

repaired or restored - for the co-owners of the damaged Units in proportion to the cost of repairing the damage suffered by each Unit co-owner.

(2) Total destruction of property improvements, or where "very substantial" damage occurs and the property improvements are not to be restored, as provided hereinafter in this Article - for the co-owners of all Units, each co-owner's share being in proportion of his share in the General Common Elements appurtenant to his Unit.

(c) Mortgagees. In the event a Mortgagee Endorsement has been issued as to a Unit, the share of the Unit co-owner shall be held in trust for the Mortgagee and the Unit co-owner, as their interest may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired.

(3) Distribution of Proceeds: Proceeds of Insurance Policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial co-owners and expended or disbursed after first paying or making provisions for the payment of the expenses of the Insurance Trustee in the following manner:

(a) Reconstruction or Repair: If the damage for which the proceeds were paid is to be repaired and restored, 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 co-owners, all remittances to Unit co-owners and their mortgagees being payable jointly to them.

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