

is prevented from enjoying exclusive occupancy of a time-share unit, or a statement that none is provided in the instrument; and

[(6)] (5) If the time-share owners are to be permitted or required to become members of or to participate in any exchange program, a statement containing the information set forth in § 11A-120.

(g) A developer shall promptly amend the public offering statement to report any material change in the required information. Insofar as the developer relies in good faith on information provided by others in making the required disclosures about exchange programs, he is responsible for a misrepresentation only if he has knowledge of its falsity.

(h) (1) At any time that a time-share project is registered with the Securities and Exchange Commission of the United States, a developer satisfies all requirements relating to the preparation of a public offering statement under this section if he delivers to the time-share purchaser and files with the Secretary of State and the Commission a copy of the public offering statement filed with the Securities and Exchange Commission if that contains substantially the same information as is required in a public offering statement under this title.

(2) The mere offering of a time-share or the offering of an exchange program in conjunction with the offering or sale of a time-share in this State shall not constitute a security under the laws of this State.

11A-116.

(a) (1) IN THIS SECTION "PURCHASE MONEY" INCLUDES ANY MONEY, NOTE, SECURITY, OR OTHER MONETARY CONSIDERATION PAID BY A PURCHASER FOR A TIME-SHARE.

[(1)] (2) 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)] (3) 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: