

# MAINE STATE LEGISLATURE

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**LAWS**  
OF THE  
**STATE OF MAINE**

AS PASSED BY THE  
  
ONE HUNDRED AND ELEVENTH LEGISLATURE

**FIRST REGULAR SESSION**  
December 1, 1982 to June 24, 1983  
Chapters 1-452

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J.S. McCarthy Co., Inc.  
Augusta, Maine  
1983

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**PUBLIC LAWS**  
OF THE  
**STATE OF MAINE**

AS PASSED AT THE  
FIRST REGULAR SESSION

and

FIRST SPECIAL SESSION

of the

ONE HUNDRED AND ELEVENTH LEGISLATURE

1983

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## CHAPTER 248

H.P. 468 - L.D. 568

AN ACT Relating to Time Shares.

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 33 MRSA c. 10, first 2 lines, as enacted by PL 1965, c. 357, are repealed and the following enacted in their place:

CHAPTER 10UNIT OWNERSHIPSUBCHAPTER IUNIT OWNERSHIP

Sec. 2. 33 MRSA §588, as enacted by PL 1979, c. 484, is repealed.

Sec. 3. 33 MRSA c. 10-A is enacted to read:

CHAPTER 10-ATIME SHARES§591. Definitions

As used in this chapter, unless the context indicates otherwise, the following terms have the following meanings.

1. Manager. "Manager" means any person, other than all time-share owners or the association, designated in or employed pursuant to the time-share instrument or project instrument to manage the time-share units.

2. Managing entity. "Managing entity" means the manager or, if there is no manager, the association of unit owners.

3. Project. "Project" means real property subject to a project instrument containing more than one unit. A project may include units that are not time-share units.

4. Project instrument. "Project instrument" means one or more recordable documents by whatever name

denominated, applying to the whole of a project and containing restrictions or covenants regulating the use, occupancy or disposition of units in a project, including any amendments to the document, but excluding any law, ordinance or governmental regulation.

5. Purchaser. "Purchaser" means any person, other than a developer, who by means of a voluntary transfer acquires a legal or equitable interest in a time share other than as security for an obligation.

6. Time share. "Time share" means a time-share estate or a time-share license.

7. Time-share estate. "Time-share estate" means any interest in a unit or any of several units under which the exclusive right of use, possession or occupancy of the unit circulates among the various time-share owners in the unit in accordance with a fixed time schedule on a periodically recurring basis for periods of time established by the schedule coupled with a freehold estate or an estate for years in a time-share property or a specified portion thereof.

8. Time-share instrument. "Time-share instrument" means one or more documents, by whatever name denominated, creating or regulating time shares.

9. Time-share license. "Time-share license" means a right to occupy a unit or any of several units during 3 or more separated time periods over a period of at least 3 years, including renewal options, not coupled with a freehold estate or an estate for years.

10. Time-share owner. "Time-share owner" means a person who is an owner or co-owner of a time share other than as security for an obligation.

11. Time-share property. "Time-share property" means one or more time-share units subject to the same time-share instrument, together with any other real estate or rights appurtenant to those units.

12. Time-share unit. "Time-share unit" means a unit in which time shares exist.

13. Unit. "Unit" means real property or a portion thereof designated for separate use.

§592. Requirements of time shares

1. Specific disclosures. No time share may be conveyed by a developer or conveyed for the first time unless, prior to that conveyance or the execution of an agreement for the purchase, whichever is earlier, the purchaser is provided, at no cost to the

purchaser, with a written statement containing the following information, all of which shall be current to a point not more than 60 days prior to the date of delivery to the purchaser.

A. The front cover or first page shall contain only:

(1) The name and principal address of the developer and of the project and the location of the time-share property; and

(2) The following statements in conspicuous type.

(a) THIS CONTAINS IMPORTANT MATTERS TO BE CONSIDERED IN ACQUIRING A TIME SHARE. STATE OF MAINE LAW REQUIRES THAT THESE DISCLOSURES BE MADE BUT NO STATE AGENCY OR OFFICIAL HAS REVIEWED THE INFORMATION CONTAINED IN THIS BOOKLET.

(b) YOU MAY CANCEL THE PURCHASE TRANSACTION WITHIN FIFTEEN DAYS FOLLOWING THE DATE OF EXECUTION OF THE CONTRACT OR THE RECEIPT OF A CURRENT WRITTEN STATEMENT, WHICHEVER IS LATER.

(c) THE STATEMENTS CONTAINED INSIDE ARE ONLY SUMMARY IN NATURE. IF YOU ARE THINKING OF BUYING A UNIT, YOU SHOULD TALK TO YOUR ATTORNEY AND LOOK AT ALL EXHIBITS, INCLUDING THE DECLARATION, PROJECT INSTRUMENT FLOOR PLAN, PLOT PLAN, BYLAWS AND CONTRACTS.

(d) YOU SHOULD ASK YOUR ATTORNEY AND THE DEVELOPER TO TELL YOU WHAT WILL HAPPEN TO YOUR DEPOSIT, INTEREST IN THE UNIT, OR COSTS AND EXPENSES IF THE DEVELOPER OR OWNER IS DECLARED BANKRUPT. OBTAIN THE ANSWER FROM THE DEVELOPER IN WRITING.

B. The following pages shall contain, in the following order:

(1) A general description of the time-share property and the time-share units, including, without limitation, the number and types of units in the time-share property and in any project of which it is a part and the schedule of commencement and completion of construction of all buildings, units, amenities and improvements;

(2) The maximum number of units that may become part of the time-share property, a statement of the maximum number of time shares that may be created or that there is no maximum, and the proportion of units the developer intends to rent or market in blocks of units to investors;

(3) Copies and a brief narrative description of the significant features of the project instrument and time-share instrument and any documents referred to therein, other than the survey and floor plans; the bylaws; rules; copies of any contracts and leases to be signed by purchasers at closing; and a brief narrative description of any contracts or leases, the term of which will or may extend beyond the period of developer control of the association;

(4) Any current balance sheet and a projected budget for the association, if there is an association, for one year after the date of the first transfer to a purchaser, and thereafter the current budget, a statement of who prepared the budget and a statement of the budgetary assumptions concerning occupancy and inflation factors. The budget shall include, without limitation:

(a) A statement of the amount, or a statement that there is no amount, included in the budget as a reserve for repairs and replacement;

(b) A statement of any other reserves;

(c) The projected common expense assessment by category of expenditures for the association; and

(d) The projected monthly common expense assessment for each type of unit;

(5) Any services not reflected in the budget that the developer provides, or expenses that he pays, and that he expects may become at any subsequent time a common expense of the association and the projected common expense assessment attributable to each of those services or expenses for the association and for each type of unit and each time-share estate;

(6) Any initial or special fee due from the

purchaser at or before closing, together with a description of the purpose of the fee and method of its calculation;

(7) A description and a statement of the effect on the time-share owners of any liens, defects or encumbrances on or affecting the title to the project and each time-share unit;

(8) A description of any financing offered by the developer;

(9) The terms and significant limitations of any warranties provided by the developer, including statutory warranties and limitations on the enforcement thereof or on damages;

(10) A statement that:

(a) Within 15 days after receipt of the current written statement or execution of a contract, whichever is later, a purchaser may cancel any conveyance or contract for purchase of a unit from the developer; and

(b) If the purchaser elects to cancel, he may do so by hand delivering a notice thereof or by mailing the notice by prepaid United States mail to the developer. The cancellation shall be without penalty and any deposit made by the purchaser shall be promptly refunded in its entirety;

(11) A statement of any unsatisfied judgments against the association, developer or managing entity, the status of any pending suits to which the association, developer or managing entity is a party and the status of any pending suits material to the property of which the developer has actual knowledge;

(12) A statement that any deposit made in connection with the purchase of a unit will be returned to the purchaser if the purchaser cancels the contract within 15 days after receipt of the written statement or contract;

(13) Any restraints on transfer of time shares or portions thereof;

(14) A description of the insurance coverage



provided for the benefit of the time-share owners;

(15) Any current or expected fees or charges to be paid by time-share owners for the use of the common elements and other facilities related to the project;

(16) All unusual and material circumstances, features and characteristics of the project and the units;

(17) The projected common expense assessment for each time share and whether those assessments may vary seasonally;

(18) The extent to which the time-share owners of a unit are jointly and severally liable for the payment of real estate taxes and all assessments and other charges levied against that unit; and

(19) The extent to which a time-share unit may become subject to a tax or other lien arising out of claims against other time-share owners of the same time-share unit.

2. Restraint upon partition of time-share units. No action for partition of any unit in which time shares are created may lie.

3. Cancellation of contract. Any purchaser or prospective purchaser of a time share may cancel a contract or conveyance of a time share by delivering or mailing a postage prepaid written notice of the purchaser's intention to cancel within 15 days after the date of any contract or conveyance or within 15 days after delivery of the current written statement required by subsection 1, whichever is later.

4. Time share located outside State. This section shall apply to offers or sales within this State of time shares in property, even if the project is located outside of this State.

5. Application with respect to foreclosures of mortgages. This section shall not apply to offers or sales by financial institutions as defined in Title 9-B of time shares in property with respect to foreclosure of any mortgage or the delivery of any deed in lieu of that foreclosure.

6. Violation. Any violation of this section shall be a violation of Title 5, chapter 10.