

c. In the event a mortgagee endorsement has been issued as to a residence, the share of a residence owner shall be held in trust for the mortgagee and the residence owner as their interests appear.

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

a. Appropriate expenses of the Insurance Trustee shall be first paid or provision made therefor.

b. If the damage for which the proceeds are paid is to be repaired, reconstructed or rebuilt, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, remittances to residence owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a residence owner and may be enforced by him.

c. If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be repaired, reconstructed or rebuilt, the remaining proceeds shall be distributed in accordance with Article XV Section E.

ARTICLE XV
(Repair, Reconstruction and Rebuilding)

Repair, reconstruction or rebuilding of all or a portion of the property in the condominium following damage or destruction thereof by casualty, shall be governed by the following provisions:

A. Determination by Association. If all or part of the property in the condominium is damaged or destroyed by casualty, the Association shall determine whether or not to repair, reconstruct or rebuild. Such determination shall be made as follows:

1. Common areas, limited common areas and facilities. If the damage is confined to the common areas, limited common areas and facilities, the damaged areas shall be repaired, reconstructed or rebuilt unless otherwise unanimously agreed upon by the co-owners.

2. Residences.

Lesser damage. If any residence is damaged but no residence rendered untenable, the property damaged (including residences, common areas, limited common areas and facilities) shall be repaired, reconstructed or rebuilt upon the written application of any residence owner.

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