

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, as shown on Exhibit B, 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 unit 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 rights 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.

5. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the unit owners in the following manner:

(a) All expenses connected with the adjustment of the loss and the collection of such proceeds, including expenses of the Insurance Trustee, shall be first paid or provisions made for the payment thereof.

(b) If the damage for which such proceeds are paid is to be repaired, restored, reconstructed, or rebuilt, the remaining proceeds shall be paid to defray the cost thereof. Any