

on account of damage or destruction to units shall be allocated and assigned for the owners of the damaged or destroyed units in proportion to the cost of repairing or reconstructing the damage or destruction suffered by each such owner. In the event that a mortgagee endorsement has been issued as to any particular unit, the share of such unit owner shall be held in trust for such owner and his mortgagee as their interests may appear.

(c) Proceeds of insurance policies received by the Insurance Trustee shall be disbursed as follows:

- (i) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, all expenses of the Insurance Trustee shall be first paid and the remaining proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment for such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs shall be paid into the Common Expense Fund for the benefit of all owners.
- (ii) If it is determined as provided for in Section 6.04 that the damage or destruction for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed to such persons as therein provided.
- (iii) Any and all disbursements of funds by the Insurance Trustee for any purpose whatsoever shall be made pursuant to and in accordance with a certificate of the Association signed by the President or Vice-President and attested by the Secretary or assistant secretary directing the Insurance Trustee as to the disbursements.

If the damage or destruction is to the common elements and is to be repaired or reconstructed, said certificate shall also be signed by or on behalf of the mortgagee known by the Insurance Trustee to have the largest interest in or lien upon such common elements.

If the damage or destruction is to one or more units and is to be repaired or reconstructed, said certificate shall also be signed by or on behalf of the mortgagee or mortgagees, if any, known by the Insurance Trustee to have an interest in or lien upon such unit or units.