

AFTER NOTICE OF THE PROPOSED CANCELLATION HAS BEEN MAILED TO THE MANAGING ENTITY AND EACH PERSON TO WHOM A CERTIFICATE OR MEMORANDUM OF INSURANCE HAS BEEN ISSUED.

(D) (1) EXCEPT TO THE EXTENT THAT A PROJECT INSTRUMENT REQUIRES OTHERWISE AND TO THE EXTENT OF THE PROCEEDS AVAILABLE, ANY PORTION OF THE TIME-SHARE PROJECT DAMAGED OR DESTROYED SHALL BE REPAIRED OR REPLACED PROMPTLY BY THE MANAGING ENTITY UNLESS:

(I) ANOTHER PERSON REPAIRS OR REPLACES IT;

(II) THERE IS A TERMINATION OF THE TIME-SHARE PROJECT;

(III) REPAIR OR REPLACEMENT WOULD BE ILLEGAL UNDER ANY STATE OR LOCAL HEALTH OR SAFETY STATUTE OR ORDINANCE;

(IV) 50 PERCENT OF THE TIME-SHARE OWNERS, INCLUDING 80 PERCENT OF OWNERS OF EVERY TIME-SHARE IN A TIME-SHARE UNIT THAT WILL NOT BE REBUILT, VOTE NOT TO REBUILD; OR

(V) A DECISION NOT TO REBUILD THE DAMAGED PROPERTY IS MADE BY ANOTHER PERSON EMPOWERED TO MAKE THAT DECISION.

(2) THE COST OF REPAIR OR REPLACEMENT IN EXCESS OF INSURANCE PROCEEDS AND RESERVES SHALL BE A TIME-SHARE EXPENSE.

(3) IF THE ENTIRE TIME-SHARE PROJECT NEED NOT BE REPAIRED OR REPLACED, UNLESS THE TIME-SHARE INSTRUMENT PROVIDES OTHERWISE:

(I) THE INSURANCE PROCEEDS ATTRIBUTABLE TO THE DAMAGED AREA MUST BE USED TO RESTORE THE DAMAGED AREA TO A CONDITION COMPATIBLE WITH THE REMAINDER OF THE PROJECT; AND

(II) THE INSURANCE PROCEEDS ATTRIBUTABLE TO TIME-SHARE UNITS THAT ARE NOT REBUILT SHALL BE DISTRIBUTED AS IF THOSE UNITS CONSTITUTED A TIME-SHARE PROJECT IN WHICH ALL TIME-SHARES ARE TERMINATED.

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(A) ANY DEVELOPER OR OTHER PERSON IN THE BUSINESS OF SELLING REAL ESTATE WHO OFFERS A TIME-SHARE FOR HIS OWN ACCOUNT TO A PURCHASER SHALL DELIVER A PUBLIC OFFERING STATEMENT TO THE PURCHASER BEFORE TRANSFER OF THE TIME-SHARE AND NO LATER THAN THE DATE OF THE CONTRACT.

(B) (1) A PUBLIC OFFERING STATEMENT TOGETHER WITH A FEE OF \$100, MUST BE FILED WITH, AND APPROVED BY, THE SECRETARY OF STATE PRIOR TO BEING DELIVERED TO ANY TIME-SHARE PURCHASER. THE SECRETARY OF STATE SHALL DETERMINE WHETHER THE PUBLIC OFFERING STATEMENT SATISFIES THE REQUIREMENTS OF THIS TITLE, AND SHALL EITHER APPROVE OR REJECT WITHIN 45 DAYS OF RECEIPT. AFTER