

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.

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 B of Appendix Two.

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