



Property Act. In the situation in which reconstruction or repair is not to be undertaken, the insurance indemnity received by the Board shall be distributed pro rata to the Villa Owners and their mortgagees jointly in proportion to their respective interests in Common Elements. The remaining portion of the Condominium Property shall be subject to an action for partition at the suit of any Villa Owner or lienor as if owned in common. In the event of suit for partition, the net proceeds of sale, together with the net proceeds of insurance policies, shall be considered one fund and distributed pro-rata among all Co-Owners and their mortgagees jointly in proportion to their respective interests in Common Elements. In the situation in which reconstruction or repair is undertaken, the Condominium Property shall be reconstructed or repaired in the following manner:

1.1 Any reconstruction or repair must follow substantially the original plans and specifications of the Property (to be provided by Declarant to the Board, or management agent, and a portion of which are referenced on Exhibit "B" to the Master Deed) unless the Co-Owners holding eighty percent (80%) or more of the total interest in Common Elements or their mortgagees, if any, vote to adopt different plans and specifications. Unless authorized to the contrary as provided herein, the Board shall make best effort to reconstruct within the existing footprint, however, Board may deviate in non-material manner on the basis of advice of licensed contractor or architect.

1.2 The Board shall promptly obtain estimates of the cost required to restore the damaged property to its condition before the casualty occurred. Such costs may include such professional fees and premiums for bids as the Board deems necessary.

1.3 If the insurance proceeds paid to the Board are insufficient to cover the cost of reconstruction, the Association may use funds out of its reserve or replacement accounts, and, if still not sufficient, then the Association shall levy and collect an assessment against all Owners in an amount which shall provide the funds required to pay for the repair, replacement or reconstruction.

1.4 The insurance proceeds received by the Board and the mortgagees, and any special assessments collected to cover a deficiency in insurance shall constitute a construction fund from which the Board and the mortgagees, shall disburse payment of the costs of reconstruction and repair. The first disbursements from the construction fund shall be insurance proceeds; and if there is a balance in the fund after payment of all costs of reconstruction and repair, it shall be distributed to the Co-Owners who paid Special or Specific Assessments in proportion to their payments. Any balance remaining after such distribution shall be retained by the Association.

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