

SALES CONTRACT WITHOUT REASON AND WITHOUT LIABILITY. THE PURCHASER, UPON CANCELLATION, IS ENTITLED TO THE RETURN OF ANY DEPOSITS MADE ON ACCOUNT OF THE CONTRACT. THE RIGHTS OF THE PURCHASER UNDER THIS SECTION MAY NOT BE WAIVED, AND ANY ATTEMPTED WAIVER IS VOID.

11A-116.

(A) (1) ALL PURCHASE MONEY RECEIVED BY OR ON BEHALF OF A DEVELOPER FROM A PURCHASER FOR THE PURCHASE OR RESERVATION OF A TIME-SHARE SHALL BE DEPOSITED IN AN ESCROW ACCOUNT DESIGNATED SOLELY FOR THAT PURPOSE WITH A FINANCIAL INSTITUTION WHOSE ACCOUNTS ARE INSURED BY A GOVERNMENT AGENCY UNTIL THE EXPIRATION OF THE TIME FOR CANCELLATION OR ANY LATER TIME PROVIDED IN THE CONTRACT.

(2) AFTER THE EXPIRATION OF THE CANCELLATION PERIOD OR THAT PROVIDED IN THE CONTRACT, IF NO NOTICE OF CANCELLATION IS RECEIVED, SUCH FUNDS OR INSTRUMENTS MAY BE RELEASED AS PROVIDED IN SUBSECTION (B).

(B) ANY PURCHASE MONEY RECEIVED BY OR ON BEHALF OF A DEVELOPER FROM PURCHASERS OF TIME-SHARES MAY BE RELEASED TO THE DEVELOPER, PROVIDED HE MAINTAINS A SURETY BOND FOR THE BENEFIT OF EACH PURCHASER OF A TIME-SHARE, UNTIL THE HAPPENING OF THE EARLIER OF:

(1) THE CONVEYING OF GOOD AND MERCHANTABLE TITLE TO THE TIME-SHARE ESTATE OR THE GRANTING OF AN UNENCUMBERED RIGHT TO USE THE TIME-SHARE PROJECT PURSUANT TO A TIME-SHARE LICENSE;

(2) THE RETURN OF THE PURCHASE MONEY TO THE PURCHASER; OR

(3) THE FORFEITURE OF THE PURCHASE MONEY BY THE PURCHASER, UNDER THE TERMS OF THE CONTRACT.

(C) AS USED IN THIS SECTION THE WORD "BOND" INCLUDES A BOND ISSUED BY A SURETY OR A LETTER OF CREDIT ISSUED BY A FINANCIAL INSTITUTION BY AN ISSUER ACCEPTABLE TO THE COMMISSION AND IN A FORM ACCEPTABLE TO THE COMMISSION.

(D) THE BOND MAY NOT BE CANCELED BY THE SURETY UNTIL 30 DAYS AFTER THE SURETY GIVES NOTICE OF CANCELLATION TO THE COMMISSION.

(E) THE PENALTY OF THE BOND SHALL BE ADJUSTED FROM TIME TO TIME IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

TOTAL AMOUNT OF PURCHASE MONEY HELD	PENALTY OF BOND
(1) ZERO TO \$200,000	\$ 100,000
(2) \$200,000 TO \$500,000	200,000