Rights for any Use Year. If permitted, such an Owner will have Floating Time Rights in the Use Year in which the Fixed Time Rights previously occurred.

- (iii) **Request for and Confirmation of Reservations.** The Program Documents presently set forth the following rules for requesting and confirming reservations:
- A **PAYMENTS.** Each Owner must have paid in full all payments due to the Association and the Program Operator. A reservation request or confirmation will not be processed and an Owner will not be permitted to reserve, confirm or occupy a Unit if such Owner is delinquent in paying any amounts charged by the Association or Program Operator.
 - B **EXCHANGE PROGRAM.** Members of exchange programs who desire to exchange their Use Period through the exchange company should consult the exchange company directory and membership material for the trading rules which govern reservation exchange requests.
 - C **SPLIT WEEK PROGRAM.** The Program Operator has the right to offer a program in which each Owner would have the right to split such Owner's Use Periods into a weekend period of _____ nights (___ nights minimum) and a midweek period of _____ nights (___ nights minimum). At the present time this option is not offered and the Program Operator has no obligation to offer it in the future.
 - D **DAILY USE RIGHT.** The Program Operator has the right to offer a program in which each Owner would have the right to split up such Owner's Use Periods into one day use periods. At the present time this option is not offered and the Program Operator has no obligation to offer it in the future.

THIS IS A 16-PAGE DOCUMENT.