

CHAMBER ACTION

1 The Committee on Business Regulation recommends the following:

2
3 **Committee Substitute**

4 Remove the entire bill and insert:

5 A bill to be entitled

6 An act relating to timeshare plans; amending s. 721.02,
7 F.S.; revising language with respect to legislative
8 purpose under the Florida Vacation Plan and Timesharing
9 Act; amending s. 721.03, F.S.; revising language with
10 respect to the scope of the act to include reference to
11 personal property timeshare plans; amending s. 721.05,
12 F.S.; providing definitions; amending s. 721.06, F.S.;
13 revising language with respect to contracts for purchase
14 of timeshare interests to include provisions with respect
15 to personal property timeshare interests; amending s.
16 721.065, F.S.; revising language with respect to resale
17 purchase agreements to include reference to certain real
18 property and personal property timeshare plans; amending
19 s. 721.07, F.S.; revising language with respect to public
20 offering statements; amending s. 721.075, F.S.; revising
21 language with respect to incidental benefits; requiring
22 purchasers to execute a statement indicating the source of
23 the benefit; amending s. 721.08, F.S.; revising language

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24 | with respect to escrow accounts; amending s. 721.09, F.S.;
25 | revising language with respect to reservation agreements;
26 | amending s. 721.11, F.S.; revising language with respect
27 | to advertising materials; correcting cross references;
28 | amending s. 721.12, F.S.; providing for required
29 | recordkeeping by the seller of a personal property
30 | timeshare plan; amending s. 721.13, F.S.; revising
31 | language with respect to management; correcting a cross
32 | reference; amending s. 721.14, F.S.; providing that a
33 | section of law governing the discharge of the managing
34 | entity shall not apply with respect to personal property
35 | timeshare plans; amending s. 721.15, F.S.; revising
36 | language with respect to assessments for common expenses;
37 | amending s. 721.16, F.S.; providing that a section of law
38 | governing certain liens does not apply to personal
39 | property timeshare plans; amending s. 721.17, F.S.;
40 | revising language with respect to transfer of interest;
41 | amending s. 721.18, F.S.; revising language with respect
42 | to exchange programs; amending s. 721.19, F.S.; including
43 | reference to personal property timeshare interests;
44 | amending s. 721.20, F.S., relating to licensing
45 | requirements; providing for the application of certain
46 | provisions to personal property timeshare plans; amending
47 | s. 721.24, F.S.; exempting accommodations and facilities
48 | of personal property timeshare plans from a provision of
49 | law governing firesafety; amending s. 721.26, F.S.;
50 | revising language with respect to regulation by the
51 | division; amending s. 721.52, F.S.; redefining the term

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

73
 74 Be It Enacted by the Legislature of the State of Florida:

75
 76 Section 1. Subsections (1) and (5) of section 721.02,
 77 Florida Statutes, are amended to read:
 78 721.02 Purposes.--The purposes of this chapter are to:

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79 (1) Give statutory recognition to real property timeshare
80 plans ~~timesharing~~ and personal property timeshare plans
81 ~~timesharing~~ in this ~~the~~ state.

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

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

105 721.03 Scope of chapter.--

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

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

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

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

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

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

132 Section 3. Section 721.05, Florida Statutes, is amended to
 133 read:

134 721.05 Definitions.--As used in this chapter, the term:

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

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

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

157 (4)~~(3)~~ "Assessment" means the share of funds required for
 158 the payment of common expenses which is assessed from time to
 159 time against each purchaser by the managing entity.

160 (5)~~(4)~~ "Closing" means:

161 (a) For any plan selling timeshare estates, conveyance of
 162 the legal or beneficial title to a timeshare estate as evidenced
 163 by the delivery of a deed for conveyance of legal title, or
 164 other instrument for conveyance of beneficial title, to the
 165 purchaser or to the clerk of the court for recording or
 166 conveyance of the equitable title to a timeshare estate as
 167 evidenced by the irrevocable delivery of an agreement for deed
 168 to the clerk of the court for recording.

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

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

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

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

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

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

182 (a)1. That a certificate of occupancy has been issued for
 183 the entire building in which the timeshare unit being sold is
 184 located, or for the improvement, or that the equivalent
 185 authorization has been issued, by the governmental body having
 186 jurisdiction; ~~or~~

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

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189 finishing, and equipping of the building or improvements
 190 according to the plans and specifications have been
 191 substantially completed; or

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

197 (b) That all accommodations and facilities of the
 198 timeshare plan are available for use in a manner identical in
 199 all material respects to the manner portrayed by the promotional
 200 material, advertising, and filed ~~registered~~ public offering
 201 statements.

202 ~~(8)(7)~~ "Conspicuous type" means:

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

207 (b) Where the use of 10-point type would be impractical or
 208 impossible with respect to a particular piece of written
 209 advertising material, a different style of type or print may be
 210 used, so long as the print remains conspicuous under the
 211 circumstances.

212
 213 Where conspicuous type is required, it must be separated on all
 214 sides from other type and print. Conspicuous type may be
 215 utilized in contracts for purchase or public offering statements
 216 only where required by law or as authorized by the division.

217 (9)~~(8)~~ "Contract" means any agreement conferring the
218 rights and obligations of a timeshare plan on the purchaser.

219 (10)~~(9)~~ "Developer" includes:

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

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

227 (c) A "concurrent developer," which means any person
228 acting concurrently with the persons in this subsection with the
229 purpose of offering timeshare interests in the ordinary course
230 of business.

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

232 1. An owner of a timeshare interest who has acquired the
233 timeshare interest for his or her own use and occupancy and who
234 later offers it for resale; provided that a rebuttable
235 presumption shall exist that an owner who has acquired more than
236 seven timeshare interests did not acquire them for his or her
237 own use and occupancy;

238 2. A managing entity, not otherwise a developer, that
239 offers, or engages a third party to offer on its behalf,
240 timeshare interests in a timeshare plan which it manages,
241 provided that such offer complies with the provisions of s.
242 721.065;

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

245 | subsequently conveys, assigns, or transfers all acquired
 246 | timeshare interests to a single purchaser in a single
 247 | transaction, which transaction may occur in stages; or

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

256 | (e) A successor or concurrent developer shall be exempt
 257 | from any liability inuring to a predecessor or concurrent
 258 | developer of the same timeshare plan, except as provided in s.
 259 | 721.15(7), provided that this exemption shall not apply to any
 260 | of the successor or concurrent developer's responsibilities,
 261 | duties, or liabilities with respect to the timeshare plan that
 262 | accrue after the date the successor or concurrent developer
 263 | became a successor or concurrent developer, and provided that
 264 | such transfer does not constitute a fraudulent transfer. In
 265 | addition to other provisions of law, a transfer by a predecessor
 266 | developer to a successor or concurrent developer shall be deemed
 267 | fraudulent if the predecessor developer made the transfer:

268 | 1. With actual intent to hinder, delay, or defraud any
 269 | purchaser or the division; or

270 | 2. To a person that would constitute an insider under s.
 271 | 726.102(7).

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273 The provisions of this paragraph shall not be construed to
 274 relieve any successor or concurrent developer from the
 275 obligation to comply with the provisions of any applicable
 276 timeshare instrument.

277 (11)~~(10)~~ "Division" means the Division of Florida Land
 278 Sales, Condominiums, and Mobile Homes of the Department of
 279 Business and Professional Regulation.

280 (12)~~(11)~~ "Enrolled" means paid membership in an exchange
 281 program or membership in an exchange program evidenced by
 282 written acceptance or confirmation of membership.

283 (13)~~(12)~~ "Escrow account" means an account established
 284 solely for the purposes set forth in this chapter with a
 285 financial institution located within this state.

286 (14)~~(13)~~ "Escrow agent" includes only:

287 (a) A savings and loan association, bank, trust company,
 288 or other financial institution, any of which must be located in
 289 this state and any of which must have a net worth in excess of
 290 \$5 million;

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

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

295 (d) A title insurance agent that is licensed pursuant to
 296 s. 626.8417, a title insurance agency that is licensed pursuant
 297 to s. 626.8418, or a title insurer authorized to transact
 298 business in this state pursuant to s. 624.401.

299 (15)~~(14)~~ "Exchange company" means any person owning or
 300 operating, or owning and operating, an exchange program.

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

312 (17)~~(16)~~ "Facility" means any amenity, including any
 313 structure, furnishing, fixture, equipment, service, improvement,
 314 or real or personal property, improved or unimproved, other than
 315 an ~~the~~ accommodation of the timeshare plan, which is made
 316 available to the purchasers of a timeshare plan. The term does
 317 not include an incidental benefit as defined in this section.

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

321 (19)~~(17)~~ "Incidental benefit" means an accommodation,
 322 product, service, discount, or other benefit which is offered to
 323 a prospective purchaser of a timeshare plan or to a purchaser of
 324 a timeshare plan prior to the expiration of his or her initial
 325 10-day voidability period pursuant to s. 721.10; which is not an
 326 exchange program as defined in subsection (16) ~~(15)~~; and which
 327 complies with the provisions of s. 721.075. The term shall not

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

330 | (20)~~(18)~~ "Independent," for purposes of determining
 331 | eligibility of escrow agents and trustees pursuant to s.
 332 | 721.03(7), means that:

333 | (a) The escrow agent or trustee is not a relative, as
 334 | described in s. 112.3135(1)(d), or an employee of the developer,
 335 | seller, or managing entity, or of any officer, director,
 336 | affiliate, or subsidiary thereof.

337 | (b) There is no financial relationship, other than the
 338 | payment of fiduciary fees or as otherwise provided in this
 339 | subsection, between the escrow agent or trustee and the
 340 | developer, seller, or managing entity, or any officer, director,
 341 | affiliate, or subsidiary thereof.

342 | (c) Compensation paid by the developer to an escrow agent
 343 | or trustee for services rendered shall not be paid from funds in
 344 | the escrow or trust account unless and until the developer is
 345 | otherwise entitled to receive the disbursement of such funds
 346 | from the escrow or trust account pursuant to this chapter.

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

349 | 1. A nonemployee, attorney-client relationship exists
 350 | between the developer and the escrow agent or trustee;

351 | 2. The escrow agent or trustee provides brokerage services
 352 | as defined by chapter 475 for the developer;

353 | 3. The escrow agent or trustee provides the developer with
 354 | routine banking services which do not include construction or
 355 | receivables financing or any other lending activities; or

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356 4. The escrow agent or trustee performs closings for the
357 developer or seller or issues owner's or lender's title
358 insurance commitments or policies in connection with such
359 closings.

360 ~~(21)~~~~(19)~~ "Interestholder" means a developer, an owner of
361 the underlying fee or owner of the underlying personal property,
362 a mortgagee, judgment creditor, or other lienor, or any other
363 person having an interest in or lien or encumbrance against the
364 accommodations or facilities of the timeshare plan.

365 ~~(22)~~~~(20)~~ "Managing entity" means the person who operates
366 or maintains the timeshare plan pursuant to s. 721.13(1).

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

377 ~~(24)~~~~(22)~~ "Offer to sell," "offer for sale," "offered for
378 sale," or "offer" means the solicitation, advertisement, or
379 inducement, or any other method or attempt, to encourage any
380 person to acquire the opportunity to participate in a timeshare
381 plan.

382 ~~(25)~~~~(23)~~ "One-to-one purchaser to accommodation ratio"
383 means the ratio of the number of purchasers eligible to use the

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

398 (26)~~(24)~~ "Owner of the underlying fee" or "owner of the
 399 underlying personal property" means any person having an
 400 interest in the real property or personal property comprising or
 401 underlying the accommodations or facilities of a ~~the~~ timeshare
 402 plan at or subsequent to the time of creation of the timeshare
 403 plan.

404 (27)~~(25)~~ "Owners' association" means an ~~the~~ association
 405 made up of all owners of timeshare interests in a timeshare
 406 plan, including developers and purchasers of such a timeshare
 407 plan ~~who have purchased timeshare estates.~~

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

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

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

420 (30)~~(27)~~ "Purchaser" means any person, other than a
421 developer, who by means of a voluntary transfer acquires a legal
422 or equitable interest in a timeshare plan other than as security
423 for an obligation.

424 (31)~~(28)~~ "Purchaser public offering statement" means that
425 portion of the filed ~~registered~~ public offering statement which
426 must be delivered to purchasers pursuant to s. 721.07(6) or s.
427 721.551.

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

431 (32)~~(30)~~ "Regulated short-term product" means a
432 contractual right, offered by the seller, to use accommodations
433 of a timeshare plan or other accommodations, provided that:

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

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

445 (33)~~(31)~~ "Seller" means any developer or any other person,
 446 or any agent or employee thereof, who offers timeshare interests
 447 in the ordinary course of business. The term "seller" does not
 448 include:

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

455 (b) A managing entity, not otherwise a seller, that
 456 offers, or engages a third party to offer on its behalf,
 457 timeshare interests in a timeshare plan which it manages,
 458 provided that such offer complies with the provisions of s.
 459 721.065;

460 (c) A person who owns or is conveyed, assigned, or
 461 transferred more than seven timeshare interests and who
 462 subsequently conveys, assigns, or transfers all acquired
 463 timeshare interests to a single purchaser in a single
 464 transaction, which transaction may occur in stages; or

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

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

472 ~~(34)(32)~~ "Timeshare estate" means a right to occupy a
 473 timeshare unit, coupled with a freehold estate or an estate for
 474 years with a future interest in a timeshare property or a
 475 specified portion thereof. The term shall also mean an interest
 476 in a condominium unit pursuant to s. 718.103, an interest in a
 477 cooperative unit pursuant to s. 719.103, or an interest in a
 478 trust that complies in all respects with the provisions of s.
 479 721.08(2)(c) 4.3, provided that the trust does not contain any
 480 personal property timeshare interests. A timeshare estate is a
 481 parcel of real property under the laws of this state.

482 ~~(35)(33)~~ "Timeshare instrument" means one or more
 483 documents, by whatever name denominated, creating or governing
 484 the operation of a timeshare plan.

485 ~~(36)(34)~~ "Timeshare interest" means a timeshare estate, a
 486 personal property timeshare interest, or a timeshare license.

487 ~~(37)(35)~~ "Timeshare license" means a right to occupy a
 488 timeshare unit, which right is not a personal property timeshare
 489 neither coupled with a freehold interest or a timeshare, nor
 490 coupled with an estate for years with a future interest, in a
 491 timeshare property.

492 ~~(38)(36)~~ "Timeshare period" means the period or periods of
 493 time when a purchaser of a timeshare interest is afforded the

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494 opportunity to use the accommodations ~~or facilities, or both,~~ of
495 a timeshare plan.

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

505 (a) A "personal property timeshare plan," which means a
506 timeshare plan in which the accommodations are comprised of
507 personal property that is not permanently affixed to real
508 property; and

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

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

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521 personal property, as common elements or limited common elements
522 of the timeshare condominium or cooperative.

523 (41)~~(39)~~ "Timeshare unit" means an accommodation of a
524 timeshare plan which is divided into timeshare periods. Any
525 timeshare unit in which a door or doors connecting two or more
526 separate rooms are capable of being locked to create two or more
527 private dwellings shall only constitute one timeshare unit for
528 purposes of this chapter, unless the timeshare instrument
529 provides that timeshare interests may be separately conveyed in
530 such locked-off portions.

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

533 ~~(41) "Vacation plan" or "vacation membership plan" means
534 any timeshare plan consisting exclusively of timeshare licenses
535 or consisting of a combination of timeshare licenses and
536 timeshare estates.~~

537 Section 4. Section 721.06, Florida Statutes, is amended to
538 read:

539 721.06 Contracts for purchase of timeshare interests.--

540 (1) Each seller shall utilize and furnish each purchaser a
541 fully completed and executed copy of a contract pertaining to
542 the sale, which contract shall include the following
543 information:

544 (a) The actual date the contract is executed by each
545 party.

546 (b) The names and addresses of the developer and the
547 timeshare plan.

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

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

561 2. For personal property timeshare plans, an estimate of
 562 any anticipated annual assessment stated on an annually
 563 recurring basis for any use charges, fees, common expenses, or
 564 taxes or, if an estimate is unavailable, the current year's
 565 actual annual assessment for any use charges, fees, common
 566 expenses, or taxes.

567 (e) The estimated date of completion of construction of
 568 each accommodation or facility promised to be completed which is
 569 not completed at the time the contract is executed and the
 570 estimated date of closing.

571 (f) A brief description of the nature and duration of the
 572 timeshare interest being sold, including whether any interest in
 573 real property or personal property is being conveyed and the
 574 specific number of years constituting the term of the timeshare
 575 plan.

576 (g) Immediately prior to the space reserved in the
 577 contract for the signature of the purchaser, in conspicuous
 578 type, substantially the following statements:

579 1. If the purchaser will receive a personal property
 580 timeshare interest: This personal property timeshare plan is
 581 governed only by limited sections of the timeshare management
 582 provisions of Florida law.

583 2. If the accommodations or facilities are located on or
 584 in a documented vessel or foreign vessel as provided in s.
 585 721.08(2)(c)3.e., the disclosure required by s.
 586 721.08(2)(c)3.e.(IV).

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

601
 602 (h) If a timeshare estate is being conveyed, the following
 603 statement in conspicuous type:

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

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

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

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

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

641 1. The names and addresses of all other interestholders
642 ~~persons or entities having an ownership interest or other~~
643 ~~interest in the accommodations or facilities;~~ and

644 2. The actual interest of the developer in the
645 accommodations or facilities. As an alternative to including the
646 statement in the purchase contract, a seller may include a
647 reference in the purchase contract to the location in the
648 purchaser public offering statement text of such information.

649 (l) If the purchaser will receive an interest in a
650 multisite timeshare plan pursuant to part II, a statement shall
651 be provided in conspicuous type in substantially the following
652 form:

653
654 *The developer is required to provide the managing entity of*
655 *the multisite timeshare plan with a copy of the approved public*
656 *offering statement text and exhibits filed with the division and*
657 *any approved amendments thereto, and any other component site*
658 *documents as described in section 721.07 or section 721.55,*

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

662

663 (m) The following statement in conspicuous type:

664

665 *Any resale of this timeshare interest must be accompanied*
 666 *by certain disclosures in accordance with section 721.065,*
 667 *Florida Statutes.*

668

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

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

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

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

685 Section 5. Paragraph (b) of subsection (2) of section
 686 721.065, Florida Statutes, is amended to read:

687 | 721.065 Resale purchase agreements.--

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

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

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

695 |
696 | *The current year's assessment for common expenses allocable to*
697 | *the timeshare interest you are purchasing is \$____. This*
698 | *assessment, which may be increased from time to time by the*
699 | *managing entity of the timeshare plan, is payable in full each*
700 | *year on or before _____. This assessment (includes/does not*
701 | *include) yearly ad valorem real estate taxes, which (are/are*
702 | *not) billed and collected separately. (If ad valorem real*
703 | *property taxes are not included in the current year's assessment*
704 | *for common expenses, the following statement must be included:*
705 | *The most recent annual assessment for ad valorem real estate*
706 | *taxes for the timeshare interest you are purchasing is \$____.)*
707 | *(If there are any delinquent assessments for common expenses or*
708 | *ad valorem taxes outstanding with respect to the timeshare*
709 | *interest in question, the following statement must be included:*
710 | *A delinquency in the amount of \$____ for unpaid common expenses*
711 | *or ad valorem taxes currently exists with respect to the*
712 | *timeshare interest you are purchasing, together with a per diem*
713 | *charge of \$____ for interest and late charges.) For the purpose*
714 | *of ad valorem assessment, taxation, and special assessments, the*

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715 | *managing entity will be considered the taxpayer as your agent*
 716 | *pursuant to section 192.037, Florida Statutes. Each owner is*
 717 | *personally liable for the payment of her or his assessments for*
 718 | *common expenses, and failure to timely pay these assessments may*
 719 | *result in restriction or loss of your use and/or ownership*
 720 | *rights.*

721 |
 722 | *There are many important documents relating to the timeshare*
 723 | *plan which you should review prior to purchasing a timeshare*
 724 | *interest, including the declaration of condominium or covenants*
 725 | *and restrictions; the owners' association articles and bylaws;*
 726 | *the current year's operating and reserve budgets; and any rules*
 727 | *and regulations affecting the use of timeshare plan*
 728 | *accommodations and facilities.*

729 |
 730 | 2. If the resale purchase agreement pertains to a personal
 731 | property timeshare plan:

732 |
 733 | The current year's assessment for any common expenses, use
 734 | charges, fees, or taxes allocable to the timeshare interest you
 735 | are purchasing is \$____. This assessment, which may be
 736 | increased from time to time by the managing entity of the
 737 | timeshare plan, is payable in full each year on or before
 738 | _____. (If there are any delinquent assessments for common
 739 | expenses, use charges, fees, or taxes outstanding with respect
 740 | to the timeshare interest in question, the following statement
 741 | must be included: A delinquency in the amount of \$_____ for
 742 | unpaid common expenses, use charges, fees, or taxes currently

743 exists with respect to the timeshare interest you are
 744 purchasing, together with a per diem charge of \$_____ for
 745 interest and late charges.) Each owner is personally liable for
 746 the payment of her or his assessments for common expenses, and
 747 failure to timely pay these assessments may result in
 748 restriction or loss of your use and/or ownership rights.

749
 750 There are many important documents relating to the timeshare
 751 plan which you should review prior to purchasing a timeshare
 752 interest, including any owners' association articles and bylaws;
 753 the current year's operating and reserve budgets; and any rules
 754 and regulations affecting the use of timeshare plan
 755 accommodations and facilities.

756 Section 6. Section 721.07, Florida Statutes, is amended to
 757 read:

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

765 (1) The division shall, upon receiving a filed ~~registered~~
 766 public offering statement from a developer, mail to the
 767 developer an acknowledgment of receipt. The failure of the
 768 division to send such acknowledgment will not, however, relieve
 769 the developer from the duty of complying with this section.

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

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

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

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797 developer's timely and complete response, the filing will be
798 deemed approved.

799 (d) A developer shall have the authority to deliver to
800 purchasers any purchaser public offering statement that is not
801 yet approved by the division, provided that the following shall
802 apply:

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

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

820
821 *Your statutory right to cancel this transaction without any*
822 *penalty or obligation expires 10 calendar days after the date*
823 *you signed your purchase contract or the date on which you*
824 *receive the last of all documents required to be given to you*

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

836

837 2. After receipt of approval from the division and prior
838 to closing, if any revisions made to the documents contained in
839 the purchaser public offering statement materially alter or
840 modify the offering in a manner adverse to a purchaser, the
841 developer shall send the purchaser such revisions together with
842 a notice containing a statement in conspicuous type in
843 substantially the following form:

844

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

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

861
862 *The unapproved public offering statement previously delivered to*
863 *you has been approved by the Division of Florida Land Sales,*
864 *Condominiums, and Mobile Homes. Revisions made to the unapproved*
865 *public offering statement, if any, are either not required to be*
866 *delivered to you or are not deemed by the developer, in its*
867 *opinion, to materially alter or modify the offering in a manner*
868 *that is adverse to you. Accordingly, your cancellation right*
869 *expired 10 days after you signed your purchase contract. A*
870 *complete copy of the approved public offering statement is*
871 *available through the managing entity for inspection as part of*
872 *the books and records of the plan. If you have any questions*
873 *regarding your cancellation rights, you may contact the division*
874 *at [insert division's current address].*

875 (3)(a)1. Any change to an approved public offering
876 statement filing shall be filed with the division for approval
877 as an amendment prior to becoming effective. The division shall
878 have 20 days after receipt of a proposed amendment to approve or
879 cite deficiencies in the proposed amendment. If the division
880 fails to act within 20 days, the amendment will be deemed

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

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

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908 3. Amendments made to a timeshare instrument for a
909 component site located in this state are not required to be
910 delivered to purchasers who do not receive a timeshare estate or
911 an interest in a specific multisite timeshare plan ~~license~~ in
912 that component site. Amendments made to a timeshare instrument
913 for a component site not located in this state are not required
914 to be delivered to purchasers.

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

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

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

929 (5) Every filed ~~registered~~ public offering statement for a
930 timeshare plan which is not a multisite timeshare plan shall
931 contain the information required by this subsection. The
932 division is authorized to provide by rule the method by which a
933 developer must provide such information to the division.

934 (a) A cover page stating only:

935 1. The name of the timeshare plan; and

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

947 (b) A listing of all statements required to be in
 948 conspicuous type in the public offering statement and in all
 949 exhibits thereto.

950 (c) A separate index of the contents and exhibits of the
 951 public offering statement.

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

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

956 1. Its name and location.

957 2. An explanation of the form of timeshare ownership that
 958 is being offered, including a statement as to whether any
 959 interest in the underlying real property will be conveyed to the
 960 purchaser. If the plan is being created or being sold on a
 961 leasehold, a description of the material terms of the lease
 962 shall be included. If the plan is a plan in which timeshare
 963 estates or personal property timeshare interests are sold as

964 interests in a trust pursuant to the requirements of this
 965 chapter, a full and accurate description of the trust
 966 arrangement and the trustee's duties shall be included. If the
 967 plan is a personal property timeshare plan, a description of the
 968 material terms of the arrangement for the ownership or use of
 969 the personal property shall be included.

970 3. An explanation of the manner in which the apportionment
 971 of common expenses and ownership of the common elements has been
 972 determined.

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

977 5. If any of the accommodations or facilities are part of
 978 a personal property timeshare plan in which the accommodations
 979 or facilities are located on or in a documented vessel or
 980 foreign vessel as provided in s. 721.08(2)(c)3.e., the
 981 disclosure required by s. 721.08(2)(c)3.e.(IV).

982 (f) A description of the accommodations, including, but
 983 not limited to:

984 1. The number of timeshare units in each building, the
 985 total number of timeshare periods declared as part of the
 986 timeshare plan and filed with the division, and the number of
 987 bathrooms and bedrooms in each type of timeshare unit.

988 2. The latest date estimated for completion of
 989 constructing, finishing, and equipping the timeshare units
 990 declared as part of the timeshare plan and filed with the
 991 division.

992 3. The estimated maximum number of units and timeshare
 993 periods that will use the accommodations and facilities. If the
 994 maximum number of timeshare units or timeshare periods will
 995 vary, a description of the basis for variation.

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

997 5. If any of the accommodations are part of a personal
 998 property timeshare plan, the name, vehicle registration number,
 999 title certificate number, or any other identifying registration
 1000 number assigned to the accommodation of a personal property
 1001 timeshare plan by a state, federal, or international
 1002 governmental agency.

1003 6. If any of the accommodations are part of a personal
 1004 property timeshare plan, the fire detection system and fire
 1005 safety equipment and description of method of compliance with
 1006 any applicable firesafety or fire detection regulations.

1007 (g) A description of any ~~the~~ facilities that will be used
 1008 by purchasers of the plan, including, but not limited to:

1009 1. The intended purpose, if not apparent from the
 1010 description.

1011 2. The estimated date when each facility will be available
 1012 for use by the purchaser.

1013 3. A statement as to whether the facilities will be used
 1014 exclusively by purchasers of the timeshare plan, and, if not, a
 1015 statement as to whether the purchasers of the timeshare plan are
 1016 required to pay any portion of the maintenance and expenses of
 1017 such facilities.

1018 (h)1. If any facilities offered by the developer for use
 1019 by purchasers are to be leased or have club memberships

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1020 associated with them, other than participation in a vacation
 1021 club, one of the following statements in conspicuous type: *There*
 1022 *is a lease associated with one or more facilities of the*
 1023 *timeshare plan; or, There is a club membership associated with*
 1024 *one or more facilities of the timeshare plan.*

1025 2. If it is mandatory that purchasers pay fees, rent,
 1026 dues, or other charges under a facilities lease or club
 1027 membership for the use of the facilities, other than
 1028 participation in a vacation club, the applicable statement in
 1029 conspicuous type in substantially the following form:

1030 a. *Membership in a facilities club is mandatory for*
 1031 *purchasers;*

1032 b. *Purchasers or the owners' association(s) are required,*
 1033 *as a condition of ownership, to be lessees under the facilities*
 1034 *lease;*

1035 c. *Purchasers or the owners' association(s) are required*
 1036 *to pay their share of the rent or costs and expenses of*
 1037 *maintenance, management, upkeep, and replacement under the*
 1038 *facilities lease (or the other instruments providing the*
 1039 *facilities); or*

1040 d. A similar statement of the nature of the organization
 1041 or the manner in which the use rights are created, and that
 1042 purchasers are required to pay.

1043
 1044 Immediately following the applicable statement, a description of
 1045 the lease or other instrument shall be stated, including a
 1046 description of terms of the payment of rent or costs and

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1047 expenses of maintenance, management, upkeep, and replacement of
1048 the facilities.

1049 3. If the purchasers are required to pay a use fee, or
1050 other payment for the use of the facilities, not including the
1051 rent or maintenance, management, upkeep, or replacement costs
1052 and expenses, the following statement in conspicuous type: *The*
1053 *purchasers or the owners' association(s) must pay use fees for*
1054 *one or more facilities.* Immediately following this statement, a
1055 description of the use fees shall be included.

1056 4. If any person other than the owners' association has
1057 the right to a lien on the timeshare interests to secure the
1058 payment of assessments, rent, or other exactions, a statement in
1059 conspicuous type in substantially the following form:

1060 a. *There is a lien or lien right against each timeshare*
1061 *interest to secure the payment of rent and other exactions under*
1062 *the facilities lease. A purchaser's failure to make these*
1063 *payments may result in foreclosure of the lien; or*

1064 b. *There is a lien or lien right against each timeshare*
1065 *interest to secure the payment of assessments or other exactions*
1066 *coming due for the use, maintenance, upkeep, or repair of one or*
1067 *more facilities. A purchaser's failure to make these payments*
1068 *may result in foreclosure of the lien.*

1069
1070 Immediately following the applicable statement, a description of
1071 the lien right shall be included.

1072 (i) If the developer or any other person has the right to
1073 increase or add to the facilities at any time after the
1074 establishment of the timeshare plan, without the consent of the

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1075 purchasers or owners' association being required, a statement in
 1076 conspicuous type in substantially the following form: *Facilities*
 1077 *may be expanded or added without consent of the purchasers or*
 1078 *the owners' association(s).* Immediately following this
 1079 statement, a description of such reserved rights shall be
 1080 included.

1081 (j)1. For a real property timeshare plan, an explanation
 1082 of the status of the title to the real property underlying the
 1083 timeshare plan, including a statement of the existence of any
 1084 lien, defect, judgment, mortgage, or other encumbrance affecting
 1085 the title to the property, and how such lien, defect, judgment,
 1086 mortgage, or other encumbrance will be removed or satisfied
 1087 prior to closing.

1088 2. For a personal property timeshare plan, an explanation
 1089 of the status of title to the personal property underlying the
 1090 timeshare plan, including a statement of the existence of any
 1091 lien, defect, judgment, or other encumbrance affecting the title
 1092 to the personal property, and how such lien, defect, judgment,
 1093 or other encumbrance will be removed or satisfied prior to
 1094 closing.

1095 (k) A description of any judgment against the developer,
 1096 the managing entity, the owner of the underlying fee, or the
 1097 owner of the underlying personal property ~~fee~~, which judgment is
 1098 material to the timeshare plan; the status of any pending suit
 1099 to which the developer, the managing entity, the owner of the
 1100 underlying fee, or the owner of the underlying personal property
 1101 ~~fee~~ is a party, which suit is material to the timeshare plan;
 1102 and any other suit which is material to the timeshare plan of

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1103 | which the developer, managing entity, the owner of the
 1104 | underlying fee, or the owner of the underlying personal property
 1105 | ~~fee~~ has actual knowledge. If no judgments or pending suits
 1106 | exist, there shall be a statement of such fact.

1107 | (1) A description of all unusual and material
 1108 | circumstances, features, and characteristics of the real
 1109 | property or personal property underlying or comprising the
 1110 | timeshare plan.

1111 | (m) A description of any financing to be offered to
 1112 | purchasers by the developer or any person or entity in which the
 1113 | developer has a financial interest, together with a disclosure
 1114 | that the description of such financing may be changed by the
 1115 | developer and that any change in the financing offered to
 1116 | prospective purchasers will not be deemed to be a material
 1117 | change.

1118 | (n) A detailed explanation of any financial arrangements
 1119 | which have been provided for completion of all promised
 1120 | improvements.

1121 | (o) The name and address of the managing entity; a
 1122 | statement whether the seller may change the managing entity or
 1123 | its control and, if so, the manner by which the seller may
 1124 | change the managing entity; a statement of the arrangements for
 1125 | management, maintenance, and operation of the accommodations and
 1126 | facilities and of other property that will serve the purchasers;
 1127 | and a description of the management arrangement and any
 1128 | contracts for these purposes having a term in excess of 1 year,
 1129 | including the names of the contracting parties, the term of the
 1130 | contract, the nature of the services included, and the

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1131 compensation, stated for a month and for a year, and provisions
 1132 for increases in the compensation. In the case of a personal
 1133 property timeshare plan in which the accommodations or
 1134 facilities are located on or in a documented vessel or foreign
 1135 vessel as provided in s. 721.08(2)(c)3.e., a statement shall be
 1136 included that describes the trustee's or owners' association's
 1137 access to the certificates of classification and that the
 1138 certificate of classification will be made available to
 1139 purchasers on request.

1140 (p) If any person other than the purchasers has the right
 1141 to retain control of the board of administration of the owners'
 1142 association, if any, for a period of time which may exceed 1
 1143 year after the closing of the sale of a majority of the
 1144 timeshare interests in that timeshare plan to persons other than
 1145 successors or concurrent developers and the plan is one in which
 1146 all purchasers automatically become members of the owners'
 1147 association, a statement in conspicuous type in substantially
 1148 the following form: *The developer (or other person) has the*
 1149 *right to retain control of the owners' association after a*
 1150 *majority of the timeshare interests have been sold.* Immediately
 1151 following this statement, a description of the applicable
 1152 transfer of control provisions of the timeshare plan shall be
 1153 included.

1154 (q)1. If there are any restrictions upon the sale,
 1155 transfer, conveyance, or leasing of a timeshare interest, a
 1156 statement in conspicuous type in substantially the following
 1157 form: *The sale, lease, or transfer of timeshare interests is*
 1158 *restricted or controlled.* Immediately following this statement,

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1159 a description of the nature of the restriction, limitation, or
1160 control on the sale, lease, or transfer of timeshare interests
1161 shall be included.

1162 2. The following statement in conspicuous type in
1163 substantially the following form: *The purchase of a timeshare*
1164 *interest should be based upon its value as a vacation experience*
1165 *or for spending leisure time, and not considered for purposes of*
1166 *acquiring an appreciating investment or with an expectation that*
1167 *the timeshare interest may be resold.*

1168 (r) If the timeshare plan is part of a phase project, a
1169 statement to that effect and a complete description of the
1170 phasing. Notwithstanding any provisions of s. 718.110 or s.
1171 719.1055, a developer may develop a timeshare condominium or a
1172 timeshare cooperative in phases if the original declaration of
1173 condominium or cooperative documents submitting the initial
1174 phase to condominium ownership or cooperative ownership or an
1175 amendment to the declaration of condominium or cooperative
1176 documents which has been approved by all of the unit owners and
1177 unit mortgagees provides for phasing. Notwithstanding any
1178 provisions of s. 718.403 or s. 719.403 to the contrary, the
1179 original declaration of condominium or cooperative documents, or
1180 an amendment to the declaration of condominium or cooperative
1181 documents adopted pursuant to this subsection, need only
1182 generally describe the developer's phasing plan and the land
1183 which may become part of the condominium or cooperative, and, in
1184 conjunction therewith, the developer may also reserve all rights
1185 to vary his or her phasing plan as to phase boundaries, plot
1186 plans and floor plans, timeshare unit types, timeshare unit

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1187 sizes and timeshare unit type mixes, numbers of timeshare units,
 1188 and facilities with respect to each subsequent phase. There
 1189 shall be no time limit during which a developer of a timeshare
 1190 condominium or timeshare cooperative must complete his or her
 1191 phasing plan, and the developer shall not be required to notify
 1192 owners of existing timeshare estates of his or her decision not
 1193 to add one or more proposed phases.

1194 (s) A description of the material restrictions, if any, to
 1195 be imposed on timeshare interests concerning the use of any of
 1196 the accommodations or facilities, including statements as to
 1197 whether there are restrictions upon children and pets or a
 1198 reference to a copy of the documents containing the restrictions
 1199 which shall be attached as an exhibit. If there are no
 1200 restrictions, there shall be a statement of such fact.

1201 (t) If there is any land or personal property that is
 1202 offered by the developer for use by the purchasers and which is
 1203 neither owned by them nor leased to them, the owners'
 1204 association, or any entity controlled by the purchasers, a
 1205 statement describing the land or personal property, how it will
 1206 serve the timeshare plan, and the nature and term of service.

1207 (u) An estimated operating budget for the timeshare plan
 1208 and a schedule of the purchaser's expenses shall be attached as
 1209 an exhibit and shall contain the following information:

1210 1. The estimated annual expenses of the timeshare plan
 1211 collectible from purchasers by assessments. The estimated
 1212 payments by the purchaser for assessments shall also be stated
 1213 in the estimated amounts for the times when they will be due.
 1214 Expenses shall also be shown for the shortest timeshare period

1215 | offered for sale by the developer. If the timeshare plan
 1216 | provides for the offer and sale of units to be used on a
 1217 | nontimeshare basis, the estimated monthly and annual expenses of
 1218 | such units shall be set forth in a separate schedule.

1219 | 2. The estimated weekly, monthly, and annual expenses of
 1220 | the purchaser of each timeshare interest, other than assessments
 1221 | payable to the managing entity. Expenses which are personal to
 1222 | purchasers that are not uniformly incurred by all purchasers or
 1223 | that are not provided for or contemplated by the timeshare plan
 1224 | documents may be excluded from this estimate.

1225 | 3. The estimated items of expenses of the timeshare plan
 1226 | and the managing entity, except as excluded under subparagraph
 1227 | 2., including, but not limited to, if applicable, the following
 1228 | items, which shall be stated either as management expenses
 1229 | collectible by assessments or as expenses of the purchaser
 1230 | payable to persons other than the managing entity:

- 1231 | a. Expenses for the managing entity:
- 1232 | (I) Administration of the managing entity.
- 1233 | (II) Management fees.
- 1234 | (III) Maintenance.
- 1235 | (IV) Rent for facilities.
- 1236 | (V) Taxes upon timeshare property.
- 1237 | (VI) Taxes upon leased areas.
- 1238 | (VII) Insurance.
- 1239 | (VIII) Security provisions.
- 1240 | (IX) Other expenses.
- 1241 | (X) Operating capital.

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1242 (XI) Reserves for deferred maintenance and reserves for
1243 capital expenditures, including:-

1244 (A) Reserves for deferred maintenance or capital
1245 expenditures of accommodations and facilities of a real property
1246 timeshare plan, if any. All reserves for any accommodations and
1247 facilities of real property timeshare plans located in this
1248 state shall be calculated by a formula which is based upon
1249 estimated life and replacement cost of each reserve item.

1250 Reserves for deferred maintenance for such accommodations and
1251 facilities shall include accounts for roof replacement, building
1252 painting, pavement resurfacing, replacement of timeshare unit
1253 furnishings and equipment, and any other component, the useful
1254 life of which is less than the useful life of the overall
1255 structure. For any accommodations and facilities of real
1256 property timeshare plans located outside of this state, the
1257 developer shall disclose the amount of reserves for deferred
1258 maintenance or capital expenditures required by the law of the
1259 situs state, if applicable, and maintained for such
1260 accommodations and facilities.

1261 (B) Reserves for deferred maintenance or capital
1262 expenditures of accommodations and facilities of a personal
1263 property timeshare plan, if any. If such reserves are
1264 maintained, the estimated operating budget shall disclose the
1265 methodology of how the reserves are calculated. If a personal
1266 property timeshare plan does not require reserves, the following
1267 statement, in conspicuous type, shall appear in both the budget
1268 and the public offering statement:

1269

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1270 | The estimated operating budget for this personal property
 1271 | timeshare plan does not include reserves for deferred
 1272 | maintenance or capital expenditures; each timeshare interest may
 1273 | be subject to substantial special assessments from time to time
 1274 | because no such reserves exist.

1275

1276 | (XII) Fees payable to the division.

1277 | b. Expenses for a purchaser:

1278 | (I) Rent for the timeshare unit, if subject to a lease.

1279 | (II) Rent payable by the purchaser directly to the lessor
 1280 | or agent under any lease for the use of facilities, which use
 1281 | and payment is a mandatory condition of ownership and is not
 1282 | included in the common expenses or assessments for common
 1283 | maintenance paid by the purchasers to the managing entity.

1284 | 4. The estimated amounts shall be stated for a period of
 1285 | at least 12 months and may distinguish between the period prior
 1286 | to the time that purchasers elect a majority of the board of
 1287 | administration and the period after that date.

1288 | 5. If the developer intends to guarantee the level of
 1289 | assessments, such guarantee must be based upon a good faith
 1290 | estimate of the revenues and expenses of the timeshare plan. The
 1291 | guarantee must include a description of the following:

1292 | a. The specific time period measured in one or more
 1293 | calendar or fiscal years during which the guarantee will be in
 1294 | effect.

1295 | b. A statement that the developer will pay all common
 1296 | expenses incurred in excess of the total revenues of the
 1297 | timeshare plan pursuant to s. 721.15(2) if the developer has

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1298 | excused himself or herself from the payment of assessments
1299 | during the guarantee period.

1300 | c. The level, expressed in total dollars, at which the
1301 | developer guarantees the budget. If the developer has reserved
1302 | the right to extend or increase the guarantee level pursuant to
1303 | s. 721.15(2), a disclosure must be included to that effect.

1304 | 6. If the developer intends to provide a trust fund to
1305 | defer or reduce the payment of annual assessments, a copy of the
1306 | trust instrument shall be attached as an exhibit and shall
1307 | include a description of such arrangement, including, but not
1308 | limited to:

1309 | a. The specific amount of such trust funds and the source
1310 | of the funds.

1311 | b. The name and address of the trustee.

1312 | c. The investment methods permitted by the trust
1313 | agreement.

1314 | d. A statement in conspicuous type that the funds from the
1315 | trust account may not cover all assessments and that there is no
1316 | guarantee that purchasers will not have to pay assessments in
1317 | the future.

1318 | 7. The budget of a phase timeshare plan may contain a note
1319 | identifying the number of timeshare interests covered by the
1320 | budget, indicating the number of timeshare interests, if any,
1321 | estimated to be declared as part of the timeshare plan during
1322 | that calendar year, and projecting the common expenses for the
1323 | timeshare plan based upon the number of timeshare interests
1324 | estimated to be declared as part of the timeshare plan during
1325 | that calendar year.

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1326 (v) A schedule of estimated closing expenses to be paid by
 1327 a purchaser or lessee of a timeshare interest and a statement as
 1328 to whether a title opinion or title insurance policy is
 1329 available to the purchaser and, if so, at whose expense.

1330 (w) The identity of the developer and the chief operating
 1331 officer or principal directing the creation and sale of the
 1332 timeshare plan and a statement of the experience of each in this
 1333 field or, if no experience, a statement of that fact.

1334 (x) A statement of the total financial obligation of the
 1335 purchaser, including the purchase price and any additional
 1336 charges to which the purchaser may be subject.

1337 (y) The name of any person who will or may have the right
 1338 to alter, amend, or add to the charges to which the purchaser
 1339 may be subject and the terms and conditions under which such
 1340 alterations, amendments, or additions may be imposed.

1341 (z) A statement of the purchaser's right of cancellation
 1342 of the purchase contract.

1343 (aa) A description of the insurance coverage provided for
 1344 the timeshare plan.

1345 (bb) A statement as to whether the timeshare plan is
 1346 participating in an exchange program and, if so, the name and
 1347 address of the exchange company offering the exchange program.

1348 (cc) The existence of rules and regulations regarding any
 1349 reservation features governing a purchaser's ability to make
 1350 reservations for a timeshare period, including, if applicable, a
 1351 conspicuous type disclaimer in substantially the following form:
 1352

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1353 | *The right to reserve a timeshare period is subject to rules and*
1354 | *regulations of the timeshare plan reservation system.*

1355

1356 | (dd) If a developer is filing a timeshare plan that
1357 | includes a timeshare instrument or component site document that
1358 | was in conformance with the laws and rules in existence at the
1359 | time the timeshare plan was created but does not conform to
1360 | existing laws and rules that govern the timeshare plan and the
1361 | developer does not have the authority or power to amend or
1362 | change the timeshare instrument or component site document to
1363 | conform to such existing laws or rules as directed by the
1364 | division, a brief explanation of current law and the conflict
1365 | with the timeshare instrument or component site document,
1366 | preceded by disclaimer in conspicuous type in substantially the
1367 | following form:

1368

1369 | *Florida law has been amended and certain provisions in [insert*
1370 | *appropriate reference to timeshare instrument or component site*
1371 | *document] that were in conformance with Florida law as it*
1372 | *existed at the time the timeshare plan was created are not in*
1373 | *conformance with current Florida law. These documents may only*
1374 | *be amended by [insert appropriate reference to person or entity*
1375 | *that has the right to amend or change the timeshare instrument*
1376 | *or component site document]. The developer does not warrant that*
1377 | *such documents are in technical compliance with all applicable*
1378 | *Florida laws and regulations. All questions regarding amendment*
1379 | *of these documents should be directed to [insert appropriate*

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1380 | *reference to person or entity that has the right to amend or*
 1381 | *change the timeshare instrument or component site document].*

1382 |
 1383 | (ee) Any other information that a seller, with the
 1384 | approval of the division, desires to include in the public
 1385 | offering statement.

1386 | (ff) Copies of the following documents and plans, to the
 1387 | extent they are applicable, shall be included as exhibits to the
 1388 | filed ~~registered~~ public offering statement provided, if the
 1389 | timeshare plan has not been declared or created at the time of
 1390 | the filing, the developer shall provide proposed documents:

- 1391 | 1. The declaration of condominium.
- 1392 | 2. The cooperative documents.
- 1393 | 3. The declaration of covenants and restrictions.
- 1394 | 4. The articles of incorporation creating the owners'
 1395 | association.
- 1396 | 5. The bylaws of the owners' association.
- 1397 | 6. Any ~~The~~ ground lease or other underlying lease of the
 1398 | real property associated with ~~on which~~ the timeshare plan ~~is~~
 1399 | ~~situated~~. In the case of a personal property timeshare plan, any
 1400 | lease of the personal property associated with the personal
 1401 | property timeshare plan.
- 1402 | 7. The management agreement and all maintenance and other
 1403 | contracts regarding the management and operation of the
 1404 | timeshare property which have terms in excess of 1 year.
- 1405 | 8. The estimated operating budget for the timeshare plan
 1406 | and the required schedule of purchasers' expenses.

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1407 9. The floor plan of each type of accommodation and the
1408 plot plan showing the location of all accommodations and
1409 facilities declared as part of the timeshare plan and filed with
1410 the division.

1411 10. The lease for any facilities.

1412 11. A declaration of servitude of properties serving the
1413 accommodations and facilities, but not owned by purchasers or
1414 leased to them or the owners' association.

1415 12. Any documents required by s. 721.03(3)(e) as the
1416 result of the inclusion of a timeshare plan in the conversion of
1417 the building to condominium or cooperative ownership.

1418 13. The form of agreement for sale or lease of timeshare
1419 interests.

1420 14. The executed agreement for escrow of payments made to
1421 the developer prior to closing and the form of any agreement for
1422 escrow of ad valorem tax escrow payments, if any, to be made
1423 into an ad valorem tax escrow account pursuant to s. 192.037(6).

1424 15. The documents containing any restrictions on use of
1425 the property required by paragraph (s).

1426 16. A letter from the escrow agent or filing attorney
1427 confirming that the escrow agent and its officers, directors, or
1428 other partners are independent pursuant to the requirements of
1429 this chapter.

1430 17. Any nondisturbance and notice to creditors instrument
1431 required by s. 721.08.

1432 18. In the case of any personal property timeshare plan in
1433 which the accommodations and facilities are located on or in a
1434 documented vessel or foreign vessel as provided in s.

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1435 721.08(2)(c)3.e., a copy of the certificate of ownership of such
 1436 vessel and either a copy of the certificate of documentation or
 1437 certificate of registry of such vessel.

1438 19. An executed affidavit given under oath by an attorney
 1439 licensed to practice law in any jurisdiction in the United
 1440 States stating that the attorney has researched the applicable
 1441 laws of the jurisdiction in which governing law has been
 1442 established and the laws of the jurisdiction in which the vessel
 1443 is registered, and has found that the timeshare instrument
 1444 complies with the provisions of s. 721.08(2)(c)3.e.(II)(C) and
 1445 (III).

1446 20.16- Any other documents or instruments creating the
 1447 timeshare plan.

1448 (gg) Such other information as is necessary to fairly,
 1449 meaningfully, and effectively disclose all aspects of the
 1450 timeshare plan, including, but not limited to, any disclosures
 1451 made necessary by the operation of s. 721.03(8). However, if a
 1452 developer has, in good faith, attempted to comply with the
 1453 requirements of this section, and if, in fact, he or she has
 1454 substantially complied with the disclosure requirements of this
 1455 chapter, nonmaterial errors or omissions shall not be
 1456 actionable.

1457 (hh) Notwithstanding the provisions of this subsection,
 1458 the filed ~~registered~~ public offering statement for a component
 1459 site of a multisite timeshare plan filed pursuant to this
 1460 subsection may contain cross-references to information contained
 1461 in the related multisite timeshare plan filed ~~registered~~ public

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1462 offering statement filed pursuant to s. 721.55 in lieu of
1463 repeating such information.

1464 (6) The division is authorized to prescribe by rule the
1465 form of the approved purchaser public offering statement that
1466 must be furnished by the developer to each purchaser. The form
1467 of the purchaser public offering statement must provide fair,
1468 meaningful, and effective disclosure of all aspects of the
1469 timeshare plan. For timeshare plans filed pursuant to this part,
1470 the developer shall furnish each purchaser with the following:

1471 (a) A copy of the purchaser public offering statement text
1472 in the form approved by the division for delivery to purchasers.

1473 (b) Copies of the exhibits required to be filed with the
1474 division pursuant to subparagraphs (5)(ff)1., 2., 4., 5., 8.,
1475 and 20. ~~16.~~

1476 (c) A receipt for timeshare plan documents and a list
1477 describing any exhibit to the filed ~~registered~~ public offering
1478 statement filed with the division which is not delivered to the
1479 purchaser. The division is authorized to prescribe by rule the
1480 form of the receipt for timeshare plan documents and the
1481 description of exhibits list that must be furnished to the
1482 purchaser. The description of documents list utilized by a
1483 developer shall be filed with the division for review as part of
1484 the filed ~~registered~~ public offering statement pursuant to this
1485 section. The developer shall be required to provide the managing
1486 entity with a copy of the approved filed ~~registered~~ public
1487 offering statement and any approved amendments thereto to be
1488 maintained by the managing entity as part of the books and
1489 records of the timeshare plan pursuant to s. 721.13(3)(d).

1490 (d) Any other exhibit which the developer includes as part
 1491 of the purchaser public offering statement, provided that the
 1492 developer first files the exhibit with the division.

1493 (e) An executed copy of any document which the purchaser
 1494 signs.

1495 (f) Each purchaser shall receive a fully executed paper
 1496 copy of the purchase contract.

1497 Section 7. Paragraph (g) of subsection (1) of section
 1498 721.075, Florida Statutes, is amended and paragraph (e) is added
 1499 to subsection (2) of said section, to read:

1500 721.075 Incidental benefits.--Incidental benefits shall be
 1501 offered only as provided in this section.

1502 (1) Accommodations, facilities, products, services,
 1503 discounts, or other benefits which satisfy the requirements of
 1504 this subsection shall be subject to the provisions of this
 1505 section and exempt from the other provisions of this chapter
 1506 which would otherwise apply to such accommodations or facilities
 1507 if and only if:

1508 (g) The incidental benefit is filed with the division for
 1509 review in conjunction with the filing of a timeshare plan or in
 1510 connection with a previously filed timeshare plan.

1511 (2) Each purchaser shall execute a separate acknowledgment
 1512 and disclosure statement with respect to all incidental
 1513 benefits, which statement shall include the following
 1514 information:

1515 (e) A statement indicating the source of the services,
 1516 points, or other products that constitute the incidental
 1517 benefit.

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1518 Section 8. Section 721.08, Florida Statutes, is amended to
1519 read:

1520 721.08 Escrow accounts; nondisturbance instruments;
1521 alternate security arrangements; transfer of legal title.--

1522 (1) Prior to the filing of a ~~registered~~ public offering
1523 statement with the division, all developers shall establish an
1524 escrow account with an escrow agent for the purpose of
1525 protecting the funds or other property of purchasers required to
1526 be escrowed by this section. An escrow agent shall maintain the
1527 accounts called for in this section only in such a manner as to
1528 be under the direct supervision and control of the escrow agent.
1529 The escrow agent shall have a fiduciary duty to each purchaser
1530 to maintain the escrow accounts in accordance with good
1531 accounting practices and to release the purchaser's funds or
1532 other property from escrow only in accordance with this chapter.
1533 The escrow agent shall retain all affidavits received pursuant
1534 to this section for a period of 5 years. Should the escrow agent
1535 receive conflicting demands for funds or other property held in
1536 escrow, the escrow agent shall immediately notify the division
1537 of the dispute and either promptly submit the matter to
1538 arbitration or, by interpleader or otherwise, seek an
1539 adjudication of the matter by court.

1540 (2) One hundred percent of all funds or other property
1541 which is received from or on behalf of purchasers of the
1542 timeshare plan or timeshare interest prior to the occurrence of
1543 events required in this subsection shall be deposited pursuant
1544 to an escrow agreement approved by the division. The ~~eserow~~

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1545 ~~agreement shall provide that the~~ funds or other property may be
1546 released from escrow only as follows:

1547 (a) *Cancellation.*--In the event a purchaser gives a valid
1548 notice of cancellation pursuant to s. 721.10 or is otherwise
1549 entitled to cancel the sale, the funds or other property
1550 received from or on behalf of the purchaser, or the proceeds
1551 thereof, shall be returned to the purchaser. Such refund shall
1552 be made within 20 days after ~~of~~ demand therefor by the purchaser
1553 or within 5 days after receipt of funds from the purchaser's
1554 cleared check, whichever is later. If the purchaser has received
1555 benefits under the contract prior to the effective date of the
1556 cancellation, the funds or other property to be returned to the
1557 purchaser may be reduced by the proportion of contract benefits
1558 actually received.

1559 (b) *Purchaser's default.*--Following expiration of the 10-
1560 day cancellation period, if the purchaser defaults in the
1561 performance of her or his obligations under the terms of the
1562 contract to purchase or such other agreement by which a seller
1563 sells the timeshare interest, the developer shall provide an
1564 affidavit to the escrow agent requesting release of the escrowed
1565 funds or other property and shall provide a copy of such
1566 affidavit to the purchaser who has defaulted. The developer's
1567 affidavit, as required herein, shall include:

1568 1. A statement that the purchaser has defaulted and that
1569 the developer has not defaulted;

1570 2. A brief explanation of the nature of the default and
1571 the date of its occurrence;

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1572 3. A statement that pursuant to the terms of the contract
1573 the developer is entitled to the funds held by the escrow agent;
1574 and

1575 4. A statement that the developer has not received from
1576 the purchaser any written notice of a dispute between the
1577 purchaser and developer or a claim by the purchaser to the
1578 escrow.

1579 (c) *Compliance with conditions.*--

1580 1. Timeshare licenses.--If the timeshare plan is one in
1581 which timeshare licenses are to be sold and no cancellation or
1582 default has occurred, the escrow agent may release the escrowed
1583 funds or other property to or on the order of the developer upon
1584 presentation of:

1585 a. An affidavit by the developer that all of the following
1586 conditions have been met:

1587 (I) Expiration of the cancellation period.

1588 (II) Completion of construction.

1589 (III) Closing.

1590 (IV) Either:

1591 (A) Execution, delivery, and recordation by each
1592 interestholder of the nondisturbance and notice to creditors
1593 instrument, as described in this section; or, ~~alternatively,~~

1594 (B) Transfer by the developer of legal title to the
1595 subject accommodations and facilities, or all use rights
1596 therein, into ~~to~~ a trust satisfying the requirements of
1597 subparagraph 4. ~~sub-subparagraph 3.b.~~ and the execution,
1598 delivery, and recordation by each other interestholder of the

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1599 nondisturbance and notice to creditors instrument, as described
1600 in this section.

1601 b. A certified copy of each ~~the~~ recorded nondisturbance
1602 and notice to creditors instrument ~~that complies with subsection~~
1603 ~~(3)~~.

1604 c. One of the following:

1605 (I) A copy of a memorandum of agreement, as defined in s.
1606 721.05~~(21)~~, together with satisfactory evidence that the
1607 original memorandum of agreement has been irretrievably
1608 delivered for recording to the appropriate official responsible
1609 for maintaining the public records in the county in which the
1610 subject accommodations and facilities are located. The original
1611 memorandum of agreement must be recorded within 180 days after
1612 the date on which the purchaser executed her or his purchase
1613 agreement.

1614 (II) A notice delivered for recording to the appropriate
1615 official responsible for maintaining the public records in each
1616 county in which the subject accommodations and facilities are
1617 located notifying all persons of the identity of an independent
1618 escrow agent or trustee satisfying the requirements of
1619 subparagraph 4. ~~sub-subparagraph 3.b.~~ that shall maintain
1620 separate books and records, in accordance with good accounting
1621 practices, for the timeshare plan in which timeshare licenses
1622 are to be sold. The books and records shall indicate each
1623 accommodation and facility that is subject to such a timeshare
1624 plan and each purchaser of a timeshare license in the timeshare
1625 plan.

1626 2. Timeshare estates.--If the timeshare plan is one in
1627 which timeshare estates are to be sold, ~~other than interests in~~
1628 ~~a trust pursuant to subparagraph 3.,~~ and no cancellation or
1629 default has occurred, the escrow agent may release the escrowed
1630 funds or other property to or on the order of the developer upon
1631 presentation of:

1632 a. An affidavit by the developer that all of the following
1633 conditions have been met:

1634 (I) Expiration of the cancellation period.

1635 (II) Completion of construction.

1636 (III) Closing.

1637 b. If the timeshare estate is sold by agreement for deed,
1638 a certified copy of the recorded nondisturbance and notice to
1639 creditors instrument, as described in this section.

1640 c. Evidence that each accommodation and facility:

1641 (I) Is free and clear of the claims of any
1642 interestholders, other than the claims of interestholders that,
1643 through a recorded instrument, are irrevocably made subject to
1644 the timeshare instrument and the use rights of purchasers made
1645 available through the timeshare instrument;

1646 (II) Is the subject of a recorded nondisturbance and
1647 notice to creditors instrument that complies with subsection (3)
1648 and s. 721.17; or

1649 (III) Has been transferred into a trust satisfying the
1650 requirements of subparagraph 4.

1651 d. Evidence that the timeshare estate:

1652 (I) Is free and clear of the claims of any
1653 interestholders, other than the claims of interestholders that,

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1654 through a recorded instrument, are irrevocably made subject to
 1655 the timeshare instrument and the use rights of purchasers made
 1656 available through the timeshare instrument; ~~or~~

1657 (II) Is that ~~are~~ the subject of a recorded nondisturbance
 1658 and notice to creditors instrument that complies with subsection
 1659 (3) and s. 721.17.

1660 3. Personal property timeshare interests. --If the
 1661 timeshare plan is one in which personal property timeshare
 1662 interests ~~estates~~ are to be sold as ~~interests in a trust that~~
 1663 ~~complies in all respects with the provisions of sub-subparagraph~~
 1664 ~~b.~~ and no cancellation or default has occurred, the escrow
 1665 agent may release the escrowed funds or other property to or on
 1666 the order of the developer upon presentation of:

1667 a. An affidavit by the developer that all of the following
 1668 conditions have been met:

1669 (I) Expiration of the cancellation period.

1670 (II) Completion of construction.

1671 (III) ~~Transfer of the subject accommodations and~~
 1672 ~~facilities, or all use rights therein, to the trust.~~

1673 ~~(IV) Closing.~~

1674 b. If the personal property timeshare interest is sold by
 1675 agreement for transfer, evidence that the agreement for transfer
 1676 complies fully with s. 721.06 and this section.

1677 c. Evidence that one of the following has occurred:

1678 (I) Transfer by the owner of the underlying personal
 1679 property of legal title to the subject accommodations and
 1680 facilities or all use rights therein into a trust satisfying the
 1681 requirements of subparagraph 4.; or

1682 (II) Transfer by the owner of the underlying personal
 1683 property of legal title to the subject accommodations and
 1684 facilities or all use rights therein into an owners' association
 1685 satisfying the requirements of subparagraph 5.

1686 d. Evidence of compliance with the provisions of
 1687 subparagraph 6., if required.

1688 e. If a personal property timeshare plan is created with
 1689 respect to accommodations and facilities that are located on or
 1690 in an oceangoing vessel, including a "documented vessel" or a
 1691 "foreign vessel," as defined and governed by 46 U.S.C., chapter
 1692 301:

1693 (I) In making the transfer required in sub-subparagraph
 1694 c., the developer shall use as its transfer instrument a
 1695 document that establishes and protects the continuance of the
 1696 use rights in the subject accommodations and facilities in a
 1697 manner that is enforceable by the trust or owners' association.

1698 (II) The transfer instrument shall comply fully with the
 1699 provisions of this chapter, shall be part of the timeshare
 1700 instrument, and shall contain specific provisions that:

1701 (A) Prohibit the vessel owner, the developer, any manager
 1702 or operator of the vessel, the owners' association or the
 1703 trustee, the managing entity, or any other person from incurring
 1704 any liens against the vessel except for liens that are required
 1705 for the operation and upkeep of the vessel, including liens for
 1706 fuel expenditures, repairs, crews' wages, and salvage, and
 1707 except as provided in sub-sub-subparagraphs 4.b.(III) and
 1708 5.b.(III). All expenses, fees, and taxes properly incurred in
 1709 connection with the creation, satisfaction, and discharge of any

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1710 such permitted lien, or a prorated portion thereof if less than
 1711 all of the accommodations on the vessel are subject to the
 1712 timeshare plan, shall be common expenses of the timeshare plan.

1713 (B) Grant a lien against the vessel in favor of the
 1714 owners' association or trustee to secure the full and faithful
 1715 performance of the vessel owner and developer of all of their
 1716 obligations to the purchasers.

1717 (C) Establish governing law in a jurisdiction that
 1718 recognizes and will enforce the timeshare instrument and the
 1719 laws of the jurisdiction of registry of the vessel.

1720 (D) Require that a description of the use rights of
 1721 purchasers be posted and displayed on the vessel in a manner
 1722 that will give notice of such rights to any party examining the
 1723 vessel. This notice must identify the owners' association or
 1724 trustee and include a statement disclosing the limitation on
 1725 incurring liens against the vessel described in sub-sub-sub-
 1726 subparagraph (A).

1727 (E) Include the nondisturbance and notice to creditors
 1728 instrument for the vessel owner and any other interestholders.

1729 (F) The owners' association created under subparagraph 5.
 1730 or trustee created under subparagraph 4. shall have access to
 1731 any certificates of classification in accordance with the
 1732 timeshare instrument.

1733 (III) If the vessel is a foreign vessel, the vessel must
 1734 be registered in a jurisdiction that permits a filing evidencing
 1735 the use rights of purchasers in the subject accommodations and
 1736 facilities, offers protection for such use rights against
 1737 unfiled and inferior claims, and recognizes the document or

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1738 instrument creating such use rights as a lien against the
 1739 vessel.

1740 (IV) In addition to the disclosures required by s.
 1741 721.07(5), the public offering statement and purchase contract
 1742 must contain a disclosure in conspicuous type in substantially
 1743 the following form:

1744
 1745 The laws of the State of Florida govern the offering of this
 1746 timeshare plan in this state. There are inherent risks in
 1747 purchasing a timeshare interest in this timeshare plan because
 1748 the accommodations and facilities of the timeshare plan are
 1749 located on a vessel that will sail into international waters and
 1750 into waters governed by many different jurisdictions. Therefore,
 1751 the laws of the State of Florida cannot fully protect your
 1752 purchase of an interest in this timeshare plan. Specifically,
 1753 management and operational issues may need to be addressed in
 1754 the jurisdiction in which the vessel is registered, which is
 1755 _____ (insert jurisdiction in which vessel is registered).
 1756 Concerns of purchasers may be sent to _____ (insert name
 1757 of applicable regulatory agency and address).

1758 4. Trust.--

1759 a. If the subject accommodations or facilities, or all use
 1760 rights therein, are to be transferred into a trust in order to
 1761 comply with this paragraph, such transfer shall take place
 1762 pursuant to this subparagraph.

1763 b. Prior to the transfer by each interestholder of the
 1764 subject accommodations and facilities, or all use rights
 1765 therein, to a trust, any lien or other encumbrance against such

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1766 accommodations and facilities, or use rights therein, shall be
 1767 made subject to a nondisturbance and notice to creditors
 1768 instrument pursuant to subsection (3) ~~as described in this~~
 1769 ~~section~~. No transfer pursuant to this subparagraph ~~sub-~~
 1770 ~~subparagraph~~ shall become effective until the trustee accepts
 1771 such transfer and the responsibilities set forth herein. A trust
 1772 established pursuant to this subparagraph ~~sub-subparagraph~~ shall
 1773 comply with the following provisions:

1774 (I) The trustee shall be an individual or a business
 1775 entity authorized and qualified to conduct trust business in
 1776 this state. Any corporation authorized to do business in this
 1777 state may act as trustee in connection with a timeshare plan
 1778 pursuant to this chapter. The trustee must be independent from
 1779 any developer or managing entity of the timeshare plan or any
 1780 interestholder of any accommodation or facility of such plan.

1781 (II) The trust shall be irrevocable so long as any
 1782 purchaser has a right to occupy any portion of the timeshare
 1783 property pursuant to the timeshare plan.

1784 (III) The trustee shall not convey, hypothecate, mortgage,
 1785 assign, lease, or otherwise transfer or encumber in any fashion
 1786 any interest in or portion of the timeshare property with
 1787 respect to which any purchaser has a right of use or occupancy
 1788 unless the timeshare plan is terminated pursuant to the
 1789 timeshare instrument, or such conveyance, hypothecation,
 1790 mortgage, assignment, lease, transfer, or encumbrance is
 1791 approved by a vote of two-thirds of all voting interests of the
 1792 timeshare plan and such decision is declared by a court of
 1793 competent jurisdiction to be in the best interests of the

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1794 purchasers of the timeshare plan. The trustee shall notify the
 1795 division in writing within 10 days after ~~of~~ receiving notice of
 1796 the filing of any petition relating to obtaining such a court
 1797 order. The division shall have standing to advise the court of
 1798 the division's interpretation of the statute as it relates to
 1799 the petition.

1800 (IV) All purchasers of the timeshare plan or the owners'
 1801 association of the timeshare plan shall be the express
 1802 beneficiaries of the trust. The trustee shall act as a fiduciary
 1803 to the beneficiaries of the trust. The personal liability of the
 1804 trustee shall be governed by s. 737.306. The agreement
 1805 establishing the trust shall set forth the duties of the
 1806 trustee. The trustee shall be required to furnish promptly to
 1807 the division upon request a copy of the complete list of the
 1808 names and addresses of the owners in the timeshare plan and a
 1809 copy of any other books and records of the timeshare plan
 1810 required to be maintained pursuant to s. 721.13 that are in the
 1811 possession, custody, or control of the trustee. All expenses
 1812 reasonably incurred by the trustee in the performance of its
 1813 duties, together with any reasonable compensation of the
 1814 trustee, shall be common expenses of the timeshare plan.

1815 (V) The trustee shall not resign upon less than 90 days'
 1816 prior written notice to the managing entity and the division. No
 1817 resignation shall become effective until a substitute trustee,
 1818 approved by the division, is appointed by the managing entity
 1819 and accepts the appointment.

1820 (VI) The documents establishing the trust arrangement
 1821 shall constitute a part of the timeshare instrument.

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1822 (VII) For trusts holding property in a timeshare plan
 1823 located outside this state, the trust and trustee holding such
 1824 property shall be deemed in compliance with the requirements of
 1825 this subparagraph if such trust and trustee are ~~is~~ authorized
 1826 and qualified to conduct trust business under the laws of such
 1827 jurisdiction and the agreement or law governing such trust
 1828 arrangement provides substantially similar protections for the
 1829 purchaser as are required in this subparagraph for trusts
 1830 holding property in a timeshare plan in this state.

1831 (VIII) The trustee shall have appointed a registered agent
 1832 in this state for service of process. In the event such a
 1833 registered agent is not appointed, service of process may be
 1834 served pursuant to s. 721.265.

1835 5. Owners' association.--

1836 a. If the subject accommodations or facilities, or all use
 1837 rights therein, are to be transferred into an owners'
 1838 association in order to comply with this paragraph, such
 1839 transfer shall take place pursuant to this subparagraph.

1840 b. Prior to the transfer by each interestholder of the
 1841 subject accommodations and facilities, or all use rights
 1842 therein, to an owners' association, any lien or other
 1843 encumbrance against such accommodations and facilities, or use
 1844 rights therein, shall be made subject to a nondisturbance and
 1845 notice to creditors instrument pursuant to subsection (3). No
 1846 transfer pursuant to this subparagraph shall become effective
 1847 until the owners' association accepts such transfer and the
 1848 responsibilities set forth herein. An owners' association

1849 established pursuant to this subparagraph shall comply with the
 1850 following provisions:

1851 (I) The owners' association shall be a business entity
 1852 authorized and qualified to conduct business in this state.
 1853 Control of the board of directors of the owners' association
 1854 must be independent from any developer or managing entity of the
 1855 timeshare plan or any interestholder.

1856 (II) The bylaws of the owners' association shall provide
 1857 that the corporation may not be voluntarily dissolved without
 1858 the unanimous vote of all owners of personal property timeshare
 1859 interests so long as any purchaser has a right to occupy any
 1860 portion of the timeshare property pursuant to the timeshare
 1861 plan.

1862 (III) The owners' association shall not convey,
 1863 hypothecate, mortgage, assign, lease, or otherwise transfer or
 1864 encumber in any fashion any interest in or portion of the
 1865 timeshare property with respect to which any purchaser has a
 1866 right of use or occupancy, unless the timeshare plan is
 1867 terminated pursuant to the timeshare instrument, or unless such
 1868 conveyance, hypothecation, mortgage, assignment, lease,
 1869 transfer, or encumbrance is approved by a vote of two-thirds of
 1870 all voting interests of the association and such decision is
 1871 declared by a court of competent jurisdiction to be in the best
 1872 interests of the purchasers of the timeshare plan. The owners'
 1873 association shall notify the division in writing within 10 days
 1874 after receiving notice of the filing of any petition relating to
 1875 obtaining such a court order. The division shall have standing

1876 | to advise the court of the division's interpretation of the
 1877 | statute as it relates to the petition.

1878 | (IV) All purchasers of the timeshare plan shall be members
 1879 | of the owners' association and shall be entitled to vote on
 1880 | matters requiring a vote of the owners' association as provided
 1881 | in this chapter or the timeshare instrument. The owners'
 1882 | association shall act as a fiduciary to the purchasers of the
 1883 | timeshare plan. The articles of incorporation establishing the
 1884 | owners' association shall set forth the duties of the owners'
 1885 | association. All expenses reasonably incurred by the owners'
 1886 | association in the performance of its duties, together with any
 1887 | reasonable compensation of the officers or directors of the
 1888 | owners' association, shall be common expenses of the timeshare
 1889 | plan.

1890 | (V) The documents establishing the owners' association
 1891 | shall constitute a part of the timeshare instrument.

1892 | (VI) For owners' associations holding property in a
 1893 | timeshare plan located outside this state, the owners'
 1894 | association holding such property shall be deemed in compliance
 1895 | with the requirements of this subparagraph if such owners'
 1896 | association is authorized and qualified to conduct owners'
 1897 | association business under the laws of such jurisdiction and the
 1898 | agreement or law governing such arrangement provides
 1899 | substantially similar protections for the purchaser as are
 1900 | required in this subparagraph for owners' associations holding
 1901 | property in a timeshare plan in this state.

1902 | (VII) The owners' association shall have appointed a
 1903 | registered agent in this state for service of process. In the

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1904 event such a registered agent cannot be located, service of
 1905 process may be made pursuant to s. 721.265.

1906 6. Personal property subject to certificate of title.--If
 1907 any personal property that is an accommodation or facility of a
 1908 timeshare plan is subject to a certificate of title in this
 1909 state pursuant to chapter 319 or chapter 328, the following
 1910 notation must be made on such certificate of title pursuant to
 1911 s. 319.27(1) or s. 328.15(1):

1912
 1913 The further transfer or encumbrance of the property subject to
 1914 this certificate of title, or any lien or encumbrance thereon,
 1915 is subject to the requirements of section 721.17, Florida
 1916 Statutes, and the transferee or lienor agrees to be bound by all
 1917 of the obligations set forth therein.

1918
 1919 7.4. If the developer has previously provided a certified
 1920 copy of any document required by this paragraph, she or he may
 1921 for all subsequent disbursements substitute a true and correct
 1922 copy of the certified copy, provided no changes to the document
 1923 have been made or are required to be made.

1924 8. In the event that use rights relating to an
 1925 accommodation or facility are transferred into a trust pursuant
 1926 to subparagraph 4. or into an owners' association pursuant to
 1927 subparagraph 5., all other interestholders, including the owner
 1928 of the underlying fee or underlying personal property, must
 1929 execute a nondisturbance and notice to creditors instrument
 1930 pursuant to subsection (3).

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1931 (d) Substitution of other assurances for escrowed funds or
 1932 other property.--Funds or other property escrowed as provided in
 1933 this section may be released from escrow to or on the order of
 1934 the developer upon acceptance by the director of the division of
 1935 other assurances pursuant to subsection (5) as a substitute for
 1936 such escrowed funds or other property. The amount of escrowed
 1937 funds or other property that may be released pursuant to this
 1938 paragraph shall be equal to or less than the face amount of the
 1939 assurances accepted by the director from time to time.

1940 (3) NONDISTURBANCE AND NOTICE TO CREDITORS
 1941 INSTRUMENT.--The nondisturbance and notice to creditors
 1942 instrument, when required, shall be executed by each
 1943 interestholder.

1944 (a) The instrument shall state that:

1945 1.(a) If the party seeking enforcement is not in default
 1946 of its obligations, the instrument may be enforced by both the
 1947 seller and any purchaser of the timeshare plan;

1948 2.(b) The instrument shall be effective as between the
 1949 timeshare purchaser and interestholder despite any rejection or
 1950 cancellation of the contract between the timeshare purchaser and
 1951 developer as a result of bankruptcy proceedings of the
 1952 developer; and

1953 3.(e) So long as a purchaser remains in good standing with
 1954 respect to her or his obligations under the timeshare
 1955 instrument, including making all payments to the managing entity
 1956 required by the timeshare instrument with respect to the annual
 1957 common expenses of the timeshare ~~the interestholder has any~~
 1958 ~~interest in the accommodations, facilities, or plan, then the~~

1959 | interestholder will ~~fully~~ honor all ~~the~~ rights of such purchaser
 1960 | relating to the subject accommodation or facility as reflected
 1961 | ~~timeshare purchasers in and to the timeshare instrument plan,~~
 1962 | ~~will honor the purchasers' right to cancel their contracts and~~
 1963 | ~~receive appropriate refunds, and will comply with all other~~
 1964 | ~~requirements of this chapter and rules promulgated hereunder.~~

1965 |
 1966 | The instrument shall contain language sufficient to provide
 1967 | subsequent creditors of the developer and interestholders with
 1968 | notice of the existence of the timeshare plan and of the rights
 1969 | of purchasers and shall serve to protect the interest of the
 1970 | timeshare purchasers from any claims of subsequent creditors.

1971 | (b) Real property timeshare plans.--For real property
 1972 | timeshare plans, the instrument shall be recorded in the public
 1973 | records of the county in which the subject accommodations or
 1974 | facilities are located.

1975 | (c) Personal property timeshare plans.--For personal
 1976 | property timeshare plans, the instrument shall be included
 1977 | within or attached as an exhibit to a security agreement or
 1978 | other agreement executed by the interestholder. Constructive
 1979 | notice of such security agreement or other agreement shall be
 1980 | filed in the manner prescribed by chapter 679 or other
 1981 | applicable law.

1982 | (d) A copy of the recorded or filed nondisturbance and
 1983 | notice to creditors instrument, when required, shall be provided
 1984 | to each timeshare purchaser at the time the purchase contract is
 1985 | executed.

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1986 (4) In lieu of any escrow provisions required by this act,
1987 the director of the division shall have the discretion to permit
1988 deposit of the funds or other property in an escrow account as
1989 required by the jurisdiction in which the sale took place.

1990 (5)(a) In lieu of any escrows required by this section,
1991 the director of the division shall have the discretion to accept
1992 other assurances, including, but not limited to, a surety bond
1993 issued by a company authorized and licensed to do business in
1994 this state as surety or an irrevocable letter of credit in an
1995 amount equal to the escrow requirements of this section.

1996 (b) Notwithstanding anything in chapter 718 or chapter 719
1997 to the contrary, the director of the division shall have the
1998 discretion to accept other assurances pursuant to paragraph (a)
1999 in lieu of any requirement that completion of construction of
2000 one or more accommodations or facilities of a timeshare plan be
2001 accomplished prior to closing.

2002 (c) In lieu of a nondisturbance and notice to creditors
2003 instrument, when such an instrument is otherwise required by
2004 this section, the director of the division shall have the
2005 discretion to accept alternate means of protecting the
2006 continuing rights of purchasers in and to the subject
2007 accommodations or facilities of the timeshare plan as and for
2008 the term described in the timeshare instrument, and of providing
2009 effective constructive notice of such continuing purchaser
2010 rights to subsequent owners of the accommodations or facilities
2011 and to subsequent creditors of the affected interestholder.

2012 (d) In lieu of the requirements in s.
2013 721.08(2)(c)3.e.(III), the director of the division shall have

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2014 | the discretion to accept alternate means of protecting the use
 2015 | rights of purchasers in the subject accommodations and
 2016 | facilities of the timeshare plan against unfiled and inferior
 2017 | claims.

2018 | (6) An escrow agent holding funds escrowed pursuant to
 2019 | this section may invest such escrowed funds in securities of the
 2020 | United States Government, or any agency thereof, or in savings
 2021 | or time deposits in institutions insured by an agency of the
 2022 | United States Government. The right to receive the interest
 2023 | generated by any such investments shall be paid to the party to
 2024 | whom the escrowed funds or other property are paid unless
 2025 | otherwise specified by contract.

2026 | (7) Each escrow agent shall maintain separate books and
 2027 | records for each timeshare plan and shall maintain such books
 2028 | and records in accordance with good accounting practices.

2029 | (8) An escrow agent holding escrowed funds pursuant to
 2030 | this chapter that have not been claimed for a period of 5 years
 2031 | after the date of deposit shall make at least one reasonable
 2032 | attempt to deliver such unclaimed funds to the purchaser who
 2033 | submitted such funds to escrow. In making such attempt, an
 2034 | escrow agent is entitled to rely on a purchaser's last known
 2035 | address as set forth in the books and records of the escrow
 2036 | agent and is not required to conduct any further search for the
 2037 | purchaser. If an escrow agent's attempt to deliver unclaimed
 2038 | funds to any purchaser is unsuccessful, the escrow agent may
 2039 | deliver such unclaimed funds to the division and the division
 2040 | shall deposit such unclaimed funds in the Division of Florida
 2041 | Land Sales, Condominiums, and Mobile Homes Trust Fund, 30 days

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2042 after giving notice in a publication of general circulation in
 2043 the county in which the timeshare property containing the
 2044 purchaser's timeshare interest is located. The purchaser may
 2045 claim the same at any time prior to the delivery of such funds
 2046 to the division. After delivery of such funds to the division,
 2047 the purchaser shall have no more rights to the unclaimed funds.
 2048 The escrow agent shall not be liable for any claims from any
 2049 party arising out of the escrow agent's delivery of the
 2050 unclaimed funds to the division pursuant to this section.

2051 (9) For each transfer of the legal title to a timeshare
 2052 estate by a developer, the developer shall deliver an instrument
 2053 evidencing such transfer to the purchaser or to a title
 2054 insurance agent or the clerk of the court for recording. For
 2055 each transfer of the legal title to a personal property
 2056 timeshare interest by a developer, the developer shall deliver
 2057 an instrument evidencing such transfer to the purchaser subject
 2058 to the provisions of this section.

2059 (10)(a) Any developer, seller, or escrow agent who
 2060 intentionally fails to comply with the provisions of this
 2061 section concerning the establishment of an escrow account,
 2062 deposits of funds into escrow, and withdrawal therefrom is
 2063 guilty of a felony of the third degree, punishable as provided
 2064 in s. 775.082, s. 775.083, or s. 775.084, or the successor
 2065 thereof. The failure to establish an escrow account or to place
 2066 funds therein as required in this section is prima facie
 2067 evidence of an intentional and purposeful violation of this
 2068 section.

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2069 (b) Any developer, interestholder, trustee, or officer or
 2070 director of an owners' association who intentionally fails to
 2071 comply with the provisions of this section concerning the
 2072 establishment of a trust or owners' association, conveyances of
 2073 property into the trust or owners' association, and conveyances
 2074 or encumbrances of trust or owners' association property is
 2075 guilty of a felony of the third degree, punishable as provided
 2076 in s. 775.082, s. 775.083, or s. 775.084, or the successor
 2077 thereof. The failure to establish a trust or owners'
 2078 association, or to transfer property into the trust or owners'
 2079 association, or the failure of a trustee or officer or director
 2080 of an owners' association to comply with the trust agreement,
 2081 articles of incorporation, or bylaws with respect to conveyances
 2082 or encumbrances of trust or owners' association property, as
 2083 required by this section, is prima facie evidence of an
 2084 intentional and purposeful violation of this section.

2085 Section 9. Paragraphs (a) and (d) of subsection (1),
 2086 paragraph (c) of subsection (2), and paragraph (c) of subsection
 2087 (3) of section 721.09, Florida Statutes, are amended to read:

2088 721.09 Reservation agreements; escrows.--

2089 (1)(a) Prior to filing the filed ~~registered~~ public
 2090 offering statement with the division, a seller shall not offer a
 2091 timeshare plan for sale but may accept reservation deposits and
 2092 advertise the reservation deposit program upon approval by the
 2093 division of a fully executed escrow agreement and reservation
 2094 agreement properly filed with the division.

2095 (d) A seller who has filed a reservation agreement and an
 2096 escrow agreement under this section may advertise the

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2097 reservation agreement program if the advertising material meets
2098 the following requirements:

2099 1. The seller complies with the provisions of s. 721.11
2100 with respect to such advertising material.

2101 2. The advertising material is limited to a general
2102 description of the proposed timeshare plan, including, but not
2103 limited to, a general description of the type, number, and size
2104 of accommodations and facilities and the name of the proposed
2105 timeshare plan.

2106 3. The advertising material contains a statement that the
2107 advertising material is being distributed in connection with an
2108 approved reservation agreement filing only and that the seller
2109 cannot offer an interest in the timeshare plan for sale until a
2110 filed ~~registered~~ public offering statement has been filed with
2111 the division under this chapter.

2112 (2) Each executed reservation agreement shall be signed by
2113 the developer and shall contain the following:

2114 (c) A statement of the obligation of the developer to file
2115 a filed ~~registered~~ public offering statement with the division
2116 prior to entering into binding contracts.

2117 (3)

2118 (c) The escrow agent may invest the escrowed funds in
2119 securities of the United States Government, or any agency
2120 thereof, or in savings or time deposits in institutions insured
2121 by an agency of the United States Government. The interest
2122 generated by any such investments shall be payable to the party
2123 entitled to receive the escrowed funds or other property.

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2124 Section 10. Paragraph (a) of subsection (1), paragraphs
2125 (b) and (e) of subsection (6), and subsections (7), (8), and (9)
2126 of section 721.11, Florida Statutes, are amended to read:

2127 721.11 Advertising materials; oral statements.--

2128 (1)(a) A developer may file ~~All~~ advertising material ~~must~~
2129 ~~be filed~~ with the division for review ~~by the developer prior to~~
2130 ~~use. At the request of the developer,~~ The division shall review
2131 any the advertising material filed for review by the developer
2132 and notify the developer of any deficiencies within 10 days
2133 after the filing. If the developer corrects the deficiencies or
2134 if there are no deficiencies, the division shall notify the
2135 developer of its approval of the advertising materials.
2136 Notwithstanding anything to the contrary contained in this
2137 subsection, so long as the developer uses advertising materials
2138 approved by the division, following the developer's request for
2139 a review, the developer shall not be liable for any violation of
2140 this section or s. 721.111 with respect to such advertising
2141 materials.

2142 (6) Failure to provide cancellation rights or disclosures
2143 as required by this subsection in connection with the sale of a
2144 regulated short-term product constitutes misrepresentation in
2145 accordance with paragraph (4)(a). Any agreement relating to the
2146 sale of a regulated short-term product must be regulated as
2147 advertising material and is subject to the following:

2148 (b) A purchaser of a regulated short-term product has the
2149 right to cancel the agreement until midnight of the 10th calendar
2150 day following the execution date of the agreement. The right of
2151 cancellation may not be waived by the prospective purchaser or

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2152 | by any other person on behalf of the prospective purchaser.
 2153 | Notice of cancellation must be given in the same manner
 2154 | prescribed for giving notice of cancellation under s. 721.10(2).
 2155 | If the prospective purchaser gives a valid notice of
 2156 | cancellation or is otherwise entitled to cancel the sale, the
 2157 | funds or other property received from or on behalf of the
 2158 | prospective purchaser, or the proceeds thereof, must be returned
 2159 | to the prospective purchaser. Such refund must be made in the
 2160 | same manner prescribed for refunds under s. 721.10.

2161 | (e) If the seller provides the purchaser with the right to
 2162 | cancel the purchase of a regulated short-term product at any
 2163 | time up to 7 days prior to the purchaser's reserved use of the
 2164 | accommodations, but in no event less than 10 days, and if the
 2165 | seller refunds the total amount of all payments made by the
 2166 | purchaser reduced by the proportion of any benefits the
 2167 | purchaser has actually received prior to the effective date of
 2168 | the cancellation, the specific value of which has been agreed to
 2169 | between the purchaser and the seller, the short-term product
 2170 | offer shall be exempt from the requirements of paragraphs (b),
 2171 | (c), and (d). An agreement relating to the sale of the regulated
 2172 | short-term product made pursuant to this paragraph must contain
 2173 | a statement setting forth the cancellation and refund rights of
 2174 | the prospective purchaser in a manner that is consistent with
 2175 | this section and s. 721.10, including a description of the
 2176 | length of the cancellation right, a statement that the
 2177 | purchaser's intent to cancel must be in writing and sent to the
 2178 | seller at a specified address, a statement that the notice of
 2179 | cancellation is effective upon the date sent, and a statement

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2180 that any attempt to waive the cancellation right is unlawful.
 2181 The right of cancellation provided to the purchaser pursuant to
 2182 this paragraph may not be waived by the prospective purchaser or
 2183 by any other person on behalf of the prospective purchaser.
 2184 Notice of cancellation must be given in the same manner
 2185 prescribed for giving notice of cancellation pursuant to s.
 2186 721.10(2). If the prospective purchaser gives a valid notice of
 2187 cancellation, or is otherwise entitled to cancel the sale, the
 2188 funds or other property received from or on behalf of the
 2189 prospective purchaser, or the proceeds thereof, shall be
 2190 returned to the prospective purchaser. Such refund shall be made
 2191 in the manner prescribed for refunds under s. 721.10.

2192 (7) Notwithstanding the provisions of s. 721.05(7)(~~6~~)(b),
 2193 a seller may portray possible accommodations or facilities to
 2194 prospective purchasers in advertising material, or a purchaser
 2195 public offering statement, without such accommodations or
 2196 facilities being available for use by purchasers so long as the
 2197 advertising material or purchaser public offering statement
 2198 complies with the provisions of subsection (4).

2199 (8) Notwithstanding the provisions of s. 721.05(7)(~~6~~)(b),
 2200 a developer may portray possible accommodations or facilities to
 2201 prospective purchasers by disseminating oral or written
 2202 statements regarding same to broadcast or print media with no
 2203 obligation on the developer's part to actually construct such
 2204 accommodations or facilities or to file such accommodations or
 2205 facilities with the division, but only so long as such oral or
 2206 written statements are not considered advertising material
 2207 pursuant to paragraph (3)(e).

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2208 (9) Notwithstanding the provisions of s. 721.05~~(7)~~(6)(b),
2209 a seller of a multisite timeshare plan may portray a possible
2210 component site to prospective purchasers with no accommodations
2211 or facilities located at such component site being available for
2212 use by purchasers so long as the seller satisfies the following
2213 requirements:

2214 (a) A developer of a multisite timeshare plan may
2215 disseminate oral or written statements to broadcast or print
2216 media describing a possible component site with no obligation on
2217 the developer's part to actually add such component site to the
2218 multisite timeshare plan or to amend the developer's filing with
2219 the division, but only so long as such oral or written
2220 statements are not considered advertising material pursuant to
2221 paragraph (3)(e).

2222 (b) A seller may make representations to purchasers in
2223 advertising material or in a purchaser public offering statement
2224 regarding the possible accommodations and facilities of a
2225 possible component site without such accommodations or
2226 facilities being available for use by purchasers so long as the
2227 advertising material or purchaser public offering statement
2228 complies with the provisions of subsection (4).

2229 (c) In the event a seller makes any of the representations
2230 permitted by paragraph (b), the purchase agreement must contain
2231 the following conspicuous disclosure unless and until such time
2232 as the developer has committed itself in the timeshare
2233 instrument to adding the possible component site to the
2234 multisite timeshare plan, at which time the seller may portray

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2235 the component site pursuant to the timeshare instrument without
2236 restriction:

2237
2238 *[Description of possible component site] is only a possible*
2239 *component site which may never be added to the multisite*
2240 *timeshare plan (or multisite vacation ownership plan or*
2241 *multisite vacation plan or vacation club). Do not purchase an*
2242 *interest in the multisite timeshare plan (or multisite vacation*
2243 *ownership plan or multisite vacation plan or vacation club) in*
2244 *reliance upon the addition of this component site.*

2245 (d) Notwithstanding anything contained in this chapter to
2246 the contrary, a developer or managing entity may communicate
2247 with existing purchasers regarding possible component sites
2248 without restriction, so long as all oral and written statements
2249 made to existing purchasers pursuant to this subsection comply
2250 with the provisions of subsection (4).

2251 (e) Any violation of this subsection by a developer,
2252 seller, or managing entity shall constitute a violation of this
2253 chapter. Any violation of this subsection with respect to a
2254 purchaser whose purchase has not yet closed shall be deemed to
2255 provide that purchaser with a new 10-day voidability period.

2256 Section 11. Subsection (1) of section 721.12, Florida
2257 Statutes, is amended to read:

2258 721.12 Recordkeeping by seller.--Each seller of a
2259 timeshare plan shall maintain among its business records the
2260 following:

2261 (1) A copy of each contract for the sale of a timeshare
2262 interest, which contract has not been canceled. If a timeshare

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2263 | estate is being sold, the seller is required to retain a copy of
 2264 | the contract only until a deed of conveyance, agreement for
 2265 | deed, or lease is recorded in the office of the clerk of the
 2266 | circuit court in the county wherein the plan is located. If a
 2267 | personal property timeshare plan is being sold, the seller is
 2268 | required to retain a copy of the contract only until a
 2269 | certificate of transfer, agreement for transfer, lease, or other
 2270 | instrument of transfer that fully complies with s. 721.08 is
 2271 | delivered to the purchaser.

2272 | Section 12. Paragraphs (a) and (b) of subsection (1),
 2273 | paragraph (b) of subsection (2), paragraphs (c), (d), and (e) of
 2274 | subsection (3), paragraph (g) of subsection (6), and subsections
 2275 | (4) and (8) of section 721.13, Florida Statutes, are amended,
 2276 | subsection (9) is renumbered as subsection (10), and new
 2277 | subsections (9) and (11) are added to said section, to read:

2278 | 721.13 Management.--

2279 | (1)(a) For each timeshare plan, the developer shall
 2280 | provide for a managing entity, which shall be either the
 2281 | developer, a separate manager or management firm, or an owners'
 2282 | association. Any owners' association shall be created prior to
 2283 | the first closing ~~recording~~ of the sale of a timeshare interest
 2284 | ~~instrument~~.

2285 | (b)1. With respect to a timeshare plan which is also
 2286 | regulated under chapter 718 or chapter 719, or which contains a
 2287 | mandatory owners' association, the board of administration of
 2288 | the owners' association shall be considered the managing entity
 2289 | of the timeshare plan.

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2290 2. During any period of time in which such owners'
 2291 association has entered into a contract with a manager or
 2292 management firm to provide some or all of the management
 2293 services to the timeshare plan, both the board of administration
 2294 and the manager or management firm shall be considered the
 2295 managing entity of the timeshare plan and shall be jointly and
 2296 severally responsible for the faithful discharge of the duties
 2297 of the managing entity.

2298 3. An owners' association which is the managing entity of
 2299 a timeshare plan that includes condominium units or cooperative
 2300 units shall not be considered a condominium association pursuant
 2301 to the provisions of chapter 718 or a cooperative association
 2302 pursuant to the provisions of chapter 719, unless such owners'
 2303 association also operates the entire condominium pursuant to s.
 2304 718.111 or the entire cooperative pursuant to s. 719.104.

2305 (2)

2306 (b) The managing entity shall invest the operating and
 2307 reserve funds of the timeshare plan in accordance with s.
 2308 518.11(1); however, the managing entity shall give safety of
 2309 capital greater weight than production of income. In no event
 2310 shall the managing entity invest timeshare plan funds with a
 2311 developer or with any entity that is not independent of any
 2312 developer or any managing entity within the meaning of s.
 2313 721.05(20)~~(18)~~, and in no event shall the managing entity invest
 2314 timeshare plan funds in notes and mortgages related in any way
 2315 to the timeshare plan.

2316 (3) The duties of the managing entity include, but are not
 2317 limited to:

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2318 (c)1. Providing each year to all purchasers an itemized
 2319 annual budget which shall include all estimated revenues and
 2320 expenses. The budget shall be in the form required by s.
 2321 721.07(5)(u). The budget ~~and~~ shall be the final budget adopted
 2322 by the managing entity for the current fiscal year. The final
 2323 adopted budget is not required to be delivered if the managing
 2324 entity has previously delivered a proposed annual budget for the
 2325 current fiscal year to purchasers in accordance with chapter 718
 2326 or chapter 719 and the managing entity includes a description of
 2327 any changes in the adopted budget with the assessment notice and
 2328 a disclosure regarding the purchasers' right to receive a copy
 2329 of the adopted budget, if desired. The budget shall contain, as
 2330 a footnote or otherwise, any related party transaction
 2331 disclosures or notes which appear in the audited financial
 2332 statements of the managing entity for the previous budget year
 2333 as required by paragraph (e). A copy of the final budget shall
 2334 be filed with the division for review within 30 days after the
 2335 beginning of each fiscal year together with a statement of the
 2336 number of periods of 7-day annual use availability that exist
 2337 within the timeshare plan, including those periods filed for
 2338 sale by the developer but not yet committed to the timeshare
 2339 plan, for which annual fees are required to be paid to the
 2340 division under s. 721.27.

2341 2. Notwithstanding anything contained in chapter 718 or
 2342 chapter 719 to the contrary, the board of administration of an
 2343 owners' association which serves as the managing entity may from
 2344 time to time reallocate reserves for deferred maintenance and
 2345 capital expenditures required by s. 721.07(5)(u)3.a.(XI) from

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2346 any deferred maintenance or capital expenditure reserve account
 2347 to any other deferred maintenance or capital expenditure reserve
 2348 account or accounts in its discretion without the consent of
 2349 purchasers of the timeshare plan. Funds in any deferred
 2350 maintenance or capital expenditure reserve account may not be
 2351 transferred to any operating account without the consent of a
 2352 majority of the purchasers of the timeshare plan. The managing
 2353 entity may from time to time transfer excess funds in any
 2354 operating account to any deferred maintenance or capital
 2355 expenditure reserve account without the vote or approval of
 2356 purchasers of the timeshare plan. In the event any amount of
 2357 reserves for accommodations and facilities of a timeshare plan
 2358 containing timeshare licenses or personal property timeshare
 2359 interests exists at the end of the term of the timeshare plan,
 2360 such reserves shall be refunded to purchasers on a pro rata
 2361 basis.

2362 (d)1. Maintenance of all books and records concerning the
 2363 timeshare plan so that all such books and records are reasonably
 2364 available for inspection by any purchaser or the authorized
 2365 agent of such purchaser. For purposes of this subparagraph, the
 2366 books and records of the timeshare plan shall be considered
 2367 "reasonably available" if copies of the requested portions are
 2368 delivered to the purchaser or the purchaser's agent within 7
 2369 days after ~~of~~ the date the managing entity receives a written
 2370 request for the records signed by the purchaser. The managing
 2371 entity may charge the purchaser a reasonable fee for copying the
 2372 requested information not to exceed 25 cents per page. However,
 2373 any purchaser or agent of such purchaser shall be permitted to

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2374 personally inspect and examine the books and records wherever
 2375 located at any reasonable time, under reasonable conditions, and
 2376 under the supervision of the custodian of those records. The
 2377 custodian shall supply copies of the records where requested and
 2378 upon payment of the copying fee. No fees other than those set
 2379 forth in this section may be charged for the providing of,
 2380 inspection, or examination of books and records. All books and
 2381 financial records of the timeshare plan must be maintained in
 2382 accordance with generally accepted accounting practices.

2383 2. If the books and records of the timeshare plan are not
 2384 maintained on the premises of the accommodations and facilities
 2385 of the timeshare plan, the managing entity shall inform the
 2386 division in writing of the location of the books and records and
 2387 the name and address of the person who acts as custodian of the
 2388 books and records at that location. In the event that the
 2389 location of the books and records changes, the managing entity
 2390 shall notify the division of the change in location and the name
 2391 and address of the new custodian within 30 days after ~~of~~ the
 2392 date the books and records are moved. The purchasers shall be
 2393 notified of the location of the books and records and the name
 2394 and address of the custodian in the copy of the annual budget
 2395 provided to them pursuant to paragraph (c).

2396 3. The division is authorized to adopt rules which specify
 2397 those items and matters that shall be included in the books and
 2398 records of the timeshare plan and which specify procedures to be
 2399 followed in requesting and delivering copies of the books and
 2400 records.

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2401 4. Notwithstanding any provision of chapter 718 or chapter
2402 719 to the contrary, the managing entity may not furnish the
2403 name, address, or electronic mail address of any purchaser to
2404 any other purchaser or authorized agent thereof unless the
2405 purchaser whose name, ~~and~~ address, or electronic mail address is
2406 ~~are~~ requested first approves the disclosure in writing.

2407 (e) Arranging for an annual audit of the financial
2408 statements of the timeshare plan by a certified public
2409 accountant licensed by the Board of Accountancy of the
2410 Department of Business and Professional Regulation, in
2411 accordance with generally accepted auditing standards as defined
2412 by the rules of the Board of Accountancy of the Department of
2413 Business and Professional Regulation. The financial statements
2414 required by this section must be prepared on an accrual basis
2415 using fund accounting, and must be presented in accordance with
2416 generally accepted accounting principles. A copy of the audited
2417 financial statements must be filed with the division for review
2418 and forwarded to the board of directors and officers of the
2419 owners' association, if one exists, no later than 5 calendar
2420 months after the end of the timeshare plan's fiscal year. If no
2421 owners' association exists, each purchaser must be notified, no
2422 later than 5 months after the end of the timeshare plan's fiscal
2423 year, that a copy of the audited financial statements is
2424 available upon request to the managing entity. Notwithstanding
2425 any requirement of s. 718.111(13) or s. 719.104(4), the audited
2426 financial statements required by this section are the only
2427 annual financial reporting requirements for timeshare
2428 condominiums or timeshare cooperatives.

2429 (4) The managing entity shall maintain among its records
 2430 and provide to the division upon request a complete list of the
 2431 names and addresses of all purchasers and owners of timeshare
 2432 units in the timeshare plan. The managing entity shall update
 2433 this list no less frequently than quarterly. Pursuant to
 2434 paragraph (3)(d), the managing entity may not publish this
 2435 owner's list or provide a copy of it to any purchaser or to any
 2436 third party other than the division. However, the managing
 2437 entity shall to those persons listed on the owner's list
 2438 materials provided by any purchaser, upon the written request of
 2439 that purchaser, if the purpose of the mailing is to advance
 2440 legitimate owners' association business, such as a proxy
 2441 solicitation for any purpose, including the recall of one or
 2442 more board members elected by the owners or the discharge of the
 2443 manager or management firm. The use of any proxies solicited in
 2444 this manner must comply with the provisions of the timeshare
 2445 instrument and this chapter. A mailing requested for the purpose
 2446 of advancing legitimate owners' association business shall occur
 2447 within 30 days after receipt of a request from a purchaser. The
 2448 board of administration of the owners' association shall be
 2449 responsible for determining the appropriateness of any mailing
 2450 requested pursuant to this subsection. The purchaser who
 2451 requests the mailing must reimburse the owners' association in
 2452 advance for the owners' association's actual costs in performing
 2453 the mailing. It shall be a violation of this chapter and, if
 2454 applicable, of part VIII of chapter 468, for the board of
 2455 administration or the manager or management firm to refuse to
 2456 mail any material requested by the purchaser to be mailed,

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2457 provided the sole purpose of the materials is to advance
 2458 legitimate owners' association business. If the purpose of the
 2459 mailing is a proxy solicitation to recall one or more board
 2460 members elected by the owners or to discharge the manager or
 2461 management firm and the managing entity does not mail the
 2462 materials within 30 days after receipt of a request from a
 2463 purchaser, the circuit court in the county where the timeshare
 2464 plan is located may, upon application from the requesting
 2465 purchaser, summarily order the mailing of the materials solely
 2466 related to the recall of one or more board members elected by
 2467 the owners or the discharge of the manager or management firm.
 2468 The court shall dispose of an application on an expedited basis.
 2469 In the event of such an order, the court may order the managing
 2470 entity to pay the purchaser's costs, including attorney's fees
 2471 reasonably incurred to enforce the purchaser's rights, unless
 2472 the managing entity can prove it refused the mailing in good
 2473 faith because of a reasonable basis for doubt about the
 2474 legitimacy of the mailing.

2475 (6)

2476 (g) A managing entity shall have breached its fiduciary
 2477 duty described in subsection (2) in the event it enforces the
 2478 denial of use pursuant to paragraph (b) against any one
 2479 purchaser or group of purchasers without similarly enforcing it
 2480 against all purchasers, including all developers and owners of
 2481 the underlying fee or underlying personal property; however, a
 2482 managing entity shall not be required to solicit rentals
 2483 pursuant to paragraph (f) for every delinquent purchaser. A
 2484 managing entity shall also have breached its fiduciary duty in

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2485 | the event an error in the books and records of the timeshare
 2486 | plan results in a denial of use pursuant to this subsection of
 2487 | any purchaser who is not, in fact, delinquent. In addition to
 2488 | any remedies otherwise available to purchasers of the timeshare
 2489 | plan arising from such breaches of fiduciary duty, such breach
 2490 | shall also constitute a violation of this chapter. In addition,
 2491 | any purchaser receiving a notice of delinquency pursuant to
 2492 | paragraph (b), or any third party claiming under such purchaser
 2493 | pursuant to paragraph (b), may immediately bring an action for
 2494 | injunctive or declaratory relief against the managing entity
 2495 | seeking to have the notice invalidated on the grounds that the
 2496 | purchaser is not, in fact, delinquent, that the managing entity
 2497 | failed to follow the procedures prescribed by this section, or
 2498 | on any other available grounds. The prevailing party in any such
 2499 | action shall be entitled to recover his or her reasonable
 2500 | attorney's fees from the losing party.

2501 | (8) Notwithstanding anything to the contrary in s.
 2502 | 718.110, s. 718.113, s. 718.114, or s. 719.1055, the board of
 2503 | administration of any owners' association that operates a
 2504 | timeshare condominium pursuant to s. 718.111, or a timeshare
 2505 | cooperative pursuant to s. 719.104, shall have the power to make
 2506 | material alterations or substantial additions to the
 2507 | accommodations or facilities of such timeshare condominium or
 2508 | timeshare cooperative without the approval of the owners'
 2509 | association. However, if the timeshare condominium or timeshare
 2510 | cooperative contains any residential units that are not subject
 2511 | to the timeshare plan, such action by the board of
 2512 | administration must be approved by a majority of the owners of

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2513 such residential units. Unless otherwise provided in the
2514 timeshare instrument as originally recorded, no such amendment
2515 may change the configuration or size of any accommodation in any
2516 material fashion, or change the proportion or percentage by
2517 which a member of the owners' association shares the common
2518 expenses, unless the record owners of the affected units or
2519 timeshare interests and all record owners of liens on the
2520 affected units or timeshare interests join in the execution of
2521 the amendment.

2522 (9) All notices or other information sent by a board of
2523 administration of an owners' association may be delivered to a
2524 purchaser by electronic mail, provided that the purchaser first
2525 consents electronically to the use of electronic mail for notice
2526 purposes in a manner that reasonably demonstrates that the
2527 purchaser has the ability to access the notice by electronic
2528 mail. Proxies or written consents on votes of any owners'
2529 association may be received by electronic mail, shall have legal
2530 effect, and may be utilized for votes of an owners' association,
2531 provided that the electronic signature is authenticated through
2532 use of a password, cryptography software, or other reasonable
2533 means and that proof of such authentication is made available to
2534 the board of directors.

2535 (10)~~(9)~~ Any failure of the managing entity to faithfully
2536 discharge the fiduciary duty to purchasers imposed by this
2537 section or to otherwise comply with the provisions of this
2538 section shall be a violation of this chapter and of part VIII of
2539 chapter 468.

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2540 (11) Notwithstanding the other provisions of this section,
 2541 personal property timeshare plans are only subject to the
 2542 provisions of subsections (1)(a)-(d), (2)(a), (3)(a)-(h), (5),
 2543 (6), (9), and (10).

2544 Section 13. Subsection (4) is added to section 721.14,
 2545 Florida Statutes, to read:

2546 721.14 Discharge of managing entity.--

2547 (4) This section shall not apply to personal property
 2548 timeshare plans.

2549 Section 14. Paragraph (c) of subsection (2) of section
 2550 721.15, Florida Statutes, is amended, and subsection (10) is
 2551 added to said section, to read:

2552 721.15 Assessments for common expenses.--

2553 (2)

2554 (c) For the purpose of calculating the obligation of a
 2555 developer under a guarantee pursuant to paragraph (b),
 2556 depreciation expenses related to real property shall be excluded
 2557 from common expenses incurred during the guarantee period,
 2558 except that for real property that is used for the production of
 2559 fees, revenues, or other income, depreciation expenses shall be
 2560 excluded only to the extent that they exceed the net income from
 2561 the production of such fees, revenues, or other income.

2562 (10) This section shall not apply to personal property
 2563 timeshare plans.

2564 Section 15. Subsection (6) is added to section 721.16,
 2565 Florida Statutes, to read:

2566 721.16 Liens for overdue assessments; liens for labor
 2567 performed on, or materials furnished to, a timeshare unit.--

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2568 (6) This section shall not apply to personal property
 2569 timeshare plans.

2570 Section 16. Section 721.17, Florida Statutes, is amended
 2571 to read:

2572 721.17 Transfer of interest.--Except in the case of a
 2573 timeshare plan subject to the provisions of chapter 718 or
 2574 chapter 719, no developer, ~~or~~ owner of the underlying fee, or
 2575 owner of the underlying personal property shall sell, lease,
 2576 assign, mortgage, or otherwise transfer his or her interest in
 2577 the accommodations and facilities of the timeshare plan except
 2578 by an instrument evidencing the transfer recorded in the public
 2579 records of the county in which such accommodations and
 2580 facilities are located or, with respect to personal property
 2581 timeshare plans, in full compliance with s. 721.08. The
 2582 instrument shall be executed by both the transferor and
 2583 transferee and shall state:

2584 (1) That its provisions are intended to protect the rights
 2585 of all purchasers of the plan.

2586 (2) That its terms may be enforced by any prior or
 2587 subsequent timeshare purchaser so long as that purchaser is not
 2588 in default of his or her obligations.

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

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2596 ~~occupy and use the accommodations and facilities as provided in~~
 2597 ~~their original contracts and the timeshare instrument~~
 2598 ~~instruments.~~

2599 (4) That the transferee will fully honor all rights of
 2600 timeshare purchasers to cancel their contracts and receive
 2601 appropriate refunds.

2602 (5) That the obligations of the transferee under such
 2603 instrument will continue to exist despite any cancellation or
 2604 rejection of the contracts between the developer and purchaser
 2605 arising out of bankruptcy proceedings.

2606
 2607 Should any transfer of the interest of the developer, the ~~or~~
 2608 owner of the underlying fee, or the owner of the underlying
 2609 property occur in a manner which is not in compliance with this
 2610 section, the terms set forth in this section shall be presumed
 2611 to be a part of the transfer and shall be deemed to be included
 2612 in the instrument of transfer. Notice shall be mailed to each
 2613 purchaser of record within 30 days after ~~of~~ the transfer unless
 2614 such transfer does not affect the purchaser's rights in or use
 2615 of the timeshare plan. Persons who hold mortgages or liens on
 2616 the property constituting a timeshare plan before the filed
 2617 ~~registered~~ public offering statement of such plan is approved by
 2618 the division shall not be considered transferees for the
 2619 purposes of this section.

2620 Section 17. Section 721.18, Florida Statutes, is amended
 2621 to read:

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2622 721.18 Exchange programs; filing of information and other
2623 materials; filing fees; unlawful acts in connection with an
2624 exchange program.--

2625 (1) If a purchaser is offered the opportunity to subscribe
2626 to an exchange program, the seller shall deliver to the
2627 purchaser, together with the purchaser public offering
2628 statement, and prior to the offering or execution of any
2629 contract between the purchaser and the company offering the
2630 exchange program, written information regarding such exchange
2631 program; or, if the exchange company is dealing directly with
2632 the purchaser, the exchange company shall deliver to the
2633 purchaser, prior to the initial offering or execution of any
2634 contract between the purchaser and the company offering the
2635 exchange program, written information regarding such exchange
2636 program. In either case, the purchaser shall certify in writing
2637 to the receipt of such information. Such information shall
2638 include, but is not limited to, the following information, the
2639 form and substance of which shall first be approved by the
2640 division in accordance with subsection (2):

2641 (a) The name and address of the exchange company.

2642 (b) The names of all officers, directors, and shareholders
2643 of the exchange company.

2644 (c) Whether the exchange company or any of its officers or
2645 directors has any legal or beneficial interest in any developer,
2646 seller, or managing entity for any timeshare plan participating
2647 in the exchange program and, if so, the name and location of the
2648 timeshare plan and the nature of the interest.

2649 (d) Unless otherwise stated, a statement that the
 2650 purchaser's contract with the exchange company is a contract
 2651 separate and distinct from the purchaser's contract with the
 2652 seller of the timeshare plan.

2653 (e) Whether the purchaser's participation in the exchange
 2654 program is dependent upon the continued affiliation of the
 2655 timeshare plan with the exchange program.

2656 (f) A statement that ~~whether~~ the purchaser's participation
 2657 in the exchange program is voluntary. This statement is not
 2658 required to be given by the seller or managing entity of a
 2659 multisite timeshare plan to purchasers in the multisite
 2660 timeshare plan.

2661 (g) A complete and accurate description of the terms and
 2662 conditions of the purchaser's contractual relationship with the
 2663 exchange program and the procedure by which changes thereto may
 2664 be made.

2665 (h) A complete and accurate description of the procedure
 2666 to qualify for and effectuate exchanges.

2667 (i) A complete and accurate description of all
 2668 limitations, restrictions, or priorities employed in the
 2669 operation of the exchange program, including, but not limited
 2670 to, limitations on exchanges based on seasonality, timeshare
 2671 unit size, or levels of occupancy, expressed in boldfaced type,
 2672 and, in the event that such limitations, restrictions, or
 2673 priorities are not uniformly applied by the exchange program, a
 2674 clear description of the manner in which they are applied.

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2675 (j) Whether exchanges are arranged on a space-available
2676 basis and whether any guarantees of fulfillment of specific
2677 requests for exchanges are made by the exchange program.

2678 (k) Whether and under what circumstances a purchaser, in
2679 dealing with the exchange program, may lose the use and
2680 occupancy of her or his timeshare period in any properly applied
2681 for exchange without her or his being provided with substitute
2682 accommodations by the exchange program.

2683 (l) The fees or range of fees for membership or
2684 participation by purchasers in the exchange program by
2685 purchasers, including any conversion or other fees payable to
2686 third parties, a statement whether any such fees may be altered
2687 by the exchange company, and the circumstances under which
2688 alterations may be made.

2689 (m) The name and address of the site of each ~~accommodation~~
2690 ~~or facility included in the~~ timeshare plan ~~plans~~ participating
2691 in the exchange program.

2692 (n) The number of the timeshare units in each timeshare
2693 plan which are available for occupancy and which qualify for
2694 participation in the exchange program, expressed within the
2695 following numerical groupings: 1-5; 6-10; 11-20; 21-50; and 51
2696 and over.

2697 (o) The number of currently enrolled purchasers for each
2698 timeshare plan participating in the exchange program, expressed
2699 within the following numerical groupings: 1-100; 101-249; 250-
2700 499; 500-999; and 1,000 and over; and a statement of the
2701 criteria used to determine those purchasers who are currently
2702 enrolled with the exchange program.

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2703 (p) The disposition made by the exchange company of
 2704 timeshare periods deposited with the exchange program by
 2705 purchasers enrolled in the exchange program and not used by the
 2706 exchange company in effecting exchanges.

2707 (q) The following information, which shall be
 2708 independently audited by a certified public accountant or
 2709 accounting firm in accordance with the standards of the
 2710 Accounting Standards Board of the American Institute of
 2711 Certified Public Accountants and reported annually ~~beginning no~~
 2712 ~~later than July 1, 1982:~~

2713 1. The number of purchasers currently enrolled in the
 2714 exchange program.

2715 2. The number of accommodations and facilities that have
 2716 current written affiliation agreements with the exchange
 2717 program.

2718 3. The percentage of confirmed exchanges, which is the
 2719 number of exchanges confirmed by the exchange program divided by
 2720 the number of exchanges properly applied for, together with a
 2721 complete and accurate statement of the criteria used to
 2722 determine whether an exchange request was properly applied for.

2723 4. The number of timeshare periods for which the exchange
 2724 program has an outstanding obligation to provide an exchange to
 2725 a purchaser who relinquished a timeshare period during the year
 2726 in exchange for a timeshare period in any future year.

2727 5. The number of exchanges confirmed by the exchange
 2728 program during the year.

2729 (r) A statement in boldfaced type to the effect that the
 2730 percentage described in subparagraph (q)3. is a summary of the

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2731 exchange requests entered with the exchange program in the
 2732 period reported and that the percentage does not indicate the
 2733 probabilities of a purchaser's being confirmed to any specific
 2734 choice or range of choices.

2735 (2) Each exchange company offering an exchange program to
 2736 purchasers in this state shall file with the division for review
 2737 the information specified in subsection (1), together with any
 2738 membership agreement and application between the purchaser and
 2739 the exchange company, and the audit specified in subsection (1)
 2740 on or before June 1 of each year. However, an exchange company
 2741 shall make its initial filing at least 20 days prior to offering
 2742 an exchange program to any purchaser in this state. Each filing
 2743 shall be accompanied by an annual filing fee of \$500. Within 20
 2744 days after ~~of~~ receipt of such filing, the division shall
 2745 determine whether the filing is adequate to meet the
 2746 requirements of this section and shall notify the exchange
 2747 company in writing that the division has either approved the
 2748 filing or found specified deficiencies in the filing. If the
 2749 division fails to respond within 20 days, the filing shall be
 2750 deemed approved. The exchange company may correct the
 2751 deficiencies; and, within 10 days after receipt of corrections
 2752 from the exchange company, the division shall notify the
 2753 exchange company in writing that the division has either
 2754 approved the filing or found additional specified deficiencies
 2755 in the filing. If the exchange company fails to adequately
 2756 respond to any deficiency notice within 10 days, the division
 2757 may reject the filing. Subsequent to such rejection, a new
 2758 filing fee and a new division initial review period pursuant to

2759 this subsection shall apply to any refiling or further review of
 2760 the rejected filing.

2761 (a) Any material change to an approved exchange company
 2762 filing shall be filed with the division for approval as an
 2763 amendment prior to becoming effective. Each amendment filing
 2764 shall be accompanied by a filing fee of \$100. The exchange
 2765 company may correct the deficiencies; and, within 10 days after
 2766 receipt of corrections from the exchange company, the division
 2767 shall notify the exchange company in writing that the division
 2768 has either approved the filing or found additional specified
 2769 deficiencies in the filing. Each approved amendment to the
 2770 approved exchange company filing, other than an amendment that
 2771 does not materially alter or modify the exchange program in a
 2772 manner that is adverse to a purchaser, as determined by the
 2773 exchange company in its reasonable discretion, shall be
 2774 delivered to each purchaser who has not closed. An approved
 2775 exchange program filing is required to be updated with respect
 2776 to added or deleted resorts only once each year, and such annual
 2777 update shall not be deemed to be a material change to the
 2778 filing.

2779 (b) If at any time the division determines that any of
 2780 such information supplied by an exchange company fails to meet
 2781 the requirements of this section, the division may undertake
 2782 enforcement action against the exchange company in accordance
 2783 with the provision of s. 721.26.

2784 (3) No developer shall have any liability with respect to
 2785 any violation of this chapter arising out of the publication by
 2786 the developer of information provided to it by an exchange

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2787 | company pursuant to this section. No exchange company shall have
 2788 | any liability with respect to any violation of this chapter
 2789 | arising out of the use by a developer of information relating to
 2790 | an exchange program other than that provided to the developer by
 2791 | the exchange company.

2792 | (4) At the request of the exchange company, the division
 2793 | shall review any audio, written, or visual publications or
 2794 | materials relating to an exchange company or an exchange program
 2795 | shall be filed for review by the exchange company and shall
 2796 | notify the exchange company of any deficiencies within 10 with
 2797 | the division within 3 days after the filing of their use. If the
 2798 | exchange company corrects the deficiencies, or if there are no
 2799 | deficiencies, the division shall notify the exchange company of
 2800 | its approval of the advertising materials. If the exchange
 2801 | company fails to adequately respond to any deficiency notice
 2802 | within 10 days, the division may reject the advertising
 2803 | materials. Subsequent to such rejection, a new division initial
 2804 | review period pursuant to this subsection shall apply to any
 2805 | refiling or further review.

2806 | (5) The failure of an exchange company to observe the
 2807 | requirements of this section, or the use of any unfair or
 2808 | deceptive act or practice in connection with the operation of an
 2809 | exchange program, is a violation of this chapter.

2810 | Section 18. Section 721.19, Florida Statutes, is amended
 2811 | to read:

2812 | 721.19 Provisions requiring purchase or lease of timeshare
 2813 | property by owners' association or purchasers; validity.--In any
 2814 | timeshare plan in which timeshare estates or personal property

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2815 | timeshare interests are sold, no grant or reservation made by a
 2816 | declaration, lease, or other document, nor any contract made by
 2817 | the developer, managing entity, or owners' association, which
 2818 | requires the owners' association or purchasers to purchase or
 2819 | lease any portion of the timeshare property shall be valid
 2820 | unless approved by a majority of the purchasers other than the
 2821 | developer, after more than 50 percent of the timeshare periods
 2822 | have been sold.

2823 | Section 19. Section 721.20, Florida Statutes, is amended
 2824 | to read:

2825 | 721.20 Licensing requirements; suspension or revocation of
 2826 | license; exceptions to applicability; collection of advance fees
 2827 | for listings unlawful.--

2828 | (1) Any seller of a timeshare plan must be a licensed real
 2829 | estate broker, broker associate, or sales associate as defined
 2830 | in s. 475.01, except as provided in s. 475.011.

2831 | (2) Solicitors who engage only in the solicitation of
 2832 | prospective purchasers and any purchaser who refers no more than
 2833 | 20 people to a developer per year or who otherwise provides
 2834 | testimonials on behalf of a developer are exempt from the
 2835 | provisions of chapter 475.

2836 | (3) A solicitor who has violated the provisions of chapter
 2837 | 468, chapter 718, chapter 719, this chapter, or the rules of the
 2838 | division governing timesharing shall be subject to the
 2839 | provisions of s. 721.26. Any developer or other person who
 2840 | supervises, directs, or engages the services of a solicitor
 2841 | shall be liable for any violation of the provisions of chapter

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2842 468, chapter 718, chapter 719, this chapter, or the rules of the
2843 division governing timesharing committed by such solicitor.

2844 (4) County and municipal governments shall have the
2845 authority to adopt codes of conduct and regulations to govern
2846 solicitor activity conducted on public property, including
2847 providing for the imposition of penalties prescribed by a
2848 schedule of fines adopted by ordinance for violations of any
2849 such code of conduct or regulation. Any violation of any such
2850 adopted code of conduct or regulation shall not constitute a
2851 separate violation of this chapter. This subsection is not
2852 intended to restrict or invalidate any local code of conduct or
2853 regulation.

2854 (5) This section does not apply to those individuals who
2855 offer for sale only timeshare interests in timeshare property
2856 located outside this state and who do not engage in any sales
2857 activity within this state or to timeshare plans which are
2858 registered with the Securities and Exchange Commission. For the
2859 purposes of this section, both timeshare licenses and timeshare
2860 estates are considered to be interests in real property.

2861 (6) Notwithstanding the provisions of s. 475.452, it is
2862 unlawful for any real estate broker, broker associate, or sales
2863 associate to collect any advance fee for the listing of any
2864 timeshare estate or timeshare license.

2865 (7) It is unlawful for any broker, salesperson, or broker-
2866 salesperson to collect any advance fee for the listing of a
2867 personal property timeshare interest.

2868 (8) Subsections (1), (2), and (3) do not apply to persons
2869 who offer personal property timeshare plans.

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2870 Section 20. Subsection (6) is added to section 721.24,
2871 Florida Statutes, to read:

2872 721.24 Firesafety.--

2873 (6) Accommodations and facilities of personal property
2874 timeshare plans shall be exempt from the requirements of this
2875 section.

2876 Section 21. Paragraphs (a), (d), and (e) of subsection (5)
2877 of section 721.26, Florida Statutes, are amended to read:

2878 721.26 Regulation by division.--The division has the power
2879 to enforce and ensure compliance with the provisions of this
2880 chapter, except for parts III and IV, using the powers provided
2881 in this chapter, as well as the powers prescribed in chapters
2882 498, 718, and 719. In performing its duties, the division shall
2883 have the following powers and duties:

2884 (5) Notwithstanding any remedies available to purchasers,
2885 if the division has reasonable cause to believe that a violation
2886 of this chapter, or of any division rule or order promulgated or
2887 issued pursuant to this chapter, has occurred, the division may
2888 institute enforcement proceedings in its own name against any
2889 regulated party, as such term is defined in this subsection:

2890 (a)1. "Regulated party," for purposes of this section,
2891 means any developer, exchange company, seller, managing entity,
2892 owners' association, owners' association director, owners'
2893 association officer, manager, management firm, escrow agent,
2894 trustee, any respective assignees or agents, or any other person
2895 having duties or obligations pursuant to this chapter.

2896 2. Any person who materially participates in any offer or
2897 disposition of any interest in, or the management or operation

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2898 of, a timeshare plan in violation of this chapter or relevant
 2899 rules involving fraud, deception, false pretenses,
 2900 misrepresentation, or false advertising or the disbursement,
 2901 concealment, or diversion of any funds or assets, which conduct
 2902 adversely affects the interests of a purchaser, and which person
 2903 directly or indirectly controls a regulated party or is a
 2904 general partner, officer, director, agent, or employee of such
 2905 regulated party, shall be jointly and severally liable under
 2906 this subsection with such regulated party, unless such person
 2907 did not know, and in the exercise of reasonable care could not
 2908 have known, of the existence of the facts giving rise to the
 2909 violation of this chapter. A right of contribution shall exist
 2910 among jointly and severally liable persons pursuant to this
 2911 paragraph.

2912 (d)1. The division may bring an action in circuit court
 2913 for declaratory or injunctive relief or for other appropriate
 2914 relief, including restitution.

2915 2. The division shall have broad authority and discretion
 2916 to petition the circuit court to appoint a receiver with respect
 2917 to any managing entity which fails to perform its duties and
 2918 obligations under this chapter with respect to the operation of
 2919 a timeshare plan. The circumstances giving rise to an
 2920 appropriate petition for receivership under this subparagraph
 2921 include, but are not limited to:

2922 a. Damage to or destruction of any of the accommodations
 2923 or facilities of a timeshare plan, where the managing entity has
 2924 failed to repair or reconstruct same.

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2925 b. A breach of fiduciary duty by the managing entity,
2926 including, but not limited to, undisclosed self-dealing or
2927 failure to timely assess, collect, or disburse the common
2928 expenses of the timeshare plan.

2929 c. Failure of the managing entity to operate the timeshare
2930 plan in accordance with the timeshare instrument and this
2931 chapter.

2932
2933 If, under the circumstances, it appears that the events giving
2934 rise to the petition for receivership cannot be reasonably and
2935 timely corrected in a cost-effective manner consistent with the
2936 timeshare instrument, the receiver may petition the circuit
2937 court to implement such amendments or revisions to the timeshare
2938 instrument as may be necessary to enable the managing entity to
2939 resume effective operation of the timeshare plan, or to enter an
2940 order terminating the timeshare plan, or to enter such further
2941 orders regarding the disposition of the timeshare property as
2942 the court deems appropriate, including the disposition and sale
2943 of the timeshare property held by the owners' association or the
2944 purchasers. In the event of a receiver's sale, all rights,
2945 title, and interest held by the owners' association or any
2946 purchaser shall be extinguished and title shall vest in the
2947 buyer. This provision applies to timeshare estates, personal
2948 property timeshare interests, and timeshare licenses. All
2949 reasonable costs and fees of the receiver relating to the
2950 receivership shall become common expenses of the timeshare plan
2951 upon order of the court.

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2952 3. The division may revoke its approval of any filing for
2953 any timeshare plan for which a petition for receivership has
2954 been filed pursuant to this paragraph.

2955 (e)1. The division may impose a penalty against any
2956 regulated party for a violation of this chapter or any rule
2957 adopted thereunder. A penalty may be imposed on the basis of
2958 each day of continuing violation, but in no event may the
2959 penalty for any offense exceed \$10,000. All accounts collected
2960 shall be deposited with the Chief Financial Officer to the
2961 credit of the Division of Florida Land Sales, Condominiums, and
2962 Mobile Homes Trust Fund.

2963 2.a. If a regulated party fails to pay a penalty, the
2964 division shall thereupon issue an order directing that such
2965 regulated party cease and desist from further operation until
2966 such time as the penalty is paid; or the division may pursue
2967 enforcement of the penalty in a court of competent jurisdiction.

2968 b. If an owners' association or managing entity fails to
2969 pay a civil penalty, the division may pursue enforcement in a
2970 court of competent jurisdiction.

2971 Section 22. Section 721.52, Florida Statutes, is amended
2972 to read:

2973 721.52 Definitions.--As used in this chapter, the term:

2974 (1) "Applicable law" means the law of the jurisdiction
2975 where the accommodations and facilities referred to are located.

2976 (2) "Component site" means a specific geographic site
2977 where a portion of the accommodations and facilities of the
2978 multisite timeshare plan are located. If permitted under
2979 applicable law, separate phases operated as a single development

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2980 | located at a specific geographic site under common management
 2981 | shall be deemed a single component site for purposes of this
 2982 | part.

2983 | (3) "Inventory" means the accommodations and facilities
 2984 | located at a particular component site or sites owned, leased,
 2985 | licensed, or otherwise acquired for use by a developer and
 2986 | offered as part of the multisite timeshare plan.

2987 | (4) "Multisite timeshare plan" means any method,
 2988 | arrangement, or procedure with respect to which a purchaser
 2989 | obtains, by any means, a recurring right to use and occupy
 2990 | accommodations or facilities of more than one component site,
 2991 | only through use of a reservation system, whether or not the
 2992 | purchaser is able to elect to cease participating in the plan.
 2993 | However, the term "multisite timeshare plan" shall not include
 2994 | any method, arrangement, or procedure wherein:

2995 | (a) The contractually specified maximum total financial
 2996 | obligation on the purchaser's part is \$3,000 or less, during the
 2997 | entire term of the plan; or

2998 | (b) The term is for a period of 3 years or less,
 2999 | regardless of the purchaser's contractually specified maximum
 3000 | total financial obligation, if any. For purposes of determining
 3001 | the term of such use and occupancy rights, the period of any
 3002 | optional renewals which a purchaser, in his or her sole
 3003 | discretion, may elect to exercise, whether or not for additional
 3004 | consideration, shall not be included. For purposes of
 3005 | determining the term of such use and occupancy rights, the
 3006 | period of any automatic renewals shall be included unless a
 3007 | purchaser has the right to terminate the membership at any time

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3008 | and receive a pro rata refund or the purchaser receives a notice
 3009 | no less than 30 days and no more than 60 days prior to the date
 3010 | of renewal informing the purchaser of the right to terminate at
 3011 | any time prior to the date of automatic renewal.

3012 |
 3013 | Multisite timeshare plan does not mean an exchange program as
 3014 | defined in s. 721.05. Timeshare estates may only be offered in a
 3015 | multisite timeshare plan pursuant to s. 721.57.

3016 | (5) "Nonspecific multisite timeshare plan" means a
 3017 | multisite timeshare plan containing timeshare licenses or
 3018 | personal property timeshare interests, with respect to which a
 3019 | purchaser receives a right to use all of the accommodations and
 3020 | facilities, if any, of the multisite timeshare plan through the
 3021 | reservation system, but no specific right to use any particular
 3022 | accommodations and facilities for the remaining term of the
 3023 | multisite timeshare plan in the event that the reservation
 3024 | system is terminated for any reason prior to the expiration of
 3025 | the term of the multisite timeshare plan.

3026 | (6)~~(5)~~ "Reservation system" means the method, arrangement,
 3027 | or procedure by which a purchaser, in order to reserve the use
 3028 | and occupancy of any accommodation or facility of the multisite
 3029 | timeshare plan for one or more use periods, is required to
 3030 | compete with other purchasers in the same multisite timeshare
 3031 | plan regardless of whether such reservation system is operated
 3032 | and maintained by the multisite timeshare plan managing entity,
 3033 | an exchange company, or any other person. In the event that a
 3034 | purchaser is required to use an exchange program as the
 3035 | purchaser's principal means of obtaining the right to use and

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3036 | occupy a multisite timeshare plan's accommodations and
 3037 | facilities, such arrangement shall be deemed a reservation
 3038 | system. When an exchange company utilizes a mechanism for the
 3039 | exchange of use of timeshare periods among members of an
 3040 | exchange program, such utilization is not a reservation system
 3041 | of a multisite timeshare plan.

3042 | (7) "Specific multisite timeshare plan" means a multisite
 3043 | timeshare plan containing timeshare licenses or personal
 3044 | property timeshare interests, with respect to which a purchaser
 3045 | receives a specific right to use accommodations and facilities,
 3046 | if any, at one component site of a multisite timeshare plan,
 3047 | together with use rights in the other accommodations and
 3048 | facilities of the multisite timeshare plan created by or
 3049 | acquired through the reservation system.

3050 | ~~(8)(6)~~ "Vacation club" means a multisite timeshare plan.

3051 | Section 23. Paragraph (a) of subsection (1) of section
 3052 | 721.53, Florida Statutes, is amended, and paragraph (f) is added
 3053 | to said subsection, to read:

3054 | 721.53 Subordination instruments; alternate security
 3055 | arrangements.--

3056 | (1) With respect to each accommodation or facility of a
 3057 | multisite timeshare plan, the developer shall provide the
 3058 | division with satisfactory evidence that one of the following
 3059 | has occurred with respect to each interestholder prior to
 3060 | offering the accommodation or facility as a part of the
 3061 | multisite timeshare plan:

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3062 (a) The interestholder has executed and recorded a
 3063 nondisturbance and notice to creditors instrument pursuant to s.
 3064 721.08(2)(e).

3065 (f) With respect to any personal property accommodations
 3066 or facilities, the developer and any other interestholder have
 3067 complied fully with the applicable provisions of s. 721.08.

3068 Section 24. Section 721.54, Florida Statutes, is amended
 3069 to read:

3070 721.54 Term of nonspecific multisite timeshare plans.--It
 3071 shall be a violation of this part to represent to a purchaser of
 3072 a nonspecific multisite timeshare plan as defined in s.
 3073 721.52(5) ~~721.552(4)~~ that the term of the plan for that
 3074 purchaser is longer than the shortest term of availability of
 3075 any of the accommodations included within the plan at the time
 3076 of purchase.

3077 Section 25. Section 721.55, Florida Statutes, is amended
 3078 to read:

3079 721.55 Multisite timeshare plan public offering
 3080 statement.--Each filed ~~registered~~ public offering statement for
 3081 a multisite timeshare plan shall contain the information
 3082 required by this section and shall comply with the provisions of
 3083 s. 721.07, except as otherwise provided therein. The division is
 3084 authorized to provide by rule the method by which a developer
 3085 must provide such information to the division. Each multisite
 3086 timeshare plan filed ~~registered~~ public offering statement shall
 3087 contain the following information and disclosures:

3088 (1) A cover page containing:

3089 (a) The name of the multisite timeshare plan.

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3090 (b) The following statement in conspicuous type:

3091
3092 *This public offering statement contains important matters*
3093 *to be considered in acquiring an interest in a multisite*
3094 *timeshare plan (or multisite vacation ownership plan or*
3095 *multisite vacation plan or vacation club). The statements*
3096 *contained herein are only summary in nature. A prospective*
3097 *purchaser should refer to all references, accompanying exhibits,*
3098 *contract documents, and sales materials. The prospective*
3099 *purchaser should not rely upon oral representations as being*
3100 *correct and should refer to this document and accompanying*
3101 *exhibits for correct representations.*

3102
3103 (2) A summary containing all statements required to be in
3104 conspicuous type in the public offering statement and in all
3105 exhibits thereto.

3106 (3) A separate index for the contents and exhibits of the
3107 public offering statement.

3108 (4) A text, which shall include, where applicable, the
3109 information and disclosures set forth in paragraphs (a)-(1).

3110 (a) A description of the multisite timeshare plan,
3111 including its term, legal structure, and form of ownership. For
3112 multisite timeshare plans in which the purchaser will receive a
3113 timeshare estate pursuant to s. 721.57 and for ~~or a~~ specific
3114 multisite timeshare plans ~~license as defined in s. 721.552(4),~~
3115 the description must also include the term of each component
3116 site within the multisite timeshare plan.

3117 (b) A description of the structure and ownership of the
 3118 reservation system together with a disclosure of the entity
 3119 responsible for the operation of the reservation system. The
 3120 description shall include the financial terms of any lease of
 3121 the reservation system, if applicable. The developer shall not
 3122 be required to disclose the financial terms of any such lease if
 3123 such lease is prepaid in full for the term of the multisite
 3124 timeshare plan or to any extent that neither purchasers nor the
 3125 managing entity will be required to make payments for the
 3126 continued use of the system following default by the developer
 3127 or termination of the managing entity.

3128 (c)1. A description of the manner in which the reservation
 3129 system operates. The description shall include a disclosure in
 3130 compliance with the demand balancing standard set forth in s.
 3131 721.56(6) and shall describe the developer's efforts to comply
 3132 with same in creating the reservation system. The description
 3133 shall also include a summary of the rules and regulations
 3134 governing access to and use of the reservation system.

3135 2. In lieu of describing the rules and regulations of the
 3136 reservation system in the public offering statement text, the
 3137 developer may attach the rules and regulations as a separate
 3138 public offering statement exhibit, together with a cross-
 3139 reference in the public offering statement text to such exhibit.

3140 (d) The existence of and an explanation regarding any
 3141 priority reservation features that affect a purchaser's ability
 3142 to make reservations for the use of a given accommodation or
 3143 facility on a first come, first served basis, including, if
 3144 applicable, the following statement in conspicuous type:

3145
3146 *Component sites contained in the multisite timeshare plan*
3147 *(or multisite vacation ownership plan or multisite vacation plan*
3148 *or vacation club) are subject to priority reservation features*
3149 *which may affect your ability to obtain a reservation.*

3150
3151 (e) A summary of the material rules and regulations, if
3152 any, other than the reservation system rules and regulations,
3153 affecting the purchaser's use of each accommodation and facility
3154 at each component site.

3155 (f) If the provisions of s. 721.552 and the timeshare
3156 instrument permit additions, substitutions, or deletions of
3157 accommodations or facilities, the public offering statement must
3158 include substantially the following information:

3159 1. Additions.--

3160 a. A description of the basis upon which new
3161 accommodations and facilities may be added to the multisite
3162 timeshare plan; by whom additions may be made; and the
3163 anticipated effect of the addition of new accommodations and
3164 facilities upon the reservation system, its priorities, its
3165 rules and regulations, and the availability of existing
3166 accommodations and facilities.

3167 b. The developer must disclose the existence of any cap on
3168 annual increases in common expenses of the multisite timeshare
3169 plan that would apply in the event that additional
3170 accommodations and facilities are made a part of the plan.

3171 c. The developer shall also disclose any extent to which
3172 the purchasers of the multisite timeshare plan will have the

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3173 right to consent to any proposed additions; if the purchasers do
 3174 not have the right to consent, the developer must include the
 3175 following disclosure in conspicuous type:

3176
 3177 *Accommodations and facilities may be added to this*
 3178 *multisite timeshare plan (or multisite vacation ownership plan*
 3179 *or multisite vacation plan or vacation club) without the consent*
 3180 *of the purchasers. The addition of accommodations and facilities*
 3181 *to the plan may result in the addition of new purchasers who*
 3182 *will compete with existing purchasers in making reservations for*
 3183 *the use of available accommodations and facilities within the*
 3184 *plan, and may also result in an increase in the annual*
 3185 *assessment against purchasers for common expenses.*

3186
 3187 2. Substitutions.--

3188 a. A description of the basis upon which new
 3189 accommodations and facilities may be substituted for existing
 3190 accommodations and facilities of the multisite timeshare plan;
 3191 by whom substitutions may be made; the basis upon which the
 3192 determination may be made to cause such substitutions to occur;
 3193 and any limitations upon the ability to cause substitutions to
 3194 occur.

3195 b. The developer shall also disclose any extent to which
 3196 purchasers will have the right to consent to any proposed
 3197 substitutions; if the purchasers do not have the right to
 3198 consent, the developer must include the following disclosure in
 3199 conspicuous type:

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3201 *New accommodations and facilities may be substituted for*
3202 *existing accommodations and facilities of this multisite*
3203 *timeshare plan (or multisite vacation ownership plan or*
3204 *multisite vacation plan or vacation club) without the consent of*
3205 *the purchasers. The replacement accommodations and facilities*
3206 *may be located at a different place or may be of a different*
3207 *type or quality than the replaced accommodations and facilities.*
3208 *The substitution of accommodations and facilities may also*
3209 *result in an increase in the annual assessment against*
3210 *purchasers for common expenses.*

3211
3212 3. Deletions.--A description of any provision of the
3213 timeshare instrument governing deletion of accommodations or
3214 facilities from the multisite timeshare plan. If the timeshare
3215 instrument does not provide for business interruption insurance
3216 in the event of a casualty, or if it is unavailable, or if the
3217 instrument permits the developer, the managing entity, or the
3218 purchasers to elect not to reconstruct after casualty under
3219 certain circumstances or to secure replacement accommodations or
3220 facilities in lieu of reconstruction, the public offering
3221 statement must contain a disclosure that during the
3222 reconstruction, replacement, or acquisition period, or as a
3223 result of a decision not to reconstruct, purchasers of the plan
3224 may temporarily compete for available accommodations on a
3225 greater than one-to-one purchaser to accommodation ratio.

3226 (g) A description of the developer and the managing entity
3227 of the multisite timeshare plan, including:

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3228 | 1. The identity of the developer; the developer's business
3229 | address; the number of years of experience the developer has in
3230 | the timeshare, hotel, motel, travel, resort, or leisure
3231 | industries; and a description of any pending lawsuit or judgment
3232 | against the developer which is material to the plan. If there
3233 | are no such pending lawsuits or judgments, there shall be a
3234 | statement to that effect.

3235 | 2. The identity of the managing entity of the multisite
3236 | timeshare plan; the managing entity's business address; the
3237 | number of years of experience the managing entity has in the
3238 | timeshare, hotel, motel, travel, resort, or leisure industries;
3239 | and a description of any lawsuit or judgment against the
3240 | managing entity which is material to the plan. If there are no
3241 | pending lawsuits or judgments, there shall be a statement to
3242 | that effect. The description of the managing entity shall also
3243 | include a description of the relationship among the managing
3244 | entity of the multisite timeshare plan and the various component
3245 | site managing entities.

3246 | (h) A description of the purchaser's liability for common
3247 | expenses of the multisite timeshare plan, including the
3248 | following:

3249 | 1. A description of the common expenses of the plan,
3250 | including the method of allocation and assessment of such common
3251 | expenses, whether component site common expenses and real estate
3252 | taxes are included within the total common expense assessment of
3253 | the multisite timeshare plan, and, if not, the manner in which
3254 | timely payment of component site common expenses and real estate
3255 | taxes shall be accomplished.

3256 2. A description of any cap imposed upon the level of
3257 common expenses payable by the purchaser. In no event shall the
3258 total common expense assessment for the multisite timeshare plan
3259 in a given calendar year exceed 125 percent of the total common
3260 expense assessment for the plan in the previous calendar year.

3261 3. A description of the entity responsible for the
3262 determination of the common expenses of the multisite timeshare
3263 plan, as well as any entity which may increase the level of
3264 common expenses assessed against the purchaser at the multisite
3265 timeshare plan level.

3266 4. A description of the method used to collect common
3267 expenses, including the entity responsible for such collections,
3268 and the lien rights of any entity for nonpayment of common
3269 expenses. If the common expenses of any component site are
3270 collected by the managing entity of the multisite timeshare
3271 plan, a statement to that effect together with the identity and
3272 address of the escrow agent required by s. 721.56(3).

3273 5. If the purchaser will receive an interest in a
3274 nonspecific multisite timeshare plan ~~license as defined in s.~~
3275 ~~721.552(4)~~, a statement that a multisite timeshare plan budget
3276 is attached to the public offering statement as an exhibit
3277 pursuant to paragraph (7)(c). The multisite timeshare plan
3278 budget shall comply with the provisions of s. 721.07(5)(u).

3279 6. If the developer intends to guarantee the level of
3280 assessments for the multisite timeshare plan, such guarantee
3281 must be based upon a good faith estimate of the revenues and
3282 expenses of the multisite timeshare plan. The guarantee must
3283 include a description of the following:

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3284 a. The specific time period, measured in one or more
3285 calendar or fiscal years, during which the guarantee will be in
3286 effect.

3287 b. A statement that the developer will pay all common
3288 expenses incurred in excess of the total revenues of the
3289 multisite timeshare plan, if the developer is to be excused from
3290 the payment of assessments during the guarantee period.

3291 c. The level, expressed in total dollars, at which the
3292 developer guarantees the assessments. If the developer has
3293 reserved the right to extend or increase the guarantee level, a
3294 disclosure must be included to that effect.

3295 7. If required under applicable law, the developer shall
3296 also disclose the following matters for each component site:

3297 a. Any limitation upon annual increases in common
3298 expenses;

3299 b. The existence of any bad debt or working capital
3300 reserve; and

3301 c. The existence of any replacement or deferred
3302 maintenance reserve.

3303 (i) If there are any restrictions upon the sale, transfer,
3304 conveyance, or leasing of an interest in a multisite timeshare
3305 plan, a description of the restrictions together with a
3306 statement in conspicuous type in substantially the following
3307 form:

3308
3309 *The sale, lease, or transfer of interests in this multisite*
3310 *timeshare plan is restricted or controlled.*

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3312 (j) The following statement in conspicuous type in
3313 substantially the following form:

3314
3315 *The purchase of an interest in a multisite timeshare plan*
3316 *(or multisite vacation ownership plan or multisite vacation plan*
3317 *or vacation club) should be based upon its value as a vacation*
3318 *experience or for spending leisure time, and not considered for*
3319 *purposes of acquiring an appreciating investment or with an*
3320 *expectation that the interest may be resold.*

3321
3322 (k) If the multisite timeshare plan provides purchasers
3323 with the opportunity to participate in an exchange program, a
3324 description of the name and address of the exchange company and
3325 the method by which a purchaser accesses the exchange program.
3326 In lieu of this requirement, the public offering statement text
3327 may contain a cross-reference to other provisions in the public
3328 offering statement or in an exhibit containing this information.

3329 (l) A description of each component site, which
3330 description may be disclosed in a written, graphic, tabular, or
3331 other form approved by the division. The description of each
3332 component site shall include the following information:

- 3333 1. The name and address of each component site.
3334 2. The number of accommodations, timeshare interests, and
3335 timeshare periods, expressed in periods of 7-day use
3336 availability, committed to the multisite timeshare plan and
3337 available for use by purchasers.
3338 3. Each type of accommodation in terms of the number of
3339 bedrooms, bathrooms, sleeping capacity, and whether or not the

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3340 accommodation contains a full kitchen. For purposes of this
 3341 description, a full kitchen shall mean a kitchen having a
 3342 minimum of a dishwasher, range, sink, oven, and refrigerator.

3343 4. A description of facilities available for use by the
 3344 purchaser at each component site, including the following:

3345 a. The intended use of the facility, if not apparent from
 3346 the description.

3347 b. Any user fees associated with a purchaser's use of the
 3348 facility.

3349 5. A cross-reference to the location in the public
 3350 offering statement of the description of any priority
 3351 reservation features which may affect a purchaser's ability to
 3352 obtain a reservation in the component site.

3353 (5) Such other information as the division determines is
 3354 necessary to fairly, meaningfully, and effectively disclose all
 3355 aspects of the multisite timeshare plan, including, but not
 3356 limited to, any disclosures made necessary by the operation of
 3357 s. 721.03(8). However, if a developer has, in good faith,
 3358 attempted to comply with the requirements of this section, and
 3359 if, in fact, the developer has substantially complied with the
 3360 disclosure requirements of this chapter, nonmaterial errors or
 3361 omissions shall not be actionable.

3362 (6) Any other information that the developer, with the
 3363 approval of the division, desires to include in the public
 3364 offering statement text.

3365 (7) The following documents shall be included as exhibits
 3366 to the filed ~~registered~~ public offering statement, if
 3367 applicable:

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- 3368 (a) The timeshare instrument.
- 3369 (b) The reservation system rules and regulations.
- 3370 (c) The multisite timeshare plan budget pursuant to
- 3371 subparagraph (4)(h)5.
- 3372 (d) Any document containing the material rules and
- 3373 regulations described in paragraph (4)(e).
- 3374 (e) Any contract, agreement, or other document through
- 3375 which component sites are affiliated with the multisite
- 3376 timeshare plan.
- 3377 (f) Any escrow agreement required pursuant to s. 721.08 or
- 3378 s. 721.56(3).
- 3379 (g) The form agreement for sale or lease of an interest in
- 3380 the multisite timeshare plan.
- 3381 (h) The form receipt for multisite timeshare plan
- 3382 documents required to be given to the purchaser pursuant to s.
- 3383 721.551(2)(b).
- 3384 (i) The description of documents list required to be given
- 3385 to the purchaser by s. 721.551(2)(b).
- 3386 (j) The component site managing entity affidavit or
- 3387 statement required by s. 721.56(1).
- 3388 (k) Any subordination instrument required by s. 721.53.
- 3389 (l)1. If the multisite timeshare plan contains any
- 3390 component sites located in this state, the information required
- 3391 by s. 721.07(5) pertaining to each such component site unless
- 3392 exempt pursuant to s. 721.03.
- 3393 2. If the purchaser will receive a timeshare estate
- 3394 pursuant to s. 721.57, or an interest in a specific multisite
- 3395 timeshare plan, ~~license as defined in s. 721.552(4)~~ in a

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3396 component site located outside of this state but which is
 3397 offered in this state, the information required by s. 721.07(5)
 3398 pertaining to that component site, + provided, however, that the
 3399 provisions of s. 721.07(5)(u) shall only require disclosure of
 3400 information related to the estimated budget for the timeshare
 3401 plan and purchaser's expenses as required by the jurisdiction in
 3402 which the component site is located.

3403 (8)(a) A timeshare plan containing only one component site
 3404 must be filed with the division as a multisite timeshare plan if
 3405 the timeshare instrument reserves the right for the developer to
 3406 add future component sites. However, if the developer fails to
 3407 add at least one additional component site to a timeshare plan
 3408 described in this paragraph within 3 years after the date the
 3409 plan is initially filed with the division, the multisite filing
 3410 for such plan shall thereupon terminate, and the developer may
 3411 not thereafter offer any further interests in such plan unless
 3412 and until he or she refiles such plan with the division pursuant
 3413 to this chapter.

3414 (b) The public offering statement for any timeshare plan
 3415 described in paragraph (a) must include the following disclosure
 3416 in conspicuous type:

3417
 3418 *This timeshare plan has been filed as a multisite timeshare*
 3419 *plan (or multisite vacation ownership plan or multisite vacation*
 3420 *plan or vacation club); however, this plan currently contains*
 3421 *only one component site. The developer is not required to add*
 3422 *any additional component sites to the plan. Do not purchase an*

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3423 | *interest in this plan in reliance upon the addition of any other*
3424 | *component sites.*

3425 | Section 26. Paragraphs (b), (c), and (f) of subsection (2)
3426 | of section 721.551, Florida Statutes, are amended to read:

3427 | 721.551 Delivery of multisite timeshare plan purchaser
3428 | public offering statement.--

3429 | (2) The developer shall furnish each purchaser with the
3430 | following:

3431 | (b) A receipt for multisite timeshare plan documents and a
3432 | list describing any exhibit to the filed ~~registered~~ public
3433 | offering statement which is not delivered to the purchaser. The
3434 | division is authorized to prescribe by rule the form of the
3435 | receipt for multisite timeshare plan documents and the
3436 | description of exhibits list that must be furnished to the
3437 | purchaser pursuant to this section.

3438 | (c) If the purchaser will receive a timeshare estate
3439 | pursuant to s. 721.57, or an interest in a specific multisite
3440 | timeshare plan, ~~license as defined in s. 721.552(4)~~ in a
3441 | component site located in this state, the developer shall also
3442 | furnish the purchaser with the information required to be
3443 | delivered pursuant to s. 721.07(6)(a) and (b) for the component
3444 | site in which the purchaser will receive an estate or interest
3445 | in a specific multisite timeshare plan license.

3446 | (f) The developer shall be required to provide the
3447 | managing entity of the multisite timeshare plan with a copy of
3448 | the approved filed ~~registered~~ public offering statement and any
3449 | approved amendments thereto to be maintained by the managing

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3450 entity as part of the books and records of the timeshare plan
3451 pursuant to s. 721.13(3)(d).

3452 Section 27. Paragraph (a) of subsection (2), paragraph (c)
3453 of subsection (3), and subsections (4) and (5) of section
3454 721.552, Florida Statutes, are amended to read:

3455 721.552 Additions, substitutions, or deletions of
3456 component site accommodations or facilities; purchaser remedies
3457 for violations.--Additions, substitutions, or deletions of
3458 component site accommodations or facilities may be made only in
3459 accordance with the following:

3460 (2) SUBSTITUTIONS.--

3461 (a) Substitutions are available only for nonspecific
3462 multisite timeshare ~~license~~ plans ~~as defined in subsection (4)~~.
3463 Specific multisite timeshare license plans or as defined in
3464 ~~subsection (4) and~~ plans offering timeshare estates pursuant to
3465 s. 721.57 may not contain an accommodation substitution right.

3466 (3) DELETIONS.--

3467 (c) *Automatic deletion*.--The timeshare instrument may
3468 provide that a component site will be automatically deleted upon
3469 the expiration of its term in a timeshare plan other than a
3470 nonspecific multisite timeshare ~~license~~ plan or as otherwise
3471 provided in the timeshare instrument. However, the timeshare
3472 instrument must also provide that in the event a component site
3473 is deleted from the plan in this manner, a sufficient number of
3474 purchasers of the plan will also be deleted so as to maintain no
3475 greater than a one-to-one purchaser to accommodation ratio.

3476 ~~(4) SPECIFIC AND NONSPECIFIC TIMESHARE LICENSES.-- For~~
3477 ~~purposes of this chapter, a specific timeshare license means one~~

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3478 ~~with respect to which a purchaser receives a specific right to~~
 3479 ~~use accommodations and facilities, if any, at one component site~~
 3480 ~~of a multisite timeshare plan, together with use rights in the~~
 3481 ~~other accommodations and facilities of the multisite timeshare~~
 3482 ~~plan created by or acquired through the reservation system. For~~
 3483 ~~purposes of this chapter, a nonspecific timeshare license means~~
 3484 ~~one with respect to which a purchaser receives a right to use~~
 3485 ~~all of the accommodations and facilities, if any, of a multisite~~
 3486 ~~timeshare plan through the reservation system, but no specific~~
 3487 ~~right to use any particular accommodations and facilities for~~
 3488 ~~the remaining term of the multisite timeshare plan in the event~~
 3489 ~~that the reservation system is terminated for any reason prior~~
 3490 ~~to the expiration of the term of the multisite timeshare plan.~~

3491 (4)~~(5)~~ VIOLATIONS; PURCHASER REMEDIES.--All purchaser
 3492 remedies pursuant to s. 721.21 shall be available for any
 3493 violation of the provisions of this section.

3494 Section 28. Subsections (4) and (5) of section 721.56,
 3495 Florida Statutes, are amended to read:

3496 721.56 Management of multisite timeshare plans;
 3497 reservation systems; demand balancing.--

3498 (4) The managing entity of a multisite timeshare plan
 3499 shall comply fully with the requirements of s. 721.13, subject
 3500 to the provisions of s. 721.13(11) for personal property
 3501 timeshare plans; however, with respect to a given component
 3502 site, the managing entity of the multisite timeshare plan shall
 3503 not be responsible for compliance as the managing entity of that
 3504 component site unless the managing entity of the multisite
 3505 timeshare plan is also the managing entity of that component

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3506 | site. Unless the timeshare instrument provides otherwise, the
 3507 | operator of the reservation system is the managing entity of a
 3508 | multisite timeshare plan.

3509 | (5)(a)1. The reservation system is a facility of any
 3510 | nonspecific ~~timeshare license~~ multisite timeshare plan ~~as~~
 3511 | ~~defined in s. 721.552(4)~~. The reservation system is not a
 3512 | facility of any specific ~~timeshare license~~ multisite timeshare
 3513 | ~~plan as defined in s. 721.552(4)~~, nor is it a facility of any
 3514 | multisite timeshare plan in which timeshare estates are offered
 3515 | pursuant to s. 721.57.

3516 | 2. The reservation system of any multisite timeshare plan
 3517 | shall include any computer software and hardware employed for
 3518 | the purpose of enabling or facilitating the operation of the
 3519 | reservation system. Nothing contained in this part shall
 3520 | preclude a manager or management firm that is serving as
 3521 | managing entity of a multisite timeshare plan from providing in
 3522 | its contract with the purchasers or owners' association of the
 3523 | multisite timeshare plan or in the timeshare instrument that the
 3524 | manager or management firm owns the reservation system and that
 3525 | the managing entity shall continue to own the reservation system
 3526 | in the event the purchasers discharge the managing entity
 3527 | pursuant to s. 721.14.

3528 | (b) In the event of a termination of a managing entity of
 3529 | a nonspecific ~~license~~ multisite timeshare plan ~~as defined in s.~~
 3530 | ~~721.552(4)~~, which managing entity owns the reservation system,
 3531 | irrespective of whether the termination is voluntary or
 3532 | involuntary and irrespective of the cause of such termination,
 3533 | in addition to any other remedies available to purchasers in

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3534 | this part, the terminated managing entity shall, prior to such
 3535 | termination, establish a trust meeting the criteria set forth in
 3536 | this paragraph. It is the intent of the Legislature that this
 3537 | trust arrangement provide for an adequate period of continued
 3538 | operation of the reservation system of the multisite timeshare
 3539 | plan, during which period the new managing entity shall make
 3540 | provision for the acquisition of a substitute reservation
 3541 | system.

3542 | 1. The trust shall be established with an independent
 3543 | trustee. Both the terminated managing entity and the new
 3544 | managing entity shall attempt to agree on an acceptable trustee.
 3545 | In the event they cannot agree on an acceptable trustee, they
 3546 | shall each designate a nominee, and the two nominees shall
 3547 | select the trustee.

3548 | 2. The terminated managing entity shall take all steps
 3549 | necessary to enable the trustee or the trustee's designee to
 3550 | operate the reservation system in the same manner as provided in
 3551 | the timeshare instrument and the public offering statement. The
 3552 | trustee may, but shall not be required to, contract with the
 3553 | terminated managing entity for the continued operation of the
 3554 | reservation system. In the event the trustee elects to contract
 3555 | with the terminated managing entity, that managing entity shall
 3556 | be required to operate the reservation system and shall be
 3557 | entitled to payment for that service. The payment shall in no
 3558 | event exceed the amount previously paid to the terminated
 3559 | managing entity for operation of the reservation system.

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3560 3. The trust shall remain in effect for a period of no
3561 longer than 1 year following the date of termination of the
3562 managing entity.

3563 4. Nothing contained in this subsection shall abrogate or
3564 otherwise interfere with any proprietary rights in the
3565 reservation system that have been reserved by the discharged
3566 managing entity, in its management contract or otherwise, so
3567 long as such proprietary rights are not asserted in a manner
3568 that would prevent the continued operation of the reservation
3569 system as contemplated in this subsection.

3570 (c) In the event of a termination of a managing entity of
3571 a timeshare estate or specific ~~license~~ multisite timeshare plan
3572 ~~as defined in s. 721.552(4)~~, which managing entity owns the
3573 reservation system, irrespective of whether the termination is
3574 voluntary or involuntary and irrespective of the cause of such
3575 termination, in addition to any other remedies available to
3576 purchasers in this part, the terminated managing entity shall,
3577 prior to such termination, promptly transfer to each component
3578 site managing entity all relevant data contained in the
3579 reservation system with respect to that component site,
3580 including, but not limited to:

3581 1. The names, addresses, and reservation status of
3582 component site accommodations.

3583 2. The names and addresses of all purchasers of timeshare
3584 interests at that component site.

3585 3. All outstanding confirmed reservations and reservation
3586 requests for that component site.

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3587 4. Such other component site records and information as
3588 are necessary, in the reasonable discretion of the component
3589 site managing entity, to permit the uninterrupted operation and
3590 administration of the component site, provided that a given
3591 component site managing entity shall not be entitled to any
3592 information regarding other component sites or regarding the
3593 terminated multisite timeshare plan managing entity.

3594
3595 All reasonable costs incurred by the terminated managing entity
3596 in effecting the transfer of information required by this
3597 paragraph shall be reimbursed to the terminated managing entity
3598 on a pro rata basis by each component site, and the amount of
3599 such reimbursement shall constitute a common expense of each
3600 component site.

3601 Section 29. Subsection (2) of section 721.57, Florida
3602 Statutes, is amended to read:

3603 721.57 Offering of timeshare estates in multisite
3604 timeshare plans; required provisions in the timeshare
3605 instrument.--

3606 (2) The timeshare instrument of a multisite timeshare plan
3607 in which timeshare estates are offered, other than a trust
3608 meeting the requirements of s. 721.08, must contain or provide
3609 for all of the following matters:

3610 (a) The purchaser will receive a timeshare estate as
3611 defined in s. 721.05 in one of the component sites of the
3612 multisite timeshare plan. The use rights in the other component
3613 sites of the multisite timeshare plan shall be made available to

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3614 | the purchaser through the reservation system pursuant to the
3615 | timeshare instrument.

3616 | (b) In the event that the reservation system is terminated
3617 | or otherwise becomes unavailable for any reason prior to the
3618 | expiration of the term of the multisite timeshare plan:

3619 | 1. The purchaser will be able to continue to use the
3620 | accommodations and facilities of the component site in which she
3621 | or he has been conveyed a timeshare estate in the manner
3622 | described in the timeshare instrument for the remaining term of
3623 | the timeshare estate; and

3624 | 2. Any use rights in that component site which had
3625 | previously been made available through the reservation system to
3626 | purchasers of the multisite timeshare plan who were not offered
3627 | a timeshare estate at that component site will terminate when
3628 | the reservation system is terminated or otherwise becomes
3629 | unavailable for any reason.

3630 | Section 30. Subsection (6) of section 721.84, Florida
3631 | Statutes, is amended to read:

3632 | 721.84 Appointment of a registered agent; duties.--

3633 | (6) Unless otherwise provided in this section, a
3634 | registered agent in receipt of any notice or other document
3635 | addressed from the lienholder to the obligor in care of the
3636 | registered agent at the registered office must mail, by first
3637 | class mail if the obligor's address is within the United States,
3638 | and by international air mail if the obligor's address is
3639 | outside the United States, with postage fees prepaid, such
3640 | notice or documents to the obligor at the obligor's last
3641 | designated address within 5 days after ~~of~~ receipt.

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3642 Section 31. Section 721.96, Florida Statutes, is amended
3643 to read:

3644 721.96 Purpose.--The purpose of this part is to provide
3645 for the appointment of commissioners of deeds to take
3646 acknowledgments, proofs of execution, and oaths outside the
3647 United States in connection with the execution of any deed,
3648 mortgage, deed of trust, contract, power of attorney, or any
3649 other agreement, instrument or writing concerning, relating to,
3650 or to be used or recorded in connection with a timeshare estate,
3651 personal property timeshare interest, timeshare license, any
3652 property subject to a timeshare plan, or the operation of a
3653 timeshare plan located within this state.

3654 Section 32. Subsection (1) of section 721.97, Florida
3655 Statutes, is amended to read:

3656 721.97 Timeshare commissioner of deeds.--

3657 (1) The Governor may appoint commissioners of deeds to
3658 take acknowledgments, proofs of execution, or oaths in any
3659 foreign country. The term of office is 4 years. Commissioners of
3660 deeds shall have authority to take acknowledgments, proofs of
3661 execution, and oaths in connection with the execution of any
3662 deed, mortgage, deed of trust, contract, power of attorney, or
3663 any other writing to be used or recorded in connection with a
3664 timeshare estate, personal property timeshare interest,
3665 timeshare license, any property subject to a timeshare plan, or
3666 the operation of a timeshare plan located within this state;
3667 provided such instrument or writing is executed outside the
3668 United States. Such acknowledgments, proofs of execution, and
3669 oaths must be taken or made in the manner directed by the laws

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3670 of this state, including but not limited to s. 117.05(4),
 3671 (5)(a), and (6), Florida Statutes 1997, and certified by a
 3672 commissioner of deeds. The certification must be endorsed on or
 3673 annexed to the instrument or writing aforesaid and has the same
 3674 effect as if made or taken by a notary public licensed in this
 3675 state.

3676 Section 33. Paragraph (b) of subsection (8) of section
 3677 475.011, Florida Statutes, is amended to read:

3678 475.011 Exemptions.--This part does not apply to:

3679 (8)

3680 (b) An exchange company, as that term is defined by s.
 3681 721.05(15)~~(14)~~, but only to the extent that the exchange company
 3682 is engaged in exchange program activities as described in and is
 3683 in compliance with s. 721.18.

3684 Section 34. Subsection (23) of section 718.103, Florida
 3685 Statutes, is amended to read:

3686 718.103 Definitions.--As used in this chapter, the term:

3687 (23) "Residential condominium" means a condominium
 3688 consisting of two or more units, any of which are intended for
 3689 use as a private temporary or permanent residence, except that a
 3690 condominium is not a residential condominium if the use for
 3691 which the units are intended is primarily commercial or
 3692 industrial and not more than three units are intended to be used
 3693 for private residence, and are intended to be used as housing
 3694 for maintenance, managerial, janitorial, or other operational
 3695 staff of the condominium. With respect to a condominium that is
 3696 not a timeshare condominium, a residential unit includes a unit
 3697 intended as a private temporary or permanent residence as well

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3698 as a unit not intended for commercial or industrial use. With
 3699 respect to a timeshare condominium, the timeshare instrument as
 3700 defined in s. 721.05(35)(~~33~~) shall govern the intended use of
 3701 each unit in the condominium. If a condominium is a residential
 3702 condominium but contains units intended to be used for
 3703 commercial or industrial purposes, then, with respect to those
 3704 units which are not intended for or used as private residences,
 3705 the condominium is not a residential condominium. A condominium
 3706 which contains both commercial and residential units is a mixed-
 3707 use condominium and is subject to the requirements of s.
 3708 718.404.

3709 Section 35. This act shall take effect upon becoming a
 3710 law; however, with respect to any timeshare plan or exchange
 3711 program filing approved by the division prior to the date this
 3712 act becomes a law, the amendments to s. 721.06(1)(g)2., s.
 3713 721.07(2)(d)1. and (5)(e)4., s. 721.075(2)(e), or s.
 3714 721.18(1)(l) and (m), Florida Statutes, shall not apply to such
 3715 filing until the earlier of January 1, 2005, or the date that
 3716 any amendments to such filing are made subsequent to the date
 3717 this act becomes a law. With respect to any timeshare plan
 3718 filing approved by the division prior to the date this act
 3719 becomes a law, the amendment to s. 721.08(3)(a), Florida
 3720 Statutes, shall not apply to the nondisturbance and notice to
 3721 creditors instrument required by s. 721.08, Florida Statutes,
 3722 unless and only to the extent that the developer otherwise
 3723 voluntarily complies with all or a portion of such provisions.