

BELIZE:

TIMESHARE ACT, 2007

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-FIRST SCHEDULE-

-SECOND SCHEDULE-

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No. 14 of 2007

I assent,

(SIR COLVILLE N. YOUNG)

Governor-General

9th October, 2007

AN ACT to regulate the provision of timeshare accommodation in Belize; to provide for the registration of timeshare accommodation developers; to provide for the payment of licensing fees for timeshare accommodation; to provide for the payment of occupancy tax by the holders of timeshare rights; and to provide for matters connected therewith or incidental thereto.

(Gazetted 13th October, 2007.)

BE IT ENACTED, by and with the advice and consent of the House of Representatives and the Senate of Belize and by the authority of the same, as follows:

PART I
PRELIMINARY

1. This Act may be cited as the

Short title.

TIMESHARE ACT, 2007.

Interpretation.

2. (1) In this Act unless the context otherwise requires

—

“affiliate”, in relation to a developer, means a person, body corporate or unincorporated body who or that controls, or is controlled by, or is in joint control with, a developer;

CAP. 275

“Board” means the Belize Tourism Board established under the Belize Tourism Board Act;

“common areas”, in relation to a timeshare property; means all portions of the timeshare property, other than timeshare units, to which the holders of timeshare rights and their guests have common access;

“common property” in relation to —

(a) a timeshare unit, means all furniture, furnishings, appliances, fixtures, equipment, and all other personal property, from time to time owned, leased or held collectively by or for the use of persons holding timeshare rights in the timeshare unit;

(b) a timeshare accommodation, means all furniture, furnishings, appliances, fixtures, common areas, swimming pools, recreational facilities and all other property, from time to time owned, leased or held by a developer of timeshare accommodation for the collective use of persons holding timeshare rights and their guests;

“developer” in respect of timeshare property and accommodation, means a person, body corporate,

unincorporated body, including an affiliate, who or that constructs timeshare accommodation on timeshare property for the purpose of creating, selling, leasing or otherwise disposing of timeshare rights to purchasers of timeshare units for reward;

“escrow agent” means an attorney-at-law or an accountant appointed by a developer as an escrow agent who performs the functions of an escrow agent as provided in this Act;

“exchange company” means a company operating an exchange program under this Act;

“exchange program” means an arrangement performed by an exchange company allowing, among other things, holders of timeshare rights in timeshare units, either in the same timeshare accommodation or in different timeshare accommodations, to exchange their occupancy periods in the timeshare units;

“managing entity” means a company engaged by a developer to manage a timeshare accommodation under this Act;

“Minister” means the Minister responsible for Tourism;

“multi-location plan” means a timeshare plan in respect of more than one timeshare unit, each of which is situated in different timeshare properties, under which holders of timeshare rights agree to occupy more than one such timeshare unit;

“offer” includes an advertisement, inducement, solicitation, or attempt, in any manner or form, aimed at encouraging a person to acquire timeshare rights other than as security for an obligation;

“purchaser” in respect of a timeshare unit, means a person, other than the developer, who purchases, leases, or otherwise acquires timeshare rights in the timeshare unit;

“Register” means the Register of Timeshare Accommodation maintained by the Registrar under section 4 of this Act;

“Registrar” means the person appointed as Registrar under section 3 of this Act;

“purchase money lien” means a lien on a timeshare unit that is

- (a) taken or retained by a developer from a purchaser in order to secure the payment by the purchaser of all or part of the price related to the acquisition of timeshare rights by the purchaser; or
- (b) given by a purchaser to a person who provides financing to the purchaser to enable him to buy the timeshare rights in a timeshare unit;

“sales agent” in respect of

- (a) a developer, means a person, company or unincorporated body who or that, for compensation or in expectation of compensation –
 - (i) disposes or offers to dispose of timeshare rights to purchasers;
 - (ii) leases or offers to lease timeshare rights to purchasers;
 - (iii) offers timeshare rights to purchasers;

- (iv) obtains listings of timeshare accommodation and units for the purpose of making offers to purchasers;
 - (v) provides any other information with intent to offering timeshare rights to prospective purchasers;
- (b) a purchaser, means a person, company or unincorporated body who or that buys or offers to buy timeshare rights on behalf of and on the instructions of the purchaser;

“sales agreement” means a written agreement as provided in section 16 of this Act executed by or on behalf of a purchaser and a developer, specifying the rights and obligations of the purchaser and the developer in respect of the acquisition of timeshare rights by the purchaser in a timeshare unit;

“timeshare accommodation”

- (a) means any accommodation used for human habitation, situated in Belize, used or intended to be used, wholly or partly, by purchasers, all of whom have rights to use, or participate in arrangements under which they may use, that accommodation or accommodation within a pool of accommodation to which that accommodation belongs, for intermittent occupancy periods of short duration:

Provided that a period shall be of short duration if it does not exceed a period prescribed by the Minister by Order published in the *Gazette*;

- (b) includes timeshare interests, membership vacation clubs, fractional interests, membership residential clubs, and other right-to-use time sharing plans:

Provided that the Minister may, by Order published in the Gazette, amend paragraph **(b)** of this definition;

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- (c)** does not mean a hotel or tourist accommodation defined in section 2 of the Hotels and Tourist Accommodation Act, or a strata lot, or a unit entitlement therein, regulated under the Strata Titles Registration Act;

CAP. 196

“timeshare documents” include

- (a)** any document that creates, specifies, defines or governs the rights and obligations of a purchaser and a developer in respect of a timeshare unit;
- (b)** any document that creates, specifies, defines or governs the rights and obligations of purchasers and purchasers or purchasers and the developer, in respect of timeshare accommodation, and common property in respect of timeshare accommodation;
- (c)** any timeshare plan; and
- (d)** any sales agreement;

“timeshare plan” means a document setting out –

- (a)** the rights and obligations of a purchaser of a timeshare unit in a timeshare accommodation, including the time and duration of occupancy by the purchaser;
- (b)** the price for acquiring timeshare rights in a timeshare unit, specified in respect of the duration of the occupancy, the common property, and the common property within the timeshare property;

“timeshare property” means land on which timeshare accommodation is situated;

“timeshare unit” means a self-contained unit designed for separate occupancy in a timeshare accommodation;

(2) For the purposes of this Act, references to a developer shall include, in respect of periods of time after the developer has fully completed the construction of the timeshare accommodation, the owner of the timeshare accommodation.

(3) For the purposes of this Act, references to a purchaser shall include, in respect of periods of time before the time the purchaser has signed the sales agreement, the prospective purchaser.

PART II **ADMINISTRATION**

3. (1) The Minister shall, in consultation with the Board, appoint a suitably qualified person, either by name or by office, to be or to act as the Registrar of Timeshares, who shall be responsible for the administration of this Act.

Registrar.

(2) In the exercise, performance or discharge of the powers, duties or functions conferred, imposed upon, or assigned to him by or under this Act, the Registrar shall be subject to the general directions of the Board.

(3) The Registrar may either generally or specially authorize any other person whom he considers fit and proper to exercise, perform or discharge any power, duty or function conferred, imposed upon, or assigned to the Registrar by or under this Act or any Regulations made thereunder, and may at any time revoke or vary such authorization:

Provided that no such authorization shall be deemed to divest the Registrar of any of his powers, duties or functions and he may if he thinks fit exercise, perform or discharge all his powers, duties or functions notwithstanding any such authorization.

- (4) The Registrar shall have powers
- (a) to cancel the registration of a person as a developer, and of premises as timeshare accommodation in the Register where there is non-compliance with the provisions of this Act;
 - (b) to suspend or cancel the licence issued pursuant to section 9 of this Act where there is non-compliance with the provisions of this Act.

PART III
REGISTRATION AND REGULATION
OF TIMESHARE ACCOMMODATION

**Register of
Timeshare
Accommodation.**

4. For the purposes of this Act, the Registrar shall keep and maintain a book called “the Register of Timeshare Accommodation” in such form as may be determined by him, in which shall be recorded the information provided in sections 6, 14 (2) and 16 (4) of this Act.

**Timeshare
accommodation
to be
registered.**

5. (1) No premises shall be leased, sold or used for the purposes of a timeshare accommodation unless such premises and the developer are registered under this Act and a licence is obtained by the developer from the Registrar in that behalf.

(2) An application for registration in respect of any premises used for the purposes of timeshare accommodation on a day this Act comes into operation shall be made within thirty days of that date.

(3) Where any premises are to be used as timeshare accommodation for the first time after the coming into operation of this Act, the developer shall, before he commences any development in respect of the timeshare accommodation, obtain the registration of himself and the business and shall ensure that the timeshare accommodation and all timeshare units therein satisfy all the prescribed minimum standards and comply with all applicable requirements of the Belize Building Act, the Housing and Town Planning Act, the Environmental Protection Act, the Public Health Act, and all other applicable laws.

CAP. 131

CAP. 182

CAP. 328

6. (1) Every application for the registration of any premises as a timeshare accommodation -

**Application
for
registration.**

- (a) shall be made in writing to the Registrar;
- (b) shall be made in such form as may be provided by the Registrar for that purpose;
- (c) shall contain the particulars and information required by that form;
- (d) shall be accompanied by a detailed development plan showing the timeshare accommodation, timeshare units, timeshare property and common property in diagrammatic form;
- (e) shall be accompanied by an approval of the Department of the Environment;
- (f) shall be accompanied by a copy of any approved enterprise status granted pursuant to the Fiscal Incentives Act or under any other law;
- (g) shall, in the case of
 - (i) a company, be accompanied by the company's memorandum and articles of association and certificate of incorporation; or

CAP. 54

- (ii) any other entity, be accompanied by a certificate of registration, or such other information as the Registrar may require;
- (h) shall be accompanied by a written outline of the timeshare plan and all other timeshare documents available to the developer;
- (i) shall be accompanied by such other documents as the Registrar may specify in Regulations made for that purpose;
- (j) shall be accompanied by a non-refundable, one-off administrative application fee of one thousand dollars payable to the Board; and
- (k) shall be signed by the developer or an agent authorized to do so by the developer in writing.

(2) An applicant for registration of any premises as a timeshare accommodation shall, before the registration is made, satisfy the Board of his financial ability to complete the required development for the timeshare accommodation with all the requirements necessary for the operation of the timeshare accommodation and whether such development consists of the construction of a new building or the conversion of an existing building.

(3) The Minister may, by Order published in the *Gazette*, vary the fee payable under subsection (1) (j).

Reports
before
registration.

7. Where an application made pursuant to section 6 is received by the Registrar, the Registrar shall verify the particulars and information contained in the application and cause a report or reports to be made to the Board as to whether -

- (a) the application complies with the requirements of section 6; and
- (b) adequate arrangements have been made by the developer for compliance with the requirements of minimum standards of safety, health and accommodation prescribed for timeshare accommodation by the Minister.

8. (1) Where the Board is satisfied with the report or reports made under section 7, the Board shall direct the Registrar to make an order allowing the application and to register the developer and the timeshare accommodation in the Register upon full completion of construction and enter therefor such other particulars, including particulars as to the number and size of timeshare units in the timeshare accommodation, as he may think necessary.

Disposal of application.

(2) The Registrar may, on the advice of the Board, direct any applicant for registration to furnish to him, within such period as may be specified in the direction, such information, documents or other particulars as may be mentioned therein to enable him to dispose of the application. If the applicant fails to comply with such direction, the Registrar may refuse the application, and the Registrar shall inform the applicant in writing accordingly.

(3) Where the Registrar is satisfied that an applicant has failed to comply with the requirements of section 6, the Registrar shall notify the applicant in writing of the grounds which prevent him from registering the premises as a timeshare accommodation, and state that unless the deficiencies mentioned in the notification are rectified within the time specified therein, the application shall be refused.

(4) If, upon receipt of a notice under subsection (3), the applicant rectifies the deficiencies and otherwise fully complies with all requirements of the Registrar, the Registrar shall register

the developer and the premises in the manner provided in subsection (1). If the applicant fails to rectify the deficiencies or otherwise comply with the requirements of the Registrar as prescribed herein, the application shall be refused and the Registrar shall inform the applicant accordingly in writing.

Licence.

9. (1) Where the Registrar registers any premises as a timeshare accommodation in accordance with section 8, he shall issue to the developer a licence in the prescribed form and containing such terms and conditions as may be determined by him.

(2) Any person who fails to comply with any term or condition imposed in a licence commits an offence and shall be liable on summary conviction to a fine of five thousand dollars or to imprisonment for a term not exceeding one year, or to both such fine and term of imprisonment.

(3) Every licence shall be valid for one year and shall expire on 31st December of the year in which it was issued, but may be renewed for a further like period under this Act:

Provided that licences issued immediately after the coming into operation of this Act shall expire on the 31st December of the year next following.

(4) The Registrar may, on his own motion or at any time upon a written application by a licensee, vary any terms or conditions of a licence:

Provided that the Registrar shall not of his own motion vary any terms or conditions of a licence without first giving the licensee no less than seven days written notice delivered to the registered office of the licensee informing the licensee of his intention to vary any terms or conditions of the licence, and shall take into account any representations made by or on behalf of the licensee before making the variation.

10. (1) The issue of a licence or its renewal shall be accompanied by a fee calculated at the rate of twenty-five dollars for each timeshare unit in a timeshare accommodation, which fee shall be paid to the Board for the account of the Board regardless of whether a trade licence issued under the Trade Licensing Act is required for such premises.

Licence fee.

CAP. 66

(2) The Minister may, by Order published in the *Gazette*, vary the fee mentioned in subsection (1).

11. A licence issued under this Act shall not be transferable or assignable.

Assignment and transfer of licences.

12. A developer registered under this Act shall, in respect of a timeshare accommodation registered and licenced under this Act -

Minimum standards to be observed by a developer.

- (a) ensure the observance of such minimum standards as may be prescribed from time to time by the Minister, including but not limited to standards relating to health, safety, service facilities and board;
- (b) ensure that any common property is kept in good order and repair consistent with the highest standards of cleanliness, safety and hygiene;
- (c) promptly submit to the Registrar all timeshare plans and sales agreements in respect of each timeshare unit;
- (d) submit to the Registrar periodically, at such intervals as may be specified by the Registrar in writing, the names and addresses of all managing entities and sales agents, and any changes related thereto;
- (e) promptly submit to the Registrar any changes, amendments or variations to any timeshare plan,

sales agreement, timeshare documents or any particulars specified in subsection (1) of section 6 of this Act;

- (f) submit to the Registrar the name of his escrow agent, the escrow instructions, and any changes or variations related thereto;
- (g) promptly inform the Registrar of any changes in his financial position that may adversely affect the interests of purchasers; and
- (h) submit to the Registrar such other information as the Registrar may require from time to time

Developer to provide insurance.

13. (1) In addition to the minimum standards provided in section 12, a developer shall provide and maintain for the benefit of purchasers and their guests public liability insurance, including hurricane and flood insurance, in respect of the accommodation, facilities and units, and such insurance shall be in an amount of not less than five hundred thousand dollars, or such greater amount as the Minister may, by Order published in the *Gazette*, prescribe.

(2) The developer shall keep all the property of an insurable nature at a timeshare property insured against loss or damage in an amount not less than the replacement cost of such property.

(3) A developer may, when discharging any duty under this section, delegate or assign to the managing entity responsibility for compliance with subsections (1) and (2), but the developer shall remain jointly and severally responsible for such compliance.

(4) A developer who, or a managing entity which, as the case may be, contravenes any provision of this section commits an offence and shall be liable on summary conviction,

to a fine not exceeding ten thousand dollars, or to imprisonment for a term of two years, or to both such fine and term of imprisonment.

14. (1) A developer shall, unless exempted by the Registrar, file with the Board a public offering statement which shall be in conformity with the requirements outlined in the First Schedule:

Public
offering
statement.

First
Schedule

Provided that if the developer distributes to an off-site purchaser a public offering statement (howsoever denominated) which in the opinion of the Board contains substantially all of the information required by the First Schedule, then the public offering statement distributed in conjunction with the said off-site sale shall be deemed to be in conformity with this section and the First Schedule.

First
Schedule

First
Schedule

(2) The public offering statement shall be delivered by the developer to any on-site purchaser at the time of the execution of any sales agreement.

(3) Any developer who contravenes the provisions of this section commits an offence and shall be liable on summary conviction to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding one year, or to both such fine and term of imprisonment.

15. (1) There shall be paid by each holder of timeshare rights for each period during which such holder of timeshare rights shall be entitled to occupy a timeshare unit, a tax (to be called "occupancy tax") at the rate of six *per cent* of the total amount payable under the sales agreement by, or on behalf of, a purchaser under section 16 (3) of this Act.

Occupancy
tax.

(2) The occupancy tax referred to in subsection (1) shall be paid by the purchaser to the escrow agent pursuant to section 16 (3) (*d*) of this Act, and the escrow agent shall, when making payment under section 21(4) (*c*) or 21(5) (*b*) pay the occu-

pancy tax to the Board, which amount shall be used for the account of the Board.

(3) Every escrow agent shall prepare monthly a statement in the form prescribed for the purpose of showing the Registrar the amount of occupancy tax for which he is liable to pay to the Board under this Act, and shall furnish such monthly statement not later than the fourteenth day of the following month to the Registrar together with the amount due from him as occupancy tax. If the occupancy tax is not paid as provided herein, it shall be deemed to be in default.

(4) Where by reason of the failure on the part of an escrow agent to furnish the statement referred to in subsection (3) within the period mentioned in that subsection, or by reason of any deficiency in the information contained in such statement, the Board is unable to collect the occupancy tax or the Registrar is satisfied that he has not been given a true account of the occupancy tax due, the Registrar may, after consideration of any representation or information the escrow agent may make or supply to him, assess an amount which shall be deemed to be the occupancy tax for the period. The Registrar shall forthwith in writing inform the escrow agent and demand the assessed occupancy tax, and the tax shall be payable within fourteen days from the date of the demand. If the occupancy tax is not paid as provided herein it shall be deemed to be in default.

(5) Where any occupancy tax is in default the escrow agent shall pay in addition to such tax-

- (a) a penalty of a sum equivalent to ten *per centum* of such tax; and
- (b) where such tax is not paid (together with the penalty) before the expiry of thirty days after such tax has begun to be in default, a further penalty of a sum equivalent to five *per centum* of such tax in

respect of each further period of thirty days or part thereof during which such tax is in default.

(6) The Minister may, on a request made to him in writing in that behalf, waive or reduce the amount of any such penalty payable by the defaulter under subsection (5) if such defaulter proves to the satisfaction of the Minister that the failure to pay was due to circumstances beyond his control:

Provided that the defaulter shall, before making such a request, pay the amount due as occupancy tax and furnish the statement required to be furnished at the time of making such payment.

(7) Default in payment of the occupancy tax shall be an offence and upon summary conviction of the escrow agent in default, on the information of the Registrar, the occupancy tax in default and the penalties due thereon in terms of this section, shall be recoverable together with the costs of the proceedings.

(8) Proceedings for the recovery of the occupancy tax may be commenced at any time before the expiry of five years from the day on which it becomes payable and all occupancy taxes due from the same escrow agent may be recovered on a single complaint.

(9) The order for payment of the occupancy tax in default, and all penalties and costs may be enforced by distress in the manner prescribed in the Summary Jurisdiction (Procedure) Act.

CAP. 99

(10) The Minister may, by Order published in the *Gazette*, vary the rate of the occupancy tax

PART IV **SALES AGREEMENTS**

16. (1) Prior to the execution of a sales agreement, the developer shall—

**Requirements
for sales
agreements.**

- (a) deliver to the purchaser copies of all the timeshare documents, including the proposed sales agreement and the form of notice referred to in section 20 (3); and
- (b) notify the purchaser of the name, address and other contact details of the escrow agent, including the escrow instructions, if not included in the proposed sales agreement.

(2) After the execution of the sales agreement, the developer shall deliver to the purchaser a copy of the signed sales agreement.

(3) The sales agreement referred to in this section shall contain the following minimum information -

- (a) in respect of a sales agreement referred to in subsection (2), the date the sales agreement was executed;
- (b) the name and address of the developer and the developer's sales agent;
- (c) details of the timeshare plan;
- (d) the purchase price and any other fees payable by the purchaser under the sales agreement, including where applicable financing costs, closing costs, maintenance fees for the timeshare unit, the timeshare accommodation, the common property and the timeshare property;
- (e) details and amounts of any recurring charges payable by the purchaser;
- (f) details of the nature and duration of the timeshare rights being sold, disposed, or leased to or acquired by the purchaser;

- (g) if the timeshare accommodation is not yet fully completed, the estimated date of completion;
- (h) the applicable cancellation rights of the purchaser and the procedure for such cancellation; and
- (i) the matters specified in the Second Schedule

Second
Schedule

(4) At the time any consideration passes from the purchaser to the developer under a sales agreement referred to in subsection (2), the developer shall submit to the Registrar in electronic form-

- (a) a copy of the executed sales agreement;
- (b) details of all the financial obligations of the purchaser under the sales agreement, including any consideration and other amounts payable by the purchaser;
- (c) a copy of the rules and regulations regarding the use and occupation of the timeshare unit;
- (d) any other documents relating to the maintenance obligations of the purchaser in respect of the timeshare unit, timeshare property, timeshare accommodation and recreational facilities; and
- (e) the name and address of the escrow agent, and details of the escrow instructions.

(5) A developer may designate a sales agent in writing to perform his functions under this section.

(6) It shall be unlawful for a developer to prepare or enter into sales agreements in the form of title deeds in respect of a timeshare unit or time share accommodation, and all sales agreements shall only be valid if they comply with the requirements of this section.

(7) A developer who contravenes subsection (6) commits an offence, and is liable on summary conviction to a fine of two thousand dollars.

(8) The purchase price for timeshare rights paid by a purchaser under a sales agreement, and any other monies, charges or fees paid by a purchaser under this Act, shall not be liable to general sales tax, or any other tax or impost, other than the occupancy tax provided in this Act.

Protection of purchaser from other estates and interests.

17. (1) Subject to subsection (2), but notwithstanding any other law to the contrary-

(a) in no event shall the foreclosure, exercise of power of sale or pursuit of any other right or remedy under a mortgage, other debt instrument, charge or lien covering all or any portion of a timeshare property or accommodation (whether covering real or personal property or both) extinguish or impair a purchaser's timeshare rights in a timeshare unit, irrespective of whether or not any such mortgage, other debt instrument, charge or lien is given or filed on record prior to completion of the development of the timeshare property, accommodation or units;

(b) in no event shall the determination of any leasehold estate in real property subject to a timeshare property extinguish or impair a purchaser's timeshare rights in a timeshare unit, irrespective of whether any such leasehold estate was created prior to completion of the development of the timeshare property, accommodation or units;

CAP. 244

(c) a trustee or any other person shall not, in any proceedings under the Bankruptcy Act in which a timeshare property or timeshare accommodation

is included among a bankrupt's property, be permitted to disclaim any timeshare rights or any interest flowing therefrom.

(2) Nothing in this Act is intended to prohibit the foreclosure, exercise of a power of sale or pursuit of other right or remedy pursuant to this Act or any other law relating to-

- (a) a mortgage or other debt instrument covering a purchaser's timeshare rights that was given by a purchaser as a purchase money lien;
- (b) a charge or lien that is taken or retained by a developer from a purchaser in order to secure the payment by the purchaser of all or part of the price related to the acquisition of timeshare rights by the purchaser.

18. (1) The developer shall ensure that the timeshare rights in respect of any timeshare units sold by the developer or by the developer's sales agents are not oversold.

**Prohibition
against
overselling.**

(2) Any developer who contravenes subsection (1) commits an offence and shall be liable on summary conviction to a fine not exceeding five thousand dollars, or to imprisonment for a term not exceeding one year, or to both such fine and term of imprisonment.

19. Any purported waiver by a purchaser of any of the requirements of this Act or of any rights of a purchaser set forth in this Act or under any other law shall be invalid.

**Purchaser
waivers
invalid.**

PART V **CANCELLATION RIGHTS OF PURCHASER**

20. (1) A purchaser shall have the right to cancel the sales agreement at any time within three *days* following the date of its execution by the purchaser.

**Cancellation
rights of
purchaser.**

(2) Any sales agreement making provision for the waiver of a purchaser's rights under subsection (1) shall be void.

(3) A developer shall, prior to the execution of a sales agreement by the purchaser, deliver to the purchaser, in electronic form or otherwise, a form of notice for the exercise of the right to cancel the sales agreement.

(4) A developer who fails to comply with subsection (3) commits an offence and shall be liable on summary conviction to a fine of two thousand dollars or to imprisonment for a term not exceeding six months.

PART VI
ESCROW AGENTS, MANAGING ENTITIES
AND EXCHANGE COMPANIES

Escrow agents.

21. (1) Every developer shall appoint an escrow agent for the purposes of this Act.

(2) The instrument of appointment of an escrow agent shall be deposited by the developer with the Registrar, who shall enter the name and address of the escrow agent in the appropriate part of the Register.

(3) Except as otherwise provided in this Act, all monies payable by, and all documents and instruments signed by or on behalf of, a purchaser in respect of the acquisition of timeshare rights shall be deposited with an escrow agent pursuant to an escrow agreement executed by or on behalf of the developer, purchaser and escrow agent.

(4) Monies, documents and instruments shall only be released from escrow for the following reasons, which shall be specified in the escrow agreement -

(a) if a purchaser gives a valid notice of cancellation of the sales agreement under section 20 of this

Act, all payments, documents and instruments made by or on behalf of the purchaser, or the proceeds thereof, shall be returned promptly to the purchaser and in any event not later than *fifteen* days after receipt by the developer or the escrow agent of the notice of cancellation;

- (b) if the purchaser defaults in the performance of his obligations under the sales agreement, any payments, documents and instruments made by or on behalf of the purchaser or the proceeds thereof shall be returned to the purchaser in accordance with the provisions of the sales agreement, but the developer or escrow agent may exercise his rights under the purchase money lien;
- (c) subject to section 15(2), upon the close of the escrow, payment, documents, and instruments made by or on behalf of the purchaser, or the proceeds thereof, shall be delivered to the developer.

(5) Subject to section 15(2) and notwithstanding subsection (4) (c), no payments, documents or instruments made by or on behalf of a purchaser shall be delivered by an escrow agent to the developer unless -

- (a) the escrow agent has received written confirmation from the purchaser, given three days after the purchaser executed the sales agreement, evidencing that the purchaser did not exercise his rights of cancellation of the sales agreement; or
- (b) the escrow agent has not received any cancellation notice given within three days after the purchaser executed the sales agreement, and has received a notification from the developer that he has not received any such notice within the said period from the purchaser; and

(6) The Registrar shall have the right to inspect all books, records and documents of an escrow agent, or to call for reports on any aspect of the business of an escrow agent under this Act.

(7) The Registrar may suspend or cancel the registration of an escrow agent who fails to comply with the provisions of this Act.

Managing entities.

22. (1) Before the first sale of any timeshare rights in a timeshare accommodation, the developer shall create or appoint a managing entity, which shall be either the developer, a separate manager, a management firm, or a combination thereof.

(2) A developer shall be considered as the managing entity of any timeshare accommodation unless and until such developer has notified the Registrar in writing that a different person will serve as the managing entity, which person has acknowledged in writing to the Registrar that he has accepted the functions, duties and obligations of a managing entity, and in the event such other person subsequently resigns or otherwise ceases to perform the functions and discharge the duties of the managing entity, the developer shall forthwith give written notice to the Registrar, and shall be considered for all purposes as the managing entity until the developer creates or appoints another managing entity.

(3) Notwithstanding the appointment of a managing entity, the developer shall continue to be jointly and severally responsible for the functions, duties and obligations of the managing entity under this Act and under any sales agreement with the purchaser.

(4) The duties of the managing entity shall include, but shall not be limited to-

- (a) the management and maintenance of the timeshare property, accommodation, units, common areas, and common property;

- (b) collection of all assessments for common expenses from purchasers;
- (c) providing in each year to all purchasers an itemized annual budget which shall include all estimated expenses; and the budget shall be in such form as may be required by the Board;
- (d) maintaining books and records concerning the timeshare units so that all such books and records are reasonably available for inspection by any purchaser or the authorized agent of such purchaser and-
 - (i) all common assessments and expenses of the timeshare units shall be maintained in accordance with international accounting standards;
 - (ii) all purchasers shall be notified of the location of the books and records and the name and address of the custodian in the copy of the annual budget provided to them under paragraph (c);
- (e) scheduling occupancy of the timeshare units, when purchasers are not already entitled to use specific timeshare periods, so that all purchasers will be provided the use and possession of the common property and recreational facilities at the timeshare property with respect to which they have purchased;
- (f) maintaining a complete list of all purchasers and their addresses, and providing such list to the Board upon request by the Registrar;
- (g) arranging an annual audit of the timeshare accommodation's books of account by an inde-

pendent auditor, and submitting the auditor's report thereon to the developer and the Registrar;

- (h) enforcing any restrictive covenants, rules, and regulations applicable to the timeshare property, accommodation, units, common property and common areas;
- (i) organizing and holding periodic meetings with purchasers to hear their views on the management of the timeshare accommodation;
- (j) operating and making reservations relating to occupancy periods for purchasers in the timeshare units; and
- (k) discharging such other duties as may be provided in the management agreement.

(5) The duties of a managing entity in subsection (3) shall be set out in a management agreement to be executed by or on behalf of the developer and the managing entity, which shall be furnished to the Registrar upon request.

Exchange companies and exchange programs.

23. (1) Where a developer enters into an agreement with an exchange company whereby the exchange company makes offers to purchasers to acquire timeshare rights in timeshare units, the exchange company shall, when making the offer, supply the purchaser with information concerning the exchange program, including –

- (a) the name and address of the exchange company;
- (b) the occupancy tax to be collected by the exchange company from the purchaser if applicable;
- (c) the name and address of the developer;

- (d) the physical location of each timeshare accommodation participating in the exchange program;
- (e) a description of the purchaser's contractual relationship with the exchange program, and the procedure by which changes in the program may be made;
- (f) any applicable criteria used by the exchange company to determine the eligibility of purchasers to the exchange program;
- (g) a description of the limitations, restrictions, or priorities used by the exchange company in operating the exchange program; and
- (h) the fees for participating in the exchange program, and the circumstances under which the fees may be changed.

(2) The information referred to in subsection (1) shall be submitted to the Registrar, who may require changes to be made to that information.

(3) In the month of December in each year, the exchange company shall provide the Registrar with a report on –

- (a) the number of purchasers participating in the exchange program;
- (b) the number of timeshare accommodations participating in the exchange program; and
- (c) any other information which the Registrar may require under Regulations made by the Minister for that purpose.

(4) The report referred to in subsection (3) may be provided in electronic form.

PART VII
LEGAL AND GENERAL

Offences and penalties.

24. (1) Any person who –
- (a) without lawful excuses uses any premises as a timeshare accommodation when such premises is not registered or when there is not in force a licence granted under this Act in respect of such premises; or
 - (b) uses or displays the word “registered” or “licensed” along with the name, title and description of any premises purporting to be a timeshare accommodation when such premises is not registered and/or licensed under this Act; or
 - (c) having been granted a licence to use any premises as a timeshare accommodation, uses such premises otherwise than in accordance with the terms and conditions of such licence; or
 - (d) fraudulently procures or attempts to procure the registration and licensing of any premises as a timeshare accommodation; or
 - (e) continues to operate a timeshare accommodation after the licence has been cancelled; suspended or not renewed; or
 - (f) in connection with any monies paid by a purchaser under a sales agreement, makes any statement that is false in a material particular, or with intent to evade any of the provisions of this Act, produces or makes use of or furnishes any document, instrument, book, record, account, or return which is false in a material particular; or

- (g) forges or falsifies any book of account, register or other book required to be maintained under this Act; or
- (h) makes a false statement in a material particular in any document required under this Act; or
- (i) obstructs, prevents or otherwise hinders the entry of the Registrar or any officer authorized by the Registrar into any timeshare property, accommodation, units, sales agent office, escrow agent office, exchange company office, or developer's office for the purpose of carrying out any inspection, examination, scrutiny or check therein, or assaults, molests or otherwise hinders the Registrar or any such officer in the performance of his duties under this Act; or
- (j) fails to comply with any requirements of this Act or any Regulations made thereunder or with any lawful direction given to such person by the Registrar,

commits an offence and is liable on summary conviction to a fine not exceeding ten thousand dollars or to imprisonment for a term not exceeding three years, or to both such fine and term of imprisonment.

(2) Any registration or licence which has been obtained fraudulently or by means of fraudulent misrepresentation shall be invalid and of no effect.

(3) Where such offence is continued after conviction, such person shall be liable in respect of each day during which such offence continues to a fine not exceeding three hundred dollars.

(4) Any offence against the provisions of this Act committed by an employee of any person shall be deemed to be an offence committed by that person, unless the person estab-

lishes that such offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of the offence.

(5) Where a person by whom an offence under this Act or any Regulations made thereunder is committed is a body corporate, every person who at the time of the commission of the offence was a director, general manager, secretary, or other similar officer of the body corporate or was purporting to act in any such capacity shall be deemed guilty of that offence unless he proves that the offence was committed without his consent or connivance and that he exercised all due diligence to prevent the commission of that offence as he ought to have exercised, having regard to the nature of his functions in that capacity and to all the circumstances.

(6) All fines payable under this Act shall be paid to the account of the Board, for the use of the Board.

Proof of offences, etc.

25. In any prosecution of an offence under this Act, it shall be sufficient proof of the offence to establish that it was committed by an employee or agent of the accused, whether or not the employee or agent is identified or prosecuted for the offence.

Documents, etc, may be provided electronically.

26. Where any person is required under this Act or Regulations made thereunder to provide any books, reports, accounts, or other documents to the Registrar, such books, reports, accounts or other documents may be provided electronically unless the Registrar directs otherwise.

Regulations.

27. The Minister may make Regulations generally for the carrying out of the purposes of this Act, and in particular but without prejudice to the generality of the foregoing, may make Regulations providing

- (a) for the registration of developers, sales agents, managing entities, escrow agents and exchange

companies by the Registrar and the fees payable therefor;

- (b) for the keeping of books of account, records, documents, instruments and returns by developers, sales agents, managing entities, escrow agents and exchange agents and the penalties for failure to comply with such requirement;
- (c) for the training and development of standards for persons employed in the timeshare industry;
- (d) standards for timeshare properties, accommodation and units including but not limited to standards for the maintenance of the exteriors and interiors of timeshare accommodation and units and the roads, pathways, grounds and other common property and common areas thereto;
- (e) minimum furnishings to be provided in bedrooms and bathrooms and other rooms within a timeshare unit;
- (f) that any licence granted under this Act shall be displayed in a conspicuous place in a timeshare accommodation;
- (g) fees for carrying out inspections;
- (h) for the issue of prosecutions by ticket notices;
- (i) for the establishment by developers of a sinking fund and the use of such a fund and any matters connected therewith;
- (j) for the regulation or prohibition of the use of off premises contacts by sales agents, or defining the terms, conditions and standards under which off

premises contacts may be allowed to operate under this Act.

Appeals.

28. (1) Any person who is aggrieved by a decision of the Registrar under this Act may, within fourteen days of the decision, make an appeal therefrom to the Minister.

(2) The Minister shall hear and determine any appeal made to him under subsection (1).

(3) The Minister's decision under subsection (2) shall be final.

Commencement.

29. This Act shall come into force on a day to be appointed by the Minister by Order published in the *Gazette*.

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FIRST SCHEDULE
[SECTION 14]

Matters which every developer or his sales agent must include in his public offering statement.

Every developer or his sales agent shall, unless exempted by the Board, include in his public offering statement the following information, where applicable to his timeshare accommodation-

- (a) the name of the developer and the principal address of such developer, the timeshare property's primary location, and the timeshare rights being offered for sale, including:
 - (i) the name and address of every officer of the developer; and

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- (ii) the name and address of each person owning or controlling an interest of twenty per centum or more in the timeshare property or accommodation;
 - (b) a complete description of the timeshare accommodation and the facilities and amenities of the timeshare property made available to purchasers, including provisions, if any, that have been made for public utilities in the timeshare accommodation, including water, electricity, telephone and sewerage facilities, and also including, without limitation, the developer's good faith estimate, schedule of commencement and completion of the timeshare project, its facilities and amenities or, if completed, a statement indicating that they have been completed and the date of such completion;
 - (c) the description contemplated in paragraph (b) shall include a description of any recreational and other commonly used facilities of the timeshare property which will not be used exclusively by purchasers of the timeshare units and which require the payment of any portion of the maintenance and expenses of such facilities, either directly or indirectly, by the purchasers; such description shall include, but not be limited to, the following-
 - (i) each building or facility committed to be built,
 - (ii) facilities not committed to be built except under certain conditions, and a statement of those conditions or contingencies,
 - (iii) as to each facility committed to be built, or which will be committed to be built upon the happening of one of the conditions of

- subparagraph *(ii)*, a statement whether it will be owned by the purchasers having the use thereof or by an association or other entity which will be controlled by the purchasers, or others, and the location in the exhibits of the lease or other document providing for the use of those facilities,
- (iv)* the year in which each facility will be available for use by the purchasers or, in the alternative, the maximum number of purchasers who may use the facilities at the time each of the facilities is committed to be completed,
- (v)* if there are leases, a description thereof, including the length of their terms, the rents payable, and descriptions of any options to purchase;
- (d)* if it is mandatory that the purchasers pay fees, rent, dues or other amounts under a recreational facilities lease or club membership for the use of any facilities as referred to in paragraph (c), the following statements in conspicuous type-
- (i)* membership in the recreational facilities club is mandatory for purchasers,
- (ii)* purchasers are required, as a condition precedent, to be leasees under the recreational facilities lease, and
- (iii)* purchasers are required to pay their share of the costs and expenses of maintenance, management, upkeep, replacement, rent and fees under the recreational facilities lease or the other instruments providing the facilities, or

Similar statements of the nature of the organisation or the manner in which the use rights are created, and that purchasers are required to pay;

- (e) a description (including the amount) of all amounts due from the purchaser at a completion of the sales agreement, together with a description of the purpose and method of calculating such amounts;
- (f) an explanation of the status of the title to the real property underlying the timeshare property, including a statement of the existence of any lien, defect, judgment, mortgage or other encumbrance affecting the title to the property, and how such lien, defect, judgment, mortgage or other encumbrance will be removed, satisfied or subordinated prior to completion;
- (g) a general description of any financing offered the purchaser by the developer;
- (h) a statement of any pending suits against the developer which may materially and adversely impact the offering of timeshare rights and of which such developer has actual knowledge;
- (i) a description of the insurance coverage provided for the benefit of purchasers and their guests;
- (j) the name and address of the managing entity, a statement whether the developer may change the managing entity or its control and, if so, the manner by which the developer may change the managing entity, a statement of the arrangements for management, maintenance and operation of the accommodations and facilities and of other property (other than incidental benefit) that will

serve the purchasers; and a description of the management arrangement and any and all contracts for these purposes having a term in excess of one year, including the names of the contracting parties, the term of the contract, the nature of the services included, and the compensation, stated for a month and for a year, and provisions for increases in the compensation; copies of all described contracts shall be attached as exhibits;

- (k) any current or expected fees or charges to be paid by the purchasers for the use and enjoyment of any facilities which are not already disclosed under paragraph (d);
- (l) the extent to which financial arrangements, if any, have been provided for completion of any part of the timeshare accommodation and units;
- (m) the extent to which a purchaser can exchange his timeshare rights in that project with that of another purchaser, in another project, and the procedures and costs necessary to do so;
- (n) a brief narrative description of the significant features of the sales agreement and any document referred to therein, any contract or lease to be signed by the purchaser at closing, and any contract or lease that will or may be subject to cancellation by the purchaser;
- (o) any services which the developer provides or expense he pays and which he expects may become at any subsequent time a timesharing expense of the purchasers;
- (p) a description of the restrictions, if any, to be imposed on timeshare rights concerning the use of

any of the accommodations or facilities, including statements whether there are restrictions upon children and pets, and references to the volumes and pages of the timeshare plan documents containing the restrictions shall be attached as an exhibit; if there are no restrictions, there shall be a statement of such fact;

- (q) an estimated operating budget for the timeshare accommodation schedule of the purchaser's expense shall be attached as an exhibit and shall contain the following information-
 - (i) the estimated annual expenses of the timeshare accommodation collectible from purchasers by assessments; the estimated payments by the purchaser for assessments shall also be stated in the estimated amounts for the times when they will be due; expenses shall also be shown for the shortest timeshare period (or smallest timeshare rights, as the case may be) offered for sale by the developer, if the timeshare plan provides for the offer and sale of units to be used on a non timeshare basis, the estimated monthly and annual expenses shall be set forth in a separate schedule, and
 - (ii) the estimated weekly, monthly, and annual expenses (if any) of the purchaser of each timeshare rights other than assessments payable to the managing entity contemplated in subparagraph (i); expenses which are personal to purchasers that are not uniformly incurred by all purchasers or that are not provided for or contemplated by the timeshare plan documents may be excluded from this estimate;

- (r) if the developer intends to subsidize or guarantee the level of assessments, such subsidy or guarantee must be based upon a good faith estimate of the revenues and expenses of the timeshare plan; the subsidy or guarantee must include a description of the following-
 - (i) the specific time period measured in one or more calendar or fiscal years during which the subsidy or guarantee will be in effect, and
 - (ii) the level expressed in total dollars, at which the developer subsidizes or guarantees the budget, as well as the developer's good faith estimate of the fiscal impact upon the annual budget immediately after the expiration of the said subsidy or guarantee;
- (s) all other circumstances or features affecting the timeshare property or accommodation determined by the developer in good faith to be unusual and material to such project;
- (t) a statement or provision on the face of the public offering statement, in bold face type and separated from the other text as follows-

“THIS PUBLIC OFFERING STATEMENT CONTAINS IMPORTANT MATTERS TO BE CONSIDERED IN ACQUIRING TIME-SHARE RIGHTS. THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE PURCHASER SHOULD REFER TO ALL REFERENCES AND EXHIBITS HERETO, CONTRACT DOCUMENTS AND SALES AGREEMENTS. YOU SHOULD NOT

RELY UPON ORAL REPRESENTATIONS AS BEING CORRECT. REFER TO THIS DOCUMENT AND ACCOMPANYING EXHIBITS FOR CORRECT REPRESENTATIONS. THE DEVELOPER IS PROHIBITED FROM MAKING ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THE SALES AGREEMENT AND THIS PUBLIC OFFERING STATEMENT.”;

- (u) copies of the following documents and plans, to the extent they are applicable, shall be filed with the Board and included as exhibits, except as otherwise provided below-
 - (i) any declaration of covenants and restrictions, or proposed declaration if the declaration has not been recorded;
 - (ii) if there is an association established as a body corporate, the articles and memorandum of association creating the association;
 - (iii) the bye-laws or memorandum of association of the association, the timeshare property or the timeshare accommodation;
 - (iv) the ground lease or other underlying title of the real property on which the timeshare accommodation is situated;
 - (v) the management agreement and all maintenance and other contracts regarding the management and operation of the timeshare accommodation which have terms in excess of one year;

- (vi) the estimated operating budget for the timeshare accommodation and the required schedule of purchaser's expenses;
- (vii) the floor plan of each type of unit and the plot plan showing the location of all accommodations and facilities of the timeshare accommodation;
- (viii) any lease of recreational facilities and other facilities of the timeshare accommodation which will be used only by purchasers of the timeshare plan;
- (ix) any lease of facilities of the timeshare accommodation used by purchasers and others;
- (x) a statement of condition of the existing building or buildings of the timeshare accommodation, timeshare rights in an operation being converted from an existing building;
- (xi) the form of sales agreements or lease of the timeshare rights;
- (xii) the documents containing any restrictions on use of the property described in paragraph (p);
- (xiii) any other documents or instruments creating the timeshare plan; and
- (xiv) any other contract or lease to be signed by the purchasers.

The public offering statement provided to purchasers shall only be required to include copies of the exhibits required to be filed with the Board pursuant to subparagraphs (u)(i) or (ii), (iii),

and *(xiii)* of this Schedule, provided that the purchasers also are given a receipt for timeshare plan documents and a list describing any exhibit required to be filed with the Board which is not delivered to the purchasers.

SECOND SCHEDULE

[Section 16]

Matters which shall be included in every sales agreement

(1) Each developer shall utilize and furnish each purchaser a fully completed copy of a sales agreement which shall include the following information-

- (a) the actual date the sales agreement is executed by each party;
- (b) the names and addresses of the developer and (where applicable) the sales agent (if different from the developer), any holder of a mortgage or other security instrument encumbering all or a portion of the timeshare property or accommodation (excluding those mortgages or other security instruments described in section 17(2)), and any owner or lessor of any underlying estate in freehold or leasehold of the timeshare property;
- (c) the total financial obligation of the purchaser, including the initial purchase price and any additional charges to which the purchaser may be subject, such as financing, reservation, maintenance, management and recreation charges;
- (d) the estimated date of completion of construction of each accommodation, facility or unit which is not completed at the time the sales agreement is executed and which is the subject of the sales agreement;

- (e) a description of the nature and duration of the timesharing rights being sold and of the timeshare plan, including the specific number of years constituting the term of the timeshare plan;
- (f) immediately prior to the space reserved in the sales agreement for the signature of the purchaser, in conspicuous type, substantially the following statements:

YOU MAY CANCEL THIS SALES AGREEMENT WITHOUT ANY PENALTY OR OBLIGATION WITHIN THREE DAYS FROM THE DATE YOU SIGN THIS CONTRACT. IF YOU DECIDE TO CANCEL THIS CONTRACT, YOU MUST NOTIFY THE DEVELOPER AND ESCROW AGENT OF YOUR INTENT TO CANCEL. YOUR NOTICE OF CANCELLATION SHALL BE EFFECTIVE UPON THE DATE SENT AND SHALL BE SENT TO (NAME OF DEVELOPER AND ESCROW AGENT) AND AT (ADDRESS OF DEVELOPER AND ESCROW AGENT). ANY ATTEMPT TO OBTAIN A WAIVER OF YOUR CANCELLATION RIGHT IS UNLAWFUL. WHILE YOU MAY EXECUTE ALL COMPLETION DOCUMENTS IN ADVANCE, THE COMPLETION, BEFORE EXPIRATION OF YOUR THREE DAY CANCELLATION PERIOD, IS PROHIBITED.”;

- (g) a statement that, in the event the purchaser cancels the sales agreement during the three day cancellation period, the escrow agent will refund to the purchaser the total amount of all payments made by the purchaser under the sales agreement, reduced by the proportion of any benefits (such as

an overnight stay at the timeshare unit), the purchaser has actually received under the sales agreement prior to the effective date of the cancellation; the statement shall further provide that the refund will be made within fifteen days after receipt of notice of cancellation; a developer and a purchaser shall agree in writing on a specific value for each contract benefit received by the purchaser for the purposes of this paragraph; the term "contract benefit" shall not include public offering statements or other documentation or materials that must be furnished to a purchaser pursuant to any law;

- (h) unless the developer is at the time of the sale of the timeshare rights the owner in fee simple absolute of all accommodations and facilities of which the timeshare property is comprised, free and clear of all liens and encumbrances, a statement that the developer is not the sole owner of the underlying fee of the timeshare accommodations or facilities without liens or encumbrances, which statement shall include-
 - (i) the names and addresses of all persons or entities having an ownership interest or other legal or beneficial interest in the accommodations or facilities, and
 - (ii) the actual interest of the developer in the said accommodations or facilities.

(2) The following statements in substantially the same form in conspicuous type located immediately prior to the disclosure required by paragraph (c):

**THE CURRENT YEAR'S ASSESSMENT
FOR COMMON EXPENSES ALLOCABLE
TO THE TIMESHARE RIGHTS YOU ARE**

PURCHASING IS \$. THIS ASSESSMENT, WHICH MAY BE INCREASED FROM TIME TO TIME BY THE MANAGING ENTITY OF THE TIMESHARE ACCOMMODATION IS PAYABLE IN FULL EACH YEAR ON OR BEFORE. THIS ASSESSMENT (INCLUDES/DOES NOT INCLUDE) YEARLY TOWN PROPERTY FEES, WHICH (ARE/ARE NOT) BILLED AND COLLECTED SEPARATELY. (IF TOWN PROPERTY FEES ARE NOT INCLUDED IN THE CURRENT YEAR'S ASSESSMENT FOR COMMON EXPENSES, THE FOLLOWING STATEMENT MUST BE INCLUDED: THE MOST RECENT ANNUAL ASSESSMENT FOR TOWN PROPERTY FEES FOR THE TIMESHARE RIGHTS YOU ARE PURCHASING IS \$.) (IF THERE ARE ANY DELINQUENT ASSESSMENTS FOR COMMON EXPENSES OR TOWN PROPERTY FEES OUTSTANDING WITH RESPECT TO THE TIMESHARE RIGHTS IN QUESTION, THE FOLLOWING STATEMENT MUST BE INCLUDED: A DELINQUENCY IN THE AMOUNT OF \$ FOR UNPAID COMMON EXPENSES OR TOWN PROPERTY FEES CURRENTLY EXISTS WITH RESPECT TO THE TIMESHARE RIGHTS YOU ARE PURCHASING, TOGETHER WITH A PER DIEM CHARGE OF \$ FOR INTEREST AND LATE CHARGES.) EACH OWNER IS PERSONALLY LIABLE FOR THE PAYMENTS OF SUCH OWNER'S ASSESSMENTS FOR COMMON EXPENSES, AND FAILURE TO TIMELY PAY THESE ASSESSMENTS MAY RESULT IN RESTRICTION OR LOSS OF YOUR USE AND/OR RIGHTS.

THERE ARE MANY IMPORTANT DOCUMENTS RELATING TO THE TIMESHARE PLAN WHICH YOU SHOULD REVIEW PRIOR TO PURCHASING TIME SHARE RIGHTS, INCLUDING THE DECLARATION OF COVENANTS AND RESTRICTIONS, IF APPLICABLE [THE ASSOCIATION ARTICLES AND BYE-LAWS OR MEMORANDUM OF ASSOCIATION, IF APPLICABLE]; THE CURRENT YEAR'S OPERATING AND RESERVE BUDGETS; AND ANY RULES AND REGULATIONS AFFECTING THE USE OF TIMESHARE UNITS, ACCOMMODATIONS AND FACILITIES.