

ARTICLE X

Reconstruction or Repair of Casualty Damage

Damage to or destruction of the Building shall be promptly repaired and reconstructed by the Association using the proceeds of insurance, if any, on the Building for that purpose. Any Deficiency shall constitute a Common Expense.

Any reconstruction or repair of the Building shall be substantially in accordance with the original plans and specification.

Immediately after a casualty causing damage to the Condominium Property for which the Association has the responsibility of maintenance and repair, The association shall obtain reliable and detailed estimates of the cost to place the damages property in condition as good as that before the casualty.É Such costs may include professional feed and premiums for such bonds as the Association desire.

The proceeds of insurance collected on account of casualty, and the sums received 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 reconstruction and repair in the following manner:

(i) If the amount of the estimated cost of reconstruction and repair of the damaged or destroyed Condominium Property is less than \$25,000, then the construction fund shall be disbursed in payment of such costs upon order of the Associationâ provided, however, that upon request of a mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner provided in the following paragraph.

(ii) If the estimated cost of reconstruction and repair of the damaged or destroyed Condominium Property is more than \$25,000 then the Construction fund shall be disbursed in payment of such costs upon approval of an architect qualified and licensed to practice in New

Jersey and employed by the Association to supervise such work, payment to be made from time to time as the work progresses. The architect shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, subcontractors, materialmen, the architect, or other persons who have rendered service or furnished materials in connection with the work:

- (a) that the sums requested by them in payment are justly due and owing and that said sums do not exceed the value of the services and materials furnished;**
- (b) that there is no other outstanding indebtedness known to the said architect for the services and materials described; and**
- (c) that the cost as estimated by said architect for the work remaining to be done subsequent to the date of such certificate does not exceed the amount of the construction fund remaining after payment of the sum so requested.**

In the event there is any surplus of monies in the construction fund after the reconstruction or repair of the casualty damage has been fully completed and all costs paid such sums may be retained by the Association as a reserve or may be used in the discretion of the Board of Trustees of the Association, it may be distributed to the Unit Owners and their mortgagees who are the beneficial owners of the fund.