

owners as their interests may appear.

(c) Certificate. Notwithstanding any provisions to the contrary contained herein, the Insurance Trustee shall not be required to determine whether or not a disbursement is to be made from the construction fund nor to determine the payee nor the amounts to be paid. Instead, the Insurance Trustee may rely upon a certificate of the Manager stating that the sums to be paid are due and properly payable and stating the name of the payee and the amount to be paid; provided, however, that when a mortgagee is herein required to be named as payee, the Manager and Insurance Trustee shall also name the mortgagee as payee of any disbursement from the construction fund. Where a mortgagee is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund and the mortgagee so requires, the approval of an architect named by the Manager shall be first obtained by the Association as to any disbursements from the construction fund.

E. Failure to repair, reconstruct or rebuild. If the Association does not determine, within ninety (90) days of the date of any casualty damaging or destroying all or any part of the property in condominium, to repair, reconstruct, or rebuild, then in that event:

1. Property in condominium shall be deemed to be owned in common by the residence owners;
2. An undivided interest in the property owned in common which shall appertain to each residence owner shall be the percentage of undivided interest previously owned by such owner in the common areas and facilities.
3. Any liens affecting any of the residences shall be deemed to be transferred in accordance with the existing priorities to the percentage of the undivided interest of the residence owner in the property; and
4. The property shall be subject to an action for partition at the suit of any residence owner, in which event the net proceeds of sale shall be paid to the Insurance Trustee. Such net proceeds of sale together with the net proceeds of the insurance on the property shall be considered as one fund and shall be divided among all the residence owners in shares equal to the fractional shares of undivided interest owned by each owner in the property (taking into account a residence owner's increased share by reason of a "betterments" increase or endorsement). To the extent sufficient for the purpose, a residence owner's share shall first be paid to satisfy any lien on the undivided interest in the property owned by such residence owner.

XVIII. TAXES AND SPECIAL ASSESSMENTS

It is anticipated that taxes and any special assessments upon the property in the condominium will be assessed by the taxing authorities upon each residence owner, and that such assessments will include the assessed value of the residence and of the undivided interest of the residence owner in the common areas, limited common areas and facilities.

A. Any such taxes and special assessments upon the condominium property not so assessed shall be included in the budget of the Association as recurring expenses and shall be paid by the Association as a common expense.

B. Each residence owner is responsible for paying the taxes assessed or levied with respect to such residence owner's residence and undivided interest in the common areas, limited common areas and facilities.

XIX. EASEMENT FOR ENCROACHMENT

If any portion of the common elements now encroaches upon any unit or if any unit now encroaches upon any other unit or upon any portion of the common elements, or if any such encroachment shall occur hereafter as a result of (i) settling of the building, (ii) alteration or repair to the common elements made by or with consent of the Board of Administration, or (iii) as a result of repair or restoration of the building or any unit by damage by fire or other casualty, or (iv) as a result of condemnation or eminent domain proceedings, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the building or buildings stand.