



CHAMBER ACTION

The Committee on Business Regulation 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



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

80  
81 Be It Enacted by the Legislature of the State of Florida:

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



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85 721.02 Purposes.--The purposes of this chapter are to:

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

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

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

112 721.03 Scope of chapter.--



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

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

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

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

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

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

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



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141 721.05 Definitions.--As used in this chapter, the term:

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

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

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

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

167 ~~(5)(4)~~ "Closing" means:



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

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

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

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

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

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

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

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

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



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

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

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

209 (8)(7) "Conspicuous type" means:

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

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

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





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

226 |        ~~(10)~~~~(9)~~ "Developer" includes:

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

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

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

238 |        (d) The term "developer" does not include:

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

245 |        2. A managing entity, not otherwise a developer, that  
246 | offers, or engages a third party to offer on its behalf,  
247 | timeshare interests in a timeshare plan which it manages,  
248 | provided that such offer complies with the provisions of s.  
249 | 721.065;

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



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

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

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

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

277 2. To a person that would constitute an insider under s.  
278 726.102(7).



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

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

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

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

292 |        (14)~~(13)~~ "Escrow agent" includes only:

293 |        (a) A savings and loan association, bank, trust company,  
 294 | or other financial institution, any of which must be located in  
 295 | this state and any of which must have a net worth in excess of  
 296 | \$5 million;

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

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

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

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



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

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

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

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



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

336 (20)~~(18)~~ "Independent," for purposes of determining  
337 eligibility of escrow agents and trustees pursuant to s.  
338 721.03(7), means that:

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

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

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

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

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

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

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



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

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

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

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

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

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



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

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

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

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



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

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

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

430 (31)~~(28)~~ "Purchaser public offering statement" means that  
 431 portion of the filed ~~registered~~ public offering statement which  
 432 must be delivered to purchasers pursuant to s. 721.07(6) or s.  
 433 721.551.

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

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

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





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

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

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

461 (b) A managing entity, not otherwise a seller, that  
 462 offers, or engages a third party to offer on its behalf,  
 463 timeshare interests in a timeshare plan which it manages,  
 464 provided that such offer complies with the provisions of s.  
 465 721.065;

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

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



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

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

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

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

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

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



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

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

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

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

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



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

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

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

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

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

545 721.06 Contracts for purchase of timeshare interests.--

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

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

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



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

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

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

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

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



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

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

589 2. If the accommodations or facilities are located on or  
590 in a documented vessel or foreign vessel as provided in s.  
591 721.08(2)(c)3.e., the disclosure required by s.  
592 721.08(2)(c)3.e.(IV).

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

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



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610

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

615

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

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



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

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

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

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

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

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





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

668

669 (m) The following statement in conspicuous type:

670

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

674

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

677

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

683

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

691

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



692 Section 5. Paragraph (b) of subsection (2) of section  
693 721.065, Florida Statutes, is amended to read:

694 721.065 Resale purchase agreements.--

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

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

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

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



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

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

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

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



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

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

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

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

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



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

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

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

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



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

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

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

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

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



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

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

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



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

860

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

868

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

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  
885 have 20 days after receipt of a proposed amendment to approve or





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

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



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

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

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

927 (4)(a) Upon the filing of a filed ~~registered~~ public  
928 offering statement, the developer shall pay a filing fee of  
929 \$1.50 ~~\$2~~ for each 7 days of annual use availability in each  
930 timeshare unit that may be offered as a part of the proposed  
931 timeshare plan pursuant to the filing.

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

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



941           (a) A cover page stating only:

942           1. The name of the timeshare plan; and

943           2. The following statement, in conspicuous type: *This*

944 *public offering statement contains important matters to be*

945 *considered in acquiring a timeshare interest. The statements*

946 *contained in this public offering statement are only summary in*

947 *nature. A prospective purchaser should refer to all references,*

948 *accompanying exhibits, contract documents, and sales materials.*

949 *You should not rely upon oral representations as being correct.*

950 *Refer to this document and accompanying exhibits for correct*

951 *representations. The seller is prohibited from making any*

952 *representations other than those contained in the contract and*

953 *this public offering statement.*

954           (b) A listing of all statements required to be in

955 conspicuous type in the public offering statement and in all

956 exhibits thereto.

957           (c) A separate index of the contents and exhibits of the

958 public offering statement.

959           (d) A text which shall include, where applicable, the

960 disclosures set forth in paragraphs (e)-(hh).

961           (e) A description of the timeshare plan, including, but

962 not limited to:

963           1. Its name and location.

964           2. An explanation of the form of timeshare ownership that

965 is being offered, including a statement as to whether any

966 interest in the underlying real property will be conveyed to the

967 purchaser. If the plan is being created or being sold on a

968 leasehold, a description of the material terms of the lease



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

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

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

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

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

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

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



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

999 |         3. The estimated maximum number of units and timeshare  
1000 | periods that will use the accommodations and facilities. If the  
1001 | maximum number of timeshare units or timeshare periods will  
1002 | vary, a description of the basis for variation.

1003 |         4. The duration, in years, of the timeshare plan.

1004 |         5. If any of the accommodations are part of a personal  
1005 | property timeshare plan, the name, vehicle registration number,  
1006 | title certificate number, or any other identifying registration  
1007 | number assigned to the accommodation of a personal property  
1008 | timeshare plan by a state, federal, or international  
1009 | governmental agency.

1010 |         6. If any of the accommodations are part of a personal  
1011 | property timeshare plan, the fire detection system and fire  
1012 | safety equipment and description of method of compliance with  
1013 | any applicable firesafety or fire detection regulations.

1014 |         (g) A description of any ~~the~~ facilities that will be used  
1015 | by purchasers of the plan, including, but not limited to:

1016 |             1. The intended purpose, if not apparent from the  
1017 | description.

1018 |             2. The estimated date when each facility will be available  
1019 | for use by the purchaser.

1020 |             3. A statement as to whether the facilities will be used  
1021 | exclusively by purchasers of the timeshare plan, and, if not, a  
1022 | statement as to whether the purchasers of the timeshare plan are  
1023 | required to pay any portion of the maintenance and expenses of  
1024 | such facilities.



1025 (h)1. If any facilities offered by the developer for use  
 1026 by purchasers are to be leased or have club memberships  
 1027 associated with them, other than participation in a vacation  
 1028 club, one of the following statements in conspicuous type: *There*  
 1029 *is a lease associated with one or more facilities of the*  
 1030 *timeshare plan; or, There is a club membership associated with*  
 1031 *one or more facilities of the timeshare plan.*

1032 2. If it is mandatory that purchasers pay fees, rent,  
 1033 dues, or other charges under a facilities lease or club  
 1034 membership for the use of the facilities, other than  
 1035 participation in a vacation club, the applicable statement in  
 1036 conspicuous type in substantially the following form:

1037 a. *Membership in a facilities club is mandatory for*  
 1038 *purchasers;*

1039 b. *Purchasers or the owners' association(s) are required,*  
 1040 *as a condition of ownership, to be lessees under the facilities*  
 1041 *lease;*

1042 c. *Purchasers or the owners' association(s) are required*  
 1043 *to pay their share of the rent or costs and expenses of*  
 1044 *maintenance, management, upkeep, and replacement under the*  
 1045 *facilities lease (or the other instruments providing the*  
 1046 *facilities); or*

1047 d. A similar statement of the nature of the organization  
 1048 or the manner in which the use rights are created, and that  
 1049 purchasers are required to pay.

1050  
 1051 Immediately following the applicable statement, a description of  
 1052 the lease or other instrument shall be stated, including a



1053 description of terms of the payment of rent or costs and  
 1054 expenses of maintenance, management, upkeep, and replacement of  
 1055 the facilities.

1056 3. If the purchasers are required to pay a use fee, or  
 1057 other payment for the use of the facilities, not including the  
 1058 rent or maintenance, management, upkeep, or replacement costs  
 1059 and expenses, the following statement in conspicuous type: *The*  
 1060 *purchasers or the owners' association(s) must pay use fees for*  
 1061 *one or more facilities.* Immediately following this statement, a  
 1062 description of the use fees shall be included.

1063 4. If any person other than the owners' association has  
 1064 the right to a lien on the timeshare interests to secure the  
 1065 payment of assessments, rent, or other exactions, a statement in  
 1066 conspicuous type in substantially the following form:

1067 a. *There is a lien or lien right against each timeshare*  
 1068 *interest to secure the payment of rent and other exactions under*  
 1069 *the facilities lease. A purchaser's failure to make these*  
 1070 *payments may result in foreclosure of the lien; or*

1071 b. *There is a lien or lien right against each timeshare*  
 1072 *interest to secure the payment of assessments or other exactions*  
 1073 *coming due for the use, maintenance, upkeep, or repair of one or*  
 1074 *more facilities. A purchaser's failure to make these payments*  
 1075 *may result in foreclosure of the lien.*

1076  
 1077 Immediately following the applicable statement, a description of  
 1078 the lien right shall be included.

1079 (i) If the developer or any other person has the right to  
 1080 increase or add to the facilities at any time after the



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1081 establishment of the timeshare plan, without the consent of the  
 1082 purchasers or owners' association being required, a statement in  
 1083 conspicuous type in substantially the following form: *Facilities*  
 1084 *may be expanded or added without consent of the purchasers or*  
 1085 *the owners' association(s).* Immediately following this  
 1086 statement, a description of such reserved rights shall be  
 1087 included.

1088 (j)1. For a real property timeshare plan, an explanation  
 1089 of the status of the title to the real property underlying the  
 1090 timeshare plan, including a statement of the existence of any  
 1091 lien, defect, judgment, mortgage, or other encumbrance affecting  
 1092 the title to the property, and how such lien, defect, judgment,  
 1093 mortgage, or other encumbrance will be removed or satisfied  
 1094 prior to closing.

1095 2. For a personal property timeshare plan, an explanation  
 1096 of the status of title to the personal property underlying the  
 1097 timeshare plan, including a statement of the existence of any  
 1098 lien, defect, judgment, or other encumbrance affecting the title  
 1099 to the personal property, and how such lien, defect, judgment,  
 1100 or other encumbrance will be removed or satisfied prior to  
 1101 closing.

1102 (k) A description of any judgment against the developer,  
 1103 the managing entity, owner of the underlying fee, or owner of  
 1104 the underlying personal property fee, which judgment is material  
 1105 to the timeshare plan; the status of any pending suit to which  
 1106 the developer, the managing entity, owner of the underlying fee,  
 1107 or owner of the underlying personal property fee is a party,  
 1108 which suit is material to the timeshare plan; and any other suit





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1109 | which is material to the timeshare plan of which the developer,  
1110 | managing entity, owner of the underlying fee, or owner of the  
1111 | underlying personal property ~~fee~~ has actual knowledge. If no  
1112 | judgments or pending suits exist, there shall be a statement of  
1113 | such fact.

1114 |         (1) A description of all unusual and material  
1115 | circumstances, features, and characteristics of the real  
1116 | property or personal property underlying or comprising the  
1117 | timeshare plan.

1118 |         (m) A description of any financing to be offered to  
1119 | purchasers by the developer or any person or entity in which the  
1120 | developer has a financial interest, together with a disclosure  
1121 | that the description of such financing may be changed by the  
1122 | developer and that any change in the financing offered to  
1123 | prospective purchasers will not be deemed to be a material  
1124 | change.

1125 |         (n) A detailed explanation of any financial arrangements  
1126 | which have been provided for completion of all promised  
1127 | improvements.

1128 |         (o) The name and address of the managing entity; a  
1129 | statement whether the seller may change the managing entity or  
1130 | its control and, if so, the manner by which the seller may  
1131 | change the managing entity; a statement of the arrangements for  
1132 | management, maintenance, and operation of the accommodations and  
1133 | facilities and of other property that will serve the purchasers;  
1134 | and a description of the management arrangement and any  
1135 | contracts for these purposes having a term in excess of 1 year,  
1136 | including the names of the contracting parties, the term of the



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1137 contract, the nature of the services included, and the  
1138 compensation, stated for a month and for a year, and provisions  
1139 for increases in the compensation. In the case of a personal  
1140 property timeshare plan in which the accommodations or  
1141 facilities are located on or in a documented vessel or foreign  
1142 vessel as provided in s. 721.08(2)(c)3.e., a statement shall be  
1143 included that describes the trustee's or owners' association's  
1144 access to the certificates of classification and that the  
1145 certificate of classification will be made available to  
1146 purchasers on request.

1147 (p) If any person other than the purchasers has the right  
1148 to retain control of the board of administration of the owners'  
1149 association, if any, for a period of time which may exceed 1  
1150 year after the closing of the sale of a majority of the  
1151 timeshare interests in that timeshare plan to persons other than  
1152 successors or concurrent developers and the plan is one in which  
1153 all purchasers automatically become members of the owners'  
1154 association, a statement in conspicuous type in substantially  
1155 the following form: *The developer (or other person) has the*  
1156 *right to retain control of the owners' association after a*  
1157 *majority of the timeshare interests have been sold.* Immediately  
1158 following this statement, a description of the applicable  
1159 transfer of control provisions of the timeshare plan shall be  
1160 included.

1161 (q)1. If there are any restrictions upon the sale,  
1162 transfer, conveyance, or leasing of a timeshare interest, a  
1163 statement in conspicuous type in substantially the following  
1164 form: *The sale, lease, or transfer of timeshare interests is*



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1165 *restricted or controlled.* Immediately following this statement,  
1166 a description of the nature of the restriction, limitation, or  
1167 control on the sale, lease, or transfer of timeshare interests  
1168 shall be included.

1169 2. The following statement in conspicuous type in  
1170 substantially the following form: *The purchase of a timeshare*  
1171 *interest should be based upon its value as a vacation experience*  
1172 *or for spending leisure time, and not considered for purposes of*  
1173 *acquiring an appreciating investment or with an expectation that*  
1174 *the timeshare interest may be resold.*

1175 (r) If the timeshare plan is part of a phase project, a  
1176 statement to that effect and a complete description of the  
1177 phasing. Notwithstanding any provisions of s. 718.110 or s.  
1178 719.1055, a developer may develop a timeshare condominium or a  
1179 timeshare cooperative in phases if the original declaration of  
1180 condominium or cooperative documents submitting the initial  
1181 phase to condominium ownership or cooperative ownership or an  
1182 amendment to the declaration of condominium or cooperative  
1183 documents which has been approved by all of the unit owners and  
1184 unit mortgagees provides for phasing. Notwithstanding any  
1185 provisions of s. 718.403 or s. 719.403 to the contrary, the  
1186 original declaration of condominium or cooperative documents, or  
1187 an amendment to the declaration of condominium or cooperative  
1188 documents adopted pursuant to this subsection, need only  
1189 generally describe the developer's phasing plan and the land  
1190 which may become part of the condominium or cooperative, and, in  
1191 conjunction therewith, the developer may also reserve all rights  
1192 to vary his or her phasing plan as to phase boundaries, plot



1193 plans and floor plans, timeshare unit types, timeshare unit  
 1194 sizes and timeshare unit type mixes, numbers of timeshare units,  
 1195 and facilities with respect to each subsequent phase. There  
 1196 shall be no time limit during which a developer of a timeshare  
 1197 condominium or timeshare cooperative must complete his or her  
 1198 phasing plan, and the developer shall not be required to notify  
 1199 owners of existing timeshare estates of his or her decision not  
 1200 to add one or more proposed phases.

1201 (s) A description of the material restrictions, if any, to  
 1202 be imposed on timeshare interests concerning the use of any of  
 1203 the accommodations or facilities, including statements as to  
 1204 whether there are restrictions upon children and pets or a  
 1205 reference to a copy of the documents containing the restrictions  
 1206 which shall be attached as an exhibit. If there are no  
 1207 restrictions, there shall be a statement of such fact.

1208 (t) If there is any land or personal property that is  
 1209 offered by the developer for use by the purchasers and which is  
 1210 neither owned by them nor leased to them, the owners'  
 1211 association, or any entity controlled by the purchasers, a  
 1212 statement describing the land or personal property, how it will  
 1213 serve the timeshare plan, and the nature and term of service.

1214 (u) An estimated operating budget for the timeshare plan  
 1215 and a schedule of the purchaser's expenses shall be attached as  
 1216 an exhibit and shall contain the following information:

1217 1. The estimated annual expenses of the timeshare plan  
 1218 collectible from purchasers by assessments. The estimated  
 1219 payments by the purchaser for assessments shall also be stated  
 1220 in the estimated amounts for the times when they will be due.



1221 Expenses shall also be shown for the shortest timeshare period  
 1222 offered for sale by the developer. If the timeshare plan  
 1223 provides for the offer and sale of units to be used on a  
 1224 nontimeshare basis, the estimated monthly and annual expenses of  
 1225 such units shall be set forth in a separate schedule.

1226 2. The estimated weekly, monthly, and annual expenses of  
 1227 the purchaser of each timeshare interest, other than assessments  
 1228 payable to the managing entity. Expenses which are personal to  
 1229 purchasers that are not uniformly incurred by all purchasers or  
 1230 that are not provided for or contemplated by the timeshare plan  
 1231 documents may be excluded from this estimate.

1232 3. The estimated items of expenses of the timeshare plan  
 1233 and the managing entity, except as excluded under subparagraph  
 1234 2., including, but not limited to, if applicable, the following  
 1235 items, which shall be stated either as management expenses  
 1236 collectible by assessments or as expenses of the purchaser  
 1237 payable to persons other than the managing entity:

- 1238 a. Expenses for the managing entity:
  - 1239 (I) Administration of the managing entity.
  - 1240 (II) Management fees.
  - 1241 (III) Maintenance.
  - 1242 (IV) Rent for facilities.
  - 1243 (V) Taxes upon timeshare property.
  - 1244 (VI) Taxes upon leased areas.
  - 1245 (VII) Insurance.
  - 1246 (VIII) Security provisions.
  - 1247 (IX) Other expenses.
  - 1248 (X) Operating capital.



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1249 (XI) Reserves for deferred maintenance and reserves for  
1250 capital expenditures.

1251 (A) All reserves for any accommodations and facilities of  
1252 real property timeshare plans located in this state shall be  
1253 calculated by a formula which is based upon estimated life and  
1254 replacement cost of each reserve item. Reserves for deferred  
1255 maintenance for such accommodations and facilities shall include  
1256 accounts for roof replacement, building painting, pavement  
1257 resurfacing, replacement of timeshare unit furnishings and  
1258 equipment, and any other component, the useful life of which is  
1259 less than the useful life of the overall structure. For any  
1260 accommodations and facilities of real property timeshare plans  
1261 located outside of this state, the developer shall disclose the  
1262 amount of reserves for deferred maintenance or capital  
1263 expenditures required by the law of the situs state, if  
1264 applicable, and maintained for such accommodations and  
1265 facilities.

1266 (B) Reserves for deferred maintenance or capital  
1267 expenditures of accommodations and facilities of a personal  
1268 property timeshare plan, if any. If such reserves are  
1269 maintained, the estimated operating budget shall disclose the  
1270 methodology of how the reserves are calculated. If a personal  
1271 property timeshare plan does not require reserves, the following  
1272 statement, in conspicuous type, shall appear in both the budget  
1273 and the public offering statement:

1274  
1275 *The estimated operating budget for this personal property*  
1276 *timeshare plan does not include reserves for deferred*



1277 maintenance or capital expenditures; each timeshare interest may  
 1278 be subject to substantial special assessments from time to time  
 1279 because no such reserves exist.

1280

1281 (XII) Fees payable to the division.

1282 b. Expenses for a purchaser:

1283 (I) Rent for the timeshare unit, if subject to a lease.

1284 (II) Rent payable by the purchaser directly to the lessor  
 1285 or agent under any lease for the use of facilities, which use  
 1286 and payment is a mandatory condition of ownership and is not  
 1287 included in the common expenses or assessments for common  
 1288 maintenance paid by the purchasers to the managing entity.

1289 4. The estimated amounts shall be stated for a period of  
 1290 at least 12 months and may distinguish between the period prior  
 1291 to the time that purchasers elect a majority of the board of  
 1292 administration and the period after that date.

1293 5. If the developer intends to guarantee the level of  
 1294 assessments, such guarantee must be based upon a good faith  
 1295 estimate of the revenues and expenses of the timeshare plan. The  
 1296 guarantee must include a description of the following:

1297 a. The specific time period measured in one or more  
 1298 calendar or fiscal years during which the guarantee will be in  
 1299 effect.

1300 b. A statement that the developer will pay all common  
 1301 expenses incurred in excess of the total revenues of the  
 1302 timeshare plan pursuant to s. 721.15(2) if the developer has  
 1303 excused himself or herself from the payment of assessments  
 1304 during the guarantee period.



1305 c. The level, expressed in total dollars, at which the  
 1306 developer guarantees the budget. If the developer has reserved  
 1307 the right to extend or increase the guarantee level pursuant to  
 1308 s. 721.15(2), a disclosure must be included to that effect.

1309 6. If the developer intends to provide a trust fund to  
 1310 defer or reduce the payment of annual assessments, a copy of the  
 1311 trust instrument shall be attached as an exhibit and shall  
 1312 include a description of such arrangement, including, but not  
 1313 limited to:

1314 a. The specific amount of such trust funds and the source  
 1315 of the funds.

1316 b. The name and address of the trustee.

1317 c. The investment methods permitted by the trust  
 1318 agreement.

1319 d. A statement in conspicuous type that the funds from the  
 1320 trust account may not cover all assessments and that there is no  
 1321 guarantee that purchasers will not have to pay assessments in  
 1322 the future.

1323 7. The budget of a phase timeshare plan may contain a note  
 1324 identifying the number of timeshare interests covered by the  
 1325 budget, indicating the number of timeshare interests, if any,  
 1326 estimated to be declared as part of the timeshare plan during  
 1327 that calendar year, and projecting the common expenses for the  
 1328 timeshare plan based upon the number of timeshare interests  
 1329 estimated to be declared as part of the timeshare plan during  
 1330 that calendar year.

1331 (v) A schedule of estimated closing expenses to be paid by  
 1332 a purchaser or lessee of a timeshare interest and a statement as





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1333 to whether a title opinion or title insurance policy is  
1334 available to the purchaser and, if so, at whose expense.

1335 (w) The identity of the developer and the chief operating  
1336 officer or principal directing the creation and sale of the  
1337 timeshare plan and a statement of the experience of each in this  
1338 field or, if no experience, a statement of that fact.

1339 (x) A statement of the total financial obligation of the  
1340 purchaser, including the purchase price and any additional  
1341 charges to which the purchaser may be subject.

1342 (y) The name of any person who will or may have the right  
1343 to alter, amend, or add to the charges to which the purchaser  
1344 may be subject and the terms and conditions under which such  
1345 alterations, amendments, or additions may be imposed.

1346 (z) A statement of the purchaser's right of cancellation  
1347 of the purchase contract.

1348 (aa) A description of the insurance coverage provided for  
1349 the timeshare plan.

1350 (bb) A statement as to whether the timeshare plan is  
1351 participating in an exchange program and, if so, the name and  
1352 address of the exchange company offering the exchange program.

1353 (cc) The existence of rules and regulations regarding any  
1354 reservation features governing a purchaser's ability to make  
1355 reservations for a timeshare period, including, if applicable, a  
1356 conspicuous type disclaimer in substantially the following form:

1357  
1358 *The right to reserve a timeshare period is subject to rules and*  
1359 *regulations of the timeshare plan reservation system.*

1360



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1361 (dd) If a developer is filing a timeshare plan that  
1362 includes a timeshare instrument or component site document that  
1363 was in conformance with the laws and rules in existence at the  
1364 time the timeshare plan was created but does not conform to  
1365 existing laws and rules that govern the timeshare plan and the  
1366 developer does not have the authority or power to amend or  
1367 change the timeshare instrument or component site document to  
1368 conform to such existing laws or rules as directed by the  
1369 division, a brief explanation of current law and the conflict  
1370 with the timeshare instrument or component site document,  
1371 preceded by disclaimer in conspicuous type in substantially the  
1372 following form:

1373  
1374 *Florida law has been amended and certain provisions in [insert*  
1375 *appropriate reference to timeshare instrument or component site*  
1376 *document] that were in conformance with Florida law as it*  
1377 *existed at the time the timeshare plan was created are not in*  
1378 *conformance with current Florida law. These documents may only*  
1379 *be amended by [insert appropriate reference to person or entity*  
1380 *that has the right to amend or change the timeshare instrument*  
1381 *or component site document]. The developer does not warrant that*  
1382 *such documents are in technical compliance with all applicable*  
1383 *Florida laws and regulations. All questions regarding amendment*  
1384 *of these documents should be directed to [insert appropriate*  
1385 *reference to person or entity that has the right to amend or*  
1386 *change the timeshare instrument or component site document].*  
1387



1388 (ee) Any other information that a seller, with the  
1389 approval of the division, desires to include in the public  
1390 offering statement.

1391 (ff) Copies of the following documents and plans, to the  
1392 extent they are applicable, shall be included as exhibits to the  
1393 filed ~~registered~~ public offering statement provided, if the  
1394 timeshare plan has not been declared or created at the time of  
1395 the filing, the developer shall provide proposed documents:

- 1396 1. The declaration of condominium.
- 1397 2. The cooperative documents.
- 1398 3. The declaration of covenants and restrictions.
- 1399 4. The articles of incorporation creating the owners'  
1400 association.
- 1401 5. The bylaws of the owners' association.
- 1402 6. Any ~~The~~ ground lease or other underlying lease of the  
1403 real property associated with ~~on which~~ the timeshare plan ~~is~~  
1404 ~~situated~~. In the case of a personal property timeshare plan, any  
1405 lease of the personal property associated with the personal  
1406 property timeshare plan.
- 1407 7. The management agreement and all maintenance and other  
1408 contracts regarding the management and operation of the  
1409 timeshare property which have terms in excess of 1 year.
- 1410 8. The estimated operating budget for the timeshare plan  
1411 and the required schedule of purchasers' expenses.
- 1412 9. The floor plan of each type of accommodation and the  
1413 plot plan showing the location of all accommodations and  
1414 facilities declared as part of the timeshare plan and filed with  
1415 the division.



- 1416           10. The lease for any facilities.
- 1417           11. A declaration of servitude of properties serving the  
1418 accommodations and facilities, but not owned by purchasers or  
1419 leased to them or the owners' association.
- 1420           12. Any documents required by s. 721.03(3)(e) as the  
1421 result of the inclusion of a timeshare plan in the conversion of  
1422 the building to condominium or cooperative ownership.
- 1423           13. The form of agreement for sale or lease of timeshare  
1424 interests.
- 1425           14. The executed agreement for escrow of payments made to  
1426 the developer prior to closing and the form of any agreement for  
1427 escrow of ad valorem tax escrow payments, if any, to be made  
1428 into an ad valorem tax escrow account pursuant to s. 192.037(6).
- 1429           15. The documents containing any restrictions on use of  
1430 the property required by paragraph (s).
- 1431           16. A letter from the escrow agent or filing attorney  
1432 confirming that the escrow agent and its officers, directors, or  
1433 other partners are independent pursuant to the requirements of  
1434 this chapter.
- 1435           17. Any nondisturbance and notice to creditors instrument  
1436 required by s. 721.08.
- 1437           18. In the case of any personal property timeshare plan in  
1438 which the accommodations and facilities are located on or in a  
1439 documented vessel or foreign vessel as provided in s.  
1440 721.08(2)(c)3.e., a copy of the certificate of ownership of such  
1441 vessel and either a copy of the certificate of documentation or  
1442 certificate of registry of such vessel.



1443           19. An executed affidavit given under oath by an attorney  
 1444 licensed to practice law in any jurisdiction in the United  
 1445 States stating that the attorney has researched the applicable  
 1446 laws of the jurisdiction in which governing law has been  
 1447 established and the laws of the jurisdiction in which the vessel  
 1448 is registered, and has found that the timeshare instrument  
 1449 complies with the provisions of s. 721.08(2)(c)3.e.(II)(C) and  
 1450 s. 721.08(2)(c)3.e.(III).

1451           20.16. Any other documents or instruments creating the  
 1452 timeshare plan.

1453           (gg) Such other information as is necessary to fairly,  
 1454 meaningfully, and effectively disclose all aspects of the  
 1455 timeshare plan, including, but not limited to, any disclosures  
 1456 made necessary by the operation of s. 721.03(8). However, if a  
 1457 developer has, in good faith, attempted to comply with the  
 1458 requirements of this section, and if, in fact, he or she has  
 1459 substantially complied with the disclosure requirements of this  
 1460 chapter, nonmaterial errors or omissions shall not be  
 1461 actionable.

1462           (hh) Notwithstanding the provisions of this subsection,  
 1463 the filed ~~registered~~ public offering statement for a component  
 1464 site of a multisite timeshare plan filed pursuant to this  
 1465 subsection may contain cross-references to information contained  
 1466 in the related multisite timeshare plan filed ~~registered~~ public  
 1467 offering statement filed pursuant to s. 721.55 in lieu of  
 1468 repeating such information.

1469           (6) The division is authorized to prescribe by rule the  
 1470 form of the approved purchaser public offering statement that



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1471 must be furnished by the developer to each purchaser. The form  
1472 of the purchaser public offering statement must provide fair,  
1473 meaningful, and effective disclosure of all aspects of the  
1474 timeshare plan. For timeshare plans filed pursuant to this part,  
1475 the developer shall furnish each purchaser with the following:

1476 (a) A copy of the purchaser public offering statement text  
1477 in the form approved by the division for delivery to purchasers.

1478 (b) Copies of the exhibits required to be filed with the  
1479 division pursuant to subparagraphs (5)(ff)1., 2., 4., 5., 8.,  
1480 and 20. ~~16.~~

1481 (c) A receipt for timeshare plan documents and a list  
1482 describing any exhibit to the filed ~~registered~~ public offering  
1483 statement filed with the division which is not delivered to the  
1484 purchaser. The division is authorized to prescribe by rule the  
1485 form of the receipt for timeshare plan documents and the  
1486 description of exhibits list that must be furnished to the  
1487 purchaser. The description of documents list utilized by a  
1488 developer shall be filed with the division for review as part of  
1489 the filed ~~registered~~ public offering statement pursuant to this  
1490 section. The developer shall be required to provide the managing  
1491 entity with a copy of the approved filed ~~registered~~ public  
1492 offering statement and any approved amendments thereto to be  
1493 maintained by the managing entity as part of the books and  
1494 records of the timeshare plan pursuant to s. 721.13(3)(d).

1495 (d) Any other exhibit which the developer includes as part  
1496 of the purchaser public offering statement, provided that the  
1497 developer first files the exhibit with the division.



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1498 (e) An executed copy of any document which the purchaser  
1499 signs.

1500 (f) Each purchaser shall receive a fully executed paper  
1501 copy of the purchase contract.

1502 Section 7. Paragraph (g) of subsection (1) of section  
1503 721.075, Florida Statutes, is amended and paragraph (e) is added  
1504 to subsection (2) of said section, to read:

1505 721.075 Incidental benefits.--Incidental benefits shall be  
1506 offered only as provided in this section.

1507 (1) Accommodations, facilities, products, services,  
1508 discounts, or other benefits which satisfy the requirements of  
1509 this subsection shall be subject to the provisions of this  
1510 section and exempt from the other provisions of this chapter  
1511 which would otherwise apply to such accommodations or facilities  
1512 if and only if:

1513 (g) The incidental benefit is filed with the division for  
1514 review in conjunction with the filing of a timeshare plan or in  
1515 connection with a previously filed timeshare plan.

1516 (2) Each purchaser shall execute a separate acknowledgment  
1517 and disclosure statement with respect to all incidental  
1518 benefits, which statement shall include the following  
1519 information:

1520 (e) A statement indicating the source of the services,  
1521 points, or other products that constitute the incidental  
1522 benefit.

1523 Section 8. Section 721.08, Florida Statutes, is amended to  
1524 read:



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

1545           (2) One hundred percent of all funds or other property  
1546 which is received from or on behalf of purchasers of the  
1547 timeshare plan or timeshare interest prior to the occurrence of  
1548 events required in this subsection shall be deposited pursuant  
1549 to an escrow agreement approved by the division. The ~~escrow~~  
1550 ~~agreement shall provide that the~~ funds or other property may be  
1551 released from escrow only as follows:





1552           (a) *Cancellation.*--In the event a purchaser gives a valid  
 1553 notice of cancellation pursuant to s. 721.10 or is otherwise  
 1554 entitled to cancel the sale, the funds or other property  
 1555 received from or on behalf of the purchaser, or the proceeds  
 1556 thereof, shall be returned to the purchaser. Such refund shall  
 1557 be made within 20 days after ~~of~~ demand therefor by the purchaser  
 1558 or within 5 days after receipt of funds from the purchaser's  
 1559 cleared check, whichever is later. If the purchaser has received  
 1560 benefits under the contract prior to the effective date of the  
 1561 cancellation, the funds or other property to be returned to the  
 1562 purchaser may be reduced by the proportion of contract benefits  
 1563 actually received.

1564           (b) *Purchaser's default.*--Following expiration of the 10-  
 1565 day cancellation period, if the purchaser defaults in the  
 1566 performance of her or his obligations under the terms of the  
 1567 contract to purchase or such other agreement by which a seller  
 1568 sells the timeshare interest, the developer shall provide an  
 1569 affidavit to the escrow agent requesting release of the escrowed  
 1570 funds or other property and shall provide a copy of such  
 1571 affidavit to the purchaser who has defaulted. The developer's  
 1572 affidavit, as required herein, shall include:

- 1573           1. A statement that the purchaser has defaulted and that  
 1574 the developer has not defaulted;
- 1575           2. A brief explanation of the nature of the default and  
 1576 the date of its occurrence;
- 1577           3. A statement that pursuant to the terms of the contract  
 1578 the developer is entitled to the funds held by the escrow agent;  
 1579 and



1580           4. A statement that the developer has not received from  
1581 the purchaser any written notice of a dispute between the  
1582 purchaser and developer or a claim by the purchaser to the  
1583 escrow.

1584           (c) *Compliance with conditions.*--

1585           1. Timeshare licenses.--If the timeshare plan is one in  
1586 which timeshare licenses are to be sold and no cancellation or  
1587 default has occurred, the escrow agent may release the escrowed  
1588 funds or other property to or on the order of the developer upon  
1589 presentation of:

1590           a. An affidavit by the developer that all of the following  
1591 conditions have been met:

1592           (I) Expiration of the cancellation period.

1593           (II) Completion of construction.

1594           (III) Closing.

1595           (IV) Either:

1596           (A) Execution, delivery, and recordation by each  
1597 interestholder of the nondisturbance and notice to creditors  
1598 instrument, as described in this section; or, ~~alternatively,~~

1599           (B) Transfer by the developer of legal title to the  
1600 subject accommodations and facilities, or all use rights  
1601 therein, into ~~to~~ a trust satisfying the requirements of  
1602 subparagraph 4. ~~sub-subparagraph 3.b.~~ and the execution,  
1603 delivery, and recordation by each other interestholder of the  
1604 nondisturbance and notice to creditors instrument, as described  
1605 in this section.



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1606           b. A certified copy of each ~~the~~ recorded nondisturbance  
1607 and notice to creditors instrument ~~that complies with subsection~~  
1608 ~~(3)~~.

1609           c. One of the following:

1610           (I) A copy of a memorandum of agreement, as defined in s.  
1611 721.05~~(21)~~, together with satisfactory evidence that the  
1612 original memorandum of agreement has been irretrievably  
1613 delivered for recording to the appropriate official responsible  
1614 for maintaining the public records in the county in which the  
1615 subject accommodations and facilities are located. The original  
1616 memorandum of agreement must be recorded within 180 days after  
1617 the date on which the purchaser executed her or his purchase  
1618 agreement.

1619           (II) A notice delivered for recording to the appropriate  
1620 official responsible for maintaining the public records in each  
1621 county in which the subject accommodations and facilities are  
1622 located notifying all persons of the identity of an independent  
1623 escrow agent or trustee satisfying the requirements of  
1624 subparagraph 4. ~~sub-subparagraph 3.b.~~ that shall maintain  
1625 separate books and records, in accordance with good accounting  
1626 practices, for the timeshare plan in which timeshare licenses  
1627 are to be sold. The books and records shall indicate each  
1628 accommodation and facility that is subject to such a timeshare  
1629 plan and each purchaser of a timeshare license in the timeshare  
1630 plan.

1631           2. Timeshare estates.--If the timeshare plan is one in  
1632 which timeshare estates are to be sold, ~~other than interests in~~  
1633 ~~a trust pursuant to subparagraph 3.,~~ and no cancellation or



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1634 default has occurred, the escrow agent may release the escrowed  
1635 funds or other property to or on the order of the developer upon  
1636 presentation of:

1637 a. An affidavit by the developer that all of the following  
1638 conditions have been met:

1639 (I) Expiration of the cancellation period.

1640 (II) Completion of construction.

1641 (III) Closing.

1642 b. If the timeshare estate is sold by agreement for deed,  
1643 a certified copy of the recorded nondisturbance and notice to  
1644 creditors instrument, as described in this section.

1645 c. Evidence that each accommodation and facility:

1646 (I) Is free and clear of the claims of any  
1647 interestholders, other than the claims of interestholders that,  
1648 through a recorded instrument, are irrevocably made subject to  
1649 the timeshare instrument and the use rights of purchasers made  
1650 available through the timeshare instrument;

1651 (II) Is the subject of a recorded nondisturbance and  
1652 notice to creditors instrument that complies with subsection (3)  
1653 and s. 721.17; or

1654 (III) Has been transferred into a trust satisfying the  
1655 requirements of subparagraph 4.

1656 d. Evidence that the timeshare estate:

1657 (I) Is free and clear of the claims of any  
1658 interestholders, other than the claims of interestholders that,  
1659 through a recorded instrument, are irrevocably made subject to  
1660 the timeshare instrument and the use rights of purchasers made  
1661 available through the timeshare instrument; or



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1662            (II) Is that ~~are~~ the subject of a recorded nondisturbance  
1663 and notice to creditors instrument that complies with subsection  
1664 (3) and s. 721.17.

1665            3. Personal property timeshare interests.--If the  
1666 timeshare plan is one in which personal property timeshare  
1667 interests ~~estates~~ are to be sold as ~~interests in a trust that~~  
1668 ~~complies in all respects with the provisions of sub-subparagraph~~  
1669 ~~b.,~~ and no cancellation or default has occurred, the escrow  
1670 agent may release the escrowed funds or other property to or on  
1671 the order of the developer upon presentation of:

1672            a. An affidavit by the developer that all of the following  
1673 conditions have been met:

1674            (I) Expiration of the cancellation period.

1675            (II) Completion of construction.

1676            (III) ~~Transfer of the subject accommodations and~~  
1677 ~~facilities, or all use rights therein, to the trust.~~

1678            ~~(IV) Closing.~~

1679            b. If the personal property timeshare interest is sold by  
1680 agreement for transfer, evidence that the agreement for transfer  
1681 complies fully with s. 721.06 and this section.

1682            c. Evidence that one of the following has occurred:

1683            (I) Transfer by the owner of the underlying personal  
1684 property of legal title to the subject accommodations and  
1685 facilities or all use rights therein into a trust satisfying the  
1686 requirements of subparagraph 4.; or

1687            (II) Transfer by the owner of the underlying personal  
1688 property of legal title to the subject accommodations and



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1689 facilities or all use rights therein into an owners' association  
1690 satisfying the requirements of subparagraph 5.

1691 d. Evidence of compliance with the provisions of  
1692 subparagraph 6., if required.

1693 e. If a personal property timeshare plan is created with  
1694 respect to accommodations and facilities that are located on or  
1695 in an ocean going vessel, including a "documented vessel" or  
1696 "foreign vessel" as defined and governed by chapter 301 of Title  
1697 46 of the United States Code:

1698 (I) In making the transfer required in sub-subparagraph  
1699 c., the developer shall use as its transfer instrument a  
1700 document that establishes and protects the continuance of the  
1701 use rights in the subject accommodations and facilities in a  
1702 manner that is enforceable by the trust or owners' association.

1703 (II) The transfer instrument shall comply fully with the  
1704 provisions of this chapter, shall be part of the timeshare  
1705 instrument, and shall contain specific provisions that:

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



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1716 all of the accommodations on the vessel are subject to the  
1717 timeshare plan, shall be common expenses of the timeshare plan.

1718 (B) Grant a lien against the vessel in favor of the  
1719 owners' association or trustee to secure the full and faithful  
1720 performance of the vessel owner and developer of all of their  
1721 obligations to the purchasers.

1722 (C) Establish governing law in a jurisdiction that  
1723 recognizes and will enforce the timeshare instrument and the  
1724 laws of the jurisdiction of registry of the vessel.

1725 (D) Require that a description of the use rights of  
1726 purchasers be posted and displayed on the vessel in a manner  
1727 that will give notice of such rights to any party examining the  
1728 vessel. This notice must identify the owners' association or  
1729 trustee and include a statement disclosing the limitation on  
1730 incurring liens against the vessel described in sub-sub-sub-  
1731 subparagraph (A).

1732 (E) Include the nondisturbance and notice to creditors  
1733 instrument for the vessel owner and any other interestholders.

1734 (F) The owners' association created under subparagraph 5.  
1735 or trustee created under subparagraph 6. shall have access to  
1736 any certificates of classification in accordance with the  
1737 timeshare instrument.

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



1743 instrument creating such use rights as a lien against the  
 1744 vessel.

1745 (IV) In addition to the disclosures required by s.  
 1746 721.07(5), the public offering statement and purchase contract  
 1747 must contain a disclosure in conspicuous type in substantially  
 1748 the following form:

1750 The laws of the State of Florida govern the offering of this  
 1751 timeshare plan in this state. There are inherent risks in  
 1752 purchasing a timeshare interest in this timeshare plan because  
 1753 the accommodations and facilities of the timeshare plan are  
 1754 located on a vessel that will sail into international waters and  
 1755 into waters governed by many different jurisdictions. Therefore,  
 1756 the laws of the State of Florida cannot fully protect your  
 1757 purchase of an interest in this timeshare plan. Specifically,  
 1758 management and operational issues may need to be addressed in  
 1759 the jurisdiction in which the vessel is registered, which is  
 1760 \_\_\_\_\_ (insert jurisdiction in which vessel is required).  
 1761 Concerns of purchasers may be sent to \_\_\_\_\_ (insert name  
 1762 of applicable regulatory agency and address).

1763 4. Trust.--

1764 a. If the subject accommodations or facilities, or all use  
 1765 rights therein, are to be transferred into a trust in order to  
 1766 comply with this paragraph, such transfer shall take place  
 1767 pursuant to this subparagraph.

1768 b. Prior to the transfer by each interestholder of the  
 1769 subject accommodations and facilities, or all use rights  
 1770 therein, to a trust, any lien or other encumbrance against such





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1771 accommodations and facilities, or use rights therein, shall be  
1772 made subject to a nondisturbance and notice to creditors  
1773 instrument pursuant to subsection (3) ~~as described in this~~  
1774 ~~section~~. No transfer pursuant to this subparagraph ~~sub-~~  
1775 ~~subparagraph~~ shall become effective until the trustee accepts  
1776 such transfer and the responsibilities set forth herein. A trust  
1777 established pursuant to this subparagraph ~~sub-subparagraph~~ shall  
1778 comply with the following provisions:

1779 (I) The trustee shall be an individual or a business  
1780 entity authorized and qualified to conduct trust business in  
1781 this state. Any corporation authorized to do business in this  
1782 state may act as trustee in connection with a timeshare plan  
1783 pursuant to this chapter. The trustee must be independent from  
1784 any developer or managing entity of the timeshare plan or any  
1785 interestholder of any accommodation or facility of such plan.

1786 (II) The trust shall be irrevocable so long as any  
1787 purchaser has a right to occupy any portion of the timeshare  
1788 property pursuant to the timeshare plan.

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



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1799 purchasers of the timeshare plan. The trustee shall notify the  
1800 division in writing within 10 days after ~~of~~ receiving notice of  
1801 the filing of any petition relating to obtaining such a court  
1802 order. The division shall have standing to advise the court of  
1803 the division's interpretation of the statute as it relates to  
1804 the petition.

1805 (IV) All purchasers of the timeshare plan or the owners'  
1806 association of the timeshare plan shall be the express  
1807 beneficiaries of the trust. The trustee shall act as a fiduciary  
1808 to the beneficiaries of the trust. The personal liability of the  
1809 trustee shall be governed by s. 737.306. The agreement  
1810 establishing the trust shall set forth the duties of the  
1811 trustee. The trustee shall be required to furnish promptly to  
1812 the division upon request a copy of the complete list of the  
1813 names and addresses of the owners in the timeshare plan and a  
1814 copy of any other books and records of the timeshare plan  
1815 required to be maintained pursuant to s. 721.13 that are in the  
1816 possession, custody, or control of the trustee. All expenses  
1817 reasonably incurred by the trustee in the performance of its  
1818 duties, together with any reasonable compensation of the  
1819 trustee, shall be common expenses of the timeshare plan.

1820 (V) The trustee shall not resign upon less than 90 days'  
1821 prior written notice to the managing entity and the division. No  
1822 resignation shall become effective until a substitute trustee,  
1823 approved by the division, is appointed by the managing entity  
1824 and accepts the appointment.

1825 (VI) The documents establishing the trust arrangement  
1826 shall constitute a part of the timeshare instrument.



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1827 (VII) For trusts holding property in a timeshare plan  
1828 located outside this state, the trust and trustee holding such  
1829 property shall be deemed in compliance with the requirements of  
1830 this subparagraph if such trust and trustee are ~~is~~ authorized  
1831 and qualified to conduct trust business under the laws of such  
1832 jurisdiction and the agreement or law governing such trust  
1833 arrangement provides substantially similar protections for the  
1834 purchaser as are required in this subparagraph for trusts  
1835 holding property in a timeshare plan in this state.

1836 (VIII) The trustee shall have appointed a registered agent  
1837 in this state for service of process. In the event such a  
1838 registered agent is not appointed, service of process may be  
1839 served pursuant to s. 721.265.

1840 5. Owners' association.--

1841 a. If the subject accommodations or facilities, or all use  
1842 rights therein, are to be transferred into an owners'  
1843 association in order to comply with this paragraph, such  
1844 transfer shall take place pursuant to this subparagraph.

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



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1854 established pursuant to this subparagraph shall comply with the  
1855 following provisions:

1856 (I) The owners' association shall be a business entity  
1857 authorized and qualified to conduct business in this state.  
1858 Control of the board of directors of the owners' association  
1859 must be independent from any developer or managing entity of the  
1860 timeshare plan or any interestholder.

1861 (II) The articles of incorporation of the owners'  
1862 association shall provide that the corporation may not be  
1863 voluntarily dissolved without the unanimous vote of all owners  
1864 of personal property timeshare interests so long as any  
1865 purchaser has a right to occupy any portion of the timeshare  
1866 property pursuant to the timeshare plan.

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



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1881 to advise the court of the division's interpretation of the  
1882 statute as it relates to the petition.

1883 (IV) All purchasers of the timeshare plan shall be members  
1884 of the owners' association and shall be entitled to vote on  
1885 matters requiring a vote of the owners' association as provided  
1886 in this chapter or the timeshare instrument. The owners'  
1887 association shall act as a fiduciary to the purchasers of the  
1888 timeshare plan. The articles of incorporation establishing the  
1889 owners' association shall set forth the duties of the owners'  
1890 association. All expenses reasonably incurred by the owners'  
1891 association in the performance of its duties, together with any  
1892 reasonable compensation of the officers or directors of the  
1893 owners' association, shall be common expenses of the timeshare  
1894 plan.

1895 (V) The documents establishing the owners' association  
1896 shall constitute a part of the timeshare instrument.

1897 (VI) For owners' associations holding property in a  
1898 timeshare plan located outside this state, the owners'  
1899 association holding such property shall be deemed in compliance  
1900 with the requirements of this subparagraph if such owners'  
1901 association is authorized and qualified to conduct owners'  
1902 association business under the laws of such jurisdiction and the  
1903 agreement or law governing such arrangement provides  
1904 substantially similar protections for the purchaser as are  
1905 required in this subparagraph for owners' associations holding  
1906 property in a timeshare plan in this state.

1907 (VII) The owners' association shall have appointed a  
1908 registered agent in this state for service of process. In the



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1909 event such a registered agent is not appointed, service of  
 1910 process may be made pursuant to s. 721.265.

1911 6. Personal property subject to certificate of title.--If  
 1912 any personal property that is an accommodation or facility of a  
 1913 timeshare plan is subject to a certificate of title in this  
 1914 state pursuant to chapter 319 or chapter 328, the following  
 1915 notation must be made on such certificate of title pursuant to  
 1916 s. 319.27(1) or s. 328.15(1):

1917  
 1918 The further transfer or encumbrance of the property subject to  
 1919 this certificate of title, or any lien or encumbrance thereon,  
 1920 is subject to the requirements of section 721.17, Florida  
 1921 Statutes, and the transferee or lienor agrees to be bound by all  
 1922 of the obligations set forth therein.

1923  
 1924 7.4. If the developer has previously provided a certified  
 1925 copy of any document required by this paragraph, she or he may  
 1926 for all subsequent disbursements substitute a true and correct  
 1927 copy of the certified copy, provided no changes to the document  
 1928 have been made or are required to be made.

1929 8. In the event that use rights relating to an  
 1930 accommodation or facility are transferred into a trust pursuant  
 1931 to subparagraph 4. or into an owners' association pursuant to  
 1932 subparagraph 5., all other interestholders, including the owner  
 1933 of the underlying fee or underlying personal property, must  
 1934 execute a nondisturbance and notice to creditors instrument  
 1935 pursuant to subsection (3).



1936            (d) Substitution of other assurances for escrowed funds or  
 1937 other property.--Funds or other property escrowed as provided in  
 1938 this section may be released from escrow to or on the order of  
 1939 the developer upon acceptance by the director of the division of  
 1940 other assurances pursuant to subsection (5) as a substitute for  
 1941 such escrowed funds or other property. The amount of escrowed  
 1942 funds or other property that may be released pursuant to this  
 1943 paragraph shall be equal to or less than the face amount of the  
 1944 assurances accepted by the director from time to time.

1945            (3) NONDISTURBANCE AND NOTICE TO CREDITORS  
 1946 INSTRUMENT.--The nondisturbance and notice to creditors  
 1947 instrument, when required, shall be executed by each  
 1948 interestholder.

1949            (a) The instrument shall state that:

1950            1.(a) If the party seeking enforcement is not in default  
 1951 of its obligations, the instrument may be enforced by both the  
 1952 seller and any purchaser of the timeshare plan;

1953            2.(b) The instrument shall be effective as between the  
 1954 timeshare purchaser and interestholder despite any rejection or  
 1955 cancellation of the contract between the timeshare purchaser and  
 1956 developer as a result of bankruptcy proceedings of the  
 1957 developer; and

1958            3.(e) So long as a purchaser remains in good standing with  
 1959 respect to her or his obligations under the timeshare  
 1960 instrument, including making all payments to the managing entity  
 1961 required by the timeshare instrument with respect to the annual  
 1962 common expenses of the timeshare ~~the interestholder has any~~  
 1963 ~~interest in the accommodations, facilities, or plan, then the~~



1964 interestholder will ~~fully~~ honor all ~~the~~ rights of such purchaser  
 1965 relating to the subject accommodation or facility as reflected  
 1966 ~~timeshare purchasers in and to the timeshare instrument plan,~~  
 1967 ~~will honor the purchasers' right to cancel their contracts and~~  
 1968 ~~receive appropriate refunds, and will comply with all other~~  
 1969 ~~requirements of this chapter and rules promulgated hereunder.~~

1970  
 1971 The instrument shall contain language sufficient to provide  
 1972 subsequent creditors of the developer and interestholders with  
 1973 notice of the existence of the timeshare plan and of the rights  
 1974 of purchasers and shall serve to protect the interest of the  
 1975 timeshare purchasers from any claims of subsequent creditors.

1976 (b) Real property timeshare plans.--For real property  
 1977 timeshare plans, the instrument shall be recorded in the public  
 1978 records of the county in which the subject accommodations or  
 1979 facilities are located.

1980 (c) Personal property timeshare plans.--For personal  
 1981 property timeshare plans, the instrument shall be included  
 1982 within or attached as an exhibit to a security agreement or  
 1983 other agreement executed by the interestholder. Constructive  
 1984 notice of such security agreement or other agreement shall be  
 1985 filed in the manner prescribed by chapter 679 or other  
 1986 applicable law.

1987 (d) A copy of the recorded or filed nondisturbance and  
 1988 notice to creditors instrument, when required, shall be provided  
 1989 to each timeshare purchaser at the time the purchase contract is  
 1990 executed.





1991 (4) In lieu of any escrow provisions required by this act,  
 1992 the director of the division shall have the discretion to permit  
 1993 deposit of the funds or other property in an escrow account as  
 1994 required by the jurisdiction in which the sale took place.

1995 (5)(a) In lieu of any escrows required by this section,  
 1996 the director of the division shall have the discretion to accept  
 1997 other assurances, including, but not limited to, a surety bond  
 1998 issued by a company authorized and licensed to do business in  
 1999 this state as surety or an irrevocable letter of credit in an  
 2000 amount equal to the escrow requirements of this section.

2001 (b) Notwithstanding anything in chapter 718 or chapter 719  
 2002 to the contrary, the director of the division shall have the  
 2003 discretion to accept other assurances pursuant to paragraph (a)  
 2004 in lieu of any requirement that completion of construction of  
 2005 one or more accommodations or facilities of a timeshare plan be  
 2006 accomplished prior to closing.

2007 (c) In lieu of a nondisturbance and notice to creditors  
 2008 instrument, when such an instrument is otherwise required by  
 2009 this section, the director of the division shall have the  
 2010 discretion to accept alternate means of protecting the  
 2011 continuing rights of purchasers in and to the subject  
 2012 accommodations or facilities of the timeshare plan as and for  
 2013 the term described in the timeshare instrument, and of providing  
 2014 effective constructive notice of such continuing purchaser  
 2015 rights to subsequent owners of the accommodations or facilities  
 2016 and to subsequent creditors of the affected interestholder.

2017 (d) In lieu of the requirements in s.  
 2018 721.08(2)(c)3.e.(III), the director of the division shall have



2019 | the discretion to accept alternate means of protecting the use  
 2020 | rights of purchasers in the subject accommodations and  
 2021 | facilities of the timeshare plan against unfiled and inferior  
 2022 | claims.

2023 |         (6) An escrow agent holding funds escrowed pursuant to  
 2024 | this section may invest such escrowed funds in securities of the  
 2025 | United States Government, or any agency thereof, or in savings  
 2026 | or time deposits in institutions insured by an agency of the  
 2027 | United States Government. The right to receive the interest  
 2028 | generated by any such investments shall be paid to the party to  
 2029 | whom the escrowed funds or other property are paid unless  
 2030 | otherwise specified by contract.

2031 |         (7) Each escrow agent shall maintain separate books and  
 2032 | records for each timeshare plan and shall maintain such books  
 2033 | and records in accordance with good accounting practices.

2034 |         (8) An escrow agent holding escrowed funds pursuant to  
 2035 | this chapter that have not been claimed for a period of 5 years  
 2036 | after the date of deposit shall make at least one reasonable  
 2037 | attempt to deliver such unclaimed funds to the purchaser who  
 2038 | submitted such funds to escrow. In making such attempt, an  
 2039 | escrow agent is entitled to rely on a purchaser's last known  
 2040 | address as set forth in the books and records of the escrow  
 2041 | agent and is not required to conduct any further search for the  
 2042 | purchaser. If an escrow agent's attempt to deliver unclaimed  
 2043 | funds to any purchaser is unsuccessful, the escrow agent may  
 2044 | deliver such unclaimed funds to the division and the division  
 2045 | shall deposit such unclaimed funds in the Division of Florida  
 2046 | Land Sales, Condominiums, and Mobile Homes Trust Fund, 30 days



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2047 after giving notice in a publication of general circulation in  
 2048 the county in which the timeshare property containing the  
 2049 purchaser's timeshare interest is located. The purchaser may  
 2050 claim the same at any time prior to the delivery of such funds  
 2051 to the division. After delivery of such funds to the division,  
 2052 the purchaser shall have no more rights to the unclaimed funds.  
 2053 The escrow agent shall not be liable for any claims from any  
 2054 party arising out of the escrow agent's delivery of the  
 2055 unclaimed funds to the division pursuant to this section.

2056 (9) For each transfer of the legal title to a timeshare  
 2057 estate by a developer, the developer shall deliver an instrument  
 2058 evidencing such transfer to the purchaser or to a title  
 2059 insurance agent or the clerk of the court for recording. For  
 2060 each transfer of the legal title to a personal property  
 2061 timeshare interest by a developer, the developer shall deliver  
 2062 an instrument evidencing such transfer to the purchaser subject  
 2063 to the provisions of this section.

2064 (10)(a) Any developer, seller, or escrow agent who  
 2065 intentionally fails to comply with the provisions of this  
 2066 section concerning the establishment of an escrow account,  
 2067 deposits of funds into escrow, and withdrawal therefrom is  
 2068 guilty of a felony of the third degree, punishable as provided  
 2069 in s. 775.082, s. 775.083, or s. 775.084, or the successor  
 2070 thereof. The failure to establish an escrow account or to place  
 2071 funds therein as required in this section is prima facie  
 2072 evidence of an intentional and purposeful violation of this  
 2073 section.



2074           (b) Any developer, interestholder, trustee, or officer or  
 2075 director of an owners' association who intentionally fails to  
 2076 comply with the provisions of this section concerning the  
 2077 establishment of a trust or owners' association, conveyances of  
 2078 property into the trust or owners' association, and conveyances  
 2079 or encumbrances of trust or owners' association property is  
 2080 guilty of a felony of the third degree, punishable as provided  
 2081 in s. 775.082, s. 775.083, or s. 775.084, or the successor  
 2082 thereof. The failure to establish a trust or owners'  
 2083 association, or to transfer property into the trust or owners'  
 2084 association, or the failure of a trustee or officer or director  
 2085 of an owners' association to comply with the trust agreement,  
 2086 articles of incorporation, or bylaws with respect to conveyances  
 2087 or encumbrances of trust or owners' association property, as  
 2088 required by this section, is prima facie evidence of an  
 2089 intentional and purposeful violation of this section.

2090           Section 9. Paragraphs (a) and (d) of subsection (1),  
 2091 paragraph (c) of subsection (2), and paragraph (c) of subsection  
 2092 (3) of section 721.09, Florida Statutes, are amended to read:

2093           721.09 Reservation agreements; escrows.--

2094           (1)(a) Prior to filing the filed ~~registered~~ public  
 2095 offering statement with the division, a seller shall not offer a  
 2096 timeshare plan for sale but may accept reservation deposits and  
 2097 advertise the reservation deposit program upon approval by the  
 2098 division of a fully executed escrow agreement and reservation  
 2099 agreement properly filed with the division.

2100           (d) A seller who has filed a reservation agreement and an  
 2101 escrow agreement under this section may advertise the



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2102 reservation agreement program if the advertising material meets  
2103 the following requirements:

2104 1. The seller complies with the provisions of s. 721.11  
2105 with respect to such advertising material.

2106 2. The advertising material is limited to a general  
2107 description of the proposed timeshare plan, including, but not  
2108 limited to, a general description of the type, number, and size  
2109 of accommodations and facilities and the name of the proposed  
2110 timeshare plan.

2111 3. The advertising material contains a statement that the  
2112 advertising material is being distributed in connection with an  
2113 approved reservation agreement filing only and that the seller  
2114 cannot offer an interest in the timeshare plan for sale until a  
2115 filed ~~registered~~ public offering statement has been filed with  
2116 the division under this chapter.

2117 (2) Each executed reservation agreement shall be signed by  
2118 the developer and shall contain the following:

2119 (c) A statement of the obligation of the developer to file  
2120 a filed ~~registered~~ public offering statement with the division  
2121 prior to entering into binding contracts.

2122 (3)

2123 (c) The escrow agent may invest the escrowed funds in  
2124 securities of the United States Government, or any agency  
2125 thereof, or in savings or time deposits in institutions insured  
2126 by an agency of the United States Government. The interest  
2127 generated by any such investments shall be payable to the party  
2128 entitled to receive the escrowed funds or other property.



2129 Section 10. Paragraph (a) of subsection (1), paragraphs  
 2130 (b) and (e) of subsection (6), and subsections (7), (8), and (9)  
 2131 of section 721.11, Florida Statutes, are amended to read:

2132 721.11 Advertising materials; oral statements.--

2133 (1)(a) A developer may file ~~All~~ advertising material ~~must~~  
 2134 ~~be filed~~ with the division for review ~~by the developer prior to~~  
 2135 ~~use. At the request of the developer,~~ The division shall review  
 2136 any the advertising material filed for review by the developer  
 2137 and notify the developer of any deficiencies within 10 days  
 2138 after the filing. If the developer corrects the deficiencies or  
 2139 if there are no deficiencies, the division shall notify the  
 2140 developer of its approval of the advertising materials.

2141 Notwithstanding anything to the contrary contained in this  
 2142 subsection, so long as the developer uses advertising materials  
 2143 approved by the division, following the developer's request for  
 2144 a review, the developer shall not be liable for any violation of  
 2145 this section or s. 721.111 with respect to such advertising  
 2146 materials.

2147 (6) Failure to provide cancellation rights or disclosures  
 2148 as required by this subsection in connection with the sale of a  
 2149 regulated short-term product constitutes misrepresentation in  
 2150 accordance with paragraph (4)(a). Any agreement relating to the  
 2151 sale of a regulated short-term product must be regulated as  
 2152 advertising material and is subject to the following:

2153 (b) A purchaser of a regulated short-term product has the  
 2154 right to cancel the agreement until midnight of the 10<sup>th</sup> calendar  
 2155 day following the execution date of the agreement. The right of  
 2156 cancellation may not be waived by the prospective purchaser or



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2157 | by any other person on behalf of the prospective purchaser.  
2158 | Notice of cancellation must be given in the same manner  
2159 | prescribed for giving notice of cancellation under s. 721.10(2).  
2160 | If the prospective purchaser gives a valid notice of  
2161 | cancellation or is otherwise entitled to cancel the sale, the  
2162 | funds or other property received from or on behalf of the  
2163 | prospective purchaser, or the proceeds thereof, must be returned  
2164 | to the prospective purchaser. Such refund must be made in the  
2165 | same manner prescribed for refunds under s. 721.10.

2166 | (e) If the seller provides the purchaser with the right to  
2167 | cancel the purchase of a regulated short-term product at any  
2168 | time up to 7 days prior to the purchaser's reserved use of the  
2169 | accommodations, but in no event less than 10 days, and if the  
2170 | seller refunds the total amount of all payments made by the  
2171 | purchaser reduced by the proportion of any benefits the  
2172 | purchaser has actually received prior to the effective date of  
2173 | the cancellation, the specific value of which has been agreed to  
2174 | between the purchaser and the seller, the short-term product  
2175 | offer shall be exempt from the requirements of paragraphs (b),  
2176 | (c), and (d). An agreement relating to the sale of the regulated  
2177 | short-term product made pursuant to this paragraph must contain  
2178 | a statement setting forth the cancellation and refund rights of  
2179 | the prospective purchaser in a manner that is consistent with  
2180 | this section and s. 721.10, including a description of the  
2181 | length of the cancellation right, a statement that the  
2182 | purchaser's intent to cancel must be in writing and sent to the  
2183 | seller at a specified address, a statement that the notice of  
2184 | cancellation is effective upon the date sent, and a statement



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2185 that any attempt to waive the cancellation right is unlawful.  
2186 The right of cancellation provided to the purchaser pursuant to  
2187 this paragraph may not be waived by the prospective purchaser or  
2188 by any other person on behalf of the prospective purchaser.  
2189 Notice of cancellation must be given in the same manner  
2190 prescribed for giving notice of cancellation pursuant to s.  
2191 721.10(2). If the prospective purchaser gives a valid notice of  
2192 cancellation, or is otherwise entitled to cancel the sale, the  
2193 funds or other property received from or on behalf of the  
2194 prospective purchaser, or the proceeds thereof, shall be  
2195 returned to the prospective purchaser. Such refund shall be made  
2196 in the manner prescribed for refunds under s. 721.10.

2197 (7) Notwithstanding the provisions of s. 721.05~~(7)~~~~(6)~~(b),  
2198 a seller may portray possible accommodations or facilities to  
2199 prospective purchasers in advertising material, or a purchaser  
2200 public offering statement, without such accommodations or  
2201 facilities being available for use by purchasers so long as the  
2202 advertising material or purchaser public offering statement  
2203 complies with the provisions of subsection (4).

2204 (8) Notwithstanding the provisions of s. 721.05~~(7)~~~~(6)~~(b),  
2205 a developer may portray possible accommodations or facilities to  
2206 prospective purchasers by disseminating oral or written  
2207 statements regarding same to broadcast or print media with no  
2208 obligation on the developer's part to actually construct such  
2209 accommodations or facilities or to file such accommodations or  
2210 facilities with the division, but only so long as such oral or  
2211 written statements are not considered advertising material  
2212 pursuant to paragraph (3)(e).





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2213           (9) Notwithstanding the provisions of s. 721.05~~(7)~~(7)(b),  
2214 a seller of a multisite timeshare plan may portray a possible  
2215 component site to prospective purchasers with no accommodations  
2216 or facilities located at such component site being available for  
2217 use by purchasers so long as the seller satisfies the following  
2218 requirements:

2219           (a) A developer of a multisite timeshare plan may  
2220 disseminate oral or written statements to broadcast or print  
2221 media describing a possible component site with no obligation on  
2222 the developer's part to actually add such component site to the  
2223 multisite timeshare plan or to amend the developer's filing with  
2224 the division, but only so long as such oral or written  
2225 statements are not considered advertising material pursuant to  
2226 paragraph (3)(e).

2227           (b) A seller may make representations to purchasers in  
2228 advertising material or in a purchaser public offering statement  
2229 regarding the possible accommodations and facilities of a  
2230 possible component site without such accommodations or  
2231 facilities being available for use by purchasers so long as the  
2232 advertising material or purchaser public offering statement  
2233 complies with the provisions of subsection (4).

2234           (c) In the event a seller makes any of the representations  
2235 permitted by paragraph (b), the purchase agreement must contain  
2236 the following conspicuous disclosure unless and until such time  
2237 as the developer has committed itself in the timeshare  
2238 instrument to adding the possible component site to the  
2239 multisite timeshare plan, at which time the seller may portray



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2240 the component site pursuant to the timeshare instrument without  
2241 restriction:

2242  
2243 *[Description of possible component site] is only a possible*  
2244 *component site which may never be added to the multisite*  
2245 *timeshare plan (or multisite vacation ownership plan or*  
2246 *multisite vacation plan or vacation club). Do not purchase an*  
2247 *interest in the multisite timeshare plan (or multisite vacation*  
2248 *ownership plan or multisite vacation plan or vacation club) in*  
2249 *reliance upon the addition of this component site.*

2250 (d) Notwithstanding anything contained in this chapter to  
2251 the contrary, a developer or managing entity may communicate  
2252 with existing purchasers regarding possible component sites  
2253 without restriction, so long as all oral and written statements  
2254 made to existing purchasers pursuant to this subsection comply  
2255 with the provisions of subsection (4).

2256 (e) Any violation of this subsection by a developer,  
2257 seller, or managing entity shall constitute a violation of this  
2258 chapter. Any violation of this subsection with respect to a  
2259 purchaser whose purchase has not yet closed shall be deemed to  
2260 provide that purchaser with a new 10-day voidability period.

2261 Section 11. Subsection (1) of section 721.12, Florida  
2262 Statutes, is amended to read:

2263 721.12 Recordkeeping by seller.--Each seller of a  
2264 timeshare plan shall maintain among its business records the  
2265 following:

2266 (1) A copy of each contract for the sale of a timeshare  
2267 interest, which contract has not been canceled. If a timeshare



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2268 estate is being sold, the seller is required to retain a copy of  
 2269 the contract only until a deed of conveyance, agreement for  
 2270 deed, or lease is recorded in the office of the clerk of the  
 2271 circuit court in the county wherein the plan is located. If a  
 2272 personal property timeshare plan is being sold, the seller is  
 2273 required to retain a copy of the contract only until a  
 2274 certificate of transfer, agreement for transfer, lease, or other  
 2275 instrument of transfer that fully complies with s. 721.08 is  
 2276 delivered to the purchaser.

2277 Section 12. Paragraphs (a) and (b) of subsection (1),  
 2278 paragraph (b) of subsection (2), paragraphs (c), (d), and (e) of  
 2279 subsection (3), paragraph (g) of subsection (6), and subsections  
 2280 (4) and (8) of section 721.13, Florida Statutes, are amended,  
 2281 subsection (9) is renumbered as subsection (10), and new  
 2282 subsections (9) and (11) are added to said section, to read:

2283 721.13 Management.--

2284 (1)(a) For each timeshare plan, the developer shall  
 2285 provide for a managing entity, which shall be either the  
 2286 developer, a separate manager or management firm, or an owners'  
 2287 association. Any owners' association shall be created prior to  
 2288 the first closing ~~recording~~ of the sale of a timeshare interest  
 2289 instrument.

2290 (b)1. With respect to a timeshare plan which is also  
 2291 regulated under chapter 718 or chapter 719, or which contains a  
 2292 mandatory owners' association, the board of administration of  
 2293 the owners' association shall be considered the managing entity  
 2294 of the timeshare plan.



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2295           2. During any period of time in which such owners'  
2296 association has entered into a contract with a manager or  
2297 management firm to provide some or all of the management  
2298 services to the timeshare plan, both the board of administration  
2299 and the manager or management firm shall be considered the  
2300 managing entity of the timeshare plan and shall be jointly and  
2301 severally responsible for the faithful discharge of the duties  
2302 of the managing entity.

2303           3. An owners' association which is the managing entity of  
2304 a timeshare plan that includes condominium units or cooperative  
2305 units shall not be considered a condominium association pursuant  
2306 to the provisions of chapter 718 or a cooperative association  
2307 pursuant to the provisions of chapter 719, unless such owners'  
2308 association also operates the entire condominium pursuant to s.  
2309 718.111 or the entire cooperative pursuant to s. 719.104.

2310           (2)

2311           (b) The managing entity shall invest the operating and  
2312 reserve funds of the timeshare plan in accordance with s.  
2313 518.11(1); however, the managing entity shall give safety of  
2314 capital greater weight than production of income. In no event  
2315 shall the managing entity invest timeshare plan funds with a  
2316 developer or with any entity that is not independent of any  
2317 developer or any managing entity within the meaning of s.  
2318 721.05(20)~~(18)~~, and in no event shall the managing entity invest  
2319 timeshare plan funds in notes and mortgages related in any way  
2320 to the timeshare plan.

2321           (3) The duties of the managing entity include, but are not  
2322 limited to:



2323 (c)1. Providing each year to all purchasers an itemized  
 2324 annual budget which shall include all estimated revenues and  
 2325 expenses. The budget shall be in the form required by s.  
 2326 721.07(5)(u). The budget ~~and~~ shall be the final budget adopted  
 2327 by the managing entity for the current fiscal year. The final  
 2328 adopted budget is not required to be delivered if the managing  
 2329 entity has previously delivered a proposed annual budget for the  
 2330 current fiscal year to purchasers in accordance with chapter 718  
 2331 or chapter 719, and the managing entity includes a description  
 2332 of any changes in the adopted budget with the assessment notice  
 2333 and a disclosure regarding the purchasers' right to receive a  
 2334 copy of the adopted budget if desired. The budget shall contain,  
 2335 as a footnote or otherwise, any related party transaction  
 2336 disclosures or notes which appear in the audited financial  
 2337 statements of the managing entity for the previous budget year  
 2338 as required by paragraph (e). A copy of the final budget shall  
 2339 be filed with the division for review within 30 days after the  
 2340 beginning of each fiscal year together with a statement of the  
 2341 number of periods of 7-day annual use availability that exist  
 2342 within the timeshare plan, including those periods filed for  
 2343 sale by the developer but not yet committed to the timeshare  
 2344 plan, for which annual fees are required to be paid to the  
 2345 division under s. 721.27.

2346 2. Notwithstanding anything contained in chapter 718 or  
 2347 chapter 719 to the contrary, the board of administration of an  
 2348 owners' association which serves as the managing entity may from  
 2349 time to time reallocate reserves for deferred maintenance and  
 2350 capital expenditures required by s. 721.07(5)(u)3.a.(XI) from



2351 any deferred maintenance or capital expenditure reserve account  
 2352 to any other deferred maintenance or capital expenditure reserve  
 2353 account or accounts in its discretion without the consent of  
 2354 purchasers of the timeshare plan. Funds in any deferred  
 2355 maintenance or capital expenditure reserve account may not be  
 2356 transferred to any operating account without the consent of a  
 2357 majority of the purchasers of the timeshare plan. The managing  
 2358 entity may from time to time transfer excess funds in any  
 2359 operating account to any deferred maintenance or capital  
 2360 expenditure reserve account without the vote or approval of  
 2361 purchasers of the timeshare plan. In the event any amount of  
 2362 reserves for accommodations and facilities of a timeshare plan  
 2363 containing timeshare licenses or personal property timeshare  
 2364 interests exists at the end of the term of the timeshare plan,  
 2365 such reserves shall be refunded to purchasers on a pro rata  
 2366 basis.

2367 (d)1. Maintenance of all books and records concerning the  
 2368 timeshare plan so that all such books and records are reasonably  
 2369 available for inspection by any purchaser or the authorized  
 2370 agent of such purchaser. For purposes of this subparagraph, the  
 2371 books and records of the timeshare plan shall be considered  
 2372 "reasonably available" if copies of the requested portions are  
 2373 delivered to the purchaser or the purchaser's agent within 7  
 2374 days after ~~of~~ the date the managing entity receives a written  
 2375 request for the records signed by the purchaser. The managing  
 2376 entity may charge the purchaser a reasonable fee for copying the  
 2377 requested information not to exceed 25 cents per page. However,  
 2378 any purchaser or agent of such purchaser shall be permitted to



2379 personally inspect and examine the books and records wherever  
 2380 located at any reasonable time, under reasonable conditions, and  
 2381 under the supervision of the custodian of those records. The  
 2382 custodian shall supply copies of the records where requested and  
 2383 upon payment of the copying fee. No fees other than those set  
 2384 forth in this section may be charged for the providing of,  
 2385 inspection, or examination of books and records. All books and  
 2386 financial records of the timeshare plan must be maintained in  
 2387 accordance with generally accepted accounting practices.

2388         2. If the books and records of the timeshare plan are not  
 2389 maintained on the premises of the accommodations and facilities  
 2390 of the timeshare plan, the managing entity shall inform the  
 2391 division in writing of the location of the books and records and  
 2392 the name and address of the person who acts as custodian of the  
 2393 books and records at that location. In the event that the  
 2394 location of the books and records changes, the managing entity  
 2395 shall notify the division of the change in location and the name  
 2396 and address of the new custodian within 30 days after ~~of~~ the  
 2397 date the books and records are moved. The purchasers shall be  
 2398 notified of the location of the books and records and the name  
 2399 and address of the custodian in the copy of the annual budget  
 2400 provided to them pursuant to paragraph (c).

2401         3. The division is authorized to adopt rules which specify  
 2402 those items and matters that shall be included in the books and  
 2403 records of the timeshare plan and which specify procedures to be  
 2404 followed in requesting and delivering copies of the books and  
 2405 records.



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2406 4. Notwithstanding any provision of chapter 718 or chapter  
2407 719 to the contrary, the managing entity may not furnish the  
2408 name, address, or electronic mail address of any purchaser to  
2409 any other purchaser or authorized agent thereof unless the  
2410 purchaser whose name, ~~and~~ address, or electronic mail address is  
2411 ~~are~~ requested first approves the disclosure in writing.

2412 (e) Arranging for an annual audit of the financial  
2413 statements of the timeshare plan by a certified public  
2414 accountant licensed by the Board of Accountancy of the  
2415 Department of Business and Professional Regulation, in  
2416 accordance with generally accepted auditing standards as defined  
2417 by the rules of the Board of Accountancy of the Department of  
2418 Business and Professional Regulation. The financial statements  
2419 required by this section must be prepared on an accrual basis  
2420 using fund accounting, and must be presented in accordance with  
2421 generally accepted accounting principles. A copy of the audited  
2422 financial statements must be filed with the division for review  
2423 and forwarded to the board of directors and officers of the  
2424 owners' association, if one exists, no later than 5 calendar  
2425 months after the end of the timeshare plan's fiscal year. If no  
2426 owners' association exists, each purchaser must be notified, no  
2427 later than 5 months after the end of the timeshare plan's fiscal  
2428 year, that a copy of the audited financial statements is  
2429 available upon request to the managing entity. Notwithstanding  
2430 any requirement of s. 718.111(13) or s. 719.104(4), the audited  
2431 financial statements required by this section are the only  
2432 annual financial reporting requirements for timeshare  
2433 condominiums or timeshare cooperatives.





2434 (4) The managing entity shall maintain among its records  
 2435 and provide to the division upon request a complete list of the  
 2436 names and addresses of all purchasers and owners of timeshare  
 2437 units in the timeshare plan. The managing entity shall update  
 2438 this list no less frequently than quarterly. Pursuant to  
 2439 paragraph (3)(d), the managing entity may not publish this  
 2440 owner's list or provide a copy of it to any purchaser or to any  
 2441 third party other than the division. However, the managing  
 2442 entity shall to those persons listed on the owner's list  
 2443 materials provided by any purchaser, upon the written request of  
 2444 that purchaser, if the purpose of the mailing is to advance  
 2445 legitimate owners' association business, such as a proxy  
 2446 solicitation for any purpose, including the recall of one or  
 2447 more board members elected by the owners or the discharge of the  
 2448 manager or management firm. The use of any proxies solicited in  
 2449 this manner must comply with the provisions of the timeshare  
 2450 instrument and this chapter. A mailing requested for the purpose  
 2451 of advancing legitimate owners' association business shall occur  
 2452 within 30 days after receipt of a request from a purchaser. The  
 2453 board of administration of the owners' association shall be  
 2454 responsible for determining the appropriateness of any mailing  
 2455 requested pursuant to this subsection. The purchaser who  
 2456 requests the mailing must reimburse the owners' association in  
 2457 advance for the owners' association's actual costs in performing  
 2458 the mailing. It shall be a violation of this chapter and, if  
 2459 applicable, of part VIII of chapter 468, for the board of  
 2460 administration or the manager or management firm to refuse to  
 2461 mail any material requested by the purchaser to be mailed,



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2462 provided the sole purpose of the materials is to advance  
2463 legitimate owners' association business. If the purpose of the  
2464 mailing is a proxy solicitation to recall one or more board  
2465 members elected by the owners or to discharge the manager or  
2466 management firm and the managing entity does not mail the  
2467 materials within 30 days after receipt of a request from a  
2468 purchaser, the circuit court in the county where the timeshare  
2469 plan is located may, upon application from the requesting  
2470 purchaser, summarily order the mailing of the materials solely  
2471 related to the recall of one or more board members elected by  
2472 the owners or the discharge of the manager or management firm.  
2473 The court shall dispose of an application on an expedited basis.  
2474 In the event of such an order, the court may order the managing  
2475 entity to pay the purchaser's costs, including attorney's fees  
2476 reasonably incurred to enforce the purchaser's rights, unless  
2477 the managing entity can prove it refused the mailing in good  
2478 faith because of a reasonable basis for doubt about the  
2479 legitimacy of the mailing.

2480 (6)

2481 (g) A managing entity shall have breached its fiduciary  
2482 duty described in subsection (2) in the event it enforces the  
2483 denial of use pursuant to paragraph (b) against any one  
2484 purchaser or group of purchasers without similarly enforcing it  
2485 against all purchasers, including all developers and owners of  
2486 the underlying fee or underlying personal property; however, a  
2487 managing entity shall not be required to solicit rentals  
2488 pursuant to paragraph (f) for every delinquent purchaser. A  
2489 managing entity shall also have breached its fiduciary duty in



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2490 the event an error in the books and records of the timeshare  
2491 plan results in a denial of use pursuant to this subsection of  
2492 any purchaser who is not, in fact, delinquent. In addition to  
2493 any remedies otherwise available to purchasers of the timeshare  
2494 plan arising from such breaches of fiduciary duty, such breach  
2495 shall also constitute a violation of this chapter. In addition,  
2496 any purchaser receiving a notice of delinquency pursuant to  
2497 paragraph (b), or any third party claiming under such purchaser  
2498 pursuant to paragraph (b), may immediately bring an action for  
2499 injunctive or declaratory relief against the managing entity  
2500 seeking to have the notice invalidated on the grounds that the  
2501 purchaser is not, in fact, delinquent, that the managing entity  
2502 failed to follow the procedures prescribed by this section, or  
2503 on any other available grounds. The prevailing party in any such  
2504 action shall be entitled to recover his or her reasonable  
2505 attorney's fees from the losing party.

2506 (8) Notwithstanding anything to the contrary in s.  
2507 718.110, s. 718.113, s. 718.114, or s. 719.1055, the board of  
2508 administration of any owners' association that operates a  
2509 timeshare condominium pursuant to s. 718.111, or a timeshare  
2510 cooperative pursuant to s. 719.104, shall have the power to make  
2511 material alterations or substantial additions to the  
2512 accommodations or facilities of such timeshare condominium or  
2513 timeshare cooperative without the approval of the owners'  
2514 association. However, if the timeshare condominium or timeshare  
2515 cooperative contains any residential units that are not subject  
2516 to the timeshare plan, such action by the board of  
2517 administration must be approved by a majority of the owners of



2518 such residential units. Unless otherwise provided in the  
 2519 timeshare instrument as originally recorded, no such amendment  
 2520 may change the configuration or size of any accommodation in any  
 2521 material fashion, or change the proportion or percentage by  
 2522 which a member of the owners' association shares the common  
 2523 expenses, unless the record owners of the affected units or  
 2524 timeshare interests and all record owners of liens on the  
 2525 affected units or timeshare interests join in the execution of  
 2526 the amendment.

2527 (9) All notices or other information sent by a board of  
 2528 administration of an owners' association may be delivered to a  
 2529 purchaser by electronic mail, provided that the purchaser first  
 2530 consents electronically to the use of electronic mail for notice  
 2531 purposes in a manner that reasonably demonstrates that the  
 2532 purchaser has the ability to access the notice by electronic  
 2533 mail. Proxies or written consents on votes of any owners'  
 2534 association may be received by electronic mail, shall have legal  
 2535 effect, and may be utilized for votes of an owners' association,  
 2536 provided that the electronic signature is authenticated through  
 2537 use of a password, cryptography software, or other reasonable  
 2538 means and that proof of such authentication is made available to  
 2539 the board of directors.

2540 (10)~~(9)~~ Any failure of the managing entity to faithfully  
 2541 discharge the fiduciary duty to purchasers imposed by this  
 2542 section or to otherwise comply with the provisions of this  
 2543 section shall be a violation of this chapter and of part VIII of  
 2544 chapter 468.



2545           (11) Notwithstanding the other provisions of this section,  
 2546 personal property timeshare plans are only subject to the  
 2547 provisions of subsections (1)(a)-(d), (2)(a), (3)(a)-(h), (5),  
 2548 (6), (9), and (10).

2549           Section 13. Subsection (4) is added to section 721.14,  
 2550 Florida Statutes, to read:

2551           721.14 Discharge of managing entity.--

2552           (4) This section shall not apply to personal property  
 2553 timeshare plans.

2554           Section 14. Paragraph (c) of subsection (2) of section  
 2555 721.15, Florida Statutes, is amended, and subsection (10) is  
 2556 added to said section, to read:

2557           721.15 Assessments for common expenses.--

2558           (2)

2559           (c) For the purpose of calculating the obligation of a  
 2560 developer under a guarantee pursuant to paragraph (b),  
 2561 depreciation expenses related to real property shall be excluded  
 2562 from common expenses incurred during the guarantee period,  
 2563 except that for real property that is used for the production of  
 2564 fees, revenues, or other income, depreciation expenses shall be  
 2565 excluded only to the extent that they exceed the net income from  
 2566 the production of such fees, revenues, or other income.

2567           (10) This section shall not apply to personal property  
 2568 timeshare plans.

2569           Section 15. Subsection (6) is added to section 721.16,  
 2570 Florida Statutes, to read:

2571           721.16 Liens for overdue assessments; liens for labor  
 2572 performed on, or materials furnished to, a timeshare unit.--



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2573           (6) This section shall not apply to personal property  
2574 timeshare plans.

2575           Section 16. Section 721.17, Florida Statutes, is amended  
2576 to read:

2577           721.17 Transfer of interest.--Except in the case of a  
2578 timeshare plan subject to the provisions of chapter 718 or  
2579 chapter 719, no developer, ~~or~~ owner of the underlying fee, or  
2580 owner of the underlying personal property shall sell, lease,  
2581 assign, mortgage, or otherwise transfer his or her interest in  
2582 the accommodations and facilities of the timeshare plan except  
2583 by an instrument evidencing the transfer recorded in the public  
2584 records of the county in which such accommodations and  
2585 facilities are located, or, with respect to personal property  
2586 timeshare plans, in full compliance with s. 721.08. The  
2587 instrument shall be executed by both the transferor and  
2588 transferee and shall state:

2589           (1) That its provisions are intended to protect the rights  
2590 of all purchasers of the plan.

2591           (2) That its terms may be enforced by any prior or  
2592 subsequent timeshare purchaser so long as that purchaser is not  
2593 in default of his or her obligations.

2594           (3) That so long as a purchaser remains in good standing  
2595 with respect to her or his obligations under the timeshare  
2596 instrument, including making all payments to the managing entity  
2597 required by the timeshare instrument with respect to the annual  
2598 common expenses of the timeshare plan, the transferee shall will  
2599 fully honor all the rights of such purchaser relating to the  
2600 subject accommodation or facility as reflected the purchasers to



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2601 ~~occupy and use the accommodations and facilities as provided in~~  
 2602 ~~their original contracts and the timeshare instrument~~  
 2603 ~~instruments.~~

2604 (4) That the transferee will fully honor all rights of  
 2605 timeshare purchasers to cancel their contracts and receive  
 2606 appropriate refunds.

2607 (5) That the obligations of the transferee under such  
 2608 instrument will continue to exist despite any cancellation or  
 2609 rejection of the contracts between the developer and purchaser  
 2610 arising out of bankruptcy proceedings.

2611  
 2612 Should any transfer of the interest of the developer, ~~or~~ owner  
 2613 of the underlying fee, or owner of the underlying property occur  
 2614 in a manner which is not in compliance with this section, the  
 2615 terms set forth in this section shall be presumed to be a part  
 2616 of the transfer and shall be deemed to be included in the  
 2617 instrument of transfer. Notice shall be mailed to each purchaser  
 2618 of record within 30 days after ~~of~~ the transfer unless such  
 2619 transfer does not affect the purchaser's rights in or use of the  
 2620 timeshare plan. Persons who hold mortgages or liens on the  
 2621 property constituting a timeshare plan before the filed  
 2622 ~~registered~~ public offering statement of such plan is approved by  
 2623 the division shall not be considered transferees for the  
 2624 purposes of this section.

2625 Section 17. Section 721.18, Florida Statutes, is amended  
 2626 to read:



2627           721.18 Exchange programs; filing of information and other  
2628 materials; filing fees; unlawful acts in connection with an  
2629 exchange program.--

2630           (1) If a purchaser is offered the opportunity to subscribe  
2631 to an exchange program, the seller shall deliver to the  
2632 purchaser, together with the purchaser public offering  
2633 statement, and prior to the offering or execution of any  
2634 contract between the purchaser and the company offering the  
2635 exchange program, written information regarding such exchange  
2636 program; or, if the exchange company is dealing directly with  
2637 the purchaser, the exchange company shall deliver to the  
2638 purchaser, prior to the initial offering or execution of any  
2639 contract between the purchaser and the company offering the  
2640 exchange program, written information regarding such exchange  
2641 program. In either case, the purchaser shall certify in writing  
2642 to the receipt of such information. Such information shall  
2643 include, but is not limited to, the following information, the  
2644 form and substance of which shall first be approved by the  
2645 division in accordance with subsection (2):

2646           (a) The name and address of the exchange company.

2647           (b) The names of all officers, directors, and shareholders  
2648 of the exchange company.

2649           (c) Whether the exchange company or any of its officers or  
2650 directors has any legal or beneficial interest in any developer,  
2651 seller, or managing entity for any timeshare plan participating  
2652 in the exchange program and, if so, the name and location of the  
2653 timeshare plan and the nature of the interest.





2654 (d) Unless otherwise stated, a statement that the  
 2655 purchaser's contract with the exchange company is a contract  
 2656 separate and distinct from the purchaser's contract with the  
 2657 seller of the timeshare plan.

2658 (e) Whether the purchaser's participation in the exchange  
 2659 program is dependent upon the continued affiliation of the  
 2660 timeshare plan with the exchange program.

2661 (f) A statement that ~~whether~~ the purchaser's participation  
 2662 in the exchange program is voluntary. This statement is not  
 2663 required to be given by the seller or managing entity of a  
 2664 multisite timeshare plan to purchasers in the multisite  
 2665 timeshare plan.

2666 (g) A complete and accurate description of the terms and  
 2667 conditions of the purchaser's contractual relationship with the  
 2668 exchange program and the procedure by which changes thereto may  
 2669 be made.

2670 (h) A complete and accurate description of the procedure  
 2671 to qualify for and effectuate exchanges.

2672 (i) A complete and accurate description of all  
 2673 limitations, restrictions, or priorities employed in the  
 2674 operation of the exchange program, including, but not limited  
 2675 to, limitations on exchanges based on seasonality, timeshare  
 2676 unit size, or levels of occupancy, expressed in boldfaced type,  
 2677 and, in the event that such limitations, restrictions, or  
 2678 priorities are not uniformly applied by the exchange program, a  
 2679 clear description of the manner in which they are applied.



2680 (j) Whether exchanges are arranged on a space-available  
 2681 basis and whether any guarantees of fulfillment of specific  
 2682 requests for exchanges are made by the exchange program.

2683 (k) Whether and under what circumstances a purchaser, in  
 2684 dealing with the exchange program, may lose the use and  
 2685 occupancy of her or his timeshare period in any properly applied  
 2686 for exchange without her or his being provided with substitute  
 2687 accommodations by the exchange program.

2688 (l) The fees or range of fees for membership or  
 2689 participation ~~by purchasers~~ in the exchange program by  
 2690 purchasers, including any conversion or other fees payable to  
 2691 third parties, a statement whether any such fees may be altered  
 2692 by the exchange company, and the circumstances under which  
 2693 alterations may be made.

2694 (m) The name and address of the site of each ~~accommodation~~  
 2695 ~~or facility included in the~~ timeshare plan ~~plans~~ participating  
 2696 in the exchange program.

2697 (n) The number of the timeshare units in each timeshare  
 2698 plan which are available for occupancy and which qualify for  
 2699 participation in the exchange program, expressed within the  
 2700 following numerical groupings: 1-5; 6-10; 11-20; 21-50; and 51  
 2701 and over.

2702 (o) The number of currently enrolled purchasers for each  
 2703 timeshare plan participating in the exchange program, expressed  
 2704 within the following numerical groupings: 1-100; 101-249; 250-  
 2705 499; 500-999; and 1,000 and over; and a statement of the  
 2706 criteria used to determine those purchasers who are currently  
 2707 enrolled with the exchange program.



2708 (p) The disposition made by the exchange company of  
 2709 timeshare periods deposited with the exchange program by  
 2710 purchasers enrolled in the exchange program and not used by the  
 2711 exchange company in effecting exchanges.

2712 (q) The following information, which shall be  
 2713 independently audited by a certified public accountant or  
 2714 accounting firm in accordance with the standards of the  
 2715 Accounting Standards Board of the American Institute of  
 2716 Certified Public Accountants and reported annually ~~beginning no~~  
 2717 ~~later than July 1, 1982:~~

2718 1. The number of purchasers currently enrolled in the  
 2719 exchange program.

2720 2. The number of accommodations and facilities that have  
 2721 current written affiliation agreements with the exchange  
 2722 program.

2723 3. The percentage of confirmed exchanges, which is the  
 2724 number of exchanges confirmed by the exchange program divided by  
 2725 the number of exchanges properly applied for, together with a  
 2726 complete and accurate statement of the criteria used to  
 2727 determine whether an exchange request was properly applied for.

2728 4. The number of timeshare periods for which the exchange  
 2729 program has an outstanding obligation to provide an exchange to  
 2730 a purchaser who relinquished a timeshare period during the year  
 2731 in exchange for a timeshare period in any future year.

2732 5. The number of exchanges confirmed by the exchange  
 2733 program during the year.

2734 (r) A statement in boldfaced type to the effect that the  
 2735 percentage described in subparagraph (q)3. is a summary of the



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2736 exchange requests entered with the exchange program in the  
2737 period reported and that the percentage does not indicate the  
2738 probabilities of a purchaser's being confirmed to any specific  
2739 choice or range of choices.

2740 (2) Each exchange company offering an exchange program to  
2741 purchasers in this state shall file with the division for review  
2742 the information specified in subsection (1), together with any  
2743 membership agreement and application between the purchaser and  
2744 the exchange company, and the audit specified in subsection (1)  
2745 on or before June 1 of each year. However, an exchange company  
2746 shall make its initial filing at least 20 days prior to offering  
2747 an exchange program to any purchaser in this state. Each filing  
2748 shall be accompanied by an annual filing fee of \$500. Within 20  
2749 days after ~~of~~ receipt of such filing, the division shall  
2750 determine whether the filing is adequate to meet the  
2751 requirements of this section and shall notify the exchange  
2752 company in writing that the division has either approved the  
2753 filing or found specified deficiencies in the filing. If the  
2754 division fails to respond within 20 days, the filing shall be  
2755 deemed approved. The exchange company may correct the  
2756 deficiencies; and, within 10 days after receipt of corrections  
2757 from the exchange company, the division shall notify the  
2758 exchange company in writing that the division has either  
2759 approved the filing or found additional specified deficiencies  
2760 in the filing. If the exchange company fails to adequately  
2761 respond to any deficiency notice within 10 days, the division  
2762 may reject the filing. Subsequent to such rejection, a new  
2763 filing fee and a new division initial review period pursuant to



2764 this subsection shall apply to any refiling or further review of  
 2765 the rejected filing.

2766 (a) Any material change to an approved exchange company  
 2767 filing shall be filed with the division for approval as an  
 2768 amendment prior to becoming effective. Each amendment filing  
 2769 shall be accompanied by a filing fee of \$100. The exchange  
 2770 company may correct the deficiencies; and, within 10 days after  
 2771 receipt of corrections from the exchange company, the division  
 2772 shall notify the exchange company in writing that the division  
 2773 has either approved the filing or found additional specified  
 2774 deficiencies in the filing. Each approved amendment to the  
 2775 approved exchange company filing, other than an amendment that  
 2776 does not materially alter or modify the exchange program in a  
 2777 manner that is adverse to a purchaser, as determined by the  
 2778 exchange company in its reasonable discretion, shall be  
 2779 delivered to each purchaser who has not closed. An approved  
 2780 exchange program filing is required to be updated with respect  
 2781 to added or deleted resorts only once each year, and such annual  
 2782 update shall not be deemed to be a material change to the  
 2783 filing.

2784 (b) If at any time the division determines that any of  
 2785 such information supplied by an exchange company fails to meet  
 2786 the requirements of this section, the division may undertake  
 2787 enforcement action against the exchange company in accordance  
 2788 with the provision of s. 721.26.

2789 (3) No developer shall have any liability with respect to  
 2790 any violation of this chapter arising out of the publication by  
 2791 the developer of information provided to it by an exchange



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2792 company pursuant to this section. No exchange company shall have  
 2793 any liability with respect to any violation of this chapter  
 2794 arising out of the use by a developer of information relating to  
 2795 an exchange program other than that provided to the developer by  
 2796 the exchange company.

2797 (4) At the request of the exchange company, the division  
 2798 shall review any audio, written, or visual publications or  
 2799 materials relating to an exchange company or an exchange program  
 2800 shall be filed for review by the exchange company and shall  
 2801 notify the exchange company of any deficiencies within 10 with  
 2802 the division within 3 days after the filing of their use. If the  
 2803 exchange company corrects the deficiencies or if there are no  
 2804 deficiencies, the division shall notify the exchange company of  
 2805 its approval of the advertising materials. If the exchange  
 2806 company fails to adequately respond to any deficiency notice  
 2807 within 10 days, the division may reject the advertising  
 2808 materials. Subsequent to such rejection, a new division initial  
 2809 review period pursuant to this subsection shall apply to any  
 2810 refiling or further review.

2811 (5) The failure of an exchange company to observe the  
 2812 requirements of this section, or the use of any unfair or  
 2813 deceptive act or practice in connection with the operation of an  
 2814 exchange program, is a violation of this chapter.

2815 Section 18. Section 721.19, Florida Statutes, is amended  
 2816 to read:

2817 721.19 Provisions requiring purchase or lease of timeshare  
 2818 property by owners' association or purchasers; validity.--In any  
 2819 timeshare plan in which timeshare estates or personal property



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2820 timeshare interests are sold, no grant or reservation made by a  
2821 declaration, lease, or other document, nor any contract made by  
2822 the developer, managing entity, or owners' association, which  
2823 requires the owners' association or purchasers to purchase or  
2824 lease any portion of the timeshare property shall be valid  
2825 unless approved by a majority of the purchasers other than the  
2826 developer, after more than 50 percent of the timeshare periods  
2827 have been sold.

2828 Section 19. Section 721.20, Florida Statutes, is amended  
2829 to read:

2830 721.20 Licensing requirements; suspension or revocation of  
2831 license; exceptions to applicability; collection of advance fees  
2832 for listings unlawful.--

2833 (1) Any seller of a timeshare plan must be a licensed real  
2834 estate salesperson, broker, or broker-salesperson as defined in  
2835 s. 475.01, except as provided in s. 475.011.

2836 (2) Solicitors who engage only in the solicitation of  
2837 prospective purchasers and any purchaser who refers no more than  
2838 20 people to a developer per year or who otherwise provides  
2839 testimonials on behalf of a developer are exempt from the  
2840 provisions of chapter 475.

2841 (3) A solicitor who has violated the provisions of chapter  
2842 468, chapter 718, chapter 719, this chapter, or the rules of the  
2843 division governing timesharing shall be subject to the  
2844 provisions of s. 721.26. Any developer or other person who  
2845 supervises, directs, or engages the services of a solicitor  
2846 shall be liable for any violation of the provisions of chapter



2847 468, chapter 718, chapter 719, this chapter, or the rules of the  
2848 division governing timesharing committed by such solicitor.

2849 (4) County and municipal governments shall have the  
2850 authority to adopt codes of conduct and regulations to govern  
2851 solicitor activity conducted on public property, including  
2852 providing for the imposition of penalties prescribed by a  
2853 schedule of fines adopted by ordinance for violations of any  
2854 such code of conduct or regulation. Any violation of any such  
2855 adopted code of conduct or regulation shall not constitute a  
2856 separate violation of this chapter. This subsection is not  
2857 intended to restrict or invalidate any local code of conduct or  
2858 regulation.

2859 (5) This section does not apply to those individuals who  
2860 offer for sale only timeshare interests in timeshare property  
2861 located outside this state and who do not engage in any sales  
2862 activity within this state or to timeshare plans which are  
2863 registered with the Securities and Exchange Commission. For the  
2864 purposes of this section, both timeshare licenses and timeshare  
2865 estates are considered to be interests in real property.

2866 (6) Notwithstanding the provisions of s. 475.452, it is  
2867 unlawful for any broker, salesperson, or broker-salesperson to  
2868 collect any advance fee for the listing of any timeshare estate  
2869 or timeshare license.

2870 (7) It is unlawful for any broker, salesperson, or broker-  
2871 salesperson to collect any advance fee for the listing of a  
2872 personal property timeshare interest.

2873 (8) Subsections (1), (2), and (3) do not apply to persons  
2874 who offer personal property timeshare plans.





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2875 Section 20. Subsection (6) is added to section 721.24,  
2876 Florida Statutes, to read:

2877 721.24 Firesafety.--

2878 (6) Accommodations and facilities of personal property  
2879 timeshare plans shall be exempt from the requirements of this  
2880 section.

2881 Section 21. Paragraphs (a), (d), and (e) of subsection (5)  
2882 of section 721.26, Florida Statutes, are amended to read:

2883 721.26 Regulation by division.--The division has the power  
2884 to enforce and ensure compliance with the provisions of this  
2885 chapter, except for parts III and IV, using the powers provided  
2886 in this chapter, as well as the powers prescribed in chapters  
2887 498, 718, and 719. In performing its duties, the division shall  
2888 have the following powers and duties:

2889 (5) Notwithstanding any remedies available to purchasers,  
2890 if the division has reasonable cause to believe that a violation  
2891 of this chapter, or of any division rule or order promulgated or  
2892 issued pursuant to this chapter, has occurred, the division may  
2893 institute enforcement proceedings in its own name against any  
2894 regulated party, as such term is defined in this subsection:

2895 (a)1. "Regulated party," for purposes of this section,  
2896 means any developer, exchange company, seller, managing entity,  
2897 owners' association, owners' association director, owners'  
2898 association officer, manager, management firm, escrow agent,  
2899 trustee, any respective assignees or agents, or any other person  
2900 having duties or obligations pursuant to this chapter.

2901 2. Any person who materially participates in any offer or  
2902 disposition of any interest in, or the management or operation



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2903 of, a timeshare plan in violation of this chapter or relevant  
 2904 rules involving fraud, deception, false pretenses,  
 2905 misrepresentation, or false advertising or the disbursement,  
 2906 concealment, or diversion of any funds or assets, which conduct  
 2907 adversely affects the interests of a purchaser, and which person  
 2908 directly or indirectly controls a regulated party or is a  
 2909 general partner, officer, director, agent, or employee of such  
 2910 regulated party, shall be jointly and severally liable under  
 2911 this subsection with such regulated party, unless such person  
 2912 did not know, and in the exercise of reasonable care could not  
 2913 have known, of the existence of the facts giving rise to the  
 2914 violation of this chapter. A right of contribution shall exist  
 2915 among jointly and severally liable persons pursuant to this  
 2916 paragraph.

2917 (d)1. The division may bring an action in circuit court  
 2918 for declaratory or injunctive relief or for other appropriate  
 2919 relief, including restitution.

2920 2. The division shall have broad authority and discretion  
 2921 to petition the circuit court to appoint a receiver with respect  
 2922 to any managing entity which fails to perform its duties and  
 2923 obligations under this chapter with respect to the operation of  
 2924 a timeshare plan. The circumstances giving rise to an  
 2925 appropriate petition for receivership under this subparagraph  
 2926 include, but are not limited to:

2927 a. Damage to or destruction of any of the accommodations  
 2928 or facilities of a timeshare plan, where the managing entity has  
 2929 failed to repair or reconstruct same.



2930           b. A breach of fiduciary duty by the managing entity,  
2931 including, but not limited to, undisclosed self-dealing or  
2932 failure to timely assess, collect, or disburse the common  
2933 expenses of the timeshare plan.

2934           c. Failure of the managing entity to operate the timeshare  
2935 plan in accordance with the timeshare instrument and this  
2936 chapter.

2937

2938 If, under the circumstances, it appears that the events giving  
2939 rise to the petition for receivership cannot be reasonably and  
2940 timely corrected in a cost-effective manner consistent with the  
2941 timeshare instrument, the receiver may petition the circuit  
2942 court to implement such amendments or revisions to the timeshare  
2943 instrument as may be necessary to enable the managing entity to  
2944 resume effective operation of the timeshare plan, or to enter an  
2945 order terminating the timeshare plan, or to enter such further  
2946 orders regarding the disposition of the timeshare property as  
2947 the court deems appropriate, including the disposition and sale  
2948 of the timeshare property held by the owners' association or the  
2949 purchasers. In the event of a receiver's sale, all rights,  
2950 title, and interest held by the owners' association or any  
2951 purchaser shall be extinguished and title shall vest in the  
2952 buyer. This provision applies to timeshare estates, personal  
2953 property timeshare interests, and timeshare licenses. All  
2954 reasonable costs and fees of the receiver relating to the  
2955 receivership shall become common expenses of the timeshare plan  
2956 upon order of the court.



2957 3. The division may revoke its approval of any filing for  
 2958 any timeshare plan for which a petition for receivership has  
 2959 been filed pursuant to this paragraph.

2960 (e)1. The division may impose a penalty against any  
 2961 regulated party for a violation of this chapter or any rule  
 2962 adopted thereunder. A penalty may be imposed on the basis of  
 2963 each day of continuing violation, but in no event may the  
 2964 penalty for any offense exceed \$10,000. All accounts collected  
 2965 shall be deposited with the Treasurer to the credit of the  
 2966 Division of Florida Land Sales, Condominiums, and Mobile Homes  
 2967 Trust Fund.

2968 2.a. If a regulated party fails to pay a penalty, the  
 2969 division shall thereupon issue an order directing that such  
 2970 regulated party cease and desist from further operation until  
 2971 such time as the penalty is paid; or the division may pursue  
 2972 enforcement of the penalty in a court of competent jurisdiction.

2973 b. If an owners' association or managing entity fails to  
 2974 pay a civil penalty, the division may pursue enforcement in a  
 2975 court of competent jurisdiction.

2976 Section 22. Section 721.27, Florida Statutes, is amended  
 2977 to read:

2978 721.27 Annual fee for each timeshare unit in plan.--On  
 2979 January 1 of each year, each managing entity of a timeshare plan  
 2980 located in this state shall collect as a common expense and pay  
 2981 to the division an annual fee of \$1.50 ~~\$2~~ for each 7 days of  
 2982 annual use availability that exist within the timeshare plan at  
 2983 that time, subject to any limitations on the amount of such  
 2984 annual fee pursuant to s. 721.58. If any portion of the annual



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2985 fee is not paid by March 1, the managing entity shall ~~may~~ be  
 2986 assessed a late fee of 10 percent of the amount due or \$250,  
 2987 whichever is greater ~~penalty pursuant to s. 721.26.~~

2988 Section 23. Section 721.52, Florida Statutes, is amended  
 2989 to read:

2990 721.52 Definitions.--As used in this chapter, the term:

2991 (1) "Applicable law" means the law of the jurisdiction  
 2992 where the accommodations and facilities referred to are located.

2993 (2) "Component site" means a specific geographic site  
 2994 where a portion of the accommodations and facilities of the  
 2995 multisite timeshare plan are located. If permitted under  
 2996 applicable law, separate phases operated as a single development  
 2997 located at a specific geographic site under common management  
 2998 shall be deemed a single component site for purposes of this  
 2999 part.

3000 (3) "Inventory" means the accommodations and facilities  
 3001 located at a particular component site or sites owned, leased,  
 3002 licensed, or otherwise acquired for use by a developer and  
 3003 offered as part of the multisite timeshare plan.

3004 (4) "Multisite timeshare plan" means any method,  
 3005 arrangement, or procedure with respect to which a purchaser  
 3006 obtains, by any means, a recurring right to use and occupy  
 3007 accommodations or facilities of more than one component site,  
 3008 only through use of a reservation system, whether or not the  
 3009 purchaser is able to elect to cease participating in the plan.  
 3010 However, the term "multisite timeshare plan" shall not include  
 3011 any method, arrangement, or procedure wherein:



3012 (a) The contractually specified maximum total financial  
 3013 obligation on the purchaser's part is \$3,000 or less, during the  
 3014 entire term of the plan; or

3015 (b) The term is for a period of 3 years or less,  
 3016 regardless of the purchaser's contractually specified maximum  
 3017 total financial obligation, if any. For purposes of determining  
 3018 the term of such use and occupancy rights, the period of any  
 3019 optional renewals which a purchaser, in his or her sole  
 3020 discretion, may elect to exercise, whether or not for additional  
 3021 consideration, shall not be included. For purposes of  
 3022 determining the term of such use and occupancy rights, the  
 3023 period of any automatic renewals shall be included unless a  
 3024 purchaser has the right to terminate the membership at any time  
 3025 and receive a pro rata refund or the purchaser receives a notice  
 3026 no less than 30 days and no more than 60 days prior to the date  
 3027 of renewal informing the purchaser of the right to terminate at  
 3028 any time prior to the date of automatic renewal.

3029  
 3030 Multisite timeshare plan does not mean an exchange program as  
 3031 defined in s. 721.05. Timeshare estates may only be offered in a  
 3032 multisite timeshare plan pursuant to s. 721.57.

3033 (5) "Nonspecific multisite timeshare plan" means a  
 3034 multisite timeshare plan containing timeshare licenses or  
 3035 personal property timeshare interests, with respect to which a  
 3036 purchaser receives a right to use all of the accommodations and  
 3037 facilities, if any, of the multisite timeshare plan through the  
 3038 reservation system, but no specific right to use any particular  
 3039 accommodations and facilities for the remaining term of the



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3040 multisite timeshare plan in the event that the reservation  
3041 system is terminated for any reason prior to the expiration of  
3042 the term of the multisite timeshare plan.

3043 (6)~~(5)~~ "Reservation system" means the method, arrangement,  
3044 or procedure by which a purchaser, in order to reserve the use  
3045 and occupancy of any accommodation or facility of the multisite  
3046 timeshare plan for one or more use periods, is required to  
3047 compete with other purchasers in the same multisite timeshare  
3048 plan regardless of whether such reservation system is operated  
3049 and maintained by the multisite timeshare plan managing entity,  
3050 an exchange company, or any other person. In the event that a  
3051 purchaser is required to use an exchange program as the  
3052 purchaser's principal means of obtaining the right to use and  
3053 occupy a multisite timeshare plan's accommodations and  
3054 facilities, such arrangement shall be deemed a reservation  
3055 system. When an exchange company utilizes a mechanism for the  
3056 exchange of use of timeshare periods among members of an  
3057 exchange program, such utilization is not a reservation system  
3058 of a multisite timeshare plan.

3059 (7) "Specific multisite timeshare plan" means a multisite  
3060 timeshare plan containing timeshare licenses or personal  
3061 property timeshare interests, with respect to which a purchaser  
3062 receives a specific right to use accommodations and facilities,  
3063 if any, at one component site of a multisite timeshare plan,  
3064 together with use rights in the other accommodations and  
3065 facilities of the multisite timeshare plan created by or  
3066 acquired through the reservation system.

3067 (8)~~(6)~~ "Vacation club" means a multisite timeshare plan.



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3068 Section 24. Paragraph (a) of subsection (1) of section  
3069 721.53, Florida Statutes, is amended and paragraph (f) is added  
3070 to subsection (1) of said section, to read:

3071 721.53 Subordination instruments; alternate security  
3072 arrangements.--

3073 (1) With respect to each accommodation or facility of a  
3074 multisite timeshare plan, the developer shall provide the  
3075 division with satisfactory evidence that one of the following  
3076 has occurred with respect to each interestholder prior to  
3077 offering the accommodation or facility as a part of the  
3078 multisite timeshare plan:

3079 (a) The interestholder has executed and recorded a  
3080 nondisturbance and notice to creditors instrument pursuant to s.  
3081 721.08~~(2)(e)~~.

3082 (f) With respect to any personal property accommodations  
3083 or facilities, the developer and any other interestholder have  
3084 complied fully with the applicable provisions of s. 721.08.

3085 Section 25. Section 721.54, Florida Statutes, is amended  
3086 to read:

3087 721.54 Term of nonspecific multisite timeshare plans.--It  
3088 shall be a violation of this part to represent to a purchaser of  
3089 a nonspecific multisite timeshare plan as defined in s.  
3090 721.52(5) ~~721.552(4)~~ that the term of the plan for that  
3091 purchaser is longer than the shortest term of availability of  
3092 any of the accommodations included within the plan at the time  
3093 of purchase.

3094 Section 26. Section 721.55, Florida Statutes, is amended  
3095 to read:





3096           721.55 Multisite timeshare plan public offering  
 3097 statement.--Each filed ~~registered~~ public offering statement for  
 3098 a multisite timeshare plan shall contain the information  
 3099 required by this section and shall comply with the provisions of  
 3100 s. 721.07, except as otherwise provided therein. The division is  
 3101 authorized to provide by rule the method by which a developer  
 3102 must provide such information to the division. Each multisite  
 3103 timeshare plan filed ~~registered~~ public offering statement shall  
 3104 contain the following information and disclosures:

- 3105           (1) A cover page containing:  
 3106                 (a) The name of the multisite timeshare plan.  
 3107                 (b) The following statement in conspicuous type:

3108  
 3109           *This public offering statement contains important matters*  
 3110 *to be considered in acquiring an interest in a multisite*  
 3111 *timeshare plan (or multisite vacation ownership plan or*  
 3112 *multisite vacation plan or vacation club). The statements*  
 3113 *contained herein are only summary in nature. A prospective*  
 3114 *purchaser should refer to all references, accompanying exhibits,*  
 3115 *contract documents, and sales materials. The prospective*  
 3116 *purchaser should not rely upon oral representations as being*  
 3117 *correct and should refer to this document and accompanying*  
 3118 *exhibits for correct representations.*

- 3119  
 3120           (2) A summary containing all statements required to be in  
 3121 conspicuous type in the public offering statement and in all  
 3122 exhibits thereto.



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3123 (3) A separate index for the contents and exhibits of the  
3124 public offering statement.

3125 (4) A text, which shall include, where applicable, the  
3126 information and disclosures set forth in paragraphs (a)-(1).

3127 (a) A description of the multisite timeshare plan,  
3128 including its term, legal structure, and form of ownership. For  
3129 multisite timeshare plans in which the purchaser will receive a  
3130 timeshare estate pursuant to s. 721.57 and for ~~or a~~ specific  
3131 multisite timeshare plans ~~license as defined in s. 721.552(4)~~,  
3132 the description must also include the term of each component  
3133 site within the multisite timeshare plan.

3134 (b) A description of the structure and ownership of the  
3135 reservation system together with a disclosure of the entity  
3136 responsible for the operation of the reservation system. The  
3137 description shall include the financial terms of any lease of  
3138 the reservation system, if applicable. The developer shall not  
3139 be required to disclose the financial terms of any such lease if  
3140 such lease is prepaid in full for the term of the multisite  
3141 timeshare plan or to any extent that neither purchasers nor the  
3142 managing entity will be required to make payments for the  
3143 continued use of the system following default by the developer  
3144 or termination of the managing entity.

3145 (c)1. A description of the manner in which the reservation  
3146 system operates. The description shall include a disclosure in  
3147 compliance with the demand balancing standard set forth in s.  
3148 721.56(6) and shall describe the developer's efforts to comply  
3149 with same in creating the reservation system. The description



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3150 shall also include a summary of the rules and regulations  
3151 governing access to and use of the reservation system.

3152 2. In lieu of describing the rules and regulations of the  
3153 reservation system in the public offering statement text, the  
3154 developer may attach the rules and regulations as a separate  
3155 public offering statement exhibit, together with a cross-  
3156 reference in the public offering statement text to such exhibit.

3157 (d) The existence of and an explanation regarding any  
3158 priority reservation features that affect a purchaser's ability  
3159 to make reservations for the use of a given accommodation or  
3160 facility on a first come, first served basis, including, if  
3161 applicable, the following statement in conspicuous type:

3162  
3163 *Component sites contained in the multisite timeshare plan*  
3164 *(or multisite vacation ownership plan or multisite vacation plan*  
3165 *or vacation club) are subject to priority reservation features*  
3166 *which may affect your ability to obtain a reservation.*

3167  
3168 (e) A summary of the material rules and regulations, if  
3169 any, other than the reservation system rules and regulations,  
3170 affecting the purchaser's use of each accommodation and facility  
3171 at each component site.

3172 (f) If the provisions of s. 721.552 and the timeshare  
3173 instrument permit additions, substitutions, or deletions of  
3174 accommodations or facilities, the public offering statement must  
3175 include substantially the following information:

3176 1. Additions.--



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3177 a. A description of the basis upon which new  
3178 accommodations and facilities may be added to the multisite  
3179 timeshare plan; by whom additions may be made; and the  
3180 anticipated effect of the addition of new accommodations and  
3181 facilities upon the reservation system, its priorities, its  
3182 rules and regulations, and the availability of existing  
3183 accommodations and facilities.

3184 b. The developer must disclose the existence of any cap on  
3185 annual increases in common expenses of the multisite timeshare  
3186 plan that would apply in the event that additional  
3187 accommodations and facilities are made a part of the plan.

3188 c. The developer shall also disclose any extent to which  
3189 the purchasers of the multisite timeshare plan will have the  
3190 right to consent to any proposed additions; if the purchasers do  
3191 not have the right to consent, the developer must include the  
3192 following disclosure in conspicuous type:

3193  
3194 *Accommodations and facilities may be added to this*  
3195 *multisite timeshare plan (or multisite vacation ownership plan*  
3196 *or multisite vacation plan or vacation club) without the consent*  
3197 *of the purchasers. The addition of accommodations and facilities*  
3198 *to the plan may result in the addition of new purchasers who*  
3199 *will compete with existing purchasers in making reservations for*  
3200 *the use of available accommodations and facilities within the*  
3201 *plan, and may also result in an increase in the annual*  
3202 *assessment against purchasers for common expenses.*

3203  
3204 2. Substitutions.--



3205 a. A description of the basis upon which new  
 3206 accommodations and facilities may be substituted for existing  
 3207 accommodations and facilities of the multisite timeshare plan;  
 3208 by whom substitutions may be made; the basis upon which the  
 3209 determination may be made to cause such substitutions to occur;  
 3210 and any limitations upon the ability to cause substitutions to  
 3211 occur.

3212 b. The developer shall also disclose any extent to which  
 3213 purchasers will have the right to consent to any proposed  
 3214 substitutions; if the purchasers do not have the right to  
 3215 consent, the developer must include the following disclosure in  
 3216 conspicuous type:

3217  
 3218 *New accommodations and facilities may be substituted for*  
 3219 *existing accommodations and facilities of this multisite*  
 3220 *timeshare plan (or multisite vacation ownership plan or*  
 3221 *multisite vacation plan or vacation club) without the consent of*  
 3222 *the purchasers. The replacement accommodations and facilities*  
 3223 *may be located at a different place or may be of a different*  
 3224 *type or quality than the replaced accommodations and facilities.*  
 3225 *The substitution of accommodations and facilities may also*  
 3226 *result in an increase in the annual assessment against*  
 3227 *purchasers for common expenses.*

3228  
 3229 3. Deletions.--A description of any provision of the  
 3230 timeshare instrument governing deletion of accommodations or  
 3231 facilities from the multisite timeshare plan. If the timeshare  
 3232 instrument does not provide for business interruption insurance



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3233 | in the event of a casualty, or if it is unavailable, or if the  
3234 | instrument permits the developer, the managing entity, or the  
3235 | purchasers to elect not to reconstruct after casualty under  
3236 | certain circumstances or to secure replacement accommodations or  
3237 | facilities in lieu of reconstruction, the public offering  
3238 | statement must contain a disclosure that during the  
3239 | reconstruction, replacement, or acquisition period, or as a  
3240 | result of a decision not to reconstruct, purchasers of the plan  
3241 | may temporarily compete for available accommodations on a  
3242 | greater than one-to-one purchaser to accommodation ratio.

3243 | (g) A description of the developer and the managing entity  
3244 | of the multisite timeshare plan, including:

3245 | 1. The identity of the developer; the developer's business  
3246 | address; the number of years of experience the developer has in  
3247 | the timeshare, hotel, motel, travel, resort, or leisure  
3248 | industries; and a description of any pending lawsuit or judgment  
3249 | against the developer which is material to the plan. If there  
3250 | are no such pending lawsuits or judgments, there shall be a  
3251 | statement to that effect.

3252 | 2. The identity of the managing entity of the multisite  
3253 | timeshare plan; the managing entity's business address; the  
3254 | number of years of experience the managing entity has in the  
3255 | timeshare, hotel, motel, travel, resort, or leisure industries;  
3256 | and a description of any lawsuit or judgment against the  
3257 | managing entity which is material to the plan. If there are no  
3258 | pending lawsuits or judgments, there shall be a statement to  
3259 | that effect. The description of the managing entity shall also  
3260 | include a description of the relationship among the managing



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3261 entity of the multisite timeshare plan and the various component  
3262 site managing entities.

3263 (h) A description of the purchaser's liability for common  
3264 expenses of the multisite timeshare plan, including the  
3265 following:

3266 1. A description of the common expenses of the plan,  
3267 including the method of allocation and assessment of such common  
3268 expenses, whether component site common expenses and real estate  
3269 taxes are included within the total common expense assessment of  
3270 the multisite timeshare plan, and, if not, the manner in which  
3271 timely payment of component site common expenses and real estate  
3272 taxes shall be accomplished.

3273 2. A description of any cap imposed upon the level of  
3274 common expenses payable by the purchaser. In no event shall the  
3275 total common expense assessment for the multisite timeshare plan  
3276 in a given calendar year exceed 125 percent of the total common  
3277 expense assessment for the plan in the previous calendar year.

3278 3. A description of the entity responsible for the  
3279 determination of the common expenses of the multisite timeshare  
3280 plan, as well as any entity which may increase the level of  
3281 common expenses assessed against the purchaser at the multisite  
3282 timeshare plan level.

3283 4. A description of the method used to collect common  
3284 expenses, including the entity responsible for such collections,  
3285 and the lien rights of any entity for nonpayment of common  
3286 expenses. If the common expenses of any component site are  
3287 collected by the managing entity of the multisite timeshare



3288 plan, a statement to that effect together with the identity and  
3289 address of the escrow agent required by s. 721.56(3).

3290 5. If the purchaser will receive an interest in a  
3291 nonspecific multisite timeshare plan ~~license as defined in s.~~  
3292 ~~721.552(4)~~, a statement that a multisite timeshare plan budget  
3293 is attached to the public offering statement as an exhibit  
3294 pursuant to paragraph (7)(c). The multisite timeshare plan  
3295 budget shall comply with the provisions of s. 721.07(5)(u).

3296 6. If the developer intends to guarantee the level of  
3297 assessments for the multisite timeshare plan, such guarantee  
3298 must be based upon a good faith estimate of the revenues and  
3299 expenses of the multisite timeshare plan. The guarantee must  
3300 include a description of the following:

3301 a. The specific time period, measured in one or more  
3302 calendar or fiscal years, during which the guarantee will be in  
3303 effect.

3304 b. A statement that the developer will pay all common  
3305 expenses incurred in excess of the total revenues of the  
3306 multisite timeshare plan, if the developer is to be excused from  
3307 the payment of assessments during the guarantee period.

3308 c. The level, expressed in total dollars, at which the  
3309 developer guarantees the assessments. If the developer has  
3310 reserved the right to extend or increase the guarantee level, a  
3311 disclosure must be included to that effect.

3312 7. If required under applicable law, the developer shall  
3313 also disclose the following matters for each component site:

3314 a. Any limitation upon annual increases in common  
3315 expenses;





3316           b. The existence of any bad debt or working capital  
3317 reserve; and

3318           c. The existence of any replacement or deferred  
3319 maintenance reserve.

3320           (i) If there are any restrictions upon the sale, transfer,  
3321 conveyance, or leasing of an interest in a multisite timeshare  
3322 plan, a description of the restrictions together with a  
3323 statement in conspicuous type in substantially the following  
3324 form:

3325  
3326           *The sale, lease, or transfer of interests in this multisite*  
3327 *timeshare plan is restricted or controlled.*

3328  
3329           (j) The following statement in conspicuous type in  
3330 substantially the following form:

3331  
3332           *The purchase of an interest in a multisite timeshare plan*  
3333 *(or multisite vacation ownership plan or multisite vacation plan*  
3334 *or vacation club) should be based upon its value as a vacation*  
3335 *experience or for spending leisure time, and not considered for*  
3336 *purposes of acquiring an appreciating investment or with an*  
3337 *expectation that the interest may be resold.*

3338  
3339           (k) If the multisite timeshare plan provides purchasers  
3340 with the opportunity to participate in an exchange program, a  
3341 description of the name and address of the exchange company and  
3342 the method by which a purchaser accesses the exchange program.  
3343 In lieu of this requirement, the public offering statement text



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3344 | may contain a cross-reference to other provisions in the public  
3345 | offering statement or in an exhibit containing this information.

3346 |       (1) A description of each component site, which  
3347 | description may be disclosed in a written, graphic, tabular, or  
3348 | other form approved by the division. The description of each  
3349 | component site shall include the following information:

3350 |           1. The name and address of each component site.

3351 |           2. The number of accommodations, timeshare interests, and  
3352 | timeshare periods, expressed in periods of 7-day use  
3353 | availability, committed to the multisite timeshare plan and  
3354 | available for use by purchasers.

3355 |           3. Each type of accommodation in terms of the number of  
3356 | bedrooms, bathrooms, sleeping capacity, and whether or not the  
3357 | accommodation contains a full kitchen. For purposes of this  
3358 | description, a full kitchen shall mean a kitchen having a  
3359 | minimum of a dishwasher, range, sink, oven, and refrigerator.

3360 |           4. A description of facilities available for use by the  
3361 | purchaser at each component site, including the following:

3362 |           a. The intended use of the facility, if not apparent from  
3363 | the description.

3364 |           b. Any user fees associated with a purchaser's use of the  
3365 | facility.

3366 |           5. A cross-reference to the location in the public  
3367 | offering statement of the description of any priority  
3368 | reservation features which may affect a purchaser's ability to  
3369 | obtain a reservation in the component site.

3370 |       (5) Such other information as the division determines is  
3371 | necessary to fairly, meaningfully, and effectively disclose all



3372 aspects of the multisite timeshare plan, including, but not  
 3373 limited to, any disclosures made necessary by the operation of  
 3374 s. 721.03(8). However, if a developer has, in good faith,  
 3375 attempted to comply with the requirements of this section, and  
 3376 if, in fact, the developer has substantially complied with the  
 3377 disclosure requirements of this chapter, nonmaterial errors or  
 3378 omissions shall not be actionable.

3379 (6) Any other information that the developer, with the  
 3380 approval of the division, desires to include in the public  
 3381 offering statement text.

3382 (7) The following documents shall be included as exhibits  
 3383 to the filed ~~registered~~ public offering statement, if  
 3384 applicable:

3385 (a) The timeshare instrument.

3386 (b) The reservation system rules and regulations.

3387 (c) The multisite timeshare plan budget pursuant to  
 3388 subparagraph (4)(h)5.

3389 (d) Any document containing the material rules and  
 3390 regulations described in paragraph (4)(e).

3391 (e) Any contract, agreement, or other document through  
 3392 which component sites are affiliated with the multisite  
 3393 timeshare plan.

3394 (f) Any escrow agreement required pursuant to s. 721.08 or  
 3395 s. 721.56(3).

3396 (g) The form agreement for sale or lease of an interest in  
 3397 the multisite timeshare plan.



3398 (h) The form receipt for multisite timeshare plan  
3399 documents required to be given to the purchaser pursuant to s.  
3400 721.551(2)(b).

3401 (i) The description of documents list required to be given  
3402 to the purchaser by s. 721.551(2)(b).

3403 (j) The component site managing entity affidavit or  
3404 statement required by s. 721.56(1).

3405 (k) Any subordination instrument required by s. 721.53.

3406 (l)1. If the multisite timeshare plan contains any  
3407 component sites located in this state, the information required  
3408 by s. 721.07(5) pertaining to each such component site unless  
3409 exempt pursuant to s. 721.03.

3410 2. If the purchaser will receive a timeshare estate  
3411 pursuant to s. 721.57, or an interest in a specific multisite  
3412 timeshare plan, ~~license as defined in s. 721.552(4)~~ in a  
3413 component site located outside of this state but which is  
3414 offered in this state, the information required by s. 721.07(5)  
3415 pertaining to that component site, + provided, however, that the  
3416 provisions of s. 721.07(5)(u) shall only require disclosure of  
3417 information related to the estimated budget for the timeshare  
3418 plan and purchaser's expenses as required by the jurisdiction in  
3419 which the component site is located.

3420 (8)(a) A timeshare plan containing only one component site  
3421 must be filed with the division as a multisite timeshare plan if  
3422 the timeshare instrument reserves the right for the developer to  
3423 add future component sites. However, if the developer fails to  
3424 add at least one additional component site to a timeshare plan  
3425 described in this paragraph within 3 years after the date the



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3426 plan is initially filed with the division, the multisite filing  
3427 for such plan shall thereupon terminate, and the developer may  
3428 not thereafter offer any further interests in such plan unless  
3429 and until he or she refiles such plan with the division pursuant  
3430 to this chapter.

3431 (b) The public offering statement for any timeshare plan  
3432 described in paragraph (a) must include the following disclosure  
3433 in conspicuous type:

3434

3435 *This timeshare plan has been filed as a multisite timeshare*  
3436 *plan (or multisite vacation ownership plan or multisite vacation*  
3437 *plan or vacation club); however, this plan currently contains*  
3438 *only one component site. The developer is not required to add*  
3439 *any additional component sites to the plan. Do not purchase an*  
3440 *interest in this plan in reliance upon the addition of any other*  
3441 *component sites.*

3442 Section 27. Paragraphs (b), (c), and (f) of subsection (2)  
3443 of section 721.551, Florida Statutes, are amended to read:

3444 721.551 Delivery of multisite timeshare plan purchaser  
3445 public offering statement.--

3446 (2) The developer shall furnish each purchaser with the  
3447 following:

3448 (b) A receipt for multisite timeshare plan documents and a  
3449 list describing any exhibit to the filed ~~registered~~ public  
3450 offering statement which is not delivered to the purchaser. The  
3451 division is authorized to prescribe by rule the form of the  
3452 receipt for multisite timeshare plan documents and the



3453 description of exhibits list that must be furnished to the  
3454 purchaser pursuant to this section.

3455 (c) If the purchaser will receive a timeshare estate  
3456 pursuant to s. 721.57, or an interest in a specific multisite  
3457 timeshare plan, ~~license as defined in s. 721.552(4)~~ in a  
3458 component site located in this state, the developer shall also  
3459 furnish the purchaser with the information required to be  
3460 delivered pursuant to s. 721.07(6)(a) and (b) for the component  
3461 site in which the purchaser will receive an estate or interest  
3462 in a specific multisite timeshare plan license.

3463 (f) The developer shall be required to provide the  
3464 managing entity of the multisite timeshare plan with a copy of  
3465 the approved filed ~~registered~~ public offering statement and any  
3466 approved amendments thereto to be maintained by the managing  
3467 entity as part of the books and records of the timeshare plan  
3468 pursuant to s. 721.13(3)(d).

3469 Section 28. Paragraph (a) of subsection (2), paragraph (c)  
3470 of subsection (3), and subsections (4) and (5) of section  
3471 721.552, Florida Statutes, are amended to read:

3472 721.552 Additions, substitutions, or deletions of  
3473 component site accommodations or facilities; purchaser remedies  
3474 for violations.--Additions, substitutions, or deletions of  
3475 component site accommodations or facilities may be made only in  
3476 accordance with the following:

3477 (2) SUBSTITUTIONS.--

3478 (a) Substitutions are available only for nonspecific  
3479 multisite timeshare license plans as defined in subsection (4).  
3480 Specific multisite timeshare license plans or as defined in



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3481 ~~subsection (4) and~~ plans offering timeshare estates pursuant to  
3482 s. 721.57 may not contain an accommodation substitution right.

3483 (3) DELETIONS.--

3484 (c) *Automatic deletion.*--The timeshare instrument may  
3485 provide that a component site will be automatically deleted upon  
3486 the expiration of its term in a timeshare plan other than a  
3487 nonspecific multisite timeshare license plan or as otherwise  
3488 provided in the timeshare instrument. However, the timeshare  
3489 instrument must also provide that in the event a component site  
3490 is deleted from the plan in this manner, a sufficient number of  
3491 purchasers of the plan will also be deleted so as to maintain no  
3492 greater than a one-to-one purchaser to accommodation ratio.

3493 ~~(4) SPECIFIC AND NONSPECIFIC TIMESHARE LICENSES. For~~  
3494 ~~purposes of this chapter, a specific timeshare license means one~~  
3495 ~~with respect to which a purchaser receives a specific right to~~  
3496 ~~use accommodations and facilities, if any, at one component site~~  
3497 ~~of a multisite timeshare plan, together with use rights in the~~  
3498 ~~other accommodations and facilities of the multisite timeshare~~  
3499 ~~plan created by or acquired through the reservation system. For~~  
3500 ~~purposes of this chapter, a nonspecific timeshare license means~~  
3501 ~~one with respect to which a purchaser receives a right to use~~  
3502 ~~all of the accommodations and facilities, if any, of a multisite~~  
3503 ~~timeshare plan through the reservation system, but no specific~~  
3504 ~~right to use any particular accommodations and facilities for~~  
3505 ~~the remaining term of the multisite timeshare plan in the event~~  
3506 ~~that the reservation system is terminated for any reason prior~~  
3507 ~~to the expiration of the term of the multisite timeshare plan.~~



3508            ~~(4)(5)~~ VIOLATIONS; PURCHASER REMEDIES.--All purchaser  
3509 remedies pursuant to s. 721.21 shall be available for any  
3510 violation of the provisions of this section.

3511            Section 29. Subsections (4) and (5) of section 721.56,  
3512 Florida Statutes, are amended to read:

3513            721.56 Management of multisite timeshare plans;  
3514 reservation systems; demand balancing.--

3515            (4) The managing entity of a multisite timeshare plan  
3516 shall comply fully with the requirements of s. 721.13, subject  
3517 to the provisions of s. 721.13(11) for personal property  
3518 timeshare plans; however, with respect to a given component  
3519 site, the managing entity of the multisite timeshare plan shall  
3520 not be responsible for compliance as the managing entity of that  
3521 component site unless the managing entity of the multisite  
3522 timeshare plan is also the managing entity of that component  
3523 site. Unless the timeshare instrument provides otherwise, the  
3524 operator of the reservation system is the managing entity of a  
3525 multisite timeshare plan.

3526            (5)(a)1. The reservation system is a facility of any  
3527 nonspecific ~~timeshare license~~ multisite timeshare plan ~~as~~  
3528 ~~defined in s. 721.552(4)~~. The reservation system is not a  
3529 facility of any specific ~~timeshare license~~ multisite timeshare  
3530 plan ~~as defined in s. 721.552(4)~~, nor is it a facility of any  
3531 multisite timeshare plan in which timeshare estates are offered  
3532 pursuant to s. 721.57.

3533            2. The reservation system of any multisite timeshare plan  
3534 shall include any computer software and hardware employed for  
3535 the purpose of enabling or facilitating the operation of the





3536 reservation system. Nothing contained in this part shall  
 3537 preclude a manager or management firm that is serving as  
 3538 managing entity of a multisite timeshare plan from providing in  
 3539 its contract with the purchasers or owners' association of the  
 3540 multisite timeshare plan or in the timeshare instrument that the  
 3541 manager or management firm owns the reservation system and that  
 3542 the managing entity shall continue to own the reservation system  
 3543 in the event the purchasers discharge the managing entity  
 3544 pursuant to s. 721.14.

3545 (b) In the event of a termination of a managing entity of  
 3546 a nonspecific ~~license~~ multisite timeshare plan ~~as defined in s.~~  
 3547 ~~721.552(4)~~, which managing entity owns the reservation system,  
 3548 irrespective of whether the termination is voluntary or  
 3549 involuntary and irrespective of the cause of such termination,  
 3550 in addition to any other remedies available to purchasers in  
 3551 this part, the terminated managing entity shall, prior to such  
 3552 termination, establish a trust meeting the criteria set forth in  
 3553 this paragraph. It is the intent of the Legislature that this  
 3554 trust arrangement provide for an adequate period of continued  
 3555 operation of the reservation system of the multisite timeshare  
 3556 plan, during which period the new managing entity shall make  
 3557 provision for the acquisition of a substitute reservation  
 3558 system.

3559 1. The trust shall be established with an independent  
 3560 trustee. Both the terminated managing entity and the new  
 3561 managing entity shall attempt to agree on an acceptable trustee.  
 3562 In the event they cannot agree on an acceptable trustee, they



3563 shall each designate a nominee, and the two nominees shall  
3564 select the trustee.

3565         2. The terminated managing entity shall take all steps  
3566 necessary to enable the trustee or the trustee's designee to  
3567 operate the reservation system in the same manner as provided in  
3568 the timeshare instrument and the public offering statement. The  
3569 trustee may, but shall not be required to, contract with the  
3570 terminated managing entity for the continued operation of the  
3571 reservation system. In the event the trustee elects to contract  
3572 with the terminated managing entity, that managing entity shall  
3573 be required to operate the reservation system and shall be  
3574 entitled to payment for that service. The payment shall in no  
3575 event exceed the amount previously paid to the terminated  
3576 managing entity for operation of the reservation system.

3577         3. The trust shall remain in effect for a period of no  
3578 longer than 1 year following the date of termination of the  
3579 managing entity.

3580         4. Nothing contained in this subsection shall abrogate or  
3581 otherwise interfere with any proprietary rights in the  
3582 reservation system that have been reserved by the discharged  
3583 managing entity, in its management contract or otherwise, so  
3584 long as such proprietary rights are not asserted in a manner  
3585 that would prevent the continued operation of the reservation  
3586 system as contemplated in this subsection.

3587         (c) In the event of a termination of a managing entity of  
3588 a timeshare estate or specific ~~license~~ multisite timeshare plan  
3589 ~~as defined in s. 721.552(4)~~, which managing entity owns the  
3590 reservation system, irrespective of whether the termination is



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3591 | voluntary or involuntary and irrespective of the cause of such  
3592 | termination, in addition to any other remedies available to  
3593 | purchasers in this part, the terminated managing entity shall,  
3594 | prior to such termination, promptly transfer to each component  
3595 | site managing entity all relevant data contained in the  
3596 | reservation system with respect to that component site,  
3597 | including, but not limited to:

3598 |       1. The names, addresses, and reservation status of  
3599 | component site accommodations.

3600 |       2. The names and addresses of all purchasers of timeshare  
3601 | interests at that component site.

3602 |       3. All outstanding confirmed reservations and reservation  
3603 | requests for that component site.

3604 |       4. Such other component site records and information as  
3605 | are necessary, in the reasonable discretion of the component  
3606 | site managing entity, to permit the uninterrupted operation and  
3607 | administration of the component site, provided that a given  
3608 | component site managing entity shall not be entitled to any  
3609 | information regarding other component sites or regarding the  
3610 | terminated multisite timeshare plan managing entity.

3611 |  
3612 | All reasonable costs incurred by the terminated managing entity  
3613 | in effecting the transfer of information required by this  
3614 | paragraph shall be reimbursed to the terminated managing entity  
3615 | on a pro rata basis by each component site, and the amount of  
3616 | such reimbursement shall constitute a common expense of each  
3617 | component site.



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3618 Section 30. Subsection (2) of section 721.57, Florida  
3619 Statutes, is amended to read:

3620 721.57 Offering of timeshare estates in multisite  
3621 timeshare plans; required provisions in the timeshare  
3622 instrument.--

3623 (2) The timeshare instrument of a multisite timeshare plan  
3624 in which timeshare estates are offered, other than a trust  
3625 meeting the requirements of s. 721.08, must contain or provide  
3626 for all of the following matters:

3627 (a) The purchaser will receive a timeshare estate as  
3628 defined in s. 721.05 in one of the component sites of the  
3629 multisite timeshare plan. The use rights in the other component  
3630 sites of the multisite timeshare plan shall be made available to  
3631 the purchaser through the reservation system pursuant to the  
3632 timeshare instrument.

3633 (b) In the event that the reservation system is terminated  
3634 or otherwise becomes unavailable for any reason prior to the  
3635 expiration of the term of the multisite timeshare plan:

3636 1. The purchaser will be able to continue to use the  
3637 accommodations and facilities of the component site in which she  
3638 or he has been conveyed a timeshare estate in the manner  
3639 described in the timeshare instrument for the remaining term of  
3640 the timeshare estate; and

3641 2. Any use rights in that component site which had  
3642 previously been made available through the reservation system to  
3643 purchasers of the multisite timeshare plan who were not offered  
3644 a timeshare estate at that component site will terminate when



3645 | the reservation system is terminated or otherwise becomes  
3646 | unavailable for any reason.

3647 |         Section 31. Subsection (6) of section 721.84, Florida  
3648 | Statutes, is amended to read:

3649 |             721.84 Appointment of a registered agent; duties.--

3650 |             (6) Unless otherwise provided in this section, a  
3651 | registered agent in receipt of any notice or other document  
3652 | addressed from the lienholder to the obligor in care of the  
3653 | registered agent at the registered office must mail, by first  
3654 | class mail if the obligor's address is within the United States,  
3655 | and by international air mail if the obligor's address is  
3656 | outside the United States, with postage fees prepaid, such  
3657 | notice or documents to the obligor at the obligor's last  
3658 | designated address within 5 days after ~~of~~ receipt.

3659 |         Section 32. Section 721.96, Florida Statutes, is amended  
3660 | to read:

3661 |             721.96 Purpose.--The purpose of this part is to provide  
3662 | for the appointment of commissioners of deeds to take  
3663 | acknowledgments, proofs of execution, and oaths outside the  
3664 | United States in connection with the execution of any deed,  
3665 | mortgage, deed of trust, contract, power of attorney, or any  
3666 | other agreement, instrument or writing concerning, relating to,  
3667 | or to be used or recorded in connection with a timeshare estate,  
3668 | personal property timeshare interest, timeshare license, any  
3669 | property subject to a timeshare plan, or the operation of a  
3670 | timeshare plan located within this state.

3671 |         Section 33. Subsection (1) of section 721.97, Florida  
3672 | Statutes, is amended to read:



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3673 721.97 Timeshare commissioner of deeds.--  
 3674 (1) The Governor may appoint commissioners of deeds to  
 3675 take acknowledgments, proofs of execution, or oaths in any  
 3676 foreign country. The term of office is 4 years. Commissioners of  
 3677 deeds shall have authority to take acknowledgments, proofs of  
 3678 execution, and oaths in connection with the execution of any  
 3679 deed, mortgage, deed of trust, contract, power of attorney, or  
 3680 any other writing to be used or recorded in connection with a  
 3681 timeshare estate, personal property timeshare interest,  
 3682 timeshare license, any property subject to a timeshare plan, or  
 3683 the operation of a timeshare plan located within this state;  
 3684 provided such instrument or writing is executed outside the  
 3685 United States. Such acknowledgments, proofs of execution, and  
 3686 oaths must be taken or made in the manner directed by the laws  
 3687 of this state, including but not limited to s. 117.05(4),  
 3688 (5)(a), and (6), Florida Statutes 1997, and certified by a  
 3689 commissioner of deeds. The certification must be endorsed on or  
 3690 annexed to the instrument or writing aforesaid and has the same  
 3691 effect as if made or taken by a notary public licensed in this  
 3692 state.

3693 Section 34. Paragraph (b) of subsection (8) of section  
 3694 475.011, Florida Statutes, is amended to read:

3695 475.011 Exemptions.--This part does not apply to:  
 3696 (8)  
 3697 (b) An exchange company, as that term is defined by s.  
 3698 721.05(15)(~~14~~), but only to the extent that the exchange company  
 3699 is engaged in exchange program activities as described in and is  
 3700 in compliance with s. 721.18.



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3701 Section 35. Subsection (23) of section 718.103, Florida  
3702 Statutes, is amended to read:

3703 718.103 Definitions.--As used in this chapter, the term:

3704 (23) "Residential condominium" means a condominium  
3705 consisting of two or more units, any of which are intended for  
3706 use as a private temporary or permanent residence, except that a  
3707 condominium is not a residential condominium if the use for  
3708 which the units are intended is primarily commercial or  
3709 industrial and not more than three units are intended to be used  
3710 for private residence, and are intended to be used as housing  
3711 for maintenance, managerial, janitorial, or other operational  
3712 staff of the condominium. With respect to a condominium that is  
3713 not a timeshare condominium, a residential unit includes a unit  
3714 intended as a private temporary or permanent residence as well  
3715 as a unit not intended for commercial or industrial use. With  
3716 respect to a timeshare condominium, the timeshare instrument as  
3717 defined in s. 721.05(35)~~(33)~~ shall govern the intended use of  
3718 each unit in the condominium. If a condominium is a residential  
3719 condominium but contains units intended to be used for  
3720 commercial or industrial purposes, then, with respect to those  
3721 units which are not intended for or used as private residences,  
3722 the condominium is not a residential condominium. A condominium  
3723 which contains both commercial and residential units is a mixed-  
3724 use condominium and is subject to the requirements of s.  
3725 718.404.

3726 Section 36. This act shall take effect upon becoming a  
3727 law; however, with respect to any timeshare plan or exchange  
3728 program filing approved by the division prior to the date this



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3729 | act becomes a law, the amendments to s. 721.06(1)(g)2., ss.  
3730 | 721.07(2)(d)1. and (5)(e)4., s. 721.075(2)(e), ss. 721.18(1)(l)  
3731 | and (m), or s. 721.27, Florida Statutes, shall not apply to such  
3732 | filing until the earlier of January 1, 2004 or the date that any  
3733 | amendments to such filing are made subsequent to the date this  
3734 | act becomes a law. With respect to any timeshare plan filing  
3735 | approved by the division prior to the date this act becomes a  
3736 | law, the amendment to s. 721.08(3)(a), Florida Statutes, shall  
3737 | not apply to the nondisturbance and notice to creditors  
3738 | instrument required by s. 721.08, Florida Statutes, unless and  
3739 | only to the extent that the developer otherwise voluntarily  
3740 | complies with all or a portion of such provisions.