

1 A bill to be entitled
2 An act relating to timeshares; amending s. 721.05,
3 F.S.; revising a definition; amending s. 721.07, F.S.;
4 revising requirements for amendments made to a
5 timeshare instrument; revising requirements for public
6 offering statements; amending s. 721.08, F.S.;
7 revising compliance requirements for the release of
8 certain escrow funds; creating s. 721.125, F.S.;
9 providing for the extension or termination of
10 timeshare plans under certain conditions; providing
11 applicability; amending s. 721.14, F.S.; authorizing
12 an owners' association and a managing entity to agree
13 to certain conditions related to the discharge of the
14 managing entity; providing for the transfer of
15 specified reservation system data upon the termination
16 of the managing entity; providing that reasonable
17 costs incurred by the terminated managing entity in
18 effecting the transfer of certain information shall be
19 reimbursed as a common expense; amending s. 721.52,
20 F.S.; revising definitions; amending s. 721.53, F.S.;
21 revising requirements with respect to subordination
22 instruments; deleting a requirement relating to court
23 approval of trustee dispositions of multisite
24 timeshare trust property; providing that a vote of the
25 voting interests of a multisite timeshare plan is not
26 required for substitution or automatic deletion of

27 multisite timeshare trust property; repealing s.
 28 721.54, F.S., relating to terms of nonspecific
 29 multisite timeshare plans; amending s. 721.55, F.S.;
 30 revising disclosure requirements for a multisite
 31 timeshare plan public offering statement; amending s.
 32 721.551, F.S.; revising disclosure requirements for
 33 multisite timeshare plan purchaser public offering
 34 statements; amending s. 721.552, F.S.; revising
 35 requirements relating to substitutions and deletions
 36 of component site accommodations or facilities;
 37 amending s. 721.56, F.S.; deleting provisions relating
 38 to the transfer of specified reservation system data
 39 upon the termination of managing entity and costs
 40 incurred by the terminated managing entity; amending
 41 s. 721.57, F.S.; revising language with respect to
 42 timeshare estates in multisite timeshare plans;
 43 providing an effective date.

44
 45 Be It Enacted by the Legislature of the State of Florida:

46
 47 Section 1. Subsection (34) of section 721.05, Florida
 48 Statutes, is amended to read:

49 721.05 Definitions.—As used in this chapter, the term:

50 (34) "Timeshare estate" means a right to occupy a
 51 timeshare unit, coupled with a freehold estate or an estate for
 52 years with a future interest in a timeshare property or a

53 | specified portion thereof, or coupled with. ~~The term includes~~ an
 54 | ownership interest in a condominium unit pursuant to s. 718.103,
 55 | an ownership interest in a cooperative unit pursuant to s.
 56 | 719.103, or a direct or indirect beneficial interest in a trust
 57 | that complies in all respects with ~~the provisions of~~ s.
 58 | 721.08(2)(c)4. or s. 721.53(1)(e), provided that the trust does
 59 | not contain any personal property timeshare interests. A
 60 | timeshare estate is a parcel of real property under the laws of
 61 | this state.

62 | Section 2. Paragraph (a) of subsection (3) and paragraph
 63 | (gg) of subsection (5) of section 721.07, Florida Statutes, are
 64 | amended to read:

65 | 721.07 Public offering statement.—Prior to offering any
 66 | timeshare plan, the developer must submit a filed public
 67 | offering statement to the division for approval as prescribed by
 68 | s. 721.03, s. 721.55, or this section. Until the division
 69 | approves such filing, any contract regarding the sale of that
 70 | timeshare plan is subject to cancellation by the purchaser
 71 | pursuant to s. 721.10.

72 | (3)(a)1. Any change to an approved public offering
 73 | statement filing shall be filed with the division for approval
 74 | as an amendment prior to becoming effective. The division shall
 75 | have 20 days after receipt of a proposed amendment to approve or
 76 | cite deficiencies in the proposed amendment. If the division
 77 | fails to act within 20 days, the amendment will be deemed
 78 | approved. If the proposed amendment adds a new component site to

79 | an approved multisite timeshare plan, the division's initial
80 | period in which to approve or cite deficiencies is 45 days. If
81 | the developer fails to adequately respond to any deficiency
82 | notice within 30 days, the division may reject the amendment.
83 | Subsequent to such rejection, a new filing fee pursuant to
84 | subsection (4) and a new division initial review period pursuant
85 | to this paragraph shall apply to any refiling or further review
86 | of the rejected amendment.

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

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

113 (5) Every filed public offering statement for a timeshare
 114 plan which is not a multisite timeshare plan shall contain the
 115 information required by this subsection. The division is
 116 authorized to provide by rule the method by which a developer
 117 must provide such information to the division.

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

122 2. If a developer has, in good faith, attempted to comply
 123 with ~~the requirements of this chapter section,~~ and if, in fact,
 124 the developer he or she has substantially complied with ~~the~~
 125 ~~disclosure requirements of this chapter,~~ nonmaterial errors or
 126 omissions are shall not be actionable, are not violations of
 127 this chapter, and do not give rise to any purchaser cancellation
 128 right.

129 Section 3. Paragraph (c) of subsection (2) of section
 130 721.08, Florida Statutes, is amended to read:

131 721.08 Escrow accounts; nondisturbance instruments;
 132 alternate security arrangements; transfer of legal title.-

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

139 (c) Compliance with conditions.-

140 1. Timeshare licenses.-If the timeshare plan is one in
 141 which timeshare licenses are to be sold and no cancellation or
 142 default has occurred, the escrow agent may release the escrowed
 143 funds or other property to or on the order of the developer upon
 144 presentation of:

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

147 (I) Expiration of the cancellation period.

148 (II) Completion of construction.

149 (III) Closing.

150 (IV) Either:

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

154 (B) Transfer by the developer of legal title to the
 155 subject accommodations and facilities, or all use rights
 156 therein, into a trust satisfying the requirements of

157 | subparagraph 4. and the execution, delivery, and recordation by
158 | each other interestholder of the nondisturbance and notice to
159 | creditors instrument, as described in this section.

160 | b. A certified copy of each recorded nondisturbance and
161 | notice to creditors instrument.

162 | c. One of the following:

163 | (I) A copy of a memorandum of agreement, as defined in s.
164 | 721.05, together with satisfactory evidence that the original
165 | memorandum of agreement has been irretrievably delivered for
166 | recording to the appropriate official responsible for
167 | maintaining the public records in the county in which the
168 | subject accommodations and facilities are located. The original
169 | memorandum of agreement must be recorded within 180 days after
170 | the date on which the purchaser executed her or his purchase
171 | agreement.

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

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

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

190 (I) Expiration of the cancellation period.

191 (II) Completion of construction.

192 (III) Closing.

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

196 c. Evidence that each accommodation and facility:

197 (I) Is free and clear of the claims of any
 198 interestholders, other than the claims of interestholders that,
 199 through a recorded instrument, are irrevocably made subject to
 200 the timeshare instrument and the use rights of purchasers made
 201 available through the timeshare instrument;

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

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

207 d. Evidence that the timeshare estate:

208 (I) Is free and clear of the claims of any

209 interestholders, other than the claims of interestholders that,
210 through a recorded instrument, are irrevocably made subject to
211 the timeshare instrument and the use rights of purchasers made
212 available through the timeshare instrument; or

213 (II) Is the subject of a recorded nondisturbance and
214 notice to creditors instrument that complies with subsection (3)
215 and s. 721.17.

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

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

223 (I) Expiration of the cancellation period.

224 (II) Completion of construction.

225 (III) Closing.

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

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

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

234 (II) 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 an owners' association
237 satisfying the requirements of subparagraph 5.

238 d. Evidence of compliance with the provisions of
239 subparagraph 6., if required.

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

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

250 (II) The transfer instrument shall comply fully with the
251 provisions of this chapter, shall be part of the timeshare
252 instrument, and shall contain specific provisions that:

253 (A) Prohibit the vessel owner, the developer, any manager
254 or operator of the vessel, the owners' association or the
255 trustee, the managing entity, or any other person from incurring
256 any liens against the vessel except for liens that are required
257 for the operation and upkeep of the vessel, including liens for
258 fuel expenditures, repairs, crews' wages, and salvage, and
259 except as provided in sub-sub-subparagraphs 4.b.(III) and
260 5.b.(III). All expenses, fees, and taxes properly incurred in

261 connection with the creation, satisfaction, and discharge of any
262 such permitted lien, or a prorated portion thereof if less than
263 all of the accommodations on the vessel are subject to the
264 timeshare plan, shall be common expenses of the timeshare plan.

265 (B) Grant a lien against the vessel in favor of the
266 owners' association or trustee to secure the full and faithful
267 performance of the vessel owner and developer of all of their
268 obligations to the purchasers.

269 (C) Establish governing law in a jurisdiction that
270 recognizes and will enforce the timeshare instrument and the
271 laws of the jurisdiction of registry of the vessel.

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

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

281 (F) The owners' association created under subparagraph 5.
282 or trustee created under subparagraph 4. shall have access to
283 any certificates of classification in accordance with the
284 timeshare instrument.

285 (III) If the vessel is a foreign vessel, the vessel must
286 be registered in a jurisdiction that permits a filing evidencing

287 the use rights of purchasers in the subject accommodations and
288 facilities, offers protection for such use rights against
289 unfiled and inferior claims, and recognizes the document or
290 instrument creating such use rights as a lien against the
291 vessel.

292 (IV) In addition to the disclosures required by s.
293 721.07(5), the public offering statement and purchase contract
294 must contain a disclosure in conspicuous type in substantially
295 the following form:

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

309 4. Trust.—

310 a. If the subject accommodations or facilities, or all use
311 rights therein, are to be transferred into a trust in order to
312 comply with this paragraph, such transfer shall take place

313 pursuant to this subparagraph. If the accommodations or
314 facilities included in such transfer are subject to a lease, the
315 unexpired term of the lease must be disclosed as the term of the
316 timeshare plan pursuant to s. 721.07(5)(f)4.

317 b. Prior to the transfer ~~by each interestholder~~ of the
318 subject accommodations and facilities, or all use rights
319 therein, to a trust, any lien or other encumbrance against such
320 accommodations and facilities, or use rights therein, shall be
321 made subject to a nondisturbance and notice to creditors
322 instrument pursuant to subsection (3). No transfer pursuant to
323 this subparagraph shall become effective until the trustee
324 accepts such transfer and the responsibilities set forth herein.
325 A trust established pursuant to this subparagraph shall comply
326 with the following provisions:

327 (I) The trustee shall be an individual or a business
328 entity authorized and qualified to conduct trust business in
329 this state. Any corporation authorized to do business in this
330 state may act as trustee in connection with a timeshare plan
331 pursuant to this chapter. The trustee must be independent from
332 any developer or managing entity of the timeshare plan or any
333 interestholder of any accommodation or facility of such plan.

334 (II) The trust shall be irrevocable so long as any
335 purchaser has a right to occupy any portion of the timeshare
336 property pursuant to the timeshare plan.

337 (III) The trustee shall not convey, hypothecate, mortgage,
338 assign, lease, or otherwise transfer or encumber in any fashion

339 any interest in or portion of the timeshare property with
340 respect to which any purchaser has a right of use or occupancy
341 unless the timeshare plan is terminated pursuant to the
342 timeshare instrument, or such conveyance, hypothecation,
343 mortgage, assignment, lease, transfer, or encumbrance is
344 approved by a vote of two-thirds of all voting interests of the
345 timeshare plan. Subject to s. 721.552, a vote of the voting
346 interests of the timeshare plan is not required for substitution
347 or automatic deletion of accommodations or facilities. ~~and such~~
348 ~~decision is declared by a court of competent jurisdiction to be~~
349 ~~in the best interests of the purchasers of the timeshare plan.~~
350 ~~The trustee shall notify the division in writing within 10 days~~
351 ~~after receiving notice of the filing of any petition relating to~~
352 ~~obtaining such a court order. The division shall have standing~~
353 ~~to advise the court of the division's interpretation of the~~
354 ~~statute as it relates to the petition.~~

355 (IV) All purchasers of the timeshare plan or the owners'
356 association of the timeshare plan shall be the express
357 beneficiaries of the trust. The trustee shall act as a fiduciary
358 to the beneficiaries of the trust. The personal liability of the
359 trustee shall be governed by ss. 736.08125, 736.08163, 736.1013,
360 and 736.1015. The agreement establishing the trust shall set
361 forth the duties of the trustee. The trustee shall be required
362 to furnish promptly to the division upon request a copy of the
363 complete list of the names and addresses of the owners in the
364 timeshare plan and a copy of any other books and records of the

365 timeshare plan required to be maintained pursuant to s. 721.13
366 that are in the possession, custody, or control of the trustee.
367 All expenses reasonably incurred by the trustee in the
368 performance of its duties, together with any reasonable
369 compensation of the trustee, shall be common expenses of the
370 timeshare plan.

371 (V) The trustee shall not resign upon less than 90 days'
372 prior written notice to the managing entity and the division. No
373 resignation shall become effective until a substitute trustee,
374 approved by the division, is appointed by the managing entity
375 and accepts the appointment.

376 (VI) The documents establishing the trust arrangement
377 shall constitute a part of the timeshare instrument.

378 (VII) For trusts holding property in a timeshare plan
379 located outside this state, the trust and trustee holding such
380 property shall be deemed in compliance with the requirements of
381 this subparagraph if such trust and trustee are authorized and
382 qualified to conduct trust business under the laws of such
383 jurisdiction and the agreement or law governing such trust
384 arrangement provides substantially similar protections for the
385 purchaser as are required in this subparagraph for trusts
386 holding property in a timeshare plan in this state.

387 (VIII) The trustee shall have appointed a registered agent
388 in this state for service of process. In the event such a
389 registered agent is not appointed, service of process may be
390 served pursuant to s. 721.265.

391 5. Owners' association.—

392 a. If the subject accommodations or facilities, or all use
393 rights therein, are to be transferred into an owners'
394 association in order to comply with this paragraph, such
395 transfer shall take place pursuant to this subparagraph.

396 b. Before ~~Prior to~~ the transfer ~~by each interestholder~~ of
397 the subject accommodations and facilities, or all use rights
398 therein, to an owners' association, any lien or other
399 encumbrance against such accommodations and facilities, or use
400 rights therein, shall be made subject to a nondisturbance and
401 notice to creditors instrument pursuant to subsection (3). No
402 transfer pursuant to this subparagraph shall become effective
403 until the owners' association accepts such transfer and the
404 responsibilities set forth herein. An owners' association
405 established pursuant to this subparagraph shall comply with the
406 following provisions:

407 (I) The owners' association shall be a business entity
408 authorized and qualified to conduct business in this state.
409 Control of the board of directors of the owners' association
410 must be independent from any developer or managing entity of the
411 timeshare plan or any interestholder.

412 (II) The bylaws of the owners' association shall provide
413 that the corporation may not be voluntarily dissolved without
414 the unanimous vote of all owners of personal property timeshare
415 interests so long as any purchaser has a right to occupy any
416 portion of the timeshare property pursuant to the timeshare

417 plan.

418 (III) The owners' association shall not convey,
419 hypothecate, mortgage, assign, lease, or otherwise transfer or
420 encumber in any fashion any interest in or portion of the
421 timeshare property with respect to which any purchaser has a
422 right of use or occupancy, unless the timeshare plan is
423 terminated pursuant to the timeshare instrument, or unless such
424 conveyance, hypothecation, mortgage, assignment, lease,
425 transfer, or encumbrance is approved by a vote of two-thirds of
426 all voting interests of the association and such decision is
427 declared by a court of competent jurisdiction to be in the best
428 interests of the purchasers of the timeshare plan. The owners'
429 association shall notify the division in writing within 10 days
430 after receiving notice of the filing of any petition relating to
431 obtaining such a court order. The division shall have standing
432 to advise the court of the division's interpretation of the
433 statute as it relates to the petition.

434 (IV) All purchasers of the timeshare plan shall be members
435 of the owners' association and shall be entitled to vote on
436 matters requiring a vote of the owners' association as provided
437 in this chapter or the timeshare instrument. The owners'
438 association shall act as a fiduciary to the purchasers of the
439 timeshare plan. The articles of incorporation establishing the
440 owners' association shall set forth the duties of the owners'
441 association. All expenses reasonably incurred by the owners'
442 association in the performance of its duties, together with any

443 reasonable compensation of the officers or directors of the
444 owners' association, shall be common expenses of the timeshare
445 plan.

446 (V) The documents establishing the owners' association
447 shall constitute a part of the timeshare instrument.

448 (VI) For owners' associations holding property in a
449 timeshare plan located outside this state, the owners'
450 association holding such property shall be deemed in compliance
451 with the requirements of this subparagraph if such owners'
452 association is authorized and qualified to conduct owners'
453 association business under the laws of such jurisdiction and the
454 agreement or law governing such arrangement provides
455 substantially similar protections for the purchaser as are
456 required in this subparagraph for owners' associations holding
457 property in a timeshare plan in this state.

458 (VII) The owners' association shall have appointed a
459 registered agent in this state for service of process. In the
460 event such a registered agent cannot be located, service of
461 process may be made pursuant to s. 721.265.

462 6. Personal property subject to certificate of title.—If
463 any personal property that is an accommodation or facility of a
464 timeshare plan is subject to a certificate of title in this
465 state pursuant to chapter 319 or chapter 328, the following
466 notation must be made on such certificate of title pursuant to
467 s. 319.27(1) or s. 328.15(1):

468 The further transfer or encumbrance of the property subject to

469 this certificate of title, or any lien or encumbrance thereon,
 470 is subject to the requirements of section 721.17, Florida
 471 Statutes, and the transferee or lienor agrees to be bound by all
 472 of the obligations set forth therein.

473 7. If the developer has previously provided a certified
 474 copy of any document required by this paragraph, she or he may
 475 for all subsequent disbursements substitute a true and correct
 476 copy of the certified copy, provided no changes to the document
 477 have been made or are required to be made.

478 8. In the event that use rights relating to an
 479 accommodation or facility are transferred into a trust pursuant
 480 to subparagraph 4. or into an owners' association pursuant to
 481 subparagraph 5., all other interestholders, including the owner
 482 of the underlying fee or underlying personal property, must
 483 execute a nondisturbance and notice to creditors instrument
 484 pursuant to subsection (3).

485 Section 4. Section 721.125, Florida Statutes, is created
 486 to read:

487 721.125 Extension or termination of timeshare plans.-
 488 (1) Unless the timeshare instrument provides otherwise,
 489 the vote or written consent, or both, of 60 percent of all
 490 voting interests in a timeshare plan may extend or terminate the
 491 term of the timeshare plan at any time. If the term of a
 492 timeshare plan is extended pursuant to this section, all rights,
 493 privileges, duties, and obligations created under applicable law
 494 or the timeshare instrument continue in full force to the same

495 extent as if the extended termination date of the timeshare plan
496 were the original termination date of the timeshare plan. If a
497 timeshare plan is terminated pursuant to this section, the
498 termination has immediate effect pursuant to applicable law and
499 the timeshare instrument as if the effective date of the
500 termination were the original date of termination.

501 (2) If a termination or extension vote or consent pursuant
502 to subsection (1) is proposed for a component site of a
503 multisite timeshare plan located in this state, the proposed
504 termination or extension is effective only if the person
505 authorized to make additions or substitutions of accommodations
506 and facilities pursuant to the timeshare instrument also
507 approves the termination or extension.

508 (3) This section applies only to a timeshare plan that has
509 been in existence for at least 25 years as of the effective date
510 of the termination or extension vote or consent required by
511 subsection (1).

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

514 721.14 Discharge of managing entity.—

515 (4)(a) An owners' association and a manager or management
516 firm may, in the management contract or other written document,
517 agree to the transition procedures and related time periods to
518 be followed in the event the manager or management firm is
519 discharged pursuant to this section. If there is no written
520 agreement between the parties that covers the matters set forth

521 in paragraphs (b) and (c), the provisions of paragraphs (b) and
522 (c) shall apply.

523 (b) Within 90 days after the date that the manager or
524 management firm is notified by the owners' association of a
525 successful termination vote pursuant to subsection (1), the
526 terminated managing entity shall transfer to the owners'
527 association or new manager or management firm all relevant data
528 held by the managing entity and related to any reservation
529 system for the timeshare plan, including, but not limited to:

530 1. The names, addresses, and reservation status of all
531 accommodations.

532 2. The names and addresses of all purchasers of timeshare
533 interests.

534 3. All outstanding confirmed reservations and reservation
535 requests.

536 4. Such other records and information as is necessary to
537 permit the uninterrupted operation and administration of the
538 timeshare plan. However, the information required to be
539 transferred does not include private information of the
540 terminated managing entity that is not directly related to
541 operation and management of the timeshare plan.

542 (c) All reasonable costs incurred by the terminated
543 managing entity in effecting the transfer of information
544 required by this subsection shall be reimbursed to the
545 terminated managing entity as a common expense of the timeshare
546 plan within 10 days after the completed transfer of the data

547 described in paragraph (b). ~~This section shall not apply to~~
548 ~~personal property timeshare plans.~~

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

551 721.52 Definitions.—As used in this chapter, the term:

552 (5) "Nonspecific multisite timeshare plan" means a
553 multisite timeshare plan ~~containing timeshare licenses or~~
554 ~~personal property timeshare interests,~~ with respect to which a
555 purchaser receives a right to use all of the accommodations and
556 facilities, if any, of the multisite timeshare plan through the
557 reservation system, but no specific right to use any particular
558 accommodations and facilities for the remaining term of the
559 multisite timeshare plan in the event that the reservation
560 system is terminated for any reason prior to the expiration of
561 the term of the multisite timeshare plan.

562 (7) "Specific multisite timeshare plan" means a multisite
563 timeshare plan ~~containing timeshare licenses or personal~~
564 ~~property timeshare interests,~~ with respect to which a purchaser
565 receives a specific right to use accommodations and facilities,
566 if any, at one component site of a multisite timeshare plan,
567 together with use rights in the other accommodations and
568 facilities of the multisite timeshare plan created by or
569 acquired through the reservation system.

570 Section 7. Paragraph (e) of subsection (1) of section
571 721.53, Florida Statutes, is amended to read:

572 721.53 Subordination instruments; alternate security

573 arrangements.—

574 (1) With respect to each accommodation or facility of a
575 multisite timeshare plan, the developer shall provide the
576 division with satisfactory evidence that one of the following
577 has occurred with respect to each interestholder prior to
578 offering the accommodation or facility as a part of the
579 multisite timeshare plan:

580 (e) The interestholder has transferred the subject
581 accommodation or facility or all use rights therein to a trust
582 that complies with this paragraph. If the accommodation or
583 facility included in such transfer is subject to a lease, the
584 unexpired term of the lease must be disclosed as the term of
585 that component site pursuant to s. 721.55(4)(a). Prior to such
586 transfer, any lien or other encumbrance against such
587 accommodation or facility shall be made subject to a
588 nondisturbance and notice to creditors instrument pursuant to
589 paragraph (a) or a subordination and notice to creditors
590 instrument pursuant to paragraph (b). No transfer pursuant to
591 this paragraph shall become effective until the trust accepts
592 such transfer and the responsibilities set forth herein. A trust
593 established pursuant to this paragraph shall comply with the
594 following provisions:

595 1. The trustee shall be an individual or a business entity
596 authorized and qualified to conduct trust business in this
597 state. Any corporation authorized to do business in this state
598 may act as trustee in connection with a timeshare plan pursuant

599 to this chapter. The trustee must be independent from any
 600 developer or managing entity of the timeshare plan or any
 601 interestholder of any accommodation or facility of such plan.
 602 The same trustee may hold the accommodations and facilities, or
 603 use rights therein, for one or more of the component sites of
 604 the timeshare plan.

605 2. The trust shall be irrevocable so long as any purchaser
 606 has a right to occupy any portion of the timeshare property
 607 pursuant to the timeshare plan.

608 3. The trustee shall not convey, hypothecate, mortgage,
 609 assign, lease, or otherwise transfer or encumber in any fashion
 610 any interests in or portion of the timeshare property with
 611 respect to which any purchaser has a right of use or occupancy
 612 unless the timeshare plan is terminated pursuant to the
 613 timeshare instrument, or the timeshare property held in trust is
 614 deleted from a multisite timeshare plan pursuant to s.
 615 721.552(3), or such conveyance, hypothecation, mortgage,
 616 assignment, lease, transfer, or encumbrance is approved by vote
 617 of two-thirds of all voting interests of the timeshare plan.
 618 Subject to s. 721.552, a vote of the voting interests of the
 619 timeshare plan is not required for substitution or automatic
 620 deletion of accommodations or facilities ~~and such decision is~~
 621 ~~declared by a court of competent jurisdiction to be in the best~~
 622 ~~interests of the purchasers of the timeshare plan.~~

623 4. All purchasers of the timeshare plan or the owners'
 624 association of the timeshare plan shall be express beneficiaries

625 of the trust. The trustee shall act as a fiduciary to the
626 beneficiaries of the trust. The personal liability of the
627 trustee shall be governed by ss. 736.08125, 736.08163, 736.1013,
628 and 736.1015. The agreement establishing the trust shall set
629 forth the duties of the trustee. The trustee shall be required
630 to furnish promptly to the division upon request a copy of the
631 complete list of the names and addresses of the owners in the
632 timeshare plan and a copy of any other books and records of the
633 timeshare plan required to be maintained pursuant to s. 721.13
634 that are in the possession of the trustee. All expenses
635 reasonably incurred by the trustee in the performance of its
636 duties, together with any reasonable compensation of the
637 trustee, shall be common expenses of the timeshare plan.

638 5. The trustee shall not resign upon less than 90 days'
639 prior written notice to the managing entity and the division. No
640 resignation shall become effective until a substitute trustee,
641 approved by the division, is appointed by the managing entity
642 and accepts the appointment.

643 6. The documents establishing the trust arrangement shall
644 constitute a part of the timeshare instrument.

645 7. For trusts holding property in component sites located
646 outside this state, the trust holding such property shall be
647 deemed in compliance with the requirements of this paragraph, if
648 such trust is authorized and qualified to conduct trust business
649 under the laws of such jurisdiction and the agreement or law
650 governing such trust arrangement provides substantially similar

651 | protections for the purchaser as are required in this paragraph
 652 | for trusts holding property in a component site located in this
 653 | state.

654 | 8. The trustee shall have appointed a registered agent in
 655 | this state for service of process. In the event such a
 656 | registered agent is not appointed, service of process may be
 657 | served pursuant to s. 721.265.

658 | Section 8. Section 721.54, Florida Statutes, is repealed.

659 | Section 9. Paragraphs (a) and (h) of subsection (4),
 660 | subsection (5), and paragraph (1) of subsection (7) of section
 661 | 721.55, Florida Statutes, are amended to read:

662 | 721.55 Multisite timeshare plan public offering
 663 | statement.—Each filed public offering statement for a multisite
 664 | timeshare plan shall contain the information required by this
 665 | section and shall comply with the provisions of s. 721.07,
 666 | except as otherwise provided therein. The division is authorized
 667 | to provide by rule the method by which a developer must provide
 668 | such information to the division. Each multisite timeshare plan
 669 | filed public offering statement shall contain the following
 670 | information and disclosures:

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

673 | (a) A description of the multisite timeshare plan,
 674 | including its term, legal structure, and form of ownership, and
 675 | ~~For multisite timeshare plans in which the purchaser will~~
 676 | ~~receive a timeshare estate pursuant to s. 721.57 and for~~

677 ~~specific multisite timeshare plans, the description must also~~
678 ~~include~~ the term of each component site within the multisite
679 timeshare plan. The term of each component site that is shorter
680 than the term of the multisite timeshare plan must be disclosed
681 in conspicuous type.

682 (h) A description of the purchaser's liability for common
683 expenses of the multisite timeshare plan, including the
684 following:

685 1. A description of the common expenses of the plan,
686 including the method of allocation and assessment of such common
687 expenses, whether component site common expenses and real estate
688 taxes are included within the total common expense assessment of
689 the multisite timeshare plan, and, if not, the manner in which
690 timely payment of component site common expenses and real estate
691 taxes shall be accomplished.

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

694 a. In no event shall the total common expense assessment
695 for the multisite timeshare plan in a given calendar year exceed
696 125 percent of the total common expense assessment for the plan
697 in the previous calendar year.

698 b. Component site common expenses and ad valorem taxes
699 shall not be included in calculating the total common expense
700 assessment under sub-subparagraph a.

701 3. A description of the entity responsible for the
702 determination of the common expenses of the multisite timeshare

703 plan, as well as any entity which may increase the level of
704 common expenses assessed against the purchaser at the multisite
705 timeshare plan level.

706 4. A description of the method used to collect common
707 expenses, including the entity responsible for such collections,
708 and the lien rights of any entity for nonpayment of common
709 expenses. If the common expenses of any component site are
710 collected by the managing entity of the multisite timeshare
711 plan, a statement to that effect together with the identity and
712 address of the escrow agent required by s. 721.56(3).

713 5. If the purchaser will receive an interest in a
714 nonspecific multisite timeshare plan, a statement that a
715 multisite timeshare plan budget is attached to the public
716 offering statement as an exhibit pursuant to paragraph (7)(c).
717 The multisite timeshare plan budget shall comply with the
718 provisions of s. 721.07(5)(t).

719 6. If the developer intends to guarantee the level of
720 assessments for the multisite timeshare plan, such guarantee
721 must be based upon a good faith estimate of the revenues and
722 expenses of the multisite timeshare plan. The guarantee must
723 include a description of the following:

724 a. The specific time period, measured in one or more
725 calendar or fiscal years, during which the guarantee will be in
726 effect.

727 b. A statement that the developer will pay all common
728 expenses incurred in excess of the total revenues of the

729 multisite timeshare plan, if the developer is to be excused from
 730 the payment of assessments during the guarantee period.

731 c. The level, expressed in total dollars, at which the
 732 developer guarantees the assessments. If the developer has
 733 reserved the right to extend or increase the guarantee level, a
 734 disclosure must be included to that effect.

735 7. If required under applicable law, the developer shall
 736 also disclose the following matters for each component site:

737 a. Any limitation upon annual increases in common
 738 expenses;

739 b. The existence of any bad debt or working capital
 740 reserve; and

741 c. The existence of any replacement or deferred
 742 maintenance reserve.

743 (5) (a) Such other information as the division determines
 744 is necessary to fairly, meaningfully, and effectively disclose
 745 all aspects of the multisite timeshare plan, including, but not
 746 limited to, any disclosures made necessary by the operation of
 747 s. 721.03(8). ~~However,~~

748 (b) If a developer has, in good faith, attempted to comply
 749 with ~~the requirements of this chapter section,~~ and if, in fact,
 750 the developer has substantially complied with ~~the disclosure~~
 751 ~~requirements of this chapter,~~ nonmaterial errors or omissions
 752 are not actionable, are not violations of this chapter, and do
 753 not give rise to any purchaser cancellation right ~~shall not be~~
 754 ~~actionable.~~

755 (7) The following documents shall be included as exhibits
 756 to the filed public offering statement, if applicable:

757 (1)1. If the multisite timeshare plan contains any
 758 component sites located in this state, the information required
 759 by s. 721.07(5) pertaining to each such component site unless
 760 exempt pursuant to s. 721.03.

761 2. If the purchaser will receive ~~a timeshare estate~~
 762 ~~pursuant to s. 721.57,~~ or an interest in a specific multisite
 763 timeshare plan, ~~in a~~ component site located outside of this
 764 state but which is offered in this state, the information
 765 required by s. 721.07(5) pertaining to that component site,
 766 provided, however, that the provisions of s. 721.07(5)(t) shall
 767 only require disclosure of information related to the estimated
 768 budget for the timeshare plan and purchaser's expenses as
 769 required by the jurisdiction in which the component site is
 770 located.

771 Section 10. Paragraph (c) of subsection (2) of section
 772 721.551, Florida Statutes, is amended to read:

773 721.551 Delivery of multisite timeshare plan purchaser
 774 public offering statement.-

775 (2) The developer shall furnish each purchaser with the
 776 following:

777 (c) If the purchaser will receive ~~a timeshare estate~~
 778 ~~pursuant to s. 721.57,~~ or an interest in a specific multisite
 779 timeshare plan, ~~in a~~ component site located in this state, the
 780 developer shall also furnish the purchaser with the information

781 required to be delivered pursuant to s. 721.07(6)(a) and (b) for
 782 that ~~the component site in which the purchaser will receive an~~
 783 ~~estate or interest in a specific multisite timeshare plan.~~

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

786 721.552 Additions, substitutions, or deletions of
 787 component site accommodations or facilities; purchaser remedies
 788 for violations.—Additions, substitutions, or deletions of
 789 component site accommodations or facilities may be made only in
 790 accordance with the following:

791 (2) SUBSTITUTIONS.—

792 (a) Substitutions are available only for nonspecific
 793 multisite timeshare plans. Specific multisite timeshare plans ~~or~~
 794 ~~plans offering timeshare estates pursuant to s. 721.57~~ may not
 795 contain an accommodation substitution right.

796 (b) The timeshare instrument shall provide for the
 797 following:

798 1. The basis upon which new accommodations and facilities
 799 may be substituted for existing accommodations and facilities of
 800 the multisite timeshare plan; by whom substitutions may be made;
 801 and the basis upon which the determination may be made to cause
 802 such substitutions to occur.

803 2. The replacement accommodations and facilities must
 804 provide purchasers with an opportunity to enjoy a substantially
 805 similar or improved vacation experience as compared to ~~as was~~
 806 the experience available at ~~with~~ the replaced accommodation or

807 facility. In determining whether the replacement accommodations
 808 and facilities will provide a substantially similar or improved
 809 vacation experience, all relevant factors must be considered,
 810 including, but not limited to, some or all of the following:
 811 size, capacity, furnishings, maintenance, location (geographic,
 812 topographic, and scenic), demand, and availability for purchaser
 813 use, and recreational capabilities.

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

816 (c) No substitutions may be made during the first year
 817 after the developer begins to offer the multisite timeshare
 818 plan.

819 (d)1. If the timeshare instrument provides that the
 820 developer, acting unilaterally, is the person authorized to make
 821 substitutions, the developer may not substitute ~~No more than 25~~
 822 ~~percent of the available accommodations in the multisite~~
 823 ~~timeshare plan at a given component site may undergo~~
 824 ~~substitution~~ in a given calendar year pursuant to paragraph (e)
 825 if the amount of such substituted accommodations provides more
 826 than 10 percent of the total annual use availability in the
 827 multisite timeshare plan calculated in 7-day increments in which
 828 ~~substitution is permitted. This paragraph shall be interpreted~~
 829 ~~to permit the substitution of an entire component site over a 4-~~
 830 ~~year period.~~

831 2. If the timeshare instrument provides that the managing
 832 entity is the person authorized to make substitutions, and the

833 managing entity is under common ownership or control with the
834 developer, the managing entity may not substitute available
835 accommodations in the multisite timeshare plan in a given
836 calendar year pursuant to paragraph (e) if the amount of such
837 substituted accommodations provides more than 10 percent of the
838 total annual use availability in the multisite timeshare plan
839 calculated in 7-day increments.

840 3. If the timeshare instrument provides that the managing
841 entity is the person authorized to make substitutions, and the
842 managing entity is not under common ownership or control with
843 the developer, the managing entity may not substitute available
844 accommodations in the multisite timeshare plan in a given
845 calendar year pursuant to paragraph (e) if the amount of such
846 substituted accommodations provides more than 25 percent of the
847 total annual use availability in the multisite timeshare plan
848 calculated in 7-day increments.

849 4. If the person authorized to make substitutions
850 receives, within 21 days after the date of the notice of
851 substitution required by paragraph (e), a written objection to
852 the proposed substitution from at least 10 percent of all
853 purchasers in the multisite timeshare plan, a meeting of the
854 purchasers must be conducted by the managing entity within 30
855 days after the end of such 21-day period. The proposed
856 substitution is ratified unless it is rejected by a majority of
857 purchasers voting in person or by proxy at the meeting, provided
858 that at least 25 percent of all purchasers cast votes. This

859 subparagraph does not apply if the timeshare instrument provides
860 that purchasers do not have the right to consent to any proposed
861 substitutions.

862 5. This paragraph does not apply if the proposed
863 substitution is approved in advance pursuant to paragraph (f).

864 (e) The person authorized to make substitutions shall
865 notify all purchasers of the multisite timeshare plan in writing
866 of her or his intention to delete accommodations or facilities
867 ~~at a given component site~~ and to substitute them with other
868 specified accommodations or facilities pursuant to this
869 subsection. This notice must be given at least 6 months in
870 advance of the date that the proposed substitution will occur;
871 must state the last day after the end of the 6-month period on
872 which reservations will be accepted from purchasers for use of
873 the accommodations to be deleted; and must state that purchasers
874 shall have 21 days after the date of the notice of substitution
875 to file a written objection with the person authorized to make
876 substitutions, ~~and the notice must inform the purchasers that~~
877 ~~they may reserve the use of the accommodations to be deleted~~
878 ~~during this 6-month period. At the end of the 6-month period,~~
879 The person authorized to make substitutions may delete
880 accommodations for substitution only after such accommodations
881 have no pending purchaser use reservations ~~to the extent that~~
882 ~~they were not reserved during the 6-month period.~~

883 (f) The person authorized to make substitutions may make
884 unlimited substitutions ~~If the managing entity of a multisite~~

885 ~~timeshare plan includes an owners' association composed of all~~
886 ~~purchasers or a corporation which owns or controls the~~
887 ~~accommodations and facilities of the plan, the board of~~
888 ~~administration of either of which is comprised of a majority of~~
889 ~~board members elected by purchasers other than the developer,~~
890 ~~and if such managing entity has the right to make substitutions~~
891 ~~pursuant to the timeshare instrument, all of the available~~
892 ~~accommodations at a given component site may undergo~~
893 ~~substitution in a given year without compliance with paragraphs~~
894 ~~(d) and (e) if a proposed a written plan of substitution is~~
895 ~~provided to each purchaser has been approved in advance by a~~
896 ~~majority of purchasers of the multisite timeshare plan voting in~~
897 ~~person or by proxy at a meeting called for that purpose,~~
898 ~~provided that at least 25 percent of the total number of~~
899 ~~purchasers cast votes of the board of administration and by a~~
900 ~~majority of all purchasers in the plan. The plan of substitution~~
901 ~~must:~~

902 ~~1. Specifically identify the component site being replaced~~
903 ~~and the proposed substitute component site.~~

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

906 ~~3. Provide the results of a survey of purchaser attitudes~~
907 ~~regarding the component site being replaced and the proposed~~
908 ~~substitute component site.~~

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

911 ~~5. Provide a plan for handling reservation requests during~~
912 ~~the substitution period for both the component site being~~
913 ~~replaced and the proposed substitute component site.~~

914
915 Substitutions made pursuant to this paragraph shall not be
916 subject to the provisions of subparagraph (b)2.

917 (g) If the person authorized to make substitutions has
918 fully complied with the applicable provisions of this subsection
919 and the timeshare instrument, the trustee of a timeshare trust
920 qualified under s. 721.53(1)(e) may convey title to any
921 accommodations and facilities that have been designated or
922 approved for substitution as and when directed by the person
923 authorized to make substitutions without any further vote or
924 other authorization of the purchasers of the multisite timeshare
925 plan.

926 (h)~~(g)~~ The person who is authorized by the timeshare
927 instrument to make substitutions to the multisite timeshare plan
928 pursuant to this subsection shall act as a fiduciary in such
929 capacity in the best interests of the purchasers of the plan as
930 a whole and shall adhere to the demand balancing standard set
931 forth in s. 721.56(6) in connection with such substitutions.
932 Substitutions that are otherwise permitted may be made only so
933 long as a one-to-one use right to use night requirement ratio is
934 maintained at all times.

935 (3) DELETIONS.—

936 (c) Automatic deletion.—The timeshare instrument may

937 provide that a component site will be automatically deleted upon
938 the expiration of its term ~~in a timeshare plan other than a~~
939 ~~nonspecific multisite timeshare plan~~ or as otherwise provided in
940 the timeshare instrument. However, the timeshare instrument must
941 also provide that in the event a component site is deleted from
942 the plan in this manner, a sufficient number of purchasers of
943 the plan will also be deleted, or a sufficient number of
944 replacement accommodations and facilities that comply with
945 subparagraph (2) (b) 2. will be substituted for the deleted
946 accommodations and facilities, so as to maintain no greater than
947 a one-to-one use right to use night requirement ratio.

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

950 721.56 Management of multisite timeshare plans;
951 reservation systems; demand balancing.-

952 (5)(a)1. ~~The reservation system is a facility of any~~
953 ~~nonspecific multisite timeshare plan. The reservation system is~~
954 ~~not a facility of any specific multisite timeshare plan, nor is~~
955 ~~it a facility of any multisite timeshare plan in which timeshare~~
956 ~~estates are offered pursuant to s. 721.57.~~

957 ~~2. The reservation system of any multisite timeshare plan~~
958 ~~shall include any computer software and hardware employed for~~
959 ~~the purpose of enabling or facilitating the operation of the~~
960 ~~reservation system.~~ Nothing contained in this part shall
961 preclude a manager or management firm that is serving as
962 managing entity of a multisite timeshare plan from providing in

963 its contract with the purchasers or owners' association of the
964 multisite timeshare plan or in the timeshare instrument that the
965 manager or management firm owns the reservation system and that
966 the managing entity shall continue to own the reservation system
967 in the event the purchasers discharge the managing entity
968 pursuant to s. 721.14.

969 ~~(b) In the event of a termination of a managing entity of~~
970 ~~a nonspecific multisite timeshare plan, which managing entity~~
971 ~~owns the reservation system, irrespective of whether the~~
972 ~~termination is voluntary or involuntary and irrespective of the~~
973 ~~cause of such termination, in addition to any other remedies~~
974 ~~available to purchasers in this part, the terminated managing~~
975 ~~entity shall, prior to such termination, establish a trust~~
976 ~~meeting the criteria set forth in this paragraph. It is the~~
977 ~~intent of the Legislature that this trust arrangement provide~~
978 ~~for an adequate period of continued operation of the reservation~~
979 ~~system of the multisite timeshare plan, during which period the~~
980 ~~new managing entity shall make provision for the acquisition of~~
981 ~~a substitute reservation system.~~

982 ~~1. The trust shall be established with an independent~~
983 ~~trustee. Both the terminated managing entity and the new~~
984 ~~managing entity shall attempt to agree on an acceptable trustee.~~
985 ~~In the event they cannot agree on an acceptable trustee, they~~
986 ~~shall each designate a nominee, and the two nominees shall~~
987 ~~select the trustee.~~

988 ~~2. The terminated managing entity shall take all steps~~

989 ~~necessary to enable the trustee or the trustee's designee to~~
990 ~~operate the reservation system in the same manner as provided in~~
991 ~~the timeshare instrument and the public offering statement. The~~
992 ~~trustee may, but shall not be required to, contract with the~~
993 ~~terminated managing entity for the continued operation of the~~
994 ~~reservation system. In the event the trustee elects to contract~~
995 ~~with the terminated managing entity, that managing entity shall~~
996 ~~be required to operate the reservation system and shall be~~
997 ~~entitled to payment for that service. The payment shall in no~~
998 ~~event exceed the amount previously paid to the terminated~~
999 ~~managing entity for operation of the reservation system.~~

1000 ~~3. The trust shall remain in effect for a period of no~~
1001 ~~longer than 1 year following the date of termination of the~~
1002 ~~managing entity.~~

1003 ~~4. Nothing contained in this subsection shall abrogate or~~
1004 ~~otherwise interfere with any proprietary rights in the~~
1005 ~~reservation system that have been reserved by the discharged~~
1006 ~~managing entity, in its management contract or otherwise, so~~
1007 ~~long as such proprietary rights are not asserted in a manner~~
1008 ~~that would prevent the continued operation of the reservation~~
1009 ~~system as contemplated in this subsection.~~

1010 ~~(c) In the event of a termination of a managing entity of~~
1011 ~~a timeshare estate or specific multisite timeshare plan, which~~
1012 ~~managing entity owns the reservation system, irrespective of~~
1013 ~~whether the termination is voluntary or involuntary and~~
1014 ~~irrespective of the cause of such termination, in addition to~~

1015 ~~any other remedies available to purchasers in this part, the~~
1016 ~~terminated managing entity shall, prior to such termination,~~
1017 ~~promptly transfer to each component site managing entity all~~
1018 ~~relevant data contained in the reservation system with respect~~
1019 ~~to that component site, including, but not limited to:~~

1020 ~~1. The names, addresses, and reservation status of~~
1021 ~~component site accommodations.~~

1022 ~~2. The names and addresses of all purchasers of timeshare~~
1023 ~~interests at that component site.~~

1024 ~~3. All outstanding confirmed reservations and reservation~~
1025 ~~requests for that component site.~~

1026 ~~4. Such other component site records and information as~~
1027 ~~are necessary, in the reasonable discretion of the component~~
1028 ~~site managing entity, to permit the uninterrupted operation and~~
1029 ~~administration of the component site, provided that a given~~
1030 ~~component site managing entity shall not be entitled to any~~
1031 ~~information regarding other component sites or regarding the~~
1032 ~~terminated multisite timeshare plan managing entity.~~

1033
1034 ~~All reasonable costs incurred by the terminated managing entity~~
1035 ~~in effecting the transfer of information required by this~~
1036 ~~paragraph shall be reimbursed to the terminated managing entity~~
1037 ~~on a pro rata basis by each component site, and the amount of~~
1038 ~~such reimbursement shall constitute a common expense of each~~
1039 ~~component site.~~

1040 Section 13. Section 721.57, Florida Statutes, is amended

1041 to read:

1042 721.57 Offering of timeshare estates in specific multisite
 1043 timeshare plans; required provisions in the timeshare
 1044 instrument.—

1045 (1) In addition to meeting all the requirements of part I,
 1046 timeshare estates offered in a specific multisite timeshare plan
 1047 must meet the requirements of subsection (2). Any offering of
 1048 timeshare estates in a specific multisite timeshare plan that
 1049 does not comply with these requirements shall be deemed to be an
 1050 offering of a timeshare license.

1051 (2) The timeshare instrument of a specific multisite
 1052 timeshare plan in which timeshare estates are offered, ~~other~~
 1053 ~~than a trust meeting the requirements of s. 721.08,~~ must contain
 1054 or provide for all of the following matters:

1055 (a) The purchaser will receive a timeshare estate as
 1056 defined in s. 721.05 in one of the component sites of the
 1057 specific multisite timeshare plan. The use rights in the other
 1058 component sites of the multisite timeshare plan shall be made
 1059 available to the purchaser through the reservation system
 1060 pursuant to the timeshare instrument.

1061 (b) In the event that the reservation system is terminated
 1062 or otherwise becomes unavailable for any reason prior to the
 1063 expiration of the term of the specific multisite timeshare plan:

1064 1. The purchaser will be able to continue to use the
 1065 accommodations and facilities of the component site in which she
 1066 or he has been conveyed a timeshare estate in the manner

CS/CS/HB 453

2015

1067 | described in the timeshare instrument for that component site
1068 | for the remaining term of the timeshare estate; and

1069 | 2. Any use rights in that component site which had
1070 | previously been made available through the reservation system to
1071 | purchasers of the specific multisite timeshare plan who were not
1072 | offered a timeshare estate at that component site will terminate
1073 | when the reservation system is terminated or otherwise becomes
1074 | unavailable for any reason.

1075 | Section 14. This act shall take effect July 1, 2015.