

gutters, downspouts, exterior storage rooms, and walls. If any encroachment shall occur subsequent to subjecting the Property to this Declaration as a result of settling or shifting of any building or as a result of any permissible repair, construction, reconstruction, or alteration, there is hereby created and shall be a valid easement for such encroachment and for the maintenance of the same. Every lot shall be subject to an easement for entry and encroachment by the Declarant for a period not to exceed eighteen (18) months following conveyance of a lot to an owner for the purpose of correcting any problems that may arise regarding grading and drainage. The Declarant, upon making entry for such purpose, shall restore the affected lot or lots to as near the original condition as practicable.

ARTICLE XII.

COVENANTS OF LOT OWNERS TO KEEP RESIDENCES INSURED AGAINST A LOSS, TO REBUILD AND TO KEEP IN GOOD REPAIR

Section 1. Insurance. Each lot owner agrees to obtain a hazard insurance policy insuring the reasonable value of his or her residence.

Section 2. Replacement. In the event of fire or other casualty each homeowner agrees to repair or reconstruct each damaged residence substantially identical to the destroyed residence unless a change shall be approved by the Association Directors, and shall be constructed in conformity with plans submitted to and approved by the Board of Directors and Architectural Committee prior to construction.

Section 3. Association Dues/Restoration Time. The obligation of the lots owner to pay annual association dues shall be suspended while the residence is being restored. In all events the residence shall be restored within a period of one hundred twenty (120) days. The Architectural Committee shall have the authority to extend this time in cases of unavoidable hardship.

Section 4. Failure to Rebuild. In the event a residence is damaged or destroyed and owner does not repair or reconstruct said residence with the work to begin within thirty (30) days following the damage or reconstruction, he shall remove or cause to be removed, at his expense, all debris from the lot, so that it shall be placed in a neat, clean and safe condition; and if he fails to do so, the Association may cause the debris to be removed, and the cost of removal shall constitute a lien upon the residence until paid by the owner, unless the residence is thereafter acquired by Association.

Section 5. Insurance Carried by Association. The Association agrees to carry such public liability insurance and adequate fidelity coverage, covering all parties responsible for