



1 A bill to be entitled

2 An act relating to timeshare plans; amending s. 721.02,
3 F.S.; revising language with respect to legislative
4 purpose under the Florida Vacation Plan and Timesharing
5 Act; amending s. 721.03, F.S.; revising language with
6 respect to the scope of the act to include reference to
7 personal property timeshare plans; amending s. 721.05,
8 F.S.; providing definitions; amending s. 721.06, F.S.;
9 revising language with respect to contracts for purchase
10 of timeshare interests to include provisions with respect
11 to personal property timeshare interests; amending s.
12 721.065, F.S.; revising language with respect to resale
13 purchase agreements to include reference to certain real
14 property and personal property timeshare plans; amending
15 s. 721.07, F.S.; revising language with respect to public
16 offering statements; amending s. 721.075, F.S.; revising
17 language with respect to incidental benefits, requiring
18 purchasers to execute a statement indicating the source of
19 the benefit; amending s. 721.08, F.S.; revising language
20 with respect to escrow accounts; amending s. 721.09, F.S.;
21 revising language with respect to reservation agreements;
22 amending s. 721.11, F.S.; revising language with respect
23 to advertising materials; correcting cross references;
24 amending s. 721.12, F.S.; providing for required
25 recordkeeping by the seller of a personal property
26 timeshare plan; amending s. 721.13, F.S.; revising
27 language with respect to management; amending s. 721.14,
28 F.S.; providing that a section of law governing the
29 discharge of the managing entity shall not apply with



30 respect to personal property timeshare plans; amending s.
31 721.15, F.S.; revising language with respect to
32 assessments for common expenses; amending s. 721.16, F.S.;
33 providing that a section of law governing certain liens
34 does not apply to personal property timeshare plans;
35 amending s. 721.17, F.S.; revising language with respect
36 to transfer of interest; amending s. 721.18, F.S.;
37 revising language with respect to exchange programs;
38 amending s. 721.19, F.S.; including reference to personal
39 property timeshare interests; amending s. 721.20, F.S.,
40 relating to licensing requirements; providing for the
41 application of certain provisions to personal property
42 timeshare plans; amending s. 721.24, F.S.; exempting
43 accommodations and facilities of personal property
44 timeshare plans from a provision of law governing
45 firesafety; amending s. 721.26, F.S.; revising language
46 with respect to regulation by the division; amending s.
47 721.52, F.S.; redefining the term "multisite timeshare
48 plan" and defining the terms "nonspecific multisite
49 timeshare plan" and "specific multisite timeshare plan";
50 amending s. 721.53, F.S.; revising language with respect
51 to subordination instruments; amending s. 721.54, F.S.;
52 correcting a cross reference; amending s. 721.55, F.S.;
53 providing reference to filed rather than registered public
54 offering statements; providing reference to multisite
55 timeshare plans; amending s. 721.551, F.S.; providing for
56 reference to filed rather than registered public offering
57 statements; amending s. 721.552, F.S.; providing reference
58 to multistate timeshare plans; amending s. 721.56, F.S.;



59 providing reference to personal property timeshare plans;
 60 amending s. 721.57, F.S.; revising language with respect
 61 to timeshare estates in multisite timeshare plans;
 62 amending s. 721.84, F.S.; revising language with respect
 63 to appointment of a registered agent; amending ss. 721.96
 64 and 721.97, F.S.; including reference to personal property
 65 timeshare interests; amending ss. 475.011 and 718.103,
 66 F.S.; correcting cross references; providing for
 67 applicability; providing an effective date.

68
 69 Be It Enacted by the Legislature of the State of Florida:

70
 71 Section 1. Subsections (1) and (5) of section 721.02,
 72 Florida Statutes, are amended to read:

73 721.02 Purposes.--The purposes of this chapter are to:

74 (1) Give statutory recognition to real property timeshare
 75 plans ~~timesharing~~ and personal property timeshare plans
 76 ~~timesharing~~ in this the state.

77 (5) Recognize that the tourism industry in this state is a
 78 vital part of the state's economy; that the sale, promotion, and
 79 use of timeshare plans is an emerging, dynamic segment of the
 80 tourism industry; that this segment of the tourism industry
 81 continues to grow, both in volume of sales and in complexity and
 82 variety of product structure; and that a uniform and consistent
 83 method of regulation is necessary in order to safeguard
 84 Florida's tourism industry and the state's economic well-being.
 85 In order to protect the quality of Florida timeshare plans and
 86 the consumers who purchase them, it is the intent of the
 87 Legislature that this chapter be interpreted broadly in order to



88 encompass all forms of timeshare plans with a duration of at
 89 least 3 years that are created with respect to accommodations
 90 and facilities that are located in the state or that are offered
 91 for sale in the state as provided herein, including, but not
 92 limited to, condominiums, cooperatives, undivided interest
 93 campgrounds, cruise ships, vessels, houseboats, and recreational
 94 vehicles and other motor vehicles, and including vacation clubs,
 95 multisite vacation plans, and multiyear vacation and lodging
 96 certificates.

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

100 721.03 Scope of chapter.--

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

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

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

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

113 (b) The division shall have the authority to adopt rules
 114 interpreting and implementing the provisions of this chapter as
 115 they apply to any personal property timeshare plan or any such
 116 accommodation or facility that is part of a personal property



117 timeshare plan offered in this state, or as the provisions of
 118 this chapter ~~they~~ apply to any other laws of this state, of the
 119 several states, ~~or~~ of the United States, or of any other
 120 jurisdiction, with respect to any personal property timeshare
 121 plan or any such accommodation or facility that is part of a
 122 personal property timeshare plan offered in this state.

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

127 Section 3. Section 721.05, Florida Statutes, is amended to
 128 read:

129 721.05 Definitions.--As used in this chapter, the term:

130 (1) "Accommodation" means any apartment, ~~condominium~~ or
 131 cooperative unit, cabin, lodge, hotel or motel room, campground,
 132 cruise ship cabin, houseboat or other vessel, recreational or
 133 other motor vehicle, or any ~~or other~~ private or commercial
 134 structure which is ~~situated on~~ real or personal property and
 135 designed for overnight occupancy ~~or use~~ by one or more
 136 individuals. The term does not include an incidental benefit as
 137 defined in this section.

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



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

152 ~~(4)~~(3) "Assessment" means the share of funds required for
 153 the payment of common expenses which is assessed from time to
 154 time against each purchaser by the managing entity.

155 ~~(5)~~(4) "Closing" means:

156 (a) For any plan selling timeshare estates, conveyance of
 157 the legal or beneficial title to a timeshare estate as evidenced
 158 by the delivery of a deed for conveyance of legal title, or
 159 other instrument for conveyance of beneficial title, to the
 160 purchaser or to the clerk of the court for recording or
 161 conveyance of the equitable title to a timeshare estate as
 162 evidenced by the irrevocable delivery of an agreement for deed
 163 to the clerk of the court for recording.

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

168 ~~(6)~~(5) "Common expenses" means:

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

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



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

176 ~~(7)(6)~~ "Completion of construction" means:

177 (a)1. That a certificate of occupancy has been issued for
 178 the entire building in which the timeshare unit being sold is
 179 located, or for the improvement, or that the equivalent
 180 authorization has been issued, by the governmental body having
 181 jurisdiction; ~~or~~

182 2. In a jurisdiction in which no certificate of occupancy
 183 or equivalent authorization is issued, that the construction,
 184 finishing, and equipping of the building or improvements
 185 according to the plans and specifications have been
 186 substantially completed; or

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

192 (b) That all accommodations and facilities of the
 193 timeshare plan are available for use in a manner identical in
 194 all material respects to the manner portrayed by the promotional
 195 material, advertising, and filed ~~registered~~ public offering
 196 statements.

197 ~~(8)(7)~~ "Conspicuous type" means:

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



202 (b) Where the use of 10-point type would be impractical or
 203 impossible with respect to a particular piece of written
 204 advertising material, a different style of type or print may be
 205 used, so long as the print remains conspicuous under the
 206 circumstances.

207
 208 Where conspicuous type is required, it must be separated on all
 209 sides from other type and print. Conspicuous type may be
 210 utilized in contracts for purchase or public offering statements
 211 only where required by law or as authorized by the division.

212 (9)~~(8)~~ "Contract" means any agreement conferring the
 213 rights and obligations of a timeshare plan on the purchaser.

214 (10)~~(9)~~ "Developer" includes:

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

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

222 (c) A "concurrent developer," which means any person
 223 acting concurrently with the persons in this subsection with the
 224 purpose of offering timeshare interests in the ordinary course
 225 of business.

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

227 1. An owner of a timeshare interest who has acquired the
 228 timeshare interest for his or her own use and occupancy and who
 229 later offers it for resale; provided that a rebuttable
 230 presumption shall exist that an owner who has acquired more than



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231 seven timeshare interests did not acquire them for his or her
232 own use and occupancy;

233 2. A managing entity, not otherwise a developer, that
234 offers, or engages a third party to offer on its behalf,
235 timeshare interests in a timeshare plan which it manages,
236 provided that such offer complies with the provisions of s.
237 721.065;

238 3. A person who owns or is conveyed, assigned, or
239 transferred more than seven timeshare interests and who
240 subsequently conveys, assigns, or transfers all acquired
241 timeshare interests to a single purchaser in a single
242 transaction, which transaction may occur in stages; or

243 4. A person who has acquired or has the right to acquire
244 more than seven timeshare interests from a developer or other
245 interestholder in connection with a loan, securitization,
246 conduit, or similar financing arrangement transaction and who
247 subsequently arranges for all or a portion of the timeshare
248 interests to be offered by one or more developers in the
249 ordinary course of business on their own behalves or on behalf
250 of such person.

251 (e) A successor or concurrent developer shall be exempt
252 from any liability inuring to a predecessor or concurrent
253 developer of the same timeshare plan, except as provided in s.
254 721.15(7), provided that this exemption shall not apply to any
255 of the successor or concurrent developer's responsibilities,
256 duties, or liabilities with respect to the timeshare plan that
257 accrue after the date the successor or concurrent developer
258 became a successor or concurrent developer, and provided that
259 such transfer does not constitute a fraudulent transfer. In



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260 addition to other provisions of law, a transfer by a predecessor
 261 developer to a successor or concurrent developer shall be deemed
 262 fraudulent if the predecessor developer made the transfer:

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

265 2. To a person that would constitute an insider under s.
 266 726.102(7).

267 The provisions of this paragraph shall not be construed to
 268 relieve any successor or concurrent developer from the
 269 obligation to comply with the provisions of any applicable
 270 timeshare instrument.

271 (11)~~(10)~~ "Division" means the Division of Florida Land
 272 Sales, Condominiums, and Mobile Homes of the Department of
 273 Business and Professional Regulation.

274 (12)~~(11)~~ "Enrolled" means paid membership in an exchange
 275 program or membership in an exchange program evidenced by
 276 written acceptance or confirmation of membership.

277 (13)~~(12)~~ "Escrow account" means an account established
 278 solely for the purposes set forth in this chapter with a
 279 financial institution located within this state.

280 (14)~~(13)~~ "Escrow agent" includes only:

281 (a) A savings and loan association, bank, trust company,
 282 or other financial institution, any of which must be located in
 283 this state and any of which must have a net worth in excess of
 284 \$5 million;

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

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



289 (d) A title insurance agent that is licensed pursuant to
 290 s. 626.8417, a title insurance agency that is licensed pursuant
 291 to s. 626.8418, or a title insurer authorized to transact
 292 business in this state pursuant to s. 624.401.

293 ~~(15)~~~~(14)~~ "Exchange company" means any person owning or
 294 operating, or owning and operating, an exchange program.

295 ~~(16)~~~~(15)~~ "Exchange program" means any method, arrangement,
 296 or procedure for the voluntary exchange of the right to use and
 297 occupy accommodations and facilities among purchasers. The term
 298 does not include the assignment of the right to use and occupy
 299 accommodations and facilities to purchasers pursuant to a
 300 particular multisite timeshare plan's reservation system. Any
 301 method, arrangement, or procedure that otherwise meets this
 302 definition, wherein the purchaser's total contractual financial
 303 obligation exceeds \$3,000 per any individual, recurring
 304 timeshare period, shall be regulated as a multisite timeshare
 305 plan in accordance with part II.

306 ~~(17)~~~~(16)~~ "Facility" means any amenity, including any
 307 structure, furnishing, fixture, equipment, service, improvement,
 308 or real or personal property, improved or unimproved, other than
 309 an ~~the~~ accommodation of the timeshare plan, which is made
 310 available to the purchasers of a timeshare plan. The term does
 311 not include an incidental benefit as defined in this section.

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

315 ~~(19)~~~~(17)~~ "Incidental benefit" means an accommodation,
 316 product, service, discount, or other benefit which is offered to
 317 a prospective purchaser of a timeshare plan or to a purchaser of



318 a timeshare plan prior to the expiration of his or her initial
 319 10-day voidability period pursuant to s. 721.10; which is not an
 320 exchange program as defined in subsection (16) ~~(15)~~; and which
 321 complies with the provisions of s. 721.075. The term shall not
 322 include an offer of the use of the accommodations and facilities
 323 of the timeshare plan on a free or discounted one-time basis.

324 (20) ~~(18)~~ "Independent," for purposes of determining
 325 eligibility of escrow agents and trustees pursuant to s.
 326 721.03(7), means that:

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

331 (b) There is no financial relationship, other than the
 332 payment of fiduciary fees or as otherwise provided in this
 333 subsection, between the escrow agent or trustee and the
 334 developer, seller, or managing entity, or any officer, director,
 335 affiliate, or subsidiary thereof.

336 (c) Compensation paid by the developer to an escrow agent
 337 or trustee for services rendered shall not be paid from funds in
 338 the escrow or trust account unless and until the developer is
 339 otherwise entitled to receive the disbursement of such funds
 340 from the escrow or trust account pursuant to this chapter.

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

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

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



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

350 4. The escrow agent or trustee performs closings for the
351 developer or seller or issues owner's or lender's title
352 insurance commitments or policies in connection with such
353 closings.

354 ~~(21)~~~~(19)~~ "Interestholder" means a developer, an owner of
355 the underlying fee or owner of the underlying personal property,
356 a mortgagee, judgment creditor, or other lienor, or any other
357 person having an interest in or lien or encumbrance against the
358 accommodations or facilities of the timeshare plan.

359 ~~(22)~~~~(20)~~ "Managing entity" means the person who operates
360 or maintains the timeshare plan pursuant to s. 721.13(1).

361 ~~(23)~~~~(21)~~ "Memorandum of agreement" means a written
362 document, in a ~~recordable~~ form sufficient to permit the document
363 to be recorded or otherwise filed in the appropriate public
364 records and to provide constructive notice of its contents under
365 applicable law, which includes the names of the seller and the
366 purchasers, a legal description of the timeshare property, or
367 other sufficient description for a personal property timeshare
368 plan, and all timeshare interests to be included in such
369 document, and a description of the type of timeshare interest
370 ~~license~~ sold by the seller.

371 ~~(24)~~~~(22)~~ "Offer to sell," "offer for sale," "offered for
372 sale," or "offer" means the solicitation, advertisement, or
373 inducement, or any other method or attempt, to encourage any
374 person to acquire the opportunity to participate in a timeshare
375 plan.



376 ~~(25)~~~~(23)~~ "One-to-one purchaser to accommodation ratio"
 377 means the ratio of the number of purchasers eligible to use the
 378 accommodations of a timeshare plan on a given day to the number
 379 of accommodations available for use within the plan on that day,
 380 such that the total number of purchasers eligible to use the
 381 accommodations of the timeshare plan during a given calendar
 382 year never exceeds the total number of accommodations available
 383 for use in the timeshare plan during that year. For purposes of
 384 calculation under this subsection, each purchaser must be
 385 counted at least once, and no individual timeshare unit may be
 386 counted more than 365 times per calendar year (or more than 366
 387 times per leap year). A purchaser who is delinquent in the
 388 payment of timeshare plan assessments shall continue to be
 389 considered eligible to use the accommodations of the timeshare
 390 plan for purposes of this subsection notwithstanding any
 391 application of s. 721.13(6).

392 ~~(26)~~~~(24)~~ "Owner of the underlying fee" or "owner of the
 393 underlying personal property" means any person having an
 394 interest in the real property or personal property comprising or
 395 underlying the accommodations or facilities of a ~~the~~ timeshare
 396 plan at or subsequent to the time of creation of the timeshare
 397 plan.

398 ~~(27)~~~~(25)~~ "Owners' association" means an ~~the~~ association
 399 made up of all owners of timeshare interests in a timeshare
 400 plan, including developers and purchasers of such a timeshare
 401 plan ~~who have purchased timeshare estates.~~

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



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

407 ~~(29)(26)~~ "Public offering statement" means the written
 408 materials describing a single-site timeshare plan or a multisite
 409 timeshare plan, including a text and any exhibits attached
 410 thereto as required by ss. 721.07, 721.55, and 721.551. The term
 411 "public offering statement" shall refer to both a filed
 412 ~~registered~~ public offering statement and a purchaser public
 413 offering statement.

414 ~~(30)(27)~~ "Purchaser" means any person, other than a
 415 developer, who by means of a voluntary transfer acquires a legal
 416 or equitable interest in a timeshare plan other than as security
 417 for an obligation.

418 ~~(31)(28)~~ "Purchaser public offering statement" means that
 419 portion of the filed ~~registered~~ public offering statement which
 420 must be delivered to purchasers pursuant to s. 721.07(6) or s.
 421 721.551.

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

425 ~~(32)(30)~~ "Regulated short-term product" means a
 426 contractual right, offered by the seller, to use accommodations
 427 of a timeshare plan or other accommodations, provided that:

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



433 (b) The acquisition of the right to use includes an
 434 agreement that all or a portion of the consideration paid by the
 435 prospective purchaser for the right to use will be applied to or
 436 credited against the price of a future purchase of a timeshare
 437 interest, or that the cost of a future purchase of a timeshare
 438 interest will be fixed or locked in at a specified price.

439 (33)~~(31)~~ "Seller" means any developer or any other person,
 440 or any agent or employee thereof, who offers timeshare interests
 441 in the ordinary course of business. The term "seller" does not
 442 include:

443 (a) An owner of a timeshare interest who has acquired the
 444 timeshare interest for his or her own use and occupancy and who
 445 later offers it for resale; provided that a rebuttable
 446 presumption shall exist that an owner who has acquired more than
 447 seven timeshare interests did not acquire them for his or her
 448 own use and occupancy;

449 (b) A managing entity, not otherwise a seller, that
 450 offers, or engages a third party to offer on its behalf,
 451 timeshare interests in a timeshare plan which it manages,
 452 provided that such offer complies with the provisions of s.
 453 721.065;

454 (c) A person who owns or is conveyed, assigned, or
 455 transferred more than seven timeshare interests and who
 456 subsequently conveys, assigns, or transfers all acquired
 457 timeshare interests to a single purchaser in a single
 458 transaction, which transaction may occur in stages; or

459 (d) A person who has acquired or has the right to acquire
 460 more than seven timeshare interests from a developer or other
 461 interestholder in connection with a loan, securitization,



462 conduit, or similar financing arrangement and who subsequently
 463 arranges for all or a portion of the timeshare interests to be
 464 offered by one or more developers in the ordinary course of
 465 business on their own behalves or on behalf of such person.

466 (34)~~(32)~~ "Timeshare estate" means a right to occupy a
 467 timeshare unit, coupled with a freehold estate or an estate for
 468 years with a future interest in a timeshare property or a
 469 specified portion thereof. The term shall also mean an interest
 470 in a condominium unit pursuant to s. 718.103, an interest in a
 471 cooperative unit pursuant to s. 719.103, or an interest in a
 472 trust that complies in all respects with the provisions of s.
 473 721.08(2)(c)4.3~~4.3~~, provided that the trust does not contain any
 474 personal property timeshare interests. A timeshare estate is a
 475 parcel of real property under the laws of this state.

476 (35)~~(33)~~ "Timeshare instrument" means one or more
 477 documents, by whatever name denominated, creating or governing
 478 the operation of a timeshare plan.

479 (36)~~(34)~~ "Timeshare interest" means a timeshare estate, a
 480 personal property timeshare interest, or a timeshare license.

481 (37)~~(35)~~ "Timeshare license" means a right to occupy a
 482 timeshare unit, which right is not a personal property timeshare
 483 ~~neither coupled with a freehold interest or a timeshare, nor~~
 484 ~~coupled with an estate for years with a future interest, in a~~
 485 ~~timeshare property.~~

486 (38)~~(36)~~ "Timeshare period" means the period or periods of
 487 time when a purchaser of a timeshare interest is afforded the
 488 opportunity to use the accommodations ~~or facilities, or both,~~ of
 489 a timeshare plan.



490 (39)~~(37)~~ "Timeshare plan" means any arrangement, plan,
 491 scheme, or similar device, other than an exchange program,
 492 whether by membership, agreement, tenancy in common, sale,
 493 lease, deed, rental agreement, license, or right-to-use
 494 agreement or by any other means, whereby a purchaser, for
 495 consideration, receives ownership rights in or a right to use
 496 accommodations, and facilities, if any, for a period of time
 497 less than a full year during any given year, but not necessarily
 498 for consecutive years. The term "timeshare plan" includes:

499 (a) A "personal property timeshare plan," which means a
 500 timeshare plan in which the accommodations are comprised of
 501 personal property that is not permanently affixed to real
 502 property; and

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

506 (40)~~(38)~~ "Timeshare property" means one or more timeshare
 507 units subject to the same timeshare instrument, together with
 508 any other property or rights to property appurtenant to those
 509 timeshare units. Notwithstanding anything to the contrary
 510 contained in chapter 718 or chapter 719, the timeshare
 511 instrument for a timeshare condominium or cooperative may
 512 designate personal property, contractual rights, affiliation
 513 agreements of component sites of vacation clubs, exchange
 514 companies, or reservation systems, or any other agreements or
 515 personal property, as common elements or limited common elements
 516 of the timeshare condominium or cooperative.

517 (41)~~(39)~~ "Timeshare unit" means an accommodation of a
 518 timeshare plan which is divided into timeshare periods. Any



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519 timeshare unit in which a door or doors connecting two or more
 520 separate rooms are capable of being locked to create two or more
 521 private dwellings shall only constitute one timeshare unit for
 522 purposes of this chapter, unless the timeshare instrument
 523 provides that timeshare interests may be separately conveyed in
 524 such locked-off portions.

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

527 ~~(41) "Vacation plan" or "vacation membership plan" means~~
 528 ~~any timeshare plan consisting exclusively of timeshare licenses~~
 529 ~~or consisting of a combination of timeshare licenses and~~
 530 ~~timeshare estates.~~

531 Section 4. Section 721.06, Florida Statutes, is amended to
 532 read:

533 721.06 Contracts for purchase of timeshare interests.--

534 (1) Each seller shall utilize and furnish each purchaser a
 535 fully completed and executed copy of a contract pertaining to
 536 the sale, which contract shall include the following
 537 information:

538 (a) The actual date the contract is executed by each
 539 party.

540 (b) The names and addresses of the developer and the
 541 timeshare plan.

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



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547 (d)1. For real property timeshare plans, an estimate of
 548 any anticipated annual assessment stated on an ~~Any~~ annually
 549 recurring basis for any use charges, fees, ~~charge and the next~~
 550 year's estimated annual assessment for common expenses, or ~~and~~
 551 for ad valorem taxes or, if an estimate for next year's
 552 assessment is unavailable, the current year's actual annual
 553 assessment for any use charges, fees, common expenses, or ~~and~~
 554 for ad valorem taxes.

555 2. For personal property timeshare plans, an estimate of
 556 any anticipated annual assessment stated on an annually
 557 recurring basis for any use charges, fees, common expenses, or
 558 taxes or, if an estimate is unavailable, the current year's
 559 actual annual assessment for any use charges, fees, common
 560 expenses, or taxes.

561 (e) The estimated date of completion of construction of
 562 each accommodation or facility promised to be completed which is
 563 not completed at the time the contract is executed and the
 564 estimated date of closing.

565 (f) A brief description of the nature and duration of the
 566 timeshare interest being sold, including whether any interest in
 567 real property or personal property is being conveyed and the
 568 specific number of years constituting the term of the timeshare
 569 plan.

570 (g) Immediately prior to the space reserved in the
 571 contract for the signature of the purchaser, in conspicuous
 572 type, substantially the following statements:

573 1. If the purchaser will receive a personal property
 574 timeshare interest: *This personal property timeshare plan is*



575 governed only by limited sections of the timeshare management
 576 provisions of Florida law.

577 2. If the accommodations or facilities are located on or
 578 in a documented vessel or foreign vessel as provided in s.
 579 721.08(2)(c)3.e., the disclosure required by s.
 580 721.08(2)(c)3.e.(IV).

581 3. You may cancel this contract without any penalty or
 582 obligation within 10 calendar days after the date you sign this
 583 contract or the date on which you receive the last of all
 584 documents required to be given to you pursuant to section
 585 721.07(6), Florida Statutes, whichever is later. If you decide
 586 to cancel this contract, you must notify the seller in writing
 587 of your intent to cancel. Your notice of cancellation shall be
 588 effective upon the date sent and shall be sent to ... (Name of
 589 Seller) ... at ... (Address of Seller) Any attempt to
 590 obtain a waiver of your cancellation right is void and of no
 591 effect. While you may execute all closing documents in advance,
 592 the closing, as evidenced by delivery of the deed or other
 593 document, before expiration of your 10-day cancellation period,
 594 is prohibited.

595
 596 (h) If a timeshare estate is being conveyed, the following
 597 statement in conspicuous type:

598
 599 *For the purpose of ad valorem assessment, taxation and*
 600 *special assessments, the managing entity will be considered the*
 601 *taxpayer as your agent pursuant to section 192.037, Florida*
 602 *Statutes.*

603



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

620 (j) If the timeshare interest is being sold pursuant to an
621 agreement for deed or an agreement for transfer, a statement
622 that the signing of the agreement for deed or agreement for
623 transfer does not entitle the purchaser to receive the
624 conveyance or transfer of his or her timeshare estate or
625 personal property timeshare interest ~~a deed~~ until all payments
626 under the agreement have been made.

627 (k) Unless the developer is, at the time of offering the
628 plan, the owner ~~in fee simple absolute~~ of the accommodations and
629 facilities of the timeshare plan, free and clear of all liens,
630 ~~and~~ encumbrances, and claims of other interestholders, a
631 statement that the developer is not the sole owner of the
632 underlying fee or owner of the underlying personal property or



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633 that the ~~such~~ accommodations or facilities are subject to
634 ~~without~~ liens or encumbrances, which statement shall include:

635 1. The names and addresses of all other interestholders
636 ~~persons or entities having an ownership interest or other~~
637 ~~interest in the accommodations or facilities;~~ and

638 2. The actual interest of the developer in the
639 accommodations or facilities. As an alternative to including the
640 statement in the purchase contract, a seller may include a
641 reference in the purchase contract to the location in the
642 purchaser public offering statement text of such information.

643 (1) If the purchaser will receive an interest in a
644 multisite timeshare plan pursuant to part II, a statement shall
645 be provided in conspicuous type in substantially the following
646 form:

647
648 *The developer is required to provide the managing entity of*
649 *the multisite timeshare plan with a copy of the approved public*
650 *offering statement text and exhibits filed with the division and*
651 *any approved amendments thereto, and any other component site*
652 *documents as described in section 721.07 or section 721.55,*
653 *Florida Statutes, that are not required to be filed with the*
654 *division, to be maintained by the managing entity for inspection*
655 *as part of the books and records of the plan.*

656
657 (m) The following statement in conspicuous type:

658
659 *Any resale of this timeshare interest must be accompanied*
660 *by certain disclosures in accordance with section 721.065,*
661 *Florida Statutes.*



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

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

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

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

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

721.065 Resale purchase agreements.--

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

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

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



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690 The current year's assessment for common expenses allocable to
 691 the timeshare interest you are purchasing is \$____. This
 692 assessment, which may be increased from time to time by the
 693 managing entity of the timeshare plan, is payable in full each
 694 year on or before _____. This assessment (includes/does not
 695 include) yearly ad valorem real estate taxes, which (are/are
 696 not) billed and collected separately. (If ad valorem real
 697 property taxes are not included in the current year's assessment
 698 for common expenses, the following statement must be included:
 699 The most recent annual assessment for ad valorem real estate
 700 taxes for the timeshare interest you are purchasing is \$____.)
 701 (If there are any delinquent assessments for common expenses or
 702 ad valorem taxes outstanding with respect to the timeshare
 703 interest in question, the following statement must be included:
 704 A delinquency in the amount of \$_____ for unpaid common expenses
 705 or ad valorem taxes currently exists with respect to the
 706 timeshare interest you are purchasing, together with a per diem
 707 charge of \$_____ for interest and late charges.) For the purpose
 708 of ad valorem assessment, taxation, and special assessments, the
 709 managing entity will be considered the taxpayer as your agent
 710 pursuant to section 192.037, Florida Statutes. Each owner is
 711 personally liable for the payment of her or his assessments for
 712 common expenses, and failure to timely pay these assessments may
 713 result in restriction or loss of your use and/or ownership
 714 rights.
 715
 716 There are many important documents relating to the timeshare
 717 plan which you should review prior to purchasing a timeshare
 718 interest, including the declaration of condominium or covenants



719 and restrictions; the owners' association articles and bylaws;
 720 the current year's operating and reserve budgets; and any rules
 721 and regulations affecting the use of timeshare plan
 722 accommodations and facilities.

724 2. If the resale purchase agreement pertains to a personal
 725 property timeshare plan:

727 The current year's assessment for any common expenses, use
 728 charges, fees, or taxes allocable to the timeshare interest you
 729 are purchasing is \$_____. This assessment, which may be
 730 increased from time to time by the managing entity of the
 731 timeshare plan, is payable in full each year on or before
 732 _____. (If there are any delinquent assessments for common
 733 expenses, use charges, fees, or taxes outstanding with respect
 734 to the timeshare interest in question, the following statement
 735 must be included: A delinquency in the amount of \$_____ for
 736 unpaid common expenses, use charges, fees, or taxes currently
 737 exists with respect to the timeshare interest you are
 738 purchasing, together with a per diem charge of \$_____ for
 739 interest and late charges.) Each owner is personally liable for
 740 the payment of her or his assessments for common expenses, and
 741 failure to timely pay these assessments may result in
 742 restriction or loss of your use and/or ownership rights.

744 There are many important documents relating to the timeshare
 745 plan which you should review prior to purchasing a timeshare
 746 interest, including any owners' association articles and bylaws;
 747 the current year's operating and reserve budgets; and any rules



748 and regulations affecting the use of timeshare plan
749 accommodations and facilities.

750 Section 6. Section 721.07, Florida Statutes, is amended to
751 read:

752 721.07 Public offering statement.--Prior to offering any
753 timeshare plan, the developer must submit a filed ~~registered~~
754 public offering statement to the division for approval as
755 prescribed by s. 721.03, s. 721.55, or this section. Until the
756 division approves such filing, any contract regarding the sale
757 of that timeshare plan is subject to cancellation ~~voidable~~ by
758 the purchaser pursuant to s. 721.10.

759 (1) The division shall, upon receiving a filed ~~registered~~
760 public offering statement from a developer, mail to the
761 developer an acknowledgment of receipt. The failure of the
762 division to send such acknowledgment will not, however, relieve
763 the developer from the duty of complying with this section.

764 (2)(a) Within 45 days after receipt of a filed ~~registered~~
765 public offering statement which is subject only to this part and
766 is submitted in proper form as prescribed by rule, or within 120
767 days after receipt of a filed ~~registered~~ public offering
768 statement which is subject to part II and is submitted in proper
769 form as prescribed by rule, the division shall determine whether
770 the proposed filed ~~registered~~ public offering statement is
771 adequate to meet the requirements of this section and shall
772 notify the developer by mail that the division has either
773 approved the statement or found specified deficiencies in the
774 statement. If the division fails to approve the statement or
775 specify deficiencies in the statement within the period
776 specified in this paragraph, the filing will be deemed approved.



777 (b) If the developer fails to respond to any cited
778 deficiencies within 20 days after receipt of the division's
779 deficiency notice, the division may reject the filing.
780 Subsequent to such rejection, a new filing fee pursuant to
781 subsection (4) and a new division initial review period pursuant
782 to paragraph (a) shall apply to any refiling or further review
783 of the rejected filing.

784 (c) Within 20 days after receipt of the developer's timely
785 and complete response to any deficiency notice, the division
786 shall notify the developer by mail that the division has either
787 approved the filing, found additional specified deficiencies in
788 it, or determined that any previously specified deficiency has
789 not been corrected. If the division fails to approve or specify
790 additional deficiencies within 20 days after receipt of the
791 developer's timely and complete response, the filing will be
792 deemed approved.

793 (d) A developer shall have the authority to deliver to
794 purchasers any purchaser public offering statement that is not
795 yet approved by the division, provided that the following shall
796 apply:

797 1. At the time the developer delivers an unapproved
798 purchaser public offering statement to a purchaser pursuant to
799 this paragraph, the developer shall deliver a fully completed
800 and executed copy of the purchase contract required by s. 721.06
801 that contains the following statement in conspicuous type in
802 substantially the following form which shall replace the
803 statements required by s. 721.06(1)(g):
804



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805 *The developer is delivering to you a public offering statement*
 806 *that has been filed with but not yet approved by the Division of*
 807 *Florida Land Sales, Condominiums, and Mobile Homes. Any*
 808 *revisions to the unapproved public offering statement you have*
 809 *received must be delivered to you, but only if the revisions*
 810 *materially alter or modify the offering in a manner adverse to*
 811 *you. After the division approves the public offering statement,*
 812 *you will receive notice of the approval from the developer and*
 813 *the required revisions, if any.*

814
 815 *Your statutory right to cancel this transaction without any*
 816 *penalty or obligation expires 10 calendar days after the date*
 817 *you signed your purchase contract or the date on which you*
 818 *receive the last of all documents required to be given to you*
 819 *pursuant to section 721.07(6), Florida Statutes, or 10 calendar*
 820 *days after you receive revisions required to be delivered to*
 821 *you, if any, whichever is later. If you decide to cancel this*
 822 *contract, you must notify the seller in writing of your intent*
 823 *to cancel. Your notice of cancellation shall be effective upon*
 824 *the date sent and shall be sent to (Name of Seller) at (Address*
 825 *of Seller). Any attempt to obtain a waiver of your cancellation*
 826 *right is void and of no effect. While you may execute all*
 827 *closing documents in advance, the closing, as evidenced by*
 828 *delivery of the deed or other document, before expiration of*
 829 *your 10-day cancellation period, is prohibited.*

830
 831 2. After receipt of approval from the division and prior
 832 to closing, if any revisions made to the documents contained in
 833 the purchaser public offering statement materially alter or



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834 modify the offering in a manner adverse to a purchaser, the
835 developer shall send the purchaser such revisions together with
836 a notice containing a statement in conspicuous type in
837 substantially the following form:

838

839 *The unapproved public offering statement previously delivered to*
840 *you, together with the enclosed revisions, has been approved by*
841 *the Division of Florida Land Sales, Condominiums, and Mobile*
842 *Homes. Accordingly, your cancellation right expires 10 calendar*
843 *days after you sign your purchase contract or 10 calendar days*
844 *after you receive these revisions, whichever is later. If you*
845 *have any questions regarding your cancellation rights, you may*
846 *contact the division at [insert division's current address].*

847

848 3. After receipt of approval from the division and prior
849 to closing, if no revisions have been made to the documents
850 contained in the unapproved purchaser public offering statement,
851 or if such revisions do not materially alter or modify the
852 offering in a manner adverse to a purchaser, the developer shall
853 send the purchaser a notice containing a statement in
854 conspicuous type in substantially the following form:

855

856 *The unapproved public offering statement previously delivered to*
857 *you has been approved by the Division of Florida Land Sales,*
858 *Condominiums, and Mobile Homes. Revisions made to the unapproved*
859 *public offering statement, if any, are either not required to be*
860 *delivered to you or are not deemed by the developer, in its*
861 *opinion, to materially alter or modify the offering in a manner*
862 *that is adverse to you. Accordingly, your cancellation right*



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863 expired 10 days after you signed your purchase contract. A
864 complete copy of the approved public offering statement is
865 available through the managing entity for inspection as part of
866 the books and records of the plan. If you have any questions
867 regarding your cancellation rights, you may contact the division
868 at [insert division's current address].

869 (3)(a)1. Any change to an approved public offering
870 statement filing shall be filed with the division for approval
871 as an amendment prior to becoming effective. The division shall
872 have 20 days after receipt of a proposed amendment to approve or
873 cite deficiencies in the proposed amendment. If the division
874 fails to act within 20 days, the amendment will be deemed
875 approved. If the proposed amendment adds a new component site to
876 an approved multisite timeshare plan, the division's initial
877 period in which to approve or cite deficiencies is 45 days. If
878 the developer fails to adequately respond to any deficiency
879 notice within 30 days, the division may reject the amendment.
880 Subsequent to such rejection, a new filing fee pursuant to
881 subsection (4) and a new division initial review period pursuant
882 to this paragraph shall apply to any refiling or further review
883 of the rejected amendment.

884 2. For filings only subject to this part, each approved
885 amendment to the approved purchaser public offering statement,
886 other than an amendment made only for the purpose of the
887 addition of a phase or phases to the timeshare plan in the
888 manner described in the timeshare instrument or any amendment
889 that does not materially alter or modify the offering in a
890 manner that is adverse to a purchaser, shall be delivered to a
891 purchaser no later than 10 days prior to closing. For filings



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892 made under part II, each approved amendment to the multisite
893 timeshare plan purchaser public offering statement, other than
894 an amendment made only for the purpose of the addition,
895 substitution, or deletion of a component site pursuant to part
896 II or the addition of a phase or phases to a component site of a
897 multisite timeshare plan in the manner described in the
898 timeshare instrument or any amendment that does not materially
899 alter or modify the offering in a manner that is adverse to a
900 purchaser, shall be delivered to a purchaser no later than 10
901 days prior to closing.

902 3. Amendments made to a timeshare instrument for a
903 component site located in this state are not required to be
904 delivered to purchasers who do not receive a timeshare estate or
905 an interest in a specific multisite timeshare plan license in
906 that component site. Amendments made to a timeshare instrument
907 for a component site not located in this state are not required
908 to be delivered to purchasers.

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

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

919 (b) Upon the filing of an amendment to an approved filed
920 ~~registered~~ public offering statement, ~~other than an amendment~~



921 ~~adding a phase to the timeshare plan~~, the developer shall pay a
 922 filing fee of \$100.

923 (5) Every filed ~~registered~~ public offering statement for a
 924 timeshare plan which is not a multisite timeshare plan shall
 925 contain the information required by this subsection. The
 926 division is authorized to provide by rule the method by which a
 927 developer must provide such information to the division.

928 (a) A cover page stating only:

929 1. The name of the timeshare plan; and

930 2. The following statement, in conspicuous type: *This*
 931 *public offering statement contains important matters to be*
 932 *considered in acquiring a timeshare interest. The statements*
 933 *contained in this public offering statement are only summary in*
 934 *nature. A prospective purchaser should refer to all references,*
 935 *accompanying exhibits, contract documents, and sales materials.*
 936 *You should not rely upon oral representations as being correct.*
 937 *Refer to this document and accompanying exhibits for correct*
 938 *representations. The seller is prohibited from making any*
 939 *representations other than those contained in the contract and*
 940 *this public offering statement.*

941 (b) A listing of all statements required to be in
 942 conspicuous type in the public offering statement and in all
 943 exhibits thereto.

944 (c) A separate index of the contents and exhibits of the
 945 public offering statement.

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

948 (e) A description of the timeshare plan, including, but
 949 not limited to:



- 950 1. Its name and location.
- 951 2. An explanation of the form of timeshare ownership that
 952 is being offered, including a statement as to whether any
 953 interest in the underlying real property will be conveyed to the
 954 purchaser. If the plan is being created or being sold on a
 955 leasehold, a description of the material terms of the lease
 956 shall be included. If the plan is a plan in which timeshare
 957 estates or personal property timeshare interests are sold as
 958 interests in a trust pursuant to the requirements of this
 959 chapter, a full and accurate description of the trust
 960 arrangement and the trustee's duties shall be included. If the
 961 plan is a personal property timeshare plan, a description of the
 962 material terms of the arrangement for the ownership or use of
 963 the personal property shall be included.
- 964 3. An explanation of the manner in which the apportionment
 965 of common expenses and ownership of the common elements has been
 966 determined.
- 967 4. If ownership or use of the timeshare plan is based on a
 968 point system, a statement indicating the circumstances by which
 969 the point values may change, the extent of such changes, and the
 970 person or entity responsible for the changes.
- 971 5. If any of the accommodations or facilities are part of
 972 a personal property timeshare plan in which the accommodations
 973 or facilities are located on or in a documented vessel or
 974 foreign vessel as provided in s. 721.08(2)(c)3.e., the
 975 disclosure required by s. 721.08(2)(c)3.e.(IV).
- 976 (f) A description of the accommodations, including, but
 977 not limited to:



978 1. The number of timeshare units in each building, the
 979 total number of timeshare periods declared as part of the
 980 timeshare plan and filed with the division, and the number of
 981 bathrooms and bedrooms in each type of timeshare unit.

982 2. The latest date estimated for completion of
 983 constructing, finishing, and equipping the timeshare units
 984 declared as part of the timeshare plan and filed with the
 985 division.

986 3. The estimated maximum number of units and timeshare
 987 periods that will use the accommodations and facilities. If the
 988 maximum number of timeshare units or timeshare periods will
 989 vary, a description of the basis for variation.

990 4. The duration, in years, of the timeshare plan.

991 5. If any of the accommodations are part of a personal
 992 property timeshare plan, the name, vehicle registration number,
 993 title certificate number, or any other identifying registration
 994 number assigned to the accommodation of a personal property
 995 timeshare plan by a state, federal, or international
 996 governmental agency.

997 6. If any of the accommodations are part of a personal
 998 property timeshare plan, the fire detection system and fire
 999 safety equipment and description of method of compliance with
 1000 any applicable firesafety or fire detection regulations.

1001 (g) A description of any ~~the~~ facilities that will be used
 1002 by purchasers of the plan, including, but not limited to:

1003 1. The intended purpose, if not apparent from the
 1004 description.

1005 2. The estimated date when each facility will be available
 1006 for use by the purchaser.



1007 3. A statement as to whether the facilities will be used
 1008 exclusively by purchasers of the timeshare plan, and, if not, a
 1009 statement as to whether the purchasers of the timeshare plan are
 1010 required to pay any portion of the maintenance and expenses of
 1011 such facilities.

1012 (h)1. If any facilities offered by the developer for use
 1013 by purchasers are to be leased or have club memberships
 1014 associated with them, other than participation in a vacation
 1015 club, one of the following statements in conspicuous type: *There*
 1016 *is a lease associated with one or more facilities of the*
 1017 *timeshare plan; or, There is a club membership associated with*
 1018 *one or more facilities of the timeshare plan.*

1019 2. If it is mandatory that purchasers pay fees, rent,
 1020 dues, or other charges under a facilities lease or club
 1021 membership for the use of the facilities, other than
 1022 participation in a vacation club, the applicable statement in
 1023 conspicuous type in substantially the following form:

1024 a. *Membership in a facilities club is mandatory for*
 1025 *purchasers;*

1026 b. *Purchasers or the owners' association(s) are required,*
 1027 *as a condition of ownership, to be lessees under the facilities*
 1028 *lease;*

1029 c. *Purchasers or the owners' association(s) are required*
 1030 *to pay their share of the rent or costs and expenses of*
 1031 *maintenance, management, upkeep, and replacement under the*
 1032 *facilities lease (or the other instruments providing the*
 1033 *facilities); or*



1034 d. A similar statement of the nature of the organization
 1035 or the manner in which the use rights are created, and that
 1036 purchasers are required to pay.

1037
 1038 Immediately following the applicable statement, a description of
 1039 the lease or other instrument shall be stated, including a
 1040 description of terms of the payment of rent or costs and
 1041 expenses of maintenance, management, upkeep, and replacement of
 1042 the facilities.

1043 3. If the purchasers are required to pay a use fee, or
 1044 other payment for the use of the facilities, not including the
 1045 rent or maintenance, management, upkeep, or replacement costs
 1046 and expenses, the following statement in conspicuous type: *The*
 1047 *purchasers or the owners' association(s) must pay use fees for*
 1048 *one or more facilities.* Immediately following this statement, a
 1049 description of the use fees shall be included.

1050 4. If any person other than the owners' association has
 1051 the right to a lien on the timeshare interests to secure the
 1052 payment of assessments, rent, or other exactions, a statement in
 1053 conspicuous type in substantially the following form:

1054 a. *There is a lien or lien right against each timeshare*
 1055 *interest to secure the payment of rent and other exactions under*
 1056 *the facilities lease. A purchaser's failure to make these*
 1057 *payments may result in foreclosure of the lien; or*

1058 b. *There is a lien or lien right against each timeshare*
 1059 *interest to secure the payment of assessments or other exactions*
 1060 *coming due for the use, maintenance, upkeep, or repair of one or*
 1061 *more facilities. A purchaser's failure to make these payments*
 1062 *may result in foreclosure of the lien.*



1063
1064 Immediately following the applicable statement, a description of
1065 the lien right shall be included.

1066 (i) If the developer or any other person has the right to
1067 increase or add to the facilities at any time after the
1068 establishment of the timeshare plan, without the consent of the
1069 purchasers or owners' association being required, a statement in
1070 conspicuous type in substantially the following form: *Facilities*
1071 *may be expanded or added without consent of the purchasers or*
1072 *the owners' association(s).* Immediately following this
1073 statement, a description of such reserved rights shall be
1074 included.

1075 (j)1. For a real property timeshare plan, an explanation
1076 of the status of the title to the real property underlying the
1077 timeshare plan, including a statement of the existence of any
1078 lien, defect, judgment, mortgage, or other encumbrance affecting
1079 the title to the property, and how such lien, defect, judgment,
1080 mortgage, or other encumbrance will be removed or satisfied
1081 prior to closing.

1082 2. For a personal property timeshare plan, an explanation
1083 of the status of title to the personal property underlying the
1084 timeshare plan, including a statement of the existence of any
1085 lien, defect, judgment, or other encumbrance affecting the title
1086 to the personal property, and how such lien, defect, judgment,
1087 or other encumbrance will be removed or satisfied prior to
1088 closing.

1089 (k) A description of any judgment against the developer,
1090 the managing entity, owner of the underlying fee, or owner of
1091 the underlying personal property fee, which judgment is material



1092 to the timeshare plan; the status of any pending suit to which
 1093 the developer, the managing entity, owner of the underlying fee,
 1094 or owner of the underlying personal property fee is a party,
 1095 which suit is material to the timeshare plan; and any other suit
 1096 which is material to the timeshare plan of which the developer,
 1097 managing entity, owner of the underlying fee, or owner of the
 1098 underlying personal property fee has actual knowledge. If no
 1099 judgments or pending suits exist, there shall be a statement of
 1100 such fact.

1101 (l) A description of all unusual and material
 1102 circumstances, features, and characteristics of the real
 1103 property or personal property underlying or comprising the
 1104 timeshare plan.

1105 (m) A description of any financing to be offered to
 1106 purchasers by the developer or any person or entity in which the
 1107 developer has a financial interest, together with a disclosure
 1108 that the description of such financing may be changed by the
 1109 developer and that any change in the financing offered to
 1110 prospective purchasers will not be deemed to be a material
 1111 change.

1112 (n) A detailed explanation of any financial arrangements
 1113 which have been provided for completion of all promised
 1114 improvements.

1115 (o) The name and address of the managing entity; a
 1116 statement whether the seller may change the managing entity or
 1117 its control and, if so, the manner by which the seller may
 1118 change the managing entity; a statement of the arrangements for
 1119 management, maintenance, and operation of the accommodations and
 1120 facilities and of other property that will serve the purchasers;



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1121 and a description of the management arrangement and any
1122 contracts for these purposes having a term in excess of 1 year,
1123 including the names of the contracting parties, the term of the
1124 contract, the nature of the services included, and the
1125 compensation, stated for a month and for a year, and provisions
1126 for increases in the compensation. In the case of a personal
1127 property timeshare plan in which the accommodations or
1128 facilities are located on or in a documented vessel or foreign
1129 vessel as provided in s. 721.08(2)(c)3.e., a statement shall be
1130 included that describes the trustee's or owners' association's
1131 access to the certificates of classification and that the
1132 certificate of classification will be made available to
1133 purchasers on request.

1134 (p) If any person other than the purchasers has the right
1135 to retain control of the board of administration of the owners'
1136 association, if any, for a period of time which may exceed 1
1137 year after the closing of the sale of a majority of the
1138 timeshare interests in that timeshare plan to persons other than
1139 successors or concurrent developers and the plan is one in which
1140 all purchasers automatically become members of the owners'
1141 association, a statement in conspicuous type in substantially
1142 the following form: *The developer (or other person) has the*
1143 *right to retain control of the owners' association after a*
1144 *majority of the timeshare interests have been sold.* Immediately
1145 following this statement, a description of the applicable
1146 transfer of control provisions of the timeshare plan shall be
1147 included.

1148 (q)1. If there are any restrictions upon the sale,
1149 transfer, conveyance, or leasing of a timeshare interest, a



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1150 statement in conspicuous type in substantially the following
1151 form: *The sale, lease, or transfer of timeshare interests is*
1152 *restricted or controlled.* Immediately following this statement,
1153 a description of the nature of the restriction, limitation, or
1154 control on the sale, lease, or transfer of timeshare interests
1155 shall be included.

1156 2. The following statement in conspicuous type in
1157 substantially the following form: *The purchase of a timeshare*
1158 *interest should be based upon its value as a vacation experience*
1159 *or for spending leisure time, and not considered for purposes of*
1160 *acquiring an appreciating investment or with an expectation that*
1161 *the timeshare interest may be resold.*

1162 (r) If the timeshare plan is part of a phase project, a
1163 statement to that effect and a complete description of the
1164 phasing. Notwithstanding any provisions of s. 718.110 or s.
1165 719.1055, a developer may develop a timeshare condominium or a
1166 timeshare cooperative in phases if the original declaration of
1167 condominium or cooperative documents submitting the initial
1168 phase to condominium ownership or cooperative ownership or an
1169 amendment to the declaration of condominium or cooperative
1170 documents which has been approved by all of the unit owners and
1171 unit mortgagees provides for phasing. Notwithstanding any
1172 provisions of s. 718.403 or s. 719.403 to the contrary, the
1173 original declaration of condominium or cooperative documents, or
1174 an amendment to the declaration of condominium or cooperative
1175 documents adopted pursuant to this subsection, need only
1176 generally describe the developer's phasing plan and the land
1177 which may become part of the condominium or cooperative, and, in
1178 conjunction therewith, the developer may also reserve all rights



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1179 to vary his or her phasing plan as to phase boundaries, plot
1180 plans and floor plans, timeshare unit types, timeshare unit
1181 sizes and timeshare unit type mixes, numbers of timeshare units,
1182 and facilities with respect to each subsequent phase. There
1183 shall be no time limit during which a developer of a timeshare
1184 condominium or timeshare cooperative must complete his or her
1185 phasing plan, and the developer shall not be required to notify
1186 owners of existing timeshare estates of his or her decision not
1187 to add one or more proposed phases.

1188 (s) A description of the material restrictions, if any, to
1189 be imposed on timeshare interests concerning the use of any of
1190 the accommodations or facilities, including statements as to
1191 whether there are restrictions upon children and pets or a
1192 reference to a copy of the documents containing the restrictions
1193 which shall be attached as an exhibit. If there are no
1194 restrictions, there shall be a statement of such fact.

1195 (t) If there is any land or personal property that is
1196 offered by the developer for use by the purchasers and which is
1197 neither owned by them nor leased to them, the owners'
1198 association, or any entity controlled by the purchasers, a
1199 statement describing the land or personal property, how it will
1200 serve the timeshare plan, and the nature and term of service.

1201 (u) An estimated operating budget for the timeshare plan
1202 and a schedule of the purchaser's expenses shall be attached as
1203 an exhibit and shall contain the following information:

1204 1. The estimated annual expenses of the timeshare plan
1205 collectible from purchasers by assessments. The estimated
1206 payments by the purchaser for assessments shall also be stated
1207 in the estimated amounts for the times when they will be due.



1208 Expenses shall also be shown for the shortest timeshare period
 1209 offered for sale by the developer. If the timeshare plan
 1210 provides for the offer and sale of units to be used on a
 1211 nontimeshare basis, the estimated monthly and annual expenses of
 1212 such units shall be set forth in a separate schedule.

1213 2. The estimated weekly, monthly, and annual expenses of
 1214 the purchaser of each timeshare interest, other than assessments
 1215 payable to the managing entity. Expenses which are personal to
 1216 purchasers that are not uniformly incurred by all purchasers or
 1217 that are not provided for or contemplated by the timeshare plan
 1218 documents may be excluded from this estimate.

1219 3. The estimated items of expenses of the timeshare plan
 1220 and the managing entity, except as excluded under subparagraph
 1221 2., including, but not limited to, if applicable, the following
 1222 items, which shall be stated either as management expenses
 1223 collectible by assessments or as expenses of the purchaser
 1224 payable to persons other than the managing entity:

- 1225 a. Expenses for the managing entity:
- 1226 (I) Administration of the managing entity.
- 1227 (II) Management fees.
- 1228 (III) Maintenance.
- 1229 (IV) Rent for facilities.
- 1230 (V) Taxes upon timeshare property.
- 1231 (VI) Taxes upon leased areas.
- 1232 (VII) Insurance.
- 1233 (VIII) Security provisions.
- 1234 (IX) Other expenses.
- 1235 (X) Operating capital.



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1236 (XI) Reserves for deferred maintenance and reserves for
1237 capital expenditures.

1238 (A) All reserves for any accommodations and facilities of
1239 real property timeshare plans located in this state shall be
1240 calculated by a formula which is based upon estimated life and
1241 replacement cost of each reserve item. Reserves for deferred
1242 maintenance for such accommodations and facilities shall include
1243 accounts for roof replacement, building painting, pavement
1244 resurfacing, replacement of timeshare unit furnishings and
1245 equipment, and any other component, the useful life of which is
1246 less than the useful life of the overall structure. For any
1247 accommodations and facilities of real property timeshare plans
1248 located outside of this state, the developer shall disclose the
1249 amount of reserves for deferred maintenance or capital
1250 expenditures required by the law of the situs state, if
1251 applicable, and maintained for such accommodations and
1252 facilities.

1253 (B) Reserves for deferred maintenance or capital
1254 expenditures of accommodations and facilities of a personal
1255 property timeshare plan, if any. If such reserves are
1256 maintained, the estimated operating budget shall disclose the
1257 methodology of how the reserves are calculated. If a personal
1258 property timeshare plan does not require reserves, the following
1259 statement, in conspicuous type, shall appear in both the budget
1260 and the public offering statement:

1261
1262 The estimated operating budget for this personal property
1263 timeshare plan does not include reserves for deferred
1264 maintenance or capital expenditures; each timeshare interest may



1265 be subject to substantial special assessments from time to time
 1266 because no such reserves exist.

1267

1268 (XII) Fees payable to the division.

1269 b. Expenses for a purchaser:

1270 (I) Rent for the timeshare unit, if subject to a lease.

1271 (II) Rent payable by the purchaser directly to the lessor
 1272 or agent under any lease for the use of facilities, which use
 1273 and payment is a mandatory condition of ownership and is not
 1274 included in the common expenses or assessments for common
 1275 maintenance paid by the purchasers to the managing entity.

1276 4. The estimated amounts shall be stated for a period of
 1277 at least 12 months and may distinguish between the period prior
 1278 to the time that purchasers elect a majority of the board of
 1279 administration and the period after that date.

1280 5. If the developer intends to guarantee the level of
 1281 assessments, such guarantee must be based upon a good faith
 1282 estimate of the revenues and expenses of the timeshare plan. The
 1283 guarantee must include a description of the following:

1284 a. The specific time period measured in one or more
 1285 calendar or fiscal years during which the guarantee will be in
 1286 effect.

1287 b. A statement that the developer will pay all common
 1288 expenses incurred in excess of the total revenues of the
 1289 timeshare plan pursuant to s. 721.15(2) if the developer has
 1290 excused himself or herself from the payment of assessments
 1291 during the guarantee period.

1292 c. The level, expressed in total dollars, at which the
 1293 developer guarantees the budget. If the developer has reserved



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1294 the right to extend or increase the guarantee level pursuant to
 1295 s. 721.15(2), a disclosure must be included to that effect.

1296 6. If the developer intends to provide a trust fund to
 1297 defer or reduce the payment of annual assessments, a copy of the
 1298 trust instrument shall be attached as an exhibit and shall
 1299 include a description of such arrangement, including, but not
 1300 limited to:

1301 a. The specific amount of such trust funds and the source
 1302 of the funds.

1303 b. The name and address of the trustee.

1304 c. The investment methods permitted by the trust
 1305 agreement.

1306 d. A statement in conspicuous type that the funds from the
 1307 trust account may not cover all assessments and that there is no
 1308 guarantee that purchasers will not have to pay assessments in
 1309 the future.

1310 7. The budget of a phase timeshare plan may contain a note
 1311 identifying the number of timeshare interests covered by the
 1312 budget, indicating the number of timeshare interests, if any,
 1313 estimated to be declared as part of the timeshare plan during
 1314 that calendar year, and projecting the common expenses for the
 1315 timeshare plan based upon the number of timeshare interests
 1316 estimated to be declared as part of the timeshare plan during
 1317 that calendar year.

1318 (v) A schedule of estimated closing expenses to be paid by
 1319 a purchaser or lessee of a timeshare interest and a statement as
 1320 to whether a title opinion or title insurance policy is
 1321 available to the purchaser and, if so, at whose expense.



1322 (w) The identity of the developer and the chief operating
 1323 officer or principal directing the creation and sale of the
 1324 timeshare plan and a statement of the experience of each in this
 1325 field or, if no experience, a statement of that fact.

1326 (x) A statement of the total financial obligation of the
 1327 purchaser, including the purchase price and any additional
 1328 charges to which the purchaser may be subject.

1329 (y) The name of any person who will or may have the right
 1330 to alter, amend, or add to the charges to which the purchaser
 1331 may be subject and the terms and conditions under which such
 1332 alterations, amendments, or additions may be imposed.

1333 (z) A statement of the purchaser's right of cancellation
 1334 of the purchase contract.

1335 (aa) A description of the insurance coverage provided for
 1336 the timeshare plan.

1337 (bb) A statement as to whether the timeshare plan is
 1338 participating in an exchange program and, if so, the name and
 1339 address of the exchange company offering the exchange program.

1340 (cc) The existence of rules and regulations regarding any
 1341 reservation features governing a purchaser's ability to make
 1342 reservations for a timeshare period, including, if applicable, a
 1343 conspicuous type disclaimer in substantially the following form:

1344
 1345 *The right to reserve a timeshare period is subject to rules and*
 1346 *regulations of the timeshare plan reservation system.*

1347
 1348 (dd) If a developer is filing a timeshare plan that
 1349 includes a timeshare instrument or component site document that
 1350 was in conformance with the laws and rules in existence at the



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1351 time the timeshare plan was created but does not conform to
1352 existing laws and rules that govern the timeshare plan and the
1353 developer does not have the authority or power to amend or
1354 change the timeshare instrument or component site document to
1355 conform to such existing laws or rules as directed by the
1356 division, a brief explanation of current law and the conflict
1357 with the timeshare instrument or component site document,
1358 preceded by disclaimer in conspicuous type in substantially the
1359 following form:

1360

1361 *Florida law has been amended and certain provisions in [insert*
1362 *appropriate reference to timeshare instrument or component site*
1363 *document] that were in conformance with Florida law as it*
1364 *existed at the time the timeshare plan was created are not in*
1365 *conformance with current Florida law. These documents may only*
1366 *be amended by [insert appropriate reference to person or entity*
1367 *that has the right to amend or change the timeshare instrument*
1368 *or component site document]. The developer does not warrant that*
1369 *such documents are in technical compliance with all applicable*
1370 *Florida laws and regulations. All questions regarding amendment*
1371 *of these documents should be directed to [insert appropriate*
1372 *reference to person or entity that has the right to amend or*
1373 *change the timeshare instrument or component site document].*

1374

1375 (ee) Any other information that a seller, with the
1376 approval of the division, desires to include in the public
1377 offering statement.

1378 (ff) Copies of the following documents and plans, to the
1379 extent they are applicable, shall be included as exhibits to the



1380 filed ~~registered~~ public offering statement provided, if the
 1381 timeshare plan has not been declared or created at the time of
 1382 the filing, the developer shall provide proposed documents:

- 1383 1. The declaration of condominium.
- 1384 2. The cooperative documents.
- 1385 3. The declaration of covenants and restrictions.
- 1386 4. The articles of incorporation creating the owners'
 1387 association.
- 1388 5. The bylaws of the owners' association.
- 1389 6. Any ~~The~~ ground lease or other underlying lease of the
 1390 real property associated with ~~on which~~ the timeshare plan ~~is~~
 1391 ~~situated~~. In the case of a personal property timeshare plan, any
 1392 lease of the personal property associated with the personal
 1393 property timeshare plan.
- 1394 7. The management agreement and all maintenance and other
 1395 contracts regarding the management and operation of the
 1396 timeshare property which have terms in excess of 1 year.
- 1397 8. The estimated operating budget for the timeshare plan
 1398 and the required schedule of purchasers' expenses.
- 1399 9. The floor plan of each type of accommodation and the
 1400 plot plan showing the location of all accommodations and
 1401 facilities declared as part of the timeshare plan and filed with
 1402 the division.
- 1403 10. The lease for any facilities.
- 1404 11. A declaration of servitude of properties serving the
 1405 accommodations and facilities, but not owned by purchasers or
 1406 leased to them or the owners' association.



1407 12. Any documents required by s. 721.03(3)(e) as the
 1408 result of the inclusion of a timeshare plan in the conversion of
 1409 the building to condominium or cooperative ownership.

1410 13. The form of agreement for sale or lease of timeshare
 1411 interests.

1412 14. The executed agreement for escrow of payments made to
 1413 the developer prior to closing and the form of any agreement for
 1414 escrow of ad valorem tax escrow payments, if any, to be made
 1415 into an ad valorem tax escrow account pursuant to s. 192.037(6).

1416 15. The documents containing any restrictions on use of
 1417 the property required by paragraph (s).

1418 16. A letter from the escrow agent or filing attorney
 1419 confirming that the escrow agent and its officers, directors, or
 1420 other partners are independent pursuant to the requirements of
 1421 this chapter.

1422 17. Any nondisturbance and notice to creditors instrument
 1423 required by s. 721.08.

1424 18. In the case of any personal property timeshare plan in
 1425 which the accommodations and facilities are located on or in a
 1426 documented vessel or foreign vessel as provided in s.
 1427 721.08(2)(c)3.e., a copy of the certificate of ownership of such
 1428 vessel and either a copy of the certificate of documentation or
 1429 certificate of registry of such vessel.

1430 19. An executed affidavit given under oath by an attorney
 1431 licensed to practice law in any jurisdiction in the United
 1432 States stating that the attorney has researched the applicable
 1433 laws of the jurisdiction in which governing law has been
 1434 established and the laws of the jurisdiction in which the vessel
 1435 is registered, and has found that the timeshare instrument



1436 complies with the provisions of s. 721.08(2)(c)3.e.(II)(C) and
 1437 s. 721.08(2)(c)3.e.(III).

1438 ~~20.16.~~ Any other documents or instruments creating the
 1439 timeshare plan.

1440 (gg) Such other information as is necessary to fairly,
 1441 meaningfully, and effectively disclose all aspects of the
 1442 timeshare plan, including, but not limited to, any disclosures
 1443 made necessary by the operation of s. 721.03(8). However, if a
 1444 developer has, in good faith, attempted to comply with the
 1445 requirements of this section, and if, in fact, he or she has
 1446 substantially complied with the disclosure requirements of this
 1447 chapter, nonmaterial errors or omissions shall not be
 1448 actionable.

1449 (hh) Notwithstanding the provisions of this subsection,
 1450 the filed ~~registered~~ public offering statement for a component
 1451 site of a multisite timeshare plan filed pursuant to this
 1452 subsection may contain cross-references to information contained
 1453 in the related multisite timeshare plan filed ~~registered~~ public
 1454 offering statement filed pursuant to s. 721.55 in lieu of
 1455 repeating such information.

1456 (6) The division is authorized to prescribe by rule the
 1457 form of the approved purchaser public offering statement that
 1458 must be furnished by the developer to each purchaser. The form
 1459 of the purchaser public offering statement must provide fair,
 1460 meaningful, and effective disclosure of all aspects of the
 1461 timeshare plan. For timeshare plans filed pursuant to this part,
 1462 the developer shall furnish each purchaser with the following:

1463 (a) A copy of the purchaser public offering statement text
 1464 in the form approved by the division for delivery to purchasers.



1465 (b) Copies of the exhibits required to be filed with the
 1466 division pursuant to subparagraphs (5)(ff)1., 2., 4., 5., 8.,
 1467 and 20. ~~16.~~

1468 (c) A receipt for timeshare plan documents and a list
 1469 describing any exhibit to the filed ~~registered~~ public offering
 1470 statement filed with the division which is not delivered to the
 1471 purchaser. The division is authorized to prescribe by rule the
 1472 form of the receipt for timeshare plan documents and the
 1473 description of exhibits list that must be furnished to the
 1474 purchaser. The description of documents list utilized by a
 1475 developer shall be filed with the division for review as part of
 1476 the filed ~~registered~~ public offering statement pursuant to this
 1477 section. The developer shall be required to provide the managing
 1478 entity with a copy of the approved filed ~~registered~~ public
 1479 offering statement and any approved amendments thereto to be
 1480 maintained by the managing entity as part of the books and
 1481 records of the timeshare plan pursuant to s. 721.13(3)(d).

1482 (d) Any other exhibit which the developer includes as part
 1483 of the purchaser public offering statement, provided that the
 1484 developer first files the exhibit with the division.

1485 (e) An executed copy of any document which the purchaser
 1486 signs.

1487 (f) Each purchaser shall receive a fully executed paper
 1488 copy of the purchase contract.

1489 Section 7. Paragraph (g) of subsection (1) of section
 1490 721.075, Florida Statutes, is amended and paragraph (e) is added
 1491 to subsection (2) of said section, to read:

1492 721.075 Incidental benefits.--Incidental benefits shall be
 1493 offered only as provided in this section.



1494 (1) Accommodations, facilities, products, services,
 1495 discounts, or other benefits which satisfy the requirements of
 1496 this subsection shall be subject to the provisions of this
 1497 section and exempt from the other provisions of this chapter
 1498 which would otherwise apply to such accommodations or facilities
 1499 if and only if:

1500 (g) The incidental benefit is filed with the division for
 1501 review in conjunction with the filing of a timeshare plan or in
 1502 connection with a previously filed timeshare plan.

1503 (2) Each purchaser shall execute a separate acknowledgment
 1504 and disclosure statement with respect to all incidental
 1505 benefits, which statement shall include the following
 1506 information:

1507 (e) A statement indicating the source of the services,
 1508 points, or other products that constitute the incidental
 1509 benefit.

1510 Section 8. Section 721.08, Florida Statutes, is amended to
 1511 read:

1512 721.08 Escrow accounts; nondisturbance instruments;
 1513 alternate security arrangements; transfer of legal title.--

1514 (1) Prior to the filing of a ~~registered~~ public offering
 1515 statement with the division, all developers shall establish an
 1516 escrow account with an escrow agent for the purpose of
 1517 protecting the funds or other property of purchasers required to
 1518 be escrowed by this section. An escrow agent shall maintain the
 1519 accounts called for in this section only in such a manner as to
 1520 be under the direct supervision and control of the escrow agent.
 1521 The escrow agent shall have a fiduciary duty to each purchaser
 1522 to maintain the escrow accounts in accordance with good



1523 accounting practices and to release the purchaser's funds or
 1524 other property from escrow only in accordance with this chapter.
 1525 The escrow agent shall retain all affidavits received pursuant
 1526 to this section for a period of 5 years. Should the escrow agent
 1527 receive conflicting demands for funds or other property held in
 1528 escrow, the escrow agent shall immediately notify the division
 1529 of the dispute and either promptly submit the matter to
 1530 arbitration or, by interpleader or otherwise, seek an
 1531 adjudication of the matter by court.

1532 (2) One hundred percent of all funds or other property
 1533 which is received from or on behalf of purchasers of the
 1534 timeshare plan or timeshare interest prior to the occurrence of
 1535 events required in this subsection shall be deposited pursuant
 1536 to an escrow agreement approved by the division. The ~~escrow~~
 1537 ~~agreement shall provide that the~~ funds or other property may be
 1538 released from escrow only as follows:

1539 (a) *Cancellation.*--In the event a purchaser gives a valid
 1540 notice of cancellation pursuant to s. 721.10 or is otherwise
 1541 entitled to cancel the sale, the funds or other property
 1542 received from or on behalf of the purchaser, or the proceeds
 1543 thereof, shall be returned to the purchaser. Such refund shall
 1544 be made within 20 days after ~~of~~ demand therefor by the purchaser
 1545 or within 5 days after receipt of funds from the purchaser's
 1546 cleared check, whichever is later. If the purchaser has received
 1547 benefits under the contract prior to the effective date of the
 1548 cancellation, the funds or other property to be returned to the
 1549 purchaser may be reduced by the proportion of contract benefits
 1550 actually received.



1551 (b) *Purchaser's default.*--Following expiration of the 10-
 1552 day cancellation period, if the purchaser defaults in the
 1553 performance of her or his obligations under the terms of the
 1554 contract to purchase or such other agreement by which a seller
 1555 sells the timeshare interest, the developer shall provide an
 1556 affidavit to the escrow agent requesting release of the escrowed
 1557 funds or other property and shall provide a copy of such
 1558 affidavit to the purchaser who has defaulted. The developer's
 1559 affidavit, as required herein, shall include:

1560 1. A statement that the purchaser has defaulted and that
 1561 the developer has not defaulted;

1562 2. A brief explanation of the nature of the default and
 1563 the date of its occurrence;

1564 3. A statement that pursuant to the terms of the contract
 1565 the developer is entitled to the funds held by the escrow agent;
 1566 and

1567 4. A statement that the developer has not received from
 1568 the purchaser any written notice of a dispute between the
 1569 purchaser and developer or a claim by the purchaser to the
 1570 escrow.

1571 (c) *Compliance with conditions.*--

1572 1. Timeshare licenses.--If the timeshare plan is one in
 1573 which timeshare licenses are to be sold and no cancellation or
 1574 default has occurred, the escrow agent may release the escrowed
 1575 funds or other property to or on the order of the developer upon
 1576 presentation of:

1577 a. An affidavit by the developer that all of the following
 1578 conditions have been met:

1579 (I) Expiration of the cancellation period.



1580 (II) Completion of construction.

1581 (III) Closing.

1582 (IV) Either:

1583 (A) Execution, delivery, and recordation by each

1584 interestholder of the nondisturbance and notice to creditors

1585 instrument, as described in this section; ~~or, alternatively,~~

1586 (B) Transfer by the developer of legal title to the

1587 subject accommodations and facilities, or all use rights

1588 therein, into ~~to~~ a trust satisfying the requirements of

1589 subparagraph 4. ~~sub-subparagraph 3.b.~~ and the execution,

1590 delivery, and recordation by each other interestholder of the

1591 nondisturbance and notice to creditors instrument, as described

1592 in this section.

1593 b. A certified copy of each ~~the~~ recorded nondisturbance

1594 and notice to creditors instrument ~~that complies with subsection~~

1595 ~~(3).~~

1596 c. One of the following:

1597 (I) A copy of a memorandum of agreement, as defined in s.

1598 721.05~~(21)~~, together with satisfactory evidence that the

1599 original memorandum of agreement has been irretrievably

1600 delivered for recording to the appropriate official responsible

1601 for maintaining the public records in the county in which the

1602 subject accommodations and facilities are located. The original

1603 memorandum of agreement must be recorded within 180 days after

1604 the date on which the purchaser executed her or his purchase

1605 agreement.

1606 (II) A notice delivered for recording to the appropriate

1607 official responsible for maintaining the public records in each

1608 county in which the subject accommodations and facilities are



1609 located notifying all persons of the identity of an independent
 1610 escrow agent or trustee satisfying the requirements of
 1611 subparagraph 4. ~~sub-subparagraph 3.b.~~ that shall maintain
 1612 separate books and records, in accordance with good accounting
 1613 practices, for the timeshare plan in which timeshare licenses
 1614 are to be sold. The books and records shall indicate each
 1615 accommodation and facility that is subject to such a timeshare
 1616 plan and each purchaser of a timeshare license in the timeshare
 1617 plan.

1618 2. Timeshare estates.--If the timeshare plan is one in
 1619 which timeshare estates are to be sold, ~~other than interests in~~
 1620 ~~a trust pursuant to subparagraph 3.,~~ and no cancellation or
 1621 default has occurred, the escrow agent may release the escrowed
 1622 funds or other property to or on the order of the developer upon
 1623 presentation of:

1624 a. An affidavit by the developer that all of the following
 1625 conditions have been met:

1626 (I) Expiration of the cancellation period.

1627 (II) Completion of construction.

1628 (III) Closing.

1629 b. If the timeshare estate is sold by agreement for deed,
 1630 a certified copy of the recorded nondisturbance and notice to
 1631 creditors instrument, as described in this section.

1632 c. Evidence that each accommodation and facility:

1633 (I) Is free and clear of the claims of any
 1634 interestholders, other than the claims of interestholders that,
 1635 through a recorded instrument, are irrevocably made subject to
 1636 the timeshare instrument and the use rights of purchasers made
 1637 available through the timeshare instrument;



1638 (II) Is the subject of a recorded nondisturbance and
 1639 notice to creditors instrument that complies with subsection (3)
 1640 and s. 721.17; or

1641 (III) Has been transferred into a trust satisfying the
 1642 requirements of subparagraph 4.

1643 d. Evidence that the timeshare estate:

1644 (I) Is free and clear of the claims of any
 1645 interestholders, other than the claims of interestholders that,
 1646 through a recorded instrument, are irrevocably made subject to
 1647 the timeshare instrument and the use rights of purchasers made
 1648 available through the timeshare instrument; or

1649 (II) Is ~~that are~~ the subject of a recorded nondisturbance
 1650 and notice to creditors instrument that complies with subsection
 1651 (3) and s. 721.17.

1652 3. Personal property timeshare interests.--If the
 1653 timeshare plan is one in which personal property timeshare
 1654 ~~interests~~ ~~estates~~ are to be sold as ~~interests in a trust that~~
 1655 ~~complies in all respects with the provisions of sub-subparagraph~~
 1656 ~~b.~~, and no cancellation or default has occurred, the escrow
 1657 agent may release the escrowed funds or other property to or on
 1658 the order of the developer upon presentation of:

1659 a. An affidavit by the developer that all of the following
 1660 conditions have been met:

1661 (I) Expiration of the cancellation period.

1662 (II) Completion of construction.

1663 (III) ~~Transfer of the subject accommodations and~~
 1664 ~~facilities, or all use rights therein, to the trust.~~

1665 ~~(IV) Closing.~~



1666 b. If the personal property timeshare interest is sold by
 1667 agreement for transfer, evidence that the agreement for transfer
 1668 complies fully with s. 721.06 and this section.

1669 c. Evidence that one of the following has occurred:

1670 (I) Transfer by the owner of the underlying personal
 1671 property of legal title to the subject accommodations and
 1672 facilities or all use rights therein into a trust satisfying the
 1673 requirements of subparagraph 4.; or

1674 (II) Transfer by the owner of the underlying personal
 1675 property of legal title to the subject accommodations and
 1676 facilities or all use rights therein into an owners' association
 1677 satisfying the requirements of subparagraph 5.

1678 d. Evidence of compliance with the provisions of
 1679 subparagraph 6., if required.

1680 e. If a personal property timeshare plan is created with
 1681 respect to accommodations and facilities that are located on or
 1682 in an ocean going vessel, including a "documented vessel" or
 1683 "foreign vessel" as defined and governed by chapter 301 of Title
 1684 46 of the United States Code:

1685 (I) In making the transfer required in sub-subparagraph
 1686 c., the developer shall use as its transfer instrument a
 1687 document that establishes and protects the continuance of the
 1688 use rights in the subject accommodations and facilities in a
 1689 manner that is enforceable by the trust or owners' association.

1690 (II) The transfer instrument shall comply fully with the
 1691 provisions of this chapter, shall be part of the timeshare
 1692 instrument, and shall contain specific provisions that:

1693 (A) Prohibit the vessel owner, the developer, any manager
 1694 or operator of the vessel, the owners' association or the



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1695 trustee, the managing entity, or any other person from incurring
1696 any liens against the vessel except for liens that are required
1697 for the operation and upkeep of the vessel, including liens for
1698 fuel expenditures, repairs, crews' wages, and salvage, and
1699 except as provided in sub-sub-subparagraphs 4.b.(III) and
1700 5.b.(III). All expenses, fees, and taxes properly incurred in
1701 connection with the creation, satisfaction, and discharge of any
1702 such permitted lien, or a prorated portion thereof if less than
1703 all of the accommodations on the vessel are subject to the
1704 timeshare plan, shall be common expenses of the timeshare plan.

1705 (B) Grant a lien against the vessel in favor of the
1706 owners' association or trustee to secure the full and faithful
1707 performance of the vessel owner and developer of all of their
1708 obligations to the purchasers.

1709 (C) Establish governing law in a jurisdiction that
1710 recognizes and will enforce the timeshare instrument and the
1711 laws of the jurisdiction of registry of the vessel.

1712 (D) Require that a description of the use rights of
1713 purchasers be posted and displayed on the vessel in a manner
1714 that will give notice of such rights to any party examining the
1715 vessel. This notice must identify the owners' association or
1716 trustee and include a statement disclosing the limitation on
1717 incurring liens against the vessel described in sub-sub-sub-
1718 subparagraph (A).

1719 (E) Include the nondisturbance and notice to creditors
1720 instrument for the vessel owner and any other interestholders.

1721 (F) The owners' association created under subparagraph 5.
1722 or trustee created under subparagraph 6. shall have access to



1723 any certificates of classification in accordance with the
 1724 timeshare instrument.

1725 (III) If the vessel is a foreign vessel, the vessel must
 1726 be registered in a jurisdiction that permits a filing evidencing
 1727 the use rights of purchasers in the subject accommodations and
 1728 facilities, offers protection for such use rights against
 1729 unfiled and inferior claims, and recognizes the document or
 1730 instrument creating such use rights as a lien against the
 1731 vessel.

1732 (IV) In addition to the disclosures required by s.
 1733 721.07(5), the public offering statement and purchase contract
 1734 must contain a disclosure in conspicuous type in substantially
 1735 the following form:

1736
 1737 The laws of the State of Florida govern the offering of this
 1738 timeshare plan in this state. There are inherent risks in
 1739 purchasing a timeshare interest in this timeshare plan because
 1740 the accommodations and facilities of the timeshare plan are
 1741 located on a vessel that will sail into international waters and
 1742 into waters governed by many different jurisdictions. Therefore,
 1743 the laws of the State of Florida cannot fully protect your
 1744 purchase of an interest in this timeshare plan. Specifically,
 1745 management and operational issues may need to be addressed in
 1746 the jurisdiction in which the vessel is registered, which is
 1747 _____ (insert jurisdiction in which vessel is required).
 1748 Concerns of purchasers may be sent to _____ (insert name
 1749 of applicable regulatory agency and address).



1750 4. Trust.--

1751 a. If the subject accommodations or facilities, or all use
 1752 rights therein, are to be transferred into a trust in order to
 1753 comply with this paragraph, such transfer shall take place
 1754 pursuant to this subparagraph.

1755 b. Prior to the transfer by each interestholder of the
 1756 subject accommodations and facilities, or all use rights
 1757 therein, to a trust, any lien or other encumbrance against such
 1758 accommodations and facilities, or use rights therein, shall be
 1759 made subject to a nondisturbance and notice to creditors
 1760 instrument pursuant to subsection (3) as described in this
 1761 section. No transfer pursuant to this subparagraph ~~sub-~~
 1762 subparagraph shall become effective until the trustee accepts
 1763 such transfer and the responsibilities set forth herein. A trust
 1764 established pursuant to this subparagraph ~~sub-subparagraph~~ shall
 1765 comply with the following provisions:

1766 (I) The trustee shall be an individual or a business
 1767 entity authorized and qualified to conduct trust business in
 1768 this state. Any corporation authorized to do business in this
 1769 state may act as trustee in connection with a timeshare plan
 1770 pursuant to this chapter. The trustee must be independent from
 1771 any developer or managing entity of the timeshare plan or any
 1772 interestholder of any accommodation or facility of such plan.

1773 (II) The trust shall be irrevocable so long as any
 1774 purchaser has a right to occupy any portion of the timeshare
 1775 property pursuant to the timeshare plan.

1776 (III) The trustee shall not convey, hypothecate, mortgage,
 1777 assign, lease, or otherwise transfer or encumber in any fashion
 1778 any interest in or portion of the timeshare property with



1779 respect to which any purchaser has a right of use or occupancy
 1780 unless the timeshare plan is terminated pursuant to the
 1781 timeshare instrument, or such conveyance, hypothecation,
 1782 mortgage, assignment, lease, transfer, or encumbrance is
 1783 approved by a vote of two-thirds of all voting interests of the
 1784 timeshare plan and such decision is declared by a court of
 1785 competent jurisdiction to be in the best interests of the
 1786 purchasers of the timeshare plan. The trustee shall notify the
 1787 division in writing within 10 days after ~~of~~ receiving notice of
 1788 the filing of any petition relating to obtaining such a court
 1789 order. The division shall have standing to advise the court of
 1790 the division's interpretation of the statute as it relates to
 1791 the petition.

1792 (IV) All purchasers of the timeshare plan or the owners'
 1793 association of the timeshare plan shall be the express
 1794 beneficiaries of the trust. The trustee shall act as a fiduciary
 1795 to the beneficiaries of the trust. The personal liability of the
 1796 trustee shall be governed by s. 737.306. The agreement
 1797 establishing the trust shall set forth the duties of the
 1798 trustee. The trustee shall be required to furnish promptly to
 1799 the division upon request a copy of the complete list of the
 1800 names and addresses of the owners in the timeshare plan and a
 1801 copy of any other books and records of the timeshare plan
 1802 required to be maintained pursuant to s. 721.13 that are in the
 1803 possession, custody, or control of the trustee. All expenses
 1804 reasonably incurred by the trustee in the performance of its
 1805 duties, together with any reasonable compensation of the
 1806 trustee, shall be common expenses of the timeshare plan.



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1807 (V) The trustee shall not resign upon less than 90 days'
 1808 prior written notice to the managing entity and the division. No
 1809 resignation shall become effective until a substitute trustee,
 1810 approved by the division, is appointed by the managing entity
 1811 and accepts the appointment.

1812 (VI) The documents establishing the trust arrangement
 1813 shall constitute a part of the timeshare instrument.

1814 (VII) For trusts holding property in a timeshare plan
 1815 located outside this state, the trust and trustee holding such
 1816 property shall be deemed in compliance with the requirements of
 1817 this subparagraph if such trust and trustee are ~~is~~ authorized
 1818 and qualified to conduct trust business under the laws of such
 1819 jurisdiction and the agreement or law governing such trust
 1820 arrangement provides substantially similar protections for the
 1821 purchaser as are required in this subparagraph for trusts
 1822 holding property in a timeshare plan in this state.

1823 (VIII) The trustee shall have appointed a registered agent
 1824 in this state for service of process. In the event such a
 1825 registered agent is not appointed, service of process may be
 1826 served pursuant to s. 721.265.

1827 5. Owners' association.--

1828 a. If the subject accommodations or facilities, or all use
 1829 rights therein, are to be transferred into an owners'
 1830 association in order to comply with this paragraph, such
 1831 transfer shall take place pursuant to this subparagraph.

1832 b. Prior to the transfer by each interestholder of the
 1833 subject accommodations and facilities, or all use rights
 1834 therein, to an owners' association, any lien or other
 1835 encumbrance against such accommodations and facilities, or use



1836 rights therein, shall be made subject to a nondisturbance and
 1837 notice to creditors instrument pursuant to subsection (3). No
 1838 transfer pursuant to this subparagraph shall become effective
 1839 until the owners' association accepts such transfer and the
 1840 responsibilities set forth herein. An owners' association
 1841 established pursuant to this subparagraph shall comply with the
 1842 following provisions:

1843 (I) The owners' association shall be a business entity
 1844 authorized and qualified to conduct business in this state.
 1845 Control of the board of directors of the owners' association
 1846 must be independent from any developer or managing entity of the
 1847 timeshare plan or any interestholder.

1848 (II) The bylaws of the owners' association shall provide
 1849 that the corporation may not be voluntarily dissolved without
 1850 the unanimous vote of all owners of personal property timeshare
 1851 interests so long as any purchaser has a right to occupy any
 1852 portion of the timeshare property pursuant to the timeshare
 1853 plan.

1854 (III) The owners' association shall not convey,
 1855 hypothecate, mortgage, assign, lease, or otherwise transfer or
 1856 encumber in any fashion any interest in or portion of the
 1857 timeshare property with respect to which any purchaser has a
 1858 right of use or occupancy unless the timeshare plan is
 1859 terminated pursuant to the timeshare instrument, or such
 1860 conveyance, hypothecation, mortgage, assignment, lease,
 1861 transfer, or encumbrance is approved by a vote of two-thirds of
 1862 all voting interests of the association and such decision is
 1863 declared by a court of competent jurisdiction to be in the best
 1864 interests of the purchasers of the timeshare plan. The owners'



1865 association shall notify the division in writing within 10 days
 1866 after receiving notice of the filing of any petition relating to
 1867 obtaining such a court order. The division shall have standing
 1868 to advise the court of the division's interpretation of the
 1869 statute as it relates to the petition.

1870 (IV) All purchasers of the timeshare plan shall be members
 1871 of the owners' association and shall be entitled to vote on
 1872 matters requiring a vote of the owners' association as provided
 1873 in this chapter or the timeshare instrument. The owners'
 1874 association shall act as a fiduciary to the purchasers of the
 1875 timeshare plan. The articles of incorporation establishing the
 1876 owners' association shall set forth the duties of the owners'
 1877 association. All expenses reasonably incurred by the owners'
 1878 association in the performance of its duties, together with any
 1879 reasonable compensation of the officers or directors of the
 1880 owners' association, shall be common expenses of the timeshare
 1881 plan.

1882 (V) The documents establishing the owners' association
 1883 shall constitute a part of the timeshare instrument.

1884 (VI) For owners' associations holding property in a
 1885 timeshare plan located outside this state, the owners'
 1886 association holding such property shall be deemed in compliance
 1887 with the requirements of this subparagraph if such owners'
 1888 association is authorized and qualified to conduct owners'
 1889 association business under the laws of such jurisdiction and the
 1890 agreement or law governing such arrangement provides
 1891 substantially similar protections for the purchaser as are
 1892 required in this subparagraph for owners' associations holding
 1893 property in a timeshare plan in this state.



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1894 (VII) The owners' association shall have appointed a
 1895 registered agent in this state for service of process. In the
 1896 event such a registered agent cannot be located, service of
 1897 process may be made pursuant to s. 721.265.

1898 6. Personal property subject to certificate of title.--If
 1899 any personal property that is an accommodation or facility of a
 1900 timeshare plan is subject to a certificate of title in this
 1901 state pursuant to chapter 319 or chapter 328, the following
 1902 notation must be made on such certificate of title pursuant to
 1903 s. 319.27(1) or s. 328.15(1):

1904
 1905 The further transfer or encumbrance of the property subject to
 1906 this certificate of title, or any lien or encumbrance thereon,
 1907 is subject to the requirements of section 721.17, Florida
 1908 Statutes, and the transferee or lienor agrees to be bound by all
 1909 of the obligations set forth therein.

1910
 1911 7.4. If the developer has previously provided a certified
 1912 copy of any document required by this paragraph, she or he may
 1913 for all subsequent disbursements substitute a true and correct
 1914 copy of the certified copy, provided no changes to the document
 1915 have been made or are required to be made.

1916 8. In the event that use rights relating to an
 1917 accommodation or facility are transferred into a trust pursuant
 1918 to subparagraph 4. or into an owners' association pursuant to
 1919 subparagraph 5., all other interestholders, including the owner
 1920 of the underlying fee or underlying personal property, must
 1921 execute a nondisturbance and notice to creditors instrument
 1922 pursuant to subsection (3).



1923 (d) Substitution of other assurances for escrowed funds or
 1924 other property.--Funds or other property escrowed as provided in
 1925 this section may be released from escrow to or on the order of
 1926 the developer upon acceptance by the director of the division of
 1927 other assurances pursuant to subsection (5) as a substitute for
 1928 such escrowed funds or other property. The amount of escrowed
 1929 funds or other property that may be released pursuant to this
 1930 paragraph shall be equal to or less than the face amount of the
 1931 assurances accepted by the director from time to time.

1932 (3) NONDISTURBANCE AND NOTICE TO CREDITORS
 1933 INSTRUMENT.--The nondisturbance and notice to creditors
 1934 instrument, when required, shall be executed by each
 1935 interestholder.

1936 (a) The instrument shall state that:

1937 1.~~(a)~~ If the party seeking enforcement is not in default
 1938 of its obligations, the instrument may be enforced by both the
 1939 seller and any purchaser of the timeshare plan;

1940 2.~~(b)~~ The instrument shall be effective as between the
 1941 timeshare purchaser and interestholder despite any rejection or
 1942 cancellation of the contract between the timeshare purchaser and
 1943 developer as a result of bankruptcy proceedings of the
 1944 developer; and

1945 3.~~(e)~~ So long as a purchaser remains in good standing with
 1946 respect to her or his obligations under the timeshare
 1947 instrument, including making all payments to the managing entity
 1948 required by the timeshare instrument with respect to the annual
 1949 common expenses of the timeshare ~~the interestholder has any~~
 1950 ~~interest in the accommodations, facilities, or plan, then the~~
 1951 interestholder will ~~fully~~ honor all ~~the~~ rights of such purchaser



1952 relating to the subject accommodation or facility as reflected
 1953 ~~timeshare purchasers in and to the timeshare instrument plan,~~
 1954 ~~will honor the purchasers' right to cancel their contracts and~~
 1955 ~~receive appropriate refunds, and will comply with all other~~
 1956 ~~requirements of this chapter and rules promulgated hereunder.~~

1957
 1958 The instrument shall contain language sufficient to provide
 1959 subsequent creditors of the developer and interestholders with
 1960 notice of the existence of the timeshare plan and of the rights
 1961 of purchasers and shall serve to protect the interest of the
 1962 timeshare purchasers from any claims of subsequent creditors.

1963 (b) Real property timeshare plans.--For real property
 1964 timeshare plans, the instrument shall be recorded in the public
 1965 records of the county in which the subject accommodations or
 1966 facilities are located.

1967 (c) Personal property timeshare plans.--For personal
 1968 property timeshare plans, the instrument shall be included
 1969 within or attached as an exhibit to a security agreement or
 1970 other agreement executed by the interestholder. Constructive
 1971 notice of such security agreement or other agreement shall be
 1972 filed in the manner prescribed by chapter 679 or other
 1973 applicable law.

1974 (d) A copy of the recorded or filed nondisturbance and
 1975 notice to creditors instrument, when required, shall be provided
 1976 to each timeshare purchaser at the time the purchase contract is
 1977 executed.

1978 (4) In lieu of any escrow provisions required by this act,
 1979 the director of the division shall have the discretion to permit



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1980 deposit of the funds or other property in an escrow account as
 1981 required by the jurisdiction in which the sale took place.

1982 (5)(a) In lieu of any escrows required by this section,
 1983 the director of the division shall have the discretion to accept
 1984 other assurances, including, but not limited to, a surety bond
 1985 issued by a company authorized and licensed to do business in
 1986 this state as surety or an irrevocable letter of credit in an
 1987 amount equal to the escrow requirements of this section.

1988 (b) Notwithstanding anything in chapter 718 or chapter 719
 1989 to the contrary, the director of the division shall have the
 1990 discretion to accept other assurances pursuant to paragraph (a)
 1991 in lieu of any requirement that completion of construction of
 1992 one or more accommodations or facilities of a timeshare plan be
 1993 accomplished prior to closing.

1994 (c) In lieu of a nondisturbance and notice to creditors
 1995 instrument, when such an instrument is otherwise required by
 1996 this section, the director of the division shall have the
 1997 discretion to accept alternate means of protecting the
 1998 continuing rights of purchasers in and to the subject
 1999 accommodations or facilities of the timeshare plan as and for
 2000 the term described in the timeshare instrument, and of providing
 2001 effective constructive notice of such continuing purchaser
 2002 rights to subsequent owners of the accommodations or facilities
 2003 and to subsequent creditors of the affected interestholder.

2004 (d) In lieu of the requirements in s.
 2005 721.08(2)(c)3.e.(III), the director of the division shall have
 2006 the discretion to accept alternate means of protecting the use
 2007 rights of purchasers in the subject accommodations and



2008 facilities of the timeshare plan against unfiled and inferior
 2009 claims.

2010 (6) An escrow agent holding funds escrowed pursuant to
 2011 this section may invest such escrowed funds in securities of the
 2012 United States Government, or any agency thereof, or in savings
 2013 or time deposits in institutions insured by an agency of the
 2014 United States Government. The right to receive the interest
 2015 generated by any such investments shall be paid to the party to
 2016 whom the escrowed funds or other property are paid unless
 2017 otherwise specified by contract.

2018 (7) Each escrow agent shall maintain separate books and
 2019 records for each timeshare plan and shall maintain such books
 2020 and records in accordance with good accounting practices.

2021 (8) An escrow agent holding escrowed funds pursuant to
 2022 this chapter that have not been claimed for a period of 5 years
 2023 after the date of deposit shall make at least one reasonable
 2024 attempt to deliver such unclaimed funds to the purchaser who
 2025 submitted such funds to escrow. In making such attempt, an
 2026 escrow agent is entitled to rely on a purchaser's last known
 2027 address as set forth in the books and records of the escrow
 2028 agent and is not required to conduct any further search for the
 2029 purchaser. If an escrow agent's attempt to deliver unclaimed
 2030 funds to any purchaser is unsuccessful, the escrow agent may
 2031 deliver such unclaimed funds to the division and the division
 2032 shall deposit such unclaimed funds in the Division of Florida
 2033 Land Sales, Condominiums, and Mobile Homes Trust Fund, 30 days
 2034 after giving notice in a publication of general circulation in
 2035 the county in which the timeshare property containing the
 2036 purchaser's timeshare interest is located. The purchaser may



2037 claim the same at any time prior to the delivery of such funds
 2038 to the division. After delivery of such funds to the division,
 2039 the purchaser shall have no more rights to the unclaimed funds.
 2040 The escrow agent shall not be liable for any claims from any
 2041 party arising out of the escrow agent's delivery of the
 2042 unclaimed funds to the division pursuant to this section.

2043 (9) For each transfer of the legal title to a timeshare
 2044 estate by a developer, the developer shall deliver an instrument
 2045 evidencing such transfer to the purchaser or to a title
 2046 insurance agent or the clerk of the court for recording. For
 2047 each transfer of the legal title to a personal property
 2048 timeshare interest by a developer, the developer shall deliver
 2049 an instrument evidencing such transfer to the purchaser subject
 2050 to the provisions of this section.

2051 (10)(a) Any developer, seller, or escrow agent who
 2052 intentionally fails to comply with the provisions of this
 2053 section concerning the establishment of an escrow account,
 2054 deposits of funds into escrow, and withdrawal therefrom is
 2055 guilty of a felony of the third degree, punishable as provided
 2056 in s. 775.082, s. 775.083, or s. 775.084, or the successor
 2057 thereof. The failure to establish an escrow account or to place
 2058 funds therein as required in this section is prima facie
 2059 evidence of an intentional and purposeful violation of this
 2060 section.

2061 (b) Any developer, interestholder, trustee, or officer or
 2062 director of an owners' association who intentionally fails to
 2063 comply with the provisions of this section concerning the
 2064 establishment of a trust or owners' association, conveyances of
 2065 property into the trust or owners' association, and conveyances



2066 or encumbrances of trust or owners' association property is
 2067 guilty of a felony of the third degree, punishable as provided
 2068 in s. 775.082, s. 775.083, or s. 775.084, or the successor
 2069 thereof. The failure to establish a trust or owners'
 2070 association, or to transfer property into the trust or owners'
 2071 association, or the failure of a trustee or officer or director
 2072 of an owners' association to comply with the trust agreement,
 2073 articles of incorporation, or bylaws with respect to conveyances
 2074 or encumbrances of trust or owners' association property, as
 2075 required by this section, is prima facie evidence of an
 2076 intentional and purposeful violation of this section.

2077 Section 9. Paragraphs (a) and (d) of subsection (1),
 2078 paragraph (c) of subsection (2), and paragraph (c) of subsection
 2079 (3) of section 721.09, Florida Statutes, are amended to read:

2080 721.09 Reservation agreements; escrows.--

2081 (1)(a) Prior to filing the filed ~~registered~~ public
 2082 offering statement with the division, a seller shall not offer a
 2083 timeshare plan for sale but may accept reservation deposits and
 2084 advertise the reservation deposit program upon approval by the
 2085 division of a fully executed escrow agreement and reservation
 2086 agreement properly filed with the division.

2087 (d) A seller who has filed a reservation agreement and an
 2088 escrow agreement under this section may advertise the
 2089 reservation agreement program if the advertising material meets
 2090 the following requirements:

2091 1. The seller complies with the provisions of s. 721.11
 2092 with respect to such advertising material.

2093 2. The advertising material is limited to a general
 2094 description of the proposed timeshare plan, including, but not



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2095 limited to, a general description of the type, number, and size
 2096 of accommodations and facilities and the name of the proposed
 2097 timeshare plan.

2098 3. The advertising material contains a statement that the
 2099 advertising material is being distributed in connection with an
 2100 approved reservation agreement filing only and that the seller
 2101 cannot offer an interest in the timeshare plan for sale until a
 2102 filed ~~registered~~ public offering statement has been filed with
 2103 the division under this chapter.

2104 (2) Each executed reservation agreement shall be signed by
 2105 the developer and shall contain the following:

2106 (c) A statement of the obligation of the developer to file
 2107 a filed ~~registered~~ public offering statement with the division
 2108 prior to entering into binding contracts.

2109 (3)

2110 (c) The escrow agent may invest the escrowed funds in
 2111 securities of the United States Government, or any agency
 2112 thereof, or in savings or time deposits in institutions insured
 2113 by an agency of the United States Government. The interest
 2114 generated by any such investments shall be payable to the party
 2115 entitled to receive the escrowed funds or other property.

2116 Section 10. Paragraph (a) of subsection (1), paragraphs
 2117 (b) and (e) of subsection (6), and subsections (7), (8), and (9)
 2118 of section 721.11, Florida Statutes, are amended to read:

2119 721.11 Advertising materials; oral statements.--

2120 (1)(a) A developer may file ~~All~~ advertising material ~~must~~
 2121 ~~be filed~~ with the division for review ~~by the developer prior to~~
 2122 ~~use. At the request of the developer,~~ The division shall review
 2123 any the advertising material filed for review by the developer



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2124 and notify the developer of any deficiencies within 10 days
2125 after the filing. If the developer corrects the deficiencies or
2126 if there are no deficiencies, the division shall notify the
2127 developer of its approval of the advertising materials.
2128 Notwithstanding anything to the contrary contained in this
2129 subsection, so long as the developer uses advertising materials
2130 approved by the division, following the developer's request for
2131 a review, the developer shall not be liable for any violation of
2132 this section or s. 721.111 with respect to such advertising
2133 materials.

2134 (6) Failure to provide cancellation rights or disclosures
2135 as required by this subsection in connection with the sale of a
2136 regulated short-term product constitutes misrepresentation in
2137 accordance with paragraph (4)(a). Any agreement relating to the
2138 sale of a regulated short-term product must be regulated as
2139 advertising material and is subject to the following:

2140 (b) A purchaser of a regulated short-term product has the
2141 right to cancel the agreement until midnight of the 10th calendar
2142 day following the execution date of the agreement. The right of
2143 cancellation may not be waived by the prospective purchaser or
2144 by any other person on behalf of the prospective purchaser.
2145 Notice of cancellation must be given in the same manner
2146 prescribed for giving notice of cancellation under s. 721.10(2).
2147 If the prospective purchaser gives a valid notice of
2148 cancellation or is otherwise entitled to cancel the sale, the
2149 funds or other property received from or on behalf of the
2150 prospective purchaser, or the proceeds thereof, must be returned
2151 to the prospective purchaser. Such refund must be made in the
2152 same manner prescribed for refunds under s. 721.10.



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2153 (e) If the seller provides the purchaser with the right to
2154 cancel the purchase of a regulated short-term product at any
2155 time up to 7 days prior to the purchaser's reserved use of the
2156 accommodations, but in no event less than 10 days, and if the
2157 seller refunds the total amount of all payments made by the
2158 purchaser reduced by the proportion of any benefits the
2159 purchaser has actually received prior to the effective date of
2160 the cancellation, the specific value of which has been agreed to
2161 between the purchaser and the seller, the short-term product
2162 offer shall be exempt from the requirements of paragraphs (b),
2163 (c), and (d). An agreement relating to the sale of the regulated
2164 short-term product made pursuant to this paragraph must contain
2165 a statement setting forth the cancellation and refund rights of
2166 the prospective purchaser in a manner that is consistent with
2167 this section and s. 721.10, including a description of the
2168 length of the cancellation right, a statement that the
2169 purchaser's intent to cancel must be in writing and sent to the
2170 seller at a specified address, a statement that the notice of
2171 cancellation is effective upon the date sent, and a statement
2172 that any attempt to waive the cancellation right is unlawful.
2173 The right of cancellation provided to the purchaser pursuant to
2174 this paragraph may not be waived by the prospective purchaser or
2175 by any other person on behalf of the prospective purchaser.
2176 Notice of cancellation must be given in the same manner
2177 prescribed for giving notice of cancellation pursuant to s.
2178 721.10(2). If the prospective purchaser gives a valid notice of
2179 cancellation, or is otherwise entitled to cancel the sale, the
2180 funds or other property received from or on behalf of the
2181 prospective purchaser, or the proceeds thereof, shall be



2182 returned to the prospective purchaser. Such refund shall be made
 2183 in the manner prescribed for refunds under s. 721.10.

2184 (7) Notwithstanding the provisions of s. 721.05(7)(~~6~~)(b),
 2185 a seller may portray possible accommodations or facilities to
 2186 prospective purchasers in advertising material, or a purchaser
 2187 public offering statement, without such accommodations or
 2188 facilities being available for use by purchasers so long as the
 2189 advertising material or purchaser public offering statement
 2190 complies with the provisions of subsection (4).

2191 (8) Notwithstanding the provisions of s. 721.05(7)(~~6~~)(b),
 2192 a developer may portray possible accommodations or facilities to
 2193 prospective purchasers by disseminating oral or written
 2194 statements regarding same to broadcast or print media with no
 2195 obligation on the developer's part to actually construct such
 2196 accommodations or facilities or to file such accommodations or
 2197 facilities with the division, but only so long as such oral or
 2198 written statements are not considered advertising material
 2199 pursuant to paragraph (3)(e).

2200 (9) Notwithstanding the provisions of s. 721.05(7)(~~6~~)(b),
 2201 a seller of a multisite timeshare plan may portray a possible
 2202 component site to prospective purchasers with no accommodations
 2203 or facilities located at such component site being available for
 2204 use by purchasers so long as the seller satisfies the following
 2205 requirements:

2206 (a) A developer of a multisite timeshare plan may
 2207 disseminate oral or written statements to broadcast or print
 2208 media describing a possible component site with no obligation on
 2209 the developer's part to actually add such component site to the
 2210 multisite timeshare plan or to amend the developer's filing with



2211 the division, but only so long as such oral or written
 2212 statements are not considered advertising material pursuant to
 2213 paragraph (3)(e).

2214 (b) A seller may make representations to purchasers in
 2215 advertising material or in a purchaser public offering statement
 2216 regarding the possible accommodations and facilities of a
 2217 possible component site without such accommodations or
 2218 facilities being available for use by purchasers so long as the
 2219 advertising material or purchaser public offering statement
 2220 complies with the provisions of subsection (4).

2221 (c) In the event a seller makes any of the representations
 2222 permitted by paragraph (b), the purchase agreement must contain
 2223 the following conspicuous disclosure unless and until such time
 2224 as the developer has committed itself in the timeshare
 2225 instrument to adding the possible component site to the
 2226 multisite timeshare plan, at which time the seller may portray
 2227 the component site pursuant to the timeshare instrument without
 2228 restriction:

2229
 2230 *[Description of possible component site] is only a possible*
 2231 *component site which may never be added to the multisite*
 2232 *timeshare plan (or multisite vacation ownership plan or*
 2233 *multisite vacation plan or vacation club). Do not purchase an*
 2234 *interest in the multisite timeshare plan (or multisite vacation*
 2235 *ownership plan or multisite vacation plan or vacation club) in*
 2236 *reliance upon the addition of this component site.*

2237 (d) Notwithstanding anything contained in this chapter to
 2238 the contrary, a developer or managing entity may communicate
 2239 with existing purchasers regarding possible component sites



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2240 without restriction, so long as all oral and written statements
 2241 made to existing purchasers pursuant to this subsection comply
 2242 with the provisions of subsection (4).

2243 (e) Any violation of this subsection by a developer,
 2244 seller, or managing entity shall constitute a violation of this
 2245 chapter. Any violation of this subsection with respect to a
 2246 purchaser whose purchase has not yet closed shall be deemed to
 2247 provide that purchaser with a new 10-day voidability period.

2248 Section 11. Subsection (1) of section 721.12, Florida
 2249 Statutes, is amended to read:

2250 721.12 Recordkeeping by seller.--Each seller of a
 2251 timeshare plan shall maintain among its business records the
 2252 following:

2253 (1) A copy of each contract for the sale of a timeshare
 2254 interest, which contract has not been canceled. If a timeshare
 2255 estate is being sold, the seller is required to retain a copy of
 2256 the contract only until a deed of conveyance, agreement for
 2257 deed, or lease is recorded in the office of the clerk of the
 2258 circuit court in the county wherein the plan is located. If a
 2259 personal property timeshare plan is being sold, the seller is
 2260 required to retain a copy of the contract only until a
 2261 certificate of transfer, agreement for transfer, lease, or other
 2262 instrument of transfer that fully complies with s. 721.08 is
 2263 delivered to the purchaser.

2264 Section 12. Paragraphs (a) and (b) of subsection (1),
 2265 paragraph (b) of subsection (2), paragraphs (c), (d), and (e) of
 2266 subsection (3), paragraph (g) of subsection (6), and subsections
 2267 (4) and (8) of section 721.13, Florida Statutes, are amended,



2268 subsection (9) is renumbered as subsection (10), and new
 2269 subsections (9) and (11) are added to said section, to read:

2270 721.13 Management.--

2271 (1)(a) For each timeshare plan, the developer shall
 2272 provide for a managing entity, which shall be either the
 2273 developer, a separate manager or management firm, or an owners'
 2274 association. Any owners' association shall be created prior to
 2275 the first closing ~~recording~~ of the sale of a timeshare interest
 2276 ~~instrument~~.

2277 (b)1. With respect to a timeshare plan which is also
 2278 regulated under chapter 718 or chapter 719, or which contains a
 2279 mandatory owners' association, the board of administration of
 2280 the owners' association shall be considered the managing entity
 2281 of the timeshare plan.

2282 2. During any period of time in which such owners'
 2283 association has entered into a contract with a manager or
 2284 management firm to provide some or all of the management
 2285 services to the timeshare plan, both the board of administration
 2286 and the manager or management firm shall be considered the
 2287 managing entity of the timeshare plan and shall be jointly and
 2288 severally responsible for the faithful discharge of the duties
 2289 of the managing entity.

2290 3. An owners' association which is the managing entity of
 2291 a timeshare plan that includes condominium units or cooperative
 2292 units shall not be considered a condominium association pursuant
 2293 to the provisions of chapter 718 or a cooperative association
 2294 pursuant to the provisions of chapter 719, unless such owners'
 2295 association also operates the entire condominium pursuant to s.
 2296 718.111 or the entire cooperative pursuant to s. 719.104.



2297 (2)

2298 (b) The managing entity shall invest the operating and

2299 reserve funds of the timeshare plan in accordance with s.

2300 518.11(1); however, the managing entity shall give safety of

2301 capital greater weight than production of income. In no event

2302 shall the managing entity invest timeshare plan funds with a

2303 developer or with any entity that is not independent of any

2304 developer or any managing entity within the meaning of s.

2305 721.05(20)~~(18)~~, and in no event shall the managing entity invest

2306 timeshare plan funds in notes and mortgages related in any way

2307 to the timeshare plan.

2308 (3) The duties of the managing entity include, but are not

2309 limited to:

2310 (c)1. Providing each year to all purchasers an itemized

2311 annual budget which shall include all estimated revenues and

2312 expenses. The budget shall be in the form required by s.

2313 721.07(5)(u). The budget and shall be the final budget adopted

2314 by the managing entity for the current fiscal year. The final

2315 adopted budget is not required to be delivered if the managing

2316 entity has previously delivered a proposed annual budget for the

2317 current fiscal year to purchasers in accordance with chapter 718

2318 or chapter 719, and the managing entity includes a description

2319 of any changes in the adopted budget with the assessment notice

2320 and a disclosure regarding the purchasers' right to receive a

2321 copy of the adopted budget if desired. The budget shall contain,

2322 as a footnote or otherwise, any related party transaction

2323 disclosures or notes which appear in the audited financial

2324 statements of the managing entity for the previous budget year

2325 as required by paragraph (e). A copy of the final budget shall



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2326 be filed with the division for review within 30 days after the
2327 beginning of each fiscal year together with a statement of the
2328 number of periods of 7-day annual use availability that exist
2329 within the timeshare plan, including those periods filed for
2330 sale by the developer but not yet committed to the timeshare
2331 plan, for which annual fees are required to be paid to the
2332 division under s. 721.27.

2333 2. Notwithstanding anything contained in chapter 718 or
2334 chapter 719 to the contrary, the board of administration of an
2335 owners' association which serves as the managing entity may from
2336 time to time reallocate reserves for deferred maintenance and
2337 capital expenditures required by s. 721.07(5)(u)3.a.(XI) from
2338 any deferred maintenance or capital expenditure reserve account
2339 to any other deferred maintenance or capital expenditure reserve
2340 account or accounts in its discretion without the consent of
2341 purchasers of the timeshare plan. Funds in any deferred
2342 maintenance or capital expenditure reserve account may not be
2343 transferred to any operating account without the consent of a
2344 majority of the purchasers of the timeshare plan. The managing
2345 entity may from time to time transfer excess funds in any
2346 operating account to any deferred maintenance or capital
2347 expenditure reserve account without the vote or approval of
2348 purchasers of the timeshare plan. In the event any amount of
2349 reserves for accommodations and facilities of a timeshare plan
2350 containing timeshare licenses or personal property timeshare
2351 interests exists at the end of the term of the timeshare plan,
2352 such reserves shall be refunded to purchasers on a pro rata
2353 basis.



2354 (d)1. Maintenance of all books and records concerning the
 2355 timeshare plan so that all such books and records are reasonably
 2356 available for inspection by any purchaser or the authorized
 2357 agent of such purchaser. For purposes of this subparagraph, the
 2358 books and records of the timeshare plan shall be considered
 2359 "reasonably available" if copies of the requested portions are
 2360 delivered to the purchaser or the purchaser's agent within 7
 2361 days after ~~of~~ the date the managing entity receives a written
 2362 request for the records signed by the purchaser. The managing
 2363 entity may charge the purchaser a reasonable fee for copying the
 2364 requested information not to exceed 25 cents per page. However,
 2365 any purchaser or agent of such purchaser shall be permitted to
 2366 personally inspect and examine the books and records wherever
 2367 located at any reasonable time, under reasonable conditions, and
 2368 under the supervision of the custodian of those records. The
 2369 custodian shall supply copies of the records where requested and
 2370 upon payment of the copying fee. No fees other than those set
 2371 forth in this section may be charged for the providing of,
 2372 inspection, or examination of books and records. All books and
 2373 financial records of the timeshare plan must be maintained in
 2374 accordance with generally accepted accounting practices.

2375 2. If the books and records of the timeshare plan are not
 2376 maintained on the premises of the accommodations and facilities
 2377 of the timeshare plan, the managing entity shall inform the
 2378 division in writing of the location of the books and records and
 2379 the name and address of the person who acts as custodian of the
 2380 books and records at that location. In the event that the
 2381 location of the books and records changes, the managing entity
 2382 shall notify the division of the change in location and the name



2383 and address of the new custodian within 30 days after ~~of~~ the
 2384 date the books and records are moved. The purchasers shall be
 2385 notified of the location of the books and records and the name
 2386 and address of the custodian in the copy of the annual budget
 2387 provided to them pursuant to paragraph (c).

2388 3. The division is authorized to adopt rules which specify
 2389 those items and matters that shall be included in the books and
 2390 records of the timeshare plan and which specify procedures to be
 2391 followed in requesting and delivering copies of the books and
 2392 records.

2393 4. Notwithstanding any provision of chapter 718 or chapter
 2394 719 to the contrary, the managing entity may not furnish the
 2395 name, address, or electronic mail address of any purchaser to
 2396 any other purchaser or authorized agent thereof unless the
 2397 purchaser whose name, ~~and~~ address, or electronic mail address is
 2398 ~~are~~ requested first approves the disclosure in writing.

2399 (e) Arranging for an annual audit of the financial
 2400 statements of the timeshare plan by a certified public
 2401 accountant licensed by the Board of Accountancy of the
 2402 Department of Business and Professional Regulation, in
 2403 accordance with generally accepted auditing standards as defined
 2404 by the rules of the Board of Accountancy of the Department of
 2405 Business and Professional Regulation. The financial statements
 2406 required by this section must be prepared on an accrual basis
 2407 using fund accounting, and must be presented in accordance with
 2408 generally accepted accounting principles. A copy of the audited
 2409 financial statements must be filed with the division for review
 2410 and forwarded to the board of directors and officers of the
 2411 owners' association, if one exists, no later than 5 calendar



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2412 months after the end of the timeshare plan's fiscal year. If no
2413 owners' association exists, each purchaser must be notified, no
2414 later than 5 months after the end of the timeshare plan's fiscal
2415 year, that a copy of the audited financial statements is
2416 available upon request to the managing entity. Notwithstanding
2417 any requirement of s. 718.111(13) or s. 719.104(4), the audited
2418 financial statements required by this section are the only
2419 annual financial reporting requirements for timeshare
2420 condominiums or timeshare cooperatives.

2421 (4) The managing entity shall maintain among its records
2422 and provide to the division upon request a complete list of the
2423 names and addresses of all purchasers and owners of timeshare
2424 units in the timeshare plan. The managing entity shall update
2425 this list no less frequently than quarterly. Pursuant to
2426 paragraph (3)(d), the managing entity may not publish this
2427 owner's list or provide a copy of it to any purchaser or to any
2428 third party other than the division. However, the managing
2429 entity shall to those persons listed on the owner's list
2430 materials provided by any purchaser, upon the written request of
2431 that purchaser, if the purpose of the mailing is to advance
2432 legitimate owners' association business, such as a proxy
2433 solicitation for any purpose, including the recall of one or
2434 more board members elected by the owners or the discharge of the
2435 manager or management firm. The use of any proxies solicited in
2436 this manner must comply with the provisions of the timeshare
2437 instrument and this chapter. A mailing requested for the purpose
2438 of advancing legitimate owners' association business shall occur
2439 within 30 days after receipt of a request from a purchaser. The
2440 board of administration of the owners' association shall be



2441 responsible for determining the appropriateness of any mailing
 2442 requested pursuant to this subsection. The purchaser who
 2443 requests the mailing must reimburse the owners' association in
 2444 advance for the owners' association's actual costs in performing
 2445 the mailing. It shall be a violation of this chapter and, if
 2446 applicable, of part VIII of chapter 468, for the board of
 2447 administration or the manager or management firm to refuse to
 2448 mail any material requested by the purchaser to be mailed,
 2449 provided the sole purpose of the materials is to advance
 2450 legitimate owners' association business. If the purpose of the
 2451 mailing is a proxy solicitation to recall one or more board
 2452 members elected by the owners or to discharge the manager or
 2453 management firm and the managing entity does not mail the
 2454 materials within 30 days after receipt of a request from a
 2455 purchaser, the circuit court in the county where the timeshare
 2456 plan is located may, upon application from the requesting
 2457 purchaser, summarily order the mailing of the materials solely
 2458 related to the recall of one or more board members elected by
 2459 the owners or the discharge of the manager or management firm.
 2460 The court shall dispose of an application on an expedited basis.
 2461 In the event of such an order, the court may order the managing
 2462 entity to pay the purchaser's costs, including attorney's fees
 2463 reasonably incurred to enforce the purchaser's rights, unless
 2464 the managing entity can prove it refused the mailing in good
 2465 faith because of a reasonable basis for doubt about the
 2466 legitimacy of the mailing.

2467 (6)

2468 (g) A managing entity shall have breached its fiduciary
 2469 duty described in subsection (2) in the event it enforces the



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2470 denial of use pursuant to paragraph (b) against any one
2471 purchaser or group of purchasers without similarly enforcing it
2472 against all purchasers, including all developers and owners of
2473 the underlying fee or underlying personal property; however, a
2474 managing entity shall not be required to solicit rentals
2475 pursuant to paragraph (f) for every delinquent purchaser. A
2476 managing entity shall also have breached its fiduciary duty in
2477 the event an error in the books and records of the timeshare
2478 plan results in a denial of use pursuant to this subsection of
2479 any purchaser who is not, in fact, delinquent. In addition to
2480 any remedies otherwise available to purchasers of the timeshare
2481 plan arising from such breaches of fiduciary duty, such breach
2482 shall also constitute a violation of this chapter. In addition,
2483 any purchaser receiving a notice of delinquency pursuant to
2484 paragraph (b), or any third party claiming under such purchaser
2485 pursuant to paragraph (b), may immediately bring an action for
2486 injunctive or declaratory relief against the managing entity
2487 seeking to have the notice invalidated on the grounds that the
2488 purchaser is not, in fact, delinquent, that the managing entity
2489 failed to follow the procedures prescribed by this section, or
2490 on any other available grounds. The prevailing party in any such
2491 action shall be entitled to recover his or her reasonable
2492 attorney's fees from the losing party.

2493 (8) Notwithstanding anything to the contrary in s.
2494 718.110, s. 718.113, s. 718.114, or s. 719.1055, the board of
2495 administration of any owners' association that operates a
2496 timeshare condominium pursuant to s. 718.111, or a timeshare
2497 cooperative pursuant to s. 719.104, shall have the power to make
2498 material alterations or substantial additions to the



2499 accommodations or facilities of such timeshare condominium or
 2500 timeshare cooperative without the approval of the owners'
 2501 association. However, if the timeshare condominium or timeshare
 2502 cooperative contains any residential units that are not subject
 2503 to the timeshare plan, such action by the board of
 2504 administration must be approved by a majority of the owners of
 2505 such residential units. Unless otherwise provided in the
 2506 timeshare instrument as originally recorded, no such amendment
 2507 may change the configuration or size of any accommodation in any
 2508 material fashion, or change the proportion or percentage by
 2509 which a member of the owners' association shares the common
 2510 expenses, unless the record owners of the affected units or
 2511 timeshare interests and all record owners of liens on the
 2512 affected units or timeshare interests join in the execution of
 2513 the amendment.

2514 (9) All notices or other information sent by a board of
 2515 administration of an owners' association may be delivered to a
 2516 purchaser by electronic mail, provided that the purchaser first
 2517 consents electronically to the use of electronic mail for notice
 2518 purposes in a manner that reasonably demonstrates that the
 2519 purchaser has the ability to access the notice by electronic
 2520 mail. Proxies or written consents on votes of any owners'
 2521 association may be received by electronic mail, shall have legal
 2522 effect, and may be utilized for votes of an owners' association,
 2523 provided that the electronic signature is authenticated through
 2524 use of a password, cryptography software, or other reasonable
 2525 means and that proof of such authentication is made available to
 2526 the board of directors.



2527 ~~(10)(9)~~ Any failure of the managing entity to faithfully
 2528 discharge the fiduciary duty to purchasers imposed by this
 2529 section or to otherwise comply with the provisions of this
 2530 section shall be a violation of this chapter and of part VIII of
 2531 chapter 468.

2532 (11) Notwithstanding the other provisions of this section,
 2533 personal property timeshare plans are only subject to the
 2534 provisions of subsections (1)(a)-(d), (2)(a), (3)(a)-(h), (5),
 2535 (6), (9), and (10).

2536 Section 13. Subsection (4) is added to section 721.14,
 2537 Florida Statutes, to read:

2538 721.14 Discharge of managing entity.--

2539 (4) This section shall not apply to personal property
 2540 timeshare plans.

2541 Section 14. Paragraph (c) of subsection (2) of section
 2542 721.15, Florida Statutes, is amended, and subsection (10) is
 2543 added to said section, to read:

2544 721.15 Assessments for common expenses.--

2545 (2)

2546 (c) For the purpose of calculating the obligation of a
 2547 developer under a guarantee pursuant to paragraph (b),
 2548 depreciation expenses related to real property shall be excluded
 2549 from common expenses incurred during the guarantee period,
 2550 except that for real property that is used for the production of
 2551 fees, revenues, or other income, depreciation expenses shall be
 2552 excluded only to the extent that they exceed the net income from
 2553 the production of such fees, revenues, or other income.

2554 (10) This section shall not apply to personal property
 2555 timeshare plans.



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2556 Section 15. Subsection (6) is added to section 721.16,
 2557 Florida Statutes, to read:

2558 721.16 Liens for overdue assessments; liens for labor
 2559 performed on, or materials furnished to, a timeshare unit.--

2560 (6) This section shall not apply to personal property
 2561 timeshare plans.

2562 Section 16. Section 721.17, Florida Statutes, is amended
 2563 to read:

2564 721.17 Transfer of interest.--Except in the case of a
 2565 timeshare plan subject to the provisions of chapter 718 or
 2566 chapter 719, no developer, ~~or~~ owner of the underlying fee, or
 2567 owner of the underlying personal property shall sell, lease,
 2568 assign, mortgage, or otherwise transfer his or her interest in
 2569 the accommodations and facilities of the timeshare plan except
 2570 by an instrument evidencing the transfer recorded in the public
 2571 records of the county in which such accommodations and
 2572 facilities are located, or, with respect to personal property
 2573 timeshare plans, in full compliance with s. 721.08. The
 2574 instrument shall be executed by both the transferor and
 2575 transferee and shall state:

2576 (1) That its provisions are intended to protect the rights
 2577 of all purchasers of the plan.

2578 (2) That its terms may be enforced by any prior or
 2579 subsequent timeshare purchaser so long as that purchaser is not
 2580 in default of his or her obligations.

2581 (3) That so long as a purchaser remains in good standing
 2582 with respect to her or his obligations under the timeshare
 2583 instrument, including making all payments to the managing entity
 2584 required by the timeshare instrument with respect to the annual



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2585 common expenses of the timeshare plan, the transferee shall ~~will~~
 2586 ~~fully~~ honor all ~~the~~ rights of such purchaser relating to the
 2587 subject accommodation or facility as reflected ~~the purchasers to~~
 2588 ~~occupy and use the accommodations and facilities as provided in~~
 2589 ~~their original contracts and~~ the timeshare instrument
 2590 instruments.

2591 (4) That the transferee will fully honor all rights of
 2592 timeshare purchasers to cancel their contracts and receive
 2593 appropriate refunds.

2594 (5) That the obligations of the transferee under such
 2595 instrument will continue to exist despite any cancellation or
 2596 rejection of the contracts between the developer and purchaser
 2597 arising out of bankruptcy proceedings.

2598
 2599 Should any transfer of the interest of the developer, ~~or~~ owner
 2600 of the underlying fee, or owner of the underlying property occur
 2601 in a manner which is not in compliance with this section, the
 2602 terms set forth in this section shall be presumed to be a part
 2603 of the transfer and shall be deemed to be included in the
 2604 instrument of transfer. Notice shall be mailed to each purchaser
 2605 of record within 30 days after ~~of~~ the transfer unless such
 2606 transfer does not affect the purchaser's rights in or use of the
 2607 timeshare plan. Persons who hold mortgages or liens on the
 2608 property constituting a timeshare plan before the filed
 2609 ~~registered~~ public offering statement of such plan is approved by
 2610 the division shall not be considered transferees for the
 2611 purposes of this section.

2612 Section 17. Section 721.18, Florida Statutes, is amended
 2613 to read:



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2614 721.18 Exchange programs; filing of information and other
 2615 materials; filing fees; unlawful acts in connection with an
 2616 exchange program.--

2617 (1) If a purchaser is offered the opportunity to subscribe
 2618 to an exchange program, the seller shall deliver to the
 2619 purchaser, together with the purchaser public offering
 2620 statement, and prior to the offering or execution of any
 2621 contract between the purchaser and the company offering the
 2622 exchange program, written information regarding such exchange
 2623 program; or, if the exchange company is dealing directly with
 2624 the purchaser, the exchange company shall deliver to the
 2625 purchaser, prior to the initial offering or execution of any
 2626 contract between the purchaser and the company offering the
 2627 exchange program, written information regarding such exchange
 2628 program. In either case, the purchaser shall certify in writing
 2629 to the receipt of such information. Such information shall
 2630 include, but is not limited to, the following information, the
 2631 form and substance of which shall first be approved by the
 2632 division in accordance with subsection (2):

- 2633 (a) The name and address of the exchange company.
- 2634 (b) The names of all officers, directors, and shareholders
 2635 of the exchange company.
- 2636 (c) Whether the exchange company or any of its officers or
 2637 directors has any legal or beneficial interest in any developer,
 2638 seller, or managing entity for any timeshare plan participating
 2639 in the exchange program and, if so, the name and location of the
 2640 timeshare plan and the nature of the interest.
- 2641 (d) Unless otherwise stated, a statement that the
 2642 purchaser's contract with the exchange company is a contract



2643 separate and distinct from the purchaser's contract with the
 2644 seller of the timeshare plan.

2645 (e) Whether the purchaser's participation in the exchange
 2646 program is dependent upon the continued affiliation of the
 2647 timeshare plan with the exchange program.

2648 (f) A statement that ~~Whether~~ the purchaser's participation
 2649 in the exchange program is voluntary. This statement is not
 2650 required to be given by the seller or managing entity of a
 2651 multisite timeshare plan to purchasers in the multisite
 2652 timeshare plan.

2653 (g) A complete and accurate description of the terms and
 2654 conditions of the purchaser's contractual relationship with the
 2655 exchange program and the procedure by which changes thereto may
 2656 be made.

2657 (h) A complete and accurate description of the procedure
 2658 to qualify for and effectuate exchanges.

2659 (i) A complete and accurate description of all
 2660 limitations, restrictions, or priorities employed in the
 2661 operation of the exchange program, including, but not limited
 2662 to, limitations on exchanges based on seasonality, timeshare
 2663 unit size, or levels of occupancy, expressed in boldfaced type,
 2664 and, in the event that such limitations, restrictions, or
 2665 priorities are not uniformly applied by the exchange program, a
 2666 clear description of the manner in which they are applied.

2667 (j) Whether exchanges are arranged on a space-available
 2668 basis and whether any guarantees of fulfillment of specific
 2669 requests for exchanges are made by the exchange program.

2670 (k) Whether and under what circumstances a purchaser, in
 2671 dealing with the exchange program, may lose the use and



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2672 occupancy of her or his timeshare period in any properly applied
 2673 for exchange without her or his being provided with substitute
 2674 accommodations by the exchange program.

2675 (l) The fees or range of fees for membership or
 2676 participation ~~by purchasers~~ in the exchange program by
 2677 purchasers, including any conversion or other fees payable to
 2678 third parties, a statement whether any such fees may be altered
 2679 by the exchange company, and the circumstances under which
 2680 alterations may be made.

2681 (m) The name and address of the site of each ~~accommodation~~
 2682 ~~or facility included in the~~ timeshare plan ~~plans~~ participating
 2683 in the exchange program.

2684 (n) The number of the timeshare units in each timeshare
 2685 plan which are available for occupancy and which qualify for
 2686 participation in the exchange program, expressed within the
 2687 following numerical groupings: 1-5; 6-10; 11-20; 21-50; and 51
 2688 and over.

2689 (o) The number of currently enrolled purchasers for each
 2690 timeshare plan participating in the exchange program, expressed
 2691 within the following numerical groupings: 1-100; 101-249; 250-
 2692 499; 500-999; and 1,000 and over; and a statement of the
 2693 criteria used to determine those purchasers who are currently
 2694 enrolled with the exchange program.

2695 (p) The disposition made by the exchange company of
 2696 timeshare periods deposited with the exchange program by
 2697 purchasers enrolled in the exchange program and not used by the
 2698 exchange company in effecting exchanges.

2699 (q) The following information, which shall be
 2700 independently audited by a certified public accountant or



2701 accounting firm in accordance with the standards of the
 2702 Accounting Standards Board of the American Institute of
 2703 Certified Public Accountants and reported annually ~~beginning no~~
 2704 ~~later than July 1, 1982:~~

2705 1. The number of purchasers currently enrolled in the
 2706 exchange program.

2707 2. The number of accommodations and facilities that have
 2708 current written affiliation agreements with the exchange
 2709 program.

2710 3. The percentage of confirmed exchanges, which is the
 2711 number of exchanges confirmed by the exchange program divided by
 2712 the number of exchanges properly applied for, together with a
 2713 complete and accurate statement of the criteria used to
 2714 determine whether an exchange request was properly applied for.

2715 4. The number of timeshare periods for which the exchange
 2716 program has an outstanding obligation to provide an exchange to
 2717 a purchaser who relinquished a timeshare period during the year
 2718 in exchange for a timeshare period in any future year.

2719 5. The number of exchanges confirmed by the exchange
 2720 program during the year.

2721 (r) A statement in boldfaced type to the effect that the
 2722 percentage described in subparagraph (q)3. is a summary of the
 2723 exchange requests entered with the exchange program in the
 2724 period reported and that the percentage does not indicate the
 2725 probabilities of a purchaser's being confirmed to any specific
 2726 choice or range of choices.

2727 (2) Each exchange company offering an exchange program to
 2728 purchasers in this state shall file with the division for review
 2729 the information specified in subsection (1), together with any



2730 membership agreement and application between the purchaser and
 2731 the exchange company, and the audit specified in subsection (1)
 2732 on or before June 1 of each year. However, an exchange company
 2733 shall make its initial filing at least 20 days prior to offering
 2734 an exchange program to any purchaser in this state. Each filing
 2735 shall be accompanied by an annual filing fee of \$500. Within 20
 2736 days after ~~of~~ receipt of such filing, the division shall
 2737 determine whether the filing is adequate to meet the
 2738 requirements of this section and shall notify the exchange
 2739 company in writing that the division has either approved the
 2740 filing or found specified deficiencies in the filing. If the
 2741 division fails to respond within 20 days, the filing shall be
 2742 deemed approved. The exchange company may correct the
 2743 deficiencies; and, within 10 days after receipt of corrections
 2744 from the exchange company, the division shall notify the
 2745 exchange company in writing that the division has either
 2746 approved the filing or found additional specified deficiencies
 2747 in the filing. If the exchange company fails to adequately
 2748 respond to any deficiency notice within 10 days, the division
 2749 may reject the filing. Subsequent to such rejection, a new
 2750 filing fee and a new division initial review period pursuant to
 2751 this subsection shall apply to any refiling or further review of
 2752 the rejected filing.

2753 (a) Any material change to an approved exchange company
 2754 filing shall be filed with the division for approval as an
 2755 amendment prior to becoming effective. Each amendment filing
 2756 shall be accompanied by a filing fee of \$100. The exchange
 2757 company may correct the deficiencies; and, within 10 days after
 2758 receipt of corrections from the exchange company, the division



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2759 shall notify the exchange company in writing that the division
2760 has either approved the filing or found additional specified
2761 deficiencies in the filing. Each approved amendment to the
2762 approved exchange company filing, other than an amendment that
2763 does not materially alter or modify the exchange program in a
2764 manner that is adverse to a purchaser, as determined by the
2765 exchange company in its reasonable discretion, shall be
2766 delivered to each purchaser who has not closed. An approved
2767 exchange program filing is required to be updated with respect
2768 to added or deleted resorts only once each year, and such annual
2769 update shall not be deemed to be a material change to the
2770 filing.

2771 (b) If at any time the division determines that any of
2772 such information supplied by an exchange company fails to meet
2773 the requirements of this section, the division may undertake
2774 enforcement action against the exchange company in accordance
2775 with the provision of s. 721.26.

2776 (3) No developer shall have any liability with respect to
2777 any violation of this chapter arising out of the publication by
2778 the developer of information provided to it by an exchange
2779 company pursuant to this section. No exchange company shall have
2780 any liability with respect to any violation of this chapter
2781 arising out of the use by a developer of information relating to
2782 an exchange program other than that provided to the developer by
2783 the exchange company.

2784 (4) At the request of the exchange company, the division
2785 shall review any audio, written, or visual publications or
2786 materials relating to an exchange company or an exchange program
2787 shall be filed for review by the exchange company and shall



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2788 notify the exchange company of any deficiencies within 10 ~~with~~
 2789 ~~the division within 3 days after the filing of their use.~~ If the
 2790 exchange company corrects the deficiencies or if there are no
 2791 deficiencies, the division shall notify the exchange company of
 2792 its approval of the advertising materials. If the exchange
 2793 company fails to adequately respond to any deficiency notice
 2794 within 10 days, the division may reject the advertising
 2795 materials. Subsequent to such rejection, a new division initial
 2796 review period pursuant to this subsection shall apply to any
 2797 refiling or further review.

2798 (5) The failure of an exchange company to observe the
 2799 requirements of this section, or the use of any unfair or
 2800 deceptive act or practice in connection with the operation of an
 2801 exchange program, is a violation of this chapter.

2802 Section 18. Section 721.19, Florida Statutes, is amended
 2803 to read:

2804 721.19 Provisions requiring purchase or lease of timeshare
 2805 property by owners' association or purchasers; validity.--In any
 2806 timeshare plan in which timeshare estates or personal property
 2807 timeshare interests are sold, no grant or reservation made by a
 2808 declaration, lease, or other document, nor any contract made by
 2809 the developer, managing entity, or owners' association, which
 2810 requires the owners' association or purchasers to purchase or
 2811 lease any portion of the timeshare property shall be valid
 2812 unless approved by a majority of the purchasers other than the
 2813 developer, after more than 50 percent of the timeshare periods
 2814 have been sold.

2815 Section 19. Section 721.20, Florida Statutes, is amended
 2816 to read:



2817 721.20 Licensing requirements; suspension or revocation of
 2818 license; exceptions to applicability; collection of advance fees
 2819 for listings unlawful.--

2820 (1) Any seller of a timeshare plan must be a licensed real
 2821 estate salesperson, broker, or broker-salesperson as defined in
 2822 s. 475.01, except as provided in s. 475.011.

2823 (2) Solicitors who engage only in the solicitation of
 2824 prospective purchasers and any purchaser who refers no more than
 2825 20 people to a developer per year or who otherwise provides
 2826 testimonials on behalf of a developer are exempt from the
 2827 provisions of chapter 475.

2828 (3) A solicitor who has violated the provisions of chapter
 2829 468, chapter 718, chapter 719, this chapter, or the rules of the
 2830 division governing timesharing shall be subject to the
 2831 provisions of s. 721.26. Any developer or other person who
 2832 supervises, directs, or engages the services of a solicitor
 2833 shall be liable for any violation of the provisions of chapter
 2834 468, chapter 718, chapter 719, this chapter, or the rules of the
 2835 division governing timesharing committed by such solicitor.

2836 (4) County and municipal governments shall have the
 2837 authority to adopt codes of conduct and regulations to govern
 2838 solicitor activity conducted on public property, including
 2839 providing for the imposition of penalties prescribed by a
 2840 schedule of fines adopted by ordinance for violations of any
 2841 such code of conduct or regulation. Any violation of any such
 2842 adopted code of conduct or regulation shall not constitute a
 2843 separate violation of this chapter. This subsection is not
 2844 intended to restrict or invalidate any local code of conduct or
 2845 regulation.



2846 (5) This section does not apply to those individuals who
 2847 offer for sale only timeshare interests in timeshare property
 2848 located outside this state and who do not engage in any sales
 2849 activity within this state or to timeshare plans which are
 2850 registered with the Securities and Exchange Commission. For the
 2851 purposes of this section, both timeshare licenses and timeshare
 2852 estates are considered to be interests in real property.

2853 (6) Notwithstanding the provisions of s. 475.452, it is
 2854 unlawful for any broker, salesperson, or broker-salesperson to
 2855 collect any advance fee for the listing of any timeshare estate
 2856 or timeshare license.

2857 (7) It is unlawful for any broker, salesperson, or broker-
 2858 salesperson to collect any advance fee for the listing of a
 2859 personal property timeshare interest.

2860 (8) Subsections (1), (2), and (3) do not apply to persons
 2861 who offer personal property timeshare plans.

2862 Section 20. Subsection (6) is added to section 721.24,
 2863 Florida Statutes, to read:

2864 721.24 Firesafety.--

2865 (6) Accommodations and facilities of personal property
 2866 timeshare plans shall be exempt from the requirements of this
 2867 section.

2868 Section 21. Paragraphs (a), (d), and (e) of subsection (5)
 2869 of section 721.26, Florida Statutes, are amended to read:

2870 721.26 Regulation by division.--The division has the power
 2871 to enforce and ensure compliance with the provisions of this
 2872 chapter, except for parts III and IV, using the powers provided
 2873 in this chapter, as well as the powers prescribed in chapters



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2874 498, 718, and 719. In performing its duties, the division shall
 2875 have the following powers and duties:

2876 (5) Notwithstanding any remedies available to purchasers,
 2877 if the division has reasonable cause to believe that a violation
 2878 of this chapter, or of any division rule or order promulgated or
 2879 issued pursuant to this chapter, has occurred, the division may
 2880 institute enforcement proceedings in its own name against any
 2881 regulated party, as such term is defined in this subsection:

2882 (a)1. "Regulated party," for purposes of this section,
 2883 means any developer, exchange company, seller, managing entity,
 2884 owners' association, owners' association director, owners'
 2885 association officer, manager, management firm, escrow agent,
 2886 trustee, any respective assignees or agents, or any other person
 2887 having duties or obligations pursuant to this chapter.

2888 2. Any person who materially participates in any offer or
 2889 disposition of any interest in, or the management or operation
 2890 of, a timeshare plan in violation of this chapter or relevant
 2891 rules involving fraud, deception, false pretenses,
 2892 misrepresentation, or false advertising or the disbursement,
 2893 concealment, or diversion of any funds or assets, which conduct
 2894 adversely affects the interests of a purchaser, and which person
 2895 directly or indirectly controls a regulated party or is a
 2896 general partner, officer, director, agent, or employee of such
 2897 regulated party, shall be jointly and severally liable under
 2898 this subsection with such regulated party, unless such person
 2899 did not know, and in the exercise of reasonable care could not
 2900 have known, of the existence of the facts giving rise to the
 2901 violation of this chapter. A right of contribution shall exist



2902 among jointly and severally liable persons pursuant to this
 2903 paragraph.

2904 (d)1. The division may bring an action in circuit court
 2905 for declaratory or injunctive relief or for other appropriate
 2906 relief, including restitution.

2907 2. The division shall have broad authority and discretion
 2908 to petition the circuit court to appoint a receiver with respect
 2909 to any managing entity which fails to perform its duties and
 2910 obligations under this chapter with respect to the operation of
 2911 a timeshare plan. The circumstances giving rise to an
 2912 appropriate petition for receivership under this subparagraph
 2913 include, but are not limited to:

2914 a. Damage to or destruction of any of the accommodations
 2915 or facilities of a timeshare plan, where the managing entity has
 2916 failed to repair or reconstruct same.

2917 b. A breach of fiduciary duty by the managing entity,
 2918 including, but not limited to, undisclosed self-dealing or
 2919 failure to timely assess, collect, or disburse the common
 2920 expenses of the timeshare plan.

2921 c. Failure of the managing entity to operate the timeshare
 2922 plan in accordance with the timeshare instrument and this
 2923 chapter.

2924
 2925 If, under the circumstances, it appears that the events giving
 2926 rise to the petition for receivership cannot be reasonably and
 2927 timely corrected in a cost-effective manner consistent with the
 2928 timeshare instrument, the receiver may petition the circuit
 2929 court to implement such amendments or revisions to the timeshare
 2930 instrument as may be necessary to enable the managing entity to



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2931 resume effective operation of the timeshare plan, or to enter an
 2932 order terminating the timeshare plan, or to enter such further
 2933 orders regarding the disposition of the timeshare property as
 2934 the court deems appropriate, including the disposition and sale
 2935 of the timeshare property held by the owners' association or the
 2936 purchasers. In the event of a receiver's sale, all rights,
 2937 title, and interest held by the owners' association or any
 2938 purchaser shall be extinguished and title shall vest in the
 2939 buyer. This provision applies to timeshare estates, personal
 2940 property timeshare interests, and timeshare licenses. All
 2941 reasonable costs and fees of the receiver relating to the
 2942 receivership shall become common expenses of the timeshare plan
 2943 upon order of the court.

2944 3. The division may revoke its approval of any filing for
 2945 any timeshare plan for which a petition for receivership has
 2946 been filed pursuant to this paragraph.

2947 (e)1. The division may impose a penalty against any
 2948 regulated party for a violation of this chapter or any rule
 2949 adopted thereunder. A penalty may be imposed on the basis of
 2950 each day of continuing violation, but in no event may the
 2951 penalty for any offense exceed \$10,000. All accounts collected
 2952 shall be deposited with the Treasurer to the credit of the
 2953 Division of Florida Land Sales, Condominiums, and Mobile Homes
 2954 Trust Fund.

2955 2.a. If a regulated party fails to pay a penalty, the
 2956 division shall thereupon issue an order directing that such
 2957 regulated party cease and desist from further operation until
 2958 such time as the penalty is paid; or the division may pursue
 2959 enforcement of the penalty in a court of competent jurisdiction.



2960 b. If an owners' association or managing entity fails to
 2961 pay a civil penalty, the division may pursue enforcement in a
 2962 court of competent jurisdiction.

2963 Section 22. Section 721.52, Florida Statutes, is amended
 2964 to read:

2965 721.52 Definitions.--As used in this chapter, the term:

2966 (1) "Applicable law" means the law of the jurisdiction
 2967 where the accommodations and facilities referred to are located.

2968 (2) "Component site" means a specific geographic site
 2969 where a portion of the accommodations and facilities of the
 2970 multisite timeshare plan are located. If permitted under
 2971 applicable law, separate phases operated as a single development
 2972 located at a specific geographic site under common management
 2973 shall be deemed a single component site for purposes of this
 2974 part.

2975 (3) "Inventory" means the accommodations and facilities
 2976 located at a particular component site or sites owned, leased,
 2977 licensed, or otherwise acquired for use by a developer and
 2978 offered as part of the multisite timeshare plan.

2979 (4) "Multisite timeshare plan" means any method,
 2980 arrangement, or procedure with respect to which a purchaser
 2981 obtains, by any means, a recurring right to use and occupy
 2982 accommodations or facilities of more than one component site,
 2983 only through use of a reservation system, whether or not the
 2984 purchaser is able to elect to cease participating in the plan.
 2985 However, the term "multisite timeshare plan" shall not include
 2986 any method, arrangement, or procedure wherein:



2987 (a) The contractually specified maximum total financial
 2988 obligation on the purchaser's part is \$3,000 or less, during the
 2989 entire term of the plan; or

2990 (b) The term is for a period of 3 years or less,
 2991 regardless of the purchaser's contractually specified maximum
 2992 total financial obligation, if any. For purposes of determining
 2993 the term of such use and occupancy rights, the period of any
 2994 optional renewals which a purchaser, in his or her sole
 2995 discretion, may elect to exercise, whether or not for additional
 2996 consideration, shall not be included. For purposes of
 2997 determining the term of such use and occupancy rights, the
 2998 period of any automatic renewals shall be included unless a
 2999 purchaser has the right to terminate the membership at any time
 3000 and receive a pro rata refund or the purchaser receives a notice
 3001 no less than 30 days and no more than 60 days prior to the date
 3002 of renewal informing the purchaser of the right to terminate at
 3003 any time prior to the date of automatic renewal.

3004
 3005 Multisite timeshare plan does not mean an exchange program as
 3006 defined in s. 721.05. Timeshare estates may only be offered in a
 3007 multisite timeshare plan pursuant to s. 721.57.

3008 (5) "Nonspecific multisite timeshare plan" means a
 3009 multisite timeshare plan containing timeshare licenses or
 3010 personal property timeshare interests, with respect to which a
 3011 purchaser receives a right to use all of the accommodations and
 3012 facilities, if any, of the multisite timeshare plan through the
 3013 reservation system, but no specific right to use any particular
 3014 accommodations and facilities for the remaining term of the
 3015 multisite timeshare plan in the event that the reservation



3016 system is terminated for any reason prior to the expiration of
 3017 the term of the multisite timeshare plan.

3018 (6)~~(5)~~ "Reservation system" means the method, arrangement,
 3019 or procedure by which a purchaser, in order to reserve the use
 3020 and occupancy of any accommodation or facility of the multisite
 3021 timeshare plan for one or more use periods, is required to
 3022 compete with other purchasers in the same multisite timeshare
 3023 plan regardless of whether such reservation system is operated
 3024 and maintained by the multisite timeshare plan managing entity,
 3025 an exchange company, or any other person. In the event that a
 3026 purchaser is required to use an exchange program as the
 3027 purchaser's principal means of obtaining the right to use and
 3028 occupy a multisite timeshare plan's accommodations and
 3029 facilities, such arrangement shall be deemed a reservation
 3030 system. When an exchange company utilizes a mechanism for the
 3031 exchange of use of timeshare periods among members of an
 3032 exchange program, such utilization is not a reservation system
 3033 of a multisite timeshare plan.

3034 (7) "Specific multisite timeshare plan" means a multisite
 3035 timeshare plan containing timeshare licenses or personal
 3036 property timeshare interests, with respect to which a purchaser
 3037 receives a specific right to use accommodations and facilities,
 3038 if any, at one component site of a multisite timeshare plan,
 3039 together with use rights in the other accommodations and
 3040 facilities of the multisite timeshare plan created by or
 3041 acquired through the reservation system.

3042 (8)~~(6)~~ "Vacation club" means a multisite timeshare plan.



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3043 Section 23. Paragraph (a) of subsection (1) of section
 3044 721.53, Florida Statutes, is amended and paragraph (f) is added
 3045 to subsection (1) of said section, to read:

3046 721.53 Subordination instruments; alternate security
 3047 arrangements.--

3048 (1) With respect to each accommodation or facility of a
 3049 multisite timeshare plan, the developer shall provide the
 3050 division with satisfactory evidence that one of the following
 3051 has occurred with respect to each interestholder prior to
 3052 offering the accommodation or facility as a part of the
 3053 multisite timeshare plan:

3054 (a) The interestholder has executed and recorded a
 3055 nondisturbance and notice to creditors instrument pursuant to s.
 3056 721.08~~(2)(e)~~.

3057 (f) With respect to any personal property accommodations
 3058 or facilities, the developer and any other interestholder have
 3059 complied fully with the applicable provisions of s. 721.08.

3060 Section 24. Section 721.54, Florida Statutes, is amended
 3061 to read:

3062 721.54 Term of nonspecific multisite timeshare plans.--It
 3063 shall be a violation of this part to represent to a purchaser of
 3064 a nonspecific multisite timeshare plan as defined in s.
 3065 721.52(5) ~~721.552(4)~~ that the term of the plan for that
 3066 purchaser is longer than the shortest term of availability of
 3067 any of the accommodations included within the plan at the time
 3068 of purchase.

3069 Section 25. Section 721.55, Florida Statutes, is amended
 3070 to read:



3071 721.55 Multisite timeshare plan public offering
 3072 statement.--Each filed ~~registered~~ public offering statement for
 3073 a multisite timeshare plan shall contain the information
 3074 required by this section and shall comply with the provisions of
 3075 s. 721.07, except as otherwise provided therein. The division is
 3076 authorized to provide by rule the method by which a developer
 3077 must provide such information to the division. Each multisite
 3078 timeshare plan filed ~~registered~~ public offering statement shall
 3079 contain the following information and disclosures:

3080 (1) A cover page containing:

3081 (a) The name of the multisite timeshare plan.

3082 (b) The following statement in conspicuous type:

3083
 3084 *This public offering statement contains important matters*
 3085 *to be considered in acquiring an interest in a multisite*
 3086 *timeshare plan (or multisite vacation ownership plan or*
 3087 *multisite vacation plan or vacation club). The statements*
 3088 *contained herein are only summary in nature. A prospective*
 3089 *purchaser should refer to all references, accompanying exhibits,*
 3090 *contract documents, and sales materials. The prospective*
 3091 *purchaser should not rely upon oral representations as being*
 3092 *correct and should refer to this document and accompanying*
 3093 *exhibits for correct representations.*

3094
 3095 (2) A summary containing all statements required to be in
 3096 conspicuous type in the public offering statement and in all
 3097 exhibits thereto.

3098 (3) A separate index for the contents and exhibits of the
 3099 public offering statement.



3100 (4) A text, which shall include, where applicable, the
 3101 information and disclosures set forth in paragraphs (a)-(1).

3102 (a) A description of the multisite timeshare plan,
 3103 including its term, legal structure, and form of ownership. For
 3104 multisite timeshare plans in which the purchaser will receive a
 3105 timeshare estate pursuant to s. 721.57 and for ~~or~~ a specific
 3106 multisite timeshare plans ~~license as defined in s. 721.552(4)~~,
 3107 the description must also include the term of each component
 3108 site within the multisite timeshare plan.

3109 (b) A description of the structure and ownership of the
 3110 reservation system together with a disclosure of the entity
 3111 responsible for the operation of the reservation system. The
 3112 description shall include the financial terms of any lease of
 3113 the reservation system, if applicable. The developer shall not
 3114 be required to disclose the financial terms of any such lease if
 3115 such lease is prepaid in full for the term of the multisite
 3116 timeshare plan or to any extent that neither purchasers nor the
 3117 managing entity will be required to make payments for the
 3118 continued use of the system following default by the developer
 3119 or termination of the managing entity.

3120 (c)1. A description of the manner in which the reservation
 3121 system operates. The description shall include a disclosure in
 3122 compliance with the demand balancing standard set forth in s.
 3123 721.56(6) and shall describe the developer's efforts to comply
 3124 with same in creating the reservation system. The description
 3125 shall also include a summary of the rules and regulations
 3126 governing access to and use of the reservation system.

3127 2. In lieu of describing the rules and regulations of the
 3128 reservation system in the public offering statement text, the



3129 developer may attach the rules and regulations as a separate
 3130 public offering statement exhibit, together with a cross-
 3131 reference in the public offering statement text to such exhibit.

3132 (d) The existence of and an explanation regarding any
 3133 priority reservation features that affect a purchaser's ability
 3134 to make reservations for the use of a given accommodation or
 3135 facility on a first come, first served basis, including, if
 3136 applicable, the following statement in conspicuous type:

3137
 3138 *Component sites contained in the multisite timeshare plan*
 3139 *(or multisite vacation ownership plan or multisite vacation plan*
 3140 *or vacation club) are subject to priority reservation features*
 3141 *which may affect your ability to obtain a reservation.*

3142
 3143 (e) A summary of the material rules and regulations, if
 3144 any, other than the reservation system rules and regulations,
 3145 affecting the purchaser's use of each accommodation and facility
 3146 at each component site.

3147 (f) If the provisions of s. 721.552 and the timeshare
 3148 instrument permit additions, substitutions, or deletions of
 3149 accommodations or facilities, the public offering statement must
 3150 include substantially the following information:

3151 1. Additions.--

3152 a. A description of the basis upon which new
 3153 accommodations and facilities may be added to the multisite
 3154 timeshare plan; by whom additions may be made; and the
 3155 anticipated effect of the addition of new accommodations and
 3156 facilities upon the reservation system, its priorities, its



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3157 rules and regulations, and the availability of existing
3158 accommodations and facilities.

3159 b. The developer must disclose the existence of any cap on
3160 annual increases in common expenses of the multisite timeshare
3161 plan that would apply in the event that additional
3162 accommodations and facilities are made a part of the plan.

3163 c. The developer shall also disclose any extent to which
3164 the purchasers of the multisite timeshare plan will have the
3165 right to consent to any proposed additions; if the purchasers do
3166 not have the right to consent, the developer must include the
3167 following disclosure in conspicuous type:

3168
3169 *Accommodations and facilities may be added to this*
3170 *multisite timeshare plan (or multisite vacation ownership plan*
3171 *or multisite vacation plan or vacation club) without the consent*
3172 *of the purchasers. The addition of accommodations and facilities*
3173 *to the plan may result in the addition of new purchasers who*
3174 *will compete with existing purchasers in making reservations for*
3175 *the use of available accommodations and facilities within the*
3176 *plan, and may also result in an increase in the annual*
3177 *assessment against purchasers for common expenses.*

3178
3179 2. Substitutions.--

3180 a. A description of the basis upon which new
3181 accommodations and facilities may be substituted for existing
3182 accommodations and facilities of the multisite timeshare plan;
3183 by whom substitutions may be made; the basis upon which the
3184 determination may be made to cause such substitutions to occur;



3185 and any limitations upon the ability to cause substitutions to
 3186 occur.

3187 b. The developer shall also disclose any extent to which
 3188 purchasers will have the right to consent to any proposed
 3189 substitutions; if the purchasers do not have the right to
 3190 consent, the developer must include the following disclosure in
 3191 conspicuous type:

3192
 3193 *New accommodations and facilities may be substituted for*
 3194 *existing accommodations and facilities of this multisite*
 3195 *timeshare plan (or multisite vacation ownership plan or*
 3196 *multisite vacation plan or vacation club) without the consent of*
 3197 *the purchasers. The replacement accommodations and facilities*
 3198 *may be located at a different place or may be of a different*
 3199 *type or quality than the replaced accommodations and facilities.*
 3200 *The substitution of accommodations and facilities may also*
 3201 *result in an increase in the annual assessment against*
 3202 *purchasers for common expenses.*

3203
 3204 3. Deletions.--A description of any provision of the
 3205 timeshare instrument governing deletion of accommodations or
 3206 facilities from the multisite timeshare plan. If the timeshare
 3207 instrument does not provide for business interruption insurance
 3208 in the event of a casualty, or if it is unavailable, or if the
 3209 instrument permits the developer, the managing entity, or the
 3210 purchasers to elect not to reconstruct after casualty under
 3211 certain circumstances or to secure replacement accommodations or
 3212 facilities in lieu of reconstruction, the public offering
 3213 statement must contain a disclosure that during the



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3214 reconstruction, replacement, or acquisition period, or as a
3215 result of a decision not to reconstruct, purchasers of the plan
3216 may temporarily compete for available accommodations on a
3217 greater than one-to-one purchaser to accommodation ratio.

3218 (g) A description of the developer and the managing entity
3219 of the multisite timeshare plan, including:

3220 1. The identity of the developer; the developer's business
3221 address; the number of years of experience the developer has in
3222 the timeshare, hotel, motel, travel, resort, or leisure
3223 industries; and a description of any pending lawsuit or judgment
3224 against the developer which is material to the plan. If there
3225 are no such pending lawsuits or judgments, there shall be a
3226 statement to that effect.

3227 2. The identity of the managing entity of the multisite
3228 timeshare plan; the managing entity's business address; the
3229 number of years of experience the managing entity has in the
3230 timeshare, hotel, motel, travel, resort, or leisure industries;
3231 and a description of any lawsuit or judgment against the
3232 managing entity which is material to the plan. If there are no
3233 pending lawsuits or judgments, there shall be a statement to
3234 that effect. The description of the managing entity shall also
3235 include a description of the relationship among the managing
3236 entity of the multisite timeshare plan and the various component
3237 site managing entities.

3238 (h) A description of the purchaser's liability for common
3239 expenses of the multisite timeshare plan, including the
3240 following:

3241 1. A description of the common expenses of the plan,
3242 including the method of allocation and assessment of such common



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3243 expenses, whether component site common expenses and real estate
3244 taxes are included within the total common expense assessment of
3245 the multisite timeshare plan, and, if not, the manner in which
3246 timely payment of component site common expenses and real estate
3247 taxes shall be accomplished.

3248 2. A description of any cap imposed upon the level of
3249 common expenses payable by the purchaser. In no event shall the
3250 total common expense assessment for the multisite timeshare plan
3251 in a given calendar year exceed 125 percent of the total common
3252 expense assessment for the plan in the previous calendar year.

3253 3. A description of the entity responsible for the
3254 determination of the common expenses of the multisite timeshare
3255 plan, as well as any entity which may increase the level of
3256 common expenses assessed against the purchaser at the multisite
3257 timeshare plan level.

3258 4. A description of the method used to collect common
3259 expenses, including the entity responsible for such collections,
3260 and the lien rights of any entity for nonpayment of common
3261 expenses. If the common expenses of any component site are
3262 collected by the managing entity of the multisite timeshare
3263 plan, a statement to that effect together with the identity and
3264 address of the escrow agent required by s. 721.56(3).

3265 5. If the purchaser will receive an interest in a
3266 nonspecific multisite timeshare plan ~~license as defined in s.~~
3267 ~~721.552(4)~~, a statement that a multisite timeshare plan budget
3268 is attached to the public offering statement as an exhibit
3269 pursuant to paragraph (7)(c). The multisite timeshare plan
3270 budget shall comply with the provisions of s. 721.07(5)(u).



3271 6. If the developer intends to guarantee the level of
 3272 assessments for the multisite timeshare plan, such guarantee
 3273 must be based upon a good faith estimate of the revenues and
 3274 expenses of the multisite timeshare plan. The guarantee must
 3275 include a description of the following:

3276 a. The specific time period, measured in one or more
 3277 calendar or fiscal years, during which the guarantee will be in
 3278 effect.

3279 b. A statement that the developer will pay all common
 3280 expenses incurred in excess of the total revenues of the
 3281 multisite timeshare plan, if the developer is to be excused from
 3282 the payment of assessments during the guarantee period.

3283 c. The level, expressed in total dollars, at which the
 3284 developer guarantees the assessments. If the developer has
 3285 reserved the right to extend or increase the guarantee level, a
 3286 disclosure must be included to that effect.

3287 7. If required under applicable law, the developer shall
 3288 also disclose the following matters for each component site:

3289 a. Any limitation upon annual increases in common
 3290 expenses;

3291 b. The existence of any bad debt or working capital
 3292 reserve; and

3293 c. The existence of any replacement or deferred
 3294 maintenance reserve.

3295 (i) If there are any restrictions upon the sale, transfer,
 3296 conveyance, or leasing of an interest in a multisite timeshare
 3297 plan, a description of the restrictions together with a
 3298 statement in conspicuous type in substantially the following
 3299 form:



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

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

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

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

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

1. The name and address of each component site.
2. The number of accommodations, timeshare interests, and timeshare periods, expressed in periods of 7-day use



3328 availability, committed to the multisite timeshare plan and
 3329 available for use by purchasers.

3330 3. Each type of accommodation in terms of the number of
 3331 bedrooms, bathrooms, sleeping capacity, and whether or not the
 3332 accommodation contains a full kitchen. For purposes of this
 3333 description, a full kitchen shall mean a kitchen having a
 3334 minimum of a dishwasher, range, sink, oven, and refrigerator.

3335 4. A description of facilities available for use by the
 3336 purchaser at each component site, including the following:

3337 a. The intended use of the facility, if not apparent from
 3338 the description.

3339 b. Any user fees associated with a purchaser's use of the
 3340 facility.

3341 5. A cross-reference to the location in the public
 3342 offering statement of the description of any priority
 3343 reservation features which may affect a purchaser's ability to
 3344 obtain a reservation in the component site.

3345 (5) Such other information as the division determines is
 3346 necessary to fairly, meaningfully, and effectively disclose all
 3347 aspects of the multisite timeshare plan, including, but not
 3348 limited to, any disclosures made necessary by the operation of
 3349 s. 721.03(8). However, if a developer has, in good faith,
 3350 attempted to comply with the requirements of this section, and
 3351 if, in fact, the developer has substantially complied with the
 3352 disclosure requirements of this chapter, nonmaterial errors or
 3353 omissions shall not be actionable.

3354 (6) Any other information that the developer, with the
 3355 approval of the division, desires to include in the public
 3356 offering statement text.



3357 (7) The following documents shall be included as exhibits
 3358 to the filed ~~registered~~ public offering statement, if
 3359 applicable:

3360 (a) The timeshare instrument.

3361 (b) The reservation system rules and regulations.

3362 (c) The multisite timeshare plan budget pursuant to
 3363 subparagraph (4)(h)5.

3364 (d) Any document containing the material rules and
 3365 regulations described in paragraph (4)(e).

3366 (e) Any contract, agreement, or other document through
 3367 which component sites are affiliated with the multisite
 3368 timeshare plan.

3369 (f) Any escrow agreement required pursuant to s. 721.08 or
 3370 s. 721.56(3).

3371 (g) The form agreement for sale or lease of an interest in
 3372 the multisite timeshare plan.

3373 (h) The form receipt for multisite timeshare plan
 3374 documents required to be given to the purchaser pursuant to s.
 3375 721.551(2)(b).

3376 (i) The description of documents list required to be given
 3377 to the purchaser by s. 721.551(2)(b).

3378 (j) The component site managing entity affidavit or
 3379 statement required by s. 721.56(1).

3380 (k) Any subordination instrument required by s. 721.53.

3381 (l)1. If the multisite timeshare plan contains any
 3382 component sites located in this state, the information required
 3383 by s. 721.07(5) pertaining to each such component site unless
 3384 exempt pursuant to s. 721.03.



3385 2. If the purchaser will receive a timeshare estate
 3386 pursuant to s. 721.57, or an interest in a specific multisite
 3387 timeshare plan, ~~license as defined in s. 721.552(4)~~ in a
 3388 component site located outside of this state but which is
 3389 offered in this state, the information required by s. 721.07(5)
 3390 pertaining to that component site, + provided, however, that the
 3391 provisions of s. 721.07(5)(u) shall only require disclosure of
 3392 information related to the estimated budget for the timeshare
 3393 plan and purchaser's expenses as required by the jurisdiction in
 3394 which the component site is located.

3395 (8)(a) A timeshare plan containing only one component site
 3396 must be filed with the division as a multisite timeshare plan if
 3397 the timeshare instrument reserves the right for the developer to
 3398 add future component sites. However, if the developer fails to
 3399 add at least one additional component site to a timeshare plan
 3400 described in this paragraph within 3 years after the date the
 3401 plan is initially filed with the division, the multisite filing
 3402 for such plan shall thereupon terminate, and the developer may
 3403 not thereafter offer any further interests in such plan unless
 3404 and until he or she refiles such plan with the division pursuant
 3405 to this chapter.

3406 (b) The public offering statement for any timeshare plan
 3407 described in paragraph (a) must include the following disclosure
 3408 in conspicuous type:

3409
 3410 *This timeshare plan has been filed as a multisite timeshare*
 3411 *plan (or multisite vacation ownership plan or multisite vacation*
 3412 *plan or vacation club); however, this plan currently contains*
 3413 *only one component site. The developer is not required to add*



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3414 *any additional component sites to the plan. Do not purchase an*
 3415 *interest in this plan in reliance upon the addition of any other*
 3416 *component sites.*

3417 Section 26. Paragraphs (b), (c), and (f) of subsection (2)
 3418 of section 721.551, Florida Statutes, are amended to read:

3419 721.551 Delivery of multisite timeshare plan purchaser
 3420 public offering statement.--

3421 (2) The developer shall furnish each purchaser with the
 3422 following:

3423 (b) A receipt for multisite timeshare plan documents and a
 3424 list describing any exhibit to the filed ~~registered~~ public
 3425 offering statement which is not delivered to the purchaser. The
 3426 division is authorized to prescribe by rule the form of the
 3427 receipt for multisite timeshare plan documents and the
 3428 description of exhibits list that must be furnished to the
 3429 purchaser pursuant to this section.

3430 (c) If the purchaser will receive a timeshare estate
 3431 pursuant to s. 721.57, or an interest in a specific multisite
 3432 timeshare plan, ~~license as defined in s. 721.552(4)~~ in a
 3433 component site located in this state, the developer shall also
 3434 furnish the purchaser with the information required to be
 3435 delivered pursuant to s. 721.07(6)(a) and (b) for the component
 3436 site in which the purchaser will receive an estate or interest
 3437 in a specific multisite timeshare plan ~~license~~.

3438 (f) The developer shall be required to provide the
 3439 managing entity of the multisite timeshare plan with a copy of
 3440 the approved filed ~~registered~~ public offering statement and any
 3441 approved amendments thereto to be maintained by the managing



3442 entity as part of the books and records of the timeshare plan
 3443 pursuant to s. 721.13(3)(d).

3444 Section 27. Paragraph (a) of subsection (2), paragraph (c)
 3445 of subsection (3), and subsections (4) and (5) of section
 3446 721.552, Florida Statutes, are amended to read:

3447 721.552 Additions, substitutions, or deletions of
 3448 component site accommodations or facilities; purchaser remedies
 3449 for violations.--Additions, substitutions, or deletions of
 3450 component site accommodations or facilities may be made only in
 3451 accordance with the following:

3452 (2) SUBSTITUTIONS.--

3453 (a) Substitutions are available only for nonspecific
 3454 multisite timeshare license plans ~~as defined in subsection (4).~~
 3455 Specific multisite timeshare license plans ~~or as defined in~~
 3456 ~~subsection (4) and~~ plans offering timeshare estates pursuant to
 3457 s. 721.57 may not contain an accommodation substitution right.

3458 (3) DELETIONS.--

3459 (c) *Automatic deletion.*--The timeshare instrument may
 3460 provide that a component site will be automatically deleted upon
 3461 the expiration of its term in a timeshare plan other than a
 3462 nonspecific multisite timeshare license plan or as otherwise
 3463 provided in the timeshare instrument. However, the timeshare
 3464 instrument must also provide that in the event a component site
 3465 is deleted from the plan in this manner, a sufficient number of
 3466 purchasers of the plan will also be deleted so as to maintain no
 3467 greater than a one-to-one purchaser to accommodation ratio.

3468 ~~(4) SPECIFIC AND NONSPECIFIC TIMESHARE LICENSES.-- For~~
 3469 ~~purposes of this chapter, a specific timeshare license means one~~
 3470 ~~with respect to which a purchaser receives a specific right to~~



3471 ~~use accommodations and facilities, if any, at one component site~~
 3472 ~~of a multisite timeshare plan, together with use rights in the~~
 3473 ~~other accommodations and facilities of the multisite timeshare~~
 3474 ~~plan created by or acquired through the reservation system. For~~
 3475 ~~purposes of this chapter, a nonspecific timeshare license means~~
 3476 ~~one with respect to which a purchaser receives a right to use~~
 3477 ~~all of the accommodations and facilities, if any, of a multisite~~
 3478 ~~timeshare plan through the reservation system, but no specific~~
 3479 ~~right to use any particular accommodations and facilities for~~
 3480 ~~the remaining term of the multisite timeshare plan in the event~~
 3481 ~~that the reservation system is terminated for any reason prior~~
 3482 ~~to the expiration of the term of the multisite timeshare plan.~~

3483 (4)~~(5)~~ VIOLATIONS; PURCHASER REMEDIES.--All purchaser
 3484 remedies pursuant to s. 721.21 shall be available for any
 3485 violation of the provisions of this section.

3486 Section 28. Subsections (4) and (5) of section 721.56,
 3487 Florida Statutes, are amended to read:

3488 721.56 Management of multisite timeshare plans;
 3489 reservation systems; demand balancing.--

3490 (4) The managing entity of a multisite timeshare plan
 3491 shall comply fully with the requirements of s. 721.13, subject
 3492 to the provisions of s. 721.13(11) for personal property
 3493 timeshare plans; however, with respect to a given component
 3494 site, the managing entity of the multisite timeshare plan shall
 3495 not be responsible for compliance as the managing entity of that
 3496 component site unless the managing entity of the multisite
 3497 timeshare plan is also the managing entity of that component
 3498 site. Unless the timeshare instrument provides otherwise, the



3499 operator of the reservation system is the managing entity of a
 3500 multisite timeshare plan.

3501 (5)(a)1. The reservation system is a facility of any
 3502 nonspecific ~~timeshare license~~ multisite timeshare plan ~~as~~
 3503 ~~defined in s. 721.552(4)~~. The reservation system is not a
 3504 facility of any specific ~~timeshare license~~ multisite timeshare
 3505 plan ~~as defined in s. 721.552(4)~~, nor is it a facility of any
 3506 multisite timeshare plan in which timeshare estates are offered
 3507 pursuant to s. 721.57.

3508 2. The reservation system of any multisite timeshare plan
 3509 shall include any computer software and hardware employed for
 3510 the purpose of enabling or facilitating the operation of the
 3511 reservation system. Nothing contained in this part shall
 3512 preclude a manager or management firm that is serving as
 3513 managing entity of a multisite timeshare plan from providing in
 3514 its contract with the purchasers or owners' association of the
 3515 multisite timeshare plan or in the timeshare instrument that the
 3516 manager or management firm owns the reservation system and that
 3517 the managing entity shall continue to own the reservation system
 3518 in the event the purchasers discharge the managing entity
 3519 pursuant to s. 721.14.

3520 (b) In the event of a termination of a managing entity of
 3521 a nonspecific ~~license~~ multisite timeshare plan ~~as defined in s.~~
 3522 ~~721.552(4)~~, which managing entity owns the reservation system,
 3523 irrespective of whether the termination is voluntary or
 3524 involuntary and irrespective of the cause of such termination,
 3525 in addition to any other remedies available to purchasers in
 3526 this part, the terminated managing entity shall, prior to such
 3527 termination, establish a trust meeting the criteria set forth in



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3528 this paragraph. It is the intent of the Legislature that this
3529 trust arrangement provide for an adequate period of continued
3530 operation of the reservation system of the multisite timeshare
3531 plan, during which period the new managing entity shall make
3532 provision for the acquisition of a substitute reservation
3533 system.

3534 1. The trust shall be established with an independent
3535 trustee. Both the terminated managing entity and the new
3536 managing entity shall attempt to agree on an acceptable trustee.
3537 In the event they cannot agree on an acceptable trustee, they
3538 shall each designate a nominee, and the two nominees shall
3539 select the trustee.

3540 2. The terminated managing entity shall take all steps
3541 necessary to enable the trustee or the trustee's designee to
3542 operate the reservation system in the same manner as provided in
3543 the timeshare instrument and the public offering statement. The
3544 trustee may, but shall not be required to, contract with the
3545 terminated managing entity for the continued operation of the
3546 reservation system. In the event the trustee elects to contract
3547 with the terminated managing entity, that managing entity shall
3548 be required to operate the reservation system and shall be
3549 entitled to payment for that service. The payment shall in no
3550 event exceed the amount previously paid to the terminated
3551 managing entity for operation of the reservation system.

3552 3. The trust shall remain in effect for a period of no
3553 longer than 1 year following the date of termination of the
3554 managing entity.

3555 4. Nothing contained in this subsection shall abrogate or
3556 otherwise interfere with any proprietary rights in the



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3557 reservation system that have been reserved by the discharged
3558 managing entity, in its management contract or otherwise, so
3559 long as such proprietary rights are not asserted in a manner
3560 that would prevent the continued operation of the reservation
3561 system as contemplated in this subsection.

3562 (c) In the event of a termination of a managing entity of
3563 a timeshare estate or specific ~~license~~ multisite timeshare plan
3564 ~~as defined in s. 721.552(4)~~, which managing entity owns the
3565 reservation system, irrespective of whether the termination is
3566 voluntary or involuntary and irrespective of the cause of such
3567 termination, in addition to any other remedies available to
3568 purchasers in this part, the terminated managing entity shall,
3569 prior to such termination, promptly transfer to each component
3570 site managing entity all relevant data contained in the
3571 reservation system with respect to that component site,
3572 including, but not limited to:

3573 1. The names, addresses, and reservation status of
3574 component site accommodations.

3575 2. The names and addresses of all purchasers of timeshare
3576 interests at that component site.

3577 3. All outstanding confirmed reservations and reservation
3578 requests for that component site.

3579 4. Such other component site records and information as
3580 are necessary, in the reasonable discretion of the component
3581 site managing entity, to permit the uninterrupted operation and
3582 administration of the component site, provided that a given
3583 component site managing entity shall not be entitled to any
3584 information regarding other component sites or regarding the
3585 terminated multisite timeshare plan managing entity.



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

Section 29. Subsection (2) of section 721.57, Florida Statutes, is amended to read:

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

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

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

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

1. The purchaser will be able to continue to use the accommodations and facilities of the component site in which she or he has been conveyed a timeshare estate in the manner



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3614 described in the timeshare instrument for the remaining term of
 3615 the timeshare estate; and

3616 2. Any use rights in that component site which had
 3617 previously been made available through the reservation system to
 3618 purchasers of the multisite timeshare plan who were not offered
 3619 a timeshare estate at that component site will terminate when
 3620 the reservation system is terminated or otherwise becomes
 3621 unavailable for any reason.

3622 Section 30. Subsection (6) of section 721.84, Florida
 3623 Statutes, is amended to read:

3624 721.84 Appointment of a registered agent; duties.--

3625 (6) Unless otherwise provided in this section, a
 3626 registered agent in receipt of any notice or other document
 3627 addressed from the lienholder to the obligor in care of the
 3628 registered agent at the registered office must mail, by first
 3629 class mail if the obligor's address is within the United States,
 3630 and by international air mail if the obligor's address is
 3631 outside the United States, with postage fees prepaid, such
 3632 notice or documents to the obligor at the obligor's last
 3633 designated address within 5 days after ~~of~~ receipt.

3634 Section 31. Section 721.96, Florida Statutes, is amended
 3635 to read:

3636 721.96 Purpose.--The purpose of this part is to provide
 3637 for the appointment of commissioners of deeds to take
 3638 acknowledgments, proofs of execution, and oaths outside the
 3639 United States in connection with the execution of any deed,
 3640 mortgage, deed of trust, contract, power of attorney, or any
 3641 other agreement, instrument or writing concerning, relating to,
 3642 or to be used or recorded in connection with a timeshare estate,



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3643 personal property timeshare interest, timeshare license, any
 3644 property subject to a timeshare plan, or the operation of a
 3645 timeshare plan located within this state.

3646 Section 32. Subsection (1) of section 721.97, Florida
 3647 Statutes, is amended to read:

3648 721.97 Timeshare commissioner of deeds.--

3649 (1) The Governor may appoint commissioners of deeds to
 3650 take acknowledgments, proofs of execution, or oaths in any
 3651 foreign country. The term of office is 4 years. Commissioners of
 3652 deeds shall have authority to take acknowledgments, proofs of
 3653 execution, and oaths in connection with the execution of any
 3654 deed, mortgage, deed of trust, contract, power of attorney, or
 3655 any other writing to be used or recorded in connection with a
 3656 timeshare estate, personal property timeshare interest,
 3657 timeshare license, any property subject to a timeshare plan, or
 3658 the operation of a timeshare plan located within this state;
 3659 provided such instrument or writing is executed outside the
 3660 United States. Such acknowledgments, proofs of execution, and
 3661 oaths must be taken or made in the manner directed by the laws
 3662 of this state, including but not limited to s. 117.05(4),
 3663 (5)(a), and (6), Florida Statutes 1997, and certified by a
 3664 commissioner of deeds. The certification must be endorsed on or
 3665 annexed to the instrument or writing aforesaid and has the same
 3666 effect as if made or taken by a notary public licensed in this
 3667 state.

3668 Section 33. Paragraph (b) of subsection (8) of section
 3669 475.011, Florida Statutes, is amended to read:

3670 475.011 Exemptions.--This part does not apply to:
 3671 (8)



3672 (b) An exchange company, as that term is defined by s.
 3673 721.05(15)(~~14~~), but only to the extent that the exchange company
 3674 is engaged in exchange program activities as described in and is
 3675 in compliance with s. 721.18.

3676 Section 34. Subsection (23) of section 718.103, Florida
 3677 Statutes, is amended to read:

3678 718.103 Definitions.--As used in this chapter, the term:

3679 (23) "Residential condominium" means a condominium
 3680 consisting of two or more units, any of which are intended for
 3681 use as a private temporary or permanent residence, except that a
 3682 condominium is not a residential condominium if the use for
 3683 which the units are intended is primarily commercial or
 3684 industrial and not more than three units are intended to be used
 3685 for private residence, and are intended to be used as housing
 3686 for maintenance, managerial, janitorial, or other operational
 3687 staff of the condominium. With respect to a condominium that is
 3688 not a timeshare condominium, a residential unit includes a unit
 3689 intended as a private temporary or permanent residence as well
 3690 as a unit not intended for commercial or industrial use. With
 3691 respect to a timeshare condominium, the timeshare instrument as
 3692 defined in s. 721.05(35)(~~33~~) shall govern the intended use of
 3693 each unit in the condominium. If a condominium is a residential
 3694 condominium but contains units intended to be used for
 3695 commercial or industrial purposes, then, with respect to those
 3696 units which are not intended for or used as private residences,
 3697 the condominium is not a residential condominium. A condominium
 3698 which contains both commercial and residential units is a mixed-
 3699 use condominium and is subject to the requirements of s.
 3700 718.404.



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3701 Section 35. This act shall take effect upon becoming a
3702 law; however, with respect to any timeshare plan or exchange
3703 program filing approved by the division prior to the date this
3704 act becomes a law, the amendments to s. 721.06(1)(g)2., ss.
3705 721.07(2)(d)1. and (5)(e)4., s. 721.075(2)(e), ss. 721.18(1)(l)
3706 and (m), or s. 721.27, Florida Statutes, shall not apply to such
3707 filing until the earlier of January 1, 2004 or the date that any
3708 amendments to such filing are made subsequent to the date this
3709 act becomes a law. With respect to any timeshare plan filing
3710 approved by the division prior to the date this act becomes a
3711 law, the amendment to s. 721.08(3)(a), Florida Statutes, shall
3712 not apply to the nondisturbance and notice to creditors
3713 instrument required by s. 721.08, Florida Statutes, unless and
3714 only to the extent that the developer otherwise voluntarily
3715 complies with all or a portion of such provisions.