

shall be disbursed as follows:

(i) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purposes, shall be disbursed in payment for such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs shall be paid to the Association for the benefit of all Owners and their mortgagees, if any.

(ii) If it is determined, as provided in Section 5.6, that the damage or destruction for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed to such persons as therein provided.

(iii) Any and all disbursements of funds by the Trustee for any purpose whatsoever shall be made pursuant to and in accordance with a certificate of the Association signed by the President and attested by the Secretary directing the Trustee to make the disbursements.

(iv) If the damage or destruction is to the Common Area and/or to the Limited Common Area, and is to be repaired or reconstructed, said certificate shall also be signed by or on behalf of the mortgagee known by the Trustee from the records of the Association to have the largest interest in or lien upon such Common Area and/or Limited Common Area; and if the damage or destruction is to one or more Units and is to be repaired or reconstructed, said certificates shall also be signed by the mortgagee or mortgagees having an interest in or lien upon such Unit or Units; provided, however, that all mortgagees requested to sign certificates shall be obligated to execute the same so long as repair or reconstruction or rebuilding is progressing in a reasonable manner. The Trustee shall not incur liability to any Owner, mortgagee or other person for any disbursements made by it pursuant to and in accordance with any such certificates or written authorizations.

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