

Section 5.6. Damage and Destruction.

(a) Immediately after all or any part of the Project covered by insurance is damaged or destroyed by fire or other casualty, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Section 5.6, means repairing or restoring the damaged property to substantially the same conditions in which it existed prior to the fire or other casualty, with each Unit, the Common Area and the Limited Common Area having the same vertical and horizontal boundaries as before.

(b) Any such damage or destruction to the Project shall be repaired unless all the Owners unanimously agree in writing not to repair, reconstruct or rebuild in accordance with the provisions of the Act; provided, however, that any such damage which requires the reconstruction of the whole or more than two-thirds (2/3) of the Projects as defined herein, shall not be compulsory unless all the Owners unanimously agreed in writing to repair, reconstruct or rebuild. If not reconstructed, the indemnity shall be delivered in accordance with the provisions of Paragraph (c) of this Section 5.6. Except as otherwise provided, any such damage or destruction which renders any Unit untenable or uninhabitable, or any such damage or destruction to the Common Area or Limited Common Area, shall be repaired and reconstructed as promptly as practicable. No mortgagee shall have any right to participate in the determination as to whether the damage or destruction shall be repaired, reconstructed or rebuilt.

(c) In the event that it is determined by the Association in the manner prescribed above that the damage or destruction

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

1328 (NY-2)