

within the Project. In the event that any Owner shall fail to install and maintain landscaping, including all slope areas within the Lot, in conformance with the Rules and Regulations, or shall allow his landscaping to deteriorate to a dangerous, unsafe, unsightly or unattractive condition, the Board, after Notice and Hearing, may enter such Owner's property for the purpose of remedying the condition, and such Owner shall promptly reimburse the Association for the cost thereof. Such cost may be levied by the Board as a Compliance Assessment.

10.4 Maintenance of Public Utilities. Nothing contained herein shall require or obligate the Association to maintain, replace or restore the underground facilities or public utilities which are located within easements in the Association Property owned by such public utilities. However, the Association shall take such steps as are necessary or convenient to ensure that such facilities are properly maintained, replaced or restored by such public utilities.

10.5 Damage and Destruction Affecting a Residence - Duty to Rebuild. In the event any Residence is damaged or destroyed by fire or other casualty, it shall be the duty of the Owner of such Residence to repair or reconstruct said Residence in a manner which will restore it to its condition and appearance immediately prior in time to such damage or destruction, or as otherwise approved by the Architectural Control Committee. The affected Owner shall be obligated to proceed, with all due diligence hereunder, and shall be responsible for commencing reconstruction within three (3) months after the damage occurs, and completing such reconstruction as soon as reasonably possible thereafter.

ARTICLE 11

DAMAGE OR DESTRUCTION TO THE ASSOCIATION PROPERTY

11.1 Restoration of Damaged Association Property. Damage to or destruction of all or any portion of the Association Property shall be handled in the following manner:

a. In the event of damage to or destruction of the Association Property, and the insurance proceeds are sufficient to effect total restoration, the Association shall, as promptly as is practical, cause the Association Property to be repaired and reconstructed in a good workmanlike manner to its condition prior to such damage or destruction;

b. If the insurance proceeds available are at least ninety percent (90%) of the estimated cost of total repair and reconstruction to the Association Property, the Association shall, as promptly as practical, cause such Association Property to be repaired and reconstructed in a good workmanlike manner to its condition prior to the damage or destruction, and the difference between the insurance proceeds and the actual cost shall be levied by the Association as a Special Assessment against each of the Lots on an equal basis; and

c. If the insurance proceeds available are less than ninety percent (90%) of the estimated cost of total repair and reconstruction to the Association Property, the Owners shall, by the written consent or vote of a majority of the Owners, determine whether: (1) to restore the Association Property as promptly as practical to its condition prior to the damage or destruction, and to raise the necessary funds over and above the insurance proceeds available by levying Assessments against each of the Lots on an equal basis; or (2) to restore the Association Property in a way which utilizes all available proceeds and an additional amount not in excess of ten percent (10%) of the estimated cost of total reconstruction and repair to the Association Property, and which is assessable as provided above to all Lots, but which is less expensive than restoring the Association Property to its condition prior to the damage or destruction.

11.2 Retention of Excess Insurance Proceeds in General Fund. In the event any excess insurance proceeds remain after restoring the destroyed Association Property pursuant to this Article, the Board shall retain such sums in the general fund of the Association.

11.3 Requirements of FHLMC, FNMA and VA/FHA. Notwithstanding the provisions of this Article, the Board shall comply with all requirements of the Article herein entitled "Mortgagee Protection."

11.4 Damage by Owners. To the extent permitted by law, each Owner shall be liable to the Association for any damage to the Association Property not fully reimbursed to the Association by insurance if the damage is sustained due to the negligence, willful misconduct, improper installation or maintenance of an Improvement by an Owner, his tenants, guests or invitees. The Board shall have the right, after Notice and Hearing, as provided in the By-Laws, to levy a Compliance Assessment for any damages so caused by an Owner, including, without limitation, the costs of any increased insurance premiums which are attributable to the damages caused by such Owner.

ARTICLE 12

CONDEMNATION

12.1 Distribution of Awards - Association Property. A condemnation award affecting all or any portion of the Association Property shall be remitted to the general fund of the Association.

12.2 Board of Directors as Attorney-in-Fact. All Owners, with the exception of the Secretary, United States Department of Veterans Affairs, an Officer of the United States of America, hereby appoint the Board as their special attorney-in-fact to handle the negotiations, settlements and agreements pertaining to any condemnation affecting only the Association Property.