

By the Committee on Fiscal Policy; and Senator Stargel

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1 A bill to be entitled
2 An act relating to timeshares; amending s. 721.05,
3 F.S.; revising the term "timeshare estate"; amending
4 s. 721.07, F.S.; revising provisions pertaining to
5 multisite timeshare plans and clarifying single-site
6 timeshare plan developer liability for nonmaterial
7 errors or omissions; establishing a burden of proof;
8 amending s. 721.08, F.S.; providing that leasehold
9 accommodations or facilities may be added to a
10 timeshare trust; providing that a vote of the voting
11 interests of a timeshare plan is not required for
12 substitution or automatic deletion of multisite
13 timeshare trust property; removing the requirement for
14 court approval of trustee dispositions of timeshare
15 trust property; creating s. 721.125, F.S.; providing
16 for extension or termination of timeshare plans;
17 amending s. 721.14, F.S.; providing for the transfer
18 of reservation system data upon termination of
19 managing entity; amending s. 721.52, F.S.; revising
20 the definitions of the terms "nonspecific multisite
21 timeshare plan" and "specific multisite timeshare
22 plan"; amending s. 721.53, F.S.; providing that
23 leasehold accommodations or facilities may be added to
24 a multisite timeshare trust; providing that a vote of
25 the voting interests of a multisite timeshare plan is
26 not required for substitution or automatic deletion of
27 multisite timeshare trust property; removing the
28 requirement for court approval of trustee dispositions
29 of multisite timeshare trust property; amending s.

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30 721.54, F.S.; eliminating the term restrictions for
31 nonspecific multisite timeshare plans; amending s.
32 721.55, F.S.; requiring the conspicuous disclosure of
33 the term of each component site in a multisite
34 timeshare plan; modifying the cap on common expense
35 assessment increases for multisite timeshare;
36 clarifying multisite timeshare plan developer
37 liability for nonmaterial errors or omissions;
38 amending s. 721.551, F.S.; clarifying the obligation
39 to deliver component site documents to purchasers;
40 amending s. 721.552, F.S.; providing procedures for
41 substitutions and automatic deletions of multisite
42 timeshare plan accommodations and facilities; amending
43 s. 721.56, F.S.; relocating data transfer obligations
44 upon termination of managing entity to s. 721.14, F.S.;
45 amending s. 721.57, F.S.; providing for the offering
46 of timeshare estates in a specific multisite timeshare
47 plan; providing an effective date.

48
49 Be It Enacted by the Legislature of the State of Florida:

50
51 Section 1. Subsection (34) of section 721.05, Florida
52 Statutes, is amended to read:

53 721.05 Definitions.—As used in this chapter, the term:

54 (34) "Timeshare estate" means a right to occupy a timeshare
55 unit, coupled with a freehold estate or an estate for years with
56 a future interest in a timeshare property or a specified portion
57 thereof, or coupled with. ~~The term includes an ownership~~
58 interest in a condominium unit pursuant to s. 718.103, an

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59 ownership interest in a cooperative unit pursuant to s. 719.103,
60 or a direct or indirect beneficial interest in a trust that
61 complies in all respects with ~~the provisions of~~ s.
62 721.08(2)(c)4. or s. 721.53(1)(e), provided that the trust does
63 not contain any personal property timeshare interests. A
64 timeshare estate is a parcel of real property under the laws of
65 this state.

66 Section 2. Paragraph (a) of subsection (3) and paragraph
67 (gg) of subsection (5) of section 721.07, Florida Statutes, are
68 amended to read:

69 721.07 Public offering statement.—Prior to offering any
70 timeshare plan, the developer must submit a filed public
71 offering statement to the division for approval as prescribed by
72 s. 721.03, s. 721.55, or this section. Until the division
73 approves such filing, any contract regarding the sale of that
74 timeshare plan is subject to cancellation by the purchaser
75 pursuant to s. 721.10.

76 (3)(a)1. Any change to an approved public offering
77 statement filing must ~~shall~~ be filed with the division for
78 approval as an amendment prior to becoming effective. The
79 division shall have 20 days after receipt of a proposed
80 amendment to approve or cite deficiencies in the proposed
81 amendment. If the division fails to act within 20 days, the
82 amendment will be deemed approved. If the proposed amendment
83 adds a new component site to an approved multisite timeshare
84 plan, the division's initial period in which to approve or cite
85 deficiencies is 45 days. If the developer fails to adequately
86 respond to any deficiency notice within 30 days, the division
87 may reject the amendment. Subsequent to such rejection, a new

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88 filing fee pursuant to subsection (4) and a new division initial
89 review period pursuant to this paragraph ~~shall~~ apply to any
90 refiling or further review of the rejected amendment.

91 2. For filings only subject to this part, each approved
92 amendment to the approved purchaser public offering statement,
93 other than an amendment made only for the purpose of the
94 addition of a phase or phases to the timeshare plan in the
95 manner described in the timeshare instrument or any amendment
96 that does not materially alter or modify the offering in a
97 manner that is adverse to a purchaser, shall be delivered to a
98 purchaser no later than 10 days prior to closing. For filings
99 made under part II, each approved amendment to the multisite
100 timeshare plan purchaser public offering statement, other than
101 an amendment made only for the purpose of the addition,
102 substitution, or deletion of a component site pursuant to part
103 II or the addition of a phase or phases to a component site of a
104 multisite timeshare plan in the manner described in the
105 timeshare instrument or any amendment that does not materially
106 alter or modify the offering in a manner that is adverse to a
107 purchaser, shall be delivered to a purchaser no later than 10
108 days prior to closing.

109 3. For filing only subject to part II, amendments made to a
110 timeshare instrument for a component site located in this state
111 are only ~~not~~ required to be delivered to purchasers who ~~do not~~
112 receive a ~~timeshare estate or~~ an interest in a specific
113 multisite timeshare plan in that component site. Amendments made
114 to a timeshare instrument for a component site not located in
115 this state are not required to be delivered to purchasers.

116 (5) Every filed public offering statement for a timeshare

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117 plan which is not a multisite timeshare plan shall contain the
118 information required by this subsection. The division is
119 authorized to provide by rule the method by which a developer
120 must provide such information to the division.

121 (gg)1. Such other information as is necessary to fairly,
122 meaningfully, and effectively disclose all aspects of the
123 timeshare plan, including, but not limited to, any disclosures
124 made necessary by the operation of s. 721.03(8). ~~However,~~

125 2. If a developer has, in good faith, attempted to comply
126 with the requirements of this ~~chapter section,~~ and if the
127 ~~developer, in fact, he or she~~ has substantially complied with
128 the ~~disclosure~~ requirements of this chapter, nonmaterial errors
129 or omissions are shall not be actionable, are not violations of
130 this chapter, and do not give rise to any purchaser cancellation
131 right. For purposes of this subparagraph, the developer has the
132 burden of proof with regard to compliance.

133 Section 3. Paragraph (c) of subsection (2) of section
134 721.08, Florida Statutes, is amended to read:

135 721.08 Escrow accounts; nondisturbance instruments;
136 alternate security arrangements; transfer of legal title.-

137 (2) One hundred percent of all funds or other property
138 which is received from or on behalf of purchasers of the
139 timeshare plan or timeshare interest prior to the occurrence of
140 events required in this subsection shall be deposited pursuant
141 to an escrow agreement approved by the division. The funds or
142 other property may be released from escrow only as follows:

143 (c) *Compliance with conditions.-*

144 1. Timeshare licenses.-If the timeshare plan is one in
145 which timeshare licenses are to be sold and no cancellation or

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146 default has occurred, the escrow agent may release the escrowed
147 funds or other property to or on the order of the developer upon
148 presentation of:

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

151 (I) Expiration of the cancellation period.

152 (II) Completion of construction.

153 (III) Closing.

154 (IV) Either:

155 (A) Execution, delivery, and recordation by each
156 interestholder of the nondisturbance and notice to creditors
157 instrument, as described in this section; or

158 (B) Transfer by the developer of legal title to the subject
159 accommodations and facilities, or all use rights therein, into a
160 trust satisfying the requirements of subparagraph 4. and the
161 execution, delivery, and recordation by each other
162 interestholder of the nondisturbance and notice to creditors
163 instrument, as described in this section.

164 b. A certified copy of each recorded nondisturbance and
165 notice to creditors instrument.

166 c. One of the following:

167 (I) A copy of a memorandum of agreement, as defined in s.
168 721.05, together with satisfactory evidence that the original
169 memorandum of agreement has been irretrievably delivered for
170 recording to the appropriate official responsible for
171 maintaining the public records in the county in which the
172 subject accommodations and facilities are located. The original
173 memorandum of agreement must be recorded within 180 days after
174 the date on which the purchaser executed her or his purchase

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175 agreement.

176 (II) A notice delivered for recording to the appropriate
177 official responsible for maintaining the public records in each
178 county in which the subject accommodations and facilities are
179 located notifying all persons of the identity of an independent
180 escrow agent or trustee satisfying the requirements of
181 subparagraph 4. that shall maintain separate books and records,
182 in accordance with good accounting practices, for the timeshare
183 plan in which timeshare licenses are to be sold. The books and
184 records shall indicate each accommodation and facility that is
185 subject to such a timeshare plan and each purchaser of a
186 timeshare license in the timeshare plan.

187 2. Timeshare estates.—If the timeshare plan is one in which
188 timeshare estates are to be sold and no cancellation or default
189 has occurred, the escrow agent may release the escrowed funds or
190 other property to or on the order of the developer upon
191 presentation of:

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

194 (I) Expiration of the cancellation period.

195 (II) Completion of construction.

196 (III) Closing.

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

200 c. Evidence that each accommodation and facility:

201 (I) Is free and clear of the claims of any interestholders,
202 other than the claims of interestholders that, through a
203 recorded instrument, are irrevocably made subject to the

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204 timeshare instrument and the use rights of purchasers made
205 available through the timeshare instrument;

206 (II) Is the subject of a recorded nondisturbance and notice
207 to creditors instrument that complies with subsection (3) and s.
208 721.17; or

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

211 d. Evidence that the timeshare estate:

212 (I) Is free and clear of the claims of any interestholders,
213 other than the claims of interestholders that, through a
214 recorded instrument, are irrevocably made subject to the
215 timeshare instrument and the use rights of purchasers made
216 available through the timeshare instrument; or

217 (II) Is the subject of a recorded nondisturbance and notice
218 to creditors instrument that complies with subsection (3) and s.
219 721.17.

220 3. Personal property timeshare interests.—If the timeshare
221 plan is one in which personal property timeshare interests are
222 to be sold and no cancellation or default has occurred, the
223 escrow agent may release the escrowed funds or other property to
224 or on the order of the developer upon presentation of:

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

227 (I) Expiration of the cancellation period.

228 (II) Completion of construction.

229 (III) Closing.

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

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

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

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

242 d. Evidence of compliance with ~~the provisions of~~
243 subparagraph 6., if required.

244 e. If a personal property timeshare plan is created with
245 respect to accommodations and facilities that are located on or
246 in an oceangoing vessel, including a "documented vessel" or a
247 "foreign vessel," as defined and governed by 46 U.S.C., chapter
248 301:

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

254 (II) The transfer instrument must ~~shall~~ comply fully with
255 ~~the provisions of~~ this chapter, must ~~shall~~ be part of the
256 timeshare instrument, and must ~~shall~~ contain specific provisions
257 that:

258 (A) Prohibit the vessel owner, the developer, any manager
259 or operator of the vessel, the owners' association or the
260 trustee, the managing entity, or any other person from incurring
261 any liens against the vessel except for liens that are required

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262 for the operation and upkeep of the vessel, including liens for
263 fuel expenditures, repairs, crews' wages, and salvage, and
264 except as provided in sub-sub-subparagraphs 4.b.(III) and
265 5.b.(III). All expenses, fees, and taxes properly incurred in
266 connection with the creation, satisfaction, and discharge of any
267 such permitted lien, or a prorated portion thereof if less than
268 all of the accommodations on the vessel are subject to the
269 timeshare plan, shall be common expenses of the timeshare plan.

270 (B) Grant a lien against the vessel in favor of the owners'
271 association or trustee to secure the full and faithful
272 performance of the vessel owner and developer of all of their
273 obligations to the purchasers.

274 (C) Establish governing law in a jurisdiction that
275 recognizes and will enforce the timeshare instrument and the
276 laws of the jurisdiction of registry of the vessel.

277 (D) Require that a description of the use rights of
278 purchasers be posted and displayed on the vessel in a manner
279 that will give notice of such rights to any party examining the
280 vessel. This notice must identify the owners' association or
281 trustee and include a statement disclosing the limitation on
282 incurring liens against the vessel described in sub-sub-sub-
283 subparagraph (A).

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

286 (F) The owners' association created under subparagraph 5.
287 or trustee created under subparagraph 4. shall have access to
288 any certificates of classification in accordance with the
289 timeshare instrument.

290 (III) If the vessel is a foreign vessel, the vessel must be

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291 registered in a jurisdiction that permits a filing evidencing
292 the use rights of purchasers in the subject accommodations and
293 facilities, offers protection for such use rights against
294 unfiled and inferior claims, and recognizes the document or
295 instrument creating such use rights as a lien against the
296 vessel.

297 (IV) In addition to the disclosures required by s.
298 721.07(5), the public offering statement and purchase contract
299 must contain a disclosure in conspicuous type in substantially
300 the following form:

301
302 *The laws of the State of Florida govern the offering of this*
303 *timeshare plan in this state. There are inherent risks in*
304 *purchasing a timeshare interest in this timeshare plan because*
305 *the accommodations and facilities of the timeshare plan are*
306 *located on a vessel that will sail into international waters and*
307 *into waters governed by many different jurisdictions. Therefore,*
308 *the laws of the State of Florida cannot fully protect your*
309 *purchase of an interest in this timeshare plan. Specifically,*
310 *management and operational issues may need to be addressed in*
311 *the jurisdiction in which the vessel is registered, which is*
312 *(insert jurisdiction in which vessel is registered). Concerns of*
313 *purchasers may be sent to (insert name of applicable regulatory*
314 *agency and address).*

315

316 4. Trust.—

317 a. If the subject accommodations or facilities, or all use
318 rights therein, are to be transferred into a trust in order to
319 comply with this paragraph, the ~~such~~ transfer must ~~shall~~ take

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320 place pursuant to this subparagraph. If the accommodations or
321 facilities included in such transfer are subject to a lease, the
322 unexpired term of the lease must be disclosed as the term of the
323 timeshare plan pursuant to s. 721.07(5)(f)4.

324 b. Before ~~Prior to~~ the transfer ~~by each interestholder~~ of
325 the subject accommodations and facilities, or all use rights
326 therein, to a trust, any lien or other encumbrance against such
327 accommodations and facilities, or use rights therein, must ~~shall~~
328 be made subject to a nondisturbance and notice to creditors
329 instrument pursuant to subsection (3). A ~~No~~ transfer pursuant to
330 this subparagraph does not ~~shall~~ become effective until the
331 trustee accepts the ~~such~~ transfer and the responsibilities set
332 forth herein. A trust established pursuant to this subparagraph
333 must ~~shall~~ comply with the following provisions:

334 (I) The trustee must ~~shall~~ be an individual or a business
335 entity authorized and qualified to conduct trust business in
336 this state. Any corporation authorized to do business in this
337 state may act as trustee in connection with a timeshare plan
338 pursuant to this chapter. The trustee must be independent from
339 any developer or managing entity of the timeshare plan or any
340 interestholder of any accommodation or facility of such plan.

341 (II) The trust must ~~shall~~ be irrevocable so long as any
342 purchaser has a right to occupy any portion of the timeshare
343 property pursuant to the timeshare plan.

344 (III) The trustee may ~~shall~~ not convey, hypothecate,
345 mortgage, assign, lease, or otherwise transfer or encumber in
346 any fashion any interest in or portion of the timeshare property
347 with respect to which any purchaser has a right of use or
348 occupancy unless the timeshare plan is terminated pursuant to

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349 the timeshare instrument, or such conveyance, hypothecation,
350 mortgage, assignment, lease, transfer, or encumbrance is
351 approved by a vote of two-thirds of all voting interests of the
352 timeshare plan. Subject to s. 721.552, a vote of the voting
353 interests of the timeshare plan is not required for substitution
354 or for automatic deletion of accommodations or facilities and
355 such decision is declared by a court of competent jurisdiction
356 to be in the best interests of the purchasers of the timeshare
357 plan. The trustee shall notify the division in writing within 10
358 days after receiving notice of the filing of any petition
359 relating to obtaining such a court order. The division shall
360 have standing to advise the court of the division's
361 interpretation of the statute as it relates to the petition.

362 (IV) All purchasers of the timeshare plan or the owners'
363 association of the timeshare plan must ~~shall~~ be the express
364 beneficiaries of the trust. The trustee must ~~shall~~ act as a
365 fiduciary to the beneficiaries of the trust. The personal
366 liability of the trustee must ~~shall~~ be governed by ss.
367 736.08125, 736.08163, 736.1013, and 736.1015. The agreement
368 establishing the trust must ~~shall~~ set forth the duties of the
369 trustee. The trustee must ~~shall~~ be required to furnish promptly
370 to the division upon request a copy of the complete list of the
371 names and addresses of the owners in the timeshare plan and a
372 copy of any other books and records of the timeshare plan
373 required to be maintained pursuant to s. 721.13 that are in the
374 possession, custody, or control of the trustee. All expenses
375 reasonably incurred by the trustee in the performance of its
376 duties, together with any reasonable compensation of the
377 trustee, must ~~shall~~ be common expenses of the timeshare plan.

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378 (V) The trustee may ~~shall~~ not resign upon less than 90
379 days' prior written notice to the managing entity and the
380 division. A ~~No~~ resignation does not ~~shall~~ become effective until
381 a substitute trustee, approved by the division, is appointed by
382 the managing entity and accepts the appointment.

383 (VI) The documents establishing the trust arrangement must
384 ~~shall~~ constitute a part of the timeshare instrument.

385 (VII) For trusts holding property in a timeshare plan
386 located outside this state, the trust and trustee holding such
387 property are ~~shall be~~ deemed in compliance with the requirements
388 of this subparagraph if the ~~such~~ trust and trustee are
389 authorized and qualified to conduct trust business under the
390 laws of the ~~such~~ jurisdiction and the agreement or law governing
391 the ~~such~~ trust arrangement provides substantially similar
392 protections for the purchaser as are required in this
393 subparagraph for trusts holding property in a timeshare plan in
394 this state.

395 (VIII) The trustee must ~~shall~~ have appointed a registered
396 agent in this state for service of process. In the event such a
397 registered agent is not appointed, service of process may be
398 served pursuant to s. 721.265.

399 5. Owners' association.—

400 a. If the subject accommodations or facilities, or all use
401 rights therein, are to be transferred into an owners'
402 association in order to comply with this paragraph, such
403 transfer must ~~shall~~ take place pursuant to this subparagraph.

404 b. Prior to the transfer ~~by each interestholder~~ of the
405 subject accommodations and facilities, or all use rights
406 therein, to an owners' association, any lien or other

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407 encumbrance against such accommodations and facilities, or use
408 rights therein, must ~~shall~~ be made subject to a nondisturbance
409 and notice to creditors instrument pursuant to subsection (3). A
410 ~~No~~ transfer pursuant to this subparagraph does not ~~shall~~ become
411 effective until the owners' association accepts the ~~such~~
412 transfer and the responsibilities set forth herein. An owners'
413 association established pursuant to this subparagraph must ~~shall~~
414 comply with the following provisions:

415 (I) The owners' association must ~~shall~~ be a business entity
416 authorized and qualified to conduct business in this state.
417 Control of the board of directors of the owners' association
418 must be independent from any developer or managing entity of the
419 timeshare plan or any interestholder.

420 (II) The bylaws of the owners' association must ~~shall~~
421 provide that the corporation may not be voluntarily dissolved
422 without the unanimous vote of all owners of personal property
423 timeshare interests so long as any purchaser has a right to
424 occupy any portion of the timeshare property pursuant to the
425 timeshare plan.

426 (III) The owners' association may ~~shall~~ not convey,
427 hypothecate, mortgage, assign, lease, or otherwise transfer or
428 encumber in any fashion any interest in or portion of the
429 timeshare property with respect to which any purchaser has a
430 right of use or occupancy, unless the timeshare plan is
431 terminated pursuant to the timeshare instrument, or unless such
432 conveyance, hypothecation, mortgage, assignment, lease,
433 transfer, or encumbrance is approved by a vote of two-thirds of
434 all voting interests of the association and the ~~such~~ decision is
435 declared by a court of competent jurisdiction to be in the best

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436 interests of the purchasers of the timeshare plan. The owners'
437 association must ~~shall~~ notify the division in writing within 10
438 days after receiving notice of the filing of any petition
439 relating to obtaining such a court order. The division has ~~shall~~
440 ~~have~~ standing to advise the court of the division's
441 interpretation of the statute as it relates to the petition.

442 (IV) All purchasers of the timeshare plan must ~~shall~~ be
443 members of the owners' association and must ~~shall~~ be entitled to
444 vote on matters requiring a vote of the owners' association as
445 provided in this chapter or the timeshare instrument. The
446 owners' association must ~~shall~~ act as a fiduciary to the
447 purchasers of the timeshare plan. The articles of incorporation
448 establishing the owners' association must ~~shall~~ set forth the
449 duties of the owners' association. All expenses reasonably
450 incurred by the owners' association in the performance of its
451 duties, together with any reasonable compensation of the
452 officers or directors of the owners' association, must ~~shall~~ be
453 common expenses of the timeshare plan.

454 (V) The documents establishing the owners' association must
455 ~~shall~~ constitute a part of the timeshare instrument.

456 (VI) For owners' associations holding property in a
457 timeshare plan located outside this state, the owners'
458 association holding the ~~such~~ property is ~~shall be~~ deemed in
459 compliance with the requirements of this subparagraph if such
460 owners' association is authorized and qualified to conduct
461 owners' association business under the laws of such jurisdiction
462 and the agreement or law governing such arrangement provides
463 substantially similar protections for the purchaser as are
464 required in this subparagraph for owners' associations holding

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465 property in a timeshare plan in this state.

466 (VII) The owners' association must ~~shall~~ have appointed a
467 registered agent in this state for service of process. In the
468 event such a registered agent cannot be located, service of
469 process may be made pursuant to s. 721.265.

470 6. Personal property subject to certificate of title.—If
471 any personal property that is an accommodation or facility of a
472 timeshare plan is subject to a certificate of title in this
473 state pursuant to chapter 319 or chapter 328, the following
474 notation must be made on such certificate of title pursuant to
475 s. 319.27(1) or s. 328.15(1):

476

477 *The further transfer or encumbrance of the property subject to*
478 *this certificate of title, or any lien or encumbrance thereon,*
479 *is subject to the requirements of section 721.17, Florida*
480 *Statutes, and the transferee or lienor agrees to be bound by all*
481 *of the obligations set forth therein.*

482

483 7. Certified document copies.—If the developer has
484 previously provided a certified copy of any document required by
485 this paragraph, she or he may for all subsequent disbursements
486 substitute a true and correct copy of the certified copy,
487 provided no changes to the document have been made or are
488 required to be made.

489 8. Rights transferred into trust or owners' association.—In
490 the event that use rights relating to an accommodation or
491 facility are transferred into a trust pursuant to subparagraph
492 4. or into an owners' association pursuant to subparagraph 5.,
493 all other interestholders, including the owner of the underlying

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494 fee or underlying personal property, must execute a
495 nondisturbance and notice to creditors instrument pursuant to
496 subsection (3).

497 Section 4. Section 721.125, Florida Statutes, is created to
498 read:

499 721.125 Extension or termination of timeshare plans.-

500 (1) Unless the timeshare instrument provides otherwise, the
501 vote or written consent, or both, of at least 60 percent of all
502 of the voting interests in the timeshare plan may extend or
503 terminate the term of a timeshare plan at any time. If the term
504 of a timeshare plan is extended pursuant to this section, all
505 rights, privileges, duties, and obligations created under
506 applicable law or the timeshare instrument continue in full
507 force to the same extent as if the extended termination date of
508 the timeshare plan were the original termination date of the
509 timeshare plan. If a timeshare plan terminates pursuant to this
510 section, the termination has immediate effect pursuant to
511 applicable law and the timeshare instrument as if the effective
512 date of the termination were the original date of termination.

513 (2) If a termination or extension vote or consent pursuant
514 to subsection (1) is proposed for a component site of a
515 multisite timeshare plan located in this state, the proposed
516 termination or extension is effective only if the person
517 authorized to make additions or substitutions of accommodations
518 and facilities pursuant to the timeshare instrument also
519 approves the termination or extension.

520 (3) This section applies only to a timeshare plan that has
521 been in existence for at least 25 years as of the effective date
522 of the termination or extension vote or consent required by

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523 subsection (1).

524 Section 5. Subsection (4) of section 721.14, Florida
525 Statutes, is amended to read:

526 721.14 Discharge of managing entity.—

527 (4) (a) An owners' association and a manager or management
528 firm may, in the management contract or other written document,
529 agree to the transition procedures and related time periods to
530 be followed in the event the manager or management firm is
531 discharged pursuant to this section. If there is no written
532 agreement between the parties which covers the matters set forth
533 in paragraphs (b) and (c), the provisions of paragraphs (b) and
534 (c) shall apply.

535 (b) Within 90 days after the date on which the manager or
536 management firm is notified by the owners' association of the
537 successful termination vote pursuant to subsection (1), the
538 terminated managing entity shall transfer to the owners'
539 association or the new manager or management firm all relevant
540 data held by the managing entity and related to any reservation
541 system for the timeshare plan, including, but not limited to:

542 1. The names, addresses, and reservation status of all
543 accommodations.

544 2. The names and addresses of all purchasers of timeshare
545 interests.

546 3. All outstanding confirmed reservations and reservation
547 requests.

548 4. Such other records and information as are necessary to
549 permit the uninterrupted operation and administration of the
550 timeshare plan. However, the information required to be
551 transferred does not include private information of the

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552 terminated managing entity which is not directly related to
553 operation and management of the timeshare plan.

554 (c) All reasonable costs incurred by the terminated
555 managing entity in carrying out the transfer of information
556 required by this subsection shall be reimbursed to the
557 terminated managing entity as a common expense of the timeshare
558 plan within 10 days after the completed transfer of the data
559 described in paragraph (b) ~~This section shall not apply to~~
560 personal property timeshare plans.

561 Section 6. Subsections (5) and (7) of section 721.52,
562 Florida Statutes, are amended to read:

563 721.52 Definitions.—As used in this chapter, the term:

564 (5) "Nonspecific multisite timeshare plan" means a
565 multisite timeshare plan ~~containing timeshare licenses or~~
566 ~~personal property timeshare interests,~~ with respect to which a
567 purchaser receives a right to use all of the accommodations and
568 facilities, if any, of the multisite timeshare plan through the
569 reservation system, but no specific right to use any particular
570 accommodations and facilities for the remaining term of the
571 multisite timeshare plan in the event that the reservation
572 system is terminated for any reason prior to the expiration of
573 the term of the multisite timeshare plan.

574 (7) "Specific multisite timeshare plan" means a multisite
575 timeshare plan ~~containing timeshare licenses or personal~~
576 ~~property timeshare interests,~~ with respect to which a purchaser
577 receives a specific right to use accommodations and facilities,
578 if any, at one component site of a multisite timeshare plan,
579 together with use rights in the other accommodations and
580 facilities of the multisite timeshare plan created by or

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581 acquired through the reservation system.

582 Section 7. Paragraph (e) of subsection (1) of section
583 721.53, Florida Statutes, is amended to read:

584 721.53 Subordination instruments; alternate security
585 arrangements.—

586 (1) With respect to each accommodation or facility of a
587 multisite timeshare plan, the developer shall provide the
588 division with satisfactory evidence that one of the following
589 has occurred with respect to each interestholder prior to
590 offering the accommodation or facility as a part of the
591 multisite timeshare plan:

592 (e) The interestholder has transferred the subject
593 accommodation or facility or all use rights therein to a trust
594 that complies with this paragraph. If the accommodation or
595 facility included in such transfer is subject to a lease, the
596 unexpired term of the lease must be disclosed as the term of
597 that component site pursuant to s. 721.55(4)(a). Prior to the
598 ~~such~~ transfer, any lien or other encumbrance against the ~~such~~
599 accommodation or facility must ~~shall~~ be made subject to a
600 nondisturbance and notice to creditors instrument pursuant to
601 paragraph (a) or a subordination and notice to creditors
602 instrument pursuant to paragraph (b). A ~~No~~ transfer pursuant to
603 this paragraph does not ~~shall~~ become effective until the trust
604 accepts the ~~such~~ transfer and the responsibilities set forth
605 herein. A trust established pursuant to this paragraph must
606 ~~shall~~ comply with the following provisions:

607 1. The trustee must ~~shall~~ be an individual or a business
608 entity authorized and qualified to conduct trust business in
609 this state. Any corporation authorized to do business in this

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610 state may act as trustee in connection with a timeshare plan
611 pursuant to this chapter. The trustee must be independent from
612 any developer or managing entity of the timeshare plan or any
613 interestholder of any accommodation or facility of such plan.
614 The same trustee may hold the accommodations and facilities, or
615 use rights therein, for one or more of the component sites of
616 the timeshare plan.

617 2. The trust must ~~shall~~ be irrevocable so long as any
618 purchaser has a right to occupy any portion of the timeshare
619 property pursuant to the timeshare plan.

620 3. The trustee may ~~shall~~ not convey, hypothecate, mortgage,
621 assign, lease, or otherwise transfer or encumber in any fashion
622 any interests in or portion of the timeshare property with
623 respect to which any purchaser has a right of use or occupancy
624 unless the timeshare plan is terminated pursuant to the
625 timeshare instrument, or the timeshare property held in trust is
626 deleted from a multisite timeshare plan pursuant to s.
627 721.552(3), or such conveyance, hypothecation, mortgage,
628 assignment, lease, transfer, or encumbrance is approved by vote
629 of two-thirds of all voting interests of the timeshare plan.
630 Subject to s. 721.552, a vote of the voting interests of the
631 timeshare plan is not required for substitution or for automatic
632 deletion of accommodations or facilities ~~and such decision is~~
633 ~~declared by a court of competent jurisdiction to be in the best~~
634 ~~interests of the purchasers of the timeshare plan.~~

635 4. All purchasers of the timeshare plan or the owners'
636 association of the timeshare plan must ~~shall~~ be express
637 beneficiaries of the trust. The trustee must ~~shall~~ act as a
638 fiduciary to the beneficiaries of the trust. The personal

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639 liability of the trustee must ~~shall~~ be governed by ss.
640 736.08125, 736.08163, 736.1013, and 736.1015. The agreement
641 establishing the trust must ~~shall~~ set forth the duties of the
642 trustee. The trustee must ~~shall~~ be required to furnish promptly
643 to the division upon request a copy of the complete list of the
644 names and addresses of the owners in the timeshare plan and a
645 copy of any other books and records of the timeshare plan
646 required to be maintained pursuant to s. 721.13 which ~~that~~ are
647 in the possession of the trustee. All expenses reasonably
648 incurred by the trustee in the performance of its duties,
649 together with any reasonable compensation of the trustee, must
650 ~~shall~~ be common expenses of the timeshare plan.

651 5. The trustee may ~~shall~~ not resign upon less than 90 days'
652 prior written notice to the managing entity and the division. A
653 ~~No~~ resignation is not ~~shall become~~ effective until a substitute
654 trustee, approved by the division, is appointed by the managing
655 entity and accepts the appointment.

656 6. The documents establishing the trust arrangement must
657 ~~shall~~ constitute a part of the timeshare instrument.

658 7. For trusts holding property in component sites located
659 outside this state, the trust holding such property is ~~shall be~~
660 deemed in compliance with the requirements of this paragraph, if
661 the ~~such~~ trust is authorized and qualified to conduct trust
662 business under the laws of the ~~such~~ jurisdiction and the
663 agreement or law governing the ~~such~~ trust arrangement provides
664 substantially similar protections for the purchaser as are
665 required in this paragraph for trusts holding property in a
666 component site located in this state.

667 8. The trustee must appoint ~~shall have appointed~~ a

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668 registered agent in this state for service of process. In the
669 event ~~such~~ a registered agent is not appointed, service of
670 process may be served pursuant to s. 721.265.

671 Section 8. Section 721.54, Florida Statutes, is amended to
672 read:

673 ~~721.54 Term of nonspecific multisite timeshare plans. It~~
674 ~~shall be a violation of this part to represent to a purchaser of~~
675 ~~a nonspecific multisite timeshare plan as defined in s.~~
676 ~~721.52(5) that the term of the plan for that purchaser is longer~~
677 ~~than the shortest term of availability of any of the~~
678 ~~accommodations included within the plan at the time of purchase.~~

679 Section 9. Paragraphs (a) and (h) of subsection (4),
680 subsection (5), and paragraph (1) of subsection (7) of section
681 721.55, Florida Statutes, are amended to read:

682 721.55 Multisite timeshare plan public offering statement.-
683 Each filed public offering statement for a multisite timeshare
684 plan shall contain the information required by this section and
685 shall comply with the provisions of s. 721.07, except as
686 otherwise provided therein. The division is authorized to
687 provide by rule the method by which a developer must provide
688 such information to the division. Each multisite timeshare plan
689 filed public offering statement shall contain the following
690 information and disclosures:

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

693 (a) A description of the multisite timeshare plan,
694 including its term, legal structure, and form of ownership, ~~and~~
695 ~~For multisite timeshare plans in which the purchaser will~~
696 ~~receive a timeshare estate pursuant to s. 721.57 and for~~

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697 ~~specific multisite timeshare plans, the description must also~~
698 ~~include~~ the term of each component site within the multisite
699 timeshare plan. The term of each component site which is shorter
700 than the term of the multisite timeshare plan must be disclosed
701 in conspicuous type.

702 (h) A description of the purchaser's liability for common
703 expenses of the multisite timeshare plan, including the
704 following:

705 1. A description of the common expenses of the plan,
706 including the method of allocation and assessment of such common
707 expenses, whether component site common expenses and real estate
708 taxes are included within the total common expense assessment of
709 the multisite timeshare plan, and, if not, the manner in which
710 timely payment of component site common expenses and real estate
711 taxes will ~~shall~~ be accomplished.

712 2. A description of any cap imposed upon the level of
713 common expenses payable by the purchaser.

714 a. ~~In no event shall~~ The total common expense assessment
715 for the multisite timeshare plan in a given calendar year may
716 not exceed 125 percent of the total common expense assessment
717 for the plan in the previous calendar year.

718 b. Component site common expenses and ad valorem taxes may
719 not be included in calculating the total common expense
720 assessment under sub-subparagraph a.

721 3. A description of the entity responsible for the
722 determination of the common expenses of the multisite timeshare
723 plan, as well as any entity which may increase the level of
724 common expenses assessed against the purchaser at the multisite
725 timeshare plan level.

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726 4. A description of the method used to collect common
727 expenses, including the entity responsible for such collections,
728 and the lien rights of any entity for nonpayment of common
729 expenses. If the common expenses of any component site are
730 collected by the managing entity of the multisite timeshare
731 plan, a statement to that effect together with the identity and
732 address of the escrow agent required by s. 721.56(3).

733 5. If the purchaser will receive an interest in a
734 nonspecific multisite timeshare plan, a statement that a
735 multisite timeshare plan budget is attached to the public
736 offering statement as an exhibit pursuant to paragraph (7)(c).
737 The multisite timeshare plan budget must ~~shall~~ comply with ~~the~~
738 ~~provisions of~~ s. 721.07(5)(t).

739 6. If the developer intends to guarantee the level of
740 assessments for the multisite timeshare plan, the ~~such~~ guarantee
741 must be based upon a good faith estimate of the revenues and
742 expenses of the multisite timeshare plan. The guarantee must
743 include a description of the following:

744 a. The specific time period, measured in one or more
745 calendar or fiscal years, during which the guarantee will be in
746 effect.

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

751 c. The level, expressed in total dollars, at which the
752 developer guarantees the assessments. If the developer has
753 reserved the right to extend or increase the guarantee level, a
754 disclosure must be included to that effect.

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755 7. If required under applicable law, the developer must
756 ~~shall~~ also disclose the following matters for each component
757 site:

758 a. Any limitation upon annual increases in common expenses;

759 b. The existence of any bad debt or working capital
760 reserve; and

761 c. The existence of any replacement or deferred maintenance
762 reserve.

763 (5) (a) ~~Such~~ Other information as the division determines is
764 necessary to fairly, meaningfully, and effectively disclose all
765 aspects of the multisite timeshare plan, including, but not
766 limited to, any disclosures made necessary by the operation of
767 s. 721.03(8).

768 (b) ~~However,~~ If a developer has, in good faith, attempted
769 to comply with the requirements of this chapter section, and if,
770 ~~in fact,~~ the developer has substantially complied with the
771 ~~disclosure~~ requirements of this chapter, nonmaterial errors or
772 omissions are shall not be actionable, are not violations of
773 this chapter, and do not give rise to any purchaser cancellation
774 right.

775 (7) The following documents must ~~shall~~ be included as
776 exhibits to the filed public offering statement, if applicable:

777 (1)1. If the multisite timeshare plan contains any
778 component sites located in this state, the information required
779 by s. 721.07(5) pertaining to each such component site unless
780 exempt pursuant to s. 721.03.

781 2. If the purchaser receives ~~will receive a timeshare~~
782 ~~estate pursuant to s. 721.57,~~ or an interest in a specific
783 multisite timeshare plan, ~~in a~~ component site that is located

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784 outside ~~of~~ this state but that ~~which~~ is offered in this state,
785 the information required by s. 721.07(5) pertaining to that
786 component site, provided, however, that ~~the provisions of s.~~
787 721.07(5) (t) must ~~shall~~ only require disclosure of information
788 related to the estimated budget for the timeshare plan and
789 purchaser's expenses as required by the jurisdiction in which
790 the component site is located.

791 Section 10. Paragraph (c) of subsection (2) of section
792 721.551, Florida Statutes, is amended to read:

793 721.551 Delivery of multisite timeshare plan purchaser
794 public offering statement.—

795 (2) The developer shall furnish each purchaser with the
796 following:

797 (c) If the purchaser receives ~~will receive a timeshare~~
798 ~~estate pursuant to s. 721.57, or an interest in a specific~~
799 ~~multisite timeshare plan, in a component site located in this~~
800 ~~state, the developer must shall~~ also furnish the purchaser with
801 the information required to be delivered pursuant to s.
802 721.07(6) (a) and (b) for that ~~the component site in which the~~
803 ~~purchaser will receive an estate or interest in a specific~~
804 ~~multisite timeshare plan.~~

805 Section 11. Subsection (2) and paragraph (c) of subsection
806 (3) of section 721.552, Florida Statutes, are amended to read:

807 721.552 Additions, substitutions, or deletions of component
808 site accommodations or facilities; purchaser remedies for
809 violations.—Additions, substitutions, or deletions of component
810 site accommodations or facilities may be made only in accordance
811 with the following:

812 (2) SUBSTITUTIONS.—

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813 (a) Substitutions are available only for nonspecific
814 multisite timeshare plans. Specific multisite timeshare plans ~~or~~
815 ~~plans offering timeshare estates pursuant to s. 721.57~~ may not
816 contain an accommodation substitution right.

817 (b) The timeshare instrument must ~~shall~~ provide for the
818 following:

819 1. The basis upon which new accommodations and facilities
820 may be substituted for existing accommodations and facilities of
821 the multisite timeshare plan; by whom substitutions may be made;
822 and the basis upon which the determination may be made to cause
823 the ~~such~~ substitutions to occur.

824 2. The replacement accommodations and facilities must
825 provide purchasers with an opportunity to enjoy a substantially
826 similar or improved vacation experience as compared to the
827 experience as was available at ~~with~~ the replaced accommodation
828 or facility. In determining whether the replacement
829 accommodations and facilities will provide a substantially
830 similar or improved vacation experience, all relevant factors
831 must be considered, including, but not limited to, some or all
832 of the following: size, capacity, furnishings, maintenance,
833 location (geographic, topographic, and scenic), demand, ~~and~~
834 availability for purchaser use, and recreational capabilities.

835 3. The extent, if any, to which purchasers will have the
836 right to consent to any proposed substitutions.

837 (c) ~~No~~ Substitutions may not be made during the first year
838 after the developer begins to offer the multisite timeshare
839 plan.

840 (d) 1. If the timeshare instrument provides that the
841 developer, acting unilaterally, is the person authorized to make

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842 substitutions, the developer may not substitute ~~No more than 25~~
843 ~~percent of the available accommodations in the multisite~~
844 timeshare plan at a given component site may undergo
845 ~~substitution~~ in a given calendar year pursuant to paragraph (e)
846 if the number of such substituted accommodations provides more
847 than 10 percent of the total annual use availability in the
848 multisite timeshare plan calculated in 7-day increments in which
849 ~~substitution is permitted. This paragraph shall be interpreted~~
850 ~~to permit the substitution of an entire component site over a 4-~~
851 ~~year period.~~

852 2. If the timeshare instrument provides that the managing
853 entity is the person authorized to make substitutions and if the
854 managing entity is under common ownership or control with the
855 developer, the managing entity may not substitute available
856 accommodations in the multisite timeshare plan in a given
857 calendar year pursuant to paragraph (e) if the number of the
858 substituted accommodations provides more than 10 percent of the
859 total annual use availability in the multisite timeshare plan
860 calculated in 7-day increments.

861 3. If the timeshare instrument provides that the managing
862 entity is the person authorized to make substitutions and if the
863 managing entity is not under common ownership or control with
864 the developer, the managing entity may not substitute available
865 accommodations in the multisite timeshare plan in a given
866 calendar year pursuant to paragraph (e) if the number of the
867 substituted accommodations provides more than 25 percent of the
868 total annual use availability in the multisite timeshare plan
869 calculated in 7-day increments.

870 4. If the person authorized to make substitutions receives,

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871 within 21 days after the date of the notice of substitution
872 required by paragraph (e), a written objection to the proposed
873 substitution from at least 10 percent of all purchasers in the
874 multisite timeshare plan, the managing entity must conduct a
875 meeting of the purchasers within 30 days after the end of the
876 21-day period. The proposed substitution is deemed ratified
877 unless a majority of purchasers voting in person or by proxy at
878 the meeting reject the proposed substitution, provided that at
879 least 25 percent of all purchasers cast votes. This subparagraph
880 does not apply if the timeshare instrument provides that
881 purchasers will have no right to consent to any proposed
882 substitution.

883 5. This paragraph does not apply if the proposed
884 substitution has been approved in advance pursuant to paragraph
885 (f).

886 (e) The person authorized to make substitutions must ~~shall~~
887 notify all purchasers of the multisite timeshare plan in writing
888 of her or his intention to delete accommodations or facilities
889 ~~at a given component site~~ and to substitute them with other
890 specified accommodations or facilities pursuant to this
891 subsection. This notice must be given at least 6 months in
892 advance of the date that the proposed substitution will occur;
893 must state the last day after the end of the 6-month period on
894 which reservations will be accepted from purchasers for use of
895 the accommodations to be deleted; and must state that purchasers
896 shall have 21 days after the date of the notice of substitution
897 to file a written objection with the person authorized to make
898 substitutions, ~~and the notice must inform the purchasers that~~
899 ~~they may reserve the use of the accommodations to be deleted~~

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900 ~~during this 6-month period. At the end of the 6-month period,~~
901 The person authorized to make substitutions may delete
902 accommodations for substitution only after there are no longer
903 any pending purchaser reservations for those accommodations ~~only~~
904 ~~to the extent that they were not reserved during the 6-month~~
905 ~~period.~~

906 (f) The person authorized to make substitutions may make
907 unlimited substitutions ~~If the managing entity of a multisite~~
908 ~~timeshare plan includes an owners' association composed of all~~
909 ~~purchasers or a corporation which owns or controls the~~
910 ~~accommodations and facilities of the plan, the board of~~
911 ~~administration of either of which is comprised of a majority of~~
912 ~~board members elected by purchasers other than the developer,~~
913 ~~and if such managing entity has the right to make substitutions~~
914 ~~pursuant to the timeshare instrument, all of the available~~
915 ~~accommodations at a given component site may undergo~~
916 ~~substitution in a given year without compliance with paragraphs~~
917 ~~(d) and (e) if a proposed written plan of substitution is~~
918 ~~provided to each purchaser has been approved in advance by a~~
919 ~~majority of the purchasers of the multisite timeshare plan~~
920 ~~voting in person or by proxy at a meeting called for that~~
921 ~~purpose, provided that at least 25 percent of the total number~~
922 ~~of purchasers cast votes the board of administration and by a~~
923 ~~majority of all purchasers in the plan. The plan of substitution~~
924 ~~must:~~

925 1. ~~Specifically identify the component site being replaced~~
926 ~~and the proposed substitute component site.~~

927 2. ~~Contain information regarding prior demand for purchaser~~
928 ~~use of the component site being replaced.~~

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929 ~~3. Provide the results of a survey of purchaser attitudes~~
930 ~~regarding the component site being replaced and the proposed~~
931 ~~substitute component site.~~

932 ~~4. Explain the practical and business reasons for effecting~~
933 ~~a total substitution within the given calendar year.~~

934 ~~5. Provide a plan for handling reservation requests during~~
935 ~~the substitution period for both the component site being~~
936 ~~replaced and the proposed substitute component site.~~

937

938 Substitutions made pursuant to this paragraph are ~~shall~~ not be
939 subject to ~~the provisions of~~ subparagraph (b)2.

940 (g) If the person authorized to make substitutions has
941 complied with this subsection and the timeshare instrument, the
942 trustee of a timeshare trust qualified under s. 721.53(1)(e) may
943 convey title to any accommodation and facility that has been
944 designated or approved for substitution when directed by the
945 person authorized to make substitutions without any further vote
946 or other authorization of the purchasers of the multisite
947 timeshare plan.

948 (h) The person who is authorized by the timeshare
949 instrument to make substitutions to the multisite timeshare plan
950 pursuant to this subsection must ~~shall~~ act as a fiduciary ~~in~~
951 ~~such capacity~~ in the best interests of the purchasers of the
952 plan as a whole and must ~~shall~~ adhere to the demand balancing
953 standard set forth in s. 721.56(6) in connection with the ~~such~~
954 substitutions. Substitutions that are otherwise permitted may be
955 made only so long as a one-to-one use right to use night
956 requirement ratio is maintained at all times.

957 (3) DELETIONS.—

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958 (c) *Automatic deletion.*—The timeshare instrument may
959 provide that a component site will be automatically deleted upon
960 the expiration of its term ~~in a timeshare plan other than a~~
961 ~~nonspecific multisite timeshare plan~~ or as otherwise provided in
962 the timeshare instrument. However, the timeshare instrument must
963 also provide that in the event a component site is deleted from
964 the plan in this manner, either a sufficient number of
965 purchasers of the plan will also be deleted, or a sufficient
966 number of replacement accommodations and facilities that comply
967 with subparagraph (2) (b) 2. will be substituted for the deleted
968 accommodations and facilities, so as to maintain no greater than
969 a one-to-one use right to use night requirement ratio.

970 Section 12. Subsection (5) of section 721.56, Florida
971 Statutes, is amended to read:

972 721.56 Management of multisite timeshare plans; reservation
973 systems; demand balancing.—

974 (5) ~~(a) 1. The reservation system is a facility of any~~
975 ~~nonspecific multisite timeshare plan. The reservation system is~~
976 ~~not a facility of any specific multisite timeshare plan, nor is~~
977 ~~it a facility of any multisite timeshare plan in which timeshare~~
978 ~~estates are offered pursuant to s. 721.57.~~

979 ~~2. The reservation system of any multisite timeshare plan~~
980 ~~shall include any computer software and hardware employed for~~
981 ~~the purpose of enabling or facilitating the operation of the~~
982 ~~reservation system. Nothing contained in this part precludes~~
983 ~~shall preclude a manager or management firm that is serving as~~
984 ~~managing entity of a multisite timeshare plan from providing in~~
985 ~~its contract with the purchasers or owners' association of the~~
986 ~~multisite timeshare plan or in the timeshare instrument that the~~

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987 manager or management firm owns the reservation system and that
988 the managing entity will ~~shall~~ continue to own the reservation
989 system in the event the purchasers discharge the managing entity
990 pursuant to s. 721.14.

991 ~~(b) In the event of a termination of a managing entity of a~~
992 ~~nonspecific multisite timeshare plan, which managing entity owns~~
993 ~~the reservation system, irrespective of whether the termination~~
994 ~~is voluntary or involuntary and irrespective of the cause of~~
995 ~~such termination, in addition to any other remedies available to~~
996 ~~purchasers in this part, the terminated managing entity shall,~~
997 ~~prior to such termination, establish a trust meeting the~~
998 ~~criteria set forth in this paragraph. It is the intent of the~~
999 ~~Legislature that this trust arrangement provide for an adequate~~
1000 ~~period of continued operation of the reservation system of the~~
1001 ~~multisite timeshare plan, during which period the new managing~~
1002 ~~entity shall make provision for the acquisition of a substitute~~
1003 ~~reservation system.~~

1004 ~~1. The trust shall be established with an independent~~
1005 ~~trustee. Both the terminated managing entity and the new~~
1006 ~~managing entity shall attempt to agree on an acceptable trustee.~~
1007 ~~In the event they cannot agree on an acceptable trustee, they~~
1008 ~~shall each designate a nominee, and the two nominees shall~~
1009 ~~select the trustee.~~

1010 ~~2. The terminated managing entity shall take all steps~~
1011 ~~necessary to enable the trustee or the trustee's designee to~~
1012 ~~operate the reservation system in the same manner as provided in~~
1013 ~~the timeshare instrument and the public offering statement. The~~
1014 ~~trustee may, but shall not be required to, contract with the~~
1015 ~~terminated managing entity for the continued operation of the~~

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1016 ~~reservation system. In the event the trustee elects to contract~~
1017 ~~with the terminated managing entity, that managing entity shall~~
1018 ~~be required to operate the reservation system and shall be~~
1019 ~~entitled to payment for that service. The payment shall in no~~
1020 ~~event exceed the amount previously paid to the terminated~~
1021 ~~managing entity for operation of the reservation system.~~

1022 ~~3. The trust shall remain in effect for a period of no~~
1023 ~~longer than 1 year following the date of termination of the~~
1024 ~~managing entity.~~

1025 ~~4. Nothing contained in this subsection shall abrogate or~~
1026 ~~otherwise interfere with any proprietary rights in the~~
1027 ~~reservation system that have been reserved by the discharged~~
1028 ~~managing entity, in its management contract or otherwise, so~~
1029 ~~long as such proprietary rights are not asserted in a manner~~
1030 ~~that would prevent the continued operation of the reservation~~
1031 ~~system as contemplated in this subsection.~~

1032 ~~(c) In the event of a termination of a managing entity of a~~
1033 ~~timeshare estate or specific multisite timeshare plan, which~~
1034 ~~managing entity owns the reservation system, irrespective of~~
1035 ~~whether the termination is voluntary or involuntary and~~
1036 ~~irrespective of the cause of such termination, in addition to~~
1037 ~~any other remedies available to purchasers in this part, the~~
1038 ~~terminated managing entity shall, prior to such termination,~~
1039 ~~promptly transfer to each component site managing entity all~~
1040 ~~relevant data contained in the reservation system with respect~~
1041 ~~to that component site, including, but not limited to:~~

1042 ~~1. The names, addresses, and reservation status of~~
1043 ~~component site accommodations.~~

1044 ~~2. The names and addresses of all purchasers of timeshare~~

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1045 ~~interests at that component site.~~

1046 ~~3. All outstanding confirmed reservations and reservation~~
1047 ~~requests for that component site.~~

1048 ~~4. Such other component site records and information as are~~
1049 ~~necessary, in the reasonable discretion of the component site~~
1050 ~~managing entity, to permit the uninterrupted operation and~~
1051 ~~administration of the component site, provided that a given~~
1052 ~~component site managing entity shall not be entitled to any~~
1053 ~~information regarding other component sites or regarding the~~
1054 ~~terminated multisite timeshare plan managing entity.~~

1055
1056 ~~All reasonable costs incurred by the terminated managing entity~~
1057 ~~in effecting the transfer of information required by this~~
1058 ~~paragraph shall be reimbursed to the terminated managing entity~~
1059 ~~on a pro rata basis by each component site, and the amount of~~
1060 ~~such reimbursement shall constitute a common expense of each~~
1061 ~~component site.~~

1062 Section 13. Section 721.57, Florida Statutes, is amended to
1063 read:

1064 721.57 Offering of timeshare estates in specific multisite
1065 timeshare plans; required provisions in the timeshare
1066 instrument.-

1067 (1) In addition to meeting all the requirements of part I,
1068 timeshare estates offered in a specific multisite timeshare plan
1069 must meet the requirements of subsection (2). Any offering of
1070 timeshare estates in a specific multisite timeshare plan that
1071 does not comply with these requirements shall be deemed to be an
1072 offering of a timeshare license.

1073 (2) The timeshare instrument of a specific multisite

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1074 timeshare plan in which timeshare estates are offered, ~~other~~
1075 ~~than a trust meeting the requirements of s. 721.08,~~ must contain
1076 or provide for all of the following matters:

1077 (a) The purchaser will receive a timeshare estate as
1078 defined in s. 721.05 in one of the component sites of the
1079 specific multisite timeshare plan. The use rights in the other
1080 component sites of the multisite timeshare plan must ~~shall~~ be
1081 made available to the purchaser through the reservation system
1082 pursuant to the timeshare instrument.

1083 (b) In the event that the reservation system is terminated
1084 or otherwise becomes unavailable for any reason prior to the
1085 expiration of the term of the specific multisite timeshare plan:

1086 1. The purchaser will be able to continue to use the
1087 accommodations and facilities of the component site in which she
1088 or he has been conveyed a timeshare estate in the manner
1089 described in the timeshare instrument for that component site
1090 for the remaining term of the timeshare estate; and

1091 2. Any use rights in that component site which had
1092 previously been made available through the reservation system to
1093 purchasers of the specific multisite timeshare plan who were not
1094 offered a timeshare estate at that component site will terminate
1095 when the reservation system is terminated or otherwise becomes
1096 unavailable for any reason.

1097 Section 14. This act shall take effect July 1, 2015.