

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 358
Judiciary III Committee Substitute Adopted 4/12/89

Short Title: Amend Time Share Act.

(Public)

Sponsors:

Referred to:

March 8, 1989

A BILL TO BE ENTITLED

AN ACT TO EXTEND THE TIME PERIOD FOR THE RETURN OF PURCHASER'S
PAYMENTS UNDER THE TIME SHARE ACT.

The General Assembly of North Carolina enacts:

Section 1. G.S. 93A-42 reads as rewritten:

"§ 93A-42. Time shares deemed real estate.

(a) A time share is deemed to be an interest in real estate, and shall be governed by the law of this State relating to real estate.

(b) A purchaser of a time share may in accordance with G.S. 47-18 register the time share instrument by which he acquired his interest and upon such registration shall be entitled to the protection provided by Chapter 47 of the General Statutes for the recordation of other real property instruments. A time share instrument transferring or encumbering a time share shall not be rejected for recordation because of the nature or duration of that estate, provided all other requirements necessary to make an instrument recordable are complied with.

(c) The developer shall record or cause to be recorded a time share instrument:

- (1) Not less than six days nor more than 45 days following the execution of the contract of sale by the purchaser; or
- (2) Not later than ~~120~~180 days following the execution of the contract of sale by the purchaser, provided that all payments made by the purchaser shall be placed by the developer with an independent escrow agent upon the expiration of the 10-day escrow period provided by G.S. 93A-45(c).

1 (d) The independent escrow agent provided by G.S. 93A-42(c)(2) shall deposit
2 and maintain the purchaser's payments in an insured trust or escrow account in a bank or
3 savings and loan association located in this State. The trust or escrow account may be
4 interest-bearing and the interest earned shall belong to the developer. The independent
5 escrow agent shall return all payments to the purchaser at the expiration of ~~120~~ 180 days
6 following the execution of the contract of sale by the purchaser, unless prior to that time
7 the time share instrument has been recorded. However, if prior to the expiration of 180
8 days following the execution of the contract of sale, the developer and the purchaser
9 provide their written consent to the independent escrow agent, the developer's
10 obligation to record the time share instrument and the escrow period may be extended
11 for an additional period of 120 days. Upon recordation of the time share instrument, the
12 independent escrow agent shall pay the purchaser's funds to the developer. Upon request
13 by the Commission, the independent escrow agent shall promptly make available to the
14 Commission inspection of records of money held by him.

15 (e) In no event shall the developer be required to record a time share instrument
16 if the purchaser is in default of his obligations.

17 (f) Recordation under the provisions of this section of the time share instrument
18 shall constitute delivery of that instrument from the developer to the purchaser."

19 Sec. 2. This act is effective upon ratification, and applies to contracts signed
20 on or after the date of ratification.