

Most time-share offerings include a variety of different interval types to satisfy different consumer demands.

If the time-share project will include more than one type of interval, such as room size, season, etc., the time-share declaration must clearly define the system of identifying each type of time-share interval to be sold. Typically, this is done by assigning each interval a unique number that is defined in the declaration and listed on the deed or contract given to the purchaser. This will enable the sales to be identified by interval number that can be used in monitoring sales within each type of interval, as well as the total interval sales number.

The developer may propose to control the sales of inventory by listing only the fractional undivided interests in the project on the deed or contract without using an interval number linked to the numbering system defined in the time-share declaration. In a project where different interval types or seasons are being sold, the fractional interest being conveyed for the use of a one bedroom unit may be the same as the fractional interest conveyed for a two or three bedroom unit. Similarly, the fractional interest appurtenant to a premium season may be the same as the fractional interest appurtenant to a low season interval. To allow proper sales monitoring and prevent over selling within a particular unit type or season, it is critical to distinguish between the unit types being sold with unique interval numbers. Often the interval identification number will be comprised of a series of numbers, such as the dwelling unit number, week number, and season designation number.

Inventory control in time-share estate project can be monitored by inspecting the recorded conveyance deeds in the public record, provided the proper interval identification system has been established in the time-share declaration, as discussed above, and properly noted in each deed of conveyance.

For time-share plans in which time-share estate interests will be offered for sale and the developer will not provide title insurance or time-share plans in which time-share use interests will be offered for sale, and time-share interests were sold prior to the issuance of the public report, DRE will require the developer to submit a certification by either a title company or a Certified Public Accountant that the inventory control system, described in Business & Professions Code Section 11226(c),(6), functions in accordance with the description set forth in that section. The certification must be dated not more than three months prior to the submittal of the public report application. Code Section 11246 requires the certification to be based on a random sampling of transactions performed within six months preceding the date of the application.

TITLE

To satisfy the requirements of Section 11229(b)(2) of the Business and Professions Code, time-share Public Report applicants must provide evidence of the ability "...to deliver title or other interest contracted for". Typically, evidence of title for time-share projects is provided in the form of a preliminary title report with the DRE special note, as is provided with other types of subdivisions.

Time-share use offerings require title be protected in trust, as further discussed herein under *Trusts*.

In time-share estate offerings the purchaser receives a right of occupancy in a time-share project which is coupled with an estate in the real property. If the time-share project is divided into equal occupancy rights coupled with equal estates in real property, as in the basic hypothetical example given under *Inventory Control* herein, the purchasers use rights would always be accurately defined by his fractional fee interest in the property. In this example the title evidence required from a Public Report applicant need only to define the applicants undivided fractional fee interest in the real property, because the right of occupancy always equals the estate in real property. The same title evidence requirements would