

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 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 Unit Owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of an Unit 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 insurance proceeds to be made by the Board for 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 Common Elements or one or more Units or both. If the damage or destruction is not to be repaired or reconstructed, said

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