

the Unit co-owner, as their interest may appear; provided, however, that no Mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired.

3. Distribution of Proceeds: Proceeds of Insurance Policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial co-owners and expended or disbursed after first paying or making provisions for the payment of the expenses of the Insurance Trustee in the following manner:

(a) Reconstruction or Repair: If the damage for which the proceeds were paid is to be repaired and restored, the remaining proceeds shall be paid to defray the cost thereof, as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial co-owners, all remittances to Unit co-owners and their mortgagees being payable jointly to them.

(b) Failure to Reconstruct or Repair: If it is determined that the damage for which the proceeds are paid shall not be repaired and restored, the proceeds shall be disbursed to the beneficial co-owners; remittances to Unit co-owners and their mortgagees being payable jointly to them.

(c) Certificate: In making distribution to Unit co-owners and their mortgagees, the Insurance Trustee may rely upon a Certificate of the Board of Administration as to the names of the Unit co-owners and their respective shares of the distribution, approved in writing by an Attorney authorized to practice law in the State of South Carolina or a Title Insurance Company authorized to do business in the State of South Carolina.

4. Loss Within a Single Unit: If loss shall occur within a single Unit or Units, without damage to the General Common Elements of this property, then in such event, the insurance proceeds shall be distributed to the beneficial Unit co-owners(s), remittances to Unit co-owners and their mortgagees being payable jointly to them.

5. Loss Less Than "Very Substantial": Where a loss or damage occurs to any Unit or Units and the General Common Elements, or to the General Common Elements but said loss is less than "very substantial" (as hereinafter defined), it shall be obligatory upon the Association and the Unit owners to repair, restore and rebuild the damage caused by the loss. Where such loss or damage is less than "Very Substantial":

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