



NORTH DAKOTA REAL ESTATE COMMISSION  
1120 College Dr Suite 204  
Bismarck, ND 58502  
701-328-9749

## PUBLIC OFFERING STATEMENT

### TO OFFEROR:

The Public Offering Statement must be given to each prospective purchaser prior to the time that out-of-state lands are sold in North Dakota, and a receipt thereof must be taken. Such receipts shall be permanently retained by the offeror. Purchaser must also be given ample opportunity to read the statement. Sale of out-of-state subdivided lands in North Dakota is governed by Section 43-23.1, North Dakota Century Code.

The Public Offering Statement shall not be used for any promotional purposes before registration of the subdivided lands and afterwards only if it is used in its entirety. No person may advertise or represent that the North Dakota Real Estate Commission approves or recommends the subdivided lands or disposition thereof. No portion of the Public Offering Statement may be underscored, italicized, or printed in larger or heavier or different color type than the remainder of the statement unless the North Dakota Real Estate Commission requires it.

The North Dakota Real Estate Commission may require the subdivider to alter or amend the proposed public offering statement in order to assure full and fair disclosure to prospective purchasers, and no change in the substance of the promotional plan or plan of disposition or development of the subdivision may be made after registration without notifying the North Dakota Real Estate Commission and without making appropriate amendment of the Public Offering Statement. A Public Offering Statement is not current unless all amendments are incorporated.

The Public Offering Statement shall disclose fully and accurately the physical characteristics of the subdivided lands offered and shall make known to prospective purchasers all unusual and material circumstances or features affecting the subdivided lands. The proposed public offering statement submitted to the North Dakota Real Estate Commission shall contain the following:

### PUBLIC OFFERING STATEMENT OF

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(Name and Address of Offeror)

The following introduction:

#### Introductory Statement

The subdivided lands hereinafter described are offered for sale in the State of North Dakota after registration granted by the North Dakota Real Estate Commission, but this registration is permissive only and does not constitute a recommendation or endorsement and in no sense is to be considered as an indication of the investment merit of such subdivided land, nor is any such representation to be relied on.

#### General Information

State the year in which the registrant (offeror) was organized, its form of organization, and the name of the state under the laws of which it was organized. Also include a brief statement of the type of business and objects of the offeror and disclose the location of its principal office and branch offices.

#### Speculative Features of the Offering

Disclose in such detail necessary for full explanation of the following:

- a. How was the public offering price established?
- b. Is there a resale market for the subdivided lands after purchase? If so, who will be prospective purchasers?
- c. Will a secondary market exist for resale of lots other than through subdivider's sales facilities?
- d. The number of lots resold since inception of the subdivision and the number of such sales (and %) handled by registrant's sales facilities. Also, the number (and %) of such lots which were improved by dwelling.

Offered Property

Disclose the following information concerning the subdivided lands being offered:

- a. A general description of the subdivided lands including:
  - i. Locality in which subdivision is located,
  - ii. Size of lots,
  - iii. Price range of lots offered,
  - iv. Distances to nearest towns or cities, shopping centers,
  - v. Proximity of subdivision to state or federal highways,
  - vi. Availability of public transportation,
  - vii. The size, type and distance to surrounding recreational facilities,
  - viii. Availability of schools, including distance and transportation facilities,
  - ix. Total number of lots, parcels, units or interests in the offering,
  - x. Soil conditions,
  - xi. Zoning restrictions, and
  - xii. General topography.
- b. Indicate the evidence of ownership to be delivered to a purchaser upon purchase and the evidence of title to be provided upon completion of payments.
- c. The kind of lien that will secure the balance of the purchase price.
- d. Interest (in %) to be charged on deferred payments.
- e. The length of time deferred payments are to be made.
- f. The events which would constitute a default of purchaser.
- g. A statement of the contemplated use of the property being offered and any restrictions on its use.

Terms of Sales

Furnish the following and any other information regarding terms of sales:

- a. A price list covering all parcels of land being offered in North Dakota by this offering,
- b. Maximum closing costs to purchaser, including attorney fees, recording fees, escrow fees and other costs,
- c. The right (if any) for prepayment of purchase price by purchaser, and
- d. Any other obligation of, or limitations upon, the purchaser not previously stated, and
- e. General installment contract terms.

Improvements and Betterments

Information must be included to disclose to the investor the following:

- a. Have streets been built; whether streets are dirt, rock or hard surface and if streets have not been built, when will such construction be done? Also, does contract price include cost of streets? Who will maintain said streets? Where do streets connect to public road?
- b. Is a water system available at the property line of each piece of land offered? If no water system is available at the property line of each piece of land offered, furnish statements indicating where water is available and the cost of bringing water to the property. If a water system is not available, furnish cost figures for drilling a water well at the property, costs of water pump and installation of private water system. Also include the results of a water analysis made by local authorities.
- c. Is electricity available at the property line of each piece of land offered? If electricity is not available at the property line of each parcel of land offered, furnish statements indicating where electricity is available and the cost of bringing electricity to the property. Same as to telephone and gas.
- d. If the land being offered is located in low lying areas normally subject to flood or standing water, has adequate drainage been provided? If so, furnish statements by independent engineers to that effect. If not, will adequate drainage and flood protection be provided? At whose expense?
- e. If septic tanks must be installed on the parcels of land by the individual purchasers, indicate the minimum square footage necessary in a parcel to comply with local law governing the installation of septic tanks. Is a permit from local authorities necessary?
- f. Is fire and police protection available in the area? If so, describe where located and cost, if any to purchasers of lands.
- g. Disclose the number of building starts in the subdivision, the number of completed buildings and what continuing supervision over the area will be provided by the registrant, if any.

Encumbrances and Taxes

A statement of the significant terms of any encumbrances, easements, liens and restrictions, including zoning and other regulations affecting the subdivided lands and each unit or lot; a statement of all existing taxes and existing or proposed special taxes or assessments which affect, or will in the future affect (to the present knowledge of registrant), the subdivided lands.

Escrow and Trust Provisions

State any provisions for escrow or trust agreements or other provisions designed to assure that all improvements referred to in the application for registration will be completed and that purchasers will receive the interest in land contracted for.

Plan of Distribution

- a. Give the names and addresses of licensed real estate brokers in North Dakota who will represent the registrant.
- b. State briefly the discounts and commission to be allowed or paid to brokers, including all cash, securities, contracts, options or other consideration to be received by any broker in connection with the sale of the subdivided lands.

Background of the Registrant

Furnish the following information concerning the offeror:

- a. A list of the officers and directors and their business history for the past five (5) years
- b. the extent and nature of his interest in the offeror or the sub-divided lands as of a specified date within thirty days of the date of this public offering statement.
- c. Parent companies of the offeror showing the basis of control and, as to each parent, the percentage of voting securities owned, or other basis of control by its immediate parent, if any.
- d. A list of the stockholders owning 5% or more of the outstanding stock of offeror.
- e. Capital structure of the offeror.

Pending Legal Proceedings

Describe briefly any material pending legal proceedings to which the offeror or any of its parents or subsidiaries is a party or of which any of their property is the subject.

Financial Statements

A certified balance sheet and income and expense statement of offeror as of the end of its last fiscal year, together with unaudited balance sheet and income and expense statement for the period ending within thirty days of the date of this public offering statement. Such information for parent, subsidiary, or affiliated companies should be supplied where necessary to determine financial structure of offeror.

Dated: \_\_\_\_\_

RECEIPT FOR PUBLIC OFFERING STATEMENT

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

A copy of the above PUBLIC OFFERING STATEMENT of \_\_\_\_\_ was received from \_\_\_\_\_ at the time of purchase of \_\_\_\_\_ parcel(s). I/we was/were given ample opportunity to examine this statement before making the purchase.

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Purchaser