

E. Distribution of Proceeds. Proceeds of insurance policies received by association shall be distributed to or for the benefit of the beneficial Owners in the following manner:

1. Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the costs of such as elsewhere provided. Any proceeds which remain after defraying such costs shall be distributed to the beneficial Owners, remittance to Unit Owners and their mortgagees being payable jointly to them as their interests may appear. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by such mortgagee.

2. Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damage for which proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial Owners, remittances to Unit Owners and their mortgagees being payable jointly to them as their interest may appear. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by such mortgagee.

3. Certificate. In making distribution to Unit Owners and their mortgagees, the Insurance Trustee may rely upon a certificate of the Association, made by its President and Secretary, as to the names of the Unit Owners and their respective shares of the distribution.

F. Each individual Unit Owner shall be responsible for purchasing, at his own expense: Liability Insurance to cover accidents occurring within his own Unit, insurance to cover his own personal property, and Casualty Insurance as required by Florida Statute 718.111(11).

G. Association as Agent. The Association is irrevocably appointed agent for each Unit Owner and for each Owner of a mortgage or other lien upon a Unit and for each Owner of any other interest in the condominium property, to adjust all claims arising under insurance policies purchased by the Association, and to execute and deliver releases upon the payment of claims.

## ARTICLE X

### RECONSTRUCTION OR REPAIR AFTER CASUALTY

A. Determination to Reconstruct or Repair. If any part of the condominium property shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in the following manner:

1. Common Elements. If the damaged improvement is a common element, the damaged property shall be reconstructed or repaired unless it is

determined in the manner elsewhere provided that the condominium shall be terminated.

2. Resident Buildings.

a. Lesser Damage. If the damaged improvement is a building or buildings and if Units to which 50% of the common elements are appurtenant are found by the Board of Directors of the Association to be tenantable, the damaged property shall be reconstructed or repaired, unless within 60 days after the casualty it is determined by agreement of ninety percent (90%) of the Owners that the condominium shall be terminated.

b. Major Damage. If the damaged improvement is a building or buildings, and if Units to which more than ninety percent (90%) of the common elements are appurtenant are found by the Board of Directors to be not tenantable, then the damaged property will be reconstructed or repaired unless within 60 days after the casualty the Owners of ninety percent (90%) of the common elements agree in writing to such termination.

B. Plans and Specifications. Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original buildings, portions of which are attached hereto as exhibits; or if not, then according to plans and specifications approved by the Board of Directors of the Association, and if the damaged property is a Unit building or buildings, by the Owners of not less than two-thirds (2/3) of the common elements, which approval shall not be unreasonably withheld.

C. Responsibility. The Association shall be responsible for repair of all common items and any portions of the Unit for which the Association is responsible under Article VI of this Declaration. The Unit Owner shall be responsible for repair of all portions of his Unit for which he has responsibility under Article VI of this Declaration.

D. Estimates of Costs. As soon as reasonable after a determination is made to rebuild or repair damage to property for which the Association has the responsibility of reconstruction and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair. Such costs may include professional fees and premiums for such bonds as the Board of Directors desire.

E. Assessments. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction and repair by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair the funds for the payment of the costs of reconstruction and repair are insufficient, including the aforesaid fees and premiums, assessments shall be made in sufficient amounts to provide funds for the payment of such costs. Such assessments shall be in proportion to the damage suffered by a Unit.

F. Construction Funds. The funds for payment of costs of reconstruction and repair after casualty, which shall consist of proceeds of insurance and funds collected by the Association from the assessments against Unit Owners, shall be distributed in payment of such costs in the following manner:

1. Association. If the total assessments made by the Association in order to provide funds for payment of costs of reconstruction and repair that is the responsibility of the Association is more than One Hundred Thousand Dollars (\$100,000.00), then the sums paid upon such assessments may be deposited by the Association with an Insurance Trustee. In all other cases, the Association shall hold the sums paid upon such assessments and disburse them in payment of the costs of reconstruction and repair.

2. Insurance Trustee. The proceeds of insurance collected on account of a casualty and the sums deposited with the Insurance Trustee by the Association from collections of assessments against Unit Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of repair and reconstruction in the following manner and order:

a. Association - Lesser Damage. If the amount of the estimated costs of reconstruction and repair that is the responsibility of the Association is less than One Hundred Thousand Dollars (\$100,000.00), then the construction fund shall be disbursed in payment of such costs upon the order of the Association; provided, however, that upon request to the Insurance Trustee by a mortgagee that is a beneficiary or an insurance policy the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner provided for the reconstruction and repair of major damage.

b. Association - Major Damage. If the amount of the estimated costs of reconstruction and repair that is the responsibility of the Association is more than One Hundred Thousand Dollars (\$100,000.00), then the construction fund that may be held by the Insurance Trustee shall be disbursed in payment of such costs in the manner required by the Board of Directors of the Association and upon approval of an architect qualified to practice in Florida and employed by the Association to supervise the work.

c. Surplus. It shall be presumed that the first moneys disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund established, such balance shall be distributed to the Unit Owners in equal shares.

d. Certificate. Notwithstanding the provisions of this instrument, the Insurance Trustee shall not be required to determine whether or not sums paid by the Unit Owners upon assessments shall be deposited by the Association with the Insurance Trustee, nor to determine whether the disbursements from the

construction fund are to be upon the order of the Association or upon approval of an architect or otherwise, nor whether a disbursement is to be made from the construction fund, nor to determine the payee nor the amount to be paid. Instead, the Insurance Trustee may rely upon a certificate of the Association, made by its President and Secretary, as to any or all of such matters and stating that the sums to be paid are due and properly payable and stating the name of payee and the amount to be paid; provided, that when a mortgagee is required in this instrument to be named as payee, the Insurance Trustee shall also name the mortgagee as payee of any distribution of insurance proceeds to a Unit Owner; and further provided that when the Association, or a mortgagee that is the beneficiary of an insurance policy whose proceeds are included in the construction fund, so requires, the approval of an architect or engineer named by the Association shall be first obtained by the Association upon disbursements in payments of costs of reconstruction and repair.

## ARTICLE XI TRANSFER

### A. Transfer Subject to Approval.

1. Sale. No Unit Owner may dispose of Unit or any interest in a Unit by sale without approval of the Board of Directors of the Association.

2. Gift. If any Unit Owner shall acquire his title by gift, the continuance of his ownership of his Unit will be subject to approval of the Board of Directors of the Association.

3. Devise or Inheritance. If any Unit Owners shall acquire his title by devise or inheritance, the continuance of his ownership of his Unit will be subject to the approval of the Board of Directors of the Association.

4. Lease. Units shall not be leased without the prior written approval of the Committee appointed by the Board of Directors. The Board shall have the right to require that a substantially uniform form of lease be used. No lease shall be for a period of less than thirty (30) days; No unit may be leased for more than three (3) periods in a calendar year. The proposed tenants shall consist of not more than two (2) persons (including children) per bedroom in the Unit to be leased, and no pets shall be permitted in leased Units. Notwithstanding the lease of his Unit, the liability of the Unit Owner under this Declaration shall continue.

5. Other Transfers. If any Unit Owner shall acquire his title in any manner not considered in the foregoing sub-sections, the continuance of his ownership of his Unit will be subject to the approval of the Board of Directors of the Association. No Unit may be leased if the Owner is in arrears of any payment to the Association.

6. Transfer Fee. The Association may charge a reasonable fee in connection with any transfer as permitted by Florida law.