

shall be paid to the Association and a Trustee which shall be a banking institution selected by the Board of Directors, which Trustee is herein referred to as the Insurance Trustee. Immediately upon the receipt by the Association of such proceeds, the Association shall endorse the instrument by means of which such proceeds are paid and delivered or caused to be delivered such instrument to the Insurance Trustee. The Insurance Trustee shall not be liable for payment of premiums, for the renewal or the sufficiency of the policies or for the failure to collect any insurance proceeds. Nor shall the Insurance Trustee have any obligation to inspect the Property to determine whether a loss has been sustained or to file any claim or claims against any insurer or any other Person.

(b) The duty of the Insurance Trustee shall be to receive proceeds delivered to it and to hold such proceeds in trust for the benefit of the Owners and their mortgagees in the following shares, but which shares need not be set forth in the records of the Insurance Trustee. An undivided share of such proceeds on account of damage or destruction to the General or Limited Common Elements shall be held in trust for the Owners in accordance with their respective percentages of undivided interest in and to the General Common Elements. Proceeds on account of damage or destruction to Units shall be held in trust 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:

- (1) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, all expenses of the Insurance Trustee incurred in handling these funds 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

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