



CHAMBER ACTION

The Committee on Judiciary recommends the following:

**Committee Substitute**

Remove the entire bill and insert:

A bill to be entitled

An act relating to timeshare plans; amending s. 721.02, F.S.; revising language with respect to legislative purpose under the Florida Vacation Plan and Timesharing Act; amending s. 721.03, F.S.; revising language with respect to the scope of the act to include reference to personal property timeshare plans; amending s. 721.05, F.S.; providing definitions; amending s. 721.06, F.S.; revising language with respect to contracts for purchase of timeshare interests to include provisions with respect to personal property timeshare interests; amending s. 721.065, F.S.; revising language with respect to resale purchase agreements to include reference to certain real property and personal property timeshare plans; amending s. 721.07, F.S.; revising language with respect to public offering statements; amending s. 721.075, F.S.; revising language with respect to incidental benefits, requiring purchasers to execute a statement indicating the source of the benefit; amending s. 721.08, F.S.; revising language



29 | with respect to escrow accounts; amending s. 721.09, F.S.;  
30 | revising language with respect to reservation agreements;  
31 | amending s. 721.11, F.S.; revising language with respect  
32 | to advertising materials; correcting cross references;  
33 | amending s. 721.12, F.S.; providing for required  
34 | recordkeeping by the seller of a personal property  
35 | timeshare plan; amending s. 721.13, F.S.; revising  
36 | language with respect to management; amending s. 721.14,  
37 | F.S.; providing that a section of law governing the  
38 | discharge of the managing entity shall not apply with  
39 | respect to personal property timeshare plans; amending s.  
40 | 721.15, F.S.; revising language with respect to  
41 | assessments for common expenses; amending s. 721.16, F.S.;  
42 | providing that a section of law governing certain liens  
43 | does not apply to personal property timeshare plans;  
44 | amending s. 721.17, F.S.; revising language with respect  
45 | to transfer of interest; amending s. 721.18, F.S.;  
46 | revising language with respect to exchange programs;  
47 | amending s. 721.19, F.S.; including reference to personal  
48 | property timeshare interests; amending s. 721.20, F.S.,  
49 | relating to licensing requirements; providing for the  
50 | application of certain provisions to personal property  
51 | timeshare plans; amending s. 721.24, F.S.; exempting  
52 | accommodations and facilities of personal property  
53 | timeshare plans from a provision of law governing  
54 | firesafety; amending s. 721.26, F.S.; revising language  
55 | with respect to regulation by the division; amending s.  
56 | 721.27, F.S.; reducing an annual fee for each timeshare



57 | unit in a timeshare plan; amending s. 721.52, F.S.;  
 58 | redefining the term "multisite timeshare plan" and  
 59 | defining the terms "nonspecific multisite timeshare plan"  
 60 | and "specific multisite timeshare plan"; amending s.  
 61 | 721.53, F.S.; revising language with respect to  
 62 | subordination instruments; amending s. 721.54, F.S.;  
 63 | correcting a cross reference; amending s. 721.55, F.S.;  
 64 | providing reference to filed rather than registered public  
 65 | offering statements; providing reference to multisite  
 66 | timeshare plans; amending s. 721.551, F.S.; providing for  
 67 | reference to filed rather than registered public offering  
 68 | statements; amending s. 721.552, F.S.; providing reference  
 69 | to multistate timeshare plans; amending s. 721.56, F.S.;  
 70 | providing reference to personal property timeshare plans;  
 71 | amending s. 721.57, F.S.; revising language with respect  
 72 | to timeshare estates in multisite timeshare plans;  
 73 | amending s. 721.84, F.S.; revising language with respect  
 74 | to appointment of a registered agent; amending ss. 721.96  
 75 | and 721.97, F.S.; including reference to personal property  
 76 | timeshare interests; amending ss. 475.011 and 718.103,  
 77 | F.S.; correcting cross references; providing an effective  
 78 | date.

79 |  
 80 | Be It Enacted by the Legislature of the State of Florida:

81 |  
 82 | Section 1. Subsections (1) and (5) of section 721.02,  
 83 | Florida Statutes, are amended to read:

84 | 721.02 Purposes.--The purposes of this chapter are to:



HB 1243

2003  
CS

85 (1) Give statutory recognition to real property timeshare  
86 plans ~~timesharing~~ and personal property timeshare plans  
87 ~~timesharing~~ in this ~~the~~ state.

88 (5) Recognize that the tourism industry in this state is a  
89 vital part of the state's economy; that the sale, promotion, and  
90 use of timeshare plans is an emerging, dynamic segment of the  
91 tourism industry; that this segment of the tourism industry  
92 continues to grow, both in volume of sales and in complexity and  
93 variety of product structure; and that a uniform and consistent  
94 method of regulation is necessary in order to safeguard  
95 Florida's tourism industry and the state's economic well-being.  
96 In order to protect the quality of Florida timeshare plans and  
97 the consumers who purchase them, it is the intent of the  
98 Legislature that this chapter be interpreted broadly in order to  
99 encompass all forms of timeshare plans with a duration of at  
100 least 3 years that are created with respect to accommodations  
101 and facilities that are located in the state or that are offered  
102 for sale in the state as provided herein, including, but not  
103 limited to, condominiums, cooperatives, undivided interest  
104 campgrounds, cruise ships, vessels, houseboats, and recreational  
105 vehicles and other motor vehicles, and including vacation clubs,  
106 multisite vacation plans, and multiyear vacation and lodging  
107 certificates.

108 Section 2. Paragraph (d) is added to subsection (1) of  
109 section 721.03, Florida Statutes, and subsection (8) of said  
110 section, is amended to read:

111 721.03 Scope of chapter.--



112 (1) This chapter applies to all timeshare plans consisting  
 113 of more than seven timeshare periods over a period of at least 3  
 114 years in which the accommodations and facilities, if any, are  
 115 located within this state or offered within this state; provided  
 116 that:

117 (d) For purposes of determining the term of the plan, the  
 118 period of any automatic renewals shall be included, except as  
 119 provided in s. 721.52(4)(b).

120 (8) With respect to any personal property accommodation or  
 121 facility of a timeshare plan; which is situated upon

122 (a) This chapter applies only to personal property  
 123 timeshare plans that are offered in this state.

124 (b) The division shall have the authority to adopt rules  
 125 interpreting and implementing the provisions of this chapter as  
 126 they apply to any personal property timeshare plan or any such  
 127 accommodation or facility that is part of a personal property  
 128 timeshare plan offered in this state, or as the provisions of  
 129 this chapter they apply to any other laws of this state, of the  
 130 several states, or of the United States, or of any other  
 131 jurisdiction, with respect to any personal property timeshare  
 132 plan or any such accommodation or facility that is part of a  
 133 personal property timeshare plan offered in this state.

134 (c) Any developer and any managing entity of a personal  
 135 property timeshare plan must submit to personal jurisdiction in  
 136 this state in a form satisfactory to the division at the time of  
 137 filing a public offering statement.

138 Section 3. Section 721.05, Florida Statutes, is amended to  
 139 read:



140 721.05 Definitions.--As used in this chapter, the term:

141 (1) "Accommodation" means any apartment, condominium or  
 142 cooperative unit, cabin, lodge, hotel or motel room, campground,  
 143 cruise ship cabin, houseboat or other vessel, recreational or  
 144 other motor vehicle, or any ~~or other~~ private or commercial  
 145 structure which is ~~situated on~~ real or personal property and  
 146 designed for overnight occupancy ~~or use~~ by one or more  
 147 individuals. The term does not include an incidental benefit as  
 148 defined in this section.

149 (2) "Agreement for deed" means any written contract  
 150 utilized in the sale of timeshare estates which provides that  
 151 legal title will not be conveyed to the purchaser until the  
 152 contract price has been paid in full and the terms of payment of  
 153 which extend for a period in excess of 180 days after either the  
 154 date of execution of the contract or completion of construction,  
 155 whichever occurs later.

156 (3) "Agreement for transfer" means any written contract  
 157 utilized in the sale of personal property timeshare interests  
 158 which provides that legal title will not be transferred to the  
 159 purchaser until the contract price has been paid in full and the  
 160 terms of payment of which extend for a period in excess of 180  
 161 days after either the date of execution of the contract or  
 162 completion of construction, whichever occurs later.

163 (4)~~(3)~~ "Assessment" means the share of funds required for  
 164 the payment of common expenses which is assessed from time to  
 165 time against each purchaser by the managing entity.

166 (5)~~(4)~~ "Closing" means:



167 (a) For any plan selling timeshare estates, conveyance of  
 168 the legal or beneficial title to a timeshare estate as evidenced  
 169 by the delivery of a deed for conveyance of legal title, or  
 170 other instrument for conveyance of beneficial title, to the  
 171 purchaser or to the clerk of the court for recording or  
 172 conveyance of the equitable title to a timeshare estate as  
 173 evidenced by the irretrievable delivery of an agreement for deed  
 174 to the clerk of the court for recording.

175 (b) For any plan selling timeshare licenses or personal  
 176 property timeshare interests, the final execution and delivery  
 177 by all parties of the last document necessary for vesting in the  
 178 purchaser the full rights available under the plan.

179 ~~(6)~~<sup>(5)</sup> "Common expenses" means:

180 (a) Those expenses, fees, or taxes properly incurred for  
 181 the maintenance, operation, and repair of the accommodations or  
 182 facilities, or both, constituting the timeshare plan.

183 (b) Any other expenses, fees, or taxes designated as  
 184 common expenses in a timeshare instrument.

185 (c) Any past due and uncollected ad valorem taxes assessed  
 186 against a timeshare development pursuant to s. 192.037.

187 ~~(7)~~<sup>(6)</sup> "Completion of construction" means:

188 (a)1. That a certificate of occupancy has been issued for  
 189 the entire building in which the timeshare unit being sold is  
 190 located, or for the improvement, or that the equivalent  
 191 authorization has been issued, by the governmental body having  
 192 jurisdiction; ~~or~~

193 2. In a jurisdiction in which no certificate of occupancy  
 194 or equivalent authorization is issued, that the construction,



HB 1243

2003  
CS

195 finishing, and equipping of the building or improvements  
196 according to the plans and specifications have been  
197 substantially completed; or

198 3. With respect to personal property timeshare plans, that  
199 all accommodations have been manufactured or built and acquired  
200 or leased by the developer, owners' association, managing  
201 entity, trustee, or other person for the use of purchasers as  
202 set forth in the timeshare instrument; and

203 (b) That all accommodations and facilities of the  
204 timeshare plan are available for use in a manner identical in  
205 all material respects to the manner portrayed by the promotional  
206 material, advertising, and filed ~~registered~~ public offering  
207 statements.

208 (8)(7) "Conspicuous type" means:

209 (a) Type in upper and lower case letters two point sizes  
210 larger than the largest nonconspicuous type, exclusive of  
211 headings, on the page on which it appears but in at least 10-  
212 point type; or

213 (b) Where the use of 10-point type would be impractical or  
214 impossible with respect to a particular piece of written  
215 advertising material, a different style of type or print may be  
216 used, so long as the print remains conspicuous under the  
217 circumstances.

218  
219 Where conspicuous type is required, it must be separated on all  
220 sides from other type and print. Conspicuous type may be  
221 utilized in contracts for purchase or public offering statements  
222 only where required by law or as authorized by the division.





223        (9)~~(8)~~ "Contract" means any agreement conferring the  
224 rights and obligations of a timeshare plan on the purchaser.

225        (10)~~(9)~~ "Developer" includes:

226        (a) A "creating developer," which means any person who  
227 creates the timeshare plan;

228        (b) A "successor developer," which means any person who  
229 succeeds to the interest of the persons in this subsection by  
230 sale, lease, assignment, mortgage, or other transfer, but the  
231 term includes only those persons who offer timeshare interests  
232 in the ordinary course of business; and

233        (c) A "concurrent developer," which means any person  
234 acting concurrently with the persons in this subsection with the  
235 purpose of offering timeshare interests in the ordinary course  
236 of business.

237        (d) The term "developer" does not include:

238        1. An owner of a timeshare interest who has acquired the  
239 timeshare interest for his or her own use and occupancy and who  
240 later offers it for resale; provided that a rebuttable  
241 presumption shall exist that an owner who has acquired more than  
242 seven timeshare interests did not acquire them for his or her  
243 own use and occupancy;

244        2. A managing entity, not otherwise a developer, that  
245 offers, or engages a third party to offer on its behalf,  
246 timeshare interests in a timeshare plan which it manages,  
247 provided that such offer complies with the provisions of s.  
248 721.065;

249        3. A person who owns or is conveyed, assigned, or  
250 transferred more than seven timeshare interests and who



HB 1243

2003  
CS

251 subsequently conveys, assigns, or transfers all acquired  
252 timeshare interests to a single purchaser in a single  
253 transaction, which transaction may occur in stages; or

254 4. A person who has acquired or has the right to acquire  
255 more than seven timeshare interests from a developer or other  
256 interestholder in connection with a loan, securitization,  
257 conduit, or similar financing arrangement transaction and who  
258 subsequently arranges for all or a portion of the timeshare  
259 interests to be offered by one or more developers in the  
260 ordinary course of business on their own behalves or on behalf  
261 of such person.

262 (e) A successor or concurrent developer shall be exempt  
263 from any liability inuring to a predecessor or concurrent  
264 developer of the same timeshare plan, except as provided in s.  
265 721.15(7), provided that this exemption shall not apply to any  
266 of the successor or concurrent developer's responsibilities,  
267 duties, or liabilities with respect to the timeshare plan that  
268 accrue after the date the successor or concurrent developer  
269 became a successor or concurrent developer, and provided that  
270 such transfer does not constitute a fraudulent transfer. In  
271 addition to other provisions of law, a transfer by a predecessor  
272 developer to a successor or concurrent developer shall be deemed  
273 fraudulent if the predecessor developer made the transfer:

274 1. With actual intent to hinder, delay, or defraud any  
275 purchaser or the division; or

276 2. To a person that would constitute an insider under s.  
277 726.102(7).



278 The provisions of this paragraph shall not be construed to  
 279 relieve any successor or concurrent developer from the  
 280 obligation to comply with the provisions of any applicable  
 281 timeshare instrument.

282 (11)~~(10)~~ "Division" means the Division of Florida Land  
 283 Sales, Condominiums, and Mobile Homes of the Department of  
 284 Business and Professional Regulation.

285 (12)~~(11)~~ "Enrolled" means paid membership in an exchange  
 286 program or membership in an exchange program evidenced by  
 287 written acceptance or confirmation of membership.

288 (13)~~(12)~~ "Escrow account" means an account established  
 289 solely for the purposes set forth in this chapter with a  
 290 financial institution located within this state.

291 (14)~~(13)~~ "Escrow agent" includes only:

292 (a) A savings and loan association, bank, trust company,  
 293 or other financial institution, any of which must be located in  
 294 this state and any of which must have a net worth in excess of  
 295 \$5 million;

296 (b) An attorney who is a member of The Florida Bar or his  
 297 or her law firm;

298 (c) A real estate broker who is licensed pursuant to  
 299 chapter 475 or his or her brokerage firm; or

300 (d) A title insurance agent that is licensed pursuant to  
 301 s. 626.8417, a title insurance agency that is licensed pursuant  
 302 to s. 626.8418, or a title insurer authorized to transact  
 303 business in this state pursuant to s. 624.401.

304 (15)~~(14)~~ "Exchange company" means any person owning or  
 305 operating, or owning and operating, an exchange program.



HB 1243

2003  
CS

306        ~~(15)~~ (16) "Exchange program" means any method, arrangement,  
307 or procedure for the voluntary exchange of the right to use and  
308 occupy accommodations and facilities among purchasers. The term  
309 does not include the assignment of the right to use and occupy  
310 accommodations and facilities to purchasers pursuant to a  
311 particular multisite timeshare plan's reservation system. Any  
312 method, arrangement, or procedure that otherwise meets this  
313 definition, wherein the purchaser's total contractual financial  
314 obligation exceeds \$3,000 per any individual, recurring  
315 timeshare period, shall be regulated as a multisite timeshare  
316 plan in accordance with part II.

317        ~~(16)~~ (17) "Facility" means any amenity, including any  
318 structure, furnishing, fixture, equipment, service, improvement,  
319 or real or personal property, improved or unimproved, other than  
320 an ~~the~~ accommodation of the timeshare plan, which is made  
321 available to the purchasers of a timeshare plan. The term does  
322 not include an incidental benefit as defined in this section.

323        (18) "Filed public offering statement" means a public  
324 offering statement that has been filed with the division  
325 pursuant to s. 721.07(5) or s. 721.55.

326        ~~(17)~~ (19) "Incidental benefit" means an accommodation,  
327 product, service, discount, or other benefit which is offered to  
328 a prospective purchaser of a timeshare plan or to a purchaser of  
329 a timeshare plan prior to the expiration of his or her initial  
330 10-day voidability period pursuant to s. 721.10; which is not an  
331 exchange program as defined in subsection ~~(15)~~ (16); and which  
332 complies with the provisions of s. 721.075. The term shall not



HB 1243

2003  
CS

333 include an offer of the use of the accommodations and facilities  
334 of the timeshare plan on a free or discounted one-time basis.

335 (20)~~(18)~~ "Independent," for purposes of determining  
336 eligibility of escrow agents and trustees pursuant to s.  
337 721.03(7), means that:

338 (a) The escrow agent or trustee is not a relative, as  
339 described in s. 112.3135(1)(d), or an employee of the developer,  
340 seller, or managing entity, or of any officer, director,  
341 affiliate, or subsidiary thereof.

342 (b) There is no financial relationship, other than the  
343 payment of fiduciary fees or as otherwise provided in this  
344 subsection, between the escrow agent or trustee and the  
345 developer, seller, or managing entity, or any officer, director,  
346 affiliate, or subsidiary thereof.

347 (c) Compensation paid by the developer to an escrow agent  
348 or trustee for services rendered shall not be paid from funds in  
349 the escrow or trust account unless and until the developer is  
350 otherwise entitled to receive the disbursement of such funds  
351 from the escrow or trust account pursuant to this chapter.

352 (d) A person shall not be disqualified to serve as an  
353 escrow agent or a trustee solely because of the following:

354 1. A nonemployee, attorney-client relationship exists  
355 between the developer and the escrow agent or trustee;

356 2. The escrow agent or trustee provides brokerage services  
357 as defined by chapter 475 for the developer;

358 3. The escrow agent or trustee provides the developer with  
359 routine banking services which do not include construction or  
360 receivables financing or any other lending activities; or



361 4. The escrow agent or trustee performs closings for the  
 362 developer or seller or issues owner's or lender's title  
 363 insurance commitments or policies in connection with such  
 364 closings.

365 (21)~~(19)~~ "Interestholder" means a developer, an owner of  
 366 the underlying fee or owner of the underlying personal property,  
 367 a mortgagee, judgment creditor, or other lienor, or any other  
 368 person having an interest in or lien or encumbrance against the  
 369 accommodations or facilities of the timeshare plan.

370 (22)~~(20)~~ "Managing entity" means the person who operates  
 371 or maintains the timeshare plan pursuant to s. 721.13(1).

372 (23)~~(21)~~ "Memorandum of agreement" means a written  
 373 document, in a ~~recordable~~ sufficient to permit the document  
 374 to be recorded or otherwise filed in the appropriate public  
 375 records and to provide constructive notice of its contents under  
 376 applicable law, which includes the names of the seller and the  
 377 purchasers, a legal description of the timeshare property, or  
 378 other sufficient description for a personal property timeshare  
 379 plan, and all timeshare interests to be included in such  
 380 document, and a description of the type of timeshare interest  
 381 ~~license~~ sold by the seller.

382 (24)~~(22)~~ "Offer to sell," "offer for sale," "offered for  
 383 sale," or "offer" means the solicitation, advertisement, or  
 384 inducement, or any other method or attempt, to encourage any  
 385 person to acquire the opportunity to participate in a timeshare  
 386 plan.

387 (25)~~(23)~~ "One-to-one purchaser to accommodation ratio"  
 388 means the ratio of the number of purchasers eligible to use the



HB 1243

2003  
CS

389 accommodations of a timeshare plan on a given day to the number  
 390 of accommodations available for use within the plan on that day,  
 391 such that the total number of purchasers eligible to use the  
 392 accommodations of the timeshare plan during a given calendar  
 393 year never exceeds the total number of accommodations available  
 394 for use in the timeshare plan during that year. For purposes of  
 395 calculation under this subsection, each purchaser must be  
 396 counted at least once, and no individual timeshare unit may be  
 397 counted more than 365 times per calendar year (or more than 366  
 398 times per leap year). A purchaser who is delinquent in the  
 399 payment of timeshare plan assessments shall continue to be  
 400 considered eligible to use the accommodations of the timeshare  
 401 plan for purposes of this subsection notwithstanding any  
 402 application of s. 721.13(6).

403 ~~(26)~~~~(24)~~ "Owner of the underlying fee" or "owner of the  
 404 underlying personal property" means any person having an  
 405 interest in the real property or personal property comprising or  
 406 underlying the accommodations or facilities of a ~~the~~ timeshare  
 407 plan at or subsequent to the time of creation of the timeshare  
 408 plan.

409 ~~(27)~~~~(25)~~ "Owners' association" means an ~~the~~ association  
 410 made up of all owners of timeshare interests in a timeshare  
 411 plan, including developers and purchasers of such a timeshare  
 412 plan ~~who have purchased timeshare estates.~~

413 ~~(28)~~ "Personal property timeshare interest" means a right  
 414 to occupy an accommodation located on or in or comprised of  
 415 personal property that is not permanently affixed to real



HB 1243

2003  
CS

416 property, whether or not coupled with a beneficial or ownership  
417 interest in the accommodations or personal property.

418 (29)~~(26)~~ "Public offering statement" means the written  
419 materials describing a single-site timeshare plan or a multisite  
420 timeshare plan, including a text and any exhibits attached  
421 thereto as required by ss. 721.07, 721.55, and 721.551. The term  
422 "public offering statement" shall refer to both a filed  
423 ~~registered~~ public offering statement and a purchaser public  
424 offering statement.

425 (30)~~(27)~~ "Purchaser" means any person, other than a  
426 developer, who by means of a voluntary transfer acquires a legal  
427 or equitable interest in a timeshare plan other than as security  
428 for an obligation.

429 (31)~~(28)~~ "Purchaser public offering statement" means that  
430 portion of the filed ~~registered~~ public offering statement which  
431 must be delivered to purchasers pursuant to s. 721.07(6) or s.  
432 721.551.

433 ~~(29) "Registered public offering statement" means a public~~  
434 ~~offering statement which has been filed with the division~~  
435 ~~pursuant to s. 721.07(5) or s. 721.55.~~

436 (32)~~(30)~~ "Regulated short-term product" means a  
437 contractual right, offered by the seller, to use accommodations  
438 of a timeshare plan or other accommodations, provided that:

439 (a) The agreement to purchase the short-term right to use  
440 is executed in this state on the same day that the prospective  
441 purchaser receives an offer to acquire an interest in a  
442 timeshare plan and does not execute a purchase contract, after  
443 attending a sales presentation; and





444 (b) The acquisition of the right to use includes an  
 445 agreement that all or a portion of the consideration paid by the  
 446 prospective purchaser for the right to use will be applied to or  
 447 credited against the price of a future purchase of a timeshare  
 448 interest, or that the cost of a future purchase of a timeshare  
 449 interest will be fixed or locked in at a specified price.

450 (33)~~(31)~~ "Seller" means any developer or any other person,  
 451 or any agent or employee thereof, who offers timeshare interests  
 452 in the ordinary course of business. The term "seller" does not  
 453 include:

454 (a) An owner of a timeshare interest who has acquired the  
 455 timeshare interest for his or her own use and occupancy and who  
 456 later offers it for resale; provided that a rebuttable  
 457 presumption shall exist that an owner who has acquired more than  
 458 seven timeshare interests did not acquire them for his or her  
 459 own use and occupancy;

460 (b) A managing entity, not otherwise a seller, that  
 461 offers, or engages a third party to offer on its behalf,  
 462 timeshare interests in a timeshare plan which it manages,  
 463 provided that such offer complies with the provisions of s.  
 464 721.065;

465 (c) A person who owns or is conveyed, assigned, or  
 466 transferred more than seven timeshare interests and who  
 467 subsequently conveys, assigns, or transfers all acquired  
 468 timeshare interests to a single purchaser in a single  
 469 transaction, which transaction may occur in stages; or

470 (d) A person who has acquired or has the right to acquire  
 471 more than seven timeshare interests from a developer or other



HB 1243

2003  
CS

472 interestholder in connection with a loan, securitization,  
473 conduit, or similar financing arrangement and who subsequently  
474 arranges for all or a portion of the timeshare interests to be  
475 offered by one or more developers in the ordinary course of  
476 business on their own behalves or on behalf of such person.

477 ~~(34)(32)~~ "Timeshare estate" means a right to occupy a  
478 timeshare unit, coupled with a freehold estate or an estate for  
479 years with a future interest in a timeshare property or a  
480 specified portion thereof. The term shall also mean an interest  
481 in a condominium unit pursuant to s. 718.103, an interest in a  
482 cooperative unit pursuant to s. 719.103, or an interest in a  
483 trust that complies in all respects with the provisions of s.  
484 721.08(2)(c)4.3., provided that the trust does not contain any  
485 personal property timeshare interests. A timeshare estate is a  
486 parcel of real property under the laws of this state.

487 ~~(35)(33)~~ "Timeshare instrument" means one or more  
488 documents, by whatever name denominated, creating or governing  
489 the operation of a timeshare plan.

490 ~~(36)(34)~~ "Timeshare interest" means a timeshare estate, a  
491 personal property timeshare interest, or a timeshare license.

492 ~~(37)(35)~~ "Timeshare license" means a right to occupy a  
493 timeshare unit, which right is not a personal property timeshare  
494 neither coupled with a freehold interest or a timeshare, nor  
495 coupled with an estate for years with a future interest, in a  
496 timeshare property.

497 ~~(38)(36)~~ "Timeshare period" means the period or periods of  
498 time when a purchaser of a timeshare interest is afforded the



499 opportunity to use the accommodations ~~or facilities, or both,~~ of  
500 a timeshare plan.

501 (39)~~(37)~~ "Timeshare plan" means any arrangement, plan,  
502 scheme, or similar device, other than an exchange program,  
503 whether by membership, agreement, tenancy in common, sale,  
504 lease, deed, rental agreement, license, or right-to-use  
505 agreement or by any other means, whereby a purchaser, for  
506 consideration, receives ownership rights in or a right to use  
507 accommodations, and facilities, if any, for a period of time  
508 less than a full year during any given year, but not necessarily  
509 for consecutive years. The term "timeshare plan" includes:

510 (a) A "personal property timeshare plan," which means a  
511 timeshare plan in which the accommodations are comprised of  
512 personal property that is not permanently affixed to real  
513 property; and

514 (b) A "real property timeshare plan," which means a  
515 timeshare plan in which the accommodations of the timeshare plan  
516 are comprised of or permanently affixed to real property.

517 (40)~~(38)~~ "Timeshare property" means one or more timeshare  
518 units subject to the same timeshare instrument, together with  
519 any other property or rights to property appurtenant to those  
520 timeshare units. Notwithstanding anything to the contrary  
521 contained in chapter 718 or chapter 719, the timeshare  
522 instrument for a timeshare condominium or cooperative may  
523 designate personal property, contractual rights, affiliation  
524 agreements of component sites of vacation clubs, exchange  
525 companies, or reservation systems, or any other agreements or



526 personal property, as common elements or limited common elements  
527 of the timeshare condominium or cooperative.

528 (41)~~(39)~~ "Timeshare unit" means an accommodation of a  
529 timeshare plan which is divided into timeshare periods. Any  
530 timeshare unit in which a door or doors connecting two or more  
531 separate rooms are capable of being locked to create two or more  
532 private dwellings shall only constitute one timeshare unit for  
533 purposes of this chapter, unless the timeshare instrument  
534 provides that timeshare interests may be separately conveyed in  
535 such locked-off portions.

536 ~~(40) "Vacation ownership plan" means any timeshare plan~~  
537 ~~consisting exclusively of timeshare estates.~~

538 ~~(41) "Vacation plan" or "vacation membership plan" means~~  
539 ~~any timeshare plan consisting exclusively of timeshare licenses~~  
540 ~~or consisting of a combination of timeshare licenses and~~  
541 ~~timeshare estates.~~

542 Section 4. Section 721.06, Florida Statutes, is amended to  
543 read:

544 721.06 Contracts for purchase of timeshare interests.--

545 (1) Each seller shall utilize and furnish each purchaser a  
546 fully completed and executed copy of a contract pertaining to  
547 the sale, which contract shall include the following  
548 information:

549 (a) The actual date the contract is executed by each  
550 party.

551 (b) The names and addresses of the developer and the  
552 timeshare plan.



HB 1243

2003  
CS

553 (c) The initial purchase price and any additional charges  
554 to which the purchaser may be subject in connection with the  
555 purchase of the timeshare interest, such as financing, or which  
556 will be collected from the purchaser on or before closing, such  
557 as the current year's annual assessment for common expenses.

558 (d)1. For real property timeshare plans, an estimate of  
559 any anticipated annual assessment stated on an ~~Any~~ annually  
560 recurring ~~basis for any use charges, fees, charge and the next~~  
561 year's estimated annual assessment for common expenses, ~~or and~~  
562 for ad valorem taxes or, if an estimate for next year's  
563 assessment is unavailable, the current year's actual annual  
564 assessment for ~~any use charges, fees, common expenses, or and~~  
565 for ad valorem taxes.

566 2. For personal property timeshare plans, an estimate of  
567 any anticipated annual assessment stated on an annually  
568 recurring basis for any use charges, fees, common expenses, or  
569 taxes or, if an estimate is unavailable, the current year's  
570 actual annual assessment for any use charges, fees, common  
571 expenses, or taxes.

572 (e) The estimated date of completion of construction of  
573 each accommodation or facility promised to be completed which is  
574 not completed at the time the contract is executed and the  
575 estimated date of closing.

576 (f) A brief description of the nature and duration of the  
577 timeshare interest being sold, including whether any interest in  
578 real property or personal property is being conveyed and the  
579 specific number of years constituting the term of the timeshare  
580 plan.



581 (g) Immediately prior to the space reserved in the  
582 contract for the signature of the purchaser, in conspicuous  
583 type, substantially the following statements:

584 1. If the purchaser will receive a personal property  
585 timeshare interest: This personal property timeshare plan is  
586 governed only by limited sections of the timeshare management  
587 provisions of Florida law.

588 2. If the accommodations or facilities are located on or  
589 in a documented vessel or foreign vessel as provided in s.  
590 721.08(2)(c)3.e., the disclosure required by s.  
591 721.08(2)(c)3.e.(IV).

592 3. You may cancel this contract without any penalty or  
593 obligation within 10 calendar days after the date you sign this  
594 contract or the date on which you receive the last of all  
595 documents required to be given to you pursuant to section  
596 721.07(6), Florida Statutes, whichever is later. If you decide  
597 to cancel this contract, you must notify the seller in writing  
598 of your intent to cancel. Your notice of cancellation shall be  
599 effective upon the date sent and shall be sent to ... (Name of  
600 Seller) ... at ... (Address of Seller) .... Any attempt to  
601 obtain a waiver of your cancellation right is void and of no  
602 effect. While you may execute all closing documents in advance,  
603 the closing, as evidenced by delivery of the deed or other  
604 document, before expiration of your 10-day cancellation period,  
605 is prohibited.

606  
607 (h) If a timeshare estate is being conveyed, the following  
608 statement in conspicuous type:



HB 1243

2003  
CS

609

610 *For the purpose of ad valorem assessment, taxation and*  
611 *special assessments, the managing entity will be considered the*  
612 *taxpayer as your agent pursuant to section 192.037, Florida*  
613 *Statutes.*

614

615 (i) A statement that, in the event the purchaser cancels  
616 the contract during a 10-day cancellation period, the developer  
617 will refund to the purchaser the total amount of all payments  
618 made by the purchaser under the contract, reduced by the  
619 proportion of any contract benefits the purchaser has actually  
620 received under the contract prior to the effective date of the  
621 cancellation. The statement shall further provide that the  
622 refund will be made within 20 days after receipt of notice of  
623 cancellation or within 5 days after receipt of funds from the  
624 purchaser's cleared check, whichever is later. A seller and a  
625 purchaser shall agree in writing on a specific value for each  
626 contract benefit received by the purchaser for purposes of this  
627 paragraph. The term "contract benefit" shall not include  
628 purchaser public offering statements or other documentation or  
629 materials that must be furnished to a purchaser pursuant to  
630 statute or rule.

631 (j) If the timeshare interest is being sold pursuant to an  
632 agreement for deed or an agreement for transfer, a statement  
633 that the signing of the agreement for deed or agreement for  
634 transfer does not entitle the purchaser to receive the  
635 conveyance or transfer of his or her timeshare estate or



636 personal property timeshare interest ~~a deed~~ until all payments  
637 under the agreement have been made.

638 (k) Unless the developer is, at the time of offering the  
639 plan, the owner ~~in fee simple absolute~~ of the accommodations and  
640 facilities of the timeshare plan, free and clear of all liens,  
641 ~~and encumbrances,~~ and claims of other interestholders, a  
642 statement that the developer is not the sole owner of the  
643 underlying fee or owner of the underlying personal property or  
644 that the ~~such~~ accommodations or facilities are subject to  
645 ~~without~~ liens or encumbrances, which statement shall include:

646 1. The names and addresses of all other interestholders  
647 ~~persons or entities having an ownership interest or other~~  
648 ~~interest in the accommodations or facilities;~~ and

649 2. The actual interest of the developer in the  
650 accommodations or facilities. As an alternative to including the  
651 statement in the purchase contract, a seller may include a  
652 reference in the purchase contract to the location in the  
653 purchaser public offering statement text of such information.

654 (l) If the purchaser will receive an interest in a  
655 multisite timeshare plan pursuant to part II, a statement shall  
656 be provided in conspicuous type in substantially the following  
657 form:

658  
659 *The developer is required to provide the managing entity of*  
660 *the multisite timeshare plan with a copy of the approved public*  
661 *offering statement text and exhibits filed with the division and*  
662 *any approved amendments thereto, and any other component site*  
663 *documents as described in section 721.07 or section 721.55,*





HB 1243

2003  
CS

664 *Florida Statutes, that are not required to be filed with the*  
665 *division, to be maintained by the managing entity for inspection*  
666 *as part of the books and records of the plan.*

667

668 (m) The following statement in conspicuous type:

669

670 *Any resale of this timeshare interest must be accompanied*  
671 *by certain disclosures in accordance with section 721.065,*  
672 *Florida Statutes.*

673

674 (n) A description of any rights reserved by the developer  
675 to alter or modify the offering prior to closing.

676

677 (2)(a) An agreement for deed shall be recorded by the  
678 developer within 30 days after the day it is executed by the  
679 purchaser. The developer shall pay all recording costs  
680 associated therewith. A form copy of such instrument must be  
filed with the division for review pursuant to s. 721.07.

681

682 (b) An agreement for transfer shall be filed with the  
683 Secretary of State or other appropriate official responsible for  
684 maintaining such records in the appropriate jurisdiction within  
685 30 days after the day it is executed by the purchaser. The  
686 developer shall pay all filing costs associated therewith. A  
687 form copy of such instrument must be filed with the division for  
review pursuant to s. 721.07.

688

689 (3) The escrow agent shall provide the developer with a  
690 receipt for all purchaser funds or other property received by  
the escrow agent from a seller.



691 Section 5. Paragraph (b) of subsection (2) of section  
692 721.065, Florida Statutes, is amended to read:

693 721.065 Resale purchase agreements.--

694 (2) Any resale purchase agreement utilized by a person  
695 described in subsection (1) must contain all of the following:

696 (b) One of the following statements in conspicuous type  
697 located immediately prior to the disclosure required by  
698 paragraph (c):

699 1. If the resale purchase agreement pertains to a real  
700 property timeshare plan:

701  
702 *The current year's assessment for common expenses allocable to*  
703 *the timeshare interest you are purchasing is \$\_\_\_\_. This*  
704 *assessment, which may be increased from time to time by the*  
705 *managing entity of the timeshare plan, is payable in full each*  
706 *year on or before \_\_\_\_\_. This assessment (includes/does not*  
707 *include) yearly ad valorem real estate taxes, which (are/are*  
708 *not) billed and collected separately. (If ad valorem real*  
709 *property taxes are not included in the current year's assessment*  
710 *for common expenses, the following statement must be included:*  
711 *The most recent annual assessment for ad valorem real estate*  
712 *taxes for the timeshare interest you are purchasing is \$\_\_\_\_.)*  
713 *(If there are any delinquent assessments for common expenses or*  
714 *ad valorem taxes outstanding with respect to the timeshare*  
715 *interest in question, the following statement must be included:*  
716 *A delinquency in the amount of \$\_\_\_\_\_ for unpaid common expenses*  
717 *or ad valorem taxes currently exists with respect to the*  
718 *timeshare interest you are purchasing, together with a per diem*



HB 1243

2003  
CS

719 charge of \$\_\_\_\_\_ for interest and late charges.) For the purpose  
 720 of ad valorem assessment, taxation, and special assessments, the  
 721 managing entity will be considered the taxpayer as your agent  
 722 pursuant to section 192.037, Florida Statutes. Each owner is  
 723 personally liable for the payment of her or his assessments for  
 724 common expenses, and failure to timely pay these assessments may  
 725 result in restriction or loss of your use and/or ownership  
 726 rights.

727  
 728 There are many important documents relating to the timeshare  
 729 plan which you should review prior to purchasing a timeshare  
 730 interest, including the declaration of condominium or covenants  
 731 and restrictions; the owners' association articles and bylaws;  
 732 the current year's operating and reserve budgets; and any rules  
 733 and regulations affecting the use of timeshare plan  
 734 accommodations and facilities.

735  
 736 2. If the resale purchase agreement pertains to a personal  
 737 property timeshare plan:

738  
 739 The current year's assessment for any common expenses, use  
 740 charges, fees, or taxes allocable to the timeshare interest you  
 741 are purchasing is \$\_\_\_\_\_. This assessment, which may be  
 742 increased from time to time by the managing entity of the  
 743 timeshare plan, is payable in full each year on or before  
 744 \_\_\_\_\_. (If there are any delinquent assessments for common  
 745 expenses, use charges, fees, or taxes outstanding with respect  
 746 to the timeshare interest in question, the following statement



HB 1243

2003  
CS

747 must be included: A delinquency in the amount of \$\_\_\_\_\_ for  
 748 unpaid common expenses, use charges, fees, or taxes currently  
 749 exists with respect to the timeshare interest you are  
 750 purchasing, together with a per diem charge of \$\_\_\_\_\_ for  
 751 interest and late charges.) Each owner is personally liable for  
 752 the payment of her or his assessments for common expenses, and  
 753 failure to timely pay these assessments may result in  
 754 restriction or loss of your use and/or ownership rights.

755  
 756 There are many important documents relating to the timeshare  
 757 plan which you should review prior to purchasing a timeshare  
 758 interest, including any owners' association articles and bylaws;  
 759 the current year's operating and reserve budgets; and any rules  
 760 and regulations affecting the use of timeshare plan  
 761 accommodations and facilities.

762 Section 6. Section 721.07, Florida Statutes, is amended to  
 763 read:

764 721.07 Public offering statement.--Prior to offering any  
 765 timeshare plan, the developer must submit a filed ~~registered~~  
 766 public offering statement to the division for approval as  
 767 prescribed by s. 721.03, s. 721.55, or this section. Until the  
 768 division approves such filing, any contract regarding the sale  
 769 of that timeshare plan is subject to cancellation ~~voidable~~ by  
 770 the purchaser pursuant to s. 721.10.

771 (1) The division shall, upon receiving a filed ~~registered~~  
 772 public offering statement from a developer, mail to the  
 773 developer an acknowledgment of receipt. The failure of the



HB 1243

2003  
CS

774 division to send such acknowledgment will not, however, relieve  
775 the developer from the duty of complying with this section.

776 (2)(a) Within 45 days after receipt of a filed ~~registered~~  
777 public offering statement which is subject only to this part and  
778 is submitted in proper form as prescribed by rule, or within 120  
779 days after receipt of a filed ~~registered~~ public offering  
780 statement which is subject to part II and is submitted in proper  
781 form as prescribed by rule, the division shall determine whether  
782 the proposed filed ~~registered~~ public offering statement is  
783 adequate to meet the requirements of this section and shall  
784 notify the developer by mail that the division has either  
785 approved the statement or found specified deficiencies in the  
786 statement. If the division fails to approve the statement or  
787 specify deficiencies in the statement within the period  
788 specified in this paragraph, the filing will be deemed approved.

789 (b) If the developer fails to respond to any cited  
790 deficiencies within 20 days after receipt of the division's  
791 deficiency notice, the division may reject the filing.  
792 Subsequent to such rejection, a new filing fee pursuant to  
793 subsection (4) and a new division initial review period pursuant  
794 to paragraph (a) shall apply to any refiling or further review  
795 of the rejected filing.

796 (c) Within 20 days after receipt of the developer's timely  
797 and complete response to any deficiency notice, the division  
798 shall notify the developer by mail that the division has either  
799 approved the filing, found additional specified deficiencies in  
800 it, or determined that any previously specified deficiency has  
801 not been corrected. If the division fails to approve or specify



HB 1243

2003  
CS

802 additional deficiencies within 20 days after receipt of the  
803 developer's timely and complete response, the filing will be  
804 deemed approved.

805 (d) A developer shall have the authority to deliver to  
806 purchasers any purchaser public offering statement that is not  
807 yet approved by the division, provided that the following shall  
808 apply:

809 1. At the time the developer delivers an unapproved  
810 purchaser public offering statement to a purchaser pursuant to  
811 this paragraph, the developer shall deliver a fully completed  
812 and executed copy of the purchase contract required by s. 721.06  
813 that contains the following statement in conspicuous type in  
814 substantially the following form which shall replace the  
815 statements required by s. 721.06(1)(g):

816  
817 *The developer is delivering to you a public offering statement*  
818 *that has been filed with but not yet approved by the Division of*  
819 *Florida Land Sales, Condominiums, and Mobile Homes. Any*  
820 *revisions to the unapproved public offering statement you have*  
821 *received must be delivered to you, but only if the revisions*  
822 *materially alter or modify the offering in a manner adverse to*  
823 *you. After the division approves the public offering statement,*  
824 *you will receive notice of the approval from the developer and*  
825 *the required revisions, if any.*

826  
827 *Your statutory right to cancel this transaction without any*  
828 *penalty or obligation expires 10 calendar days after the date*  
829 *you signed your purchase contract or the date on which you*



HB 1243

2003  
CS

830 receive the last of all documents required to be given to you  
831 pursuant to section 721.07(6), Florida Statutes, or 10 calendar  
832 days after you receive revisions required to be delivered to  
833 you, if any, whichever is later. If you decide to cancel this  
834 contract, you must notify the seller in writing of your intent  
835 to cancel. Your notice of cancellation shall be effective upon  
836 the date sent and shall be sent to (Name of Seller) at (Address  
837 of Seller). Any attempt to obtain a waiver of your cancellation  
838 right is void and of no effect. While you may execute all  
839 closing documents in advance, the closing, as evidenced by  
840 delivery of the deed or other document, before expiration of  
841 your 10-day cancellation period, is prohibited.

842

843 2. After receipt of approval from the division and prior  
844 to closing, if any revisions made to the documents contained in  
845 the purchaser public offering statement materially alter or  
846 modify the offering in a manner adverse to a purchaser, the  
847 developer shall send the purchaser such revisions together with  
848 a notice containing a statement in conspicuous type in  
849 substantially the following form:

850

851 *The unapproved public offering statement previously delivered to*  
852 *you, together with the enclosed revisions, has been approved by*  
853 *the Division of Florida Land Sales, Condominiums, and Mobile*  
854 *Homes. Accordingly, your cancellation right expires 10 calendar*  
855 *days after you sign your purchase contract or 10 calendar days*  
856 *after you receive these revisions, whichever is later. If you*



HB 1243

2003  
CS

857 | *have any questions regarding your cancellation rights, you may*  
858 | *contact the division at [insert division's current address].*

859

860 |         3. After receipt of approval from the division and prior  
861 | to closing, if no revisions have been made to the documents  
862 | contained in the unapproved purchaser public offering statement,  
863 | or if such revisions do not materially alter or modify the  
864 | offering in a manner adverse to a purchaser, the developer shall  
865 | send the purchaser a notice containing a statement in  
866 | conspicuous type in substantially the following form:

867

868 | *The unapproved public offering statement previously delivered to*  
869 | *you has been approved by the Division of Florida Land Sales,*  
870 | *Condominiums, and Mobile Homes. Revisions made to the unapproved*  
871 | *public offering statement, if any, are either not required to be*  
872 | *delivered to you or are not deemed by the developer, in its*  
873 | *opinion, to materially alter or modify the offering in a manner*  
874 | *that is adverse to you. Accordingly, your cancellation right*  
875 | *expired 10 days after you signed your purchase contract. A*  
876 | *complete copy of the approved public offering statement is*  
877 | *available through the managing entity for inspection as part of*  
878 | *the books and records of the plan. If you have any questions*  
879 | *regarding your cancellation rights, you may contact the division*  
880 | *at [insert division's current address].*

881

882 |         (3)(a)1. Any change to an approved public offering  
883 | statement filing shall be filed with the division for approval  
884 | as an amendment prior to becoming effective. The division shall  
884 | have 20 days after receipt of a proposed amendment to approve or





HB 1243

2003  
CS

885 cite deficiencies in the proposed amendment. If the division  
886 fails to act within 20 days, the amendment will be deemed  
887 approved. If the proposed amendment adds a new component site to  
888 an approved multisite timeshare plan, the division's initial  
889 period in which to approve or cite deficiencies is 45 days. If  
890 the developer fails to adequately respond to any deficiency  
891 notice within 30 days, the division may reject the amendment.  
892 Subsequent to such rejection, a new filing fee pursuant to  
893 subsection (4) and a new division initial review period pursuant  
894 to this paragraph shall apply to any refiling or further review  
895 of the rejected amendment.

896 2. For filings only subject to this part, each approved  
897 amendment to the approved purchaser public offering statement,  
898 other than an amendment made only for the purpose of the  
899 addition of a phase or phases to the timeshare plan in the  
900 manner described in the timeshare instrument or any amendment  
901 that does not materially alter or modify the offering in a  
902 manner that is adverse to a purchaser, shall be delivered to a  
903 purchaser no later than 10 days prior to closing. For filings  
904 made under part II, each approved amendment to the multisite  
905 timeshare plan purchaser public offering statement, other than  
906 an amendment made only for the purpose of the addition,  
907 substitution, or deletion of a component site pursuant to part  
908 II or the addition of a phase or phases to a component site of a  
909 multisite timeshare plan in the manner described in the  
910 timeshare instrument or any amendment that does not materially  
911 alter or modify the offering in a manner that is adverse to a



HB 1243

2003  
CS

912 purchaser, shall be delivered to a purchaser no later than 10  
913 days prior to closing.

914 3. Amendments made to a timeshare instrument for a  
915 component site located in this state are not required to be  
916 delivered to purchasers who do not receive a timeshare estate or  
917 an interest in a specific multisite timeshare plan ~~license~~ in  
918 that component site. Amendments made to a timeshare instrument  
919 for a component site not located in this state are not required  
920 to be delivered to purchasers.

921 (b) At the time that any amendments required to be  
922 delivered to purchasers, as provided in paragraph (a), are  
923 delivered to purchasers, the developer shall provide to those  
924 purchasers who have not closed a written statement that the  
925 purchaser or lessee will have a 10-day voidability period.

926 (4)(a) Upon the filing of a filed ~~registered~~ public  
927 offering statement, the developer shall pay a filing fee of \$2  
928 for each 7 days of annual use availability in each timeshare  
929 unit that may be offered as a part of the proposed timeshare  
930 plan pursuant to the filing.

931 (b) Upon the filing of an amendment to an approved filed  
932 ~~registered~~ public offering statement, ~~other than an amendment~~  
933 ~~adding a phase to the timeshare plan~~, the developer shall pay a  
934 filing fee of \$100.

935 (5) Every filed ~~registered~~ public offering statement for a  
936 timeshare plan which is not a multisite timeshare plan shall  
937 contain the information required by this subsection. The  
938 division is authorized to provide by rule the method by which a  
939 developer must provide such information to the division.



940 (a) A cover page stating only:  
 941 1. The name of the timeshare plan; and  
 942 2. The following statement, in conspicuous type: *This*  
 943 *public offering statement contains important matters to be*  
 944 *considered in acquiring a timeshare interest. The statements*  
 945 *contained in this public offering statement are only summary in*  
 946 *nature. A prospective purchaser should refer to all references,*  
 947 *accompanying exhibits, contract documents, and sales materials.*  
 948 *You should not rely upon oral representations as being correct.*  
 949 *Refer to this document and accompanying exhibits for correct*  
 950 *representations. The seller is prohibited from making any*  
 951 *representations other than those contained in the contract and*  
 952 *this public offering statement.*

953 (b) A listing of all statements required to be in  
 954 conspicuous type in the public offering statement and in all  
 955 exhibits thereto.

956 (c) A separate index of the contents and exhibits of the  
 957 public offering statement.

958 (d) A text which shall include, where applicable, the  
 959 disclosures set forth in paragraphs (e)-(hh).

960 (e) A description of the timeshare plan, including, but  
 961 not limited to:  
 962 1. Its name and location.  
 963 2. An explanation of the form of timeshare ownership that  
 964 is being offered, including a statement as to whether any  
 965 interest in the underlying real property will be conveyed to the  
 966 purchaser. If the plan is being created or being sold on a  
 967 leasehold, a description of the material terms of the lease



HB 1243

2003  
CS

968 shall be included. If the plan is a plan in which timeshare  
969 estates or personal property timeshare interests are sold as  
970 interests in a trust pursuant to the requirements of this  
971 chapter, a full and accurate description of the trust  
972 arrangement and the trustee's duties shall be included. If the  
973 plan is a personal property timeshare plan, a description of the  
974 material terms of the arrangement for the ownership or use of  
975 the personal property shall be included.

976 3. An explanation of the manner in which the apportionment  
977 of common expenses and ownership of the common elements has been  
978 determined.

979 4. If ownership or use of the timeshare plan is based on a  
980 point system, a statement indicating the circumstances by which  
981 the point values may change, the extent of such changes, and the  
982 person or entity responsible for the changes.

983 5. If any of the accommodations or facilities are part of  
984 a personal property timeshare plan in which the accommodations  
985 or facilities are located on or in a documented vessel or  
986 foreign vessel as provided in s. 721.08(2)(c)3.e., the  
987 disclosure required by s. 721.08(2)(c)3.e.(IV).

988 (f) A description of the accommodations, including, but  
989 not limited to:

990 1. The number of timeshare units in each building, the  
991 total number of timeshare periods declared as part of the  
992 timeshare plan and filed with the division, and the number of  
993 bathrooms and bedrooms in each type of timeshare unit.

994 2. The latest date estimated for completion of  
995 constructing, finishing, and equipping the timeshare units



996 | declared as part of the timeshare plan and filed with the  
997 | division.

998 |         3. The estimated maximum number of units and timeshare  
999 | periods that will use the accommodations and facilities. If the  
1000 | maximum number of timeshare units or timeshare periods will  
1001 | vary, a description of the basis for variation.

1002 |         4. The duration, in years, of the timeshare plan.

1003 |         5. If any of the accommodations are part of a personal  
1004 | property timeshare plan, the name, vehicle registration number,  
1005 | title certificate number, or any other identifying registration  
1006 | number assigned to the accommodation of a personal property  
1007 | timeshare plan by a state, federal, or international  
1008 | governmental agency.

1009 |         6. If any of the accommodations are part of a personal  
1010 | property timeshare plan, the fire detection system and fire  
1011 | safety equipment and description of method of compliance with  
1012 | any applicable firesafety or fire detection regulations.

1013 |         (g) A description of any ~~the~~ facilities that will be used  
1014 | by purchasers of the plan, including, but not limited to:

1015 |             1. The intended purpose, if not apparent from the  
1016 | description.

1017 |             2. The estimated date when each facility will be available  
1018 | for use by the purchaser.

1019 |             3. A statement as to whether the facilities will be used  
1020 | exclusively by purchasers of the timeshare plan, and, if not, a  
1021 | statement as to whether the purchasers of the timeshare plan are  
1022 | required to pay any portion of the maintenance and expenses of  
1023 | such facilities.



HB 1243

2003  
CS

1024 (h)1. If any facilities offered by the developer for use  
1025 by purchasers are to be leased or have club memberships  
1026 associated with them, other than participation in a vacation  
1027 club, one of the following statements in conspicuous type: *There*  
1028 *is a lease associated with one or more facilities of the*  
1029 *timeshare plan; or, There is a club membership associated with*  
1030 *one or more facilities of the timeshare plan.*

1031 2. If it is mandatory that purchasers pay fees, rent,  
1032 dues, or other charges under a facilities lease or club  
1033 membership for the use of the facilities, other than  
1034 participation in a vacation club, the applicable statement in  
1035 conspicuous type in substantially the following form:

1036 a. *Membership in a facilities club is mandatory for*  
1037 *purchasers;*

1038 b. *Purchasers or the owners' association(s) are required,*  
1039 *as a condition of ownership, to be lessees under the facilities*  
1040 *lease;*

1041 c. *Purchasers or the owners' association(s) are required*  
1042 *to pay their share of the rent or costs and expenses of*  
1043 *maintenance, management, upkeep, and replacement under the*  
1044 *facilities lease (or the other instruments providing the*  
1045 *facilities); or*

1046 d. A similar statement of the nature of the organization  
1047 or the manner in which the use rights are created, and that  
1048 purchasers are required to pay.

1049  
1050 Immediately following the applicable statement, a description of  
1051 the lease or other instrument shall be stated, including a



1052 description of terms of the payment of rent or costs and  
 1053 expenses of maintenance, management, upkeep, and replacement of  
 1054 the facilities.

1055 3. If the purchasers are required to pay a use fee, or  
 1056 other payment for the use of the facilities, not including the  
 1057 rent or maintenance, management, upkeep, or replacement costs  
 1058 and expenses, the following statement in conspicuous type: *The*  
 1059 *purchasers or the owners' association(s) must pay use fees for*  
 1060 *one or more facilities.* Immediately following this statement, a  
 1061 description of the use fees shall be included.

1062 4. If any person other than the owners' association has  
 1063 the right to a lien on the timeshare interests to secure the  
 1064 payment of assessments, rent, or other exactions, a statement in  
 1065 conspicuous type in substantially the following form:

1066 a. *There is a lien or lien right against each timeshare*  
 1067 *interest to secure the payment of rent and other exactions under*  
 1068 *the facilities lease. A purchaser's failure to make these*  
 1069 *payments may result in foreclosure of the lien; or*

1070 b. *There is a lien or lien right against each timeshare*  
 1071 *interest to secure the payment of assessments or other exactions*  
 1072 *coming due for the use, maintenance, upkeep, or repair of one or*  
 1073 *more facilities. A purchaser's failure to make these payments*  
 1074 *may result in foreclosure of the lien.*

1075  
 1076 Immediately following the applicable statement, a description of  
 1077 the lien right shall be included.

1078 (i) If the developer or any other person has the right to  
 1079 increase or add to the facilities at any time after the



HB 1243

2003  
CS

1080 establishment of the timeshare plan, without the consent of the  
 1081 purchasers or owners' association being required, a statement in  
 1082 conspicuous type in substantially the following form: *Facilities*  
 1083 *may be expanded or added without consent of the purchasers or*  
 1084 *the owners' association(s).* Immediately following this  
 1085 statement, a description of such reserved rights shall be  
 1086 included.

1087 (j)1. For a real property timeshare plan, an explanation  
 1088 of the status of the title to the real property underlying the  
 1089 timeshare plan, including a statement of the existence of any  
 1090 lien, defect, judgment, mortgage, or other encumbrance affecting  
 1091 the title to the property, and how such lien, defect, judgment,  
 1092 mortgage, or other encumbrance will be removed or satisfied  
 1093 prior to closing.

1094 2. For a personal property timeshare plan, an explanation  
 1095 of the status of title to the personal property underlying the  
 1096 timeshare plan, including a statement of the existence of any  
 1097 lien, defect, judgment, or other encumbrance affecting the title  
 1098 to the personal property, and how such lien, defect, judgment,  
 1099 or other encumbrance will be removed or satisfied prior to  
 1100 closing.

1101 (k) A description of any judgment against the developer,  
 1102 the managing entity, owner of the underlying fee, or owner of  
 1103 the underlying personal property fee, which judgment is material  
 1104 to the timeshare plan; the status of any pending suit to which  
 1105 the developer, the managing entity, owner of the underlying fee,  
 1106 or owner of the underlying personal property fee is a party,  
 1107 which suit is material to the timeshare plan; and any other suit





HB 1243

2003  
CS

1108 | which is material to the timeshare plan of which the developer,  
1109 | managing entity, owner of the underlying fee, or owner of the  
1110 | underlying personal property ~~fee~~ has actual knowledge. If no  
1111 | judgments or pending suits exist, there shall be a statement of  
1112 | such fact.

1113 |         (1) A description of all unusual and material  
1114 | circumstances, features, and characteristics of the real  
1115 | property or personal property underlying or comprising the  
1116 | timeshare plan.

1117 |         (m) A description of any financing to be offered to  
1118 | purchasers by the developer or any person or entity in which the  
1119 | developer has a financial interest, together with a disclosure  
1120 | that the description of such financing may be changed by the  
1121 | developer and that any change in the financing offered to  
1122 | prospective purchasers will not be deemed to be a material  
1123 | change.

1124 |         (n) A detailed explanation of any financial arrangements  
1125 | which have been provided for completion of all promised  
1126 | improvements.

1127 |         (o) The name and address of the managing entity; a  
1128 | statement whether the seller may change the managing entity or  
1129 | its control and, if so, the manner by which the seller may  
1130 | change the managing entity; a statement of the arrangements for  
1131 | management, maintenance, and operation of the accommodations and  
1132 | facilities and of other property that will serve the purchasers;  
1133 | and a description of the management arrangement and any  
1134 | contracts for these purposes having a term in excess of 1 year,  
1135 | including the names of the contracting parties, the term of the



HB 1243

2003  
CS

1136 contract, the nature of the services included, and the  
1137 compensation, stated for a month and for a year, and provisions  
1138 for increases in the compensation. In the case of a personal  
1139 property timeshare plan in which the accommodations or  
1140 facilities are located on or in a documented vessel or foreign  
1141 vessel as provided in s. 721.08(2)(c)3.e., a statement shall be  
1142 included that describes the trustee's or owners' association's  
1143 access to the certificates of classification and that the  
1144 certificate of classification will be made available to  
1145 purchasers on request.

1146 (p) If any person other than the purchasers has the right  
1147 to retain control of the board of administration of the owners'  
1148 association, if any, for a period of time which may exceed 1  
1149 year after the closing of the sale of a majority of the  
1150 timeshare interests in that timeshare plan to persons other than  
1151 successors or concurrent developers and the plan is one in which  
1152 all purchasers automatically become members of the owners'  
1153 association, a statement in conspicuous type in substantially  
1154 the following form: *The developer (or other person) has the*  
1155 *right to retain control of the owners' association after a*  
1156 *majority of the timeshare interests have been sold.* Immediately  
1157 following this statement, a description of the applicable  
1158 transfer of control provisions of the timeshare plan shall be  
1159 included.

1160 (q)1. If there are any restrictions upon the sale,  
1161 transfer, conveyance, or leasing of a timeshare interest, a  
1162 statement in conspicuous type in substantially the following  
1163 form: *The sale, lease, or transfer of timeshare interests is*



HB 1243

2003  
CS

1164 *restricted or controlled.* Immediately following this statement,  
1165 a description of the nature of the restriction, limitation, or  
1166 control on the sale, lease, or transfer of timeshare interests  
1167 shall be included.

1168 2. The following statement in conspicuous type in  
1169 substantially the following form: *The purchase of a timeshare*  
1170 *interest should be based upon its value as a vacation experience*  
1171 *or for spending leisure time, and not considered for purposes of*  
1172 *acquiring an appreciating investment or with an expectation that*  
1173 *the timeshare interest may be resold.*

1174 (r) If the timeshare plan is part of a phase project, a  
1175 statement to that effect and a complete description of the  
1176 phasing. Notwithstanding any provisions of s. 718.110 or s.  
1177 719.1055, a developer may develop a timeshare condominium or a  
1178 timeshare cooperative in phases if the original declaration of  
1179 condominium or cooperative documents submitting the initial  
1180 phase to condominium ownership or cooperative ownership or an  
1181 amendment to the declaration of condominium or cooperative  
1182 documents which has been approved by all of the unit owners and  
1183 unit mortgagees provides for phasing. Notwithstanding any  
1184 provisions of s. 718.403 or s. 719.403 to the contrary, the  
1185 original declaration of condominium or cooperative documents, or  
1186 an amendment to the declaration of condominium or cooperative  
1187 documents adopted pursuant to this subsection, need only  
1188 generally describe the developer's phasing plan and the land  
1189 which may become part of the condominium or cooperative, and, in  
1190 conjunction therewith, the developer may also reserve all rights  
1191 to vary his or her phasing plan as to phase boundaries, plot



HB 1243

2003  
CS

1192 plans and floor plans, timeshare unit types, timeshare unit  
1193 sizes and timeshare unit type mixes, numbers of timeshare units,  
1194 and facilities with respect to each subsequent phase. There  
1195 shall be no time limit during which a developer of a timeshare  
1196 condominium or timeshare cooperative must complete his or her  
1197 phasing plan, and the developer shall not be required to notify  
1198 owners of existing timeshare estates of his or her decision not  
1199 to add one or more proposed phases.

1200 (s) A description of the material restrictions, if any, to  
1201 be imposed on timeshare interests concerning the use of any of  
1202 the accommodations or facilities, including statements as to  
1203 whether there are restrictions upon children and pets or a  
1204 reference to a copy of the documents containing the restrictions  
1205 which shall be attached as an exhibit. If there are no  
1206 restrictions, there shall be a statement of such fact.

1207 (t) If there is any land or personal property that is  
1208 offered by the developer for use by the purchasers and which is  
1209 neither owned by them nor leased to them, the owners'  
1210 association, or any entity controlled by the purchasers, a  
1211 statement describing the land or personal property, how it will  
1212 serve the timeshare plan, and the nature and term of service.

1213 (u) An estimated operating budget for the timeshare plan  
1214 and a schedule of the purchaser's expenses shall be attached as  
1215 an exhibit and shall contain the following information:

1216 1. The estimated annual expenses of the timeshare plan  
1217 collectible from purchasers by assessments. The estimated  
1218 payments by the purchaser for assessments shall also be stated  
1219 in the estimated amounts for the times when they will be due.



1220 Expenses shall also be shown for the shortest timeshare period  
 1221 offered for sale by the developer. If the timeshare plan  
 1222 provides for the offer and sale of units to be used on a  
 1223 nontimeshare basis, the estimated monthly and annual expenses of  
 1224 such units shall be set forth in a separate schedule.

1225 2. The estimated weekly, monthly, and annual expenses of  
 1226 the purchaser of each timeshare interest, other than assessments  
 1227 payable to the managing entity. Expenses which are personal to  
 1228 purchasers that are not uniformly incurred by all purchasers or  
 1229 that are not provided for or contemplated by the timeshare plan  
 1230 documents may be excluded from this estimate.

1231 3. The estimated items of expenses of the timeshare plan  
 1232 and the managing entity, except as excluded under subparagraph  
 1233 2., including, but not limited to, if applicable, the following  
 1234 items, which shall be stated either as management expenses  
 1235 collectible by assessments or as expenses of the purchaser  
 1236 payable to persons other than the managing entity:

- 1237 a. Expenses for the managing entity:
  - 1238 (I) Administration of the managing entity.
  - 1239 (II) Management fees.
  - 1240 (III) Maintenance.
  - 1241 (IV) Rent for facilities.
  - 1242 (V) Taxes upon timeshare property.
  - 1243 (VI) Taxes upon leased areas.
  - 1244 (VII) Insurance.
  - 1245 (VIII) Security provisions.
  - 1246 (IX) Other expenses.
  - 1247 (X) Operating capital.



HB 1243

2003  
CS

1248 (XI) Reserves for deferred maintenance and reserves for  
1249 capital expenditures.

1250 (A) All reserves for any accommodations and facilities of  
1251 real property timeshare plans located in this state shall be  
1252 calculated by a formula which is based upon estimated life and  
1253 replacement cost of each reserve item. Reserves for deferred  
1254 maintenance for such accommodations and facilities shall include  
1255 accounts for roof replacement, building painting, pavement  
1256 resurfacing, replacement of timeshare unit furnishings and  
1257 equipment, and any other component, the useful life of which is  
1258 less than the useful life of the overall structure. For any  
1259 accommodations and facilities of real property timeshare plans  
1260 located outside of this state, the developer shall disclose the  
1261 amount of reserves for deferred maintenance or capital  
1262 expenditures required by the law of the situs state, if  
1263 applicable, and maintained for such accommodations and  
1264 facilities.

1265 (B) Reserves for deferred maintenance or capital  
1266 expenditures of accommodations and facilities of a personal  
1267 property timeshare plan, if any. If such reserves are  
1268 maintained, the estimated operating budget shall disclose the  
1269 methodology of how the reserves are calculated. If a personal  
1270 property timeshare plan does not require reserves, the following  
1271 statement, in conspicuous type, shall appear in both the budget  
1272 and the public offering statement:

1273  
1274 The estimated operating budget for this personal property  
1275 timeshare plan does not include reserves for deferred



1276 maintenance or capital expenditures; each timeshare interest may  
 1277 be subject to substantial special assessments from time to time  
 1278 because no such reserves exist.

1279

1280 (XII) Fees payable to the division.

1281 b. Expenses for a purchaser:

1282 (I) Rent for the timeshare unit, if subject to a lease.

1283 (II) Rent payable by the purchaser directly to the lessor  
 1284 or agent under any lease for the use of facilities, which use  
 1285 and payment is a mandatory condition of ownership and is not  
 1286 included in the common expenses or assessments for common  
 1287 maintenance paid by the purchasers to the managing entity.

1288 4. The estimated amounts shall be stated for a period of  
 1289 at least 12 months and may distinguish between the period prior  
 1290 to the time that purchasers elect a majority of the board of  
 1291 administration and the period after that date.

1292 5. If the developer intends to guarantee the level of  
 1293 assessments, such guarantee must be based upon a good faith  
 1294 estimate of the revenues and expenses of the timeshare plan. The  
 1295 guarantee must include a description of the following:

1296 a. The specific time period measured in one or more  
 1297 calendar or fiscal years during which the guarantee will be in  
 1298 effect.

1299 b. A statement that the developer will pay all common  
 1300 expenses incurred in excess of the total revenues of the  
 1301 timeshare plan pursuant to s. 721.15(2) if the developer has  
 1302 excused himself or herself from the payment of assessments  
 1303 during the guarantee period.



HB 1243

2003  
CS

1304 c. The level, expressed in total dollars, at which the  
1305 developer guarantees the budget. If the developer has reserved  
1306 the right to extend or increase the guarantee level pursuant to  
1307 s. 721.15(2), a disclosure must be included to that effect.

1308 6. If the developer intends to provide a trust fund to  
1309 defer or reduce the payment of annual assessments, a copy of the  
1310 trust instrument shall be attached as an exhibit and shall  
1311 include a description of such arrangement, including, but not  
1312 limited to:

1313 a. The specific amount of such trust funds and the source  
1314 of the funds.

1315 b. The name and address of the trustee.

1316 c. The investment methods permitted by the trust  
1317 agreement.

1318 d. A statement in conspicuous type that the funds from the  
1319 trust account may not cover all assessments and that there is no  
1320 guarantee that purchasers will not have to pay assessments in  
1321 the future.

1322 7. The budget of a phase timeshare plan may contain a note  
1323 identifying the number of timeshare interests covered by the  
1324 budget, indicating the number of timeshare interests, if any,  
1325 estimated to be declared as part of the timeshare plan during  
1326 that calendar year, and projecting the common expenses for the  
1327 timeshare plan based upon the number of timeshare interests  
1328 estimated to be declared as part of the timeshare plan during  
1329 that calendar year.

1330 (v) A schedule of estimated closing expenses to be paid by  
1331 a purchaser or lessee of a timeshare interest and a statement as





1332 to whether a title opinion or title insurance policy is  
1333 available to the purchaser and, if so, at whose expense.

1334 (w) The identity of the developer and the chief operating  
1335 officer or principal directing the creation and sale of the  
1336 timeshare plan and a statement of the experience of each in this  
1337 field or, if no experience, a statement of that fact.

1338 (x) A statement of the total financial obligation of the  
1339 purchaser, including the purchase price and any additional  
1340 charges to which the purchaser may be subject.

1341 (y) The name of any person who will or may have the right  
1342 to alter, amend, or add to the charges to which the purchaser  
1343 may be subject and the terms and conditions under which such  
1344 alterations, amendments, or additions may be imposed.

1345 (z) A statement of the purchaser's right of cancellation  
1346 of the purchase contract.

1347 (aa) A description of the insurance coverage provided for  
1348 the timeshare plan.

1349 (bb) A statement as to whether the timeshare plan is  
1350 participating in an exchange program and, if so, the name and  
1351 address of the exchange company offering the exchange program.

1352 (cc) The existence of rules and regulations regarding any  
1353 reservation features governing a purchaser's ability to make  
1354 reservations for a timeshare period, including, if applicable, a  
1355 conspicuous type disclaimer in substantially the following form:

1356  
1357 *The right to reserve a timeshare period is subject to rules and*  
1358 *regulations of the timeshare plan reservation system.*

1359



HB 1243

2003  
CS

1360 (dd) If a developer is filing a timeshare plan that  
1361 includes a timeshare instrument or component site document that  
1362 was in conformance with the laws and rules in existence at the  
1363 time the timeshare plan was created but does not conform to  
1364 existing laws and rules that govern the timeshare plan and the  
1365 developer does not have the authority or power to amend or  
1366 change the timeshare instrument or component site document to  
1367 conform to such existing laws or rules as directed by the  
1368 division, a brief explanation of current law and the conflict  
1369 with the timeshare instrument or component site document,  
1370 preceded by disclaimer in conspicuous type in substantially the  
1371 following form:

1372  
1373 *Florida law has been amended and certain provisions in [insert*  
1374 *appropriate reference to timeshare instrument or component site*  
1375 *document] that were in conformance with Florida law as it*  
1376 *existed at the time the timeshare plan was created are not in*  
1377 *conformance with current Florida law. These documents may only*  
1378 *be amended by [insert appropriate reference to person or entity*  
1379 *that has the right to amend or change the timeshare instrument*  
1380 *or component site document]. The developer does not warrant that*  
1381 *such documents are in technical compliance with all applicable*  
1382 *Florida laws and regulations. All questions regarding amendment*  
1383 *of these documents should be directed to [insert appropriate*  
1384 *reference to person or entity that has the right to amend or*  
1385 *change the timeshare instrument or component site document].*  
1386



1387 (ee) Any other information that a seller, with the  
1388 approval of the division, desires to include in the public  
1389 offering statement.

1390 (ff) Copies of the following documents and plans, to the  
1391 extent they are applicable, shall be included as exhibits to the  
1392 filed ~~registered~~ public offering statement provided, if the  
1393 timeshare plan has not been declared or created at the time of  
1394 the filing, the developer shall provide proposed documents:

- 1395 1. The declaration of condominium.
- 1396 2. The cooperative documents.
- 1397 3. The declaration of covenants and restrictions.
- 1398 4. The articles of incorporation creating the owners'  
1399 association.
- 1400 5. The bylaws of the owners' association.
- 1401 6. Any ~~The~~ ground lease or other underlying lease of the  
1402 real property associated with ~~on which~~ the timeshare plan ~~is~~  
1403 ~~situated~~. In the case of a personal property timeshare plan, any  
1404 lease of the personal property associated with the personal  
1405 property timeshare plan.
- 1406 7. The management agreement and all maintenance and other  
1407 contracts regarding the management and operation of the  
1408 timeshare property which have terms in excess of 1 year.
- 1409 8. The estimated operating budget for the timeshare plan  
1410 and the required schedule of purchasers' expenses.
- 1411 9. The floor plan of each type of accommodation and the  
1412 plot plan showing the location of all accommodations and  
1413 facilities declared as part of the timeshare plan and filed with  
1414 the division.



- 1415           10. The lease for any facilities.
- 1416           11. A declaration of servitude of properties serving the
- 1417 accommodations and facilities, but not owned by purchasers or
- 1418 leased to them or the owners' association.
- 1419           12. Any documents required by s. 721.03(3)(e) as the
- 1420 result of the inclusion of a timeshare plan in the conversion of
- 1421 the building to condominium or cooperative ownership.
- 1422           13. The form of agreement for sale or lease of timeshare
- 1423 interests.
- 1424           14. The executed agreement for escrow of payments made to
- 1425 the developer prior to closing and the form of any agreement for
- 1426 escrow of ad valorem tax escrow payments, if any, to be made
- 1427 into an ad valorem tax escrow account pursuant to s. 192.037(6).
- 1428           15. The documents containing any restrictions on use of
- 1429 the property required by paragraph (s).
- 1430           16. A letter from the escrow agent or filing attorney
- 1431 confirming that the escrow agent and its officers, directors, or
- 1432 other partners are independent pursuant to the requirements of
- 1433 this chapter.
- 1434           17. Any nondisturbance and notice to creditors instrument
- 1435 required by s. 721.08.
- 1436           18. In the case of any personal property timeshare plan in
- 1437 which the accommodations and facilities are located on or in a
- 1438 documented vessel or foreign vessel as provided in s.
- 1439 721.08(2)(c)3.e., a copy of the certificate of ownership of such
- 1440 vessel and either a copy of the certificate of documentation or
- 1441 certificate of registry of such vessel.



HB 1243

2003  
CS

1442        19. An executed affidavit given under oath by an attorney  
1443 licensed to practice law in any jurisdiction in the United  
1444 States stating that the attorney has researched the applicable  
1445 laws of the jurisdiction in which governing law has been  
1446 established and the laws of the jurisdiction in which the vessel  
1447 is registered, and has found that the timeshare instrument  
1448 complies with the provisions of s. 721.08(2)(c)3.e.(II)(C) and  
1449 s. 721.08(2)(c)3.e.(III).

1450        20.16. Any other documents or instruments creating the  
1451 timeshare plan.

1452        (gg) Such other information as is necessary to fairly,  
1453 meaningfully, and effectively disclose all aspects of the  
1454 timeshare plan, including, but not limited to, any disclosures  
1455 made necessary by the operation of s. 721.03(8). However, if a  
1456 developer has, in good faith, attempted to comply with the  
1457 requirements of this section, and if, in fact, he or she has  
1458 substantially complied with the disclosure requirements of this  
1459 chapter, nonmaterial errors or omissions shall not be  
1460 actionable.

1461        (hh) Notwithstanding the provisions of this subsection,  
1462 the filed ~~registered~~ public offering statement for a component  
1463 site of a multisite timeshare plan filed pursuant to this  
1464 subsection may contain cross-references to information contained  
1465 in the related multisite timeshare plan filed ~~registered~~ public  
1466 offering statement filed pursuant to s. 721.55 in lieu of  
1467 repeating such information.

1468        (6) The division is authorized to prescribe by rule the  
1469 form of the approved purchaser public offering statement that



HB 1243

2003  
CS

1470 must be furnished by the developer to each purchaser. The form  
1471 of the purchaser public offering statement must provide fair,  
1472 meaningful, and effective disclosure of all aspects of the  
1473 timeshare plan. For timeshare plans filed pursuant to this part,  
1474 the developer shall furnish each purchaser with the following:

1475 (a) A copy of the purchaser public offering statement text  
1476 in the form approved by the division for delivery to purchasers.

1477 (b) Copies of the exhibits required to be filed with the  
1478 division pursuant to subparagraphs (5)(ff)1., 2., 4., 5., 8.,  
1479 and 20. ~~16.~~

1480 (c) A receipt for timeshare plan documents and a list  
1481 describing any exhibit to the filed ~~registered~~ public offering  
1482 statement filed with the division which is not delivered to the  
1483 purchaser. The division is authorized to prescribe by rule the  
1484 form of the receipt for timeshare plan documents and the  
1485 description of exhibits list that must be furnished to the  
1486 purchaser. The description of documents list utilized by a  
1487 developer shall be filed with the division for review as part of  
1488 the filed ~~registered~~ public offering statement pursuant to this  
1489 section. The developer shall be required to provide the managing  
1490 entity with a copy of the approved filed ~~registered~~ public  
1491 offering statement and any approved amendments thereto to be  
1492 maintained by the managing entity as part of the books and  
1493 records of the timeshare plan pursuant to s. 721.13(3)(d).

1494 (d) Any other exhibit which the developer includes as part  
1495 of the purchaser public offering statement, provided that the  
1496 developer first files the exhibit with the division.



HB 1243

2003  
CS

1497 (e) An executed copy of any document which the purchaser  
1498 signs.

1499 (f) Each purchaser shall receive a fully executed paper  
1500 copy of the purchase contract.

1501 Section 7. Paragraph (g) of subsection (1) of section  
1502 721.075, Florida Statutes, is amended and paragraph (e) is added  
1503 to subsection (2) of said section, to read:

1504 721.075 Incidental benefits.--Incidental benefits shall be  
1505 offered only as provided in this section.

1506 (1) Accommodations, facilities, products, services,  
1507 discounts, or other benefits which satisfy the requirements of  
1508 this subsection shall be subject to the provisions of this  
1509 section and exempt from the other provisions of this chapter  
1510 which would otherwise apply to such accommodations or facilities  
1511 if and only if:

1512 (g) The incidental benefit is filed with the division for  
1513 review in conjunction with the filing of a timeshare plan or in  
1514 connection with a previously filed timeshare plan.

1515 (2) Each purchaser shall execute a separate acknowledgment  
1516 and disclosure statement with respect to all incidental  
1517 benefits, which statement shall include the following  
1518 information:

1519 (e) A statement indicating the source of the services,  
1520 points, or other products that constitute the incidental  
1521 benefit.

1522 Section 8. Section 721.08, Florida Statutes, is amended to  
1523 read:



1524           721.08 Escrow accounts; nondisturbance instruments;  
 1525 alternate security arrangements; transfer of legal title.--  
 1526           (1) Prior to the filing of a ~~registered~~ public offering  
 1527 statement with the division, all developers shall establish an  
 1528 escrow account with an escrow agent for the purpose of  
 1529 protecting the funds or other property of purchasers required to  
 1530 be escrowed by this section. An escrow agent shall maintain the  
 1531 accounts called for in this section only in such a manner as to  
 1532 be under the direct supervision and control of the escrow agent.  
 1533 The escrow agent shall have a fiduciary duty to each purchaser  
 1534 to maintain the escrow accounts in accordance with good  
 1535 accounting practices and to release the purchaser's funds or  
 1536 other property from escrow only in accordance with this chapter.  
 1537 The escrow agent shall retain all affidavits received pursuant  
 1538 to this section for a period of 5 years. Should the escrow agent  
 1539 receive conflicting demands for funds or other property held in  
 1540 escrow, the escrow agent shall immediately notify the division  
 1541 of the dispute and either promptly submit the matter to  
 1542 arbitration or, by interpleader or otherwise, seek an  
 1543 adjudication of the matter by court.  
 1544           (2) One hundred percent of all funds or other property  
 1545 which is received from or on behalf of purchasers of the  
 1546 timeshare plan or timeshare interest prior to the occurrence of  
 1547 events required in this subsection shall be deposited pursuant  
 1548 to an escrow agreement approved by the division. The ~~escrow~~  
 1549 ~~agreement shall provide that the~~ funds or other property may be  
 1550 released from escrow only as follows:





1551 (a) *Cancellation.*--In the event a purchaser gives a valid  
 1552 notice of cancellation pursuant to s. 721.10 or is otherwise  
 1553 entitled to cancel the sale, the funds or other property  
 1554 received from or on behalf of the purchaser, or the proceeds  
 1555 thereof, shall be returned to the purchaser. Such refund shall  
 1556 be made within 20 days after ~~of~~ demand therefor by the purchaser  
 1557 or within 5 days after receipt of funds from the purchaser's  
 1558 cleared check, whichever is later. If the purchaser has received  
 1559 benefits under the contract prior to the effective date of the  
 1560 cancellation, the funds or other property to be returned to the  
 1561 purchaser may be reduced by the proportion of contract benefits  
 1562 actually received.

1563 (b) *Purchaser's default.*--Following expiration of the 10-  
 1564 day cancellation period, if the purchaser defaults in the  
 1565 performance of her or his obligations under the terms of the  
 1566 contract to purchase or such other agreement by which a seller  
 1567 sells the timeshare interest, the developer shall provide an  
 1568 affidavit to the escrow agent requesting release of the escrowed  
 1569 funds or other property and shall provide a copy of such  
 1570 affidavit to the purchaser who has defaulted. The developer's  
 1571 affidavit, as required herein, shall include:

- 1572 1. A statement that the purchaser has defaulted and that  
 1573 the developer has not defaulted;
- 1574 2. A brief explanation of the nature of the default and  
 1575 the date of its occurrence;
- 1576 3. A statement that pursuant to the terms of the contract  
 1577 the developer is entitled to the funds held by the escrow agent;  
 1578 and



HB 1243

2003  
CS

1579 4. A statement that the developer has not received from  
1580 the purchaser any written notice of a dispute between the  
1581 purchaser and developer or a claim by the purchaser to the  
1582 escrow.

1583 (c) *Compliance with conditions.*--

1584 1. Timeshare licenses.--If the timeshare plan is one in  
1585 which timeshare licenses are to be sold and no cancellation or  
1586 default has occurred, the escrow agent may release the escrowed  
1587 funds or other property to or on the order of the developer upon  
1588 presentation of:

1589 a. An affidavit by the developer that all of the following  
1590 conditions have been met:

1591 (I) Expiration of the cancellation period.

1592 (II) Completion of construction.

1593 (III) Closing.

1594 (IV) Either:

1595 (A) Execution, delivery, and recordation by each  
1596 interestholder of the nondisturbance and notice to creditors  
1597 instrument, as described in this section; ~~or, alternatively,~~

1598 (B) Transfer by the developer of legal title to the  
1599 subject accommodations and facilities, or all use rights  
1600 therein, into ~~to~~ a trust satisfying the requirements of  
1601 subparagraph 4. sub-subparagraph 3.b. and the execution,  
1602 delivery, and recordation by each other interestholder of the  
1603 nondisturbance and notice to creditors instrument, as described  
1604 in this section.



HB 1243

2003  
CS

1605           b. A certified copy of each ~~the~~ recorded nondisturbance  
1606 and notice to creditors instrument ~~that complies with subsection~~  
1607 ~~(3)~~.

1608           c. One of the following:

1609           (I) A copy of a memorandum of agreement, as defined in s.  
1610 721.05~~(21)~~, together with satisfactory evidence that the  
1611 original memorandum of agreement has been irretrievably  
1612 delivered for recording to the appropriate official responsible  
1613 for maintaining the public records in the county in which the  
1614 subject accommodations and facilities are located. The original  
1615 memorandum of agreement must be recorded within 180 days after  
1616 the date on which the purchaser executed her or his purchase  
1617 agreement.

1618           (II) A notice delivered for recording to the appropriate  
1619 official responsible for maintaining the public records in each  
1620 county in which the subject accommodations and facilities are  
1621 located notifying all persons of the identity of an independent  
1622 escrow agent or trustee satisfying the requirements of  
1623 subparagraph 4. ~~sub-subparagraph 3.b.~~ that shall maintain  
1624 separate books and records, in accordance with good accounting  
1625 practices, for the timeshare plan in which timeshare licenses  
1626 are to be sold. The books and records shall indicate each  
1627 accommodation and facility that is subject to such a timeshare  
1628 plan and each purchaser of a timeshare license in the timeshare  
1629 plan.

1630           2. Timeshare estates.--If the timeshare plan is one in  
1631 which timeshare estates are to be sold, ~~other than interests in~~  
1632 ~~a trust pursuant to subparagraph 3.,~~ and no cancellation or



1633 default has occurred, the escrow agent may release the escrowed  
 1634 funds or other property to or on the order of the developer upon  
 1635 presentation of:

1636 a. An affidavit by the developer that all of the following  
 1637 conditions have been met:

1638 (I) Expiration of the cancellation period.

1639 (II) Completion of construction.

1640 (III) Closing.

1641 b. If the timeshare estate is sold by agreement for deed,  
 1642 a certified copy of the recorded nondisturbance and notice to  
 1643 creditors instrument, as described in this section.

1644 c. Evidence that each accommodation and facility:

1645 (I) Is free and clear of the claims of any  
 1646 interestholders, other than the claims of interestholders that,  
 1647 through a recorded instrument, are irrevocably made subject to  
 1648 the timeshare instrument and the use rights of purchasers made  
 1649 available through the timeshare instrument;

1650 (II) Is the subject of a recorded nondisturbance and  
 1651 notice to creditors instrument that complies with subsection (3)  
 1652 and s. 721.17; or

1653 (III) Has been transferred into a trust satisfying the  
 1654 requirements of subparagraph 4.

1655 d. Evidence that the timeshare estate:

1656 (I) Is free and clear of the claims of any  
 1657 interestholders, other than the claims of interestholders that,  
 1658 through a recorded instrument, are irrevocably made subject to  
 1659 the timeshare instrument and the use rights of purchasers made  
 1660 available through the timeshare instrument; or



1661            (II) Is that ~~are~~ the subject of a recorded nondisturbance  
 1662 and notice to creditors instrument that complies with subsection  
 1663 (3) and s. 721.17.

1664            3. Personal property timeshare interests.--If the  
 1665 timeshare plan is one in which personal property timeshare  
 1666 interests ~~estates~~ are to be sold as ~~interests in a trust that~~  
 1667 ~~complies in all respects with the provisions of sub-subparagraph~~  
 1668 ~~b.,~~ and no cancellation or default has occurred, the escrow  
 1669 agent may release the escrowed funds or other property to or on  
 1670 the order of the developer upon presentation of:

1671            a. An affidavit by the developer that all of the following  
 1672 conditions have been met:

1673            (I) Expiration of the cancellation period.

1674            (II) Completion of construction.

1675            (III) ~~Transfer of the subject accommodations and~~  
 1676 ~~facilities, or all use rights therein, to the trust.~~

1677            ~~(IV)~~ Closing.

1678            b. If the personal property timeshare interest is sold by  
 1679 agreement for transfer, evidence that the agreement for transfer  
 1680 complies fully with s. 721.06 and this section.

1681            c. Evidence that one of the following has occurred:

1682            (I) Transfer by the owner of the underlying personal  
 1683 property of legal title to the subject accommodations and  
 1684 facilities or all use rights therein into a trust satisfying the  
 1685 requirements of subparagraph 4.; or

1686            (II) Transfer by the owner of the underlying personal  
 1687 property of legal title to the subject accommodations and



HB 1243

2003  
CS

1688 facilities or all use rights therein into an owners' association  
1689 satisfying the requirements of subparagraph 5.

1690 d. Evidence of compliance with the provisions of  
1691 subparagraph 6., if required.

1692 e. If a personal property timeshare plan is created with  
1693 respect to accommodations and facilities that are located on or  
1694 in a "documented vessel" or "foreign vessel" as defined and  
1695 governed by chapter 313 of Title 46 of the United States Code:

1696 (I) In making the transfer required in sub-subparagraph  
1697 c., the developer shall use as its transfer instrument a  
1698 document that establishes and protects the continuance of the  
1699 use rights in the subject accommodations and facilities in a  
1700 manner that is enforceable by the trust or owners' association.

1701 (II) The transfer instrument shall comply fully with the  
1702 provisions of this chapter, shall be part of the timeshare  
1703 instrument, and shall contain specific provisions that:

1704 (A) Prohibit the vessel owner, the developer, any manager  
1705 or operator of the vessel, the owners' association or the  
1706 trustee, the managing entity, or any other person from incurring  
1707 any liens against the vessel except for liens that are required  
1708 for the operation and upkeep of the vessel, including liens for  
1709 fuel expenditures, repairs, crews' wages, and salvage, and  
1710 except as provided in sub-sub-subparagraphs 4.b.(III) and  
1711 5.b.(III). All expenses, fees, and taxes properly incurred in  
1712 connection with the creation, satisfaction, and discharge of any  
1713 such permitted lien, or a prorated portion thereof if less than  
1714 all of the accommodations on the vessel are subject to the  
1715 timeshare plan, shall be common expenses of the timeshare plan.



HB 1243

2003  
CS

1716 (B) Grant a lien against the vessel in favor of the  
1717 owners' association or trustee to secure the full and faithful  
1718 performance of the vessel owner and developer of all of their  
1719 obligations to the purchasers.

1720 (C) Establish governing law in a jurisdiction that  
1721 recognizes and will enforce the timeshare instrument and the  
1722 laws of the country of registry of the vessel.

1723 (D) Require that a description of the use rights of  
1724 purchasers be posted and displayed on the vessel in a manner  
1725 that will give notice of such rights to any party examining the  
1726 vessel. This notice must identify the owners' association or  
1727 trustee and include a statement disclosing the limitation on  
1728 incurring liens against the vessel described in sub-sub-sub-  
1729 subparagraph (A).

1730 (E) Include the nondisturbance and notice to creditors  
1731 instrument for the vessel owner and any other interestholders.

1732 (F) The owners' association created under subparagraph 5.  
1733 or trustee created under subparagraph 6. shall have access to  
1734 the certificates of classification in accordance with the  
1735 timeshare instrument.

1736 (III) If the vessel is a foreign vessel, the vessel must  
1737 be registered in a jurisdiction that permits a filing evidencing  
1738 the use rights of purchasers in the subject accommodations and  
1739 facilities, offers protection for such use rights against  
1740 unfiled and inferior claims, and recognizes the document or  
1741 instrument creating such use rights as a lien against the  
1742 vessel.



1743           (IV) In addition to the disclosures required by s.  
 1744 721.07(5), the public offering statement and purchase contract  
 1745 must contain a disclosure in conspicuous type in substantially  
 1746 the following form:

1747  
 1748 The laws of the State of Florida govern the offering of this  
 1749 timeshare plan in this state. There are inherent risks in  
 1750 purchasing a timeshare interest in this timeshare plan because  
 1751 the accommodations and facilities of the timeshare plan are  
 1752 located on a vessel that will sail into international waters and  
 1753 into waters governed by many different jurisdictions. Therefore,  
 1754 the laws of the State of Florida cannot fully protect your  
 1755 purchase of an interest in this timeshare plan. Specifically,  
 1756 management and operational issues may need to be addressed in  
 1757 the jurisdiction in which the vessel is registered, which is  
 1758 \_\_\_\_\_ (insert jurisdiction in which vessel is required).  
 1759 Concerns of purchasers may be sent to \_\_\_\_\_ (insert name  
 1760 of applicable regulatory agency and address).

1761           4. Trust.--

1762           a. If the subject accommodations or facilities, or all use  
 1763 rights therein, are to be transferred into a trust in order to  
 1764 comply with this paragraph, such transfer shall take place  
 1765 pursuant to this subparagraph.

1766           b. Prior to the transfer by each interestholder of the  
 1767 subject accommodations and facilities, or all use rights  
 1768 therein, to a trust, any lien or other encumbrance against such  
 1769 accommodations and facilities, or use rights therein, shall be  
 1770 made subject to a nondisturbance and notice to creditors





HB 1243

2003  
CS

1771 instrument pursuant to subsection (3) ~~as described in this~~  
1772 ~~section~~. No transfer pursuant to this subparagraph ~~sub-~~  
1773 ~~subparagraph~~ shall become effective until the trustee accepts  
1774 such transfer and the responsibilities set forth herein. A trust  
1775 established pursuant to this subparagraph ~~sub-subparagraph~~ shall  
1776 comply with the following provisions:

1777 (I) The trustee shall be an individual or a business  
1778 entity authorized and qualified to conduct trust business in  
1779 this state. Any corporation authorized to do business in this  
1780 state may act as trustee in connection with a timeshare plan  
1781 pursuant to this chapter. The trustee must be independent from  
1782 any developer or managing entity of the timeshare plan or any  
1783 interestholder of any accommodation or facility of such plan.

1784 (II) The trust shall be irrevocable so long as any  
1785 purchaser has a right to occupy any portion of the timeshare  
1786 property pursuant to the timeshare plan.

1787 (III) The trustee shall not convey, hypothecate, mortgage,  
1788 assign, lease, or otherwise transfer or encumber in any fashion  
1789 any interest in or portion of the timeshare property with  
1790 respect to which any purchaser has a right of use or occupancy  
1791 unless the timeshare plan is terminated pursuant to the  
1792 timeshare instrument, or such conveyance, hypothecation,  
1793 mortgage, assignment, lease, transfer, or encumbrance is  
1794 approved by a vote of two-thirds of all voting interests of the  
1795 timeshare plan and such decision is declared by a court of  
1796 competent jurisdiction to be in the best interests of the  
1797 purchasers of the timeshare plan. The trustee shall notify the  
1798 division in writing within 10 days after ~~of~~ receiving notice of



1799 the filing of any petition relating to obtaining such a court  
 1800 order. The division shall have standing to advise the court of  
 1801 the division's interpretation of the statute as it relates to  
 1802 the petition.

1803 (IV) All purchasers of the timeshare plan or the owners'  
 1804 association of the timeshare plan shall be the express  
 1805 beneficiaries of the trust. The trustee shall act as a fiduciary  
 1806 to the beneficiaries of the trust. The personal liability of the  
 1807 trustee shall be governed by s. 737.306. The agreement  
 1808 establishing the trust shall set forth the duties of the  
 1809 trustee. The trustee shall be required to furnish promptly to  
 1810 the division upon request a copy of the complete list of the  
 1811 names and addresses of the owners in the timeshare plan and a  
 1812 copy of any other books and records of the timeshare plan  
 1813 required to be maintained pursuant to s. 721.13 that are in the  
 1814 possession, custody, or control of the trustee. All expenses  
 1815 reasonably incurred by the trustee in the performance of its  
 1816 duties, together with any reasonable compensation of the  
 1817 trustee, shall be common expenses of the timeshare plan.

1818 (V) The trustee shall not resign upon less than 90 days'  
 1819 prior written notice to the managing entity and the division. No  
 1820 resignation shall become effective until a substitute trustee,  
 1821 approved by the division, is appointed by the managing entity  
 1822 and accepts the appointment.

1823 (VI) The documents establishing the trust arrangement  
 1824 shall constitute a part of the timeshare instrument.

1825 (VII) For trusts holding property in a timeshare plan  
 1826 located outside this state, the trust and trustee holding such



1827 property shall be deemed in compliance with the requirements of  
 1828 this subparagraph if such trust and trustee are ~~is~~ authorized  
 1829 and qualified to conduct trust business under the laws of such  
 1830 jurisdiction and the agreement or law governing such trust  
 1831 arrangement provides substantially similar protections for the  
 1832 purchaser as are required in this subparagraph for trusts  
 1833 holding property in a timeshare plan in this state.

1834 (VIII) The trustee shall have appointed a registered agent  
 1835 in this state for service of process. In the event such a  
 1836 registered agent is not appointed, service of process may be  
 1837 served pursuant to s. 721.265.

1838 5. Owners' association.--

1839 a. If the subject accommodations or facilities, or all use  
 1840 rights therein, are to be transferred into an owners'  
 1841 association in order to comply with this paragraph, such  
 1842 transfer shall take place pursuant to this subparagraph.

1843 b. Prior to the transfer by each interestholder of the  
 1844 subject accommodations and facilities, or all use rights  
 1845 therein, to an owners' association, any lien or other  
 1846 encumbrance against such accommodations and facilities, or use  
 1847 rights therein, shall be made subject to a nondisturbance and  
 1848 notice to creditors instrument pursuant to subsection (3). No  
 1849 transfer pursuant to this subparagraph shall become effective  
 1850 until the owners' association accepts such transfer and the  
 1851 responsibilities set forth herein. An owners' association  
 1852 established pursuant to this subparagraph shall comply with the  
 1853 following provisions:



1854        (I) The owners' association shall be a business entity  
 1855 authorized and qualified to conduct business in this state.  
 1856 Control of the board of directors of the owners' association  
 1857 must be independent from any developer or managing entity of the  
 1858 timeshare plan or any interestholder.

1859        (II) The articles of incorporation of the owners'  
 1860 association shall provide that the corporation may not be  
 1861 voluntarily dissolved without the unanimous vote of all owners  
 1862 of personal property timeshare interests so long as any  
 1863 purchaser has a right to occupy any portion of the timeshare  
 1864 property pursuant to the timeshare plan.

1865        (III) The owners' association shall not convey,  
 1866 hypothecate, mortgage, assign, lease, or otherwise transfer or  
 1867 encumber in any fashion any interest in or portion of the  
 1868 timeshare property with respect to which any purchaser has a  
 1869 right of use or occupancy unless the timeshare plan is  
 1870 terminated pursuant to the timeshare instrument, or such  
 1871 conveyance, hypothecation, mortgage, assignment, lease,  
 1872 transfer, or encumbrance is approved by a vote of two-thirds of  
 1873 all voting interests of the association and such decision is  
 1874 declared by a court of competent jurisdiction to be in the best  
 1875 interests of the purchasers of the timeshare plan. The owners'  
 1876 association shall notify the division in writing within 10 days  
 1877 after receiving notice of the filing of any petition relating to  
 1878 obtaining such a court order. The division shall have standing  
 1879 to advise the court of the division's interpretation of the  
 1880 statute as it relates to the petition.



HB 1243

2003  
CS

1881       (IV) All purchasers of the timeshare plan shall be members  
1882 of the owners' association and shall be entitled to vote on  
1883 matters requiring a vote of the owners' association as provided  
1884 in this chapter or the timeshare instrument. The owners'  
1885 association shall act as a fiduciary to the purchasers of the  
1886 timeshare plan. The articles of incorporation establishing the  
1887 owners' association shall set forth the duties of the owners'  
1888 association. All expenses reasonably incurred by the owners'  
1889 association in the performance of its duties, together with any  
1890 reasonable compensation of the officers or directors of the  
1891 owners' association, shall be common expenses of the timeshare  
1892 plan.

1893       (V) The documents establishing the owners' association  
1894 shall constitute a part of the timeshare instrument.

1895       (VI) For owners' associations holding property in a  
1896 timeshare plan located outside this state, the owners'  
1897 association holding such property shall be deemed in compliance  
1898 with the requirements of this subparagraph if such owners'  
1899 association is authorized and qualified to conduct owners'  
1900 association business under the laws of such jurisdiction and the  
1901 agreement or law governing such arrangement provides  
1902 substantially similar protections for the purchaser as are  
1903 required in this subparagraph for owners' associations holding  
1904 property in a timeshare plan in this state.

1905       (VII) The owners' association shall have appointed a  
1906 registered agent in this state for service of process. In the  
1907 event such a registered agent is not appointed, service of  
1908 process may be made pursuant to s. 721.265.



1909        6. Personal property subject to certificate of title.--If  
 1910 any personal property that is an accommodation or facility of a  
 1911 timeshare plan is subject to a certificate of title in this  
 1912 state pursuant to chapter 319 or chapter 328, the following  
 1913 notation must be made on such certificate of title pursuant to  
 1914 s. 319.27(1) or s. 328.15(1):

1915  
 1916 The further transfer or encumbrance of the property subject to  
 1917 this certificate of title, or any lien or encumbrance thereon,  
 1918 is subject to the requirements of section 721.17, Florida  
 1919 Statutes, and the transferee or lienor agrees to be bound by all  
 1920 of the obligations set forth therein.

1921  
 1922        7.4. If the developer has previously provided a certified  
 1923 copy of any document required by this paragraph, she or he may  
 1924 for all subsequent disbursements substitute a true and correct  
 1925 copy of the certified copy, provided no changes to the document  
 1926 have been made or are required to be made.

1927        8. In the event that use rights relating to an  
 1928 accommodation or facility are transferred into a trust pursuant  
 1929 to subparagraph 4. or into an owners' association pursuant to  
 1930 subparagraph 5., all other interestholders, including the owner  
 1931 of the underlying fee or underlying personal property, must  
 1932 execute a nondisturbance and notice to creditors instrument  
 1933 pursuant to subsection (3).

1934        (d) Substitution of other assurances for escrowed funds or  
 1935 other property.--Funds or other property escrowed as provided in  
 1936 this section may be released from escrow to or on the order of



HB 1243

2003  
CS

1937 the developer upon acceptance by the director of the division of  
 1938 other assurances pursuant to subsection (5) as a substitute for  
 1939 such escrowed funds or other property. The amount of escrowed  
 1940 funds or other property that may be released pursuant to this  
 1941 paragraph shall be equal to or less than the face amount of the  
 1942 assurances accepted by the director from time to time.

1943 (3) NONDISTURBANCE AND NOTICE TO CREDITORS  
 1944 INSTRUMENT.--The nondisturbance and notice to creditors  
 1945 instrument, when required, shall be executed by each  
 1946 interestholder.

1947 (a) The instrument shall state that:

1948 1.(a) If the party seeking enforcement is not in default  
 1949 of its obligations, the instrument may be enforced by both the  
 1950 seller and any purchaser of the timeshare plan;

1951 2.(b) The instrument shall be effective as between the  
 1952 timeshare purchaser and interestholder despite any rejection or  
 1953 cancellation of the contract between the timeshare purchaser and  
 1954 developer as a result of bankruptcy proceedings of the  
 1955 developer; and

1956 3.(e) So long as a purchaser remains in good standing with  
 1957 respect to her or his obligations under the timeshare  
 1958 instrument, including making all payments to the managing entity  
 1959 required by the timeshare instrument with respect to the annual  
 1960 common expenses of the timeshare ~~the interestholder has any~~  
 1961 ~~interest in the accommodations, facilities, or plan, then~~ the  
 1962 interestholder will ~~fully~~ honor all ~~the~~ rights of such purchaser  
 1963 relating to the subject accommodation or facility as reflected  
 1964 ~~timeshare purchasers in and to the timeshare instrument plan,~~



1965 ~~will honor the purchasers' right to cancel their contracts and~~  
 1966 ~~receive appropriate refunds, and will comply with all other~~  
 1967 ~~requirements of this chapter and rules promulgated hereunder.~~

1968  
 1969 The instrument shall contain language sufficient to provide  
 1970 subsequent creditors of the developer and interestholders with  
 1971 notice of the existence of the timeshare plan and of the rights  
 1972 of purchasers and shall serve to protect the interest of the  
 1973 timeshare purchasers from any claims of subsequent creditors.

1974 (b) Real property timeshare plans.--For real property  
 1975 timeshare plans, the instrument shall be recorded in the public  
 1976 records of the county in which the subject accommodations or  
 1977 facilities are located.

1978 (c) Personal property timeshare plans.--For personal  
 1979 property timeshare plans, the instrument shall be included  
 1980 within or attached as an exhibit to a security agreement or  
 1981 other agreement executed by the interestholder. Constructive  
 1982 notice of such security agreement or other agreement shall be  
 1983 filed in the manner prescribed by chapter 679 or other  
 1984 applicable law.

1985 (d) A copy of the recorded or filed nondisturbance and  
 1986 notice to creditors instrument, when required, shall be provided  
 1987 to each timeshare purchaser at the time the purchase contract is  
 1988 executed.

1989 (4) In lieu of any escrow provisions required by this act,  
 1990 the director of the division shall have the discretion to permit  
 1991 deposit of the funds or other property in an escrow account as  
 1992 required by the jurisdiction in which the sale took place.





1993 (5)(a) In lieu of any escrows required by this section,  
 1994 the director of the division shall have the discretion to accept  
 1995 other assurances, including, but not limited to, a surety bond  
 1996 issued by a company authorized and licensed to do business in  
 1997 this state as surety or an irrevocable letter of credit in an  
 1998 amount equal to the escrow requirements of this section.

1999 (b) Notwithstanding anything in chapter 718 or chapter 719  
 2000 to the contrary, the director of the division shall have the  
 2001 discretion to accept other assurances pursuant to paragraph (a)  
 2002 in lieu of any requirement that completion of construction of  
 2003 one or more accommodations or facilities of a timeshare plan be  
 2004 accomplished prior to closing.

2005 (c) In lieu of a nondisturbance and notice to creditors  
 2006 instrument, when such an instrument is otherwise required by  
 2007 this section, the director of the division shall have the  
 2008 discretion to accept alternate means of protecting the  
 2009 continuing rights of purchasers in and to the subject  
 2010 accommodations or facilities of the timeshare plan as and for  
 2011 the term described in the timeshare instrument, and of providing  
 2012 effective constructive notice of such continuing purchaser  
 2013 rights to subsequent owners of the accommodations or facilities  
 2014 and to subsequent creditors of the affected interestholder.

2015 (6) An escrow agent holding funds escrowed pursuant to  
 2016 this section may invest such escrowed funds in securities of the  
 2017 United States Government, or any agency thereof, or in savings  
 2018 or time deposits in institutions insured by an agency of the  
 2019 United States Government. The right to receive the interest  
 2020 generated by any such investments shall be paid to the party to



2021 | whom the escrowed funds or other property are paid unless  
 2022 | otherwise specified by contract.

2023 |         (7) Each escrow agent shall maintain separate books and  
 2024 | records for each timeshare plan and shall maintain such books  
 2025 | and records in accordance with good accounting practices.

2026 |         (8) An escrow agent holding escrowed funds pursuant to  
 2027 | this chapter that have not been claimed for a period of 5 years  
 2028 | after the date of deposit shall make at least one reasonable  
 2029 | attempt to deliver such unclaimed funds to the purchaser who  
 2030 | submitted such funds to escrow. In making such attempt, an  
 2031 | escrow agent is entitled to rely on a purchaser's last known  
 2032 | address as set forth in the books and records of the escrow  
 2033 | agent and is not required to conduct any further search for the  
 2034 | purchaser. If an escrow agent's attempt to deliver unclaimed  
 2035 | funds to any purchaser is unsuccessful, the escrow agent may  
 2036 | deliver such unclaimed funds to the division and the division  
 2037 | shall deposit such unclaimed funds in the Division of Florida  
 2038 | Land Sales, Condominiums, and Mobile Homes Trust Fund, 30 days  
 2039 | after giving notice in a publication of general circulation in  
 2040 | the county in which the timeshare property containing the  
 2041 | purchaser's timeshare interest is located. The purchaser may  
 2042 | claim the same at any time prior to the delivery of such funds  
 2043 | to the division. After delivery of such funds to the division,  
 2044 | the purchaser shall have no more rights to the unclaimed funds.  
 2045 | The escrow agent shall not be liable for any claims from any  
 2046 | party arising out of the escrow agent's delivery of the  
 2047 | unclaimed funds to the division pursuant to this section.



HB 1243

2003  
CS

2048 (9) For each transfer of the legal title to a timeshare  
2049 estate by a developer, the developer shall deliver an instrument  
2050 evidencing such transfer to the purchaser or to a title  
2051 insurance agent or the clerk of the court for recording. For  
2052 each transfer of the legal title to a personal property  
2053 timeshare interest by a developer, the developer shall deliver  
2054 an instrument evidencing such transfer to the purchaser subject  
2055 to the provisions of this section.

2056 (10)(a) Any developer, seller, or escrow agent who  
2057 intentionally fails to comply with the provisions of this  
2058 section concerning the establishment of an escrow account,  
2059 deposits of funds into escrow, and withdrawal therefrom is  
2060 guilty of a felony of the third degree, punishable as provided  
2061 in s. 775.082, s. 775.083, or s. 775.084, or the successor  
2062 thereof. The failure to establish an escrow account or to place  
2063 funds therein as required in this section is prima facie  
2064 evidence of an intentional and purposeful violation of this  
2065 section.

2066 (b) Any developer, interestholder, trustee, or officer or  
2067 director of an owners' association who intentionally fails to  
2068 comply with the provisions of this section concerning the  
2069 establishment of a trust or owners' association, conveyances of  
2070 property into the trust or owners' association, and conveyances  
2071 or encumbrances of trust or owners' association property is  
2072 guilty of a felony of the third degree, punishable as provided  
2073 in s. 775.082, s. 775.083, or s. 775.084, or the successor  
2074 thereof. The failure to establish a trust or owners'  
2075 association, or to transfer property into the trust or owners'



HB 1243

2003  
CS

2076 association, or the failure of a trustee or officer or director  
 2077 of an owners' association to comply with the trust agreement,  
 2078 articles of incorporation, or bylaws with respect to conveyances  
 2079 or encumbrances of trust or owners' association property, as  
 2080 required by this section, is prima facie evidence of an  
 2081 intentional and purposeful violation of this section.

2082 Section 9. Paragraphs (a) and (d) of subsection (1),  
 2083 paragraph (c) of subsection (2), and paragraph (c) of subsection  
 2084 (3) of section 721.09, Florida Statutes, are amended to read:

2085 721.09 Reservation agreements; escrows.--

2086 (1)(a) Prior to filing the filed ~~registered~~ public  
 2087 offering statement with the division, a seller shall not offer a  
 2088 timeshare plan for sale but may accept reservation deposits and  
 2089 advertise the reservation deposit program upon approval by the  
 2090 division of a fully executed escrow agreement and reservation  
 2091 agreement properly filed with the division.

2092 (d) A seller who has filed a reservation agreement and an  
 2093 escrow agreement under this section may advertise the  
 2094 reservation agreement program if the advertising material meets  
 2095 the following requirements:

2096 1. The seller complies with the provisions of s. 721.11  
 2097 with respect to such advertising material.

2098 2. The advertising material is limited to a general  
 2099 description of the proposed timeshare plan, including, but not  
 2100 limited to, a general description of the type, number, and size  
 2101 of accommodations and facilities and the name of the proposed  
 2102 timeshare plan.



2103           3. The advertising material contains a statement that the  
2104 advertising material is being distributed in connection with an  
2105 approved reservation agreement filing only and that the seller  
2106 cannot offer an interest in the timeshare plan for sale until a  
2107 filed ~~registered~~ public offering statement has been filed with  
2108 the division under this chapter.

2109           (2) Each executed reservation agreement shall be signed by  
2110 the developer and shall contain the following:

2111           (c) A statement of the obligation of the developer to file  
2112 a filed ~~registered~~ public offering statement with the division  
2113 prior to entering into binding contracts.

2114           (3)

2115           (c) The escrow agent may invest the escrowed funds in  
2116 securities of the United States Government, or any agency  
2117 thereof, or in savings or time deposits in institutions insured  
2118 by an agency of the United States Government. The interest  
2119 generated by any such investments shall be payable to the party  
2120 entitled to receive the escrowed funds or other property.

2121           Section 10. Paragraph (a) of subsection (1), paragraphs  
2122 (b) and (e) of subsection (6), and subsections (7), (8), and (9)  
2123 of section 721.11, Florida Statutes, are amended to read:

2124           721.11 Advertising materials; oral statements.--

2125           (1)(a) A developer may file ~~All~~ advertising material ~~must~~  
2126 ~~be filed~~ with the division for review ~~by the developer prior to~~  
2127 ~~use. At the request of the developer,~~ The division shall review  
2128 any the advertising material filed for review by the developer  
2129 and notify the developer of any deficiencies within 10 days  
2130 after the filing. If the developer corrects the deficiencies or



HB 1243

2003  
CS

2131 | if there are no deficiencies, the division shall notify the  
2132 | developer of its approval of the advertising materials.  
2133 | Notwithstanding anything to the contrary contained in this  
2134 | subsection, so long as the developer uses advertising materials  
2135 | approved by the division, following the developer's request for  
2136 | a review, the developer shall not be liable for any violation of  
2137 | this section or s. 721.111 with respect to such advertising  
2138 | materials.

2139 |         (6) Failure to provide cancellation rights or disclosures  
2140 | as required by this subsection in connection with the sale of a  
2141 | regulated short-term product constitutes misrepresentation in  
2142 | accordance with paragraph (4)(a). Any agreement relating to the  
2143 | sale of a regulated short-term product must be regulated as  
2144 | advertising material and is subject to the following:

2145 |         (b) A purchaser of a regulated short-term product has the  
2146 | right to cancel the agreement until midnight of the 10<sup>th</sup> calendar  
2147 | day following the execution date of the agreement. The right of  
2148 | cancellation may not be waived by the prospective purchaser or  
2149 | by any other person on behalf of the prospective purchaser.  
2150 | Notice of cancellation must be given in the same manner  
2151 | prescribed for giving notice of cancellation under s. 721.10(2).  
2152 | If the prospective purchaser gives a valid notice of  
2153 | cancellation or is otherwise entitled to cancel the sale, the  
2154 | funds or other property received from or on behalf of the  
2155 | prospective purchaser, or the proceeds thereof, must be returned  
2156 | to the prospective purchaser. Such refund must be made in the  
2157 | same manner prescribed for refunds under s. 721.10.



HB 1243

2003  
CS

2158 (e) If the seller provides the purchaser with the right to  
2159 cancel the purchase of a regulated short-term product at any  
2160 time up to 7 days prior to the purchaser's reserved use of the  
2161 accommodations, but in no event less than 10 days, and if the  
2162 seller refunds the total amount of all payments made by the  
2163 purchaser reduced by the proportion of any benefits the  
2164 purchaser has actually received prior to the effective date of  
2165 the cancellation, the specific value of which has been agreed to  
2166 between the purchaser and the seller, the short-term product  
2167 offer shall be exempt from the requirements of paragraphs (b),  
2168 (c), and (d). An agreement relating to the sale of the regulated  
2169 short-term product made pursuant to this paragraph must contain  
2170 a statement setting forth the cancellation and refund rights of  
2171 the prospective purchaser in a manner that is consistent with  
2172 this section and s. 721.10, including a description of the  
2173 length of the cancellation right, a statement that the  
2174 purchaser's intent to cancel must be in writing and sent to the  
2175 seller at a specified address, a statement that the notice of  
2176 cancellation is effective upon the date sent, and a statement  
2177 that any attempt to waive the cancellation right is unlawful.  
2178 The right of cancellation provided to the purchaser pursuant to  
2179 this paragraph may not be waived by the prospective purchaser or  
2180 by any other person on behalf of the prospective purchaser.  
2181 Notice of cancellation must be given in the same manner  
2182 prescribed for giving notice of cancellation pursuant to s.  
2183 721.10(2). If the prospective purchaser gives a valid notice of  
2184 cancellation, or is otherwise entitled to cancel the sale, the  
2185 funds or other property received from or on behalf of the



2186 prospective purchaser, or the proceeds thereof, shall be  
 2187 returned to the prospective purchaser. Such refund shall be made  
 2188 in the manner prescribed for refunds under s. 721.10.

2189 (7) Notwithstanding the provisions of s. 721.05(7)~~(6)~~(b),  
 2190 a seller may portray possible accommodations or facilities to  
 2191 prospective purchasers in advertising material, or a purchaser  
 2192 public offering statement, without such accommodations or  
 2193 facilities being available for use by purchasers so long as the  
 2194 advertising material or purchaser public offering statement  
 2195 complies with the provisions of subsection (4).

2196 (8) Notwithstanding the provisions of s. 721.05(7)~~(6)~~(b),  
 2197 a developer may portray possible accommodations or facilities to  
 2198 prospective purchasers by disseminating oral or written  
 2199 statements regarding same to broadcast or print media with no  
 2200 obligation on the developer's part to actually construct such  
 2201 accommodations or facilities or to file such accommodations or  
 2202 facilities with the division, but only so long as such oral or  
 2203 written statements are not considered advertising material  
 2204 pursuant to paragraph (3)(e).

2205 (9) Notwithstanding the provisions of s. 721.05(7)~~(6)~~(b),  
 2206 a seller of a multisite timeshare plan may portray a possible  
 2207 component site to prospective purchasers with no accommodations  
 2208 or facilities located at such component site being available for  
 2209 use by purchasers so long as the seller satisfies the following  
 2210 requirements:

2211 (a) A developer of a multisite timeshare plan may  
 2212 disseminate oral or written statements to broadcast or print  
 2213 media describing a possible component site with no obligation on





HB 1243

2003  
CS

2214 the developer's part to actually add such component site to the  
 2215 multisite timeshare plan or to amend the developer's filing with  
 2216 the division, but only so long as such oral or written  
 2217 statements are not considered advertising material pursuant to  
 2218 paragraph (3)(e).

2219 (b) A seller may make representations to purchasers in  
 2220 advertising material or in a purchaser public offering statement  
 2221 regarding the possible accommodations and facilities of a  
 2222 possible component site without such accommodations or  
 2223 facilities being available for use by purchasers so long as the  
 2224 advertising material or purchaser public offering statement  
 2225 complies with the provisions of subsection (4).

2226 (c) In the event a seller makes any of the representations  
 2227 permitted by paragraph (b), the purchase agreement must contain  
 2228 the following conspicuous disclosure unless and until such time  
 2229 as the developer has committed itself in the timeshare  
 2230 instrument to adding the possible component site to the  
 2231 multisite timeshare plan, at which time the seller may portray  
 2232 the component site pursuant to the timeshare instrument without  
 2233 restriction:

2234  
 2235 *[Description of possible component site] is only a possible*  
 2236 *component site which may never be added to the multisite*  
 2237 *timeshare plan (or multisite vacation ownership plan or*  
 2238 *multisite vacation plan or vacation club). Do not purchase an*  
 2239 *interest in the multisite timeshare plan (or multisite vacation*  
 2240 *ownership plan or multisite vacation plan or vacation club) in*  
 2241 *reliance upon the addition of this component site.*



HB 1243

2003  
CS

2242 (d) Notwithstanding anything contained in this chapter to  
 2243 the contrary, a developer or managing entity may communicate  
 2244 with existing purchasers regarding possible component sites  
 2245 without restriction, so long as all oral and written statements  
 2246 made to existing purchasers pursuant to this subsection comply  
 2247 with the provisions of subsection (4).

2248 (e) Any violation of this subsection by a developer,  
 2249 seller, or managing entity shall constitute a violation of this  
 2250 chapter. Any violation of this subsection with respect to a  
 2251 purchaser whose purchase has not yet closed shall be deemed to  
 2252 provide that purchaser with a new 10-day voidability period.

2253 Section 11. Subsection (1) of section 721.12, Florida  
 2254 Statutes, is amended to read:

2255 721.12 Recordkeeping by seller.--Each seller of a  
 2256 timeshare plan shall maintain among its business records the  
 2257 following:

2258 (1) A copy of each contract for the sale of a timeshare  
 2259 interest, which contract has not been canceled. If a timeshare  
 2260 estate is being sold, the seller is required to retain a copy of  
 2261 the contract only until a deed of conveyance, agreement for  
 2262 deed, or lease is recorded in the office of the clerk of the  
 2263 circuit court in the county wherein the plan is located. If a  
 2264 personal property timeshare plan is being sold, the seller is  
 2265 required to retain a copy of the contract only until a  
 2266 certificate of transfer, agreement for transfer, lease, or other  
 2267 instrument of transfer that fully complies with s. 721.08 is  
 2268 delivered to the purchaser.



HB 1243

2003  
CS

2269 Section 12. Paragraphs (a) and (b) of subsection (1),  
2270 paragraph (b) of subsection (2), paragraphs (c), (d), and (e) of  
2271 subsection (3), paragraph (g) of subsection (6), and subsections  
2272 (4) and (8) of section 721.13, Florida Statutes, are amended,  
2273 subsection (9) is renumbered as subsection (10), and new  
2274 subsections (9) and (11) are added to said section, to read:

2275 721.13 Management.--

2276 (1)(a) For each timeshare plan, the developer shall  
2277 provide for a managing entity, which shall be either the  
2278 developer, a separate manager or management firm, or an owners'  
2279 association. Any owners' association shall be created prior to  
2280 the first closing recording of the sale of a timeshare interest  
2281 ~~instrument~~.

2282 (b)1. With respect to a timeshare plan which is also  
2283 regulated under chapter 718 or chapter 719, or which contains a  
2284 mandatory owners' association, the board of administration of  
2285 the owners' association shall be considered the managing entity  
2286 of the timeshare plan.

2287 2. During any period of time in which such owners'  
2288 association has entered into a contract with a manager or  
2289 management firm to provide some or all of the management  
2290 services to the timeshare plan, both the board of administration  
2291 and the manager or management firm shall be considered the  
2292 managing entity of the timeshare plan and shall be jointly and  
2293 severally responsible for the faithful discharge of the duties  
2294 of the managing entity.

2295 3. An owners' association which is the managing entity of  
2296 a timeshare plan that includes condominium units or cooperative



HB 1243

2003  
CS

2297 units shall not be considered a condominium association pursuant  
 2298 to the provisions of chapter 718 or a cooperative association  
 2299 pursuant to the provisions of chapter 719, unless such owners'  
 2300 association also operates the entire condominium pursuant to s.  
 2301 718.111 or the entire cooperative pursuant to s. 719.104.

2302 (2)

2303 (b) The managing entity shall invest the operating and  
 2304 reserve funds of the timeshare plan in accordance with s.  
 2305 518.11(1); however, the managing entity shall give safety of  
 2306 capital greater weight than production of income. In no event  
 2307 shall the managing entity invest timeshare plan funds with a  
 2308 developer or with any entity that is not independent of any  
 2309 developer or any managing entity within the meaning of s.  
 2310 721.05(20)~~(18)~~, and in no event shall the managing entity invest  
 2311 timeshare plan funds in notes and mortgages related in any way  
 2312 to the timeshare plan.

2313 (3) The duties of the managing entity include, but are not  
 2314 limited to:

2315 (c)1. Providing each year to all purchasers an itemized  
 2316 annual budget which shall include all estimated revenues and  
 2317 expenses. The budget shall be in the form required by s.  
 2318 721.07(5)(u). The budget ~~and~~ shall be the final budget adopted  
 2319 by the managing entity for the current fiscal year. The final  
 2320 adopted budget is not required to be delivered if the managing  
 2321 entity has previously delivered a proposed annual budget for the  
 2322 current fiscal year to purchasers in accordance with chapter 718  
 2323 or chapter 719, and the managing entity includes a description  
 2324 of any changes in the adopted budget with the assessment notice



HB 1243

2003  
CS

2325 and a disclosure regarding the purchasers' right to receive a  
2326 copy of the adopted budget if desired. The budget shall contain,  
2327 as a footnote or otherwise, any related party transaction  
2328 disclosures or notes which appear in the audited financial  
2329 statements of the managing entity for the previous budget year  
2330 as required by paragraph (e). A copy of the final budget shall  
2331 be filed with the division for review within 30 days after the  
2332 beginning of each fiscal year together with a statement of the  
2333 number of periods of 7-day annual use availability that exist  
2334 within the timeshare plan, including those periods filed for  
2335 sale by the developer but not yet committed to the timeshare  
2336 plan, for which annual fees are required to be paid to the  
2337 division under s. 721.27.

2338 2. Notwithstanding anything contained in chapter 718 or  
2339 chapter 719 to the contrary, the board of administration of an  
2340 owners' association which serves as the managing entity may from  
2341 time to time reallocate reserves for deferred maintenance and  
2342 capital expenditures required by s. 721.07(5)(u)3.a.(XI) from  
2343 any deferred maintenance or capital expenditure reserve account  
2344 to any other deferred maintenance or capital expenditure reserve  
2345 account or accounts in its discretion without the consent of  
2346 purchasers of the timeshare plan. Funds in any deferred  
2347 maintenance or capital expenditure reserve account may not be  
2348 transferred to any operating account without the consent of a  
2349 majority of the purchasers of the timeshare plan. The managing  
2350 entity may from time to time transfer excess funds in any  
2351 operating account to any deferred maintenance or capital  
2352 expenditure reserve account without the vote or approval of



HB 1243

2003  
CS

2353 purchasers of the timeshare plan. In the event any amount of  
2354 reserves for accommodations and facilities of a timeshare plan  
2355 containing timeshare licenses or personal property timeshare  
2356 interests exists at the end of the term of the timeshare plan,  
2357 such reserves shall be refunded to purchasers on a pro rata  
2358 basis.

2359 (d)1. Maintenance of all books and records concerning the  
2360 timeshare plan so that all such books and records are reasonably  
2361 available for inspection by any purchaser or the authorized  
2362 agent of such purchaser. For purposes of this subparagraph, the  
2363 books and records of the timeshare plan shall be considered  
2364 "reasonably available" if copies of the requested portions are  
2365 delivered to the purchaser or the purchaser's agent within 7  
2366 days after ~~of~~ the date the managing entity receives a written  
2367 request for the records signed by the purchaser. The managing  
2368 entity may charge the purchaser a reasonable fee for copying the  
2369 requested information not to exceed 25 cents per page. However,  
2370 any purchaser or agent of such purchaser shall be permitted to  
2371 personally inspect and examine the books and records wherever  
2372 located at any reasonable time, under reasonable conditions, and  
2373 under the supervision of the custodian of those records. The  
2374 custodian shall supply copies of the records where requested and  
2375 upon payment of the copying fee. No fees other than those set  
2376 forth in this section may be charged for the providing of,  
2377 inspection, or examination of books and records. All books and  
2378 financial records of the timeshare plan must be maintained in  
2379 accordance with generally accepted accounting practices.



2380           2. If the books and records of the timeshare plan are not  
 2381 maintained on the premises of the accommodations and facilities  
 2382 of the timeshare plan, the managing entity shall inform the  
 2383 division in writing of the location of the books and records and  
 2384 the name and address of the person who acts as custodian of the  
 2385 books and records at that location. In the event that the  
 2386 location of the books and records changes, the managing entity  
 2387 shall notify the division of the change in location and the name  
 2388 and address of the new custodian within 30 days after ~~of~~ the  
 2389 date the books and records are moved. The purchasers shall be  
 2390 notified of the location of the books and records and the name  
 2391 and address of the custodian in the copy of the annual budget  
 2392 provided to them pursuant to paragraph (c).

2393           3. The division is authorized to adopt rules which specify  
 2394 those items and matters that shall be included in the books and  
 2395 records of the timeshare plan and which specify procedures to be  
 2396 followed in requesting and delivering copies of the books and  
 2397 records.

2398           4. Notwithstanding any provision of chapter 718 or chapter  
 2399 719 to the contrary, the managing entity may not furnish the  
 2400 name, address, or electronic mail address of any purchaser to  
 2401 any other purchaser or authorized agent thereof unless the  
 2402 purchaser whose name, ~~and~~ address, or electronic mail address is  
 2403 ~~are~~ requested first approves the disclosure in writing.

2404           (e) Arranging for an annual audit of the financial  
 2405 statements of the timeshare plan by a certified public  
 2406 accountant licensed by the Board of Accountancy of the  
 2407 Department of Business and Professional Regulation, in



HB 1243

2003  
CS

2408 accordance with generally accepted auditing standards as defined  
2409 by the rules of the Board of Accountancy of the Department of  
2410 Business and Professional Regulation. The financial statements  
2411 required by this section must be prepared on an accrual basis  
2412 using fund accounting, and must be presented in accordance with  
2413 generally accepted accounting principles. A copy of the audited  
2414 financial statements must be filed with the division for review  
2415 and forwarded to the board of directors and officers of the  
2416 owners' association, if one exists, no later than 5 calendar  
2417 months after the end of the timeshare plan's fiscal year. If no  
2418 owners' association exists, each purchaser must be notified, no  
2419 later than 5 months after the end of the timeshare plan's fiscal  
2420 year, that a copy of the audited financial statements is  
2421 available upon request to the managing entity. Notwithstanding  
2422 any requirement of s. 718.111(13) or s. 719.104(4), the audited  
2423 financial statements required by this section are the only  
2424 annual financial reporting requirements for timeshare  
2425 condominiums or timeshare cooperatives.

2426 (4) The managing entity shall maintain among its records  
2427 and provide to the division upon request a complete list of the  
2428 names and addresses of all purchasers and owners of timeshare  
2429 units in the timeshare plan. The managing entity shall update  
2430 this list no less frequently than quarterly. Pursuant to  
2431 paragraph (3)(d), the managing entity may not publish this  
2432 owner's list or provide a copy of it to any purchaser or to any  
2433 third party other than the division. However, the managing  
2434 entity shall to those persons listed on the owner's list  
2435 materials provided by any purchaser, upon the written request of





HB 1243

2003  
CS

2436 | that purchaser, if the purpose of the mailing is to advance  
 2437 | legitimate owners' association business, such as a proxy  
 2438 | solicitation for any purpose, including the recall of one or  
 2439 | more board members elected by the owners or the discharge of the  
 2440 | manager or management firm. The use of any proxies solicited in  
 2441 | this manner must comply with the provisions of the timeshare  
 2442 | instrument and this chapter. A mailing requested for the purpose  
 2443 | of advancing legitimate owners' association business shall occur  
 2444 | within 30 days after receipt of a request from a purchaser. The  
 2445 | board of administration of the owners' association shall be  
 2446 | responsible for determining the appropriateness of any mailing  
 2447 | requested pursuant to this subsection. The purchaser who  
 2448 | requests the mailing must reimburse the owners' association in  
 2449 | advance for the owners' association's actual costs in performing  
 2450 | the mailing. It shall be a violation of this chapter and, if  
 2451 | applicable, of part VIII of chapter 468, for the board of  
 2452 | administration or the manager or management firm to refuse to  
 2453 | mail any material requested by the purchaser to be mailed,  
 2454 | provided the sole purpose of the materials is to advance  
 2455 | legitimate owners' association business. If the purpose of the  
 2456 | mailing is a proxy solicitation to recall one or more board  
 2457 | members elected by the owners or to discharge the manager or  
 2458 | management firm and the managing entity does not mail the  
 2459 | materials within 30 days after receipt of a request from a  
 2460 | purchaser, the circuit court in the county where the timeshare  
 2461 | plan is located may, upon application from the requesting  
 2462 | purchaser, summarily order the mailing of the materials solely  
 2463 | related to the recall of one or more board members elected by



HB 1243

2003  
CS

2464 the owners or the discharge of the manager or management firm.  
2465 The court shall dispose of an application on an expedited basis.  
2466 In the event of such an order, the court may order the managing  
2467 entity to pay the purchaser's costs, including attorney's fees  
2468 reasonably incurred to enforce the purchaser's rights, unless  
2469 the managing entity can prove it refused the mailing in good  
2470 faith because of a reasonable basis for doubt about the  
2471 legitimacy of the mailing.

2472 (6)

2473 (g) A managing entity shall have breached its fiduciary  
2474 duty described in subsection (2) in the event it enforces the  
2475 denial of use pursuant to paragraph (b) against any one  
2476 purchaser or group of purchasers without similarly enforcing it  
2477 against all purchasers, including all developers and owners of  
2478 the underlying fee or underlying personal property; however, a  
2479 managing entity shall not be required to solicit rentals  
2480 pursuant to paragraph (f) for every delinquent purchaser. A  
2481 managing entity shall also have breached its fiduciary duty in  
2482 the event an error in the books and records of the timeshare  
2483 plan results in a denial of use pursuant to this subsection of  
2484 any purchaser who is not, in fact, delinquent. In addition to  
2485 any remedies otherwise available to purchasers of the timeshare  
2486 plan arising from such breaches of fiduciary duty, such breach  
2487 shall also constitute a violation of this chapter. In addition,  
2488 any purchaser receiving a notice of delinquency pursuant to  
2489 paragraph (b), or any third party claiming under such purchaser  
2490 pursuant to paragraph (b), may immediately bring an action for  
2491 injunctive or declaratory relief against the managing entity



HB 1243

2003  
CS

2492 seeking to have the notice invalidated on the grounds that the  
2493 purchaser is not, in fact, delinquent, that the managing entity  
2494 failed to follow the procedures prescribed by this section, or  
2495 on any other available grounds. The prevailing party in any such  
2496 action shall be entitled to recover his or her reasonable  
2497 attorney's fees from the losing party.

2498 (8) Notwithstanding anything to the contrary in s.  
2499 718.110, s. 718.113, s. 718.114, or s. 719.1055, the board of  
2500 administration of any owners' association that operates a  
2501 timeshare condominium pursuant to s. 718.111, or a timeshare  
2502 cooperative pursuant to s. 719.104, shall have the power to make  
2503 material alterations or substantial additions to the  
2504 accommodations or facilities of such timeshare condominium or  
2505 timeshare cooperative without the approval of the owners'  
2506 association. However, if the timeshare condominium or timeshare  
2507 cooperative contains any residential units that are not subject  
2508 to the timeshare plan, such action by the board of  
2509 administration must be approved by a majority of the owners of  
2510 such residential units. Unless otherwise provided in the  
2511 timeshare instrument as originally recorded, no such amendment  
2512 may change the configuration or size of any accommodation in any  
2513 material fashion, or change the proportion or percentage by  
2514 which a member of the owners' association shares the common  
2515 expenses, unless the record owners of the affected units or  
2516 timeshare interests and all record owners of liens on the  
2517 affected units or timeshare interests join in the execution of  
2518 the amendment.



HB 1243

2003  
CS

2519       (9) All notices or other information sent by a board of  
2520 administration of an owners' association may be delivered to a  
2521 purchaser by electronic mail, provided that the purchaser first  
2522 consents electronically to the use of electronic mail for notice  
2523 purposes in a manner that reasonably demonstrates that the  
2524 purchaser has the ability to access the notice by electronic  
2525 mail. Proxies or written consents on votes of any owners'  
2526 association may be received by electronic mail, shall have legal  
2527 effect, and may be utilized for votes of an owners' association,  
2528 provided that the electronic signature is authenticated through  
2529 use of a password, cryptography software, or other reasonable  
2530 means and that proof of such authentication is made available to  
2531 the board of directors.

2532       ~~(10)~~(9) Any failure of the managing entity to faithfully  
2533 discharge the fiduciary duty to purchasers imposed by this  
2534 section or to otherwise comply with the provisions of this  
2535 section shall be a violation of this chapter and of part VIII of  
2536 chapter 468.

2537       (11) Notwithstanding the other provisions of this section,  
2538 personal property timeshare plans are only subject to the  
2539 provisions of subsections (1)(a)-(d), (2)(a), (3)(a)-(h), (5),  
2540 (6), (9), and (10).

2541       Section 13. Subsection (4) is added to section 721.14,  
2542 Florida Statutes, to read:

2543       721.14 Discharge of managing entity.--

2544       (4) This section shall not apply to personal property  
2545 timeshare plans.



HB 1243

2003  
CS

2546 Section 14. Paragraph (c) of subsection (2) of section  
2547 721.15, Florida Statutes, is amended, and subsection (10) is  
2548 added to said section, to read:

2549 721.15 Assessments for common expenses.--

2550 (2)

2551 (c) For the purpose of calculating the obligation of a  
2552 developer under a guarantee pursuant to paragraph (b),  
2553 depreciation expenses related to real property shall be excluded  
2554 from common expenses incurred during the guarantee period,  
2555 except that for real property that is used for the production of  
2556 fees, revenues, or other income, depreciation expenses shall be  
2557 excluded only to the extent that they exceed the net income from  
2558 the production of such fees, revenues, or other income.

2559 (10) This section shall not apply to personal property  
2560 timeshare plans.

2561 Section 15. Subsection (6) is added to section 721.16,  
2562 Florida Statutes, to read:

2563 721.16 Liens for overdue assessments; liens for labor  
2564 performed on, or materials furnished to, a timeshare unit.--

2565 (6) This section shall not apply to personal property  
2566 timeshare plans.

2567 Section 16. Section 721.17, Florida Statutes, is amended  
2568 to read:

2569 721.17 Transfer of interest.--Except in the case of a  
2570 timeshare plan subject to the provisions of chapter 718 or  
2571 chapter 719, no developer, ~~or~~ owner of the underlying fee, or  
2572 owner of the underlying personal property shall sell, lease,  
2573 assign, mortgage, or otherwise transfer his or her interest in



HB 1243

2003  
CS

2574 the accommodations and facilities of the timeshare plan except  
 2575 by an instrument evidencing the transfer recorded in the public  
 2576 records of the county in which such accommodations and  
 2577 facilities are located, or, with respect to personal property  
 2578 timeshare plans, in full compliance with s. 721.08. The  
 2579 instrument shall be executed by both the transferor and  
 2580 transferee and shall state:

2581 (1) That its provisions are intended to protect the rights  
 2582 of all purchasers of the plan.

2583 (2) That its terms may be enforced by any prior or  
 2584 subsequent timeshare purchaser so long as that purchaser is not  
 2585 in default of his or her obligations.

2586 (3) That so long as a purchaser remains in good standing  
 2587 with respect to her or his obligations under the timeshare  
 2588 instrument, including making all payments to the managing entity  
 2589 required by the timeshare instrument with respect to the annual  
 2590 common expenses of the timeshare plan, the transferee shall will  
 2591 fully honor all the rights of such purchaser relating to the  
 2592 subject accommodation or facility as reflected ~~the purchasers to~~  
 2593 ~~occupy and use the accommodations and facilities as provided in~~  
 2594 ~~their original contracts and~~ the timeshare instrument  
 2595 instruments.

2596 (4) That the transferee will fully honor all rights of  
 2597 timeshare purchasers to cancel their contracts and receive  
 2598 appropriate refunds.

2599 (5) That the obligations of the transferee under such  
 2600 instrument will continue to exist despite any cancellation or



HB 1243

2003  
CS

2601 rejection of the contracts between the developer and purchaser  
2602 arising out of bankruptcy proceedings.

2603  
2604 Should any transfer of the interest of the developer, ~~or~~ owner  
2605 of the underlying fee, or owner of the underlying property occur  
2606 in a manner which is not in compliance with this section, the  
2607 terms set forth in this section shall be presumed to be a part  
2608 of the transfer and shall be deemed to be included in the  
2609 instrument of transfer. Notice shall be mailed to each purchaser  
2610 of record within 30 days after ~~of~~ the transfer unless such  
2611 transfer does not affect the purchaser's rights in or use of the  
2612 timeshare plan. Persons who hold mortgages or liens on the  
2613 property constituting a timeshare plan before the filed  
2614 ~~registered~~ public offering statement of such plan is approved by  
2615 the division shall not be considered transferees for the  
2616 purposes of this section.

2617 Section 17. Section 721.18, Florida Statutes, is amended  
2618 to read:

2619 721.18 Exchange programs; filing of information and other  
2620 materials; filing fees; unlawful acts in connection with an  
2621 exchange program.--

2622 (1) If a purchaser is offered the opportunity to subscribe  
2623 to an exchange program, the seller shall deliver to the  
2624 purchaser, together with the purchaser public offering  
2625 statement, and prior to the offering or execution of any  
2626 contract between the purchaser and the company offering the  
2627 exchange program, written information regarding such exchange  
2628 program; or, if the exchange company is dealing directly with



2629 the purchaser, the exchange company shall deliver to the  
 2630 purchaser, prior to the initial offering or execution of any  
 2631 contract between the purchaser and the company offering the  
 2632 exchange program, written information regarding such exchange  
 2633 program. In either case, the purchaser shall certify in writing  
 2634 to the receipt of such information. Such information shall  
 2635 include, but is not limited to, the following information, the  
 2636 form and substance of which shall first be approved by the  
 2637 division in accordance with subsection (2):

2638 (a) The name and address of the exchange company.

2639 (b) The names of all officers, directors, and shareholders  
 2640 of the exchange company.

2641 (c) Whether the exchange company or any of its officers or  
 2642 directors has any legal or beneficial interest in any developer,  
 2643 seller, or managing entity for any timeshare plan participating  
 2644 in the exchange program and, if so, the name and location of the  
 2645 timeshare plan and the nature of the interest.

2646 (d) Unless otherwise stated, a statement that the  
 2647 purchaser's contract with the exchange company is a contract  
 2648 separate and distinct from the purchaser's contract with the  
 2649 seller of the timeshare plan.

2650 (e) Whether the purchaser's participation in the exchange  
 2651 program is dependent upon the continued affiliation of the  
 2652 timeshare plan with the exchange program.

2653 (f) A statement that ~~whether~~ the purchaser's participation  
 2654 in the exchange program is voluntary. This statement is not  
 2655 required to be given by the seller or managing entity of a





2656 multisite timeshare plan to purchasers in the multisite  
 2657 timeshare plan.

2658 (g) A complete and accurate description of the terms and  
 2659 conditions of the purchaser's contractual relationship with the  
 2660 exchange program and the procedure by which changes thereto may  
 2661 be made.

2662 (h) A complete and accurate description of the procedure  
 2663 to qualify for and effectuate exchanges.

2664 (i) A complete and accurate description of all  
 2665 limitations, restrictions, or priorities employed in the  
 2666 operation of the exchange program, including, but not limited  
 2667 to, limitations on exchanges based on seasonality, timeshare  
 2668 unit size, or levels of occupancy, expressed in boldfaced type,  
 2669 and, in the event that such limitations, restrictions, or  
 2670 priorities are not uniformly applied by the exchange program, a  
 2671 clear description of the manner in which they are applied.

2672 (j) Whether exchanges are arranged on a space-available  
 2673 basis and whether any guarantees of fulfillment of specific  
 2674 requests for exchanges are made by the exchange program.

2675 (k) Whether and under what circumstances a purchaser, in  
 2676 dealing with the exchange program, may lose the use and  
 2677 occupancy of her or his timeshare period in any properly applied  
 2678 for exchange without her or his being provided with substitute  
 2679 accommodations by the exchange program.

2680 (l) The fees or range of fees for membership or  
 2681 participation by purchasers in the exchange program by  
 2682 purchasers, including any conversion or other fees payable to  
 2683 third parties, a statement whether any such fees may be altered



2684 by the exchange company, and the circumstances under which  
2685 alterations may be made.

2686 (m) The name and address of the site of each ~~accommodation~~  
2687 ~~or facility included in the~~ timeshare plan ~~plans~~ participating  
2688 in the exchange program.

2689 (n) The number of the timeshare units in each timeshare  
2690 plan which are available for occupancy and which qualify for  
2691 participation in the exchange program, expressed within the  
2692 following numerical groupings: 1-5; 6-10; 11-20; 21-50; and 51  
2693 and over.

2694 (o) The number of currently enrolled purchasers for each  
2695 timeshare plan participating in the exchange program, expressed  
2696 within the following numerical groupings: 1-100; 101-249; 250-  
2697 499; 500-999; and 1,000 and over; and a statement of the  
2698 criteria used to determine those purchasers who are currently  
2699 enrolled with the exchange program.

2700 (p) The disposition made by the exchange company of  
2701 timeshare periods deposited with the exchange program by  
2702 purchasers enrolled in the exchange program and not used by the  
2703 exchange company in effecting exchanges.

2704 (q) The following information, which shall be  
2705 independently audited by a certified public accountant or  
2706 accounting firm in accordance with the standards of the  
2707 Accounting Standards Board of the American Institute of  
2708 Certified Public Accountants and reported annually ~~beginning no~~  
2709 ~~later than July 1, 1982:~~

2710 1. The number of purchasers currently enrolled in the  
2711 exchange program.



2712           2. The number of accommodations and facilities that have  
2713 current written affiliation agreements with the exchange  
2714 program.

2715           3. The percentage of confirmed exchanges, which is the  
2716 number of exchanges confirmed by the exchange program divided by  
2717 the number of exchanges properly applied for, together with a  
2718 complete and accurate statement of the criteria used to  
2719 determine whether an exchange request was properly applied for.

2720           4. The number of timeshare periods for which the exchange  
2721 program has an outstanding obligation to provide an exchange to  
2722 a purchaser who relinquished a timeshare period during the year  
2723 in exchange for a timeshare period in any future year.

2724           5. The number of exchanges confirmed by the exchange  
2725 program during the year.

2726           (r) A statement in boldfaced type to the effect that the  
2727 percentage described in subparagraph (q)3. is a summary of the  
2728 exchange requests entered with the exchange program in the  
2729 period reported and that the percentage does not indicate the  
2730 probabilities of a purchaser's being confirmed to any specific  
2731 choice or range of choices.

2732           (2) Each exchange company offering an exchange program to  
2733 purchasers in this state shall file with the division for review  
2734 the information specified in subsection (1), together with any  
2735 membership agreement and application between the purchaser and  
2736 the exchange company, and the audit specified in subsection (1)  
2737 on or before June 1 of each year. However, an exchange company  
2738 shall make its initial filing at least 20 days prior to offering  
2739 an exchange program to any purchaser in this state. Each filing



HB 1243

2003  
CS

2740 shall be accompanied by an annual filing fee of \$500. Within 20  
2741 days ~~after~~ receipt of such filing, the division shall  
2742 determine whether the filing is adequate to meet the  
2743 requirements of this section and shall notify the exchange  
2744 company in writing that the division has either approved the  
2745 filing or found specified deficiencies in the filing. If the  
2746 division fails to respond within 20 days, the filing shall be  
2747 deemed approved. The exchange company may correct the  
2748 deficiencies; and, within 10 days after receipt of corrections  
2749 from the exchange company, the division shall notify the  
2750 exchange company in writing that the division has either  
2751 approved the filing or found additional specified deficiencies  
2752 in the filing. If the exchange company fails to adequately  
2753 respond to any deficiency notice within 10 days, the division  
2754 may reject the filing. Subsequent to such rejection, a new  
2755 filing fee and a new division initial review period pursuant to  
2756 this subsection shall apply to any refiling or further review of  
2757 the rejected filing.

2758 (a) Any material change to an approved exchange company  
2759 filing shall be filed with the division for approval as an  
2760 amendment prior to becoming effective. Each amendment filing  
2761 shall be accompanied by a filing fee of \$100. The exchange  
2762 company may correct the deficiencies; and, within 10 days after  
2763 receipt of corrections from the exchange company, the division  
2764 shall notify the exchange company in writing that the division  
2765 has either approved the filing or found additional specified  
2766 deficiencies in the filing. Each approved amendment to the  
2767 approved exchange company filing, other than an amendment that



2768 does not materially alter or modify the exchange program in a  
 2769 manner that is adverse to a purchaser, as determined by the  
 2770 exchange company in its reasonable discretion, shall be  
 2771 delivered to each purchaser who has not closed. An approved  
 2772 exchange program filing is required to be updated with respect  
 2773 to added or deleted resorts only once each year, and such annual  
 2774 update shall not be deemed to be a material change to the  
 2775 filing.

2776 (b) If at any time the division determines that any of  
 2777 such information supplied by an exchange company fails to meet  
 2778 the requirements of this section, the division may undertake  
 2779 enforcement action against the exchange company in accordance  
 2780 with the provision of s. 721.26.

2781 (3) No developer shall have any liability with respect to  
 2782 any violation of this chapter arising out of the publication by  
 2783 the developer of information provided to it by an exchange  
 2784 company pursuant to this section. No exchange company shall have  
 2785 any liability with respect to any violation of this chapter  
 2786 arising out of the use by a developer of information relating to  
 2787 an exchange program other than that provided to the developer by  
 2788 the exchange company.

2789 (4) At the request of the exchange company, the division  
 2790 shall review any audio, written, or visual publications or  
 2791 materials relating to an exchange company or an exchange program  
 2792 shall be filed for review by the exchange company and shall  
 2793 notify the exchange company of any deficiencies within 10 ~~with~~  
 2794 ~~the division within 3 days~~ after the filing of their use. If the  
 2795 exchange company corrects the deficiencies or if there are no



HB 1243

2003  
CS

2796 deficiencies, the division shall notify the exchange company of  
 2797 its approval of the advertising materials. If the exchange  
 2798 company fails to adequately respond to any deficiency notice  
 2799 within 10 days, the division may reject the advertising  
 2800 materials. Subsequent to such rejection, a new division initial  
 2801 review period pursuant to this subsection shall apply to any  
 2802 refiling or further review.

2803 (5) The failure of an exchange company to observe the  
 2804 requirements of this section, or the use of any unfair or  
 2805 deceptive act or practice in connection with the operation of an  
 2806 exchange program, is a violation of this chapter.

2807 Section 18. Section 721.19, Florida Statutes, is amended  
 2808 to read:

2809 721.19 Provisions requiring purchase or lease of timeshare  
 2810 property by owners' association or purchasers; validity.--In any  
 2811 timeshare plan in which timeshare estates or personal property  
 2812 timeshare interests are sold, no grant or reservation made by a  
 2813 declaration, lease, or other document, nor any contract made by  
 2814 the developer, managing entity, or owners' association, which  
 2815 requires the owners' association or purchasers to purchase or  
 2816 lease any portion of the timeshare property shall be valid  
 2817 unless approved by a majority of the purchasers other than the  
 2818 developer, after more than 50 percent of the timeshare periods  
 2819 have been sold.

2820 Section 19. Section 721.20, Florida Statutes, is amended  
 2821 to read:



HB 1243

2003  
CS

2822           721.20 Licensing requirements; suspension or revocation of  
2823 license; exceptions to applicability; collection of advance fees  
2824 for listings unlawful.--

2825           (1) Any seller of a timeshare plan must be a licensed real  
2826 estate salesperson, broker, or broker-salesperson as defined in  
2827 s. 475.01, except as provided in s. 475.011.

2828           (2) Solicitors who engage only in the solicitation of  
2829 prospective purchasers and any purchaser who refers no more than  
2830 20 people to a developer per year or who otherwise provides  
2831 testimonials on behalf of a developer are exempt from the  
2832 provisions of chapter 475.

2833           (3) A solicitor who has violated the provisions of chapter  
2834 468, chapter 718, chapter 719, this chapter, or the rules of the  
2835 division governing timesharing shall be subject to the  
2836 provisions of s. 721.26. Any developer or other person who  
2837 supervises, directs, or engages the services of a solicitor  
2838 shall be liable for any violation of the provisions of chapter  
2839 468, chapter 718, chapter 719, this chapter, or the rules of the  
2840 division governing timesharing committed by such solicitor.

2841           (4) County and municipal governments shall have the  
2842 authority to adopt codes of conduct and regulations to govern  
2843 solicitor activity conducted on public property, including  
2844 providing for the imposition of penalties prescribed by a  
2845 schedule of fines adopted by ordinance for violations of any  
2846 such code of conduct or regulation. Any violation of any such  
2847 adopted code of conduct or regulation shall not constitute a  
2848 separate violation of this chapter. This subsection is not



2849 intended to restrict or invalidate any local code of conduct or  
2850 regulation.

2851 (5) This section does not apply to those individuals who  
2852 offer for sale only timeshare interests in timeshare property  
2853 located outside this state and who do not engage in any sales  
2854 activity within this state or to timeshare plans which are  
2855 registered with the Securities and Exchange Commission. For the  
2856 purposes of this section, both timeshare licenses and timeshare  
2857 estates are considered to be interests in real property.

2858 (6) Notwithstanding the provisions of s. 475.452, it is  
2859 unlawful for any broker, salesperson, or broker-salesperson to  
2860 collect any advance fee for the listing of any timeshare estate  
2861 or timeshare license.

2862 (7) It is unlawful for any broker, salesperson, or broker-  
2863 salesperson to collect any advance fee for the listing of a  
2864 personal property timeshare interest.

2865 (8) Subsections (1), (2), and (3) do not apply to persons  
2866 who offer personal property timeshare plans.

2867 Section 20. Subsection (6) is added to section 721.24,  
2868 Florida Statutes, to read:

2869 721.24 Firesafety.--

2870 (6) Accommodations and facilities of personal property  
2871 timeshare plans shall be exempt from the requirements of this  
2872 section.

2873 Section 21. Paragraphs (a), (d), and (e) of subsection (5)  
2874 of section 721.26, Florida Statutes, are amended to read:

2875 721.26 Regulation by division.--The division has the power  
2876 to enforce and ensure compliance with the provisions of this





2877 chapter, except for parts III and IV, using the powers provided  
 2878 in this chapter, as well as the powers prescribed in chapters  
 2879 498, 718, and 719. In performing its duties, the division shall  
 2880 have the following powers and duties:

2881 (5) Notwithstanding any remedies available to purchasers,  
 2882 if the division has reasonable cause to believe that a violation  
 2883 of this chapter, or of any division rule or order promulgated or  
 2884 issued pursuant to this chapter, has occurred, the division may  
 2885 institute enforcement proceedings in its own name against any  
 2886 regulated party, as such term is defined in this subsection:

2887 (a)1. "Regulated party," for purposes of this section,  
 2888 means any developer, exchange company, seller, managing entity,  
 2889 owners' association, owners' association director, owners'  
 2890 association officer, manager, management firm, escrow agent,  
 2891 trustee, any respective assignees or agents, or any other person  
 2892 having duties or obligations pursuant to this chapter.

2893 2. Any person who materially participates in any offer or  
 2894 disposition of any interest in, or the management or operation  
 2895 of, a timeshare plan in violation of this chapter or relevant  
 2896 rules involving fraud, deception, false pretenses,  
 2897 misrepresentation, or false advertising or the disbursement,  
 2898 concealment, or diversion of any funds or assets, which conduct  
 2899 adversely affects the interests of a purchaser, and which person  
 2900 directly or indirectly controls a regulated party or is a  
 2901 general partner, officer, director, agent, or employee of such  
 2902 regulated party, shall be jointly and severally liable under  
 2903 this subsection with such regulated party, unless such person  
 2904 did not know, and in the exercise of reasonable care could not



2905 have known, of the existence of the facts giving rise to the  
 2906 violation of this chapter. A right of contribution shall exist  
 2907 among jointly and severally liable persons pursuant to this  
 2908 paragraph.

2909 (d)1. The division may bring an action in circuit court  
 2910 for declaratory or injunctive relief or for other appropriate  
 2911 relief, including restitution.

2912 2. The division shall have broad authority and discretion  
 2913 to petition the circuit court to appoint a receiver with respect  
 2914 to any managing entity which fails to perform its duties and  
 2915 obligations under this chapter with respect to the operation of  
 2916 a timeshare plan. The circumstances giving rise to an  
 2917 appropriate petition for receivership under this subparagraph  
 2918 include, but are not limited to:

2919 a. Damage to or destruction of any of the accommodations  
 2920 or facilities of a timeshare plan, where the managing entity has  
 2921 failed to repair or reconstruct same.

2922 b. A breach of fiduciary duty by the managing entity,  
 2923 including, but not limited to, undisclosed self-dealing or  
 2924 failure to timely assess, collect, or disburse the common  
 2925 expenses of the timeshare plan.

2926 c. Failure of the managing entity to operate the timeshare  
 2927 plan in accordance with the timeshare instrument and this  
 2928 chapter.

2929

2930 If, under the circumstances, it appears that the events giving  
 2931 rise to the petition for receivership cannot be reasonably and  
 2932 timely corrected in a cost-effective manner consistent with the



2933 | timeshare instrument, the receiver may petition the circuit  
 2934 | court to implement such amendments or revisions to the timeshare  
 2935 | instrument as may be necessary to enable the managing entity to  
 2936 | resume effective operation of the timeshare plan, or to enter an  
 2937 | order terminating the timeshare plan, or to enter such further  
 2938 | orders regarding the disposition of the timeshare property as  
 2939 | the court deems appropriate, including the disposition and sale  
 2940 | of the timeshare property held by the owners' association or the  
 2941 | purchasers. In the event of a receiver's sale, all rights,  
 2942 | title, and interest held by the owners' association or any  
 2943 | purchaser shall be extinguished and title shall vest in the  
 2944 | buyer. This provision applies to timeshare estates, personal  
 2945 | property timeshare interests, and timeshare licenses. All  
 2946 | reasonable costs and fees of the receiver relating to the  
 2947 | receivership shall become common expenses of the timeshare plan  
 2948 | upon order of the court.

2949 |         3. The division may revoke its approval of any filing for  
 2950 | any timeshare plan for which a petition for receivership has  
 2951 | been filed pursuant to this paragraph.

2952 |         (e)1. The division may impose a penalty against any  
 2953 | regulated party for a violation of this chapter or any rule  
 2954 | adopted thereunder. A penalty may be imposed on the basis of  
 2955 | each day of continuing violation, but in no event may the  
 2956 | penalty for any offense exceed \$10,000. All accounts collected  
 2957 | shall be deposited with the Treasurer to the credit of the  
 2958 | Division of Florida Land Sales, Condominiums, and Mobile Homes  
 2959 | Trust Fund.



2960           2.a. If a regulated party fails to pay a penalty, the  
2961 division shall thereupon issue an order directing that such  
2962 regulated party cease and desist from further operation until  
2963 such time as the penalty is paid; or the division may pursue  
2964 enforcement of the penalty in a court of competent jurisdiction.

2965           b. If an owners' association or managing entity fails to  
2966 pay a civil penalty, the division may pursue enforcement in a  
2967 court of competent jurisdiction.

2968           Section 22. Section 721.27, Florida Statutes, is amended  
2969 to read:

2970           721.27 Annual fee for each timeshare unit in plan.--On  
2971 January 1 of each year, each managing entity of a timeshare plan  
2972 located in this state shall collect as a common expense and pay  
2973 to the division an annual fee of \$1.50 ~~\$2~~ for each 7 days of  
2974 annual use availability that exist within the timeshare plan at  
2975 that time, subject to any limitations on the amount of such  
2976 annual fee pursuant to s. 721.58. If any portion of the annual  
2977 fee is not paid by March 1, the managing entity may be assessed  
2978 a penalty pursuant to s. 721.26.

2979           Section 23. Section 721.52, Florida Statutes, is amended  
2980 to read:

2981           721.52 Definitions.--As used in this chapter, the term:

2982           (1) "Applicable law" means the law of the jurisdiction  
2983 where the accommodations and facilities referred to are located.

2984           (2) "Component site" means a specific geographic site  
2985 where a portion of the accommodations and facilities of the  
2986 multisite timeshare plan are located. If permitted under  
2987 applicable law, separate phases operated as a single development



2988 | located at a specific geographic site under common management  
 2989 | shall be deemed a single component site for purposes of this  
 2990 | part.

2991 |         (3) "Inventory" means the accommodations and facilities  
 2992 | located at a particular component site or sites owned, leased,  
 2993 | licensed, or otherwise acquired for use by a developer and  
 2994 | offered as part of the multisite timeshare plan.

2995 |         (4) "Multisite timeshare plan" means any method,  
 2996 | arrangement, or procedure with respect to which a purchaser  
 2997 | obtains, by any means, a recurring right to use and occupy  
 2998 | accommodations or facilities of more than one component site,  
 2999 | only through use of a reservation system, whether or not the  
 3000 | purchaser is able to elect to cease participating in the plan.  
 3001 | However, the term "multisite timeshare plan" shall not include  
 3002 | any method, arrangement, or procedure wherein:

3003 |             (a) The contractually specified maximum total financial  
 3004 | obligation on the purchaser's part is \$3,000 or less, during the  
 3005 | entire term of the plan; or

3006 |             (b) The term is for a period of 3 years or less,  
 3007 | regardless of the purchaser's contractually specified maximum  
 3008 | total financial obligation, if any. For purposes of determining  
 3009 | the term of such use and occupancy rights, the period of any  
 3010 | optional renewals which a purchaser, in his or her sole  
 3011 | discretion, may elect to exercise, whether or not for additional  
 3012 | consideration, shall not be included. For purposes of  
 3013 | determining the term of such use and occupancy rights, the  
 3014 | period of any automatic renewals shall be included unless a  
 3015 | purchaser has the right to terminate the membership at any time



HB 1243

2003  
CS

3016 and receive a pro rata refund or the purchaser receives a notice  
 3017 no less than 30 days and no more than 60 days prior to the date  
 3018 of renewal informing the purchaser of the right to terminate at  
 3019 any time prior to the date of automatic renewal.

3020  
 3021 Multisite timeshare plan does not mean an exchange program as  
 3022 defined in s. 721.05. Timeshare estates may only be offered in a  
 3023 multisite timeshare plan pursuant to s. 721.57.

3024 (5) "Nonspecific multisite timeshare plan" means a  
 3025 multisite timeshare plan containing timeshare licenses or  
 3026 personal property timeshare interests, with respect to which a  
 3027 purchaser receives a right to use all of the accommodations and  
 3028 facilities, if any, of the multisite timeshare plan through the  
 3029 reservation system, but no specific right to use any particular  
 3030 accommodations and facilities for the remaining term of the  
 3031 multisite timeshare plan in the event that the reservation  
 3032 system is terminated for any reason prior to the expiration of  
 3033 the term of the multisite timeshare plan.

3034 (6)~~(5)~~ "Reservation system" means the method, arrangement,  
 3035 or procedure by which a purchaser, in order to reserve the use  
 3036 and occupancy of any accommodation or facility of the multisite  
 3037 timeshare plan for one or more use periods, is required to  
 3038 compete with other purchasers in the same multisite timeshare  
 3039 plan regardless of whether such reservation system is operated  
 3040 and maintained by the multisite timeshare plan managing entity,  
 3041 an exchange company, or any other person. In the event that a  
 3042 purchaser is required to use an exchange program as the  
 3043 purchaser's principal means of obtaining the right to use and



HB 1243

2003  
CS

3044 occupy a multisite timeshare plan's accommodations and  
 3045 facilities, such arrangement shall be deemed a reservation  
 3046 system. When an exchange company utilizes a mechanism for the  
 3047 exchange of use of timeshare periods among members of an  
 3048 exchange program, such utilization is not a reservation system  
 3049 of a multisite timeshare plan.

3050 (7) "Specific multisite timeshare plan" means a multisite  
 3051 timeshare plan containing timeshare licenses or personal  
 3052 property timeshare interests, with respect to which a purchaser  
 3053 receives a specific right to use accommodations and facilities,  
 3054 if any, at one component site of a multisite timeshare plan,  
 3055 together with use rights in the other accommodations and  
 3056 facilities of the multisite timeshare plan created by or  
 3057 acquired through the reservation system.

3058 (8)~~(6)~~ "Vacation club" means a multisite timeshare plan.

3059 Section 24. Paragraph (a) of subsection (1) of section  
 3060 721.53, Florida Statutes, is amended and paragraph (f) is added  
 3061 to subsection (1) of said section, to read:

3062 721.53 Subordination instruments; alternate security  
 3063 arrangements.--

3064 (1) With respect to each accommodation or facility of a  
 3065 multisite timeshare plan, the developer shall provide the  
 3066 division with satisfactory evidence that one of the following  
 3067 has occurred with respect to each interestholder prior to  
 3068 offering the accommodation or facility as a part of the  
 3069 multisite timeshare plan:



HB 1243

2003  
CS

3070 (a) The interestholder has executed and recorded a  
 3071 nondisturbance and notice to creditors instrument pursuant to s.  
 3072 721.08(2)(e).

3073 (f) With respect to any personal property accommodations  
 3074 or facilities, the developer and any other interestholder have  
 3075 complied fully with the applicable provisions of s. 721.08.

3076 Section 25. Section 721.54, Florida Statutes, is amended  
 3077 to read:

3078 721.54 Term of nonspecific multisite timeshare plans.--It  
 3079 shall be a violation of this part to represent to a purchaser of  
 3080 a nonspecific multisite timeshare plan as defined in s.  
 3081 721.52(5) ~~721.552(4)~~ that the term of the plan for that  
 3082 purchaser is longer than the shortest term of availability of  
 3083 any of the accommodations included within the plan at the time  
 3084 of purchase.

3085 Section 26. Section 721.55, Florida Statutes, is amended  
 3086 to read:

3087 721.55 Multisite timeshare plan public offering  
 3088 statement.--Each filed ~~registered~~ public offering statement for  
 3089 a multisite timeshare plan shall contain the information  
 3090 required by this section and shall comply with the provisions of  
 3091 s. 721.07, except as otherwise provided therein. The division is  
 3092 authorized to provide by rule the method by which a developer  
 3093 must provide such information to the division. Each multisite  
 3094 timeshare plan filed ~~registered~~ public offering statement shall  
 3095 contain the following information and disclosures:

3096 (1) A cover page containing:

3097 (a) The name of the multisite timeshare plan.





HB 1243

2003  
CS

3098 (b) The following statement in conspicuous type:

3099

3100 *This public offering statement contains important matters*  
3101 *to be considered in acquiring an interest in a multisite*  
3102 *timeshare plan (or multisite vacation ownership plan or*  
3103 *multisite vacation plan or vacation club). The statements*  
3104 *contained herein are only summary in nature. A prospective*  
3105 *purchaser should refer to all references, accompanying exhibits,*  
3106 *contract documents, and sales materials. The prospective*  
3107 *purchaser should not rely upon oral representations as being*  
3108 *correct and should refer to this document and accompanying*  
3109 *exhibits for correct representations.*

3110

3111 (2) A summary containing all statements required to be in  
3112 conspicuous type in the public offering statement and in all  
3113 exhibits thereto.

3114 (3) A separate index for the contents and exhibits of the  
3115 public offering statement.

3116 (4) A text, which shall include, where applicable, the  
3117 information and disclosures set forth in paragraphs (a)-(1).

3118 (a) A description of the multisite timeshare plan,  
3119 including its term, legal structure, and form of ownership. For  
3120 multisite timeshare plans in which the purchaser will receive a  
3121 timeshare estate pursuant to s. 721.57 and for ~~or a~~ specific  
3122 multisite timeshare plans ~~license as defined in s. 721.552(4),~~  
3123 the description must also include the term of each component  
3124 site within the multisite timeshare plan.



3125 (b) A description of the structure and ownership of the  
 3126 reservation system together with a disclosure of the entity  
 3127 responsible for the operation of the reservation system. The  
 3128 description shall include the financial terms of any lease of  
 3129 the reservation system, if applicable. The developer shall not  
 3130 be required to disclose the financial terms of any such lease if  
 3131 such lease is prepaid in full for the term of the multisite  
 3132 timeshare plan or to any extent that neither purchasers nor the  
 3133 managing entity will be required to make payments for the  
 3134 continued use of the system following default by the developer  
 3135 or termination of the managing entity.

3136 (c)1. A description of the manner in which the reservation  
 3137 system operates. The description shall include a disclosure in  
 3138 compliance with the demand balancing standard set forth in s.  
 3139 721.56(6) and shall describe the developer's efforts to comply  
 3140 with same in creating the reservation system. The description  
 3141 shall also include a summary of the rules and regulations  
 3142 governing access to and use of the reservation system.

3143 2. In lieu of describing the rules and regulations of the  
 3144 reservation system in the public offering statement text, the  
 3145 developer may attach the rules and regulations as a separate  
 3146 public offering statement exhibit, together with a cross-  
 3147 reference in the public offering statement text to such exhibit.

3148 (d) The existence of and an explanation regarding any  
 3149 priority reservation features that affect a purchaser's ability  
 3150 to make reservations for the use of a given accommodation or  
 3151 facility on a first come, first served basis, including, if  
 3152 applicable, the following statement in conspicuous type:



HB 1243

2003  
CS

3153  
3154           *Component sites contained in the multisite timeshare plan*  
3155 *(or multisite vacation ownership plan or multisite vacation plan*  
3156 *or vacation club) are subject to priority reservation features*  
3157 *which may affect your ability to obtain a reservation.*

3158  
3159           (e) A summary of the material rules and regulations, if  
3160 any, other than the reservation system rules and regulations,  
3161 affecting the purchaser's use of each accommodation and facility  
3162 at each component site.

3163           (f) If the provisions of s. 721.552 and the timeshare  
3164 instrument permit additions, substitutions, or deletions of  
3165 accommodations or facilities, the public offering statement must  
3166 include substantially the following information:

3167           1. Additions.--

3168           a. A description of the basis upon which new  
3169 accommodations and facilities may be added to the multisite  
3170 timeshare plan; by whom additions may be made; and the  
3171 anticipated effect of the addition of new accommodations and  
3172 facilities upon the reservation system, its priorities, its  
3173 rules and regulations, and the availability of existing  
3174 accommodations and facilities.

3175           b. The developer must disclose the existence of any cap on  
3176 annual increases in common expenses of the multisite timeshare  
3177 plan that would apply in the event that additional  
3178 accommodations and facilities are made a part of the plan.

3179           c. The developer shall also disclose any extent to which  
3180 the purchasers of the multisite timeshare plan will have the



HB 1243

2003  
CS

3181 right to consent to any proposed additions; if the purchasers do  
3182 not have the right to consent, the developer must include the  
3183 following disclosure in conspicuous type:

3184

3185 *Accommodations and facilities may be added to this*  
3186 *multisite timeshare plan (or multisite vacation ownership plan*  
3187 *or multisite vacation plan or vacation club) without the consent*  
3188 *of the purchasers. The addition of accommodations and facilities*  
3189 *to the plan may result in the addition of new purchasers who*  
3190 *will compete with existing purchasers in making reservations for*  
3191 *the use of available accommodations and facilities within the*  
3192 *plan, and may also result in an increase in the annual*  
3193 *assessment against purchasers for common expenses.*

3194

3195 2. Substitutions.--

3196 a. A description of the basis upon which new  
3197 accommodations and facilities may be substituted for existing  
3198 accommodations and facilities of the multisite timeshare plan;  
3199 by whom substitutions may be made; the basis upon which the  
3200 determination may be made to cause such substitutions to occur;  
3201 and any limitations upon the ability to cause substitutions to  
3202 occur.

3203 b. The developer shall also disclose any extent to which  
3204 purchasers will have the right to consent to any proposed  
3205 substitutions; if the purchasers do not have the right to  
3206 consent, the developer must include the following disclosure in  
3207 conspicuous type:

3208



3209            *New accommodations and facilities may be substituted for*  
 3210 *existing accommodations and facilities of this multisite*  
 3211 *timeshare plan (or multisite vacation ownership plan or*  
 3212 *multisite vacation plan or vacation club) without the consent of*  
 3213 *the purchasers. The replacement accommodations and facilities*  
 3214 *may be located at a different place or may be of a different*  
 3215 *type or quality than the replaced accommodations and facilities.*  
 3216 *The substitution of accommodations and facilities may also*  
 3217 *result in an increase in the annual assessment against*  
 3218 *purchasers for common expenses.*

3219  
 3220            3. Deletions.--A description of any provision of the  
 3221 timeshare instrument governing deletion of accommodations or  
 3222 facilities from the multisite timeshare plan. If the timeshare  
 3223 instrument does not provide for business interruption insurance  
 3224 in the event of a casualty, or if it is unavailable, or if the  
 3225 instrument permits the developer, the managing entity, or the  
 3226 purchasers to elect not to reconstruct after casualty under  
 3227 certain circumstances or to secure replacement accommodations or  
 3228 facilities in lieu of reconstruction, the public offering  
 3229 statement must contain a disclosure that during the  
 3230 reconstruction, replacement, or acquisition period, or as a  
 3231 result of a decision not to reconstruct, purchasers of the plan  
 3232 may temporarily compete for available accommodations on a  
 3233 greater than one-to-one purchaser to accommodation ratio.

3234            (g) A description of the developer and the managing entity  
 3235 of the multisite timeshare plan, including:



HB 1243

2003  
CS

3236 1. The identity of the developer; the developer's business  
3237 address; the number of years of experience the developer has in  
3238 the timeshare, hotel, motel, travel, resort, or leisure  
3239 industries; and a description of any pending lawsuit or judgment  
3240 against the developer which is material to the plan. If there  
3241 are no such pending lawsuits or judgments, there shall be a  
3242 statement to that effect.

3243 2. The identity of the managing entity of the multisite  
3244 timeshare plan; the managing entity's business address; the  
3245 number of years of experience the managing entity has in the  
3246 timeshare, hotel, motel, travel, resort, or leisure industries;  
3247 and a description of any lawsuit or judgment against the  
3248 managing entity which is material to the plan. If there are no  
3249 pending lawsuits or judgments, there shall be a statement to  
3250 that effect. The description of the managing entity shall also  
3251 include a description of the relationship among the managing  
3252 entity of the multisite timeshare plan and the various component  
3253 site managing entities.

3254 (h) A description of the purchaser's liability for common  
3255 expenses of the multisite timeshare plan, including the  
3256 following:

3257 1. A description of the common expenses of the plan,  
3258 including the method of allocation and assessment of such common  
3259 expenses, whether component site common expenses and real estate  
3260 taxes are included within the total common expense assessment of  
3261 the multisite timeshare plan, and, if not, the manner in which  
3262 timely payment of component site common expenses and real estate  
3263 taxes shall be accomplished.



HB 1243

2003  
CS

3264           2. A description of any cap imposed upon the level of  
3265 common expenses payable by the purchaser. In no event shall the  
3266 total common expense assessment for the multisite timeshare plan  
3267 in a given calendar year exceed 125 percent of the total common  
3268 expense assessment for the plan in the previous calendar year.

3269           3. A description of the entity responsible for the  
3270 determination of the common expenses of the multisite timeshare  
3271 plan, as well as any entity which may increase the level of  
3272 common expenses assessed against the purchaser at the multisite  
3273 timeshare plan level.

3274           4. A description of the method used to collect common  
3275 expenses, including the entity responsible for such collections,  
3276 and the lien rights of any entity for nonpayment of common  
3277 expenses. If the common expenses of any component site are  
3278 collected by the managing entity of the multisite timeshare  
3279 plan, a statement to that effect together with the identity and  
3280 address of the escrow agent required by s. 721.56(3).

3281           5. If the purchaser will receive an interest in a  
3282 nonspecific multisite timeshare plan ~~license as defined in s.~~  
3283 ~~721.552(4)~~, a statement that a multisite timeshare plan budget  
3284 is attached to the public offering statement as an exhibit  
3285 pursuant to paragraph (7)(c). The multisite timeshare plan  
3286 budget shall comply with the provisions of s. 721.07(5)(u).

3287           6. If the developer intends to guarantee the level of  
3288 assessments for the multisite timeshare plan, such guarantee  
3289 must be based upon a good faith estimate of the revenues and  
3290 expenses of the multisite timeshare plan. The guarantee must  
3291 include a description of the following:



3292           a. The specific time period, measured in one or more  
3293 calendar or fiscal years, during which the guarantee will be in  
3294 effect.

3295           b. A statement that the developer will pay all common  
3296 expenses incurred in excess of the total revenues of the  
3297 multisite timeshare plan, if the developer is to be excused from  
3298 the payment of assessments during the guarantee period.

3299           c. The level, expressed in total dollars, at which the  
3300 developer guarantees the assessments. If the developer has  
3301 reserved the right to extend or increase the guarantee level, a  
3302 disclosure must be included to that effect.

3303           7. If required under applicable law, the developer shall  
3304 also disclose the following matters for each component site:

3305           a. Any limitation upon annual increases in common  
3306 expenses;

3307           b. The existence of any bad debt or working capital  
3308 reserve; and

3309           c. The existence of any replacement or deferred  
3310 maintenance reserve.

3311           (i) If there are any restrictions upon the sale, transfer,  
3312 conveyance, or leasing of an interest in a multisite timeshare  
3313 plan, a description of the restrictions together with a  
3314 statement in conspicuous type in substantially the following  
3315 form:

3316  
3317           *The sale, lease, or transfer of interests in this multisite*  
3318 *timeshare plan is restricted or controlled.*

3319





HB 1243

2003  
CS

3320 (j) The following statement in conspicuous type in  
3321 substantially the following form:

3322  
3323 *The purchase of an interest in a multisite timeshare plan*  
3324 *(or multisite vacation ownership plan or multisite vacation plan*  
3325 *or vacation club) should be based upon its value as a vacation*  
3326 *experience or for spending leisure time, and not considered for*  
3327 *purposes of acquiring an appreciating investment or with an*  
3328 *expectation that the interest may be resold.*

3329  
3330 (k) If the multisite timeshare plan provides purchasers  
3331 with the opportunity to participate in an exchange program, a  
3332 description of the name and address of the exchange company and  
3333 the method by which a purchaser accesses the exchange program.  
3334 In lieu of this requirement, the public offering statement text  
3335 may contain a cross-reference to other provisions in the public  
3336 offering statement or in an exhibit containing this information.

3337 (l) A description of each component site, which  
3338 description may be disclosed in a written, graphic, tabular, or  
3339 other form approved by the division. The description of each  
3340 component site shall include the following information:

- 3341 1. The name and address of each component site.
- 3342 2. The number of accommodations, timeshare interests, and  
3343 timeshare periods, expressed in periods of 7-day use  
3344 availability, committed to the multisite timeshare plan and  
3345 available for use by purchasers.
- 3346 3. Each type of accommodation in terms of the number of  
3347 bedrooms, bathrooms, sleeping capacity, and whether or not the



HB 1243

2003  
CS

3348 accommodation contains a full kitchen. For purposes of this  
3349 description, a full kitchen shall mean a kitchen having a  
3350 minimum of a dishwasher, range, sink, oven, and refrigerator.

3351 4. A description of facilities available for use by the  
3352 purchaser at each component site, including the following:

3353 a. The intended use of the facility, if not apparent from  
3354 the description.

3355 b. Any user fees associated with a purchaser's use of the  
3356 facility.

3357 5. A cross-reference to the location in the public  
3358 offering statement of the description of any priority  
3359 reservation features which may affect a purchaser's ability to  
3360 obtain a reservation in the component site.

3361 (5) Such other information as the division determines is  
3362 necessary to fairly, meaningfully, and effectively disclose all  
3363 aspects of the multisite timeshare plan, including, but not  
3364 limited to, any disclosures made necessary by the operation of  
3365 s. 721.03(8). However, if a developer has, in good faith,  
3366 attempted to comply with the requirements of this section, and  
3367 if, in fact, the developer has substantially complied with the  
3368 disclosure requirements of this chapter, nonmaterial errors or  
3369 omissions shall not be actionable.

3370 (6) Any other information that the developer, with the  
3371 approval of the division, desires to include in the public  
3372 offering statement text.

3373 (7) The following documents shall be included as exhibits  
3374 to the filed ~~registered~~ public offering statement, if  
3375 applicable:



- 3376 (a) The timeshare instrument.
- 3377 (b) The reservation system rules and regulations.
- 3378 (c) The multisite timeshare plan budget pursuant to  
3379 subparagraph (4)(h)5.
- 3380 (d) Any document containing the material rules and  
3381 regulations described in paragraph (4)(e).
- 3382 (e) Any contract, agreement, or other document through  
3383 which component sites are affiliated with the multisite  
3384 timeshare plan.
- 3385 (f) Any escrow agreement required pursuant to s. 721.08 or  
3386 s. 721.56(3).
- 3387 (g) The form agreement for sale or lease of an interest in  
3388 the multisite timeshare plan.
- 3389 (h) The form receipt for multisite timeshare plan  
3390 documents required to be given to the purchaser pursuant to s.  
3391 721.551(2)(b).
- 3392 (i) The description of documents list required to be given  
3393 to the purchaser by s. 721.551(2)(b).
- 3394 (j) The component site managing entity affidavit or  
3395 statement required by s. 721.56(1).
- 3396 (k) Any subordination instrument required by s. 721.53.
- 3397 (l)1. If the multisite timeshare plan contains any  
3398 component sites located in this state, the information required  
3399 by s. 721.07(5) pertaining to each such component site unless  
3400 exempt pursuant to s. 721.03.
- 3401 2. If the purchaser will receive a timeshare estate  
3402 pursuant to s. 721.57, or an interest in a specific  
3403 multisitetimeshare plan, ~~license as defined in s. 721.552(4)~~ in



HB 1243

2003  
CS

3404 a component site located outside of this state but which is  
3405 offered in this state, the information required by s. 721.07(5)  
3406 pertaining to that component site, + provided, however, that the  
3407 provisions of s. 721.07(5)(u) shall only require disclosure of  
3408 information related to the estimated budget for the timeshare  
3409 plan and purchaser's expenses as required by the jurisdiction in  
3410 which the component site is located.

3411 (8)(a) A timeshare plan containing only one component site  
3412 must be filed with the division as a multisite timeshare plan if  
3413 the timeshare instrument reserves the right for the developer to  
3414 add future component sites. However, if the developer fails to  
3415 add at least one additional component site to a timeshare plan  
3416 described in this paragraph within 3 years after the date the  
3417 plan is initially filed with the division, the multisite filing  
3418 for such plan shall thereupon terminate, and the developer may  
3419 not thereafter offer any further interests in such plan unless  
3420 and until he or she refiles such plan with the division pursuant  
3421 to this chapter.

3422 (b) The public offering statement for any timeshare plan  
3423 described in paragraph (a) must include the following disclosure  
3424 in conspicuous type:

3425  
3426 *This timeshare plan has been filed as a multisite timeshare*  
3427 *plan (or multisite vacation ownership plan or multisite vacation*  
3428 *plan or vacation club); however, this plan currently contains*  
3429 *only one component site. The developer is not required to add*  
3430 *any additional component sites to the plan. Do not purchase an*



HB 1243

2003  
CS

3431 *interest in this plan in reliance upon the addition of any other*  
3432 *component sites.*

3433 Section 27. Paragraphs (b), (c), and (f) of subsection (2)  
3434 of section 721.551, Florida Statutes, are amended to read:

3435 721.551 Delivery of multisite timeshare plan purchaser  
3436 public offering statement.--

3437 (2) The developer shall furnish each purchaser with the  
3438 following:

3439 (b) A receipt for multisite timeshare plan documents and a  
3440 list describing any exhibit to the filed ~~registered~~ public  
3441 offering statement which is not delivered to the purchaser. The  
3442 division is authorized to prescribe by rule the form of the  
3443 receipt for multisite timeshare plan documents and the  
3444 description of exhibits list that must be furnished to the  
3445 purchaser pursuant to this section.

3446 (c) If the purchaser will receive a timeshare estate  
3447 pursuant to s. 721.57, or an interest in a specific multisite  
3448 timeshare plan, ~~license as defined in s. 721.552(4)~~ in a  
3449 component site located in this state, the developer shall also  
3450 furnish the purchaser with the information required to be  
3451 delivered pursuant to s. 721.07(6)(a) and (b) for the component  
3452 site in which the purchaser will receive an estate or interest  
3453 in a specific multisite timeshare plan license.

3454 (f) The developer shall be required to provide the  
3455 managing entity of the multisite timeshare plan with a copy of  
3456 the approved filed ~~registered~~ public offering statement and any  
3457 approved amendments thereto to be maintained by the managing



3458 entity as part of the books and records of the timeshare plan  
3459 pursuant to s. 721.13(3)(d).

3460 Section 28. Paragraph (a) of subsection (2), paragraph (c)  
3461 of subsection (3), and subsections (4) and (5) of section  
3462 721.552, Florida Statutes, are amended to read:

3463 721.552 Additions, substitutions, or deletions of  
3464 component site accommodations or facilities; purchaser remedies  
3465 for violations.--Additions, substitutions, or deletions of  
3466 component site accommodations or facilities may be made only in  
3467 accordance with the following:

3468 (2) SUBSTITUTIONS.--

3469 (a) Substitutions are available only for nonspecific  
3470 multisite timeshare ~~license~~ plans ~~as defined in subsection (4).~~  
3471 Specific multisite timeshare license plans or as defined in  
3472 ~~subsection (4) and~~ plans offering timeshare estates pursuant to  
3473 s. 721.57 may not contain an accommodation substitution right.

3474 (3) DELETIONS.--

3475 (c) *Automatic deletion.*--The timeshare instrument may  
3476 provide that a component site will be automatically deleted upon  
3477 the expiration of its term in a timeshare plan other than a  
3478 nonspecific multisite timeshare ~~license~~ plan or as otherwise  
3479 provided in the timeshare instrument. However, the timeshare  
3480 instrument must also provide that in the event a component site  
3481 is deleted from the plan in this manner, a sufficient number of  
3482 purchasers of the plan will also be deleted so as to maintain no  
3483 greater than a one-to-one purchaser to accommodation ratio.

3484 ~~(4) SPECIFIC AND NONSPECIFIC TIMESHARE LICENSES.-- For~~  
3485 ~~purposes of this chapter, a specific timeshare license means one~~



HB 1243

2003  
CS

3486 ~~with respect to which a purchaser receives a specific right to~~  
 3487 ~~use accommodations and facilities, if any, at one component site~~  
 3488 ~~of a multisite timeshare plan, together with use rights in the~~  
 3489 ~~other accommodations and facilities of the multisite timeshare~~  
 3490 ~~plan created by or acquired through the reservation system. For~~  
 3491 ~~purposes of this chapter, a nonspecific timeshare license means~~  
 3492 ~~one with respect to which a purchaser receives a right to use~~  
 3493 ~~all of the accommodations and facilities, if any, of a multisite~~  
 3494 ~~timeshare plan through the reservation system, but no specific~~  
 3495 ~~right to use any particular accommodations and facilities for~~  
 3496 ~~the remaining term of the multisite timeshare plan in the event~~  
 3497 ~~that the reservation system is terminated for any reason prior~~  
 3498 ~~to the expiration of the term of the multisite timeshare plan.~~

3499 (4)~~(5)~~ VIOLATIONS; PURCHASER REMEDIES.--All purchaser  
 3500 remedies pursuant to s. 721.21 shall be available for any  
 3501 violation of the provisions of this section.

3502 Section 29. Subsections (4) and (5) of section 721.56,  
 3503 Florida Statutes, are amended to read:

3504 721.56 Management of multisite timeshare plans;  
 3505 reservation systems; demand balancing.--

3506 (4) The managing entity of a multisite timeshare plan  
 3507 shall comply fully with the requirements of s. 721.13, subject  
 3508 to the provisions of s. 721.13(11) for personal property  
 3509 timeshare plans; however, with respect to a given component  
 3510 site, the managing entity of the multisite timeshare plan shall  
 3511 not be responsible for compliance as the managing entity of that  
 3512 component site unless the managing entity of the multisite  
 3513 timeshare plan is also the managing entity of that component



HB 1243

2003  
CS

3514 site. Unless the timeshare instrument provides otherwise, the  
3515 operator of the reservation system is the managing entity of a  
3516 multisite timeshare plan.

3517 (5)(a)1. The reservation system is a facility of any  
3518 nonspecific ~~timeshare license~~ multisite timeshare plan ~~as~~  
3519 ~~defined in s. 721.552(4)~~. The reservation system is not a  
3520 facility of any specific ~~timeshare license~~ multisite timeshare  
3521 plan ~~as defined in s. 721.552(4)~~, nor is it a facility of any  
3522 multisite timeshare plan in which timeshare estates are offered  
3523 pursuant to s. 721.57.

3524 2. The reservation system of any multisite timeshare plan  
3525 shall include any computer software and hardware employed for  
3526 the purpose of enabling or facilitating the operation of the  
3527 reservation system. Nothing contained in this part shall  
3528 preclude a manager or management firm that is serving as  
3529 managing entity of a multisite timeshare plan from providing in  
3530 its contract with the purchasers or owners' association of the  
3531 multisite timeshare plan or in the timeshare instrument that the  
3532 manager or management firm owns the reservation system and that  
3533 the managing entity shall continue to own the reservation system  
3534 in the event the purchasers discharge the managing entity  
3535 pursuant to s. 721.14.

3536 (b) In the event of a termination of a managing entity of  
3537 a nonspecific ~~license~~ multisite timeshare plan ~~as defined in s.~~  
3538 ~~721.552(4)~~, which managing entity owns the reservation system,  
3539 irrespective of whether the termination is voluntary or  
3540 involuntary and irrespective of the cause of such termination,  
3541 in addition to any other remedies available to purchasers in





HB 1243

2003  
CS

3542 | this part, the terminated managing entity shall, prior to such  
3543 | termination, establish a trust meeting the criteria set forth in  
3544 | this paragraph. It is the intent of the Legislature that this  
3545 | trust arrangement provide for an adequate period of continued  
3546 | operation of the reservation system of the multisite timeshare  
3547 | plan, during which period the new managing entity shall make  
3548 | provision for the acquisition of a substitute reservation  
3549 | system.

3550 |         1. The trust shall be established with an independent  
3551 | trustee. Both the terminated managing entity and the new  
3552 | managing entity shall attempt to agree on an acceptable trustee.  
3553 | In the event they cannot agree on an acceptable trustee, they  
3554 | shall each designate a nominee, and the two nominees shall  
3555 | select the trustee.

3556 |         2. The terminated managing entity shall take all steps  
3557 | necessary to enable the trustee or the trustee's designee to  
3558 | operate the reservation system in the same manner as provided in  
3559 | the timeshare instrument and the public offering statement. The  
3560 | trustee may, but shall not be required to, contract with the  
3561 | terminated managing entity for the continued operation of the  
3562 | reservation system. In the event the trustee elects to contract  
3563 | with the terminated managing entity, that managing entity shall  
3564 | be required to operate the reservation system and shall be  
3565 | entitled to payment for that service. The payment shall in no  
3566 | event exceed the amount previously paid to the terminated  
3567 | managing entity for operation of the reservation system.



3568           3. The trust shall remain in effect for a period of no  
3569 longer than 1 year following the date of termination of the  
3570 managing entity.

3571           4. Nothing contained in this subsection shall abrogate or  
3572 otherwise interfere with any proprietary rights in the  
3573 reservation system that have been reserved by the discharged  
3574 managing entity, in its management contract or otherwise, so  
3575 long as such proprietary rights are not asserted in a manner  
3576 that would prevent the continued operation of the reservation  
3577 system as contemplated in this subsection.

3578           (c) In the event of a termination of a managing entity of  
3579 a timeshare estate or specific ~~license~~ multisite timeshare plan  
3580 ~~as defined in s. 721.552(4)~~, which managing entity owns the  
3581 reservation system, irrespective of whether the termination is  
3582 voluntary or involuntary and irrespective of the cause of such  
3583 termination, in addition to any other remedies available to  
3584 purchasers in this part, the terminated managing entity shall,  
3585 prior to such termination, promptly transfer to each component  
3586 site managing entity all relevant data contained in the  
3587 reservation system with respect to that component site,  
3588 including, but not limited to:

3589           1. The names, addresses, and reservation status of  
3590 component site accommodations.

3591           2. The names and addresses of all purchasers of timeshare  
3592 interests at that component site.

3593           3. All outstanding confirmed reservations and reservation  
3594 requests for that component site.



3595 4. Such other component site records and information as  
 3596 are necessary, in the reasonable discretion of the component  
 3597 site managing entity, to permit the uninterrupted operation and  
 3598 administration of the component site, provided that a given  
 3599 component site managing entity shall not be entitled to any  
 3600 information regarding other component sites or regarding the  
 3601 terminated multisite timeshare plan managing entity.

3602  
 3603 All reasonable costs incurred by the terminated managing entity  
 3604 in effecting the transfer of information required by this  
 3605 paragraph shall be reimbursed to the terminated managing entity  
 3606 on a pro rata basis by each component site, and the amount of  
 3607 such reimbursement shall constitute a common expense of each  
 3608 component site.

3609 Section 30. Subsection (2) of section 721.57, Florida  
 3610 Statutes, is amended to read:

3611 721.57 Offering of timeshare estates in multisite  
 3612 timeshare plans; required provisions in the timeshare  
 3613 instrument.--

3614 (2) The timeshare instrument of a multisite timeshare plan  
 3615 in which timeshare estates are offered, other than a trust  
 3616 meeting the requirements of s. 721.08, must contain or provide  
 3617 for all of the following matters:

3618 (a) The purchaser will receive a timeshare estate as  
 3619 defined in s. 721.05 in one of the component sites of the  
 3620 multisite timeshare plan. The use rights in the other component  
 3621 sites of the multisite timeshare plan shall be made available to



HB 1243

2003  
CS

3622 the purchaser through the reservation system pursuant to the  
3623 timeshare instrument.

3624 (b) In the event that the reservation system is terminated  
3625 or otherwise becomes unavailable for any reason prior to the  
3626 expiration of the term of the multisite timeshare plan:

3627 1. The purchaser will be able to continue to use the  
3628 accommodations and facilities of the component site in which she  
3629 or he has been conveyed a timeshare estate in the manner  
3630 described in the timeshare instrument for the remaining term of  
3631 the timeshare estate; and

3632 2. Any use rights in that component site which had  
3633 previously been made available through the reservation system to  
3634 purchasers of the multisite timeshare plan who were not offered  
3635 a timeshare estate at that component site will terminate when  
3636 the reservation system is terminated or otherwise becomes  
3637 unavailable for any reason.

3638 Section 31. Subsection (6) of section 721.84, Florida  
3639 Statutes, is amended to read:

3640 721.84 Appointment of a registered agent; duties.--

3641 (6) Unless otherwise provided in this section, a  
3642 registered agent in receipt of any notice or other document  
3643 addressed from the lienholder to the obligor in care of the  
3644 registered agent at the registered office must mail, by first  
3645 class mail if the obligor's address is within the United States,  
3646 and by international air mail if the obligor's address is  
3647 outside the United States, with postage fees prepaid, such  
3648 notice or documents to the obligor at the obligor's last  
3649 designated address within 5 days after ~~of~~ receipt.



3650 Section 32. Section 721.96, Florida Statutes, is amended  
3651 to read:

3652 721.96 Purpose.--The purpose of this part is to provide  
3653 for the appointment of commissioners of deeds to take  
3654 acknowledgments, proofs of execution, and oaths outside the  
3655 United States in connection with the execution of any deed,  
3656 mortgage, deed of trust, contract, power of attorney, or any  
3657 other agreement, instrument or writing concerning, relating to,  
3658 or to be used or recorded in connection with a timeshare estate,  
3659 personal property timeshare interest, timeshare license, any  
3660 property subject to a timeshare plan, or the operation of a  
3661 timeshare plan located within this state.

3662 Section 33. Subsection (1) of section 721.97, Florida  
3663 Statutes, is amended to read:

3664 721.97 Timeshare commissioner of deeds.--

3665 (1) The Governor may appoint commissioners of deeds to  
3666 take acknowledgments, proofs of execution, or oaths in any  
3667 foreign country. The term of office is 4 years. Commissioners of  
3668 deeds shall have authority to take acknowledgments, proofs of  
3669 execution, and oaths in connection with the execution of any  
3670 deed, mortgage, deed of trust, contract, power of attorney, or  
3671 any other writing to be used or recorded in connection with a  
3672 timeshare estate, personal property timeshare interest,  
3673 timeshare license, any property subject to a timeshare plan, or  
3674 the operation of a timeshare plan located within this state;  
3675 provided such instrument or writing is executed outside the  
3676 United States. Such acknowledgments, proofs of execution, and  
3677 oaths must be taken or made in the manner directed by the laws



HB 1243

2003  
CS

3678 of this state, including but not limited to s. 117.05(4),  
 3679 (5)(a), and (6), Florida Statutes 1997, and certified by a  
 3680 commissioner of deeds. The certification must be endorsed on or  
 3681 annexed to the instrument or writing aforesaid and has the same  
 3682 effect as if made or taken by a notary public licensed in this  
 3683 state.

3684 Section 34. Paragraph (b) of subsection (8) of section  
 3685 475.011, Florida Statutes, is amended to read:

3686 475.011 Exemptions.--This part does not apply to:

3687 (8)

3688 (b) An exchange company, as that term is defined by s.  
 3689 721.05(15)~~(14)~~, but only to the extent that the exchange company  
 3690 is engaged in exchange program activities as described in and is  
 3691 in compliance with s. 721.18.

3692 Section 35. Subsection (23) of section 718.103, Florida  
 3693 Statutes, is amended to read:

3694 718.103 Definitions.--As used in this chapter, the term:

3695 (23) "Residential condominium" means a condominium  
 3696 consisting of two or more units, any of which are intended for  
 3697 use as a private temporary or permanent residence, except that a  
 3698 condominium is not a residential condominium if the use for  
 3699 which the units are intended is primarily commercial or  
 3700 industrial and not more than three units are intended to be used  
 3701 for private residence, and are intended to be used as housing  
 3702 for maintenance, managerial, janitorial, or other operational  
 3703 staff of the condominium. With respect to a condominium that is  
 3704 not a timeshare condominium, a residential unit includes a unit  
 3705 intended as a private temporary or permanent residence as well



HB 1243

2003  
CS

3706 as a unit not intended for commercial or industrial use. With  
3707 respect to a timeshare condominium, the timeshare instrument as  
3708 defined in s. 721.05(35)(~~33~~) shall govern the intended use of  
3709 each unit in the condominium. If a condominium is a residential  
3710 condominium but contains units intended to be used for  
3711 commercial or industrial purposes, then, with respect to those  
3712 units which are not intended for or used as private residences,  
3713 the condominium is not a residential condominium. A condominium  
3714 which contains both commercial and residential units is a mixed-  
3715 use condominium and is subject to the requirements of s.  
3716 718.404.

3717 Section 36. This act shall take effect upon becoming a  
3718 law.