

property shall be reconstructed or repaired, and no mortgagee shall have the right to apply or have applied to the reduction of any mortgage debt any insurance proceeds except distributions of such proceeds made to the owner of the unit and mortgagee pursuant to the provisions of this Declaration.

5. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the unit owners in the following manner:

(a) All expenses connected with the adjustment of the loss and the collection of such proceeds, including expenses of the Insurance Trustees, shall be first paid or provisions made for the payment thereof.

(b) If the damage for which such proceeds are paid to be repaired, restored, reconstructed, or rebuilt, the remaining proceeds shall be paid to defray the cost thereof. Any proceeds remaining after defraying such cost shall be distributed to the beneficial owners, remittance to unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a unit owner and may be enforced by it.

(c) If it is determined in the manner elsewhere provided herein that the damage for which such proceeds are paid shall not be repaired and restored, the proceeds shall be disbursed to the beneficial owners, remittance to unit owners and their mortgagees being payable jointly to them.

(d) In making distribution to unit owners and their mortgagees, the Insurance Trustee may rely upon a certificate of the Association as to the names of the unit owners and their respective shares of the distribution. Such certificate shall be delivered to the Insurance Trustee upon its request.

6. Should a loss or damage occur to any unit or units and the general common elements and limited common elements but said loss shall be less than two-thirds (2/3) or more of the property, it shall be