

(c) Proceeds of insurance policies received by the Board 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 Board incurred in handling these funds shall be first paid and the remaining proceeds, or such portion thereof as may be required for such purposes, shall be disbursed in payment for such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such expenses of the Board and paying the cost of repairs or reconstruction shall be disbursed to the beneficial owners, remittances to Office Owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of an Office and may be enforced by such mortgagee.
- (2) If it is determined as provided for in Section 4 of this Section XIII 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.
- (3) Any and all disbursements of funds, whether such funds consist of insurance proceeds, special assessments, sales proceeds or any combination thereof, to be made by the Board of 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 setting forth whether or not the damage or destruction is to be repaired or reconstructed and whether the damage or destruction was to the General or Limited Common Elements or one or more Townhomes or both. If the damage or destruction is not to be repaired or reconstructed, said certificate shall direct that disbursements be made by the Board as provided in accordance with the terms of Section 4(c) of this Section XIII.

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