

Part 6. Binding Reservation Agreement and Continuing Care Contract.

**§ 58-64A-170. Binding reservation agreement.**

A binding reservation agreement shall include all of the following:

- (1) A provision that the person entering into the agreement may rescind the agreement within 30 days following the later of the following occurrences: (i) the execution of the agreement or (ii) the receipt of a disclosure statement that meets the requirements of G.S. 58-64A-150.
- (2) A provision that the agreement shall be automatically canceled if either of the following occurs: (i) a depositor dies before signing a continuing care contract or (ii) a depositor would be precluded from signing a continuing care contract and occupying a living unit in the continuing care retirement community under the terms of a continuing care contract due to illness, injury, or incapacity.
- (3) A provision that, if an agreement is rescinded, automatically canceled, or otherwise canceled by the depositor, the depositor shall receive a refund of all money or other consideration transferred to the provider. All of the following shall be deducted from the depositor's refund:
  - a. Nonstandard costs specifically incurred by the provider at the request of the depositor and described in the agreement.
  - b. Any nonrefundable fees specifically set forth in the agreement.
  - c. Any service charge specifically set forth in the agreement that shall not exceed the greater of (i) three thousand dollars (\$3,000) or (ii) two percent (2%) of the entrance fee. In no event shall the service charge exceed the amount of consideration transferred to the provider by the depositor or a service charge be assessed due to the termination of the agreement because of the failure of the provider to meet its obligations under the agreement, or upon the failure of the provider to obtain a permanent license in accordance with this Article.
- (4) A provision that any refund due to a depositor for a cancellation or termination for reasons not provided for in this section shall be computed in accordance with the terms of the agreement. (2025-58, s. 2.)