

**LENDING OR INVESTING IN THE RESORT, TIMESHARE OR CONDOMINIUM
PROJECT; A DUE DILIGENCE APPROACH**

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FUNDAMENTALS OF TIMESHARING

1. What Can Be Timeshared?
 - a. Real estate.
 - b. Personal Property
 - i. Recreational Vehicles
 - ii. Cruise Ships
 - iii. Airplanes
2. Legal Structure of Timeshare Resorts
 - a. Condominium
 - b. Tenancy in common
 - c. Trust
 - d. License
 - e. Vacation clubs (multi site time share resorts)
 - f. Fractionals
 - g. Residence clubs
3. Common characteristics of Timeshare Plans
 - a. Fixed week, fixed unit
 - b. Fixed week, floating unit
 - c. Floating week, floating unit
 - d. Points
4. Exchange Companies
 - a. Enable owners to utilize accommodations at other time share resorts.
5. Sales and Marketing
 - a. Destination resorts
 - b. Drive-in resorts
 - c. Mini vacations: hooked and non-hooked.
 - d. Off premises contact (OPC)

- e. Owner referrals
7. Land Acquisition and Construction
- a. New construction versus conversions
8. Management
- a. Typically a developer controlled management company.
 - b. Management includes managing the reservation system as well as maintenance of the Resort and the interior of the Units.
 - c. Individual unit owners typically do not have interest in management because of their small investment in the property.
9. Financing
- a. Acquisition and Construction Loans
 - b. Pre sales
 - c. Receivable financing
 - d. Securitization
10. Regulatory
- Must comply with the following laws, both in the home state and in all other states where sales and marketing takes place:
- a. Time Share
 - b. Telemarketing
 - c. Seller of Travel
 - d. Real estate brokerage law
 - e. Do not call and anti spam legislation
 - f. Other consumer protection laws