

the Insurance Trustee and funds collected by the Association from assessments against Unit owners, shall be disbursed in payment of such cost in the following manner:

22.8.3.1 If the amount of the estimated costs of reconstruction and repair exceeds the total of the annual assessments of Common Expenses thereof made during the year in which the casualty occurred, then the sums paid upon assessments to meet such costs shall be deposited by the Association with the Insurance Trustee.

22.8.3.2 The proceeds of insurance collected on account of a casualty, and the sums deposited with the Insurance Trustee from collections against Unit owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner:

i) The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with the Unit owner; to such contractors, suppliers and personnel as do the work or supply the materials or services required for such reconstruction or repair, in such amounts and at such times as the Unit owner may direct, or if there is a mortgage endorsement, then to such payees as the Unit owner and the first mortgagee direct. Nothing contained herein, however, shall be construed so as to limit or modify the responsibility of the Unit owner to make such reconstruction or repair.

ii) If the amount of the estimated cost of reconstruction and repair is less than the total of the annual assessment for Common Expenses made during the year in which the casualty occurred, then the construction fund shall be disbursed in payment of such costs upon the order of the Association; provided, however, that upon request of a mortgagee which is a beneficiary of the insurance policy, the proceeds of which are included in the construction fund shall be disbursed in the manner hereafter provided for the reconstruction and repair of major damage.

iii) If the amount of the estimated cost of reconstruction and repair of the building or other improvements is more than the total of the annual assessments for Common Expenses made during the year in which the casualty occurred, then the construction fund shall be applied by the Insurance Trustee to the payment to such costs, and shall be paid to or for the account of the Association from time to time as the work progresses, but not more frequently than once in any calendar month. Said Trustee shall make such payments upon a written request of the Association accompanied by a written certification signed by an architect in charge of the work, who shall be selected by the Association, setting forth (a) that the sum then requested is justly due to contractors, subcontractors, materialmen, architects, or other persons who have rendered services or furnished materials in connection with the work giving a brief description of the services and materials and several amounts so paid for withdrawal of insurance proceeds in any previous event pending request, or has been paid out of any proceeds of insurance received by the Association, and that the sum requested does not exceed the value of the services and materials described in the certificate, (b) that except for the amount stated in such certificate to be due as aforesaid, there is no outstanding indebtedness known to the person signing such certificate after due inquiry, which might become the basis of a vendor's, mechanic's, materialman's or similar lien upon such work, the Common Elements or any individual Unit, and (c) that the cost as estimated by the person signing such certificate of the work remaining to be done subsequent to the date of such certificate, does not exceed the amount of insurance proceeds remaining in the hands of the Insurance Trustee after the payment of the sum so requested.

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