Assembly

MINUTES

COMMITTEE:

COMMERCE

DATE:

MEMBERS PRESENT:

Messrs Prince, Capurro, Torvinen, Hafen, Bickerstaff, Demers, Robinson, Wittenberg;

Wednesday, April 11, 1973

MEMBERS ABSENT:

Mr. Dini GUESTS: See attached list

Chairman Prince called the meeting to order at 4:00 p.m. He asked for testimony on AB 923, a bill amending the Nevada Plumbing Law. Mr. John Darr, Secretary of the Northern Regional Plumbing Board, stated that when the Uniform Plumbing Code was passed by the 1971 Legislature, it had no teeth in it and no requirement that it be adopted by the counties. Consequently each county made changes in it to suit their own needs which has caused much confusion with the contractors and plumbers. In Northern Nevada, the "public is taking a beating because the code is not being followed". There are no inspections; metal pipe is being replaced by plastic which ruptures and pulls apart; out-of-state plans are not being properly checked to allow for freezing conditions and a state-wide code could correct many of these problems. Most states have a State Plumbing Inspector with no city or county inspectors.

Mr. Demers asked Mr. Darr if he had an estimate of the cost of a State Plumbing Inspector. Mr. Darr stated that this cost would be approximately \$15,000 because it is difficult to get a good man at any less when he can make this much working as a plumber. He also stated that city and county inspectors are not paid enough making them suseptible to "pay offs". Mr. Capurro asked if the educational requirements in the bill would adversely affect would-be plumbers living in outlying areas. Mr. Darr stated that plumbing courses were offered by correspondence and that the present bill doesn't properly train men; that some contractors exploit youngsters in the summer and they cannot get credit for this type of work. This bill will require proper educational requirements for apprentices.

Regarding AB 935, a bill enacting the Nevada Hazardous Substances Act, Mr. Demers stated that he received a call from the Consumers' League of Nevada asking that the Committee take further testimony from an FDA representative on Friday.

Mr. James Edmundson representing the State Health Department, presented suggested amendments to the bill. (See attached Exhibit "A") He stated that the State Health Officer concurred with these suggestions but that there were possible problems with the bill as it is written principally in para-

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graph 2 which would require a laboratory at \$100,000 and a staff of twelve people. The only lab for this kind of testing is in Washington, D.C. He suggests the bill be amended so that the Health Division has authority to pick up and quarantine these hazardous substances after they have been proven so by the Product Safety Laboratory.

Mr. Demers asked why hazardous toys continue to appear on the market. Mr. Edmundson stated that his office can pick these toys up and do under the provisions of NRS 585; that they pulled much pottery with lead off the market, but that 585 does not spell out many of these substances which appear in <u>AB 935</u>. He also stated that his office must use care in not getting into anything they cannot enforce.

Mr. Mastroianni stated that the Federal Government receives the toys after the State picks them up on notice by the Federal Government, but some of them do get back on the market. Mr. Edmundson stated that they must have clear-cut authority to quarantine and condemn these items.

Mr. Torvinen asked about the need for all the definitions in <u>AB 935</u> when we cannot make any determination as to the hazardous effects in the State. Mr. Demers stated that many other states have adopted this law. Mr. Mastroianni suggested that the testing provisions on page 4, Section 14 be deleted because we have no facilities.

Mr. George T. Bennett of the State Board of Pharmacy distributed their publication "Official Antidotes First Aid Treatments and Label Requirements" dated 1971. He suggested amending Section 37, page 10, line 41 because this would delete the present poison laws on the books which should be included in this bill. On page 3, lines 36 and 37, he suggested adding: "nor to substances included in NRS 454"; on page 2, lines 29 through 40, he suggested deleting this because these are included in the pharmaceutical poison act. He stated that he was very much in favor of this bill other-Chairman Prince asked if he felt that Sections 10 and wise. 37 should be deleted. He stated "yes". Mr. Mastroianni stated that the Health Department has no objections to Mr. Bennett's statements. Chairman Prince asked that the witnesses present amendments to the Committee which are agreeable to both of them.

Regarding <u>SB 505</u>, a bill affecting health insurance coverage for dependent children, Mr. Bert Leavitt of Nevada Health Plans, Inc. stated that he was not familiar with this bill but <u>SB 551</u> had cleared the Committee today and he just wanted to see what this bill would do. Regarding SB 157, providing clarification and housekeeping changes in Unemployment Compensation Law, Mr. R. Long of the Employment Security Department stated that this bill affects NRS 612; that nearly all of this is "pretty innocuous"; that the deletion of references to dependents is immaterial because the state no longer pays this. Page 1, line 9 defines "base period" paid to people who work in more than one state. This just conforms to Federal requirements. Line 19, page 1 is the same; doesn't change anything. On page 3, line 6, the age of exclusion would be changed from 21 to 18; on page 8, lines 23 through 31, these changes would conform to a recent Supreme Court decision regarding payments to a pregnant woman stating that payments could not be determined by sex of an applicant. Some of these changes affect the basis for discharge of an employee which must be proven to the satisfaction of the Department. He supports the bill as does the Senate and just feels that it should be cleaned up. Section 11, page 5 the Senate feels should be amended.

Regarding <u>SB 505</u>, Senator Bryan stated that this bill was required by Opportunity Village, a home for retarded children in Las Vegas; that it is a "model" act; that the Insurance Commissioner found no problems with the bill which would provide health insurance coverage for dependent handicapped children beyond limiting age; that the burden would be on the policy holder to notify the insurance company. Mr. Leavitt stated that over the next few years, the biggest changes in insurance would be in health plans; that 31 days for notification should be in the bill because this time is promulgated on the size of a family unit and if changed could affect costs.

Regarding <u>SB 259</u>, a bill regulating land sales developers and reorganizing the real estate education, research and recovery fund, Mr. Hafen stated that: "I wish it to be known and I wish Mr. Manoukisn was here, that I have never had any interest in a land sales company nor have I ever received any income or or handled any property for a land sales company. I just want to clear the air. Nor have I received any political contributions from a land sales company. I just wanted to make that one statement very clear".

Mr. Mike Melner of the Commerce Department stated that there have been many hearings on this bill in the Senate; that the basic problem is that tourists coming in from California to Nevada are being sold swampy land in Florida miles from Miami with no guarantees of improvements being made to the land; that this tourist or consumer is not angry with Florida, but with Nevada where the sale or deal occurred. However, there are many reputable businessmen in land sales and many hours have been spent attempting to amend

this bill so that the legitimate businessmen can live with it. It is the land sales company which does not intend to deliver as promised to the customer that this bill is designed to discourage and put out of business. "We haven't been able to enforce the statute". There are only three or four people in the office in Las Vegas, including the secretary. He presented exhibits of articles from newspapers exposing frauds in land sales with many references to those being made in Nevada. He stated that there is no question about the need for tightening up this legislation; that they have tried to take the problem areas to the legitimate land developers out in attempting to get to the marginal operator; that the legitimate operator may have to live with some additional regulations which he doesn't feel are difficult or onerous.

Mr. Demers asked if any of the provisions in <u>AB 301</u> would cover this situation. Mr. Melner stated that there is no advertising provision for land sales in <u>301</u>. Mr. Wittenberg asked if <u>AB 230</u> would cover anything. Mr. Melner stated that it would not; that "we're amending an existing act because of problems we found in other acts which were aimed at the sale of products. Mr. Demers asked the number of marginal operators. Mr. Hansen of the Real Estate Division stated that Lake Havasu Estates was under indictment in Arizona; that no airport or restaurant exist as promised and there are no funds available for refunds to the consumer because the company is bankrupt; that even though the company qualified, HUD had no way of checking the subdivision and HUD does not require proof of financial stability.

Mr. Wittenberg stated that some land companies simply continue to pay for an option on land which they never own but sell in the duration. Mr. Hafen asked if this bill gave the Commerce Department the authority to check on the financial stability of these companies. Mr. Hansen stated that the former bill exempted companies who filed with HUD; this one will not exempt companies filing with HUD; that California has subdivision laws permitting sales from California but not into California. It is very simply for "fly-by-night" companies to file with HUD and come into Nevada to sell land.

Mr. Wittenberg pointed out that on page 7, lines 23 and 24, companies must supply the Division with such "reasonable information the Division may require". Mr. Hansen stated that NRS 119.160 now allows the Division to require bonds; that once the HUD exemption is out, enforcement falls back on the existing act -NRS 119.160. Mr. Melner stated that it is the applicant's burden to comply with the Department's forms which can only be changed by public hearing. COMMERCE MINUTES - Wed., Ap. 11, 1973

Mr. Hansen explained the Administrative Procedure for changing regulations. Mr. Demers asked if there was anything in this bill which would cut down on the "arm-twisting" tactics. Mr. Hansen stated that their regulations would take care of this. If techniques are used to advise a prospective customer of the property, the technique is permissible; that there are specific words as to what is poor practice and what isn't. Hawaii, Arizona and Florida have taken the result of all their hearings and tried to evolve regulations and laws to handle this kind of technique. AB 259 will give us the authority to do a good job if we have the men. Mr. Hafen asked if the bill took care of two major problems: sales methods and improvement quarantees. Discussion was held on the reduction from 50 to 30 lots defining "subdivision". Mr. Hansen stated that small subdividers should not have to be checked. Mr. Hafen stated that a subdivision must be approved by the State Engineer before it can be recorded.

Mr. Hafen questioned the strength of the provisions relative to advertising. Demers questioned the penalties. Mr. Hansen stated that the only penalty is the revocation of a permit, but with this proposed bill, the penalty can be a felony. Mr. Torvinen asked if the counties could not enforce the bonding provisions through court action. Mr. Hansen stated that one developer bought his own bonds. Mr. Torvinen asked about surety bonds to guarantee the improvements. Mr. Hansen stated that Florida has a requirement for an impound account. Mr. Hansen stated that Lake Havasu Estates is not at all related to Lake Havasu, a development by McCullough. Mr. Hansen presented the Committee copies of their application form for subdivisions. $(F_{1},F_{2},F_{2},F_{2})$

Mr. Hansen state he has no idea of the amount of funds that will be generated by the proposed fee schedule in <u>AB 259</u> because he doesn't know how many parcels will be sold or how much "inventory" will be brought into Nevada @ \$5 per lot. His projected revenue is \$700,000; that Nevada is considered the first or second highest volume in land sales; New York found that the cost was more than \$5.00 per lot to cover their investigations. Page 13, lines 25 to 28 gives the Department the authority to raise or lower their fees.

Mr. Wittenberg stated that he had received information that applications for subdivisions had not been approved or some not even accepted by the Commerce Department. Mr. Hansen denied this and stated that they simply do not have the manpower with which to investigate the applications. He also stated that this new bill intends that filings be acted upon within a couple of days. Mr. Hafen suggested budgeting costs of known items with the excess going back into the general fund. Mr. Hansen stated he had no objection to returning to the Legislature in two years to return any excess or ask for more, if needed.

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Mr. Hansen stated that there are no temporary permits issued, but they sometimes "fudge" until an application is approved but a careful watch is kept on advertising which must imform the consumer of the true condition of the land; that he has not received one letter from a developer requesting a hearing after the Department has refused a certain type of advertising.

A discussion was held on licensing and it was brought out that within 1-1/2 years, all representatives will have to have licenses as brokers or salesmen; that the only requirement now is that they pay a fee and are granted a license.

Mr. Hafen questioned the provision on page 5, line 1, relative to ecological impact reports. Mr. Hansen stated that the Department would not require these statements, but if the developer has one, the consumer should know what it is. If he does not have one, he simply states this. Mr. Hafen felt this provision should be deleted if it has no effect. Mr. Mike Mafici stated that he saw no objection to this provision since it specifies: "if any" environment survey. Mr. Hafen questioned further page 6, line 20, "reasonable time". Mr. Hansen stated that it would not be known how long it would take to determine if a statement was "incomplete". Mr. Hafen felt it was punitive to the legitimate operators forcing them to comply with these regulations; that with personel, the Department should be able to take care of the illegitimate operators. Mr. Hansen noted that other states have found these laws necessary.

Mr. Hansen described his "field test" saying that it has been very successful; that they have mailed our questionnaires to several hundred purchasers principally from one developer. Mr. Hafen felt these surveys should be carefully restricted and not single out any particular developer. Mr. Hansen stated that several companies have already agreed to these surveys and he would make a copy of one available to the Committee.

Discussion was held on the average cost of lots, commissions paid to salesmen, special counsel being hired to prosecute violations. Mr. Mafici felt that certain exemptions should be included in the bill such as miners and railroads which now appear in <u>SB 124</u> so that this will not be in conflict with the subdivision act.

Chairman Prince announced that the hearing on this bill would be continued Friday at 4:00 p.m.

Regarding AB 691, Mr. Wittenberg moved to pass the bill as amended. Mr. Bickerstaff seconded the motion. The motion was unanimously passed.

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Regarding <u>SB</u> 157, Mr. Capurro moved to pass the bill, Mr. Wittenberg seconded the motion. The motion was unanimously passed.

Regarding <u>SB 505</u>, Mr. Capurro moved to pass the bill; Mr. Demers seconded the motion. The motion was unanimously passed.

The meeting was adjourned at 6:20 p.m.

Submitted,

Phyllis Berkson, Attache

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ASSEMBLY

AGENDA FOR COMMITTEE ON COMMERCE

Date<u>Wed., April 11 Time 4:00 p.m.</u>Room 222

Bills or Resolutions to be considered

_____Subject

Counsel requested*

- AB 923 Amends Nevada plumbing law;
- <u>AB 935</u> Enacts the Nevada Hazardous Substances Act;
- <u>SB 505</u>. Provides health insurance coverage for dependent handicapped children beyond specified limiting age;
- <u>SB 157</u> Provides clarification and housekeeping hhanges in Unemployment Compensation Law;
- <u>SB 259</u> Regulates land sales developers and reorganizes the real estate education, research and recovery fund.

*Please do not ask for counsel unless necessary.



STADT OF * EVADA DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION DIVISION OF HEALTH CARSON CITY, NEVADA 89701

April 11, 1973

MEMORANDUM

TO: Assembly Commerce Committee

FROM: Ernest N. Scruggs & M.S

SUBJECT: Assembly Bill 935

The Nevada Hazardous Substances Act.

1. Change Section 4 from health officer to food and drug Commissioner.

2. Federal Food and Drug Administration Laboratory according to Paul Bolin, Director of the Food and Drug Laboratory in San Francisco does not run tests for any of the states for hazardous substances. There are no private laboratories that specialize in these tests. Therefore, the Health Division Laboratory would have to be equipped for this type of operation. To set up a laboratory for testing products of consumer complaints, would require a building 8,000 to 10,000 square feet with equipment at a minimum cost of \$100,000 plus 12 people to operate the laboratory. This information was obtained from Dr. Hierry, Director of Product Safety Laboratory; telephone no. (202) 963-4863, Washington, D.C.

3. Since the Health Division is in agreement with the provisions of A.B. 935, it is suggested that at this time it be amended so that the Nevada Food and Drug Commissioner be given the authority to quarantine and dispose of any hazardous substances as specified in this bill that have been deemed unsafe by either Federal Food and Drug Administration or the Federal Products Safety Division.

ENS/pr

COMMERCE HEALT WEREABE COMMITTEE

GUEST REGISTER

DATE April \$1973 WISH TO SPEAK (Specify Bill) NAME REPRESENTING NO YES Doc Mastroianni Health Dept. 939 Jin Edmundsen Ernest Scruggs No. Rog. Plumbing Bl. John Darr Russ Nielsen UPI Public Broadcont Service Hank Tester Bart Leavitt Nev. Health Plans Inc. A Public Broudcosting (Mel Sylves ter Mc Cullough Mike Marfisi Bill Hanmer MIKE MELNER 259 DEP. OF COMMERCE R.E. HANSEN 259 58-Red PSING I VUSIO EMP SEC DEPT . how6 al 26 1 Emplee Perse 53,57 inge T. Barmitt Band of Pharmacy AB 935 atty General - Real Estate Chert Elmondon X nous Milleon Х Ront Etht times Canvestall. Hordgon Comp



QUESTIONNAIRE AND APPLICATION FOR PUBLIC REPORT AND LICENSURE OF SUBDIVISION UNDER CHAPTER 119.140 OF THE NEVADA REVISED STATUTES (Section 15, Chapter 621, 1971 Statutes of Nevada).

This form must be filed for any division of land into 50 or more parcels being offered for sale or lease in a common promotional plan. The subdivision public report must then be issued before offers for sale or lease can be made in Nevada as provided by Nevada Revised Statutes 119.160 (Section 17, Chapter 621, 1971 Statues of Nevada).

ANSWER ALL QUESTIONS IN THE FORM, attach the required documents and file with the Administrative Offices of the Division of Real Estate in Carson City, Nevada, along with a filing fee of \$100.00 per unit. If a question herein is not applicable, answer "Not Applicable".

Exhibits to be attached are to be submitted properly indexed in the form prescribed in Section XVI of the Rules and Regulations for Chapter 119, Nevada Revised Statutes.

Aerial photographs may be supplied to the Division at the option of the developer. Any such photographs submitted must be dated, the property outlined, and the units, if more than one, delineated.

Public reports will be printed by the Nevada State Printer in increments of 100 and of 50. No subdivision public report will be released until printing costs have been paid.

Process time of the Division shall be deemed not to have commenced until all material has been received and the property inspection completed. No application will be deemed complete until the property inspection has been made. No license or Public Report will be issued by the Division until all material required by the Division has been supplied and until the subdivision has been inspected by the Division and all fees paid including inspection fees as may be required by the Division.

NOTE: Out-Of-State Subdividers - Reports, certificates, or other material required herein to be prepared or submitted by an agency of the State of Nevada or by a licensee of the State of Nevada shall be prepared or submitted by an agency or licensee of the situs state, except where said reports, certificates or other material refers to the Nevada Real Estate Division or to a Real Estate Licensee of the State of Nevada.

PART I

A. GENERAL INFORMATION

1. Correspondence regarding this filing is to be mailed to:

Name		
Address		
City	State	(zip)
Telephone		

2. Public Report when issued is to be mailed to:

Name		
Address		<u> </u>
City	State	(zip)
Telephone		

B. GENERAL SUBDIVISION INFORMATION

- Name and/or unit number(s) of unit(s) included in this filing as shown on recorded map(s).
- 2. Will this project be developed in unit increments? Yes No
- 3. If the question next above is answered in the affirmative, please answer the following:
 - a. Give name of overall subdivision project.

- b. If previous units have been filed, give names and unit numbers and license number issued by the Nevada Division of Real Estate (if any).
- c. Name to be used in the advertising of the offering contained herein.
- d. Is this subdivision being offered with any other subdivision? Yes
- e. If the question above is answered in the affirmative, give the name of the other subdivision(s) and/or the name of the common promotional plan.
- C. OWNER-DEVELOPER INFORMATION
 - 1. Name of dev oper______

 Address______

 City_______

 Telephone______
 - 2. Owner

Exhibit C - 2. a. If owner is different than developer, explain fully.

- Exhibit C 3. If the developer is a partnership or joint venture, give the names and addresses of all members thereof along with their percentage of ownership and/or control of the partnership or joint venture.
- Exhibit C 4. If the developer is a corporation, give the names and addresses of officers and directors as well as the names and addresses of other persons and/or entities owning or <u>having control</u> of 10% or more of the outstanding stock along with the amount of stock so owned or controlled.
- Exhibit C 5. If the developer is a corporation, submit a copy of the resolution of the Board of Directors authorizing the filing of this questionnaire and application for public report and licensure of the subdivision.
- Exhibit C 6. If the developer is a corporation and is organized under the laws of another state, submit a certified copy of the Certificate of Qualification for the transaction of business in Nevada issued by the Secretary of State of the State of Nevada indicating the corporation's resident agent.
- Exhibit C 7. If the developer is not a corporation, submit a copy of an irrevocable consent for service of process filed with the Secretary of State of the State of Nevada stating that a valid service may be made upon the developer by delivering the process to the Secretary of State of Nevada (form attached as addendum # 1).
- Exhibit C 8. Location of sales or subdivision records. (It is required that records of all subdivision sales and subdivision records be kept in the State of Nevada. If originals of these documents will be kept out of state, then duplicate records must be kept in the State of Nevada).
 - a. Name of custodian and address at which the original records will be kept.
 - b. If the address above written is located outside the State of Nevada, give the name of the custodian and the address at which duplicate records will be kept in the State of Nevada.
- Exhibit C 9. Submit a copy of a current financial statement (balance sheet, income statement, etc.).
- D. LOCATION AND SIZE OF UNITS CONTAINED IN THIS FILING
 - 1. County and state where located.
 - Give distance in miles according to type of roads and direction from nearest city and/or town.
 - Nearby cross streets.

4. Description of and names of streets adjacent to subdivision.

EX. B

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- 5. Total number of lots in proposed subdivision.
- 6. Total number of acres in proposed subdivision._____
- 7. Total number of units in proposed subdivision.
- 8. Total number of lots and acres in each unit in this filing._____
- 9. Total number of units and acres in this filing.
- Exhibit D -10. If the number of lots in each unit in this filing differs from the number of lots shown on recorded subdivision maps thereof, submit an explanation.
 - 11. Do you plan to offer the property described herein,

for sale____? for lease ? for option ? on reservation ?

If other, explain fully.

12. Is the property offered vacant? improved with building(s)?

13. How are lots staked or marked so that each lot may be located?_____

- 14. Will each lot be marked with permanent monuments prior to sale? Yes No
- Exhibit D -15. If the previous question is answered in the negative, please explain fully and give costs which prospective purchaser would incur to survey any given lot in the filing.
- E. TITLE AND SUBDIVISION MAP INFORMATION

Exhibit E - 1. Submit a map showing master plan of the project.

- Exhibit E 2. Submit a copy of recorded plat for each unit included in this filing, said map to include title sheet, if any, or evidence that a recorded plat is not required by local authority.
- Exhibit E 3. Submit preliminary title report or equivalent document suitable to the Division, issued after final unit maps are recorded and of current date for each unit included in this filing.
 - 4. Any easements mentioned in preliminary title report must be shown on recorded plat.
- Exhibit E 5. Where the preliminary report makes reference to any encumbrance, full disclosure must be made as to what portion of the property included in this filing is affected by said encumbrance(s) as well as the effect that the encumbrance(s) will have on the purchasers of said property.
- F. ZONING AND USES
 - 1. For what use or uses will the property described herein be offered?

Single Family Residential	Recreational
Residential Income	Agricultural
Commercial	Investment
Industrial	Other

- Exhibit F 2. If property may be used for other than single family residential, please describe said uses fully.
- Exhibit F 3. Explain fully the zoning classifications of property in this filing.
- Exhibit F 4. Submit evidence from appropriate government authority or other verification that the uses of the parcels being offered are not prohibited by local zoning.
 - Are any covenants, conditions or restrictions now recorded or to be recorded covering the property described in this filing? Yes____ No ____

Exhibit F - 6. If the answer to the above question was answered affirmative, submit a copy of recorded restrictions.

Exhibit F - 7. Give full disclosure of other conditions or provisions which may limit the use or occupancy of the parcels offered in this filing. If none, so state.

- Exhibit F 8. Is the land being offered capable of being used for the purpose for which it is being offered and for which it will be advertised? Yes No_____
 - 9. Has the land being offered in this filing been approved for lending by:

FHA ·	Credit Union
Bank	Pension Fund
Savings and Loan	Insurance
Other	

- Exhibit F -10. If the property has been approved by any of the foregoing, please describe.
- Exhibit F -11. If application has not been made for lending approval, give full disclosure.
- Exhibit F -12. Has the property described in this filing been disapproved by any of the lending institutions mentioned hereinabove? Yes____ No____ If yes, give full disclosure.

Exhibit F -13. Describe any surrounding factors which may affect the use of the property contained in this filing such as railroad rights of way, drainage canals, airports, conflicting land uses and/or other hazards.

- G. TAXES
- Exhibit G 1. Submit a statement from the city and/or county assessor's office showing the tax code area, the tax rate per \$100.00 of assessed valuation and fiscal year for which it applies, covering the property included in this filing.
- Exhibit G 2. If the above information refers to unimproved land, please give estimate of the amount of taxes which would be payable on any given lot in the subdivision along with the method of preparing said estimate.
- Exhibit G 3. How will taxes be pro-rated between the developer and the purchaser?
 - 4. If the property described in this filing lies partly or wholly within a district now formed or to be formed which has the power to tax or assess will such taxes be included in the city or county taxes? Yes No_____
 - 5. If the property described in this filing is to be sold through the use of sales contracts, who will pay taxes on said property until such time as title is actually conveyed?
 - a. If purchaser pays taxes, to whom and for whose account will said taxes be paid?
 - b. If purchaser pays taxes to other than tax collecting agency, give full disclosure as to handling and accounting of said taxes.
 - 6. Has a special assessment district been or will one be formed for the purpose of financing any acquisition, construction, maintenance, or operation of any improvements or for the purpose of offering any other service or services for the property described in this filing and/or any connected project? Yes No
- Exhibit G 6. a. If the answer to the above is in the affirmative, please give full disclosure.

Exhibit G - 6. b. Will the purchasers be required to participate in any "association" to support any of the above? Yes No If yes, give full disclosure. Exhibit H - 1. Submit all forms which may be used to convey title, such as deed, saids contract, lease, lease option, option, etc., filled out in sample form as to indicate actual terms and/or conditions of sale. All of the conveyance forms mentioned hereinabove should include thereon that the transfer is subject to recorded restrictions, if any.

- Exhibit II 2. Will the owner, developer or agents thereof, be negotiating for, arranging, or in any way assisting the purchasers to obtain loans? Yes No
- Exhibit H 2. A. If yes, submit names and addresses of prospective lenders along with copies of notes, deed of trust, mortgages or other security instruments to be executed by the purchaser.
 - 3. At the time purchaser receives a deed to property contracted for, will the developer deliver a policy of title insurance indicating that the property is free and clear of all liens? Yes No
- Exhibit H 4. If the answer to the previous question is no, please explain fully how purchaser will determine the condition of his title.
- Exhibit H 5. Set forth fully all terms and conditions of sale including, but not limited to the following:
 - a. Are cash sales allowed? Yes ____ No ___ If yes, when does the purchaser take title?
 - b. Are discounts allowed? Explain fully.
 - Minimum down payment on installment sales will be ______% of the purchase price.
 - 7. Annual percentage rate of interest on minimum down payment sales.
- Exhibit H 8. If other payment programs are available, set forth all terms including annual percentage rate of interest for each such program.
- Exhibit H 9. Is the interest charge included in payments? Explain fully.
- Exhibit H -10. If there is a penalty for prepayment in advance of maturity, explain fully.
- Exhibit H -11. Will financial arrangements be utilized or offered to the prospective purchaser(s) to finance or accumulate the down payment? Yes No______ If yes, explain fully.
- Exhibit H -12. Itemize and explain in detail every item of cost to the purchaser except for land payments and interest thereon required as the result of the purchase of a lot, parcel or interest from the property described herein.
 - 13. Will a conditional sales contract or similar device be utilized in the sale of the property described herein? Yes No
 - a. If the answer to the above question is in the affirmative, will the contract be recorded at the time the contract becomes binding on all parties? Yes____ No
 - b. If the answer to the previous question is no, will the contract be acknowledged and in recordable form? Yes ____ No____

Exhibit H -13. c. If the answer to either or both of the two previous questions was no, provide full disclosure.

- I. BLANKET ENCUMBRANCE
 - 1. Is there a blanket encumbrance on all or any portion of the property contained in this filing? Yes____ No____

NOTE: Blanket encumbrance is defined by Chapter 119.020 of the Nevada Revised Statutes (Chapter 621, Section 3, 1971 Statutes of Nevada) as follows: "'Blanket encumbrance' means a deed of trust, mortgage, judgement, including an option or contract to sell or a trust agreement, affecting a subdivision or affecting more than one lot offered within a subdivision, except that such term does not include any lien or other encumbrance arising as the result of the imposition of any tax assessment by a public authority.' Exhibit I - 2. If the answer to the previous question is yes, set forth in detail which of the following conditions will be complied with.

- a. All sums paid or advanced by purchasers will be placed in an escrow or other depository acceptable to the Division until the fee title contracted for is delivered to such purchaser by deed together with release from all financial encumbrances.
- b. The fee title to the subdivision will be placed in trust under an agreement or trust acceptable to the Division until a property release from each blanket encumbrance including all taxes is obtained and title contracted for is delivered to the purchaser.
- c. Such blanket encumbrance contains provisions evidencing the subordination or release of the lien of the holder or holders or the blanket encumbrance to the rights of those persons purchasing from the subdivider and further evidencing that the subdivider is able to secure releases from such blanket encumbrances with respect to the property upon full payment of the purchase price owed by such person.

J. GEOLOGIC CONDITIONS

- Will any fill material be placed or proposed to be placed on any or all lots contained in this filing? Yes____ No____
- Exhibit J 2. If the foregoing question was answered in the affirmative, please give full disclosure as to the depth of fill placed or proposed to be placed along with the report of a civil engineer licensed in the State of Nevada certifying that said fill material has been or will be compacted in accordance with good engineering practices so that each lot may be utilized for its intended use.
- Exhibit J 3. Submit one copy of a soil report prepared by a civil engineer licensed in the State of Nevada, said soil report to be based on adequate test borings or excavations together with recommendations as may be applicable indicating any corrective action which may be required so that structural damage will not likely result when the property is improved to its permitted use. If the soil condition is such as to require corrective action, submit a certification by a civil engineer licensed in the State of Nevada stating that the soil has been or will be properly prepared by the subdivider.
- Exhibit J 4. Submit one copy of the report on drainage, sewage disposal and water issued by the Health Department of the State of Nevada.
 - 5. Will artificial drains or storm sewers be installed? Yes____ No____
- Exhibit J 6. If the previous question was answered in the affirmative, at whose expense will such drains or sewers be installed? Give full disclosure.
- Exhibit J 7. Submit a report on flood and/or drainage from the local flood control agency, city, county, or state engineer as applicable.
- K. STREETS AND ROADS
 - 1. Are the roads bounding the tract described in this filing public roads? Yes $__$ No $__$
 - Are access roads to the tract described in this filing public roads? Yes____ No____
- Exhibit K 3. If either or both answers to the two previous questions were "No", explain fully how the purchaser of the lots described in this filing will obtain legal access.
- Exhibit K 4. Are the roads that are located on the property described in this filing now dedicated? Yes____ No____
 - If the answer to the previous question was no, will such roads be dedicated? Yes ____ No ____
 - a. If the answer is yes, have such roads been accepted for public use? Yes____ No____
 - b. Have such roads been or will they be accepted for maintenance by an appropriate public agency? Yes____ No____

Exhibit K - 6. If the roads mentioned hereinabove have been or will be accepted for maintenance, please provide a statement from such accepting authority, indicating that the roads have been or will be constructed in accordance with specifications of the governing authority, describing such specifications. 251

Exhibit K - 7. If the roads in this filing are to be private, submit the following:

Exhibit K - 7. a. Statement describing lot purchasers rights of ingress and egress indicating that said rights will be described in the documents of purchase.

- Exhibit K 7. b. Submit a report from a civil engineer licensed in the State of Nevada setting forth the standards to which the roads have or will be constructed, including but not limited to, the width, type of surfacing, size and type of culverts, size and type of drainage facilities and/or structures, and further setting forth the estimate of annual cost per lineal foot for maintaining such roads, including the cost per lineal foot to bring such roads up to county standards.
- Exhibit K 7. c. If private roads are to be utilized and such roads have not been completed, furnish evidence to the Division that adequate financial arrangements have been made to insure such completion.
- Exhibit K 7. d. If private roads are to be utilized, submit sufficient material to describe any provisions which have been made for repair and maintenance. If no provisions have been made, and repairs and maintenance will be the responsibility of the lot owners, so state.
- Exhibit K 8. If the roads within the subdivision are to be public roads and have not yet been completed, set forth in detail how such roads will be financed including copies of bond(s) and/or agreements with the public authority accepting such financing arrangements and indicating that the streets will be accepted upon completion of the project.
- L. <u>UTILITIES</u> (Electricity, Telephone and Natural Gas)
 - 1. If any or all of the three utilities above mentioned are available on the property described in this filing, please give the name and address of each company supplying the utility.
 - a. Electricity
 - b. Telephone

c. Natural Gas

2. Are the public utilities above mentioned installed in the unit or units contained in this filing?

Telephone Yes No

Electricity Yes____No____

Natural Gas Yes____No___

- Exhibit L 2. a. If any of the above are not installed in the tract but are available, state how far the nearest lines are from the boundries and what financial arrangements have been made to install the utilities in the tract along with a written statement from the utility supplier setting forth all details.
- Exhibit L 2. b. Will a lot purchaser have to pay any of the cost of the installation or the extention of any utility service other than normal connection charges? Yes No
- Exhibit L 2. c. If the above was answered in the affirmative, submit a letter from appropriate companies estimating the cost to the purchaser of bringing such lines to the most remote lot in the tract, stating the distance of free extention and cost per foot of extention for which the purchaser must pay.
- Exhibit L 2. d. If there is any reason to believe that any purchaser would have to pay a sum higher than that stated above, explain fully and set forth all lots affected.

Exhibit L - 2. e. If any of the utility services are not available from a public utility company please explain in detail how lot purchasers may obtain the utility service and at what cost.

Exhibit L - 2. f. If natural gas is not available, please provide a letter from at least one supplier of liquid petroleum gas setting forth in detail the present cost of service, installation, and rental for the container if any, and the relationship of the developer to such supplier.

Exhibit L - 2. g. Describe fully whether television can be received on each lot contained herein, the channels received and whether there would be charges in addition to the cost of installing an antenna on a ten foot mast atop a residential structure.

WATER SUPPLY Μ.

> How will water be supplied to the individual lots described within 1. this filing?

Municipality	County Water District
Public Utility	Mutual Water ompany
Private Company	Irrigation District
Other	Improvement District

Name and address of supplier

- If a water system is to be installed in the tract to supply each lot, answer Exhibit M - 2. the following questions:
- Exhibit M 2. a. Is the water system completed? Yes No
 - b. If the system has been completed submit verification of completion and payment therefor.
- Exhibit M 2. c. If the system is not completed, furnish evidence to the division that financial arrangements have been made to insure completion and a bona fide date of completion.
 - d. Will there be separate meters for each parcel? Yes____ No

Exhibit M - 2. e. What costs, if any, will purchaser have to pay for installation of service to his individual lot?

- Exhibit M 2. f. Submit a letter from the water supplier stating that water for fire protection, as well as the uses to which the land may be put, is available and will be furnished upon demand without exception to every parcel in the subdivision.
 - g. Submit all pertinent documentation to verify that the supplier is legally in a position to supply water to the lots contained in this filing such as a permit from the State Department of Corporations to issue mutual water company shares; approval of the Public Utility Commission if the supplier is a public utility co.; certified copy of the "water supply supplemental questionnaire" from the supplier other than a publicly owned or mutual water company.
- Exhibit M 3. If individual wells on each lot will be necessary for a water supply submit the following:
- Exhibit M 3. a. Nevada licensed well driller's estimated cost for drilling and casing a well.
- Exhibit M 3. b. Estimated cost of pump and pressure system installed.
- Exhibit M 3. c. Depth at which potable water may be found.
- Exhibit M 3. d. Confirmation from the local or state health authority that individual wells be permitted considering the size of lot proposed and the type of sewage systems to be utilized based on the smallest lot within the units contained in this filing.
- N. SANITARY SEWAGE DISPOSAL
 - What type sewage disposal system will be available within the area described in this filing? Community sewage system

Individual sewage system

- 2. If individual disposal systems are to be utilized, complete the following:
- Exhibit N 2. a. Submit a letter from the local health authority stating what type of individual sewage disposal methods will be permitted.
- Exhibit N 2. b. If cesspools or ceptic tanks are to be used who will pay the cost for installation?
- Exhibit N 2. c. If the cost is to be paid by individual lot purchasers, submit an estimate of the cost of installation prepared by a licensed contractor.
 - 3. If public sewers are to be installed answer the following:
 - a. Are sewers installed and completed? Yes___ No___ If no, give a bona fide date of completion.
- Exhibit N 3. b. Who will pay the cost of installation of sewer system?

Provide proof of bonding or other document indicating payment has been provided for.

Exhibit N - 3. c. Who will pay the cost of sewer extention from main sewer trunk to the lot line?

Submit a cost estimate for such extention prepared by a licensed contractor.

d. Will each lot purchaser be required to pay a connection fee? Yes No

If a connection fee is required, give the amount of fee.

- e. Will each purchaser be subject to a service charge for such sewage? Yes____ No____
- f. Will each lot purchaser be subject to assessment for out-fall sewage? Yes____ No____

If yes, state the amount for monthly or quarterly charge.

- Exhibit N 3. g. Into what sewage system will tract system discharge? Give full details.
- Exhibit N 3. h. Give full disclosure of any assessment or costs not mentioned hereinabove for sewage service.
- 0. SOLID WASTE DISPOSAL
 - Will solid waste disposal service be provided to each lot within the units contained in this filing? Yes____ No____
- Exhibit 0 2. If the preceding question was answered in the affirmative, please provide a letter from the disposal company or the municipality providing the service which sets forth the times of pickup and cost thereof.
- Exhibit 0 3. If solid waste disposal is the responsibility of the individual lot purchaser, set forth in detail the nearest legal solid waste disposal area, the distance in miles, and the cost for disposal.

P. FIRE PROTECTION

<u>,</u> :•

- Exhibit P 1. If the units described in this filing are not within an incorporated city but fire protection is to be available, submit a letter from the fire protection agency stating what protection will be provided including any charges or special conditions, if any; and what fire hazards exist within the units contained in this filing and the surrounding area.
- Exhibit P 2. If the units described in this filing <u>are</u> within an incorporated city, submit a letter as described in #1.
 - 3. Have fire hydrants been or will they be provided within the units described in this filing? Yes____ No____

- Exhibit P 4. If hydrants have been installed, submit data that hydrants and installation have been paid for.
- Exhibit P 5. If hydrants will be installed at a later date, please provide a bona fide date of completion and data sufficient to indicate that work will be paid for including bonding data if any.
- Exhibit P 6. Describe all provisions that will be made available within the units described in this filing for fire protection.
- Exhibit P 7. If no hydrants are to be made available within the units described in this filing, describe source of water for fire protection.
- Q. PUBLIC TRANSPORTATION
- Exhibit Q 1. Describe fully the type, location and distance from the units contained in the subdivision to the public transportation available to the purchasers, if any. If none, state none.
- R. SCHOOL FACILITIES
- Exhibit R 1. Submit a letter from the appropriate school district authority confirming the units contained in this filing will be served by said district or districts describing the types of schools available, i.e. elementary, grammar, jr. high, senior high, colleges, etc. The submittal from the school district officials should also indicate whether school bus service is or will be available with or without cost to the student.
- S. SHOPPING FACILITIES
- Exhibit S 1. State distance in road miles and the types of roads to the nearest community shopping center setting forth the location and general description and extent of facilities.
- T. MEDICAL FACILITIES
- Exhibit T 1. Describe nearest available medical facilities setting forth type and extent of facilities available and distances from the units described in this filing.

PART 2 PROMOTIONAL ACTIVITIES

U. SALES PROGRAM

- Exhibit U 1. Describe fully your proposed sales program including, but not limited to, the methods for solicitation and/or procurement of prospective customers, including names and locations of unit brokers, their personnel, and their general methods of operation; including any condition or obligations to the prospective customer to obtain any free gifts or benefits which may be made on behalf of the developer to induce attendance at a land sales presentation, etc.
- Exhibit U 2. Submit the name of the Nevada Real Estate Broker who will be broker of record together with the names of all sales personnel and the locations of branch offices at which they will be operating, the name of the broker or broker/salesman in charge of each location, along with a letter from the broker accepting the responsibility.
 - U 3. All advertising material whether oral, photographic, electronic, or printed must be submitted to the Division and approved prior to its use in a sales operation. The owner's and/or subdivider's name and connection with the sales operation must be prominently shown on all advertising. A number will be provided by the Division for each piece of advertising material that is approved which must be printed on all written material and all film material.
 - 4. If you or any of your agents use or intend to use any of the following representations in the offering or advertising of any of the lots or parcels for sale in the units contained in this filing, full disclosure must be made.
 - a. If investment merit or potential or other future aspects are represented, submit all facts, statistics, or research material to support such representation regarding investment merit or growth factors such as industrial or commercial or urban growth or any

other potential investment or growth influence pertaining to the lots contained in the filing described herein.

- 333 If a money-back guarantee under specific conditions is to be b. represented, describe the condition(s) of such guarantee fully and provide data concerning financial arrangements you have made or are making to provide for the money back guarantee.
- If the existence of near by recreation facilities or areas are с. represented as having an effect on the property described in this filing, the distance in miles and types of roads must be fully disclosed along with any cost or other pertinent data relative to the facilities or areas.
- d. Disclose fully all information regarding the following or any other special sales inducement which might be offered to a prospective customer.

Warranty of any kind to the purchaser. Membership in a club or association. Restriction on use or occupancy. Bonus Gift Free Trip Any reference to the possible re-subdivision of the property by the purchaser.

I hereby certify under penalty of perjury that the statements contained in this form constitute my notice of intention to sell or lease subdivided lands and that the statements together with any documents submitted herewith are full, true, complete and correct; and that I am the owner and/or developer of the property described herein or will be the owner at the time the lots, parcels, or interests, improved or otherwise, are to be offered for sale or lease to the public. As used herein it is understood that the singular shall include the plural and the masculine gender shall include the feminine or neuter gender whenever the context hereof requires.

Owner and/or corporate officer

Date

STATE OF) SS COUNTY OF

_ personally appeared before me, a Notary 0n Public, in and for said County and State, of the Corporation that executed Known to me to be the

the foregoing instrument and upon oath, did depose that he is the Officer of the Corporation as above designated; that he is acquainted with the seal of said Corporation and that the seal affixed to said instrument is the Corporate seal of said Corporation; that the signatures to said instrument were made by officers of said Corporation as indicated after said signatures; and that said Corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

Signature

SS

STATE OF)

COUNTY OF

0n		_			 personally	appear	red	before me	2, a	Notary
Public,						who	ack	nowledge	d tha	at
he	executed	the	above	instrument.						

Signature_____

ADMINISTRATIVE OFFICE CARSON CITY, NEVADA 89701 (702) 882-7309

EY,C 354

QUESTIONNAIRE AND APPLICATION FOR EXEMPTION OF SUBDIVISION UNDER CHAPTER 119.120, Subsectior 4 of N.R.S. (Section 13, Subsection 4, Chapter 621, 1971 Statutes of Nevada).

This form must be filed for any division of land into 50 or more parcels or interests being offered for sale or lease in a common promotional plan in the State of Nevada which have also been filed with the U. S. Department of Housing and Urban Development under the Interstate Land Sales Act.

ANSWER ALL QUESTIONS IN THE FORM, attach the required documents and file with the Administrative Offices of the Division of Real Estate in Carson City, Nevada 89701, along with a filing fee of \$100.00 per unit. If a question herein is not applicable, answer "Not Applicable".

Exhibits to be attached are to be submitted properly indexed in the form prescribed in Section XVI of the Rules and Regulations for Chapter 621, 1971 Statutes of Nevada.

Aerial photographs may be supplied to the Division at the option of the developer. Any such photographs submitted must be dated, the property outlined, and the units, if more than one, delineated.

Process time of the Division shall be deemed not to have commenced until all material has been received and the property inspection completed. No application will be deemed complete until the property inspection has been made.

No license will be issued by the Division until all material required by the Division has besupplied and until the subdivision has been inspected by the Division and <u>all</u> fees paid including inspection fees as may be required by the Division.

1. DEVELOPER

Α.	Name	and	address	of	Developer
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Telephone

- B. Is the developer the owner? Yes No If not, explain fully.
- C. If incorporated, state where and date of incorporation.
- Exhibit 1 D. If incorporated, submit a copy of the articles of incorporation and a current list of officers.
 - E. To whom (name and address of authorized agent) should correspondence be directed?

Telephone

Exhibit 1 - F. If developer is a corporation, give the name and address of the resident agent in the State of Nevada along with copies of the Certificate of Qualification to transact business in the State of Nevada from the Nevada Secretary of State.

- Exhibit 1 G. Give name(s) and address(es) of all persons or entities owning or having control of an interest of 10% or more in the developer and/or owner
- Exhibit 1 H. If developer is not a corporation, file an irrevocable consent to service of process with the Secretary of State, State of Nevada and submit a photocopy to the Division. (Forms Attached as addendum #1)
- Exhibit 1 I. Give mame and address of Nevada Real Estate Broker responsible for the selling activities of the developer within the State of Nevada and a letter acknowledging the acceptance of the responsibility from the broker.

2. SUBDIVISION

- A. Common promotional name.
- B. List units in this filing.____

- B. 2. Number of lots in each unit in this filing.
 - 3. Acres in each unit of this filing and total acres of this filing.
- Exhibit 2 C. Give the total acreage owned or controlled by the developer of which this filing is a part, said acreage to be broken down by type of control.
 - D. Number of dwellings in the subdivision at the time of filing.____

3. LOCATION

Exhibit 3 - A. Give name of county and state where subdivision described is located.

- Exhibit 3 A. I. If subdivision is located outside of the United States, give all information necessary to locate the property as well as the name of the governmental agency having jurisdiction over the subdivision of land in said country or territory and the address where said authority receives its mail.
 - B. Give the name of the nearest town to the units described in this filing.
 - C. Give the route, distance, and type of roads traversed from the town mentioned hereinabove to the units described in this filing.

4. SALES OPERATIONS

Exhibit 4 - A. List all addresses from which sales activities will be conducted within the State of Nevada.

- B. Location of sales and subdivision records: (It is required that the records of all subdivision sales and subdivision records be kept in the State of Nevada. If the originals of these documents will be kept out of state, then duplicate records must be kept in the State of Nevada.)

 - If the address above written is located outside of the state of Nevada, give the name of the custodian and the address at which duplicate records will be kept in the State of Nevada.
- Exhibit 4 C. Give name(s) of Unit Broker(s) from whom you will be receiving units and the location from which they are soliciting.
- Exhibit 4 D. List all vacation certificates which are to be used, the number to be distributed and the name of the vacation certificate company supplying them along with the plan of distribution.
- Exhibit 4 E. Provide evidence that the hotel or motel rooms will be available to all certificate holders, including assurances that the developer will honor the commitment.

5. ADVERTISING

- Exhibit 5 A. Submit written plan or the methods proposed to be employed for the procurement of prospective customers.
- Exhibit 5 B. Submit the form and content of advertising to be used.
- Exhibit 5 C. Submit the nature of the offer of gifts or other free benefits to be extended to the prospective customers.
- Exhibit 5 D. Submit a written plan providing (in detail) the nature of promotional group meetings.
 - 1. Submit copies of all films, slides, podium scripts, etc., to be used in connection with the group meetings.
- Exhibit 5 E. Submit all material, including scripts which are used in a home-sit solicitation.

EX.2 Exhibit 5 - F. If telephone solicitation is to be utilized in the sales program, submit a copy of the script and telephone numbers from which calls will be made. 336

6. SUBDIVISION LOCATED OUTSIDE OF THE UNITED STATES

- Exhibit 6 A. Give full disclosure of the immigration regulations and policy.
- Exhibit 6 B. Give full disclosure of the rights governing the sale of property by owner or lease to any subsequent party.
- Exhibit 6 C. State amount of excise tax or other charges levied against the personal property of persons occupying and/or owning property in said country.
- Exhibit 6 D. What special requirements are necessary (if any) for a non-citizen to obtain a work permit?
- Exhibit 6 E. Submit a copy of an effective building code and/or regulations adopted and enforced by proper governing authority.
- Exhibit 6 F. Give full disclosure of the title or estate which may be obtained when purchasing land in said country.

7. FEDERAL REGISTRATION

- Exhibit 7 A. Give the date of registration and submit a copy of the statement of record together with a copy of the public offering statement.
 - B. List OILSR number.

8. SUBDIVISION REGISTRATION IN OTHER STATES

- A. List any other states in which the property contained in this filing has been registered and the date of registration.
- B. Has there been or is there pending any adverse order, judgement or decree entered in connection with the subdivided lands described herein by any regulatory authorities or by any court? Yes____ No____

Exhibit 8 - B.- 1. Submit copies of any judgements or decrees as a result of an adverse order in connection with the subdivision herein described.

Exhibit 8 - C. Submit copies of subdivision questionnaires and effective state public reports which might have been issued by any of the states listed in question A.

AFFIDAVIT

STATE OF

Subscribed and sworn to

COUNTY OF) SS

I, ______, being duly sworn, depose and say that the statements herein contained and documents submitted are full, true and complete.

	БУ		
	(Developer)		
	Ву		
	(Authorized Of	ficer or Agent)	
beforc me this	day of	, 19	
	Signature of Officer Adm	ninistering Oath	
	Notary Public	11/1-1	

County of _______State of ______