

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

SENATE BILL 877
RATIFIED BILL

AN ACT TO EXEMPT CERTAIN REAL ESTATE TIME SHARES FROM THE RULE AGAINST PERPETUITIES.

The General Assembly of North Carolina enacts:

SECTION 1. Article 4 of Chapter 93A of the General Statutes is amended by adding a new section to read:

"§ 93A-42.1. Construction and validity of declarations adopted prior to the Time Share Act.

(a) All provisions contained in time share 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 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 declaration, the board of directors of a time share project may, by an affirmative vote of two-thirds of the board, amend a provision within the time share 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 declaration recorded prior to July 1, 1984.

(2) The provision either converts or provides a mechanism to convert ownership of time share units to tenancy in common.

(d) Title or interest in a time share project or unit is not rendered unmarketable or otherwise affected by reason of an insubstantial failure of the time share 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.

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



SECTION 2. This act is effective when it becomes law.
In the General Assembly read three times and ratified this the 25th day of July, 2014.

s/ Philip E. Berger
Presiding Officer of the Senate

s/ Thom Tillis
Speaker of the House of Representatives

Pat McCrory
Governor

Approved _____ .m. this _____ day of _____, 2014