

policy on the Property cannot be cancelled, invalidated or suspended on account of any one or more individual Owners; and (4) that the master policy on the Property cannot be cancelled, invalidated or suspended on account of the conduct of any director, officer or employee of the Association without a prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, any Owner or mortgagee.

Section 2. No Partition. There shall be no judicial partition of the Property or any part thereof, nor shall the Developer or any Person acquiring an interest in the Property or any part thereof seek any such judicial partition until the happening of the conditions set forth in Section 4 of this Section XIII in the case of damage or destruction or unless the Property has been removed from the provisions of the Horizontal Property Act as hereinafter prescribed.

Section 3. Use of Proceeds.

(a) All insurance policies purchased by and in the name of the Association shall provide that proceeds covering Property losses shall be paid to the Association.

(b) The duty of the Board of Directors, upon receiving any insurance proceeds, shall be to hold such proceeds in trust for the benefit of the Owners and their mortgagees in the following shares. 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 Offices shall be held in trust for the Owners of the damaged or destroyed Offices 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 Office, the share of such Office Owner shall be held in trust for such Owner and his mortgagee as their interests may appear.

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