A BILL TO BE ENTITLED
AN ACT TO MAKE CHANGES TO THE NORTH CAROLINA TIMESHARE ACT.
The General Assembly of North Carolina enacts:
SECTION 1.(a) G.S. 93A-34 reads as rewritten:
"§ 93A-34. Certification required; application for certification; fees; requirements for certification.

... (b1) Applications for education providers utilizing methods other than only distance education shall contain all of the following:
(1) Name and address of the applicant.
(2) Names, biographical data, and qualifications of director, administrators, and instructors.
(3) Description of education provider school facilities and equipment, if any.
(4) Description of course or courses to be offered and instructional materials to be utilized.
(5) Information on policies and procedures regarding administration, record keeping, entrance requirements, registration, tuition and fees, grades, student progress, attendance, and student conduct.
(6) Copies of bulletins, catalogues, and other official publications.
(7) Copy of bond required by G.S. 93A-36.
(8) Any additional information as the Commission may deem necessary to enable it to determine the adequacy of the instructional program and the ability of the applicant to operate in such a manner as would best serve the public interest.

..."
SECTION 1.(b) G.S. 93A-36 is repealed.
SECTION 1.(c) Article 4 of Chapter 93A of the General Statutes reads as rewritten:
"Article 4.
"Time-Shares-Timeshares.

"§ 93A-39. Title.
This Article shall be known and may be cited as the "North Carolina Time-Share-Timeshare Act."

"§ 93A-40. Registration required of time-share projects; timeshare programs; real estate license required.
(a) Unless exempt under this Article, it shall be unlawful for any person in this State to engage or assume to engage in the business of a time-share developer or time-share timeshare salesperson without first obtaining a real estate broker license issued by the North Carolina Real
Estate Commission under the provisions of Article 1 of this Chapter unless the timeshare salesperson (i) meets the requirement for exemption set forth in G.S. 93A-2(c)(1) or (ii) is an employee of the registered timeshare developer whose income is reported on IRS Form W-2 of the registered timeshare's developer. It shall be unlawful for a timeshare developer to sell or offer to sell a time share located in this State without the time share developer's timeshare required to be registered in this State pursuant to this Article without first obtaining a certificate of registration for the time share project to be offered for sale issued by the North Carolina Real Estate Commission under the provisions of this Article. A time share salesperson shall be a licensed real estate broker subject to the provisions of this Chapter unless the time share salesperson (i) meets the requirement for exemption set forth in G.S. 93A-2(c)(1) or (ii) is an employee of the registered time share developer, whose income is reported on IRS Form W-2 of the registered time share developer.

(b) A person responsible as general partner, corporate officer, joint venture, or sole proprietor who intentionally acts as a timeshare developer, allowing the offering of sale or the sale of timeshares to a purchaser, without first obtaining registration of the timeshare project under this Article shall be guilty of a Class I felony.

(c) The provisions of this Article shall not apply to the following:

1. Any arrangement, plan, scheme, or method, including a timeshare program, wherein the contractually specified maximum total financial obligation on the owner's part is three thousand dollars ($3,000) or less during the entire term of the plan.

2. Any arrangement, plan, scheme, or method, including a timeshare program, if the initial term and any renewal term are each for a period of five years or less, regardless of the owner's contractually specified maximum total financial obligation, if any; provided, however, that (i) the period of any optional renewal term which the owner, in the owner's sole discretion, may affirmatively elect to exercise, whether or not for additional consideration, shall not be included, and (ii) the period of any automatic renewals shall be included unless an owner has the right to terminate the membership at any time and receive a pro rata refund or the owner receives a notice no less than 30 days and no more than 60 days prior to any renewal term informing the owner of the right to terminate at any time prior to the date of automatic renewal.

3. The offering or sale, in another jurisdiction, of a timeshare program containing timeshare units located in this State; provided, however, that the timeshare program has been registered with the Commission.

4. The offering or sale, in this State, of a timeshare program containing only timeshare units located in another jurisdiction or jurisdictions.

5. The offering or sale of no more than seven timeshares within a five-year period by a consumer timeshare reseller who has acquired the timeshares for their own use and occupancy and who later offers it for resale, provided that the owner complies with the provisions of G.S. 93A-67.

6. The offering or sale by a managing entity, not otherwise a developer, or a third party engaged by the managing agent, of 50 or fewer timeshares in the timeshare program which it manages in a given calendar year to purchasers who are not existing owners of that timeshare program, provided that the managing entity complies with the provisions of G.S. 93A-67.

7. The conveyance, assignment, or transfer of more than seven timeshares to a purchaser who subsequently conveys, assigns, or transfers all acquired timeshares to a single purchaser in a single transaction, which transaction may occur in stages.
A purchaser's acquisition, or the right to acquire, more than seven timeshare interests from an owner in connection with a loan, securitization, conduit, or similar financing arrangement transaction and who subsequently arranges for all or a portion of the timeshares to be offered by a developer in the ordinary course of business on its own behalf or on behalf of the purchaser.

The offering of an accommodation, product, service, discount, or other benefit which is incidental to the timeshare program and which is not necessary for any accommodation of the timeshare program to be available for use by an owner in a manner consistent in all material respects with the manner portrayed by any promotional material, advertising, or public offering statement.

"§ 93A-41. Definitions." When used in this Article, unless the context otherwise requires, the term:

1. **Assessment.** — The share of funds required for the payment of common expenses which is assessed from time to time against each owner by the managing entity.

2. **Board.** — The board of directors of a timeshare owners' association.

3. **Closing or close.** — One of the following:
   a. For the sale and purchase of a timeshare estate, conveyance of the legal or beneficial title to the timeshare estate as evidenced by the delivery of a timeshare instrument for conveyance of legal title or beneficial title to the purchaser or to the clerk of superior court in the county where the timeshare estate is located for recording.
   b. For the sale and purchase of a timeshare use, the final execution and delivery by all parties of the last document necessary for vesting in the purchaser the full rights available under the timeshare program.

4. **"Commission" means the Commission.** — The North Carolina Real Estate Commission.

5. **Common expense.** — All of the following:
   a. Those expenses, fees, or taxes properly incurred for the maintenance, operation, and repair of the timeshare units or facilities, or both, constituting the timeshare program.
   b. Any other expenses, fees, or taxes designated as common expenses in a timeshare declaration.

6. **Conspicuous type.** — A print type that is separated on all sides from other type and print and that is either (i) print type in upper- and lowercase letters two point sizes larger than the largest nonconspicuous type, exclusive of headings, on the page on which it appears, but not less than 10-point type, or (ii) where the use of 10-point type would be impractical or impossible, a different style of type or print that is conspicuous under the circumstances.

7. **Consumer resale timeshares.** — One of the following:
   a. A timeshare owned by an owner.
   b. One or more reserved occupancy rights relating to a timeshare owned by an owner.
   c. One or more reserved occupancy rights relating to, or arranged through, an exchange program in which an owner is a member.

8. **Consumer timeshare reseller.** — An owner who acquires a timeshare for their own use and occupancy and later offers the timeshare or the occupancy rights associated with the timeshare for resale or rental, or who contracts with a transfer service provider.
"Developer" means any Developer. — Any person or entity which (i) creates a time share or a time share project or program, (ii) purchases a time share-timeshare program, or (iii) is engaged in the business of selling its own time shares-timeshares it owns or controls and shall include any person or entity who controls, is controlled by, or is in common control with the developer which is engaged in creating or selling time-share-timeshares for the developer, but a person who purchases a time share for his or her occupancy, use, and enjoyment shall not be deemed a developer.

Electronic. — Relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

"Enrolled" means paid membership in exchange programs or membership in an exchange program evidenced by written acceptance or confirmation of membership.

"Exchange company" means any Exchange company. — Any person operating an exchange program.

"Exchange program" means any opportunity or procedure for the assignment or exchange of time shares among purchasers in the same or other time share project.

Foreclosing party. — A trustee, mortgagee, managing entity, or their authorized agent who has the designated authority to pursue a nonjudicial foreclosure proceeding pursuant to G.S. 93A-62.

"Independent escrow agent" means a Independent escrow agent. — A licensed attorney located in this State, or a financial institution located in this State, or a federally insured depository institution or licensed title insurance underwriter or agency, lawfully doing business in this State, which agrees to make its records of the account available for inspection by the Commission's representative; provided, however, that (i) the independent escrow agent is not a relative or an employee of the developer or managing entity, or of any officer, director, affiliate, or subsidiary thereof, (ii) there is no financial relationship, other than the payment of fiduciary fees, between the independent escrow agent and the developer or managing entity, or any officer, director, affiliate, or subsidiary thereof, and (iii) compensation paid by the developer to an independent escrow agent is not paid from funds in the escrow account unless and until the developer is otherwise entitled to receive the disbursement of such funds from the escrow account in accordance with this Article. A person shall not be disqualified to serve as an independent escrow agent solely because of any of the following:

a. A nonemployee, attorney-client relationship exists between the developer or managing entity and the independent escrow agent or any officer, director, affiliate, or subsidiary thereof.

b. The independent escrow agent provides the developer or managing entity with routine banking services which do not include construction or receivables financing or any other lending activities.

c. The independent escrow agent performs closings for the developer or issues owner's or lender's title insurance commitments or policies in connection with such closings.
d. The independent escrow agent is a licensed attorney or a licensed title insurance underwriter or agency and performs timeshare transfer services.

(6) "Managing agent" means a person who undertakes the duties, responsibilities, and obligations of the management of a timeshare program.

(16) Interestholder. – A developer, a mortgagee, judgment creditor, or other lienor, or any other person having an interest in or lien or encumbrance against the real property or personal property comprising or underlying the timeshare property, including the timeshares and the timeshare units, but excluding the timeshare declaration and any encumbrance placed against an owner's timeshare securing the owner's payment of purchase money financing for the purchase. With respect to a multisite timeshare program which contains timeshare units that are also part of an underlying timeshare program or condominium or other property regime, the term does not include a developer, a mortgagee, judgment creditor, or other lienor, or any other person having an interest in or lien or encumbrance against a timeshare in an underlying timeshare program or against a timeshare unit or other accommodation in an underlying condominium or property regime, except as to any timeshare, timeshare unit, or other accommodation that is specifically subject to, or otherwise dedicated to, the multisite timeshare program.

(17) Lead dealer. – A person who sells or otherwise provides a resale service provider or any other person with personal contact information for five or more purchasers or owners. If a lead dealer is not a natural person, the term shall also include the natural person providing personal contact information to a resale service provider or other person on behalf of the lead dealer entity. The term does not include developers, managing entities, or exchange companies to the extent they provide others with personal contact information about purchasers or owners of timeshares in their own timeshare programs or members of their own exchange programs. The term does not include persons providing personal contact information that is not designed specifically or primarily to identify owners of timeshares even though the information provided may include five or more purchasers or owners.

(18) Managing entity. – A person who has the duties, responsibilities, and obligations of managing a timeshare project or timeshare program, including a timeshare owners' association or a management firm.

(19) Multisite timeshare program. – A timeshare program under which an owner obtained, by any means, a recurring right to reserve, use, or occupy timeshare units of more than one timeshare project through the mandatory use of a reservation system in competition with other owners in the same timeshare program.

(20) One-to-one use night to use right ratio. – The ratio of the number of owners eligible to use the timeshare units on a given night to the number of timeshare units available for use within the timeshare program on that night, such that the total number of owners eligible to use the timeshare units during a given calendar year never exceeds the total number of timeshare units available for use in the timeshare program during that year. For purposes of the calculation under this definition, each owner must be counted at least once, and no individual timeshare units may be counted more than 365 times per calendar year or more than 366 times per leap year. An owner who is delinquent in the payment of timeshare program assessments shall continue to be considered...
eligible to use the timeshare units of the timeshare program for purposes of calculating the one-to-one use night to use right ratio.

(21) Owner. – Any person, other than a developer, who has acquired a timeshare.

(7)(22) "Person" means one Person. – One or more natural persons, corporations, partnerships, associations, trusts, other entities, or any combination thereof.

(23) Personal contact information. – Any information that can be used to contact a purchaser or an owner, including, but not limited to, the purchaser's or owner's name, address, telephone number, and email address.

(7a)(24) "Project broker" means a Program broker. – A natural person licensed as a real estate broker and designated by the developer to supervise brokers at the timeshare project.

(8)(25) "Purchaser" means any person other than a developer or lender who owns or acquires an interest or proposes to acquire an interest in a timeshare.

(26) Regulated party. – Any developer, exchange company, managing entity, timeshare owners' association, timeshare owners' association director or officer, third-party management firm, independent escrow agent, lead dealer, resale broker, resale service provider, resale advertiser, timeshare transfer provider, timeshare registrar, any other person having duties or obligations pursuant to this Article, and any of their respective assignees or agents.

(27) Resale advertiser. – Any person who offers, personally or through an agent, resale advertising services to consumer timeshare resellers for compensation or valuable consideration, regardless of whether the offer is made in person, by mail, by telephone, through the internet, or by any other medium of communication. The term does not include any of the following:

a. A resale broker to the extent that resale advertising services are offered in connection with timeshare resale brokerage services and no fee for the resale advertising service is collected in advance.

b. A developer or managing entity to the extent that either of them offers resale advertising services to owners of timeshares in their own timeshare programs.

c. A newspaper, periodical, or website owner, operator, or publisher, unless the newspaper, periodical, or website owner, operator, or publisher derives more than ten percent (10%) of its gross revenue from providing resale advertising services.

(28) Resale advertising service. – Any good or service relating to, or a promise of assistance in connection with, advertising or promoting the resale or rental of a consumer resale timeshare located or offered within this State, including any offer to advertise or promote the sale or purchase of any such interest.

(29) Resale broker. – Any person who is issued a brokers license by the North Carolina Real Estate Commission under the provisions of Article 1 of this Chapter and who offers or provides resale brokerage services to consumer timeshare resellers for compensation or valuable consideration, regardless of whether the offer is made in person, by mail, by telephone, through the internet, or by any other medium of communication. The term includes any agent or employee of a resale broker.
(30) Resale brokerage services. – With respect to a consumer resale timeshare located or offered within this State, any activity that directly or indirectly consists of any of the activities regulated under G.S. 93A-1.

(31) Resale service provider. – Any resale advertiser, or other person or entity, including any agent or employee of that person or entity, who offers or uses telemarketing, direct mail, email, or any other means of communication in connection with the offering of resale brokerage or resale advertising services to consumer timeshare resellers. The term does not include (i) developers or managing entities to the extent they offer resale brokerage or resale advertising services to owners of timeshares in their own timeshare programs or (ii) resale brokers to the extent that resale advertising services are offered in connection with resale brokerage services and no fee for the advertising service is collected in advance.

(32) Reservation system. – The method, arrangement, procedure, rules, and regulations by which an owner reserves the use and occupancy of a timeshare unit for one or more timeshare periods.

(33) Reservation system operator. – The person who has the responsibility for operating any reservation system for the timeshare program. Unless the timeshare declaration provides otherwise, the operator of the reservation system is the managing entity of a timeshare program. The reservation system operator may be a third-party entity that has contracted with the developer or managing entity to provide the reservation system for the timeshare program, provided that the third party shall be deemed a managing entity as to the operation of the reservation system for purposes of this Article.

(9)(34) "Time share" means a right to occupy a unit or any of several units during five or more separated time periods over a period of at least five years, including renewal options, whether or not coupled with a freehold estate or an estate for years in a time share project or a specified portion of a time share project. "Time share" shall also include a vacation license, prepaid hotel reservation, club membership, limited partnership, vacation bond, or a plan or system where the right to use a time share unit or units for periods of time is awarded or apportioned on the basis of points, vouchers, split, divided, or floating use, even if on a competitive basis with other purchasers.

(35) Timeshare declaration. – One or more documents, by whatever name denominated, establishing, creating, or governing the operation of a timeshare program.

(36) Timeshare estate. – An arrangement under which the owner acquired a right to occupy a timeshare unit together with ownership of a real property interest.

(37) "Time share instrument" means an instrument transferring a time share timeshare or any interest, legal or beneficial, in a time share timeshare to a purchaser, including a contract, installment contract, lease, deed, or other instrument.

(38) Timeshare owners' association. – An association made up of all owners of timeshares in a timeshare program, including developers.

(39) Timeshare period. – The period or periods of time when an owner is afforded the opportunity to use a timeshare unit under the terms of the timeshare program.

(40) "Time share program" means any arrangement for time shares whereby real property has been made subject to a time share; Timeshare program. – Any arrangement, plan, program, scheme, or similar device, other than an
exchange program, whether by membership, agreement, tenancy in common, sale, lease, deed, rental agreement, license, or right-to-use agreement or by any other means whereby an owner received the right to use timeshare units for a period of time less than a full year during any given year, but not necessarily for consecutive years.

(11)(41) “Time share project” means any real property that is subject to a time share program: Timeshare project. – A specific geographic site where all or a portion of the timeshare units of a timeshare program are located. If permitted under applicable law, separate phases operated as a single development located at a specific geographic site under common management may be deemed a single timeshare project by the developer.

(42) Timeshare property. – The property included in or subject to a timeshare program, including timeshares in an underlying timeshare program, one or more timeshare units, any amenities, any other property, and appurtenant property or rights.

(43) “Time share registrar” means a Timeshare registrar. – A natural person who is designated by the developer to record or cause time share—timeshare instruments and lien releases to be recorded and to fulfill the other duties imposed by this Article.

(44) “Time share salesperson” means a Timeshare salesperson. – A person who sells or offers to sell on behalf of a developer a time share—timeshare to a purchaser, and purchaser.

(45) Timeshare transfer services. – Any good or service offered in this State, or provided to a consumer timeshare reseller resident in this State, or offered anywhere in connection with a timeshare program containing timeshare units or a timeshare property located in this State that (i) transfers ownership of a consumer resale timeshare, (ii) assists with, or promises to assist with, the transfer of ownership of a consumer resale timeshare, or (iii) assists or promises to assist a consumer timeshare reseller with any relinquishment or other disposition of the consumer timeshare reseller's timeshare, including a reconveyance or other transfer to a developer or managing entity, which may also be referred to as timeshare exit, timeshare cancellation, timeshare relief, or any similar phrase. The term does not include resale advertising services.

(46) Timeshare transfer services agreement. – A contract or other agreement between a transfer service provider and a consumer timeshare reseller in which the transfer service provider agrees to provide such services.

(47) Transfer service provider. – Any person, including any agent, representative, subsidiary, successor, or employee of that person or entity, unless otherwise exempt, who offers or uses telemarketing, direct mail, email, or any other means of communication in connection with the offering of timeshare transfer services.

(48) “Time share unit” or “unit” means the Timeshare unit or unit. – The real property or real property improvement in a project which is divided into timeshares—timeshares and designated for separate occupancy and use.

(49) Timeshare use. – An arrangement under which the owner received a right to occupy a timeshare unit but did not receive ownership of a real property interest.

§ 93A-42. Timeshares—Timeshare estates deemed real estate; timeshare uses.

(a) A time share which in whole or in part burdens or pertains to real property in this State is deemed to be an interest in real estate, and shall be governed by the law of this State relating to real estate. A timeshare estate is deemed to be an interest in real estate and shall be
governed by the laws of this State relating to real estate. A timeshare estate includes a right to
use a timeshare unit coupled with a freehold estate or an estate for years with a future interest in
property, an ownership interest in a condominium unit, or a direct or indirect beneficial interest
in a trust if the timeshare instrument contains a provision declaring that such interests are real
property interests and provided that the trust does not contain any timeshares created in personal
property.

(b) A purchaser, an owner of a time share which burdens or pertains to real property
timeshare located in the State may, in accordance with G.S. 47-18, register the
time share instrument by which the purchaser acquired the 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 timeshare estate 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. An instrument concerning a time share which burdens or pertains to no real property located in this State timeshare use shall not be recorded in the office of the register of deeds in any county in this State.

(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 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).

(c1) Unless the timeshare instrument provides otherwise, the developer shall close on the
sale of a timeshare estate and record or cause to be recorded a timeshare instrument for timeshare
estates located in this State no later than 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 escrow period in
accordance with G.S. 93A-45.

(d) The independent escrow agent provided by G.S. 93A-42(c)(2) shall deposit and
maintain the purchaser's payments in an insured trust or escrow account in a federally insured
depository institution or a trust institution authorized to do business in this State. The trust or
escrow account may be interest-bearing and the interest earned shall belong to the developer, if agreed upon in writing by the purchaser; provided, however, if the time share instrument is not recorded within the time periods specified in this section, then the interest earned shall belong to the purchaser. The independent escrow agent shall return all payments to the purchaser at the expiration of 180 days following the execution of the contract of sale by the purchaser, unless prior to that time the time share instrument has been recorded. However, if prior to the expiration of 180 days following the execution of the contract of sale, the developer and the purchaser provide their written consent to the independent escrow agent, the developer's obligation to record the time share instrument and the escrow period may be extended for an additional period of 120 days. Upon recordation of the time share instrument, the independent escrow agent shall pay the purchaser's funds to the developer. Upon request by the Commission, the independent escrow agent shall promptly make available to the Commission inspection of records of money held by the independent escrow agent.

(e) In no event shall the developer be required to close and record a time share instrument if the purchaser is in default of the purchaser's obligations under the contract of sale.

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

(a) All provisions contained in time-share timeshare declarations adopted and recorded at the appropriate register of deeds office prior to July 1, 1984, are severable.

(b) The rule against perpetuities may not be applied to defeat any provision of time-share timeshare declarations or bylaws adopted and recorded at the appropriate register of deeds office prior to July 1, 1984.

(c) Except as otherwise provided in the time-share timeshare declaration, the board of directors of a time-share timeshare project may, by an affirmative vote of two-thirds of the board, amend a provision within the time-share timeshare declaration, provided that the provision to be changed meets all of the following criteria:

1. The provision was adopted as part of the original time-share timeshare declaration recorded prior to July 1, 1984.
2. The provision either converts or provides a mechanism to convert ownership of time-share timeshare units to tenancy in common.
3. Title or interest in a time-share timeshare project or unit is not rendered unmarketable or otherwise affected by reason of an insubstantial failure of the time-share timeshare declaration to comply with this section. Whether a substantial failure to comply with this section impairs marketability shall be determined by the laws of this State relating to marketability.

(d) This section shall not otherwise impair the ability of the individual time-share timeshare owner's right under the time-share timeshare declaration, bylaws, or the laws of this State to vote to terminate the time-share timeshare project or to amend the declaration to provide for the termination of the time-share timeshare project and interests.

§ 93A-43. Partition.

When a time-share timeshare is owned by two or more persons as tenants in common or as joint tenants, either may seek a partition by sale of that interest under Chapter 46A of the General Statutes, but no purchaser owner of a time-share timeshare shall maintain a proceeding for partition, whether by actual partition or by partition sale, of the unit, timeshare unit, timeshare project, or timeshare program in which the time-share timeshare is held.

§ 93A-44. Public Contract of sale; public offering statement.

Each developer shall fully and conspicuously disclose in a public offering statement:

1. The total financial obligation of the purchaser, which shall include the initial purchase price and any additional charges to which the purchaser may be subject;
2. Any person who has or may have the right to alter, amend or add to charges to which the purchaser may be subject and the terms and conditions under which such charges may be imposed;
3. The nature and duration of each agreement between the developer and the person managing the time-share program or its facilities;
The date of availability of each amenity and facility of the time share program
when they are not completed at the time of sale of a time share;

(a) The contract of sale between a developer and a purchaser for the sale and purchase of
a timeshare must include the following:

1. The name and address of the developer.
2. The name and address of the timeshare program being offered.
3. An identification or legal description of the timeshare being sold, including
whether any interest in real property or personal property is being conveyed
and the number of years constituting the term of the timeshare program or the
timeshare if less than the term of the timeshare program.
4. If the purchaser acquires a timeshare in a specific timeshare project, the name
and location of the timeshare project to which the specific timeshare relates.
5. A statement that the purchaser should refer to the timeshare public offering
statement for more information required to be provided to the purchaser.
6. The initial purchase price and all additional charges to which the purchaser
may be subject in connection with the purchase of the timeshare, such as
financing, or which will be collected from the purchaser on or before closing,
such as the current year's annual assessment or any initial or special fee

together with a description of the purpose of such initial or special fee.
7. A statement disclosing the amount of the periodic assessments currently
assessed against or collected from owners who own similar types of
timeshares in that timeshare program.
8. The name and address of the independent escrow agent required by
G.S. 93A-45(d).
9. The purchaser's address for the purposes of delivery of any notices.
10. The date the purchaser signs the contract of sale.
11. The following statement in conspicuous type:
"Any resale of this timeshare must be accompanied by certain disclosures in
accordance with the North Carolina Timeshare Act."
12. A statement in conspicuous type immediately prior to the purchaser's
signature block in substantially the following form:
"You may cancel this contract of sale without any penalty or obligation before
midnight five days after the date you sign this contract of sale or received the
required public offering statement and all documents required to be delivered
to you, whichever is later. If you decide to cancel this contract of sale, you
must notify the developer in writing of your intent to cancel. Your notice of
cancellation shall be effective upon the date sent and shall be sent to the
developer at [insert address]. Any attempt to obtain a waiver of your
cancellation right is void and of no effect. While you may execute all closing
documents in advance, the closing on your purchase before expiration of your
five-day cancellation period is prohibited."
Prior to the execution of a contract of sale by a purchaser, each developer shall provide
the purchaser with a public offering statement and shall obtain from the purchaser a written
acknowledgement of receipt of the public offering statement and any documents required to be
delivered to the purchaser. In addition to any other information that the developer discloses, the
public offering statement must contain the following:

1. A cover page stating only the name of the timeshare program and in
   conspicuous type, substantially the following statement:
   "This public offering statement contains important matters to be considered in
   acquiring a timeshare. The statements contained in this public offering
   statement are only summary in nature. Purchaser should refer to all references,
   accompanying exhibits, contract documents, finance documents, and sales
   materials. Purchaser should not rely upon oral representations as being
   correct. The developer is prohibited from making any representations other
   than those contained in the contract of sale and this public offering statement."

2. The name and principal address of the developer.

3. A general description of the timeshare program, including the nature and types
   of timeshares in the timeshare program and if it is a multisite timeshare
   program.

4. A description of the duration of the timeshare program and if timeshares with
   a shorter duration are included.

5. A description of the method by which, and the terms and conditions
   governing, an owner's reservation, use, and occupancy of the timeshare units,
   including the following:
   a. The name and principal address of the entity that owns the reservation
      system and the entity responsible for operating the reservation system,
      their relationship to the developer, and the duration of any agreement
      for operating the reservation system.
   b. A summary of the material rules governing access to and use of the
      reservation system, including (i) a description of the limitations and
      restrictions on the owners applied in the operation of the timeshare
      program, (ii) if such limitations, restrictions, or priorities are not
      uniformly applied, a description of the manner in which they are
      applied, (iii) an explanation of any priority reservation features that
      affect an owner's ability to make reservations for the use of a given
      timeshare unit on a first-come, first-served basis, (iv) whether the
      owner must be in good standing with respect to payment of all sums
      due the managing entity in order to reserve, use, or occupy a timeshare
      unit, and (v) the terms and conditions for making, deferring, or
      cancelling reservations, including any fees or charges and, if
      applicable, a statement that such fees or charges are subject to change
      without owner approval including any transaction fees.
   c. Any periodic adjustment or amendment to the reservation system that
      may be conducted in order to respond to owner use patterns and
      changes in owner use demand for the timeshare units, timeshare
      projects, or timeshare periods. If ownership or use of the timeshare
      program is based on a point system, a statement indicating the
      circumstances by which the point values may change, the extent of
      such changes, and the person or entity responsible for the changes.
   d. Whether and under what circumstances an owner may lose the right to
      reserve, use, or occupy a timeshare unit without being provided with a
      substitute reservation, use, or occupancy.
The disposition of timeshares or time periods that are not reserved by owners prior to the start of the timeshare period or prior to the start of any established point in time and who has the right to reserve and benefit from such unreserved timeshares or timeshare periods.

If the operator of the reservation system has the right to reserve, deposit, or rent the timeshare periods or timeshare units for the purpose of facilitating the use or future use of the timeshare periods or timeshare units or other benefits made available through the timeshare program by owners, a statement in conspicuous type, in substantially the following form, shall be included:

"The managing entity shall have the right to forecast anticipated reservation and use of the timeshare period or timeshare units and is authorized to reasonably reserve, deposit, or rent the timeshare period or timeshare units for the purpose of facilitating the use or future use of the accommodations or other benefits made available through the timeshare program by the owners."

Any use or transaction fees or charges to be paid by owners for the reservation, use, or occupancy of any timeshare units or amenities and, if applicable, a statement that the fees or charges are subject to change without owner approval.

The rules governing the making, cancelling, or transferring of reservations.

For each timeshare project, the following information:

A description of the existing timeshare units and future timeshare units committed to be constructed or obtained, including the location of the timeshare project or timeshare projects in the timeshare program, and the number of bedrooms, number of bathrooms, sleeping capacity, and whether the timeshare unit contains a full kitchen for each timeshare project.

A description of any existing amenities and future amenities committed to be constructed or obtained, and whether such amenities are included as part of the ownership of a timeshare or made separately available and on what basis.

The estimated date that future timeshare units or amenities will be available as committed, and a description of financial arrangements for the completion or acquisition of future timeshare units or amenities as committed.

A description of the method and timing for performing maintenance of the timeshare units.

A statement indicating that, on an annual basis, the one-to-one use right ratio will be maintained through the duration of the timeshare program, except temporarily pursuant to G.S. 93A-61(g), or temporarily as a result of a casualty or eminent domain action.

For multisite timeshare programs, a description of (i) any reserved rights to make additions, substitutions, or deletions of timeshare units, amenities, or timeshare projects, (ii) who has the authority to make such additions, substitutions, or deletions and whether owners have the right to consent, and (iii) the basis upon which such timeshare units, amenities, or timeshare projects may be added to, substituted for, or deleted from the timeshare program.

With respect to the managing entity, the following information, if applicable:
a. The name and principal address of the managing entity of the timeshare program.

b. Whether the managing entity for any timeshare project is different than the managing entity of the multisite timeshare program.

c. If there is a timeshare owners’ association at a timeshare project or for a multisite timeshare program, whether owners are members of the timeshare owners’ association, together with a general description of their rights and responsibilities with respect to the timeshare owners’ association.

d. If there is a management firm, the term of the management agreement.

10 A description of the method for calculating and apportioning assessments among owners, including the developer, together with a description of the consequences to the owner if assessments are not timely paid. The description shall also include whether reserves for the timeshare units and amenities have been established, and if not, or if any reserves are not fully funded, a statement to that effect in conspicuous type.

11 If the developer intends to guarantee the level of assessments for the timeshare program, a statement disclosing that the developer may be excused from the payment of the developer’s share of the assessments which would have been assessed against developer-owned timeshares during the guarantee period; provided, however, that during the guarantee period, the developer guarantees to each owner that the assessments imposed upon the owners will not increase over a stated dollar amount as set forth in the adopted, good-faith budget and that the developer is obligated to pay all common expenses incurred during the guarantee period in excess of the total revenues of the timeshare program.

12 A statement that the timeshare to be acquired by the purchaser and the timeshare property, on or before closing, (i) will be free and clear of any interest in or lien or encumbrance against the timeshare and the timeshare property by the developer or any interestholders or (ii) are the subject of a recorded subordination and notice to creditors instrument pursuant to G.S. 93A-57.

13 A description of any civil or criminal suit or adjudication or disciplinary actions material to the timeshare program of which the developer has knowledge, including any bankruptcy of the developer that is pending or that has occurred within the past five years.

14 A description of the insurance insuring the timeshare property for damage and destruction and insuring owners and, if applicable, the timeshare owners’ association.

15 A description of the requirements for, or restraint on, the transfer or rental of a timeshare, including any right of first refusal or the imposition of any fees or charges.

16 A statement disclosing that any funds paid to the developer in connection with the purchase of a timeshare shall be held by an independent escrow agent in accordance with G.S. 93A-45(d) or that the developer has provided financial assurances in an amount equal to or in excess of the funds that would otherwise be held by the independent escrow agent, and that if the purchaser elects to exercise the right of cancellation or the developer defaults under the contract of sale, any funds paid to the developer shall be returned to the purchaser, as set forth in G.S. 93A-45(c).

17 If the developer or managing entity provides purchasers with the opportunity to become a member of an exchange program in connection with the purchase
of the timeshare, the name and address of the exchange company and the
material terms of the opportunity.

(18) Any person who has or may have the right to alter, amend, or add to fees and
charges to which the owner may be subject and the terms and conditions under
which those fees and charges may be imposed.

(19) In conspicuous type, a statement in substantially the following form:
"The purchase of a timeshare should be based upon its value as a vacation
experience or for spending leisure time, and not considered for purposes of
acquiring an appreciating investment or with an expectation that the timeshare
may be rented or resold."

(20) A statement that under North Carolina law a timeshare instrument conveying
a timeshare estate located in this State must be recorded in the register of deeds
office at closing.

(21) Any other information which the Commission may by rule require. The
Commission is also authorized to prescribe by rule the form of the public
offering statement that must be furnished by the developer to each purchaser.

(c) Prior to the execution of a contract of sale by a purchaser, the following documents,
including any amendments, shall also be provided to the purchaser either attached as an exhibit
to the public offering statement or provided as a separate supplement with the public offering
statement:

(1) The timeshare declaration.
(2) The timeshare owners' association articles of incorporation and bylaws, if
applicable.
(3) Any timeshare unit or timeshare project rules and regulations.
(4) Timeshare program reservation system rules and regulations.
(5) An estimate of the current year's operating budget for the timeshare program.
(6) For multisite timeshare programs where a timeshare is provided in a particular
timeshare unit or timeshare project, the applicable documents governing the
timeshare unit or timeshare project set forth in subdivisions (1) through (5) of
this subsection must also be separately provided as part of the public offering
statement.

(d) Contemporaneously with the execution of a contract of sale by a purchaser, a copy of
the contract of sale signed by the purchaser, receipt for the public offering statement signed by
the purchaser, any financing documents signed by the purchaser, and any other document signed
by the purchaser at the time of execution of the contract of sale.

(e) A purchaser can elect to execute the contract of sale and any other document required
to be executed by the purchaser by the developer by electronic means and can elect to receive
delivery of the public offering statement and any documents required to be delivered to the
purchaser by electronic means, so long as the developer gives the purchaser the option of
executing or receiving the documents in paper format or by electronic means.

(f) If a purchaser elects to receive documents electronically at the time of execution of a
contract of sale, a developer shall provide the purchaser a separate paper or email copy of their
cancellation rights in conspicuous type as described in G.S. 93A-44(a)(12).

§ 93A-45. Purchaser's right to cancel; escrow; violation.

(a) A developer shall, before transfer of a timeshare and no later than the date of any
contract of sale, provide a prospective purchaser with a copy of a public offering statement
containing the information required by G.S. 93A-44. The contract of sale is voidable by the
purchaser for five days after the execution of the contract. The contract shall conspicuously
disclose the purchaser's right to cancel under this subsection and how that right may be exercised.
The purchaser may not waive this right of cancellation. Any oral or written declaration or
instrument that purports to waive this right of cancellation is void. A purchaser has the right to
cancel the contract of sale until midnight of the fifth day after the execution of the contract of
sale or the receipt of the public offering statement pursuant to G.S. 93A-44 and all other
documents required to be provided to the purchaser pursuant to G.S. 93A-44, whichever is later.
The purchaser may not waive this right of cancellation. Any oral or written declaration or
instrument that purports to waive this right of cancellation is void. No closing may occur until
the cancellation period of the purchaser has expired.

(b) A purchaser may elect to cancel within the time period set out in subsection (a) by
hand delivering or by mailing notice to the developer or the time share salesperson. Cancellation
under this section is without penalty and upon receipt of the notice all payments made prior to
cancellation must be refunded immediately. Any notice of cancellation shall be considered given
on the date postmarked if mailed, or when transmitted from the place of origin if delivered by
electronic means, so long as the notice is actually received by the developer or independent
escrow agent. If given by means of a writing transmitted other than by mail, the notice of
cancellation shall be considered given at the time of delivery at the place for receipt of notice
provided by the developer.

(c) Any payments received by a time share developer or time share salesperson in
connection with the sale of the time share shall be immediately deposited by the developer or
salesperson in a trust or escrow account in a federally insured depository institution or a trust
institution authorized to do business in this State and shall remain in such account for 10 days or
cancellation by the purchaser, whichever occurs first. Payments held in such trust or escrow
accounts shall be deemed to belong to the purchaser and not the developer. In lieu of such escrow
requirements, the Commission shall have the authority to accept, in its discretion, alternative
financial assurances adequate to protect the purchaser's interest during the contract cancellation
period, including but not limited to a surety bond, corporate bond, cash deposit or irrevocable
letter of credit in an amount equal to the escrow requirements. Cancellation under this section is
without penalty, and the refund of all monies received by the developer or timeshare salesperson
shall be made within 20 days of demand therefor by the purchaser or within five days after receipt
of cleared funds from the purchaser, whichever is later.

(d) If a developer fails to provide a purchaser to whom a time share is transferred with
the statement as required by subsection (a), the purchaser, in addition to any rights to damages
or other relief, is entitled to receive from the developer an amount equal to ten percent (10%) of
the sales price of the time share not to exceed three thousand dollars ($3,000). A receipt signed
by the purchaser stating that the purchaser has received the statement required by subsection (a)
is prima facie evidence of delivery of the statement. Prior to a purchaser's execution of a contract
of sale, the developer shall establish an escrow account with an independent escrow agent for the
purpose of protecting the funds of purchasers required to be escrowed by this subsection. Any
funds received prior to closing by a developer or timeshare salesperson in connection with the
sale of the timeshare shall be immediately deposited by the developer or salesperson in a trust or
escrow account in a federally insured depository institution or a trust institution authorized to do
business in this State and shall only be disbursed in accordance with subsection (f) of this section.
Payments held in such trust or escrow accounts shall be deemed to belong to the purchaser and
not the developer. In lieu of escrow requirements, the Commission shall have the authority to
accept, in its discretion, alternative financial assurances adequate to protect the purchaser's
interest during the contract of sale cancellation period, including, but not limited to, a surety
bond, corporate bond, cash deposit or irrevocable letter of credit in an amount equal to the escrow
requirements or a financial assurance posted in another jurisdiction.

(e) A developer shall not be entitled to the release of any escrowed funds until the
developer has provided the independent escrow agent with (i) an affidavit stating that the
purchaser has defaulted under the contract of sale and the developer is entitled to the escrowed
funds pursuant to the terms of the contract of sale or (ii) an affidavit that the developer has
performed all of its obligations under the purchase contract, including completion of construction.
of all promised timeshare units and amenities or the posting of an alternate financial assurance
acceptable to the Commission securing the completion of construction, and the developer and
purchaser have closed on the contract of sale, together with evidence satisfactory to the
independent escrow agent that the timeshare and the timeshare property is either free and clear
of interests in or liens or encumbrances against the timeshare and timeshare property of any
interestholder or the developer has met the requirements of G.S. 93A-57(a).

(f) An independent escrow agent shall maintain the accounts called for in this section
only in such a manner as to be under the direct supervision and control of the independent escrow
agent. The independent escrow agent shall have a fiduciary duty to each purchaser to maintain
the escrow accounts in accordance with good accounting practices and to release the purchaser's
funds or other property from escrow only in accordance with this section. The independent
escrow agent shall retain all affidavits received pursuant to this section for a period of five years.
Should the independent escrow agent receive conflicting demands for funds or other property
held in escrow that remain unresolved for more than 30 days, the independent escrow agent shall
notify the Commission of the dispute and either promptly submit the matter to arbitration or, by
interpleader or otherwise, seek an adjudication of the matter by court.

(g) If a developer fails to provide an owner to whom a timeshare is transferred with the
cancellation notice as required by G.S. 93A-44(a)(12), the owner, in addition to any rights to
damages or other relief, is entitled to void the transfer and receive from the developer all funds
paid for the timeshare together with an amount equal to ten percent (10%) of the sales price of
the timeshare not to exceed three thousand dollars ($3,000). A receipt signed by the owner stating
that the owner has received the required notice is prima facie evidence of delivery of the
statement.

(h) A timeshare declaration or other instrument establishing or governing a timeshare
program or an underlying timeshare property regime is not an encumbrance for purposes of this
Chapter and does not create a requirement for a subordination and notice to creditors instrument
for purposes of this section from any person.

"§ 93A-46. Prizes.
An advertisement of a time share-timeshare which includes the offer of a prize or other
inducement shall fully comply with the provisions of Chapter 75 of the General Statutes.

"§ 93A-47. Time shares-Timeshare proxies.
No proxy, power of attorney or similar device given by the purchaser-owner of a time share
timeshare regarding the management of the time share program or its facilities voting in a
timeshare owners' association shall exceed one year in duration, but the same may be renewed
from year to year.

(a) If a purchaser is offered the opportunity to subscribe to any exchange program, the
developer shall, except as provided in subsection (b) of this section, deliver to the purchaser,
prior to the execution of (i) any contract between the purchaser and the exchange company, and
(ii) the sales contract, at least the following information regarding the exchange program:

(1) The name and address of the exchange company.

(2) The names of all officers, directors, and shareholders owning five percent
(5%) or more of the outstanding stock of the exchange company.

(3) Whether the exchange company or any of its officers or directors has any legal
or beneficial interest in any developer or managing agent for any time share
project participating in the exchange program and, if so, the name
and location of the affected time share project and the nature of the
interest.
(4) Unless the exchange company is also the developer a statement that the
purchaser's contract with the exchange company is a contract separate and
distinct from the sales contract, contract for sale.
(5) Whether the purchaser's participation in the exchange program is dependent
upon the continued affiliation of the time-share project with the
program.
(6) Whether the purchaser's membership or participation, or both, in the exchange
program is voluntary or mandatory.
(7) A complete and accurate description of the terms and conditions of the
purchaser's contractual relationship with the exchange company and the
procedure by which changes thereto may be made.
(8) A complete and accurate description of the procedure to qualify for and
effectuate exchanges.
(9) A complete and accurate description of all limitations, restrictions, or
priorities employed in the operation of the exchange program, including, but
not limited to, limitations on exchanges based on seasonality, unit size, or
levels of occupancy, expressed in boldfaced conspicuous type, and, in the
event that such limitations, restrictions, or priorities are not uniformly applied
by the exchange program, a clear description of the manner in which they are
applied.
(10) Whether exchanges are arranged on a space available basis and whether any
guarantees of fulfillment of specific requests for exchanges are made by the
exchange program.
(11) Whether and under what circumstances an owner, in dealing with the
exchange company, may lose the use and occupancy of the owner's
property in any properly applied for exchange without being provided with
substitute accommodations by the exchange company.
(12) The expenses, fees or range of fees for participation by owners in the exchange
program, a statement whether any such fees may be altered by the exchange
company, and the circumstances under which alterations may be made.
(13) The name and address of the site of each time-share project or other
property which is participating in the exchange program.
(14) The number of units in each time-share project or other property participating
in the exchange program which are available for occupancy and which qualify
for participation in the exchange program, expressed within the following
numerical groupings, 1-5, 6-10, 11-20, 21-50 and 51, and over.
(15) The number of owners with respect to each time-share project or
other property which are eligible to participate in the exchange program
expressed within the following numerical groupings, 1-100, 101-249,
250-499, 500-999, and 1,000 and over, and a statement of the criteria used to
determine those owners who are currently eligible to participate in the
exchange program.
(16) The disposition made by the exchange company of time shares deposited with the exchange program by owners eligible to participate in the
exchange program and not used by the exchange company in effecting
exchanges.
(17) The following information which, except as provided in subsection (b) below,
of this section, shall be independently audited by a certified public accountant
in accordance with the standards of the Accounting Standards Board of the
American Institute of Certified Public Accountants and reported for each year
no later than July 1, of the succeeding year:
a. The number of owners enrolled in the exchange program and such numbers shall disclose the relationship between the exchange company and owners as being either fee paying or gratuitous in nature.

b. The number of time-share projects or other properties eligible to participate in the exchange program categorized by those having a contractual relationship between the developer or the association and the exchange company and those having solely a contractual relationship between the exchange company and owners directly.

c. The percentage of confirmed exchanges, which shall be the number of exchanges confirmed by the exchange company divided by the number of exchanges properly applied for, together with a complete and accurate statement of the criteria used to determine whether an exchange requested was properly applied for.

d. The number of time shares or other intervals for which the exchange company has an outstanding obligation to provide an exchange to an owner who relinquished a time share or interval during the year in exchange for a time share or interval in any future year.

e. The number of exchanges confirmed by the exchange company during the year.

(18) A statement in boldfaced conspicuous type to the effect that the percentage described in subdivision c. of subdivision (17) of this subsection is a summary of the exchange requests entered with the exchange company in the period reported and that the percentage does not indicate a purchaser's/owner's probabilities of being confirmed to any specific choice or range of choices, since availability at individual locations may vary.

The purchaser shall certify in writing to the receipt of the information required by this subsection and any other information which the Commission may by rule require.

(b) The information required by subdivisions (a)(2), (3), (13), (14), (15), and (17) of subsection (a) of this section shall be accurate as of December 31 of the year preceding the year in which the information is delivered, except for information delivered within the first 180 days of any calendar year which shall be accurate as of December 31 of the year two years preceding the year in which the information is delivered to the purchaser. The remaining information required by subsection (a) of this section shall be accurate as of a date which is no more than 30 days prior to the date on which the information is delivered to the purchaser.

(c) In the event an exchange company offers an exchange program directly to the purchaser or owner, the exchange company shall deliver to each purchaser or owner, concurrently with the offering and prior to the execution of any contract between the purchaser or owner and the exchange company the information set forth in subsection (a) above of this section. The requirements of this paragraph subsection shall not apply to any renewal of a contract between an owner and an exchange company.

(d) All promotional brochures, pamphlets, advertisements, or other materials disseminated by the exchange company to purchasers in this State which contain the percentage of confirmed exchanges described in (a)(17)c. of subdivision (17) of subsection (a) of this section must include the statement set forth in (a)(18) of subsection (a) of this section.

§ 93A-49. Service of process on exchange company.
Any exchange company offering an exchange program to a purchaser shall be deemed to have made an irrevocable appointment of the Commission to receive service of lawful process in any proceeding against the exchange company arising under this Article.

"§ 93A-50. Securities laws apply.

The North Carolina Securities Act, Chapter 78A, shall also apply, in addition to the laws relating to real estate, to timeshares deemed to be investment contracts or to other securities offered with or incident to a timeshare; provided, however, in the event of such the applicability of the North Carolina Securities Act, any offer or sale of timeshares registered under this Article shall not be subject to the provisions of G.S. 78A-24 and any real estate broker registered under Article 1 of this Chapter shall not be subject to the provisions of G.S. 78A-36.


The Commission shall have the authority to adopt rules and regulations that are not inconsistent with the provisions of this Article and the General Statutes of North Carolina. The Commission may prescribe forms and procedures for submitting information to the Commission.

"§ 93A-52. Application for registration of time share project; timeshare program; denial of registration; renewal; reinstatement; and termination of developer's interest.

(a) Prior to the offering in this State of any time share timeshare located in this State, the developer of the time share project; timeshare program shall make written application to the Commission for the registration of the project.

(a1) The application shall be accompanied by a fee in an amount fixed by the Commission but not to exceed one thousand five hundred dollars ($1,500), and shall include (i) a description of the project; program, (ii) copies of proposed timeshare instruments including public offering statements, sale contracts, deeds, and other documents referred to therein, timeshare declaration, timeshare program governing documents, public offering statement, form timeshare instrument, form contract for sale, if different than the timeshare instrument, and other documents referred to in the public offering statement, (iii) information pertaining to any marketing or managing entity to be employed by the developer for the sale of timeshares in a time share project or the management of the project; timeshare program, (iv) information regarding any exchange program available to the purchaser, owner, (v) an irrevocable appointment of the developer to receive service of any lawful process in any proceeding against the developer or the developer's timeshare timeshare salespersons arising under this Article, Article, and (vi) such other information as the Commission may by rule require.

(a2) Upon receipt of a properly completed application and fee and upon a determination by the Commission that the sale and management of the timeshares in the time share project; timeshare program will be directed and conducted by persons of good moral character, the Commission shall issue to the developer a certificate of registration authorizing the developer to offer timeshares in the project for sale. The Commission shall, within 45-30 days after receipt of an incomplete application, notify the developer by mail that the Commission has found specified deficiencies, and shall, within 45-60 days after the receipt of a properly completed application, either issue the certificate of registration or notify the developer by mail or by electronic means of any specific objections to the registration of the project. The certificate shall be prominently displayed in the office of the developer on the site of the project for inspection upon request of the Commission, and a copy of the certificate shall be available for inspection by written request from any purchaser or owner.

(a3) The developer shall promptly report to the Commission any and all material changes in the information required to be submitted for the purpose of the registration. The developer shall also immediately furnish the Commission complete information regarding any change in its interest in a registered time share project. In the event timeshare program, other than the transfer of timeshares to purchasers in the ordinary course of its business. If a developer disposes of, or otherwise terminates its interest in a time share project, timeshare program, the developer
shall cease all marketing and sales of timeshares, certify to the Commission in writing that its
interest in the time share project timeshare program is terminated, and shall return to
the Commission for cancellation the certificate of registration.

(b) In the event the Commission finds that there is substantial reason to deny the
application for registration as a time share project timeshare program, the Commission shall
notify the applicant developer that such application has been denied and shall afford the applicant
developer an opportunity for a hearing before the Commission to show cause why the application
should not be denied. In all proceedings to deny a certificate of registration, the provisions of
Chapter 150B of the General Statutes shall be applicable.

(c) The acceptance by the Commission of an application for registration shall not
constitute the approval of its contents or waive the authority of the Commission to take
disciplinary action as provided by this Article.

(d) All certificates of registration granted and issued by the Commission under the
provisions of this Article shall expire on the 30th day of June following issuance thereof, and
shall become invalid after such date unless reinstated. Renewal of such a certificate may be
effected at any time during the month of June preceding the date of expiration of such registration
upon proper application to the Commission and by the payment of a renewal fee may be renewed
45 days prior to the expiration date by filing an application with and paying to the Commission
the timeshare registration renewal fee fixed by the Commission but not to exceed one thousand
five hundred dollars ($1,500) for each time share project. The developer shall, when making
application for renewal, also provide a copy of the report required in G.S. 93A-48 timeshare
program. Each certificate reinstated after the expiration date thereof shall be subject to a fee of
fifty dollars ($50.00) in addition to the required renewal fee. In the event a time share
developer fails to reinstate the registration within 12 months after the expiration date thereof, the
Commission may, in its discretion, consider the time share project timeshare program as not
having been previously registered, and thereby subject to the provisions of this Article relating
to the issuance of an original certificate. Duplicate certificates may be issued by the Commission
upon payment of a fee of one dollar ($1.00) five dollars ($5.00) by the registrant developer.
Except as prescribed by Commission rules, all fees paid pursuant to this Article shall be
nonrefundable.

§ 93A-53. Register of applicants; roster of registrants; registered projects; financial report
to Secretary of State.

(a) The Executive Director of the Commission shall keep a register of all applicants for
certificates of registration, showing for each the date of application, name, business address, and
whether the certificate was granted or refused.

(b) The Executive Director of the Commission shall also keep a current roster showing
the name and address of all time share projects timeshare programs registered with the
Commission. The roster shall be kept on file in the office of the Commission and be open to
public inspection.

(c) The Commission shall include a copy of the roster of time share projects timeshare
programs current on the preceding June 30 and a statement of the income received by the
Commission in connection with the registration of time share projects timeshare programs during
the fiscal year ending on June 30 with the report required by G.S. 93B-2.

§ 93A-54. Disciplinary action by Commission.

(a) The Commission has power to take disciplinary action action for violation of the
provisions of this Article in the offering or sale of a timeshare program to a purchaser. Upon its
own motion, or on the verified complaint of any person, the Commission may investigate the
actions of any time share salesperson, developer, or project broker of a time share project
registered under this Article, or any other person or entity who shall assume to act in such
capacity regulated party or any other person or entity who shall assume to act in such capacity
of a regulated party. If the Commission finds probable cause that a time share salesperson,
(b) The Commission has the power to suspend or revoke at any time a real estate license issued to a time share timeshare developer or project broker, or a certificate of registration of a time share project timeshare program issued to a developer; or to reprimand or censure such timeshare salesperson, developer, or project broker—a regulated party; or to fine such developer—a regulated party in the amount of five hundred dollars ($500.00) for each violation of this Article—Article; or to impose any other specified penalty permitted under this Article; if, after a hearing, the Commission adjudges either the timeshare salesperson, developer, or project broker regulated party to be guilty of any of the following:

1. Making any willful or negligent misrepresentation or any willful or negligent omission of material fact about any time share timeshare or time share project timeshare program.
2. Making any false promises of a character likely to influence, persuade, or induce.
3. Pursuing a course of misrepresentation or making of false promises through agents, salespersons, advertising or otherwise.
4. Failing, within a reasonable time, to account for all money received from others in a time share timeshare transaction, and failing to remit such monies as may be required in G.S. 93A-45 of this Article—Article.
5. Acting as a time share timeshare salesperson or timeshare developer in a manner as to endanger the interest of the public.
6. Paying a commission, salary, or other valuable consideration to any person for acts or services performed in violation of this Article—Article.
7. Any other conduct which constitutes improper, fraudulent, or dishonest dealing.
8. Performing or undertaking to perform any legal service as set forth in G.S. 84-2.1, or any other acts not specifically set forth in that section.
9. Failing to deposit and maintain in a broker’s trust or an escrow account as defined by G.S. 93A-6.6 all money received from others in a time share timeshare transaction as may be required in G.S. 93A-45 of this Article or failing to place with an independent escrow agent the funds of a time share purchaser when required by G.S. 93A-42(e), G.S. 93A-42 or G.S. 93A-45.
10. Failing to deliver to a purchaser a public offering statement containing the information required by G.S. 93A-44 and any other disclosures that the Commission may by regulation require.
11. Failing to comply with the provisions of Chapter 75 of the General Statutes in the advertising or promotion of time shares timeshares for sale, or failing to assure such compliance by persons engaged on behalf of a developer.
12. Failing to comply with the provisions of G.S. 93A-48 in furnishing complete and accurate information to purchasers concerning any exchange program which may be offered to such purchaser, purchaser or owner.
13. Making any false or fraudulent representation on an application for registration.
14. Violating any rule or regulation promulgated by the Commission.
15. Failing to record or cause to be recorded a time share timeshare instrument as required by G.S. 93A-42(e), G.S. 93A-42(c1) or failing to provide a purchaser or owner the protection against liens required by G.S. 93A-57(a); or G.S. 93A-57(a).
(16) Failing as a time-share project timeshare program broker to exercise reasonable and adequate supervision of the conduct of sales at a project or location by the brokers and salespersons under the time-share project timeshare program broker’s control.

(a1)(c) The clear proceeds of fines collected pursuant to subsection (a)-(b) of this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with §G.S. 115C-457.2.

(b)(d) Following a hearing, the Commission shall also have power to suspend or revoke any certificate of registration issued under the provisions of this Article or to reprimand or censure any developer-regulated party when the registrant-regulated party has been convicted or has entered a plea of guilty or no contest upon which final judgment is entered by a court of competent jurisdiction in this State, or any other state, of the criminal offenses of—of embezzlement, obtaining money under false pretense, fraud, forgery, conspiracy to defraud, or any other offense involving moral turpitude which would reasonably affect the developer-regulated party’s performance in the time-share timeshare business.

(e)(e) The Commission may appear in its own name in superior court in actions for injunctive relief to prevent any person or entity from violating the provisions of this Article or rules promulgated by the Commission. The superior court shall have the power to grant these injunctions even if criminal prosecution has been or may be instituted as a result of the violations, or regardless of whether the regulated party or person or entity has been registered by the Commission.

(f)(f) Each developer shall maintain or cause to be maintained complete records of every time-share timeshare transaction including and each independent escrow agent shall maintain or cause to be maintained complete records pertaining to the deposit, maintenance, and withdrawal of money required to be held in a trust or an escrow account, or as otherwise required by the Commission, under §G.S. 93A-45 of this Article. The Commission may inspect these records periodically without prior notice and may also inspect these records whenever the Commission determines that they are pertinent to an investigation of any specific complaint against a registrant-developer or independent escrow agent.

(g)(g) When a licensee is accused of any act, omission, or misconduct under this Article which would subject the licensee to disciplinary action, the licensee may, with the consent and approval of the Commission, surrender the licensee’s license and all the rights and privileges pertaining to it for a period of time to be established by the Commission. A licensee who surrenders a license shall not be eligible for, or submit any application for, licensure as a real estate broker or registration of a time-share project timeshare program during the period of license surrender. For the purposes of this section, the term licensee shall include a time-share developer.

§ 93A-55. Private enforcement.

The provisions of this Article shall not be construed to limit in any manner the right of a purchaser-purchaser, owner, or other person injured by a violation of this Article to bring a private action.

§ 93A-56. Penalty for violation of Article.

Except as provided in G.S. 93A-40(b) and G.S. 93A-58, specifically provided elsewhere in this Article, any person violating the provisions of this Article shall be guilty of a Class 1 misdemeanor.

§ 93A-57. Release of liens, liens or subordination and notice to creditors instrument.

(a) Prior to any recordation of the instrument transferring a time-share closing, the developer shall record and furnish notice to the purchaser of a release or subordination of all liens or encumbrances affecting that time-share, the purchaser’s timeshare or shall provide a surety bond or insurance against the lien from a company acceptable to the Commission as provided for liens on real estate in this State, or such underlying lien document shall contain a provision wherein the lienholder subordinates its rights to that of a time share purchaser who fully complies
with all of the provisions and terms of the contract of sale the timeshare property or comply with one of the following:

(1) If there are any interestholders in the timeshare or timeshare property, the developer and any interestholders must execute and record a subordination and notice to creditors instrument in the jurisdiction in which the timeshare or timeshare program is situated. The subordination and notice to creditors instrument shall contain the following:

a. Language sufficient to provide subsequent creditors of the developer and interetholder with notice of the existence of the timeshare program and of the rights of owners in order to protect the interests of the owners from any claims of subsequent creditors.

b. A statement that the instrument shall be effective as between the owner and the developer and interestholder despite any bankruptcy proceedings involving the developer.

c. A statement that so long as an owner remains in good standing with respect to the owner's obligations under the timeshare declaration, then the interestholder will honor all rights of the owner as reflected in the timeshare declaration.

(2) If there are any interestholders in the timeshare or the timeshare property, the developer must make alternative arrangements that are adequate to protect the rights of the owners of the timeshares and timeshare property, provided that any alternative arrangement is approved by the Commission.

(b) Unless a timeshare timeshare owner or a time share timeshare owner who is his the owner's predecessor in title agree otherwise with the lienor, if a lien other than a mortgage or deed of trust becomes effective against more than one time share timeshare in a time share project timeshare program, any time share timeshare owner is entitled to a release of his time share the owner's timeshare from a lien upon payment of the amount of the lien attributable to his time share the owner's timeshare. The amount of the payment must be proportionate to the ratio that the time share owner's liability bears to the liabilities of all time share owners whose interests are subject to the lien. Upon receipt of payment, the lien holder shall promptly deliver to the time share owner a release of the lien covering that time share timeshare. After payment, the managing agent may not assess or have a lien against that time share timeshare for any portion of the expenses incurred in connection with that lien.

§ 93A-58. Registrar required; criminal penalties; project program broker.

(a) Every developer of a registered project shall, by affidavit filed with the Commission, designate a natural person to serve as the timeshare timeshare registrar for its registered projects timeshare program. The timeshare registrar shall be responsible for the recordation of timeshare timeshare instruments and the release of liens required by G.S.93A-42(c) G.S. 93A-42(c1) and G.S. 93A-57(a). A developer may, from time to time, change the designated timeshare timeshare registrar by proper filing with the Commission and by otherwise complying with this subsection. No sales or offers to sell shall be made until the registrar is designated by proper filing with the Commission and by otherwise complying with this subsection.

(b) The timeshare registrar has the duty to ensure that the provisions of this Article are complied with in a time share project timeshare program for which the person is the timeshare registrar. No timeshare registrar shall record a timeshare timeshare instrument except as provided by this Article.

(b) A time share timeshare registrar is guilty of a Class I felony if he or she knowingly or recklessly fails to record or cause to be recorded a time share timeshare instrument as required by this Article. A person responsible as general partner, corporate officer, joint venturer venturer or sole proprietor of the developer of a time share timeshare project is

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guilty of a Class I felony if the person intentionally allows the offering for sale or the sale of a timeshare to purchasers without first designating a timeshare timeshare registrar.

(e)(d) The developer shall designate for each project timeshare program and other locations where timeshares-timeshares are sold or offered for sale a project program broker. The project program broker shall act as supervising broker for all timeshare timeshare salespersons at the project timeshare program or other location and shall directly, personally, and actively supervise all such persons at the project timeshare program or other location locations in a manner to reasonably ensure that the sale of timeshares-timeshares will be conducted in accordance with the provisions of this Chapter.

(e) Any developer or independent escrow agent who intentionally fails to comply with the provisions of this Article concerning the establishment of an escrow account, deposits of funds into escrow, and withdrawal therefrom is guilty of a Class E felony. The failure to establish an escrow account or to place funds therein as required in this section is prima facie evidence of an intentional and purposeful violation of this subsection.

"§ 93A-59. Preservation of time-share purchaser's and owner's claims and defenses.

(a) For one year following the execution of an instrument of indebtedness for the purchase of a timeshare, timeshare use, the purchaser of a timeshare owner may assert against the seller, developer, assignee of the seller, developer, or other holder of the instrument of indebtedness, any claims or defenses available against the developer or the original seller, and the purchaser developer, and the owner may not waive the right to assert these claims or defenses in connection with a timeshare timeshare purchase. Any recovery by the purchaser-owner on a claim asserted against an assignee of the seller-developer or other holder of the instrument of indebtedness shall not exceed the amount paid by the purchaser-developer under the instrument. A holder shall be the person or entity with the rights of a holder as set forth in G.S. 25-3-301.

(b) Every instrument of indebtedness for the purchase of a timeshare timeshare shall set forth in conspicuous type the following provision in a clear and conspicuous manner substantially the following form:

"NOTICE

FOR A PERIOD OF ONE YEAR FOLLOWING THE EXECUTION OF THIS INSTRUMENT OF INDEBTEDNESS, ANY HOLDER OF THIS INSTRUMENT OF INDEBTEDNESS IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE PURCHASER-OWNER COULD ASSERT AGAINST THE SELLER-DEVELOPER OF THE TIME-SHARE TIMESHARE. RECOVERY BY THE PURCHASER-OWNER SHALL NOT EXCEED AMOUNTS PAID BY THE PURCHASER-OWNER UNDER THIS INSTRUMENT."

"§ 93A-60. Substantial compliance.

If a developer or managing entity has, in good faith, attempted to comply with this Article, and if, in fact, the developer or managing entity has substantially complied with this Article, nonmaterial errors or omissions are not actionable, such errors or omissions may be violations of this Article, but do not give rise to any purchaser cancellation rights; provided, however, that the developer or managing entity has the burden of proof for purposes of this section.

"§ 93A-61. Management.

(a) For each timeshare program, the developer shall provide for a managing entity, which shall be either the developer, a separate management firm, or timeshare owners' association.

(b) The managing entity may not furnish the name, address, electronic mail address, or contact information of any owner to any person, including any other owner or authorized agent of an owner, unless the owner whose name, address, electronic mail address, or contact information is requested first approves the disclosure in writing. The managing entity shall maintain among its records and provide to the Commission upon request a complete list of the
names and addresses of all owners in the timeshare program. The managing entity shall update
this list at least quarterly. The managing entity may not publish this owners' list or provide a copy
of it to any owner or to any third party other than the Commission. However, the managing entity
shall mail to those owners listed on the owners' list materials provided by any owner, upon the
written request of that owner, if the purpose of the mailing is to advance legitimate business of
the timeshare program, including, but not limited to, a proxy solicitation for any purpose,
including the recall of one or more directors elected by the owners or the discharge of the
management firm. The managing entity shall be responsible for determining the appropriateness
of any requested mailing. The owner who requests the mailing must reimburse the managing
entity in advance for the actual, reasonable costs in performing the mailing. A mailing requested
for the purpose of advancing legitimate business of the timeshare program shall occur within 30
days after receipt of a request from an owner.

(c) The predecessor in interest, or a transfer service provider for the predecessor in
interest, shall deliver to the managing entity a copy of the recorded timeshare instrument if the
timeshare is a timeshare estate or a copy of the instrument of transfer if the timeshare is a
timeshare use, with the name and mailing address of the successor in interest within 15 days after
the date of transfer, and after such delivery, the successor in interest shall be listed by the
managing entity as the owner of the timeshare on the books and records. The managing entity
shall not be liable to any person for any inaccuracy in the books and records arising from the
failure of the predecessor in interest to timely and correctly notify the managing entity of the
name and mailing address of the successor in interest.

(d) The managing entity shall make the books and records reasonably available for
inspection by any owner or the authorized agent of an owner. The managing entity may charge
the owner a reasonable fee for copying or providing the requested information, however, any
owner or agent of an owner shall be permitted to personally inspect and examine the books and
records wherever located at any reasonable time, under reasonable conditions, and under the
supervision of the custodian of those records. All books and financial records of the timeshare
program must be maintained in accordance with generally accepted accounting practices. The
managing entity may require any owner or authorized agent of an owner to execute and provide
a reasonable confidentiality or nondisclosure agreement prohibiting the disclosure of books and
records to nonowners.

(e) All notices or other information sent by a managing entity may be delivered to an
owner by electronic mail, provided that the owner first consents electronically to the use of
electronic mail for notice purposes. The consent to receive notice by electronic mail is effective
until revoked by the owner.

(f) An officer, director, or agent of a timeshare owners' association shall discharge their
duties in good faith, with the care an ordinarily prudent person in a like position would exercise
under similar circumstances, and in a manner they reasonably believe to be in the interests of the
timeshare owners' association. An officer, director, or agent of a timeshare owners' association
shall be exempt from liability for monetary damages unless the officer, director, or agent
breached or failed to perform their duties and the breach of, or failure to perform, those duties
constitutes a violation of criminal law, constitutes a transaction from which the officer, director,
or agent derived an improper personal benefit, either directly or indirectly, or constitutes
recklessness or an act or omission that was in bad faith, with malicious purpose, or in a manner
exhibiting wanton and willful disregard of human rights, safety, or property.

(g) If a state of emergency is declared pursuant to the North Carolina Emergency
Management Act or by any governmental agency with authority in the locale in which timeshare
property is located, then the following apply:

(1) The managing entity may, but is not required to, exercise the following
powers:
a. Conduct board meetings and owner meetings with notice given in any practicable manner, including publication, radio, conspicuous posting on the timeshare property, electronic means, or any other means the board deems reasonable under the circumstances. Notice of board decisions may be communicated in the same manner as notice of the meetings is given.

b. Cancel and reschedule any timeshare owners’ association meeting.

c. Name as assistant officers persons who are not directors of the board. Named assistant officers shall have the same authority as the executive officers to whom they are assistants during the state of emergency to accommodate the incapacity or unavailability of any officer of the timeshare owners’ association.

d. Relocate the managing entity’s principal office or designate alternative principal offices or conduct business remotely.

e. Enter into agreements with government agencies to assist in responding to the emergency.

f. Implement an emergency plan for which a state of emergency is declared. The emergency plan may include, but is not limited to, shutting down all or any portion of timeshare units, amenities, or timeshare projects, including shutting off systems or utilities.

g. Determine that all or any portion of the timeshare property is unavailable for entry or occupancy by owners or any other person to protect the health, safety, or welfare of owners or persons or to properly respond to the emergency. Should any person enter or occupy the timeshare property when the board has declared the timeshare property is unavailable for entry or occupancy for those persons, and without board approval, the board and the association shall be immune from liability or injury to persons or property arising from that failure or refusal.

h. Require occupancy of timeshare units to be aggregated in certain parts of the timeshare property even if other parts of the timeshare property are habitable.

i. Require the evacuation of all or any portion of the timeshare property in the event of a mandatory evacuation order or in order to respond to the emergency. Should any person fail or refuse to evacuate the timeshare property where the board has required evacuation, the board and the association shall be immune from liability or injury to persons or property arising from that failure or refusal.

j. Make a determination whether all or any portion of the timeshare property can be safely inhabited or occupied; provided, however, any determination is not conclusive as to any determination of habitability pursuant to applicable law or the timeshare declaration.

k. Temporarily suspend or modify rules and regulations concerning the physical use of all or any portion of the timeshare property.

l. Mitigate further damage, including taking action to contract for the removal of debris and to prevent or mitigate the spread of fungus or disease notwithstanding timeshare declaration provisions regarding owner approval of changes to the timeshare units or amenities.

m. Regardless of any provision to the contrary and even if such authority does not specifically appear in the timeshare declaration, levy special assessments without a vote of the owners.
n. Without owners’ approval, borrow money and pledge association assets as collateral to fund emergency repairs, to respond to the emergency, or to carry out the duties of the association when operating funds are insufficient.

o. Temporarily suspend or modify timeshare program reservation system rules and regulations to manage owner reservations and use rights in the best interests of the owners as a whole, including cancelling existing reservations, extending expiring use rights, or suspending or modifying priority periods and priority reservation rights. A temporary suspension or modification shall be permitted even if owners must compete for reservation and use of timeshare periods and timeshare units on a more than one-to-one use night to use right ratio.

p. Toll the expiration of any claim of lien for the duration of the state of emergency; provided that the tolling is recorded in the public records and the owner is notified prior to the end of the tolling period.

q. Modify or suspend assessment and collection requirements and activity, including deferring due dates or waiving late charges and interest, provided that all owners are treated equally as of the date of modification and suspension, and owners who have previously made timely payments have their future assessments adjusted in a manner that fairly compensates them for making timely payments in advance of the modification or suspension.

(2) The emergency powers authorized and exercised shall be limited to that time reasonably necessary to protect the health, safety, and welfare of the managing entity and the owners and reasonably necessary to mitigate further damage and make emergency repairs, notwithstanding the termination of the state of emergency. Further, the managing entity may take any actions that are necessary to implement the exercised powers even if the implementation takes place after the termination of the state of emergency; provided that the implementation is necessary and does not go beyond the scope of the exercised power.

(3) In the exercise of emergency powers, the managing entity may take into account the economic consequences of the emergency to the owners; however, the managing entity shall give greater weight to the health, safety, and welfare of the managing entity and the owners and mitigation of further damage and adhere to the business judgment rule in balancing economic considerations with owner opportunity to enjoy the use of the timeshare property.

(4) In the exercise of the emergency powers, the managing entity will be deemed to have met any duty of care if the managing entity has relied upon advice of emergency management officials or upon the advice of licensed professionals with applicable expertise.


(a) Delinquent assessments may bear interest at the highest rate permitted by law or at some lesser rate established by the managing entity. In addition to interest, the managing entity may charge a reasonable administrative late fee for each delinquent assessment. Any costs of collection, including reasonable collection agency fees and reasonable attorney’s fees, incurred in the collection of a delinquent assessment shall be paid by the owner and shall be secured by a lien in favor of the managing entity upon the timeshare with respect to which the delinquent assessment has been incurred.

(b) The managing entity may deny the use of the timeshare units or facilities, including the denial of the right to make a reservation or the cancellation of a confirmed reservation for
timeshare periods, to any owner who is delinquent in the payment of any assessments made by
the managing entity against the owner for common expenses, in accordance with the following:

(1) The managing entity must, no less than 30 days after the date the assessment
is due, notify the owner in writing of the total amount of any delinquency
which then exists, including any accrued interest and late charges permitted
to be imposed under the terms of the timeshare program or by law and
including a per diem amount. The notice shall be sent to the owner at the
owner's known address as recorded in the books and records of the timeshare
program.

(2) The notice shall clearly state that the owner will not be permitted to use the
owner's timeshare, that the owner will not be permitted to make a reservation
in the timeshare program's reservation system, or that any confirmed
reservation may be canceled until the total amount of such delinquency is
satisfied in full or until the owner produces satisfactory evidence that the
delinquency does not exist.

(3) The notice shall be effective to bar the use of the owner and those claiming
use rights under the owner, including the owner's guests, lessees, and persons
receiving use rights in the timeshare through an exchange program; provided,
however, that (i) a managing entity desiring to deny the use of the timeshare
to persons receiving use rights in the delinquent owner's timeshare through an
exchange program that has an affiliation agreement with the managing entity
shall notify the affiliated exchange company in writing of the denial of use at
the time that the notice was sent to the owner and (ii) any person claiming
through the affiliated exchange program who has received a confirmed
assignment of the delinquent owner's use rights from the affiliated exchange
company prior to the expiration of 48 hours after the receipt by the affiliated
exchange company of the written notice from the managing entity shall be
permitted by the managing entity to use the owner's use rights.

(4) Any costs reasonably incurred by the managing entity in connection with its
compliance with the requirements of this section may be assessed by the
managing entity against the delinquent owner and collected in the same
manner as if those costs were common expenses of the timeshare program
allocable solely to the delinquent purchaser.

(5) A managing entity may not enforce the denial of use against any one owner
or group of owners without similarly enforcing it against all owners, including
all developers.

(c) In addition to the denial of use pursuant to subsection (b) of this section, the managing
entity may give further notice to the delinquent owner that the managing entity may rent the
delinquent owner's timeshare, or any use rights appurtenant thereto, in accordance with the
following:

(1) A further notice of intent to rent must be given no less than 30 days after the
date the assessment is due and must be delivered to the purchaser in the
manner required for notices under subsection (b) of this section.

(2) The notice shall state that unless the owner satisfies the delinquency in full, or
unless the owner produces satisfactory evidence that the delinquency does not
exist, the purchaser will be bound by the terms of any rental contract entered
into by the managing entity with respect to the owner's timeshare or
appurtenant use rights.

(3) The notice shall state that the owner will remain liable for any difference
between the amount of the delinquency and the net amount produced by the
rental contract and applied against the delinquency, and the managing entity
shall not be required to provide any further notice to the owner regarding any
residual delinquency.

(4) The managing entity’s efforts to secure a rental shall not commence on a date
earlier than 10 days after the date of the notice of intent to rent.

(5) The managing entity must apply the proceeds of any rental, net of any rental
commissions, cleaning charges, travel agent commissions, or any other
commercially reasonable charges reasonably and usually incurred by the
managing entity in securing rentals to the delinquent owner's account.

(6) A managing entity may make a reasonable determination regarding the
priority of rentals of timeshares and, if the delinquent owner whose timeshare
is rented cannot be specifically determined due to the structure of the
timeshare program, the managing entity may allocate any net rental proceeds
in any reasonable manner.

(7) In securing a rental, the managing entity shall not be required to obtain the
highest nightly rental rate available, nor any particular rental rate, and the
managing entity shall not be required to rent the entire timeshare or
appurtenant rights; however, the managing entity must use reasonable efforts
to secure a rental that is commensurate with other rentals of similar timeshares
or use rights generally secured at that time.

(d) For timeshare estates located in this State, the managing entity shall have a lien on a
timeshare for any assessment levied against that timeshare from the date such assessment
becomes due. The managing entity shall also have a lien on a timeshare estate of any owner for
the cost of any maintenance, repairs, or replacement resulting from an act of the owner or the
owner’s guest or lessee that results in damage to the timeshare property. All of the following
apply to a lien imposed under this section:

(1) The managing entity, or the holder of the lien, may bring a judicial action in
its name to foreclose the lien in the nature of an action to foreclose a mortgage
or deed of trust and may also bring an action to recover a money judgment for
the unpaid assessments without waiving any claim of lien. As an alternative
to initiating a judicial action, the managing entity may initiate a nonjudicial
foreclosure proceeding to foreclose the assessment lien.

(2) The lien is effective from the date of and shall relate back to the recording of
the original timeshare declaration, or, in the case of lien on a timeshare located
in a phase timeshare program, the last to occur of the recording of the original
timeshare declaration or amendment creating the timeshare. However, as to
first mortgages of record, the lien is effective from and after filing of the claim
of lien in the office of the clerk of superior court in the county where the
timeshare estate is located.

(3) The claim of lien shall state the name of the timeshare program and identify
the timeshare for which the lien is effective, state the name of the owner, state
the assessment amount due, and state the due dates. The claim of lien shall be
signed and acknowledged by an officer or agent of the managing entity or the
holder.

(4) The lien is effective until satisfied or until five years have expired after the
date the claim of lien is filed unless, within that time, an action to enforce the
lien is commenced.

(5) A claim of lien for assessments may include assessments which are due when
the claim is recorded and all assessments that subsequently become due and
are delinquent. Upon full payment, the person making the payment is entitled
to receive a satisfaction of the lien.
A judgment in any action or suit brought to foreclose the claim of lien may include costs and reasonable attorney’s fees for the substantially prevailing party.

(e) A successor in interest, regardless of how the timeshare has been acquired, including a purchaser at a judicial sale or foreclosure trustee sale, is jointly and severally liable with their predecessor in interest for all unpaid assessments against the predecessor up to the time of transfer of the timeshare to a successor, without prejudice to any right a successor in interest may have to recover from their predecessor in interest any amounts assessed against the predecessor and paid by the successor; provided, however, a first mortgagee or its successor or assignee who acquires title to a timeshare as a result of the foreclosure of the mortgage or by deed in lieu of foreclosure of the mortgage shall be exempt from liability for all unpaid assessments attributable to the timeshare or chargeable to the previous owner which came due prior to acquisition of title by the first mortgagee.

§ 93A-63. Reservation systems.

(a) The developer shall describe in the timeshare declaration any creation of a reservation system and shall establish rules and regulations for its operation. In establishing these rules and regulations, the developer shall take into account the location and anticipated relative use demand of each timeshare unit and timeshare project component site that is included in the timeshare program and, the developer shall use its best efforts, in good faith and based upon all reasonably available evidence under the circumstances, to further the best interests of the owners as a whole with respect to their opportunity to use and enjoy the timeshare units.

(b) The rules and regulations shall also provide for periodic adjustment or amendment of the reservation system by the reservation system operator from time to time in order to respond to actual owner use patterns and changes in owner use demand for the timeshare units existing at that time within the timeshare program. In addition to any other rights granted by the rules and regulations of the timeshare program, the reservation system operator is authorized to manage the reservation and use of the timeshare program using those processes, analyses, procedures, and methods that are in the best interests of the owners as a whole to efficiently manage the timeshare program.

(c) The reservation system operator shall have the right to forecast anticipated reservation and use of the timeshare units, including the right to take into account current and previous reservation and use of the timeshare units, information about events that are scheduled to occur, seasonal use patterns, and other pertinent factors that affect the reservation or use of the timeshare program.

(d) The reservation system operator is authorized to reserve timeshare periods and timeshare units, in the best interests of the owners as a whole, for the purposes of depositing any reserved use with an affiliated exchange program or renting any reserved timeshare periods or timeshare units in order to facilitate the use or future use of the timeshare period or timeshare units or other benefits made available through the timeshare program to owners.

(e) If the reservation system operator is not the timeshare owners’ association, the following provisions shall apply with respect to termination of the reservation system operator’s management agreement or reservation agreement:

(1) No later than 90 days after the date of termination, or another date as set forth in the applicable management agreement or reservation agreement, the terminated reservation system operator shall transfer to the timeshare owners’ association, or any designated successor reservation system operator, all relevant data held by the prior reservation system operator and related to any reservation system and any other records and information as is necessary to permit the uninterrupted operation and administration of the reservation system. However, the information required to be transferred does not include
private information of the terminated reservation system operator that is not
directly related to operation and management of the timeshare program.

(2) All reasonable costs incurred by the terminated reservation system operator in
effecting the transfer of information shall be reimbursed to the terminated
reservation system operator as a common expense of the timeshare program
within 10 days after the completed transfer of the information.

(3) Nothing contained in this section shall preclude a reservation system operator
from providing in its agreement with the timeshare owners’ association or in
the timeshare declaration that the reservation system operator owns the
reservation system and that the reservation system operator shall continue to
own the reservation system in the event that it is terminated.

§ 93A-64. Multisite timeshare program additions, substitutions, and deletions.

(a) With respect to addition of timeshare units, amenities, or timeshare projects to the
multisite timeshare program, the timeshare declaration must provide for the following:

(1) The basis upon which new timeshare units, amenities, or timeshare projects
may be added, by whom additions may be made, and the fiscal impact of any
additions on the owners, if any.

(2) The extent, if any, to which owners will have the right to consent to any
proposed additions.

(3) The person authorized to make additions during the term of the multisite
timeshare program must comply with the one-to-one use night to use right
ratio and the requirements of G.S. 93A-65, including the demand balancing
standard, in ascertaining the desirability of the proposed addition and any
impact upon the demand for and availability of existing timeshare units,
amenities, or timeshare projects.

(b) With respect to substitution of timeshare units, amenities, or timeshare projects for
existing timeshare units, amenities, or timeshare projects in a multisite timeshare program, the
timeshare declaration must provide for the following:

(1) The basis upon which timeshare units, amenities, or timeshare projects may
be substituted for existing timeshare units, amenities, or timeshare projects,
by whom substitutions may be made, and the fiscal impact of any substitutions
on the owners, if any.

(2) The replacement timeshare units, amenities, or timeshare projects must
provide owners with an opportunity to enjoy a substantially similar or
improved vacation experience as compared to the experience available at the
replaced timeshare units, amenities, or timeshare projects. In determining
whether the replacement timeshare units, amenities, or timeshare projects will
provide a substantially similar or improved vacation experience, all relevant
factors may be considered, including, but not limited to, some or all of the
following: size, capacity, furnishings, maintenance, location, to include
geographic, topographic, and scenic considerations, demand, and availability
for owner use, and recreational capabilities.

(3) If a timeshare owned by the owner in a multisite timeshare program is a
timeshare estate in a specific timeshare unit, no substitution may be made of
that timeshare unit without the approval of that owner and all other owners of
timeshare estates in that timeshare unit.

(4) The extent, if any, to which owners will have the right to consent to any
proposed substitutions, including the following:

a. If the timeshare declaration provides that the developer, acting
unilaterally, or a managing entity under common ownership or control
with the developer is the person who is authorized to make
substitutions, the developer or managing entity may not substitute available timeshare units in the multisite timeshare program in a given calendar year pursuant to subdivision (6) of this subsection if the amount of the substituted timeshare units provides more than ten percent (10%) of the total annual use availability in the multisite timeshare program calculated in seven-day increments.

b. If the timeshare declaration provides that the managing entity is the person authorized to make substitutions, and the managing entity is not under common ownership or control with the developer, the managing entity may not substitute available timeshare units in the multisite timeshare program in a given calendar year pursuant to subdivision (6) of this subsection if the amount of the substituted timeshare units provides more than twenty-five percent (25%) of the total annual use availability in the multisite timeshare program calculated in seven-day increments.

c. If the owners have the right to consent to any proposed substitutions, and the person authorized to make substitutions receives, within 21 days after the date of the notice of substitution required by subdivision (6) of this subsection, a written objection to the proposed substitution from at least ten percent (10%) of all owners in the multisite timeshare program, a meeting of the owners must be conducted by the managing entity within 30 days after the end of the 21-day period. The proposed substitution is ratified unless it is rejected by a majority of owners voting in person or by proxy at the meeting, provided that at least twenty-five percent (25%) of all owners cast votes.

d. The person authorized to make substitutions may make unlimited substitutions in a given year if a proposed substitution is approved in advance by a majority of owners of the multisite timeshare program voting in person or by proxy at a meeting called for that purpose, provided that at least twenty-five percent (25%) of the total number of owners cast votes.

(5) The person authorized to make substitutions shall notify all owners of the multisite timeshare program in writing of the decision to make a substitution. This notice must (i) be given at least six months in advance of the date that the proposed substitution will occur, (ii) state the last day after the end of the six-month period on which reservations will be accepted from owners for use of the existing timeshare units that will be replaced, and (iii) state that owners shall have 21 days after the date of the notice of substitution to file a written objection with the person authorized to make substitutions, if applicable. The person authorized to make substitutions may remove existing timeshare units for substitution only after those timeshare units have no pending purchaser use reservations.

(6) The person authorized to make substitutions during the term of the multisite timeshare program must comply with the one-to-one use night to use right ratio and the requirements of G.S. 93A-65, including the demand balancing standard, in ascertaining the desirability of the proposed substitution and its impact upon the demand for and availability of existing timeshare units, amenities, or timeshare projects.

(c) With respect to deletion of timeshare units, amenities, or timeshare projects, the timeshare declaration must provide for the following:

(1) If the deletion is a deletion as a result of a casualty, the following apply:
a. The timeshare declaration must provide for casualty insurance for the
timeshare units or amenities in an amount equal to the replacement
cost of those timeshare units or amenities. The timeshare declaration
must also provide that in the event of a casualty that results in
timeshare units, amenities, or timeshare projects being unavailable for
use by owners, the managing entity shall notify all affected owners of
the unavailability of use within 30 days after the event of casualty.

b. The timeshare declaration must also provide for the application of any
insurance proceeds arising from a casualty to either the replacement or
acquisition of additional similar timeshare units or to the removal of
owners from the multisite timeshare program so that owners will not
be competing for available timeshare units or amenities on a greater
than one-to-one use night to use right ratio.

c. If the timeshare instrument does not provide for business income
insurance, or if it is unavailable, or if the declaration permits the
developer, the managing entity, or the owners to elect not to
reconstruct after casualty under certain circumstances or to secure
replacement timeshare units in lieu of reconstruction, owners may
temporarily compete for available accommodations on a greater than
one-to-one use night to use right ratio. The decision whether or not to
reconstruct shall be made as promptly as possible under the
circumstances.

d. Any replacement of timeshare units, amenities, or timeshare projects
must comply with the one-to-one use night to use right ratio and the
requirements of G.S. 93A-65, including the demand balancing
standard, in ascertaining the desirability of the proposed addition and
its impact upon the demand for and availability of existing timeshare
units, amenities, or timeshare projects.

(2) If the deletion is a deletion as a result of an eminent domain proceeding, the
following apply:

a. The timeshare declaration must provide for the application of any
proceeds arising from a taking under eminent domain proceedings to
either the replacement or acquisition of additional similar timeshare
units or to the removal of owners so that owners will not be competing
for available timeshare units on a greater than one-to-one use night to
use right requirement ratio.

b. Any replacement of timeshare units, amenities, or timeshare projects
must comply with the one-to-one use night to use right ratio and the
requirements of G.S. 93A-65, including the demand balancing
standard, in ascertaining the desirability of the proposed addition and
its impact upon the demand for and availability of existing timeshare
units, amenities, or timeshare projects.

(3) The timeshare declaration may provide that timeshare units, amenities, or
timeshare projects will be deleted upon the expiration of the term of their
availability or as otherwise provided in the timeshare declaration. However,
the timeshare declaration must also provide that if a timeshare unit is deleted
in this manner, a sufficient number of owners will also be deleted, or a
sufficient number of substitute timeshare units will be substituted for the
deleted timeshare units, so as to maintain no greater than a one-to-one use
night to use right ratio.

§ 93A-65. Resale purchase contracts; prohibition against advance listing fee.
(a) A consumer timeshare reseller, or any agent of a reseller, must use a resale purchase contract which must contain all of the following:

1. An identification of the timeshare.
2. The name and address of the timeshare program and of the managing entity of the timeshare program.
3. Immediately prior to the disclosure required by G.S. 93A-64(b) in conspicuous type a statement in substantially the following form:
   "The current year's assessment allocable to the timeshare you are purchasing is [insert amount]. This assessment, which may be increased from time to time by the managing entity of the timeshare program, is payable in full each year on or before [insert date]. This assessment [includes/does not include] yearly real estate taxes, which [are/are not] billed and collected separately. Each owner is personally liable for the payment of assessments, and failure to timely pay these assessments may result in restriction or loss of your use or ownership rights. There are many important documents relating to the timeshare program which you should review prior to purchasing a timeshare, including the timeshare declaration, the timeshare owners' association articles and bylaws, the current year's operating and reserve budgets, and any rules and regulations affecting the use of timeshare units and amenities."
4. If there are any delinquent assessments or real estate taxes outstanding with respect to the timeshare, the following statement must be included in the statement described in subdivision (3) of this subsection:
   "A delinquency in the amount of [insert amount] for unpaid assessments or real estate taxes currently exists with respect to the timeshare you are purchasing, together with a per diem charge of [insert amount] for interest and late charges."
5. A statement in conspicuous type located immediately prior to the space in the contract reserved for the signature of the purchaser in the following form:
   "You may cancel this contract without any penalty or obligation within five days after the date you sign this contract. If you decide to cancel this contract, you must notify the seller in writing of your intent to cancel. Your notice of cancellation shall be effective upon the date sent and shall be sent to the seller at [insert address]. Any attempt to obtain a waiver of your cancellation right is void and of no effect. While you may execute all closing documents in advance, the closing before expiration of your five-day cancellation period is prohibited."
6. The year in which the purchaser will first be entitled to reserve, use, or occupy a timeshare unit.

(b) If a resale purchase contract is not used or does not comply with the provisions of this section, the transaction shall be voidable at the option of the purchaser for a period of one year after the date of transfer.

c) It is unlawful for any resale broker to collect any advance fee for the listing of any timeshare.

§ 93A-66. Recordkeeping by resale service providers, transfer service provider, and lead dealers.

(a) Resale service providers, lead dealers, and transfer service providers shall maintain the following records for a period of three years from the date each piece of personal contact information is obtained:

1. The full name, address, and telephone number of the lead dealer from which the personal contact information was obtained.
(2) The date, time, and place of the transaction at which the personal contact information was obtained, along with the amount of consideration paid and a signed receipt from the lead dealer or copy of a canceled check.

(3) A copy of all pieces of personal contact information obtained.

(4) If personal contact information was directly researched and assembled by the resale service provider, transfer service provider, or lead dealer, and not obtained from another lead dealer, a complete written description of the sources from which personal contact information was obtained, the methodologies used for researching and assembling it, the items set forth in subdivisions (1) and (2) of this subsection for the individuals who performed the work, and the date the work was done.

(b) In any civil or criminal action relating to the wrongful possession or wrongful use of personal contact information by a resale service provider or lead dealer, any failure by a resale service provider, transfer service provider, or lead dealer to produce the required records shall lead to a presumption that the personal contact information was wrongfully obtained.

(c) Any use by a resale service provider, transfer service provider, or lead dealer of personal contact information that is wrongfully obtained pursuant to this section shall be considered wrongful use of personal contact information by the resale service provider, transfer service provider, or lead dealer, as applicable. Any party who establishes that a resale service provider, transfer service provider, or lead dealer wrongfully obtained or wrongfully used personal contact information with respect to owners of a timeshare program or members of an exchange program shall, in addition to any other remedies that may be available in law or equity, be entitled to recover from the resale service provider, transfer service provider, or lead dealer an amount equal to one thousand dollars ($1,000) for each owner or member about whom personal contact information was wrongfully obtained or used. Upon substantially prevailing, the plaintiff in an action shall also be entitled to recover reasonable attorneys’ fees and costs.

§ 93A-67. Resale service providers.

(a) Before engaging in resale advertising services, a resale service provider must provide to the consumer timeshare reseller in writing (i) a description of any fees or costs related to the services that the consumer timeshare reseller, or any other person, is required to pay to the resale service provider or to any third party and (ii) a description of when the fees or costs are due.

(b) A resale service provider may not engage in real estate broker activities described in Article 1 of this Chapter without being the holder of an active license in accordance with Article 1 of this Chapter.

(c) In the course of offering resale advertising services, a resale advertiser may not do any of the following:

(1) State or imply that the resale advertiser will provide or assist in providing any type of direct sales or resale brokerage services other than the advertising of the consumer resale timeshare for sale or rent by the consumer timeshare reseller.

(2) State or imply to a consumer timeshare reseller, directly or indirectly, that the resale advertiser has identified a person interested in buying or renting the timeshare resale interest without providing the name, address, and telephone number of the represented interested resale purchaser.

(3) State or imply to a consumer timeshare reseller, directly or indirectly, that sales or rentals have been achieved or generated as a result of its advertising services unless the resale advertiser, at the time of making that representation, possesses and is able to provide documentation to substantiate the statement or implication made to the consumer timeshare reseller. In addition, to the extent that a resale advertiser states or implies to a consumer timeshare reseller that the resale advertiser has sold or rented any specific number of timeshares,
the resale advertiser must also provide the consumer timeshare reseller the ratio or percentage of all the timeshares that have resulted in a sale versus the number of timeshares advertised for sale by the resale advertiser for each of the previous two calendar years if the statement or implication is about a sale or sales, or the ratio or percentage of all the timeshares that have actually resulted in a rental versus the number of timeshares advertised for rental by the resale advertiser for each of the previous two calendar years if the statement or implication is about a rental or rentals.

(4) State or imply to a consumer timeshare reseller that the timeshare has a specific resale value.

(5) Make or submit any charge to a consumer timeshare reseller's credit card account, make or cause to be made any electronic transfer of consumer timeshare reseller funds, or collect any payment from a consumer timeshare reseller that exceeds an aggregate total amount of seventy-five dollars ($75.00) or more in any 12-month period unless the following have occurred:

a. The consumer timeshare reseller has been provided a copy of the terms and conditions of the contract for resale advertising services and the consumer timeshare reseller has agreed to those terms and conditions by mail or electronic transmission.

b. The resale advertiser has received a written contract complying in all respects with this section and that has been signed by the consumer timeshare reseller.

(6) Engage in any resale advertising services for compensation or valuable consideration without first obtaining a written brokerage agreement to provide resale advertising services signed by the consumer timeshare reseller. Notwithstanding any other law to the contrary, the contract must be printed in at least 12-point type and must contain the following information:

a. The name, address, telephone number, and internet address, if any, of the resale advertiser and a mailing address and email address to which a contract cancellation notice may be delivered at the consumer timeshare reseller's election.

b. A complete description of all resale advertising services to be provided, including, but not limited to, details regarding the publications, internet sites, and other media in or on which the consumer resale timeshare will be advertised; the dates or time intervals for such advertising or the minimum number of times such advertising will be run in each specific medium; the itemized cost to the consumer timeshare reseller of each resale advertising service to be provided; and a statement of the total cost to the consumer timeshare reseller of all resale advertising services to be provided.

c. A statement printed in conspicuous type immediately preceding the space in the contract provided for the consumer timeshare reseller's signature in substantially the following form:

"Timeshare Owner's Right of Cancellation

[Insert name of resale advertiser] will provide resale advertising services pursuant to this contract. If the resale advertiser represents that they have identified a person who is interested in purchasing or renting your timeshare, then the resale advertiser must provide you with the name, address, and telephone number of such represented interested resale purchaser."
You have an unwaivable right to cancel this contract for any reason within five days after the date you sign this contract. If you decide to cancel this contract, you must notify [insert name of resale advertiser] in writing of your intent to cancel. Your notice of cancellation shall be effective upon the date sent and shall be sent to [insert resale advertiser's physical address] or to [insert resale advertiser's email address]. Your refund will be made within 20 days after receipt of notice of cancellation or within five days after receipt of funds from your cleared check, whichever is later.

You are not obligated to pay [insert name of resale advertiser] any money unless you sign this contract and return it to the retail advertiser.

Important: Before signing this contract, you should carefully review your original purchase document and other timeshare program documents to determine whether the developer has reserved a right of first refusal or other option to purchase your timeshare or to determine whether there are any restrictions or special conditions applicable to the resale or rental of your timeshare.

d. A statement that any resale contract entered into by or on behalf of the consumer timeshare reseller must comply in all respects with G.S. 93A-67, including the provision of a five-day cancellation period for the prospective consumer resale purchaser.

(7) Fail to honor any cancellation notice sent by the consumer timeshare reseller within five days after the date the consumer timeshare reseller signs the contract for resale advertising services.

(8) Fail to provide a full refund of all money paid by a consumer timeshare reseller within 20 days after receipt of notice of cancellation or within five days after receipt of funds from a cleared check, whichever is later.

(d) If a resale service provider uses a contract for resale advertising services that fails to comply with the requirements of this section, the contract shall be voidable at the option of the consumer timeshare reseller for a period of one year after the date it is executed by the consumer timeshare reseller.

(e) Notwithstanding obligations placed upon any other persons by this section, it is the duty of a resale service provider to supervise, manage, and control all aspects of the offering of resale advertising services by any agent or employee of the resale service provider. Any violation of this section that occurs during that offering shall be deemed a violation by the resale service provider as well as by the person actually committing the violation.

(f) Providing resale advertising services with respect to a consumer resale timeshare in a timeshare property located or offered within this State, or in a multisite timeshare program registered or required to be registered to be offered in this State, including acting as an agent or third-party service provider for a resale service provider, constitutes operating, conducting, engaging in, or carrying on a business or business venture in this State.

(g) The use of any unfair or deceptive act or practice by any person in connection with resale advertising services is a violation of this Act.

(h) If a resale service provider also offers timeshare transfer services, the resale service provider must comply with G.S. 93A-68 through G.S. 93A-72.

"§ 93A-68. Timeshare transfer services.

(a) In the course of advertising, marketing, promoting, offering, sale, or performance of any timeshare transfer services, no person shall do any of the following:

(1) Engage in any timeshare transfer services for consideration, or the expectation of receiving consideration, without first obtaining a written timeshare transfer
services agreement signed by the consumer timeshare reseller that complies with this section.

(2) Fail to provide both the consumer timeshare reseller and the independent escrow agent required by this section with an executed copy of the timeshare transfer services agreement.

(3) Advise, suggest, or assist with advising or suggesting that a consumer timeshare reseller cease making any payment of assessments, ad valorem real estate taxes, or any other sums imposed against the consumer resale timeshare, or any payment of any amounts due to a mortgagee or other lienor under a mortgage or other lien or encumbrance secured by the consumer resale timeshare.

(4) Represent, expressly or by implication, that (i) a consumer timeshare reseller cannot or should not contact or communicate with the developer, managing entity, exchange company, mortgagee, or lienor or (ii) the developer, managing entity, exchange company, mortgagee, or lienor is prohibited from contacting or communicating with the consumer timeshare reseller.

(5) Offer, obtain, negotiate, arrange, or assist with offering, obtaining, negotiating, arranging a timeshare transfer service that disposes of the consumer resale timeshare through foreclosure of the consumer resale timeshare for (i) the nonpayment of assessments, ad valorem real estate taxes, or any other sums imposed against the consumer resale timeshare or (ii) nonpayment of amounts due to a mortgagee or other lienor under a mortgage or other lien encumbrance secured by the consumer resale timeshare.

(6) Charge or accept a fee for obtaining, negotiating, arranging, or assisting with obtaining, negotiating, or arranging the voluntary relinquishment of a consumer resale timeshare to a managing entity in lieu of payment of assessments or ad valorem real estate taxes.

(b) A consumer timeshare reseller has the right to cancel the timeshare transfer services agreement until midnight of the fifth day after the execution of the timeshare transfer services agreement. The consumer timeshare reseller may not waive this right of cancellation. Any oral or written declaration or instrument that purports to waive this right of cancellation is void. Cancellation under this section is without penalty, and the refund of all monies received by the transfer service provider shall be made within 20 days of demand therefor by the consumer timeshare reseller or within five days after receipt of cleared funds from the consumer timeshare reseller, whichever is later.

(c) Each timeshare transfer services agreement shall contain the following:

(1) A statement that no fee, cost, or other compensation may be received by or paid to the transfer service provider before the delivery to the consumer timeshare reseller of written evidence that all promised timeshare transfer services have been performed, including, but not limited to any of the following:

a. Delivery to both the consumer timeshare reseller and the timeshare program managing entity of a copy of the recorded timeshare instrument or other legal document evidencing the transfer of ownership of or legal title to the consumer resale timeshare to the transferee, accompanied by the full name, address, and other known contact information for the transferee.

b. Delivery to the consumer timeshare reseller of a copy of the legal document executed by the vendor or obligee evidencing the mutually agreed upon termination of the timeshare instrument or timeshare loan obligation relating to the consumer resale timeshare.
The name, address, current phone number, and current email address of the independent escrow agent required by this section.

A specific, detailed description of each timeshare transfer service promised to be provided, including a statement of the last date by which each promised service will be fully performed, and including a statement that the transfer service provider deliver to the consumer timeshare reseller written notice of the full performance of each timeshare transfer services, together with a copy of the legal document evidencing the performance of the service.

The total cost to the consumer timeshare reseller of the timeshare transfer service promised to be provided together with an itemized list of all of the fees and costs that comprise the total cost and description of the related good or service.

The terms or conditions of any refund, cancellation, exchange, or repurchase policy for a timeshare transfer service, including the circumstances under which a guaranteed or nonguaranteed, full or partial refund will be granted.

A statement in conspicuous type that nonpayment of a timeshare loan obligation or assessment obligation may lead to a foreclosure action or other proceeding that could result in the loss of ownership of the timeshare and negative consequences for the consumer timeshare reseller's credit and tax liability.

A statement in substantially the following form in conspicuous type immediately preceding the space in the timeshare transfer services agreement provided for the consumer timeshare reseller's signature:

"[Insert transfer service provider name] has agreed to provide you with timeshare transfer services under this timeshare transfer services agreement. After those services have been fully performed, the transfer service provider is obligated to provide you with written notice of full performance and a copy of the recorded instrument or other legal document evidencing the transfer or assignment of your timeshare, the termination of your timeshare contract, or the release from a timeshare loan or assessment obligation. Any fee or other compensation paid by you under this agreement before full performance by [Insert transfer service provider name] must be held in escrow by the escrow agent specified in this agreement, and the transfer service provider is prohibited from receiving any such fee or other compensation until all promised timeshare transfer services have been performed.

Timeshare Owner's Right of Cancellation

You have an unwaivable right to cancel this agreement for any reason within five days after the date you sign this agreement. If you decide to cancel this contract, you must notify [insert name of transfer service provider] in writing of your intent to cancel. Your notice of cancellation shall be effective upon the date sent and shall be sent to [insert name and mailing address of transfer service provider] or to [insert transfer service provider's email address]. Your refund will be made within 20 days after receipt of notice of cancellation or within five days after receipt of funds from your cleared check, whichever is later.

IMPORTANT: It is recommended that you contact your developer, managing entity, mortgagee, or lienor before signing this agreement. Your developer, management entity, mortgagee, or lienor may be willing to negotiate a
payment plan, restructure your debt obligation, or accept the transfer of your timeshare free of charge."

(d) If the timeshare transfer services to be provided include relief to be obtained from the consumer timeshare reseller's managing entity, mortgagee, or lienor, the timeshare transfer service provider may not do the following:

(1) Request or receive payment of any fee or other consideration until the consumer timeshare reseller has executed a written agreement between the consumer timeshare reseller and the consumer timeshare reseller's managing entity, mortgagee, or lienor incorporating the offer of assistance or relief the timeshare transfer service provider obtained from the managing entity, mortgagee, or lienor.

(2) Fail to disclose, on a separate page, in conspicuous type, substantially the following statement at the time the timeshare transfer service provider furnishes the consumer timeshare reseller with the written agreement specified in subsection (c) of this section, the following:

"Important Notice
This is an offer of assistance we obtained from your [insert name of managing entity, mortgagee, or lienor]. You may accept or reject the offer. If you reject the offer, you do not have to pay us. If you accept the offer, you will have to pay us [insert total amount] for our services."

(e) Before entering into any timeshare transfer services agreement, a person providing timeshare transfer services shall establish an escrow account with an independent escrow agent for the purpose of protecting the funds or other property of consumer timeshare resellers required to be escrowed by this subsection. The independent escrow agent shall maintain the escrow account only in such a manner as to be under the direct supervision and control of the independent escrow agent. The independent escrow agent shall have a fiduciary duty to each consumer timeshare reseller to maintain the escrow account in accordance with good accounting practices and to release the consumer timeshare reseller's funds or other property from escrow only in accordance with this section.

(f) All funds that are received from or on behalf of a consumer timeshare reseller under a timeshare transfer services agreement shall be deposited into the escrow account. A fee, cost, or other compensation that is due or that will be paid to the transfer service provider must be held in the escrow account until the transfer service provider has fully complied with all of the obligations under the timeshare transfer services agreement and this section.

(g) The funds required to be escrowed may only be released from escrow as follows:

(1) On the order of the transfer service provider upon presentation of an affidavit by the transfer service provider that all promised timeshare transfer services have been performed as set forth in the timeshare transfer services agreement, including delivery to both the consumer timeshare reseller and the timeshare program managing entity of either, as applicable: (i) a copy of the recorded instrument or other legal document evidencing the transfer of ownership of or legal title to the consumer resale timeshare to the transferee or (ii) a copy of the legal document executed by the vendor or obligee evidencing the termination of the timeshare instrument or timeshare loan obligation relating to the consumer resale timeshare.

(2) To a managing entity to pay any assessments, transfer fees, or other moneys owed with respect to the consumer resale timeshare or to pay a governmental agency for the purpose of completing and perfecting the transfer.

(h) The independent escrow agent shall retain all timeshare transfer services agreements, escrow account records, and affidavits received pursuant to this subsection for a period of five years.
(i) A transfer service provider, an agent or third-party service provider for the transfer services provider, or an independent escrow agent who intentionally fails to comply with the provisions of this subsection concerning the establishment of an escrow account, deposits of funds into escrow, withdrawal therefrom, and maintenance of records is guilty of a Class E felony.

(j) The provisions of this section that apply to transfer service providers do not apply to any of the following:

(1) A resale broker who offers timeshare transfer services to a consumer timeshare reseller, so long as the resale broker complies in all respects with the provisions of Article 1 of this Chapter.

(2) An attorney who is licensed in this State and a member in good standing or a title insurer or agent licensed in this State in good standing who offers timeshare transfer services to a consumer timeshare reseller.

(3) A mortgagee or servicer or lienor, or agent or contractor of a mortgagee or servicer or lienor, to the extent that any of them offers timeshare transfer services to an obligor related to a mortgage, lien, or other encumbrance of a mortgagee, servicer, or lienor against the obligor's timeshare.

(k) This section shall not apply to the transfer of ownership of a consumer resale timeshare from a consumer timeshare reseller to the developer or managing entity of that timeshare program unless and only to the extent the transfer includes the assistance of a transfer service provider.

(l) Only an attorney licensed in this State or any person authorized to perform nonjudicial foreclosures pursuant to this Article may offer services to a consumer timeshare reseller in connection with an involuntary transfer, or proposed involuntary transfer, of a consumer resale timeshare.

(m) Notwithstanding obligations placed upon any other persons by this section, it is the duty of a transfer service provider to supervise, manage, and control all aspects of the offering of timeshare transfer services by any agent or employee of the transfer service provider. Any violation of this section that occurs during such offering shall be deemed a violation by the transfer service provider as well as by the person actually committing the violation.

(n) Providing timeshare transfer services with respect to a consumer resale timeshare in a timeshare property located or offered within this State, or in a multisite timeshare program registered or required to be registered to be offered in this State, including acting as an agent or third-party service provider for a transfer service provider, constitutes operating, conducting, engaging in, or carrying on a business or business venture in this State.

(o) The use of any unfair or deceptive act or practice by any person in connection with timeshare transfer services is a violation of this act.

(p) An owner, managing entity, or developer may bring an action for injunctive relief and recover their reasonable attorney fees and costs against a timeshare service provider for a violation of this section.

(q) Upon a consumer timeshare reseller's request, the developer or managing entity shall provide information regarding relinquishment or other disposition options of the consumer timeshare reseller's timeshare available to the timeshare reseller through the developer or managing entity, if available.

§ 93A-69. Timeshare program extensions.

(a) Unless the timeshare declaration specifically provides a lower percentage, the vote or written consent, or both, of at least sixty-six percent (66%) of all eligible voting interests present in person or by proxy at a duly noticed, called, and constituted meeting of the owners may, at any time, extend the term of the timeshare program. If the term of a timeshare program is extended pursuant to this section, all rights, privileges, duties, and obligations created under applicable law or the timeshare declaration continue in full force to the same extent as if the
extended termination date of the timeshare program were the original termination date of the timeshare program.

(b) Unless the timeshare declaration specifically provides for a lower quorum, the quorum for the timeshare owners' association meeting to extend the timeshare program is fifty percent (50%) of all eligible voting interests in the timeshare program.

(c) The owners' association meeting held pursuant to subsection (a) of this section may be held at any time before the termination of the timeshare program.

(d) The managing entity may determine that any voting interest that is delinquent in the payment of more than two years of assessments is ineligible to vote on any extension of the timeshare program unless such delinquency is paid in full before the vote.

(e) A proxy for a vote to extend a timeshare program pursuant to this section is valid for up to three years and is revocable unless the proxy states it is irrevocable.

(f) If an extension vote or consent pursuant to this section is proposed for a timeshare project of a multisite timeshare program located in this State, the proposed extension is effective only if the person authorized to make additions or substitutions of accommodations and facilities pursuant to the timeshare declaration also approves the extension.

§ 93A-69.1. Timeshare program terminations.

(a) Unless the timeshare declaration provides otherwise, the vote or written consent, or both, of sixty percent (60%) of all voting interests in a timeshare program may terminate the term of the timeshare program at any time. If a timeshare program is terminated pursuant to this section, the termination has immediate effect pursuant to applicable law and the timeshare declaration as if the effective date of the termination were the original date of termination.

(b) If the timeshare property is managed by a timeshare owners' association that is separate from any underlying owners' association, the termination of a timeshare program does not change the corporate status of the timeshare owners' association. The timeshare owners' association continues to exist only for the purposes of concluding its affairs, prosecuting and defending actions by or against it, collecting and discharging obligations, disposing of and conveying its property, collecting and dividing its assets, and otherwise complying with this subsection.

(c) After termination of a timeshare program, the managing entity or the board, if there is a timeshare owners' association, shall serve as the termination trustee, and in a fiduciary capacity may bring an action in partition on behalf of the tenants in common in each former timeshare property or sell the former timeshare property in any manner and to any person who is approved by a majority of all tenants in common. The termination trustee shall have all other powers reasonably necessary to effect the partition or sale of the former timeshare property, including the power to maintain the property during the pendency of any partition action or sale.

(d) All reasonable expenses incurred by the termination trustee relating to the performance of its duties pursuant to this section, including reasonable attorneys' fees and other professionals, must be paid by the tenants in common of the former timeshare property subject to partition or sale proportionate to their respective ownership interests.

(e) The termination trustee shall adopt reasonable procedures to implement the partition or sale of the former timeshare property and comply with the requirements of this section.

(f) If a timeshare program is terminated in an underlying property regime and the underlying property regime is not simultaneously terminated, a majority of the tenants in common in each former timeshare unit present and voting in person or by proxy at a meeting of tenants in common conducted by the termination trustee, or conducted by the board of the owners' association of the underlying property regime, if the owners' association managed the former timeshare property, shall designate a voting representative for the timeshare unit and file a voting certificate with the owners' association for the underlying regime. The voting representative may vote on all matters at meetings of the owners' association for the underlying regime, including termination of the underlying regime.
(g) Unless the timeshare declaration provides otherwise, this section applies only to a
timeshare program that has been in existence for at least 25 years as of the effective date of the
termination vote or consent.

(h) If a termination vote or consent is proposed for a timeshare project of a multisite
timeshare program located in this State, the proposed termination is effective only if the person
authorized to make additions or substitutions of accommodations and facilities pursuant to the
timeshare instrument also approves the termination."

SECTION 2.(a) G.S. 47C-1-103 reads as rewritten:

"§ 47C-1-103. Definitions.

In the declaration and bylaws, unless specifically provided otherwise or the context otherwise
requires, and in this chapter:

…

(24) "Time share" means a "time—share"—"timeshare" as defined in G.S.
93A-41(9), G.S. 93A-41(34).

…"

SECTION 2.(b) G.S. 53-244.030 reads as rewritten:

"§ 53-244.030. Definitions.

For purposes of the Article, the following definitions apply:

…

(21) "Mortgage loan originator" means:

…

(3) The term does not include:

…

3. A person or entity solely involved in extensions of credit or
sale of timeshare instruments relating to timeshare plans, as that term is defined in G.S. 93A-41(9a),
G.S. 93A-41(37); or

…"

SECTION 2.(c) G.S. 66-232 reads as rewritten:


For purposes of this Article the following definitions apply:

…

(9) "Membership camping contract" or "membership camping agreement" means
any written agreement of more than one year's duration, executed in whole or
in part within this State, which grants to a purchaser a right or license to use
the campground of a membership camping operator or any portion thereof.
Any agreement which constitutes a "time-share instrument"—"timeshare
instrument" as defined in G.S. 93A-41 is excluded from this definition.

…"

SECTION 3. This act is effective when it becomes law.