

following shares, which shares need not be set forth upon the records of the Insurance Trustee:

(a) Proceeds on account of damage to general common elements and limited common elements in the same proportion as the undivided shares in the general common elements and limited common elements which are appurtenant to each unit.

(b) Proceeds on account of damage to units shall be held in the following undivided shares:

(i) for the owners of units which have been damaged or destroyed, in proportion to the cost of repairing the damage (exclusive of a unit owner's alterations and additions) suffered by each unit owner in the circumstances where the number of units destroyed, if any, is fewer than all of the units and the damaged or destroyed units are to be restored;

(ii) for owners of all units in the condominium, each owner's share being in proportion to his/her percentage interest in the common areas and facilities, in the circumstances of total destruction of all units or in the circumstances when units are not to be restored.

(c) Each person who hereafter becomes a unit owner thereby appoints the Board of Directors as agent for each residence owner to adjust all claims arising under insurance policies purchased by the Association, and for the purpose of executing and delivering releases therefor upon payment of claims, subject to the rights of mortgagees of such unit owner, such appointment being coupled with an interest and irrevocable.

(d) In the event a mortgagee endorsement has been issued as to a unit, the share of the unit owner shall be held in trust for the mortgagee and the unit owner as their interests 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, and no mortgagee shall have the right to apply or have applied to the reduction of any mortgage debt any insurance proceeds except distributions of such proceeds made to the owner of the unit and mortgagee pursuant to the provisions of this Declaration.