

REFERENCE TITLE: **timeshares; disclosures**

State of Arizona
House of Representatives
Fifty-fourth Legislature
First Regular Session
2019

HB 2639

Introduced by
Representatives Bolick: Biasiucci, Blackman, Carroll, Dunn, Fillmore,
Finchem, Grantham, Kavanagh, Payne, Roberts, Toma, Weninger

AN ACT

AMENDING SECTION 32-2197.03, ARIZONA REVISED STATUTES; AMENDING TITLE 32, CHAPTER 20, ARTICLE 9, ARIZONA REVISED STATUTES, BY ADDING SECTION 32-2197.16; RELATING TO REAL ESTATE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 32-2197.03, Arizona Revised Statutes, is amended
3 to read:

4 32-2197.03. Rescission of contract or agreement; cancellation
5 or termination of timeshare interests;
6 disclosures

7 A. The purchaser may rescind the purchase agreement without cause
8 of any kind by sending or delivering A written notice of rescission by
9 midnight of the ~~seventh~~ FOURTEENTH calendar day following the day on which
10 the purchaser or prospective purchaser executed the purchase agreement.
11 The rescission rights shall be conspicuously disclosed in the purchase
12 agreement. If the ~~developer~~ SELLER allows the rescission period to extend
13 beyond ~~the seven~~ FOURTEEN calendar days, the rescission period disclosure
14 in the purchase agreement shall reflect the longer period of time. The
15 disclosure required by this subsection shall be printed immediately before
16 the ~~space reserved in the purchase agreement for the signature of the~~
17 ~~purchaser~~ DISCLOSURE REQUIRED UNDER SUBSECTION B OF THIS SECTION and shall
18 include the following information:

19 1. The purchaser may cancel the purchase agreement without a
20 penalty or obligation within ~~seven~~ FOURTEEN calendar days after the
21 purchaser signs the purchase agreement.

22 2. If the purchaser decides to cancel the purchase agreement, the
23 purchaser shall notify the seller in writing of the purchaser's intent to
24 cancel.

25 3. The purchaser's notice of cancellation is effective on the date
26 the cancellation is sent and shall be sent to the seller at the seller's
27 address. The seller's address and telephone number shall be listed ~~on~~ IN
28 the purchase agreement.

29 4. The purchaser may execute all closing documents in advance.
30 However, the closing, as evidenced by delivery of the deed or other
31 document, is prohibited before the ~~seven~~ FOURTEEN calendar day
32 cancellation period expires.

33 B. AFTER THE END OF THE RESCISSION PERIOD DESCRIBED IN SUBSECTION A
34 OF THIS SECTION AND BEFORE MIDNIGHT ON THE FIFTEENTH CALENDAR DAY AFTER
35 THE FIRST USE OF THE TIMESHARE INTEREST CONCLUDES, THE PURCHASER MAY
36 CANCEL THE PURCHASE AGREEMENT WITHOUT CAUSE AND RELINQUISH TO THE SELLER
37 ALL TIMESHARE INTERESTS AND LIABILITIES INCURRED UNDER THE PURCHASE
38 AGREEMENT BY SENDING OR DELIVERING A WRITTEN NOTICE OF CANCELLATION AND
39 RELINQUISHMENT TO THE SELLER. FOR THE PURPOSES OF THIS SUBSECTION, "FIRST
40 USE OF THE TIMESHARE INTEREST" MEANS THE FIRST TIME THE PURCHASER OR THE
41 PURCHASER'S THIRD-PARTY TRANSFEREE STAYS IN A TIMESHARE PROPERTY PURSUANT
42 TO THE PURCHASE AGREEMENT.

1 C. ON RECEIVING THE CANCELLATION AND RELINQUISHMENT NOTICE
2 DESCRIBED IN SUBSECTION B OF THIS SECTION:

3 1. THE SELLER MAY CHARGE A CANCELLATION AND RELINQUISHMENT FEE OF
4 UP TO TEN PERCENT OF THE PURCHASE PRICE IF THE SPECIFIC DOLLAR AMOUNT OF
5 THE FEE IS CONSPICUOUSLY DISCLOSED IN THE PURCHASE AGREEMENT.

6 2. THE SELLER MUST REFUND ALL PURCHASE PAYMENTS MADE BY THE
7 PURCHASER WITHIN THIRTY DAYS EXCEPT THAT THE SELLER MAY RETAIN ANY
8 PURCHASE MONIES NECESSARY TO PAY THE CANCELLATION AND RELINQUISHMENT FEE
9 ASSESSED AND ANY OTHER ASSESSMENTS DUE AT THE TIME THE NOTICE OF
10 CANCELLATION AND RELINQUISHMENT IS SENT.

11 D. THE SELLER MAY CHARGE REGULARLY SCHEDULED ASSESSMENTS FOR ONE
12 YEAR AFTER THE NOTICE OF CANCELLATION AND RELINQUISHMENT IS SENT.

13 E. THE SELLER IS NOT REQUIRED TO REFUND ANY ASSESSMENTS PAID BY THE
14 PURCHASER BEFORE THE NOTICE OF CANCELLATION AND RELINQUISHMENT IS SENT.

15 F. THE CANCELLATION AND RELINQUISHMENT RIGHTS AND ANY CANCELLATION
16 AND RELINQUISHMENT FEE SHALL BE CONSPICUOUSLY DISCLOSED IN THE PURCHASE
17 AGREEMENT. IF THE SELLER ALLOWS THE CANCELLATION AND RELINQUISHMENT
18 PERIOD TO EXTEND BEYOND ONE YEAR, THE CANCELLATION AND RELINQUISHMENT
19 PERIOD DISCLOSURE IN THE PURCHASE AGREEMENT SHALL REFLECT THE LONGER
20 PERIOD OF TIME. THE DISCLOSURE REQUIRED BY THIS SUBSECTION SHALL BE
21 PRINTED IMMEDIATELY AFTER THE DISCLOSURE OF THE RESCISSION PERIOD REQUIRED
22 BY SUBSECTION A OF THIS SECTION AND SHALL INCLUDE SPECIFIC DISCLOSURES
23 STATING THAT:

24 1. THE PURCHASER MAY CANCEL THE PURCHASE AGREEMENT AND RELINQUISH
25 ALL TIMESHARE INTERESTS UNDER THE PURCHASE AGREEMENT WITHIN ONE YEAR AFTER
26 THE PURCHASER SIGNS THE PURCHASE AGREEMENT.

27 2. IF THE PURCHASER DECIDES TO CANCEL THE PURCHASE AGREEMENT AND
28 RELINQUISH THE TIMESHARE INTERESTS, THE PURCHASER SHALL NOTIFY THE SELLER
29 IN WRITING OF THE PURCHASER'S INTENT TO CANCEL AND RELINQUISH.

30 3. THE PURCHASER'S NOTICE OF CANCELLATION AND RELINQUISHMENT IS
31 EFFECTIVE ON THE DATE THAT THE CANCELLATION AND RELINQUISHMENT NOTICE IS
32 SENT AND SHALL BE SENT TO THE SELLER AT THE SELLER'S ADDRESS. THE
33 SELLER'S ADDRESS AND TELEPHONE NUMBER SHALL BE LISTED IN THE PURCHASE
34 AGREEMENT.

35 4. THE PURCHASER MAY BE CHARGED A CANCELLATION AND RELINQUISHMENT
36 FEE OF UP TO TEN PERCENT OF THE TOTAL PURCHASE PRICE. THE SPECIFIC DOLLAR
37 AMOUNT OF THE CANCELLATION AND RELINQUISHMENT FEE SHALL ALSO BE INCLUDED.

38 5. THE PURCHASER MAY BE LIABLE FOR ALL ASSESSMENTS, TAXES OR OTHER
39 FEES INCURRED DURING THE PERIOD OF OWNERSHIP AND MAY BE LIABLE FOR ALL
40 REGULARLY SCHEDULED ASSESSMENTS, INCLUDING MAINTENANCE FEES, FOR A FULL
41 YEAR AFTER THE CANCELLATION AND RELINQUISHMENT.

42 6. WITHIN THIRTY DAYS AFTER THE RECEIPT OF A CANCELLATION AND
43 RELINQUISHMENT NOTICE, THE SELLER SHALL REFUND ALL PAYMENTS THAT THE
44 PURCHASER MADE TOWARD THE PURCHASE OF THE TIMESHARE, EXCEPT THAT THE
45 SELLER MAY RETAIN ANY PURCHASE MONIES NECESSARY TO PAY THE CANCELLATION

1 AND RELINQUISHMENT FEE AND ANY OTHER ASSESSMENTS DUE AT THE TIME THE
2 NOTICE OF CANCELLATION AND RELINQUISHMENT IS SENT.

3 G. AT LEAST TEN YEARS AFTER A PURCHASER PURCHASES A TIMESHARE, A
4 PURCHASER WHO HAS PAID THE ENTIRE PURCHASE PRICE OF THE PURCHASER'S
5 TIMESHARE AND WHO DOES NOT HAVE PAST-DUE ASSESSMENTS, UNPAID FINES, UNPAID
6 PENALTIES OR LIENS OR OTHER ENCUMBRANCES ON THE PROPERTY MAY TERMINATE THE
7 PURCHASE AGREEMENT WITHOUT CAUSE AND SURRENDER ALL RIGHTS OR PROPERTY
8 INTERESTS UNDER THE PURCHASE AGREEMENT TO THE SELLER WITHOUT A FEE OR
9 PENALTY. IN A TERMINATION UNDER THIS SUBSECTION, THE PURCHASER IS NOT
10 LIABLE FOR ANY ASSESSMENTS BEYOND REGULARLY SCHEDULED ASSESSMENTS INCURRED
11 WITHIN ONE YEAR AFTER THE SURRENDER. ELIGIBLE PURCHASERS MAY INITIATE THE
12 TERMINATION AND SURRENDER BY SENDING OR DELIVERING A WRITTEN NOTICE OF
13 TERMINATION AND SURRENDER TO THE SELLER AT THE SELLER'S ADDRESS. WITHIN
14 THIRTY DAYS AFTER RECEIVING THE TERMINATION AND SURRENDER NOTICE, THE
15 SELLER SHALL PROVIDE THE PURCHASER A WRITTEN NOTICE STATING WHETHER THE
16 PURCHASER'S REQUEST FOR TERMINATION AND SURRENDER IS ACCEPTED OR DENIED.
17 IF THE PURCHASER'S REQUEST IS DENIED, THE NOTICE OF DENIAL MUST EXPLAIN IN
18 DETAIL THE REASON FOR DENIAL. A REQUEST MAY BE DENIED ONLY IF IT DOES NOT
19 MEET THE CRITERIA DESCRIBED IN THIS SUBSECTION. IF THE PURCHASER'S
20 REQUEST IS ACCEPTED, THE NOTICE OF ACCEPTANCE MUST INCLUDE:

21 1. ALL NECESSARY DOCUMENTS FOR THE PURCHASER TO COMPLETE THE
22 SURRENDER OF THE PURCHASER'S TIMESHARE INTEREST.

23 2. INSTRUCTIONS FOR COMPLETING THE NECESSARY DOCUMENTATION.

24 3. A DETAILED EXPLANATION OF THE EFFECT OF THE TERMINATION AND
25 SURRENDER, INCLUDING THE PURCHASER'S LIABILITY FOR ANY FUTURE REGULARLY
26 SCHEDULED ASSESSMENTS OR RECORDING FEES AND THE LOSS OF ANY DEED INTEREST,
27 TIMESHARE POINTS OR OTHER TIMESHARE INTEREST.

28 4. AN EXPLANATION OF THE PURCHASER'S RIGHT TO CANCEL THE
29 TERMINATION AND SURRENDER PROCESS, IF ANY.

30 H. THE TERMINATION AND SURRENDER IS EFFECTIVE ON THE DATE THAT THE
31 SELLER RECEIVES EXECUTED COPIES OF ALL NECESSARY DOCUMENTS FROM THE
32 PURCHASER SEEKING TO TERMINATE THE PURCHASE AGREEMENT AND SURRENDER THE
33 PURCHASER'S TIMESHARE INTEREST. WITHIN FOURTEEN DAYS AFTER RECEIVING THIS
34 DOCUMENTATION, THE SELLER MUST PROVIDE THE PURCHASER A WRITTEN COPY OF THE
35 TERMINATION AND SURRENDER DOCUMENTATION SIGNED BY BOTH PARTIES AND A
36 WRITTEN NOTICE TO THE PURCHASER THAT DOES BOTH OF THE FOLLOWING:

37 1. VERIFIES THE EFFECTIVE DATE OF THE TERMINATION AND SURRENDER.

38 2. STATES IN DETAIL ANY FUTURE LIABILITY THAT THE PURCHASER MAY
39 HAVE FOR REGULARLY SCHEDULED ASSESSMENTS.

40 I. ON THE EFFECTIVE DATE OF THE TERMINATION AND SURRENDER, THE
41 TIMESHARE INTEREST SHALL IMMEDIATELY RETURN TO THE SELLER OR ANY THIRD
42 PARTY DESIGNATED BY THE SELLER. THE SELLER MAY CONTINUE TO ASSESS AND
43 COLLECT REGULARLY SCHEDULED ASSESSMENTS FROM THE PURCHASER FOR ONE YEAR
44 AFTER RECEIVING EXECUTED COPIES OF ALL NECESSARY DOCUMENTS FROM THE
45 PURCHASER.

1 J. THE TERMINATION AND SURRENDER RIGHTS SHALL BE CONSPICUOUSLY
2 DISCLOSED IN A PURCHASE AGREEMENT. IF THE SELLER ALLOWS THE TERMINATION
3 AND SURRENDER OF A TIMESHARE INTEREST EARLIER THAN TEN YEARS AFTER THE
4 DATE OF THE PURCHASE AGREEMENT, THE PURCHASE AGREEMENT SHALL REFLECT THE
5 SHORTER PERIOD OF TIME. THE DISCLOSURE REQUIRED BY THIS SUBSECTION SHALL
6 BE PRINTED IMMEDIATELY AFTER THE DISCLOSURE OF CANCELLATION AND
7 RELINQUISHMENT RIGHTS REQUIRED BY SUBSECTION F OF THIS SECTION AND
8 IMMEDIATELY BEFORE THE SPACE RESERVED IN THE PURCHASE AGREEMENT FOR THE
9 SIGNATURE OF THE PURCHASER AND SHALL INCLUDE SPECIFIC DISCLOSURES THAT:

10 1. AT LEAST TEN YEARS AFTER THE DATE OF THE PURCHASE AGREEMENT, IF
11 THE PURCHASER HAS PAID THE ENTIRE PURCHASE PRICE AND HAS NO OUTSTANDING
12 FEES, ASSESSMENTS, PENALTIES, LIENS OR ENCUMBRANCES, THE PURCHASER MAY
13 TERMINATE THE PURCHASE AGREEMENT AND SURRENDER THE PURCHASER'S TIMESHARE
14 TO THE SELLER TO AVOID PAYING FUTURE ASSESSMENTS, EXCEPT THAT THE SELLER
15 MAY REQUIRE THE PURCHASER TO PAY REGULARLY SCHEDULED ASSESSMENTS INCURRED
16 WITHIN ONE YEAR AFTER THE DATE OF THE TERMINATION AND SURRENDER.

17 2. IF A QUALIFYING PURCHASER DECIDES TO TERMINATE THE PURCHASE
18 AGREEMENT AND SURRENDER THE PURCHASER'S TIMESHARE, THE PURCHASER SHALL
19 NOTIFY THE SELLER IN WRITING OF THE PURCHASER'S INTENT TO TERMINATE AND
20 SURRENDER.

21 3. THE PURCHASER'S NOTICE OF TERMINATION AND SURRENDER SHALL BE
22 SENT TO THE SELLER AT THE SELLER'S ADDRESS. THE SELLER'S ADDRESS AND
23 TELEPHONE NUMBER SHALL BE LISTED IN THE PURCHASE AGREEMENT.

24 4. WITHIN FOURTEEN DAYS AFTER RECEIVING THE NOTICE OF TERMINATION
25 AND SURRENDER AND VERIFYING THAT THE TERMINATION AND SURRENDER ARE VALID,
26 THE SELLER SHALL PROVIDE THE PURCHASER WITH THE NECESSARY FORMS TO
27 SURRENDER THE PURCHASER'S TIMESHARE.

28 5. THE TERMINATION AND SURRENDER ARE EFFECTIVE WHEN THE SELLER
29 RECEIVES THE COMPLETED FORMS.

30 6. AT THE TIME OF TERMINATION AND SURRENDER, THE PURCHASER SHALL
31 GIVE UP ANY TIMESHARE INTEREST THAT THE PURCHASER MAY HAVE OBTAINED
32 THROUGH THE PURCHASE AGREEMENT.

33 7. THE PURCHASER MAY BE LIABLE FOR ALL REGULARLY SCHEDULED
34 ASSESSMENTS, INCLUDING MAINTENANCE FEES, INCURRED BEFORE THE EFFECTIVE
35 DATE OF THE TERMINATION AND SURRENDER AND FOR A FULL YEAR FOLLOWING THE
36 SUCCESSFUL TERMINATION AND SURRENDER OF THE PURCHASER'S TIMESHARE
37 INTEREST.

38 K. THE DENIAL OF A PURCHASER'S RIGHTS UNDER THIS SECTION WITHOUT A
39 GOOD FAITH LEGAL BASIS CONSTITUTES AN UNLAWFUL PRACTICE UNDER SECTION
40 44-1522. THE ATTORNEY GENERAL MAY INVESTIGATE AND TAKE APPROPRIATE ACTION
41 AS PRESCRIBED BY TITLE 44, CHAPTER 10, ARTICLE 7.

42 ~~B.~~ L. This section applies to any timeshare plan approved by the
43 commissioner pursuant to either article 4 of this chapter or this article,
44 regardless of the date of issuance of the public report.

1 Sec. 2. Title 32, chapter 20, article 9, Arizona Revised Statutes,
2 is amended by adding section 32-2197.16, to read:

3 32-2197.16. Separate disclosure

4 A. BEFORE ENTERING INTO AN AGREEMENT OR CONTRACT FOR THE SALE OF A
5 TIMESHARE INTEREST, THE SELLER MUST PROVIDE THE PURCHASER WITH A SEPARATE
6 DISCLOSURE DOCUMENT TO ADEQUATELY INFORM THE PURCHASER OF THE PURCHASER'S
7 ACTUAL AND POTENTIAL LIABILITIES UNDER THE PURCHASE AGREEMENT. AT A
8 MINIMUM, THIS SEPARATE DISCLOSURE DOCUMENT MUST CONSPICUOUSLY DISCLOSE ALL
9 OF THE FOLLOWING:

10 1. THE DURATION OF THE TIMESHARE AGREEMENT ENTERED INTO BY THE
11 PURCHASER AND, IF THE AGREEMENT HAS NO SET DURATION, AN AFFIRMATIVE
12 STATEMENT THAT THE PURCHASER'S OBLIGATIONS UNDER THE AGREEMENT MAY EXTEND
13 THROUGHOUT THE COURSE OF THE PURCHASER'S LIFETIME.

14 2. A GOOD FAITH ESTIMATE OF THE TOTAL POTENTIAL FINANCIAL
15 OBLIGATION OF THE PURCHASER DURING THE FIRST YEAR OF OWNERSHIP THAT
16 INCLUDES ADDITIONAL CHARGES TO WHICH THE PURCHASER MAY BE SUBJECT DURING
17 THE FIRST YEAR OF OWNERSHIP, INCLUDING ALL POTENTIAL ASSESSMENTS. THE
18 DISCLOSURE SHALL BE AS FOLLOWS:

19 (a) IF THE MAXIMUM AMOUNT OF THE FIRST YEAR'S ASSESSMENTS IS KNOWN
20 AT THE TIME OF PURCHASE, THE DISCLOSURE MUST DISCLOSE THE MAXIMUM AMOUNT
21 OF THESE ASSESSMENTS AND THE ASSESSMENTS LEVIED FOR EACH OF THE PREVIOUS
22 THREE YEARS, IF AVAILABLE.

23 (b) IF THE MAXIMUM AMOUNT OF THE FIRST YEAR'S ASSESSMENTS IS
24 UNKNOWN AT THE TIME OF PURCHASE, THE DISCLOSURE MUST PROVIDE THE PURCHASER
25 WITH THE FOLLOWING:

26 (i) NOTICE THAT THE PURCHASER WILL BE REQUIRED TO PAY ASSESSMENTS
27 IN ADDITION TO THE DISCLOSED PURCHASE PAYMENT AND THAT THE AMOUNT OF THOSE
28 ASSESSMENTS IS CURRENTLY UNKNOWN.

29 (ii) A STATEMENT DISCLOSING THE ASSESSMENTS LEVIED FOR EACH OF THE
30 PREVIOUS THREE YEARS, IF AVAILABLE, AND A GOOD FAITH ESTIMATE OF THE FIRST
31 YEAR'S ASSESSMENTS THAT IS AT LEAST THE HIGHEST AMOUNT ASSESSED DURING ANY
32 OF THE PREVIOUS THREE YEARS BASED ON THE TIMESHARE INTEREST BEING OFFERED.

33 (iii) AN AFFIRMATIVE STATEMENT THAT THERE IS NO LIMIT ON THE
34 ASSESSMENTS THAT THE PURCHASER MAY BE CHARGED IN THE FIRST YEAR OF
35 OWNERSHIP.

36 3. A GOOD FAITH ESTIMATE OF THE MAXIMUM ANNUAL AND CUMULATIVE
37 FINANCIAL OBLIGATION OF THE PURCHASER DURING THE DURATION OF THE TIMESHARE
38 AGREEMENT, WHICH INCLUDES THE PURCHASE PRICE, ASSESSMENTS AND ANY
39 ADDITIONAL PAYMENTS TO WHICH THE PURCHASER MAY BE SUBJECT DURING THE
40 DURATION OF THE TIMESHARE AGREEMENT. IF THE AMOUNT OF FUTURE ASSESSMENTS
41 IS KNOWN AT THE TIME OF PURCHASE, THE DISCLOSURE MUST PROVIDE THE
42 PURCHASER WITH THE FOLLOWING:

43 (a) NOTICE THAT THE PURCHASER WILL BE REQUIRED TO PAY ASSESSMENTS
44 IN ADDITION TO THE DISCLOSED PURCHASE PRICE.

1 (b) A PAYMENT SCHEDULE DISCLOSING THE AMOUNT OF ASSESSMENTS PAYABLE
2 DURING EACH YEAR OF THE LIFE OF THE AGREEMENT AND THE CUMULATIVE AMOUNT OF
3 THOSE ASSESSMENTS AFTER FIVE, TEN, TWENTY AND THIRTY YEARS OF OWNERSHIP.

4 (c) ALL MATERIAL ADDITIONAL PAYMENTS, INCLUDING ESTIMATED TAXES,
5 ESTIMATED UTILITY FEES AND SPECIAL ASSESSMENTS. IF THE PURCHASE AGREEMENT
6 DOES NOT HAVE A CAP ON SPECIAL ASSESSMENTS, THE SCHEDULE SHALL USE AN
7 ESTIMATED AMOUNT EQUAL TO \$1,000 PER YEAR FOR SPECIAL ASSESSMENTS.

8 4. IF THE AMOUNT OF FUTURE ASSESSMENTS IS UNKNOWN AT THE TIME OF
9 PURCHASE, THE DISCLOSURE MUST PROVIDE THE PURCHASER WITH THE FOLLOWING:

10 (a) NOTICE THAT THE PURCHASER WILL BE REQUIRED TO PAY ASSESSMENTS
11 IN ADDITION TO THE DISCLOSED PURCHASE PRICE AND THAT THE AMOUNT OF THOSE
12 ASSESSMENTS IS CURRENTLY UNKNOWN.

13 (b) A PAYMENT SCHEDULE DISCLOSING ESTIMATES OF THE ASSESSMENTS
14 PAYABLE DURING EACH YEAR OF THE LIFE OF THE AGREEMENT AS FOLLOWS:

15 (i) IF THE MAXIMUM AMOUNT OF THE FIRST YEAR'S ASSESSMENT IS KNOWN
16 AND HAS BEEN DISCLOSED BY THE SELLER PURSUANT TO SUBSECTION A, PARAGRAPH
17 2, SUBDIVISION (a) OF THIS SECTION, THE SCHEDULE SHALL START WITH THAT
18 AMOUNT FOR THE FIRST YEAR. THE SCHEDULE SHALL DISCLOSE ESTIMATES OF THE
19 ANNUAL ASSESSMENTS, USING THE MAXIMUM ALLOWABLE ASSESSMENT FOR EACH YEAR
20 IF SPECIFIED IN THE PURCHASE AGREEMENT, FOR THE FIRST THIRTY YEARS OF
21 OWNERSHIP OR THE DURATION OF THE TIMESHARE AGREEMENT, WHICHEVER IS LESS.
22 IF THE PURCHASE AGREEMENT DOES NOT SPECIFY A MAXIMUM ALLOWABLE ASSESSMENT
23 FOR ANY GIVEN YEAR, THE SCHEDULE SHALL ASSUME AN ANNUAL ASSESSMENT
24 INCREASE OF TWENTY-FIVE PERCENT FOR EACH YEAR. ESTIMATES MUST INCLUDE A
25 STATEMENT CLARIFYING THAT THE AMOUNTS PROVIDED ARE ESTIMATES AND THE
26 ACTUAL COST OF OWNERSHIP MAY BE HIGHER OR LOWER THAN THE AMOUNTS PROVIDED.

27 (ii) IF THE MAXIMUM AMOUNT OF THE FIRST YEAR'S ASSESSMENT IS
28 UNKNOWN AND THE SELLER HAS PROVIDED A DISCLOSURE UNDER SUBSECTION A,
29 PARAGRAPH 2, SUBDIVISION (b) OF THIS SECTION, THE SCHEDULE SHALL START
30 WITH \$650. THE SCHEDULE SHALL DISCLOSE ESTIMATES OF THE ANNUAL
31 ASSESSMENTS FOR THE FIRST THIRTY YEARS OF OWNERSHIP OR THE DURATION OF THE
32 TIMESHARE AGREEMENT, WHICHEVER IS LESS, ASSUMING AN ANNUAL ASSESSMENT
33 INCREASE OF TWENTY-FIVE PERCENT FOR EACH YEAR OF OWNERSHIP. THE ESTIMATES
34 MUST INCLUDE A STATEMENT CLARIFYING THAT THE AMOUNTS PROVIDED ARE
35 ESTIMATES AND THE ACTUAL COST OF OWNERSHIP MAY BE HIGHER OR LOWER THAN THE
36 AMOUNTS PROVIDED.

37 (iii) IF THE PURCHASE AGREEMENT PLACES A CAP ON ASSESSMENT
38 INCREASES, THE SCHEDULE SHALL SUBSTITUTE THE MAXIMUM CAP ON THE RATE OF
39 INCREASE FOR THE TWENTY-FIVE PERCENT ASSUMED RATE REQUIRED BY ITEMS (i)
40 AND (ii) OF THIS SUBDIVISION.

41 (iv) USING THE APPROPRIATE PERCENTAGE RATE UNDER ITEM (i) OF THIS
42 SUBDIVISION, THE SCHEDULE SHALL ALSO REFLECT THE CUMULATIVE AMOUNT OF ALL
43 ASSESSMENTS TO BE PAID BY THE PURCHASER FOR THE DURATION OF THE TIMESHARE
44 AGREEMENT, AS WELL AS FOR THE FIRST FIVE, TEN, TWENTY AND THIRTY YEARS OF
45 OWNERSHIP. IF THE DURATION OF THE TIMESHARE AGREEMENT IS LESS THAN FIVE

1 YEARS, MORE THAN FIVE YEARS AND LESS THAN TEN YEARS, MORE THAN TEN YEARS
2 AND LESS THAN TWENTY YEARS OR MORE THAN TWENTY YEARS AND LESS THAN THIRTY
3 YEARS, THE SCHEDULE SHALL INCLUDE ALL PERIODS THAT OCCUR UP UNTIL THE
4 TIMESHARE AGREEMENT'S END DATE.

5 (c) IN ADDITION TO REGULARLY SCHEDULED ASSESSMENTS, A LIST OF ALL
6 FEES, INCLUDING ESTIMATED TAXES, ESTIMATED UTILITY FEES AND SPECIAL
7 ASSESSMENTS. IF THE PURCHASE AGREEMENT DOES NOT HAVE A CAP ON SPECIAL
8 ASSESSMENTS, THE SCHEDULE SHALL USE AN AMOUNT EQUAL TO \$1,000 PER YEAR FOR
9 SPECIAL ASSESSMENTS.

10 B. THE PURCHASER MUST SIGN THE SEPARATE DISCLOSURE AND VERIFY THAT
11 THE PURCHASER HAS READ AND UNDERSTANDS THE INFORMATION PRESENTED IN THE
12 SEPARATE DISCLOSURE. A SIGNED COPY OF THE SEPARATE DISCLOSURE SHALL BE
13 PROVIDED TO THE PURCHASER FOR THE PURCHASER'S RECORDS AT THE TIME OF
14 SIGNING, AND THE SELLER SHALL KEEP A SIGNED COPY OF THE SEPARATE
15 DISCLOSURE.

16 C. THE COMMISSIONER MAY RECOMMEND OR REQUIRE THAT THE SEPARATE
17 DISCLOSURE BE IN A SPECIFIED FORM. THE FORM MUST CONTAIN THE INFORMATION
18 REQUIRED BY THIS SECTION.