

2. For owners of all units in the condominium, each owner's share being in proportion to his percentage interest in the common areas and facilities, in the circumstance of total destruction of all units or in the circumstance when units are not to be restored.

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

E. 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:

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

2. 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 unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a unit owner and may be enforced by him.

3. 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 subparagraph E of Appendix Two.