
Commonwealth of Virginia
COMMON INTEREST COMMUNITY BOARD



TIME-SHARE REGULATIONS

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STATUTES
Title 55, Chapter 4.2



Department of Professional and Occupational Regulation

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Richmond, VA 23233

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STATEMENT OF PURPOSE

This booklet contains the information you will need to complete the registration of your time-share with the Common Interest Community Board. The law that governs the registration process is found in **Title 55, Chapter 21 of the Code of Virginia**. That law permits the board to issue regulations that explain to you, in greater detail, what is expected of the time-share developer, the time-share instruments, and other aspects of the Time-Share Act. This booklet contains a copy of the regulations that you will need to know and obey in order to initially file and main your registration. This booklet does not contain a copy of the Time-Share Act. If you require a copy of the Act, please contact the Board at the address listed below.

BE SURE YOU READ AND UNDERSTAND THE REQUIREMENTS SET FORTH IN THESE REGULATIONS. FAILURE TO COMPLY WITH THESE REQUIREMENTS COULD RESULT IN THE REVOCATION OF YOUR REGISTRATION.

It is the goal of the Department of Professional and Occupational Regulation to provide the information you need to comply with the law and regulations. If you have a question and cannot find the answer in this booklet, please write to:

Common Interest Community Board
Department of Professional and Occupational Regulation
9960 Mayland Drive
Richmond, VA 23233

Or call the Agency at (804) 367-8500.

Or e-mail at cic@dpor.virginia.gov.

TABLE OF CONTENTS

REGULATIONS:

Part I General

18VAC48-45-20. Definitions	1
18VAC48-45-30. Explanation of Terms.....	2
18VAC48-45-40. Time-Share Projects Located Outside of Virginia.....	2

Part II General Application Requirements

18VAC48-45-50. Application Procedures.....	4
18VAC48-45-60. Review of Application for Registration, Generally.....	4
18VAC48-45-70. Fees.....	5

Part III Marketing and Advertising

18VAC48-45-80. Time-Share Marketing Activities.....	6
18VAC48-45-90. Offering of Gifts or Prizes.....	6

Part IV Application for Time-Share Project Registration

18VAC48-45-100. Registration of Time-Share Project and Program.....	7
18VAC48-45-110. Prerequisites for Registration of a Time-Share Project.....	7
18VAC48-45-120. Review of Application for Registration of a Time-Share Project....	7
18VAC48-45-130. Minimum Application Requirements for Registration of a Time-Share Project.....	8

Part V Public Offering Statement

18VAC48-45-140. Public Offering Statement Requirements, Generally.....	11
18VAC48-45-150. Full and Accurate Disclosure.....	11
18VAC48-45-160. Contents of Public Offering Statement.....	12
18VAC48-45-170. Narrative Sections; Time-Share Concept.....	16

18VAC48-45-180. Narrative Sections; Creation of Time-Share Project.....	16
18VAC48-45-190. Narrative Sections; Description of Time-Share Project.....	16
18VAC48-45-200. Narrative Sections; Individual Time-Shares.....	16
18VAC48-45-210. Narrative Sections; Developer.....	17
18VAC48-45-220. Narrative Sections; Terms of Offering.....	18
18VAC48-45-230. Narrative Sections; Encumbrances.....	18
18VAC48-45-240. Narrative Sections; Exchange Program.....	19
18VAC48-45-250. Narrative Sections; Financial Matters.....	19
18VAC48-45-255. Narrative Sections; Governmental Reviews.....	20
18VAC48-45-260. Narrative Sections; Restrictions on Transfer.....	20
18VAC48-45-270. Narrative Sections; Time-Share Owners' Association.....	20
18VAC48-45-280. Narrative Sections; Managing Entity.....	22
18VAC48-45-290. Narrative Sections; Conversion Time-Share Projects.....	22
18VAC48-45-300. Narrative Sections; Insurance.....	23
18VAC48-45-310. Narrative Sections; Alternative Purchase.....	23
18VAC 48-45-320. Documents from Other Jurisdictions.....	24

Part VI Time-Share Project Post-Registration Provisions

18VAC48-45-330. Minimum Post-Registration Reporting Requirements for a Time-Share Project.....	25
18VAC48-45-340. Amendment of Public Offering Statement.....	26
18VAC48-45-350. Nonmaterial Changes to the Public Offering Statement.....	26
18VAC48-45-360. Filing of Amended Public Offering Statement.....	27
18VAC48-45-370. Current Public Offering Statement.....	27

18VAC48-45-380. Public Offering Statement Not Current; Notification of Purchasers.....	28
18VAC48-45-390. Filing of Phase Amendment Application.....	29
18VAC48-45-400. Annual Report for a Time-Share Project Registration Required By Developer.....	29
18VAC48-45-410. Board Review of Annual Report for a Time-Share Project Registration.....	30
18VAC48-45-420. Return of Bond or Letter of Credit to Ensure Completion Of Promised Units and Common Elements to Developer.....	31
18VAC48-45-430. Return of Bond or Letter of Credit Upon Termination of Time-Share Project Registration.....	31
18VAC48-45-440. Maintenance of Bond or Letter of Credit.....	31
18VAC48-45-450. Termination of Time-Share Project Registration.....	32
18VAC48-45-460. Administrative Termination of Time-Share Project Registration.....	32
18VAC48-45-470. Reporting of Other Changes to the Time-Share Project.....	32
Part VII Alternative Purchase Registration	
18VAC48-45-480. Registration of Alternative Purchase Required.....	34
18VAC48-45-490. Application for Registration of an Alternative Purchase.....	34
18VAC48-45-510. Review of Application for Registration of an Alternative Purchase.....	34
18VAC48-45-520. Minimum Alternative Purchase Post-Registration Reporting Requirements.....	34
18VAC48-45-540. Annual Report Required for Alternative Purchase Registration.....	35
18VAC48-45-560. Termination of Registration for an Alternative Purchase.....	35
18VAC48-45-570. Reporting of Other Changes to the Alternative Purchase.....	36

Part VIII Exchange Program Registration

18VAC48-45-580. Registration of Exchange Program Required.....	37
18VAC48-45-600. Minimum Exchange Program Post-Registration Reporting Requirements.....	38
18VAC48-45-610. Annual Report Required for an Exchange Program Registration.....	38
18VAC48-45-620. Board Review of Annual Report for Exchange Program Registration.....	39
18VAC48-45-630. Termination of an Exchange Program Registration.....	39
18VAC48-45-640. Reporting of Other Changes to an Exchange Program.....	39

Part IX Time-Share Reseller Registration

18VAC48-45-650. Registration of Time-Share Reseller Required.....	40
18VAC48-45-670. Requirements for Registration as a Time-Share Reseller.....	41
18VAC48-45-680. Exhibits Required for Registration as a Time-Share Reseller.....	42
18VAC48-45-690. Renewal and Reinstatement of a Time-Share Reseller Registration.....	43
18VAC48-45-700. Maintenance of Time-Share Reseller Registration.....	44
18VAC48-45-710. Recordkeeping for a Time-Share Reseller Registration.....	44

Part X Board Authority and Standards of Conduct

18VAC48-45-720. Grounds for Disciplinary Action.....	45
18VAC48-45-730. Registration Required.....	45
18VAC48-45-740. Time-Share Advertising Standards.....	45
18VAC48-45-750. Board Oversight of Public Offering Statement and Exchange Program Disclosure Document.....	46
18VAC48-45-760. Response to Inquiry and Provision of Records.....	46

18VAC48-45-770. Prohibited Acts.....47

Forms:

(18VAC 48-45).....49

PART I
GENERAL

18VAC48-45-20. Definitions.

A. Section 55-362 of the Code of Virginia provides definitions of the following terms and phrases as used in this chapter:

"Affiliate"	"Offering" or "offer"
"Alternative purchase"	"Person"
"Association"	"Project"
"Board"	"Public offering statement"
"Board of directors"	"Purchaser"
"Common elements"	"Resale purchase contract"
"Contact information"	"Resale time-share"
"Contract" or "purchase contract"	"Resale service"
"Conversion time-share project"	"Resale transfer contract"
"Default"	"Reseller"
"Developer"	"Reverter deed"
"Developer control period"	"Situs"
"Development right"	"Time-share"
"Dispose" or "disposition"	"Time-share estate"
"Exchange company"	"Time-share expense"
"Exchange program"	"Time-share instrument"
"Guest"	"Time-share owner" or "owner"
"Incidental benefit"	"Time-share program" or "program"
"Lead dealer"	"Time-share project"
"Managing agent"	"Time-share unit" or "unit"
"Managing entity"	"Time-share use"
"Material change"	"Transfer"

B. The following words and terms when used in this chapter shall have the following meanings unless the context clearly indicates otherwise:

"Alternative disclosure statement" means a disclosure statement for an out-of-state time-share program or time-share project that is properly registered in the situs.

"Annual report" means a completed, board-prescribed form and required documentation submitted in compliance with § 55-394.1 of the Code of Virginia.

"Application" means a completed, board-prescribed form submitted with the appropriate fee and other required documentation in compliance with the Virginia Real Estate Time-Share Act and this chapter.

"Department" means the Department of Professional and Occupational Regulation.

"Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

"Firm" means a sole proprietorship, association, partnership, corporation, limited liability company, limited liability partnership, or any other form of business organization recognized under the laws of the Commonwealth of Virginia.

"Full and accurate disclosure" means the degree of disclosure necessary to ensure reasonably complete and materially accurate representation of the time-share in order to protect the interests of purchasers.

"Registration file" means the application for registration, supporting materials, annual reports, and amendments that constitute all information submitted and reviewed pertaining to a particular time-share program, time-share project, alternative purchase, exchange company, or time-share reseller registration. A document that has not been accepted for filing by the board is not part of the registration file.

"Virginia Real Estate Time-Share Act" means Chapter 21 (§ 55-360 et seq.) of Title 55 of the Code of Virginia.

18VAC48-45-30. Explanation of terms.

Each reference in this chapter to a "developer," "purchaser," and "time-share owner" or to the plural of those terms shall be deemed to refer, as appropriate, to the masculine and the feminine, to the singular and the plural, and to natural persons and organizations. The term "developer" shall refer to any successors to the persons referred to in § 55-362 of the Code of Virginia who come to stand in the same relation to the time-share as their predecessors in that they assumed rights reserved for the benefit of a developer that (i) offers to dispose of its interest in a time-share not previously disposed of or (ii) applies for registration of the time-share program.

18VAC48-45-40. Time-share projects located outside of Virginia.

- A. In any case involving a time-share project located outside of Virginia in which the laws or practices of the jurisdiction in which such time-share project is located prevent compliance with a provision of this chapter, the board shall prescribe by order a substitute provision to be applicable in such case that is as nearly equivalent to the original provision as is reasonable under the circumstances.

- B. The words "time-share instrument" and "public offering statement," when used in this chapter with reference to a time-share located outside of Virginia, mean documents, portions of documents, or combinations thereof, by whatever name denominated, that have a content and function identical or substantially equivalent to the content and function of their Virginia counterparts.
- C. The word "recording" or "recordation" when used with reference to time-share instruments of a time-share located outside of Virginia means a procedure that, in the jurisdiction in which such time-share is located, causes the time-share instruments to become legally effective.
- D. This chapter shall apply to a contract for the disposition of a time-share located outside of Virginia only to the extent permissible under the provisions of subsection C of § 55-361.1 of the Code of Virginia.
- E. The time-share shall be properly registered in the state or other jurisdiction where the project is located.

Part II

General Application Requirements

18VAC48-45-50. Application procedures.

A developer seeking registration of a time-share project or an alternative purchase, an exchange company seeking registration of an exchange program, or a reseller seeking registration in order to offer or provide resale services, all in accordance with the Virginia Real Estate Time-Share Act, shall submit an application on the appropriate form provided by the board, along with the appropriate fee specified in 18VAC48-45-70.

By submitting the application to the board, the applicant certifies that the applicant has read and understands the applicable statutes and this chapter.

The receipt of an application and the deposit of fees by the board do not indicate approval or acceptance of the application by the board.

The board may make further inquiries and investigations to confirm or amplify information supplied. All applications shall be completed in accordance with the instructions contained in this chapter and on the application. Applications will not be considered complete until all required documents are received by the board.

Applications that are not complete within 12 months after receipt of the application in the board's office will be purged, and a new application and fee must be submitted in order to be reconsidered for registration.

18VAC48-45-60. Review of application for registration, generally.

- A. Upon the review of the application for registration, if the requirements of this chapter have not been met, the board shall notify the applicant.
- B. The board may refuse initial registration due to an applicant's failure to comply with entry requirements or for any of the reasons for which the board may discipline a regulant.
- C. At such time as the board affirmatively determines that the requirements of this chapter have been met, the board shall issue the applicable registration.
- D. Notwithstanding the provisions of 18VAC48-45-130 for a time-share project registration, applicants who do not meet the requirements of this chapter may be approved following consideration by the board in accordance with the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia).

18VAC48-45-70. Fees.

- A. All fees are nonrefundable and shall not be prorated. The date on which the fee is received by the board or its agent will determine whether the fee is timely. Checks or money orders shall be made payable to the Treasurer of Virginia.
- B. Fees are as follows:

Time-share project registration application	\$1,500
Time-share project phase amendment filing	\$250
Time-share project registration annual report	\$500
Alternative purchase registration application	\$100
Alternative purchase registration annual report	\$100
Exchange program registration application	\$1,000
Exchange program registration annual report	\$250
Time-share reseller registration application	\$250
Time-share reseller registration renewal	\$250
Time-share reseller registration reinstatement (includes a \$100 reinstatement fee in addition to the \$250 renewal fee)	\$350

Part III

Marketing and Advertising

18VAC48-45-80. Time-share marketing activities.

- A. Time-share marketing activities shall include every contact by or on behalf of the developer for the purpose of promoting disposition of a time-share or alternative purchase. Such contacts may be personal, by telephone, by mail, by electronic means including social media, or by advertisement. A promise, assertion, representation, or statement of fact or opinion made in connection with a time-share marketing activity may be oral, written, electronic, or graphic.
- B. No time-share marketing activity shall be deemed an offer unless, by its express terms, it induces, solicits, or encourages a prospective purchaser to (i) execute a contract of sale of the time-share or alternative purchase or (ii) perform some other act that would create or purport to create a legal or equitable interest in the time-share until the board has issued an order of registration.

18VAC48-45-90. Offering of gifts or prizes.

- A. Any offering that includes a gift or prize shall include the disclosures contained in § 55-374.1 of the Code of Virginia. Such disclosures shall be made with the same prominence as the offer.
- B. The board may at any time require a developer to alter or amend any offering that includes a gift or prize in order to ensure compliance with this section.

Part IV

Application for Time-Share Project Registration

18VAC48-45-100. Registration of time-share project and program.

In accordance with § 55-390 of the Code of Virginia, a developer offering or disposing of an interest in a time-share program must register the time-share project and its program with the board. For the purposes of this chapter as it relates to registration, the registration of a time-share project shall include the simultaneous registration of the time-share program.

18VAC48-45-110. Prerequisites for registration of a time-share project.

The following provisions are prerequisites for registration and are supplementary to the provisions of § 55-391.1 of the Code of Virginia.

1. The developer shall own or have the right to acquire an estate in the land constituting or to constitute the time-share project that is of at least as great a degree and duration as the estate to be conveyed in the time-shares.
2. The time-share instrument must be adequate to bring a time-share project into existence upon recordation. This subdivision does not apply to a time-share instrument that may be recorded after the time-share project has been created.
3. The time-share instrument must include a statement detailing that the developer reserves or does not reserve the right to add or delete any alternative purchase.
4. The current and planned time-share advertising activities of the developer shall comply with § 18.2-216 of the Code of Virginia and this chapter.
5. If the developer is a firm, it shall be organized as a business entity under the laws of the Commonwealth of Virginia or otherwise authorized to transact business in Virginia. Firms shall register any trade or fictitious names with the State Corporation Commission or the clerk of court in the jurisdiction where the business is to be conducted in accordance with §§ 59.1-69 through 59.1-76 of the Code of Virginia before submitting an application to the board.

18VAC48-45-120. Review of application for registration of a time-share project.

- A. Upon receipt of an application for registration of a time-share project, the board shall issue the notice of filing required by subsection A of § 55-393.1 of the Code of Virginia.

- B. Upon the review of the application for registration, if the requirements of § 55-391.1 of the Code of Virginia and this chapter have not been met, the board shall notify the applicant as required by subsection C of § 55-393.1 of the Code of Virginia.
- C. If the requirements for registration are not met within the application review period or a valid extension thereof, the board shall, upon the expiration of such period, enter an order rejecting the registration as required by subsection C of § 55-393.1 of the Code of Virginia. The order rejecting the registration shall become effective 20 days after issuance.
- D. An applicant may submit a written request for an informal conference in accordance with § 2.2-4019 of the Code of Virginia at any time between receipt of a notification pursuant to subsection B of this section and the effective date of the order of rejection entered pursuant to subsection C of this section. A request for such proceeding shall be deemed a consent to delay within the meaning of subsection A of § 55-393.1 of the Code of Virginia.
- E. The board shall receive and act upon corrections to the application for registration at any time prior to the effective date of an order rejecting the registration. If the board determines after review of the corrections that the requirements for registration have not been met, the board may proceed with an informal conference in accordance with § 2.2-4019 of the Code of Virginia in order to allow reconsideration of whether the requirements for registration are met. If the board does not opt to proceed with an informal conference, the applicant may submit a written request for an informal conference in accordance with § 2.2-4019 of the Code of Virginia in order to reconsider whether the requirements for registration are met. If the board does not proceed with an informal conference and no request for an informal conference is received from the applicant, an amended order of rejection stating the factual basis for the rejection shall be issued. A new 20-day period for the order of rejection to become effective shall commence.
- F. At such time as the board affirmatively determines that the requirements of § 55-391.1 of the Code of Virginia have been met, the board shall enter an order registering the time-share and shall designate the form, content, and effective date of the public offering statement.

18VAC48-45-130. Minimum application requirements for registration of a time-share project.

- A. The documents and information contained in §§ 55-367, 55-368, 55-369, 55-371, 55-374, and 55-391.1 of the Code of Virginia, as applicable, shall be included in the application for registration of a time-share project.
- B. The application for registration of a time-share project shall include the fee specified in 18VAC48-45-70.

- C. The following documents shall be included in the application for registration of a time-share project as exhibits. All exhibits shall be labeled as indicated and submitted in a format acceptable to the board.
1. Exhibit A: A copy of the certificate of incorporation or certificate of authority to transact business in Virginia issued by the Virginia State Corporation Commission, or any other entity formation documents, together with any trade or fictitious name certificate.
 2. Exhibit B: A certificate of recordation or other acceptable documents from the city or county where the time-share is located.
 3. Exhibit C: A copy of the title opinion, the title policy, or a statement of the condition of the title to the time-share project including encumbrances as of a specified date within 30 days of the date of application by a title company or licensed attorney who is not a salaried employee, officer, or director of the developer or owner, in accordance with subdivision A 5 of § 55-391.1 of the Code of Virginia. If the developer is not the record owner of the land, a copy of any contract the developer has executed to purchase the land, any option the developer holds for the purchase of the land, or any lease under which the developer holds the land.
 4. Exhibit D: Proof that the applicant or developer owns or has the right to acquire an estate in the land constituting or to constitute the time-share project, which is of at least as great a degree and duration as the estate to be conveyed in the time-share.
 5. Exhibit E: A statement of the zoning, subdivision, or land use obligations or proffers and other governmental regulations affecting the use of the time-share, including the site plans and building permits and their status, any existing tax, and existing or proposed special taxes or assessments that affect the time-share.
 6. Exhibit F: A copy of the time-share instrument, including all applicable amendments and exhibits, that will be delivered to a purchaser to evidence the purchaser's interest in the time-share and of the contracts and other agreements that a purchaser will be required to agree to or sign.
 7. Exhibit G: A narrative description of the promotional plan for the disposition of the time-shares.
 8. Exhibit H: A copy of the proposed public offering statement that complies with § 55-374 of the Code of Virginia and this chapter. Pursuant to subsection G of § 55-374, a similar disclosure statement required by other situs laws governing time-sharing may be submitted for a time-share located outside of the Commonwealth.

9. Exhibit I: A copy of the buyer's acknowledgment. Pursuant to § 55-376.5 of the Code of Virginia, the purchaser shall be given this document prior to signing a purchase contract, and the document shall contain the information required by subsection B of § 55-376.5.
10. Exhibit J: Copies of bonds or letters of credit issued by a financial institution, if any, required by subsection C of § 55-375 and subsection B of § 55-386 of the Code of Virginia, as applicable.
11. Exhibit K: A copy of any management agreements and other contracts or agreements affecting the overall use, maintenance, management, or access of all or any part of the time-share project.
12. Exhibit L: A list with the names of every officer, manager, owner, or principal, as applicable to the type of firm under which the developer is organized to do business, of the developer or persons occupying a similar status within or performing similar functions for the developer. The list must include each individual's residential address or other address valid for receipt of service, principal occupation for the past five years, and title.
13. Exhibit M: A statement whether any of the individuals or entities named in Exhibit L are or have been involved as defendants in any indictment, conviction, judgment, decree, or order of any court or administrative agency against the developer or managing entity for violation of a federal, state, local, or foreign country law or regulation in connection with activities relating to time-share sales, land sales, land investments, security sales, construction or sale of homes or improvements, or any similar or related activity.
14. Exhibit N: A statement whether, during the preceding five years, any of the individuals or entities named in Exhibit L have been adjudicated bankrupt or have undergone any proceeding for the relief of debtors.
15. Exhibit O: If the developer has reserved the right to add to or delete from the time-share program any incidental benefit or alternative purchase, a description of the incidental benefit or alternative purchase shall be provided pursuant to subdivision A 13 of § 55-391.1 of the Code of Virginia.
16. Exhibit P: Conversion time-share projects must attach a copy of the notice required by subsection D of § 55-374 of the Code of Virginia and a certified statement that such notice shall be mailed or delivered to each of the tenants in the building or buildings for which the registration is sought at the time of the registration of the conversion project.

Part V

Public Offering Statement

18VAC48-45-140. Public offering statement requirements, generally.

In addition to the provisions of § 55-374 of the Code of Virginia, the following will be considered, as applicable, during review of the public offering statement:

1. The public offering statement shall provide full and accurate disclosure in accordance with 18VAC48-45-150.
2. The public offering statement shall pertain to the time-share project in which the time-shares being offered are located.
3. The public offering statement shall be clear, organized, and legible.
4. Except for brief excerpts, the public offering statement may refer to, but should not incorporate verbatim, portions of the time-share instruments, the Virginia Real Estate Time-Share Act, or this chapter. This does not preclude compliance with 18VAC48-45-170.

18VAC48-45-150. Full and accurate disclosure.

- A. The provisions of § 55-374 of the Code of Virginia and this chapter shall be strictly construed to promote full and accurate disclosure in the public offering statement. In addition, the following will be considered, as applicable, during review to assure full and accurate disclosure:
 1. The information shall be presented in a manner that is clear and understandable to a reasonably informed consumer, while maintaining consistency with the requirements of this chapter and the Virginia Real Estate Time-Share Act.
 2. No information shall be incorporated by reference to an outside source that is not reasonably available to a prospective purchaser.
 3. If required information is not known or not reasonably available, such fact shall be stated and explained in the public offering statement.
- B. The board has the sole discretion to require additional information or amendment of existing information as it finds necessary to ensure full and accurate disclosure.

18VAC48-45-160. Contents of public offering statement.

- A. A cover, if used, must be blank or bear identification information only.
- B. The developer may include as part of the public offering statement a receipt page printed in such a way that the developer may obtain verification that a prospective purchaser has received the public offering statement. The receipt page shall include the effective date of the public offering statement as well as a place for the date of delivery and signature lines for the prospective purchaser. The authorized receipt page in proper form, duly executed, shall be evidence that the public offering statement was delivered.
- C. The first page of the public offering statement shall be substantially as follows.

PURCHASER SHOULD READ THIS DOCUMENT FOR THE PURCHASER'S PROTECTION

PUBLIC OFFERING STATEMENT

NAME OF TIME-
SHARE
PROJECT:

LOCATION OF
TIME-SHARE
PROJECT:

NAME OF
DEVELOPER:

ADDRESS OF
DEVELOPER:

EFFECTIVE
DATE OF
PUBLIC
OFFERING
STATEMENT:

REVISED:

THE PURCHASER OF A TIME-SHARE MAY CANCEL THE CONTRACT UNTIL MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE EXECUTION OF SUCH CONTRACT. THE PURCHASER SHOULD READ THIS DOCUMENT FOR THE PURCHASER'S OWN PROTECTION.

Purchasing a time-share carries with it certain rights, responsibilities, and benefits, including certain financial obligations, rights, and restrictions concerning the use and maintenance of units and common elements. The purchaser will be bound by the provisions of the time-share instruments and should review the Public Offering Statement, the time-share instruments, and other exhibits carefully prior to purchase.

This Public Offering Statement presents information regarding time-share(s) being offered for sale by the developer. The Virginia Real Estate Time-Share Act (§ 55-360 et seq. of the Code of Virginia) requires that a Public Offering Statement be given to every Purchaser in order to provide full and accurate disclosure of the characteristics of and material circumstances affecting the time-share project and the characteristics of the time-share(s) being offered. The Public Offering Statement is not intended, however, to be all-inclusive. The Purchaser should consult other sources for details not covered by the Public Offering Statement.

The Public Offering Statement summarizes information and documents furnished by the developer to the Virginia Common Interest Community Board. The Board has carefully reviewed the Public Offering Statement but does not guarantee the accuracy or completeness of the Public Offering Statement. In the event of any inconsistency between the Public Offering Statement and the material it is intended to summarize, the material shall control.

If the Purchaser elects to cancel the contract within the seven-day cancellation period, all payments made in connection with the purchase contract shall be refunded to the Purchaser within 45 days. If the Purchaser elects to cancel the contract, the Purchaser shall do so either by (i) hand-delivering the notice to the developer at its principal office or at the project or (ii) mailing the notice by certified United States mail, return receipt requested, to the developer or its agent designated in the contract.

Allegations of violation of any law or regulation contained in the Virginia Real Estate Time-Share Act or the Time-Share Regulations (18VAC48-45) should be reported to the Common Interest Community Board, Perimeter Center, Suite 400, 9960 Mayland Drive, Richmond, Virginia 23233.

D. A summary of important considerations shall immediately follow the first page for the purpose of reinforcing the disclosure of significant information. The summary shall be titled as such and shall be introduced by the following statement: "The following are important matters to be considered in acquiring a time-share. They are highlights only. The Public Offering Statement should be examined in its entirety to obtain detailed information." Appropriate modifications shall be made to reflect facts and circumstances that may vary. The summary shall consist of, but not be limited to, the following, as applicable:

1. A brief description of the time-share project and the time-share program.
2. A statement regarding all incidental benefits or alternative purchases that may be offered by the developer.

3. A brief description of all amenities located within or outside of the time-share project and available to time-share owners by virtue of ownership in the time-share project. If such amenities are not common elements of the time-share project, identify who owns the amenities and whether time-share owners are required to pay to access and use.
4. A statement describing any exchange program that may be offered to the purchaser.
5. A statement describing (i) the purchaser's responsibility to make principal and interest payment in connection with the purchase of the time-share as well as to pay maintenance fees or assessments, special assessments, user fees, insurance premiums, and real estate taxes and (ii) that a time-share owner cannot reduce the amount of any owner obligation for any reason.
6. A statement regarding the consequences for failure to pay maintenance fees or any special assessment when due. The statement may reference the enforcement mechanisms available to the developer, and if applicable the time-share association, by describing (i) any declaration of an owner being an "Owner Not in Good Standing"; (ii) any civil action taken for the collection of a debt; (iii) means for pursuing foreclosure or obtaining a lien against the time-share unit; and (iv) denial of access to the time-share project and participation in the time-share program.
7. A statement indicating whether the developer or managing agent has indictments, convictions, judgments, decrees, or order of any court or administrative agency for matters related to fraud or consumer protection violations that may be required to be disclosed by subdivisions A 1 c and A 1 d of § 55-374 of the Code of Virginia.
8. A statement indicating the period of time the developer will retain control of the association for time-share estate projects.
9. A statement disclosing any management agreement with a managing agent to perform certain duties for the time-share project.
10. A statement indicating whether the developer may expand the time-share project.
11. A statement indicating whether the right of the time-share owner to resell or transfer the time-share is subject to restrictions.
12. A statement indicating the time-share units are restricted to lodging only.
13. A statement indicating that the time-share owner may not alter the interior or exterior of the time-share unit.

14. A statement regarding the obligation of the developer or association to obtain certain insurance benefiting the time-share owner.
 15. A statement regarding a time-share estate and time-share owner's obligation to pay real estate taxes.
 16. A statement regarding whether or not the developer reserves the right to add or delete any alternative purchase.
- E. The content after the summary of important considerations shall include the narrative sections in 18VAC48-45-170 through 18VAC48-45-310. Supplementary sections may be included as necessary.
- F. Clear and legible copies of the following documents shall be included as either supplements or exhibits to the public offering statement:
1. Project time-share instrument;
 2. Association articles of incorporation;
 3. Bylaws;
 4. Association annual report or projected budget for time-share estate programs;
 5. Rules and regulations of the time-share owners' association, if available;
 6. Any management contract, if applicable;
 7. Exchange company disclosure document and narrative statement required pursuant to subsection B of § 55-374 of the Code of Virginia, if applicable; and
 8. Other documents obligating the association or time-share owner to perform duties or obligations or pay charges or fees, if applicable.
- G. Other information and documentation may be included as necessary to ensure full and accurate disclosure. The board may also require additional information as necessary to ensure full and accurate disclosure.

18VAC48-45-170. Narrative sections; time-share concept.

The public offering statement shall contain a section captioned "The Time-Share Concept." The section shall consist of a brief discussion of the form of time-share ownership being offered.

18VAC48-45-180. Narrative sections; creation of time-share project.

The public offering statement shall contain a section captioned "Creation of the Time-Share Project." The section shall briefly explain the manner in which the time-share project was or will be created, the locality wherein the time-share instrument will be or has been recorded, and the procedure for its amendment.

18VAC48-45-190. Narrative sections; description of time-share project.

- A. The public offering statement shall contain a section captioned "Description of the Time-Share Project." The section shall provide a general description of the time-share project registered with the board and the units and common elements promised available to purchasers. This section shall also provide the developer's estimated schedule of commencement and completion of all promised and incomplete units and common elements.
- B. The section shall state whether the developer has reserved the right to add and delete from the time-share program a time-share project or any incidental benefit or alternative purchase.
- C. The section shall refer the purchaser to the reverter deed for an explanation if the developer utilized the possibility of a reverter.
- D. The section shall indicate all provisions that have been made for public utilities in the time-share project, including but not limited to water, electricity, telephone, and sewerage facilities.

18VAC48-45-200. Narrative sections; individual time-shares.

- A. The public offering statement shall contain a section captioned "Individual Time-Shares." The section shall indicate (i) the form of time-share ownership being offered; (ii) the types, duration, and number of units and time-shares in the project registered with the board; (iii) identification of units that are subject to the time-share program; and (iv) the estimated number of units that may become subject to the time-share program.
- B. This section shall explain the extent to which financial arrangements, if any, have been provided for completion of any incomplete but promised time-share unit or common element being offered for sale. The section shall contain a statement of the developer's obligation to complete any promised time-share unit or common element being offered

for sale comprising the time-share project that have not begun or begun but not yet completed.

- C. The section shall explain the extent to which a time-share unit may become subject to a tax or other lien arising out of claims against other owners of the same unit.

18VAC48-45-210. Narrative sections; developer.

The public offering statement shall contain a section captioned "The Developer." The section shall disclose the following information concerning the developer:

1. The name and principal address of the developer.
2. The name, principal occupation, and address of every director, partner, limited liability company manager, or trustee of the developer.
3. The name and address of each person owning or controlling an interest of at least 20% in the time-share project.
4. The particulars of any indictment, conviction, judgment, decree, or order of any court or administrative agency against the developer or managing entity for violation of a federal, state, local, or foreign country law or regulation in connection with activities relating to time-share sales, land sales, land investments, security sales, construction or sale of homes or improvements, or any similar or related activity.
5. The nature of each unsatisfied judgment, if any, against the developer or the managing entity; the status of each pending suit involving the sale or management of real estate to which the developer, the managing entity, or any general partner, executive officer, director, limited liability company manager, or majority stockholder thereof, is a defending party; and the status of each pending suit, if any, of significance to any time-share project registered with the board.
6. The name and address of the developer's agent for service of any notice permitted by this chapter.
7. The section shall describe the type of legal entity of the developer and explain if other entities have any obligation to satisfy the financial obligations of the developer.
8. For a time-share use program, a statement as to whether a developer's net worth is more than or less than \$250,000. If the developer's net worth is less than \$250,000, a current audited balance sheet shall be provided with the public offering statement. If the developer's net worth exceeds \$250,000, a statement by the developer that its equity in the time-share program exceeds \$250,000.

18VAC48-45-220. Narrative sections; terms of offering.

- A. The public offering statement shall contain a section captioned "Terms of the Offering." The section shall discuss the expenses to be borne by a purchaser in acquiring a time-share and present information regarding the settlement of purchase contracts as provided in subsections B through H of this section.
- B. The section shall indicate any initial or special fees due from the purchaser at settlement including a description of the purpose of such fees.
- C. The section shall set forth a general description of any financing offered by or available through the developer to purchasers.
- D. The section shall describe (i) services that the developer provides or expenses it pays and that it expects may become at any subsequent time a time-share expense of the owners and (ii) the projected time-share expense liability attributable to each of those services or expenses for each time-share.
- E. The section shall discuss all penalties or forfeitures to be incurred by a purchaser upon default in performance of a purchase contract.
- F. The section shall discuss the process for cancellation of a purchase contract by a purchaser in accordance with § 55-376 of the Code of Virginia. The section shall include a statement that the purchaser has a non-waivable right of cancellation and refer such purchaser to that portion of the contract in which the right of cancellation may be found.
- G. The section shall describe the terms of the deposit escrow requirements, including a statement that deposits may be removed from escrow at the termination of the cancellation period.
- H. The section shall set forth all restrictions in the purchase contract that limit the time-share owner's right to bring legal action against the developer or the association. The section shall set forth the paragraph or section and page number of the purchase contract where such provision is located. Nothing in this statement shall be deemed to authorize such limits where those limits are otherwise prohibited by law.

18VAC48-45-230. Narrative sections; encumbrances.

The public offering statement shall contain a section captioned "Encumbrances" that shall describe all liens, defects, or encumbrances affecting the time-share project and in particular the time-share offered to the purchaser.

18VAC48-45-240. Narrative sections; exchange program.

If any prospective purchaser is offered the opportunity to subscribe to or participate in any exchange program, the public offering statement shall contain a section captioned "Exchange Program" that shall include the following:

1. A statement of whether membership or participation in the program is voluntary or mandatory; and
2. A statement that the purchaser's contract with the exchange company is a contract separate and distinct from the purchaser's contract with the developer and whether there is a fee associated with membership or participation in the exchange program.

18VAC48-45-250. Narrative sections; financial matters.

- A. The public offering statement shall contain a section captioned "Financial Matters." The section shall discuss the expenses incident to the ownership of a time-share.
- B. The section shall distinguish, in general terms, the following categories of costs of operation, maintenance, repair, and replacement of various portions of the time-share as follows: (i) time-share expenses; (ii) time-share estate occupancy expenses as defined in § 55-369 of the Code of Virginia; and (iii) all other costs that may be borne directly by individual time-share owners.
- C. A budget shall show projected common expenses in each of the categories in subsection B of this section for the first year of the time-share's operation or, if different, the latest year for which a budget is available. The projected budget shall be attached to the public offering statement as an exhibit and the section shall direct the purchaser's attention to such exhibit. The section shall describe the manner in which the projected budget is established. If the time-share is phased, the budget shall project future years until all phases are projected to be developed and all common elements that must be built have been completed. The budget shall include an initial working capital budget showing sources and uses of initial working capital and a reserve table showing amounts to be collected to fund those reserves. The budget shall show regular individual assessments by unit type. The budget shall note that the figures are not guaranteed and may vary.
- D. The section shall describe the manner in which (i) time-share expenses; (ii) time-share estate occupancy expenses as defined in § 55-369 of the Code of Virginia; and (iii) all other costs that may be borne directly by individual time-share owners are apportioned among and assessed to the time-share units. The section shall include the substance of the following statement, if applicable: "A time-share owner cannot obtain a reduction of the (i) time-share expenses; (ii) time-share estate occupancy expenses as defined in § 55-369 of the Code of Virginia; and (iii) any other costs that may be borne directly by individual time-share owners assessed against the unit by refraining from use of any of the common elements."

- E. The section shall describe budget provisions for reserves for capital expenditures, if any. If there are no reserves, the section shall so state.
- F. The section shall discuss (i) time-share expenses; (ii) time-share estate occupancy expenses as defined in § 55-369 of the Code of Virginia; (iii) all other costs that may be borne directly by individual time-share owners; and (iv) any right the developer or association has to institute special assessments.
- G. The section shall indicate any fee, rental, or other charge to be payable by unit owners other than through assessments and maintenance fees to any party for use of the common elements or for use of recreational or parking facilities in the vicinity of the time-share project.
- H. The section shall discuss the effect of failure of a time-share owner to pay the assessments and maintenance fees levied against the time-share unit. Such discussion shall indicate provisions for charges or other remedies that may be imposed to be applied in the case of unpaid and past due assessments and for acceleration of unpaid assessments.

18VAC48-45-255. Narrative sections; governmental reviews.

The public offering statement shall contain a section captioned "Governmental Reviews." The section shall discuss governmental approvals required for the development of the time-share project. In addition, the section shall discuss approval of the zoning application and site plan and issuance of building permits by appropriate governmental authorities. The section shall state the current zoning classification for the time-share project property. The section shall also include a statement regarding zoning, subdivision, or land use obligations or proffers that would be imposed on the time-share owner or the association, but need not disclose zoning, subdivision, or land use obligations or proffers that do not impose any obligation on the association.

18VAC48-45-260. Narrative sections; restrictions on transfer.

The public offering statement shall include a section captioned "Restrictions on Transfer." The section shall describe and explain limitations on leasing or other restraints on free alienability created by the time-share instruments or the rules and regulations of the time-share owners' association that affect the time-share owners' right to resell, lease or otherwise transfer an interest in the time-share.

18VAC48-45-270. Narrative sections; time-share owners' association.

- A. For time-share estate projects the public offering statement shall contain a section captioned "Time-Share Owners' Association." The section shall discuss the arrangements for the management and operation of the time-share estate program and for the maintenance, repair, and furnishing of units and shall include the information required by

subdivisions 1 through 15 of this subsection. The section shall describe or discuss the following:

1. The creation of the association.
2. The payment of costs and expenses of operating the time-share estate program and owning and maintaining the time-share units.
3. Employment and termination of employment of the managing agent for the time-share estate project.
4. Termination of leases and contracts for goods and services for the time-share estate project that were entered into during the developer control period.
5. Preparation and dissemination of the annual report required by § 55-370.1 of the Code of Virginia to the time-share estate owners.
6. Adoption of standards and rules of conduct for the use, enjoyment, and occupancy of units by the time-share estate owners.
7. Collection of regular assessments, fees or dues, and special assessments from time-share estate owners to defray all time-share expenses.
8. Comprehensive general liability insurance for death, bodily injury, and property damage arising out of, or in connection with, the use and enjoyment of the time-share project by time-share estate owners, their guests and other users. The cost for such insurance shall be a time-share expense.
9. Methods for providing compensation or alternate use periods or monetary compensation to a time-share estate owner if his contracted-for unit cannot be made available for the period to which the owner is entitled by schedule or by confirmed reservation.
10. Procedures for imposing a monetary penalty or suspension of a time-share estate owner's rights and privileges in the time-share estate program or time-share project for failure to comply with provisions of the time-share instrument or the rules and regulations of the association with respect to the use and enjoyment of the units and the time-share project. Under these procedures a time-share estate owner must be given reasonable notice and reasonable opportunity to be heard and explain the charges against him in person or in writing to the board of directors of the association before a decision to impose discipline is rendered.
11. Employment of attorneys, accountants, and other professional persons as necessary to assist in the management of the time-share estate program and the time-share project.

12. Developer control period, during which time period the developer, or a managing agent selected by the developer, shall manage and control the time-share estate project and the common elements and units, including decisions about the financial operation of the association.
 13. The managing agent, if any, shall be identified, and the section shall indicate any relationship between the managing agent and the developer. The duration of any management agreement shall be stated.
 14. Except to the extent otherwise disclosed in connection with discussion of a management agreement, the significant terms of any lease of recreational areas or similar contract or agreement affecting the use, maintenance or access of all or any part of the time-share project shall be stated. The section shall include a brief narrative statement of the effect of each such agreement upon a purchaser.
 15. Rules and regulations of the time-share estate association shall be discussed. The purchaser's attention shall be directed to the copy of rules and regulations, if any, attached to the public offering statement.
- B. For time-share use projects, if an association is formed for management and operation of the time-share use program and for the maintenance, repair, and furnishing of time-share use units comprising the time-share, the public offering statement shall contain a section captioned "Time-Share Owners' Association." This section shall contain the information required by subdivisions A 1 through 15 of this section as applicable to the association for the time-share use project.

18VAC48-45-280. Narrative sections; managing entity.

The public offering statement shall include a section captioned "Managing Entity." This section shall provide the name and address of the managing entity for the project. The section shall also provide a description of the facilities, if any, provided by the developer to the association in a time-share estate project for the management of the project.

18VAC48-45-290. Narrative sections; conversion time-share projects.

- A. The public offering statement of a conversion time-share project shall contain a section captioned "Conversion Time-Share Projects." The section shall include the following:
1. A specific statement of the amount of any initial or special fee, if any, due from the purchaser of a time-share on or before settlement of the purchase contract and the basis of such fee occasioned by the fact that the project is a conversion time-share project.

2. Information on the actual expenditures, if available, made on all repairs, maintenance, operation, or upkeep of the building or buildings within the last three years. This information shall be set forth in a tabular manner within the proposed budget of the project. If such building or buildings have not been occupied for a period of three years then the information shall be set forth for the period during which such building or buildings were occupied.
3. A description of any provisions made in the budget for reserves for capital expenditures and an explanation of the basis for such reserves occasioned by the fact that the project is a conversion time-share project, or, if no provision is made for such reserves, a statement to that effect.
4. A statement of the present condition of all structural components and major utility installations in the building, which statement shall include the approximate dates of construction, installations, and major repairs as well as the expected useful life of each such item, together with the estimated cost, in current dollars, of replacing each such component.

B. In lieu of a narrative section pursuant to this section, the requirements of this section may be satisfied in the form of an exhibit to the public offering statement.

18VAC48-45-300. Narrative sections; insurance.

The public offering statement shall contain a section captioned "Insurance." The section shall describe generally the insurance coverage provided by the developer or the association for the benefit of time-share owners not otherwise described in the public offering statement. The section shall state, with respect to such insurance, each of the following circumstances, to the extent applicable: (i) property damage coverage will not insure personal property belonging to unit owner; and (ii) liability coverage will not insure against liability arising from an accident or injury occurring within a unit or as a result of the act or negligence of a time-share owner. The section shall include a statement whether the time-share owner is obligated to obtain coverage for any or all of the coverages described. The section shall include a statement indicating that the time-share owner should consult with an insurance professional to determine appropriate coverage.

18VAC48-45-310. Narrative sections; alternative purchase.

The public offering statement shall contain a section entitled "Alternative Purchases." The section shall state whether or not the developer has reserved the right to add to or delete from the time-share program any incidental benefit or alternative purchase. The section shall state that such alternative purchase has been or will be registered with the board.

18VAC48-45-320. Documents from other jurisdictions.

- A. A substituted public offering statement shall only be permitted for a time-share program for which some portion of the time-share project associated with the program is located outside of Virginia.
- B. The substituted public offering statement shall be prepared by deleting from the original disclosure document the following: (i) references to any governmental agency of another jurisdiction to which application has been made or will be made for registration or related action; (ii) references to the action of such governmental agency relative to the time-share project and its time-share program; (iii) statements of the legal effect in another jurisdiction of delivery, failure to deliver, acknowledgment of receipt or related events involving the disclosure document; (iv) the effective date or dates in another jurisdiction of the disclosure document; and (v) all other information that is untrue, inaccurate, or misleading with respect to marketing, offers, or disposition of time-shares in Virginia.
- C. The substituted public offering statement shall incorporate all information not otherwise included that is necessary to effect fully and accurately the disclosures required by § 55-374 of the Code of Virginia. The substituted disclosure document shall clearly explain any nomenclature that is different from the definitions provided in § 55-362 of the Code of Virginia.
- D. The substituted public offering statement shall include as the first item of the summary of important considerations a statement that includes the following information: (i) the designation by which the original disclosure document is identified in the original jurisdiction; (ii) the governmental agency of such other jurisdiction where the original disclosure document is or will be filed; and (iii) the jurisdiction of such filing.
- E. The provisions of §§ 55-374 and 55-376 of the Code of Virginia and 18VAC48-45-150, 18VAC48-45-160, and 18VAC48-45-170 shall apply to substituted public offering statements in the same manner and to the same extent that they apply to public offering statements.
- F. In the case of a time-share project located outside of the Commonwealth, pursuant to subsection G of § 55-374 of the Code of Virginia, disclosure statements required by other situs laws governing time-sharing that are equivalent to the requirements of this chapter may be accepted as alternative disclosure statements.

Part VI

Time-Share Project Post-Registration Provisions

18VAC48-45-330. Minimum post-registration reporting requirements for a time-share project.

- A. Subsequent to the issuance of a registration for a time-share by the board, the developer of a time-share shall do the following:
1. File an annual report in accordance with § 55-394.1 of the Code of Virginia and this chapter.
 2. Upon the occurrence of a material change, file an amended public offering statement in accordance with the provisions of subsection E of § 55-374 and subsection C of § 55-394.1 of the Code of Virginia and this chapter. These amendments shall be filed with the board within 20 business days after the occurrence of the material change.
 3. Upon the occurrence of any material change in the information contained in the registration file, the developer shall immediately report such material changes to the board in accordance with the provisions of subsection B of § 55-391.1 of the Code of Virginia.
 4. Notify the board of a change in the bond or letter of credit, as applicable, required by subsection C of § 55-375 and subsection B of § 55-386 of the Code of Virginia.
 5. File a completed application for registration of an unregistered phase or phases upon the expansion of the time-share, along with the appropriate fee specified in 18VAC48-45-70.
 6. Notify the board of transition of control from the developer to the time-share estate owners' association (time-share estate projects only).
 7. Submit appropriate documentation to the board once the registration is eligible for termination.
 8. Submit to the board any other document or information, which may include information or documents that have been amended or may not have existed previously, that affects the accuracy, completeness, or representation of any information or document filed with the application for registration.

9. Submit to the board any document or information to make the registration file accurate and complete.
- B. Notwithstanding the requirements of subsection A of this section, the board at any time may require a developer to provide information or documents, or amendments thereof, in order to assure full and accurate disclosure to prospective purchasers and to ensure compliance with the Virginia Real Estate Time-Share Act and this chapter.

18VAC48-45-340. Amendment of public offering statement.

Any amendment of the public offering statement or substituted public offering statement shall comply with this chapter.

18VAC48-45-350. Nonmaterial changes to the public offering statement.

Changes to the public offering statement that are not material are not required to be filed with the board, shall not be deemed an amendment of the public offering statement for the purposes of this chapter, and shall not give rise to a renewed right of rescission in any purchase. Nonmaterial changes to the public offering statement include, but may not be limited to, the following:

1. Correction of spelling, grammar, omission, or other similar errors not affecting the substance of the public offering statement;
2. Changes in presentation or format;
3. Substitution of an executed, filed, or recorded copy of a document for the otherwise substantially identical unexecuted, unfiled, or unrecorded copy of the document that was previously submitted;
4. Inclusion of updated information such as identification or description of the current officers and directors of the developer;
5. Disclosure of completion of improvements for improvements that were previously proposed or not complete;
6. Changes in real estate tax assessment or rate or modifications related to those changes;
7. Changes in utility charges or rates or modifications related to those changes;
8. Addition or deletion of incidental benefits or alternative purchases provided the developer reserved in the time-share instrument the right to add or delete incidental benefits or alternative purchases;

9. Adoption of a new budget that does not result in a significant change in fees or assessments or significantly impact the rights or obligations of the prospective purchasers;
10. Modifications related to changes in insurance company or financial institution, policy, or amount for bonds or letters of credit required pursuant to §§ 55-375 and 55-386 of the Code of Virginia;
11. Changes in personnel of the managing agent; and
12. Any change that is the result of orderly development of the time-share in accordance with the time-share instruments as described in the public offering statement.

18VAC48-45-360. Filing of amended public offering statement.

- A. The developer shall promptly file with the board for review a copy of the amended public offering statement together with a copy of a summary of proposed amendments that shall be distributed to purchasers during the board review period. The summary of proposed amendments shall enumerate the amendments to the public offering statement submitted for board review and include a statement that the amendments to the public offering statement have been filed with the board but have not yet been accepted. The form of the submission is at the discretion of the developer provided that (i) all amendments are clearly represented in the documentation presented; (ii) the additions and deletions of text in the public offering statement and exhibits shall be identified by underlining and striking through text to be added and deleted; and (iii) documents being added to or deleted from the contents of the public offering statement shall be clearly and accurately reflected in the table of contents utilizing underlines and strikethroughs for additions and deletions. In addition to the copies showing edits to the text, a clean copy of all new and amended documents shall be provided.
- B. The amended public offering statement submitted to the board for review shall include the effective date of the amendments.
- C. Within 30 days of receipt of the amended public offering statement, the board shall review the amended public offering statement and supporting materials to determine whether the amendment complies with this chapter. If the board's review determines that the amended public offering statement complies with this chapter, it shall notify the developer in writing and confirm the new effective date of the public offering statement.
- D. If the board's review determines that the amended public offering statement does not comply with this chapter, it shall immediately notify the developer in writing that the review has determined the amended public offering statement is not in compliance and shall specify the particulars of such noncompliance. The developer shall then have 20 days in which to correct the particulars of noncompliance identified by the board. The developer may, prior to the completion of the 20-day correction period, request an

extension in writing of the 20-day correction period. Upon expiration of the 20-day correction period, if requested corrections have not been made or a request for extension properly received, the board may issue a temporary cease and desist order in accordance with subdivision D 2 of § 55-396 of the Code of Virginia to require the cessation of sales until such time as affirmative action as directed by the board is taken. Use of the noncompliant public offering statement may result in further action by the board pursuant to §§ 55-396, 55-399.1, and 55-400 of the Code of Virginia.

- E. Notwithstanding an extension of the 30-day period for review agreed to in writing by the board and developer, if the board does not perform the required review of the public offering statement in accordance with subsection C of this section, the amendment shall be deemed to comply with 18VAC48-45-150 through 18VAC48-45-310, and the new effective date shall be the effective date of the amendment provided pursuant to subsection B of this section.
- F. In each case in which an amended document is filed pursuant to this section and the manner of its amendment is not apparent on the face of the document, the developer shall provide an indication of the manner and extent of amendment.

18VAC48-45-370. Current public offering statement.

- A. Upon issuance of an effective date by the board, all purchasers who received a public offering statement and summary of proposed amendments during the board review period pursuant to subsection A of 18VAC48-45-360 shall be provided with the public offering statement as accepted by the board. A public offering statement remains current until such time as the occurrence of a material change requires amendment of the public offering statement pursuant to this chapter and a new effective date is issued by the board.
- B. Upon issuance of an effective date by the board, a public offering statement remains current until such time as a new effective date is established pursuant to this chapter.
- C. Notwithstanding the board's authority to issue a cease and desist order pursuant to § 55-396 of the Code of Virginia, the filing of an amended public offering statement shall not require the developer to cease sales provided that the developer provides to purchasers the summary of proposed amendments pursuant to subsection A of 18VAC48-45-360 pending the issuance of a new effective date by the board.

18VAC48-45-380. Public offering statement not current; notification of purchasers.

- A. A purchaser who has been delivered a public offering statement that is not current due to a material change and was not provided with the summary of proposed amendments containing the proposed changes to the amended public offering statement pursuant to subsection A of 18VAC48-45-360 pending the issuance of a new effective date by the board shall be notified of such fact by the developer.

- B. A purchaser who has been delivered a public offering statement and summary of proposed amendments pursuant to subsection A of 18VAC48-45-360, but the amended public offering statement is determined to be noncompliant in accordance with subsection D of 18VAC48-45-360, shall be notified of such fact by the developer.
 - 1. The notification shall indicate that any contract for disposition of a time-share may be canceled by the purchaser pursuant to subsection C of § 55-376 of the Code of Virginia.
 - 2. The developer shall file a copy of the notification with the board and provide proof that such notification has been delivered to all purchasers under contract.

18VAC48-45-390. Filing of phase amendment application.

- A. A phase amendment application for a time-share project shall be filed when adding a phase or phases to the time-share project. Such phase amendment application shall be accompanied by the fee provided for in 18VAC48-45-70 and shall be subject to all of the provisions of 18VAC48-45-50 and 18VAC48-45-110, 18VAC48-45-120, and 18VAC48-45-130. Documents on file with the board that have not changed in connection with the additional phase or phases need not be refiled, provided that the phase amendment application indicates that such documents are unchanged.
- B. The application shall include a bond or letter of credit required pursuant to subsection B of § 55-386 of the Code of Virginia if any of the time-share units and common elements contained in the submitted additional phase or phases have not been completed.
- C. The board shall review the phase amendment application and supporting materials to determine whether the amendment complies with this chapter. If the board's review determines the phase amendment application complies with this chapter, it shall issue an amended order of registration for the time-share project and shall provide that previous orders and designations of the form, content, and effective date of the public offering statement are superseded. If the board's review determines that the phase amendment application is not complete, the board shall correspond with the developer to specify the particulars that must be completed to obtain compliance with this chapter.

18VAC48-45-400. Annual report for a time-share project registration required by developer.

- A. A developer shall file an annual report for a time-share project registration on a form provided by the board to update the material contained in the registration file by June 30 of each year the registration is effective and shall be accompanied by the fee specified in 18VAC48-45-70. Prior to filing the annual report required by § 55-394.1 of the Code of Virginia, the developer shall review the public offering statement then being delivered to purchasers. If such public offering statement is current, the developer shall so certify in

the annual report. If such public offering statement is not current, the developer shall amend the public offering statement and the annual report shall, in that event, include a filing in accordance with 18VAC48-45-360.

- B. The annual report shall contain, but may not be limited to, the following:
1. Current contact information for the developer;
 2. Information concerning the current status of the time-share project;
 3. Information concerning the current status of the time-share program, including (i) the type of time-shares being offered and sold; (ii) the total number of time-share interests available in the program; (iii) the total number of time-share interests sold; and (iv) information regarding any incomplete units and common elements;
 4. If the project is a time-share estate project and the developer control period has not yet expired, a copy of the annual report that was prepared and distributed by the developer to the time-share owners required by § 55-370.1 of the Code of Virginia must accompany the annual report;
 5. Date of the public offering statement currently being delivered to purchasers; and
 6. Current evidence from the surety or financial institution of bonds or letters of credit, or submittal of replacement bonds or letters of credit, required pursuant to subsection C of § 55-375 and subsection B of § 55-386 of the Code of Virginia. Such verification shall provide the following:
 - a. Principal of bond or letter of credit;
 - b. Beneficiary of bond or letter of credit;
 - c. Name of the surety or financial institution that issued the bond or letter of credit;
 - d. Bond or letter of credit number as assigned by the issuer;
 - e. The dollar amount; and
 - f. The expiration date or, if self-renewing, the date by which the bond or letter of credit shall be renewed.

18VAC48-45-410. Board review of annual report for a time-share project registration.

- A. During review of the annual report, the board may make inquiries or request additional documentation to amplify or clarify the information provided.

- B. If the board does not accept the annual report and the annual report filing is not completed within 60 days of a request by the board for additional information, the board may take further action pursuant to §§ 55-396, 55-399.1, and 55-400 of the Code of Virginia for failing to file an annual report as required by § 55-394.1 of the Code of Virginia.
- C. If the board does not perform the required review of the annual report within 30 days of receipt by the board, the annual report shall be deemed to comply with § 55-394.1 of the Code of Virginia.

18VAC48-45-420. Return of bond or letter of credit to ensure completion of promised units and common elements to developer.

A bond or letter of credit on file with the board pursuant to subsection B of § 55-386 of the Code of Virginia may be returned to the developer upon written request. Such request shall include a statement from the developer that indicates the units and common elements for which the bond or letter of credit was submitted have been completed. If the submitted statement is not sufficient to confirm completion, the board may request additional documentation.

18VAC48-45-430. Return of bond or letter of credit upon termination of time-share project registration.

Upon issuance of an order of termination of the time-share project registration pursuant to 18VAC48-45-450, the bond or letter of credit on file with the board for the purpose of protecting all deposits escrowed pursuant to subsection C of § 55-375 will be returned to the developer.

18VAC48-45-440. Maintenance of bond or letter of credit.

- A. The developer shall report the extension, cancellation, amendment, expiration, termination, or any other change of any bond or letter of credit submitted in accordance with subsection C of § 55-375 and subsection B of § 55-386 of the Code of Virginia within five days of the change.
- B. The board at any time may request verification from the developer of the status of a bond or letter of credit on file with the board. Such verification shall comply with the provisions of subdivision B 6 of 18VAC48-45-400.
- C. Failure to report a change in the bond or letter of credit in accordance with this section shall result in further action by the board pursuant to the Virginia Real Estate Time-Share Act.

18VAC48-45-450. Termination of time-share project registration.

- A. The time-share project registration shall be terminated upon receipt of documentation of one of the following:
 - 1. In accordance with subsection A of § 55-394.2 of the Code of Virginia, an annual report for a time-share estate program filed pursuant to § 55-394.1 of the Code of Virginia indicates that the developer has transferred title to the time-share owners' association and that no further development rights exist.
 - 2. In accordance with subsection B of § 55-394.2 of the Code of Virginia, written notification is received from the developer attesting that no further development of the project is anticipated and that the developer has ceased sales of time-shares at the project.
- B. Upon receipt and review of documentation pursuant to subsection A of this section, the board shall issue an order of termination for the time-share registration. The board may request additional information as necessary during the review of the submitted documentation to ensure that the time-share registration is eligible for termination.

18VAC48-45-460. Administrative termination of time-share project registration.

- A. In accordance with subsection C of § 55-394.2 of the Code of Virginia, the board may administratively terminate the registration of a time-share project. Prior to the administrative termination of the registration, the board shall send written notice of its intent to terminate the registration to all known parties associated with the time-share project, including, but not limited to, the registered agent, developer's attorney, and principals of the developer. Such written notice shall be given to the parties by mail or otherwise if acknowledged by them in writing.
- B. The board shall issue an order of termination for the time-share registration if (i) a response is not received within 30 days after sending the written notice, or (ii) the response received does not indicate termination of the registration is inappropriate in accordance with the Virginia Real Estate Time-Share Act and this chapter.
- C. Nothing contained in this section shall prevent the board from taking further action as allowed by law including issuance of a temporary cease and desist order, issuance of a cease and desist order, revocation of registration, and bringing action in the appropriate circuit court to enjoin the acts or practices and to enforce compliance.

18VAC48-45-470. Reporting of other changes to the time-share project.

Any other change made or known by the developer that may affect the accuracy or completeness of the time-share registration file shall be reported promptly to the board. Such change may

include but is not limited to the name of the developer, name of the time-share project, or any other changes in information submitted in accordance with § 55-391.1 of the Code of Virginia. The board may request additional information as necessary to ensure compliance with the Virginia Real Estate Time-Share Act and this chapter.

Part VII

Alternative Purchase Registration

18VAC48-45-480. Registration of alternative purchase required.

As required by § 55-394.5 of the Code of Virginia, a time-share developer shall register an alternative purchase as defined by § 55-362 of the Code of Virginia.

18VAC48-45-490. Application for registration of an alternative purchase.

Application for registration of alternative purchase shall be filed with the board on an application form furnished by the board and shall contain all of the documents and information required by § 55-394.5 of the Code of Virginia.

18VAC48-45-510. Review of application for registration of an alternative purchase.

At such time as the board affirmatively determines that the requirements of this chapter have been met, the board shall register the alternative purchase. The registration period of the alternative purchase shall expire the last day of the month one year from the date of issuance.

18VAC48-45-520. Minimum alternative purchase post-registration reporting requirements.

- A. Subsequent to the issuance of a registration for an alternative purchase by the board, the developer offering the alternative purchase shall do the following:
1. File the annual report required pursuant to 18VAC48-45-540.
 2. Upon the occurrence of any material change in the information contained in the registration file, the developer of a registered alternative purchase shall file the material change with the board within 30 days of the effective date of the material change.
 3. Submit appropriate documentation to the board once the registration is eligible for termination.
 4. Submit to the board any other document or information, which may include information or documents that have been amended or may not have existed previously, that affects the accuracy, completeness, or representation of any information or document filed with the application for registration.

5. Submit to the board any document or information to make the registration file accurate and complete and to ensure compliance with the Virginia Real Estate Time-Share Act and this chapter
- B. Notwithstanding the requirements of subsection A of this section, the board at any time may require the developer of a registered alternative purchase to provide information or documents, or amendments thereof, in order to assure full and accurate disclosure to prospective purchasers and to ensure compliance with the Virginia Real Estate Time-Share Act and this chapter.

18VAC48-45-540. Annual report required for alternative purchase registration.

- A. Prior to the expiration of the registration, the developer shall file an annual report in a form approved by the board for the registered alternative purchase affiliated with such time-share project registration. Such alternative purchase annual report shall be accompanied by the fee specified in 18VAC48-45-70.
- B. The annual report shall contain, but may not be limited to, the following:
1. Current contact information for the developer.
 2. Information concerning the current status of the alternative purchase.
- C. Once the annual report has been accepted by the board, the registration shall be extended for an additional one-year period from the date of the expiration of the registration. If the developer fails to complete the annual report filing within one year after the date of expiration, the registration shall not be extended and the developer must apply as a new applicant.

18VAC48-45-560. Termination of registration for an alternative purchase.

- A. The alternative purchase registration shall be terminated upon receipt of written notification from the developer attesting that the developer has ceased sales and requests termination of the alternative purchase. Should the developer later choose to offer alternative purchases for which the registration has been terminated in accordance with this subsection, prior to offering an alternative purchase, the developer must submit a new application for registration of the alternative purchase, meet all requirements in effect at the time of application, and obtain an alternative purchase registration from the board.
- B. Upon receipt and review of the notification pursuant to subsection A of this section, the board shall terminate the alternative purchase registration. The board may request additional information as necessary during the review of the submitted notification to ensure that the alternative purchase registration is eligible for termination.

- C. An alternative purchase registration shall be automatically terminated for failure to file an acceptable annual report within one year after the expiration of the registration.

18VAC48-45-570. Reporting of other changes to the alternative purchase.

In accordance with subsection B of § 55.394.5 of the Code of Virginia, any material change made or known by the developer that may affect the accuracy or completeness of the alternative purchase registration file shall be filed with the board within 30 days of the effective date of the change. The board may request additional information as necessary to ensure compliance with the Virginia Real Estate Time-Share Act and this chapter.

Part VIII

Exchange Program Registration

18VAC48-45-580. Registration of exchange program required.

As required by § 55-374.2 of the Code of Virginia, an exchange company that offers an exchange program in the Commonwealth shall register the exchange program with the board. 18VAC48-45-590. Minimum requirements for registration of an exchange program.

An application for registration of an exchange program shall include the following:

1. An application submitted in accordance with 18VAC48-45-50;
2. Current contact information for the exchange company;
3. A disclosure document that complies with § 55-374.2 of the Code of Virginia; and
4. A report independently audited by a certified public accountant or accounting firm in accordance with the standards of the Accounting Standards Board of the American Institute of Certified Public Accountants. The report shall provide the following for the preceding calendar year:
 - a. The number of owners enrolled in the exchange program. Such numbers shall disclose the relationship between the exchange company and owners as being either fee paying or gratuitous in nature;
 - b. The number of time-share properties, accommodations or facilities eligible to participate in the exchange program;
 - c. The percentage of confirmed exchanges, which shall be the number of exchanges confirmed by the exchange company divided by the number of exchanges properly applied for, together with a complete and accurate statement of the criteria used to determine whether an exchange request was properly applied for;
 - d. The number of time-shares for which the exchange company has an outstanding obligation to provide an exchange to an owner who relinquished a time-share during the year in exchange for a time-share in any future year; and
 - e. The number of exchanges confirmed by the exchange company during the year.

18VAC48-45-600. Minimum exchange program post-registration reporting requirements.

- A. Subsequent to the issuance of a registration for an exchange program by the board, the exchange company shall:
 - 1. File an annual report in accordance with subsection E of § 55-374.2 of the Code of Virginia and this chapter.
 - 2. Upon the occurrence of a material change to the disclosure document, the exchange company shall file an amended disclosure document in accordance with the provisions of § 55-374.2 of the Code of Virginia and this chapter. These amendments shall be filed with the board within 20 business days after the occurrence of the material change.
 - 3. Upon the occurrence of any material change in the information contained in the registration file, the exchange company shall immediately report such material changes to the board.
 - 4. Submit appropriate documentation to the board once the registration is eligible for termination.
 - 5. Submit to the board any other document or information, which may include information or documents that have been amended or may not have existed previously, that affects the accuracy, completeness, or representation of any information or document filed with the application for registration.
 - 6. Submit to the board any document or information to make the registration file accurate and complete to ensure compliance with the Virginia Real Estate Time-Share Act and this chapter.
- B. Notwithstanding the requirements of subsection A of this section, the board at any time may require an exchange company to provide information or documents, or amendments thereof, in order to assure full and accurate disclosure to prospective purchasers and to ensure compliance with the Virginia Real Estate Time-Share Act and this chapter.

18VAC48-45-610. Annual report required for an exchange program registration.

- A. An exchange company shall file an annual report to update the material contained in the exchange program registration file by July 1 of each year the registration is effective and shall be accompanied by the fee specified in 18VAC48-45-70.
- B. The annual report shall contain, but may not be limited to, the following:
 - 1. Current contact information for the exchange company;

2. Information concerning the current status of the exchange program; and
3. A report that contains the information in subdivision 4 of 18VAC48-45-590 and submitted in compliance with subdivision A 17 of § 55-374.2 of the Code of Virginia.

18VAC48-45-620. Board review of annual report for exchange program registration.

- A. During review of the annual report, the board may make inquiries or request additional documentation to amplify or clarify the information provided.
- B. If the board does not accept the annual report and the annual report filing is not completed within 60 days of a request by the board for additional information, the board may take further action pursuant to §§ 55-396, 55-399.1, and 55-400 of the Code of Virginia for failing to file an annual report as required by subsection E of § 55-374.2 of the Code of Virginia.
- C. If the board does not perform the required review of the annual report within 30 days of receipt by the board, the annual report shall be deemed to comply with subsection E of § 55-374.2 of the Code of Virginia.

18VAC48-45-630. Termination of an exchange program registration.

- A. The exchange program registration shall be terminated upon receipt of written notification from the exchange company indicating that the exchange program is no longer being offered in the Commonwealth. Should the exchange company later choose to offer the exchange program for which the registration has been terminated in accordance with this subsection, prior to offering the exchange program, the exchange company must submit a new application for registration of the exchange program, meet all requirements in effect at the time of application, and be issued an order of registration for the exchange program by the board.
- B. Upon receipt and review of the notification pursuant to subsection A of this section, the board shall issue an order of termination for the exchange program registration. The board may request additional information as necessary during the review of the submitted notification to ensure that the exchange program registration is eligible for termination.

18VAC48-45-640. Reporting of other changes to an exchange program.

Any other change made or known by the exchange company that may affect the accuracy or completeness of the exchange program registration file shall be promptly reported to the board. The board may request additional information as necessary to ensure compliance with the Virginia Real Estate Time-Share Act and this chapter.

Part IX

Time-Share Reseller Registration

18VAC48-45-650. Registration of time-share reseller required.

In accordance with § 55-394.3 of the Code of Virginia, a reseller shall not offer or provide any resale service without holding a current time-share reseller registration issued by the board. 18VAC48-45-660. Exemptions from time-share reseller registration.

Time-share reseller registration shall not apply to the following:

1. A person that solely or with affiliates engages in a resale service with respect to an aggregate of no more than 12 resale time-shares per calendar year;
2. A person that owns or acquires more than 12 resale time-shares and subsequently transfers all such resale time-shares to a single purchaser in a single transaction;
3. The owner, owner's agents, and employees of a regularly published newspaper, magazine, or other periodical publication of general circulation; broadcast station; website; or billboard, to the extent their activities are limited to solicitation and publication of advertisements and the transmission of responses to the persons who place the advertisements. Any person that would otherwise be exempt from this chapter pursuant to this section shall not be exempt if the person (i) solicits the placement of the advertisement by representing that the advertisement will generate cash, a certain price, or a similar type of representation for the time-share owner's resale time-share, (ii) makes a recommendation as to the sales price for which to advertise the resale time-share, (iii) makes representations to the person placing the advertisement regarding the success rate for selling resale time-shares advertised with such person, or (iv) makes misrepresentations as described in this chapter;
4. Sale by a developer or a party acting on its behalf of a resale time-share under a current registration of the time-share program in which the resale time-share is included;
5. Sale by an association, managing entity, or a party acting on its behalf of a resale time-share owned by the association provided the sale is in compliance with subsection C of § 55-380.1; or
6. Attorneys, title agents, title companies, or escrow companies providing closing services in connection with the transfer of a resale time-share.

18VAC48-45-670. Requirements for registration as a time-share reseller.

- A. Individuals or firms that provide any time-share resale services shall submit an application on a form prescribed by the board and shall meet the requirements of this section, including:
 - 1. The information contained in § 55-394.3 of the Code of Virginia.
 - 2. The application fee specified in 18VAC48-45-70.
 - 3. All contact information applicable to the time-share reseller and the lead dealer.
- B. Any individual or firm offering resale services as defined in § 55-362 of the Code of Virginia shall be registered with the board. All names under which the time-share reseller conducts business shall be disclosed on the application. The name under which the firm conducts business and holds itself out to the public (i.e., the trade or fictitious name) shall also be disclosed on the application. Firms shall be organized as business entities under the laws of the Commonwealth of Virginia or otherwise authorized to transact business in Virginia. Firms shall register any trade or fictitious names with the State Corporation Commission or the clerk of court in the jurisdiction where the business is to be conducted in accordance with §§ 59.1-69 through 59.1-76 of the Code of Virginia before submitting an application to the board.
- C. The applicant for a time-share reseller registration shall disclose the firm's mailing address and the firm's physical address. A post office box is only acceptable as a mailing address when a physical address is also provided.
- D. In accordance with § 54.1-204 of the Code of Virginia, each applicant for a time-share reseller registration shall disclose the following information about the firm, the lead dealer, and any of the principals of the firm, if applicable:
 - 1. All felony convictions.
 - 2. All misdemeanor convictions in any jurisdiction that occurred within three years before the date of application.
 - 3. Any plea of nolo contendere or finding of guilt regardless of adjudication or deferred adjudication shall be considered a conviction for the purposes of this section. The record of conviction certified or authenticated in such form as to be admissible in evidence under the laws of the jurisdiction where convicted shall be admissible as prima facie evidence of such guilt.

- E. The applicant shall obtain and maintain a bond or letter of credit pursuant to § 55-375 of the Code of Virginia, for the purpose of protecting deposits and refundable moneys received by a time-share reseller from clients in the Commonwealth of Virginia in connection with the purchase, acquisition, or sale of a time-share.
- F. The applicant for time-share reseller registration shall be in compliance with the standards of conduct set forth in Part X (18VAC48-45-720 et seq.) of this chapter at the time of application, while the application is under review by the board, and at all times when the registration is in effect.
- G. The applicant for time-share reseller registration, the lead dealer, and all principals of the firm shall be in good standing in Virginia and in every jurisdiction and with every board or administrative body where licensed, certified, or registered, and the board, in its discretion, may deny registration to any applicant who has been subject to, or whose lead dealer or principals have been subject to, any form of adverse disciplinary action, including but not limited to, reprimand, revocation, suspension or denial, imposition of a monetary penalty, required to complete remedial education, or any other corrective action, in any jurisdiction or by any board or administrative body or surrendered a license, certificate, or registration in connection with any disciplinary action in any jurisdiction prior to obtaining registration in Virginia.
- H. The applicant for time-share reseller registration shall provide all relevant information about the firm, the lead dealer, and of the principals of the firm for the seven years prior to application on outstanding judgments, past-due tax assessments, defaults on bonds, or pending or past bankruptcies and specifically shall provide all relevant financial information related to providing resale services as defined in § 55-362 of the Code of Virginia.
- I. The application for time-share reseller registration shall include the exhibits required pursuant to 18VAC48-45-680.

18VAC48-45-680. Exhibits required for registration as a time-share reseller.

- A. The following documents shall be included as exhibits to the application for registration. All exhibits shall be labeled as indicated and submitted in a format acceptable to the board.
 - 1. Exhibit A: A copy of the certificate of incorporation or certificate of authority to transact business in Virginia issued by the Virginia State Corporation Commission, or any other entity formation documents, together with any trade or fictitious name certificate.
 - 2. Exhibit B: A copy of the resale purchase contract.
 - 3. Exhibit C: A copy of the resale transfer contract.

4. Exhibit D: A copy of disclosures required by § 55-380.1 of the Code of Virginia.
 5. Exhibit E: A narrative description of the marketing or advertising plan.
 6. Exhibit F: A bond or letter of credit in accordance with subsection E of 18VAC48-45-670.
- B. The board has the sole discretion to require additional information or amendment of existing information as the board finds necessary to ensure full and accurate disclosure and compliance with the provisions of § 55-380.1 of the Code of Virginia and to ensure compliance with the provisions of § 55-394.3 of the Code of Virginia.

18VAC48-45-690. Renewal and reinstatement of a time-share reseller registration.

- A. A time-share reseller registration issued under this chapter shall expire one year from the last day of the month in which it was issued. The fee specified in 18VAC48-45-70 shall be required for renewal.
- B. Prior to the expiration date shown on the registration, a registration shall be renewed upon payment of the fees specified in 18VAC48-45-70 and submittal of proof of a current bond or letter of credit required in accordance with subsection E of 18VAC48-45-670.
- C. The board will send a renewal notice to the regulant at the last known address of record. Failure to receive this notice shall not relieve the regulant of the obligation to renew. If the regulant fails to receive the renewal notice, a copy of the registration may be submitted with the required fees as an application for renewal. By submitting a renewal fee, the regulant is certifying continued compliance with this chapter, as applicable, and certifying that all documents required for registration pursuant to 18VAC48-45-680 on file with the board reflect the most current version used by the reseller.
- D. If the requirements for renewal of a registration as specified in this chapter are not completed more than 30 days and within six months after the registration expiration date, the reinstatement fee specified in 18VAC48-50-70 shall be required.
- E. A registration may be reinstated for up to six months following the expiration date. After six months, the registration may not be reinstated under any circumstances and the firm or individual must meet all current entry requirements and apply as a new applicant.
- F. The board may deny renewal or reinstatement of registration for the same reasons as it may refuse initial registration or discipline a registrant.

- G. The date the renewal application and fee are received in the office of the board shall determine whether a registration shall be renewed without reinstatement, or shall be subject to reinstatement application procedures.
- H. A registration that is reinstated shall be regarded as having been continuously registered without interruption. Therefore, the registration holder shall remain under the disciplinary authority of the board during the entire period and shall be accountable for its activities during the period. Nothing in this chapter shall divest the board of its authority to discipline a registration holder for a violation of the law or regulation during the period of time for which the regulant was registered.
- I. Applicants for renewal shall continue to meet all of the qualifications for registration set forth in 18VAC48-45-680.

18VAC48-45-700. Maintenance of time-share reseller registration.

Any material changes made or known by the time-share reseller that may affect the accuracy or completeness of the time-share reseller registration file shall be promptly reported to the board. The board may request additional information as necessary to ensure compliance with the Virginia Real Estate Time-Share Act and this chapter.

18VAC48-45-710. Recordkeeping for a time-share reseller registration.

A time-share reseller registered by the board shall comply with the recordkeeping provisions of § 55-394.4 of the Code of Virginia.

Part X

Board Authority and Standards of Conduct

18VAC48-45-720. Grounds for disciplinary action.

The board may revoke a registration that is not in compliance with any provision of the regulations of the board or the Virginia Real Estate Time-Share Act. Additional action may include issuance of a temporary cease and desist order, issuance of a cease and desist order, and bringing action in the appropriate circuit court to enjoin the acts or practices and to enforce compliance.

18VAC48-45-730. Registration required.

- A. No developer or agent of a developer shall offer a time-share prior to the registration of the time-share program and time-share project.
- B. No developer or agent of a developer shall offer an alternative purchase prior to the registration of the alternative purchase by the developer.
- C. No exchange company or agent of an exchange company shall offer an exchange program prior to the registration of the exchange program by the exchange company.
- D. No time-share reseller or agent of a time-share reseller shall offer any resale services prior to the registration of the time-share reseller.

18VAC48-45-740. Time-share advertising standards.

- A. No promise, assertion, representation, or statement of fact or opinion in connection with a time-share marketing activity shall be made that is false, inaccurate or misleading by reason of inclusion of an untrue statement of a material fact or omission of a statement of a material fact relative to the actual or intended characteristics, circumstances, or features of a time-share program or a time-share project.
- B. No promise, assertion, representation, or statement of fact or opinion made in connection with a time-share marketing activity shall indicate that a unit or common element will be built or placed on the time-share unless proposed within the meaning of subsection A of 18VAC48-45-200.
- C. No promise, assertion, representation, or statement of fact or opinion made in connection with a time-share marketing activity and relating to a time-share project not registered shall, by its express terms, induce, solicit, or encourage a contract for sale or performing some other act that would create or purport to create a legal or equitable interest in the time-share, other than a security interest in or a nonbinding reservation of the time-share,

when to do so would circumvent the provisions of the Virginia Real Estate Time-Share Act.

18VAC48-45-750. Board oversight of public offering statement and exchange program disclosure document.

- A. The board at any time may require a developer to alter or amend the public offering statement for a time-share or an exchange program disclosure document to assure full and accurate disclosure to prospective purchasers and to ensure compliance with the Virginia Real Estate Time-Share Act and this chapter.
- B. The board does not approve or recommend the time-share or exchange program, or disposition thereof. The board's issuance of an effective date for a public offering statement or acceptance of an exchange program disclosure document shall not be construed to (i) constitute approval of the time-share or exchange program; (ii) represent that the board asserts that either all facts or material changes or both concerning the time-share or exchange program have been fully and accurately disclosed; or (iii) indicate that the board has made judgment on the value or merits of the time-share or exchange program.

18VAC48-45-760. Response to inquiry and provision of records.

- A. The developer, exchange company, or reseller must respond within 15 days to a request by the board or any of its agents regarding any complaint filed with the department. The board may extend such timeframe upon a showing of extenuating circumstances prohibiting delivery within such 15-day period.
- B. Unless otherwise specified by the board, the developer, exchange company, or reseller shall produce to the board or any of its agents within 15 days of the request any document, book, or record concerning any transaction in which the developer, exchange company, or reseller was involved, or for which the developer, exchange company, or reseller is required to maintain records, for inspection and copying by the board or its agents. The board may extend such timeframe upon a showing of extenuating circumstances prohibiting delivery within such 15-day period.
- C. A developer, exchange company, or reseller shall not provide a false, misleading, or incomplete response to the board or any agent of the board seeking information in the investigation of a complaint filed with the board.
- D. With the exception of the requirements of subsections A and B of this section, a developer, exchange company, or reseller must respond to an inquiry by the board or its agent within 21 days.

18VAC48-45-770. Prohibited acts.

The following acts are prohibited and any violation may result in action by the board, including but not limited to issuance of a temporary cease and desist order in accordance with subdivision D 2 of § 55-396 of the Code of Virginia:

1. Violating, inducing another to violate, or cooperating with others in violating any of the provisions of any regulation of the board or the Virginia Real Estate Time-Share Act or engaging in any act enumerated in §§ 54.1-102 and 54.1-111 of the Code of Virginia.
2. Obtaining or attempting to obtain a registration by false or fraudulent representation, or maintaining, renewing, or reinstating a registration by false or fraudulent representation.
3. Failing to alter or amend the public offering statement or disclosure document as required in accordance with the provisions of this chapter.
4. Providing information to purchasers in a manner that willfully and intentionally fails to promote full and accurate disclosure.
5. Making any misrepresentation or making a false promise that might influence, persuade, or induce.
6. Failing to provide information or documents, or amendments thereof, in accordance with this chapter.
7. Failing to comply with the post-registration requirements of this chapter.
8. Filing false or misleading information in the course of terminating a registration in accordance with 18VAC48-45-460, 18VAC48-50-560, or 18VAC48-50-630.
9. Failing to comply with the advertising standards contained in Part (18VAC48-45-80 et seq.) of this chapter.
10. Failing to notify the board of the cancellation, amendment, expiration, termination, or any other change that affects the validity of a bond or letter of credit required pursuant to subsection E of 18VAC48-45-670.
11. Allowing a registration issued by the board to be used by another.
12. A regulant having been convicted, found guilty, or disciplined in any jurisdiction of any offense or violation described in subdivisions C 13 and C 14 of 18VAC48-45-130, [subdivisions 4 and 5 of] 18VAC48-45-210, and subsections D, G, and H of 18VAC48-45-670.

13. Failing to inform the board in writing within 30 days that the regulant was convicted, found guilty, or disciplined in any jurisdiction of any offense or violation described in subsections D, G, and H of 18VAC48-45-670.
14. Failing to report a change as required by 18VAC48-45-470.
15. Failing to satisfy any judgments or restitution orders entered by a court or arbiter of competent jurisdiction.
16. Misrepresenting or misusing the intended purpose of a power of attorney or similar document to the detriment of any grantor of such power of attorney.
17. Engaging in dishonest or fraudulent conduct in providing resale services, including but not limited to the following:
 - a. The intentional and unjustified failure to comply with the terms of the resale purchase contract or resale transfer contract.
 - b. Engaging in dishonest or fraudulent conduct in providing resale services.
 - c. Failing to comply with the recordkeeping requirements of § 55-394.4 of the Code of Virginia.
 - d. Failing to disclose information in writing concerning the marketing, sale, or transfer of resale time-shares required by this chapter prior to accepting any consideration or with the expectation of receiving consideration from any time-share owner, seller, or buyer.
 - e. Making false or misleading statements concerning offers to buy or rent; the value, pricing, timing, or availability of resale time-shares; or numbers of sellers, renters, or buyers when engaged in time-share resale activities.
 - f. Misrepresenting the likelihood of selling a resale time-share interest.
 - g. Misrepresenting the method by or source from which the reseller or lead dealer obtained the contact information of any time-share owner.
 - h. Misrepresenting price or value increases or decreases, assessments, special assessments, maintenance fees, or taxes or guaranteeing sales or rentals in order to obtain money or property.
 - i. Making false or misleading statements concerning the identity of the reseller or any of its affiliates or the time-share resale entity's or any of its affiliate's experience, performance, guarantees, services, fees, or commissions, availability

of refunds, length of time in business, or endorsements by or affiliations with developers, management companies, or any other third party.

- j. Misrepresenting whether or not the reseller or its affiliates, employees, or agents hold, in any state or jurisdiction, a current real estate sales or broker's license or other government-required license.
- k. Misrepresenting how funds will be utilized in any time-share resale activity conducted by the reseller.
- l. Misrepresenting that the reseller or its affiliates, employees, or agents have specialized education, professional affiliations, expertise, licenses, certifications, or other specialized knowledge or qualifications.
- m. Making false or misleading statements concerning the conditions under which a time-share owner, seller, or buyer may exchange or occupy the resale time-share interest.
- n. Representing that any gift, prize, membership, or other benefit or service will be provided to any time-share owner, seller, or buyer without providing such gift, prize, membership, or other benefit or service in the manner represented.
- o. Misrepresenting the nature of any resale time-share interest or the related time-share plan.
- p. Misrepresenting the amount of the proceeds, or failing to pay the proceeds, of any rental or sale of a resale time-share interest as offered by a potential renter or buyer to the time-share owner who made such resale time-share interest available for rental or sale through the reseller.
- q. Failing to transfer any resale time-share interests as represented and required by this chapter or to provide written evidence to the time-share owner of the recording or transfer of such time-share owner's resale time-share interest as required by this chapter.
- r. Failing to pay any annual assessments, special assessments, personal property or real estate taxes, or other fees relating to an owner's resale time-share interest as represented or required by this chapter.

FORMS (18VAC48-45)

[Time-Share Amendment Application A492-0515AMEND-v1 \(eff. 9/2013\)](#)

[Time-Share Annual Report A492-0515ANRPT-v2 \(eff. 5/2014\)](#)

[Time-Share Building Status Form A492-0515BLDST-v1 \(eff. 9/2013\)](#)

[Time-Share Bond/Letter of Credit Verification Form A492-0515BOND-v1 \(eff. 9/2013\)](#)

[Time-Share Registration Application A492-0515REG-v1 \(eff. 9/2013\)](#)
[Time-Share Exchange Company Annual Report A492-0516ANRPT-v1 \(eff. 9/2013\)](#)
[Time-Share Exchange Company Registration Application A492-0516REG-v1 \(eff. 9/2013\)](#)
[Alternative Purchase Annual Report A492-0524ANRPT-v1 \(eff. 10/2015\)](#)
[Alternative Purchase Registration Application A492-0524REG-v1 \(eff. 10/2015\)](#)
[Time-Share Reseller Bond/Letter of Credit Verification Form A492-0525BOND-v1 \(eff. 1/2016\)](#)
[Time-Share Reseller Lead Dealer Change Form A492-0525LDCHG-v1 \(eff. 1/2016\)](#)
[Time-Share Reseller Application A492-0525REG-v1 \(eff. 2015\)](#)]