

**DECLARATION OF
COVENANTS, CONDITIONS, AND
RESTRICTIONS
FOR
SEVERSON TOWNHOMES
Addition to the Town of Alpine**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made effective October __, 2023, by Severson Investments, LLC, (the “Declarant”) for itself, its successors and assigns.

WHEREAS, Declarant desires to promote neighborhood stability and a sense of community, and provide for the preservation of the values of the real property described and depicted on that certain PLAT prepared by Surveyor Scherbel, Ltd., to be recorded in the land records of Lincoln County, Wyoming (the “Property”).

WHEREAS, in order to provide for the controlled use of the Property; and

WHEREAS, in order to protect the value and desirability of the Property in a manner consistent with the requirements of the applicable Lincoln County Land Use Regulations;

NOW THEREFORE, Declarant adopts the following Covenants, Conditions, and Restrictions (“Covenants”), and does hereby impose the same upon the Property, and hereby declares that said Property shall be held, sold, and conveyed subject to such Covenants hereinafter set forth.

The Covenants shall run with the Property and shall be binding upon all parties having or acquiring any right, title or interest in the Property, or any part thereof, and shall inure to the benefit of and be binding upon the Owners, their heirs, successors, and assigns, of the Property, or any interest therein.

**I.
DEFINITIONS**

The following words, when used in this Declaration shall have the following meanings:

1. **“Association”** shall mean the Severson Townhomes Homeowners’ Association. Association shall also mean Declarant until all 4 Units of Severson Townhomes have been sold or transferred to other owners.

2. **“Board”** or **“Board of Directors”** shall mean the board of directors of the Association.

3. **“Common Area”** shall mean the General Common Elements (GCE) and Limited Common Elements (LCE) as designated on the Plat. Common Area shall include sidewalks, driveways, pathways, roads, and streets located within the Property. The water pipelines, septic or sewer system connections, propane and other utilities are a part of the Common Area.

a. **“General Common Element”** shall mean those areas depicted on the Plat of the Property as GCE for use by more than one Owner.

b. **“Limited Common Element”** shall mean those areas depicted on the Plat of the Property as LCE for use by the Owner of the Townhome Unit with the same number.

4. **“Owner”** shall mean the record owner, whether one or more persons or entities of a fee simple title to any Unit, including contract sellers, but shall exclude those having such interest merely as security for the performance of any obligations.

5. **“Townhome Unit”** shall mean a Unit and limited common elements of the same number as depicted in the Plat, together with all fixtures and improvements, and the appurtenant undivided interest in the general common elements.

6. **“Unit”** shall mean an individual townhome as depicted in the Plat.

II. RULES, REGULATIONS, AND COMPLIANCE

1. **Compliance with rules and regulations.** Every Owner, and their family, agents, and social guests, shall comply with all rules and regulations set forth herein, as well as any rules and regulations hereafter adopted by the Association. It shall be each Owner's responsibility to assure that their family, agents, and social guests comply with the rules and regulations.

2. **Specific rules and regulations.**

a. Each Owner shall maintain their Townhome Unit at all times in a safe, sanitary and attractive condition, and shall promptly repair or correct any condition not consistent with the provisions of this Declaration and the rules and regulations of the Association.

b. No Owner shall engage in or permit any conduct on their Townhome Unit

or the General Common Elements that will interfere with the rights, comforts or convenience of other Owners, and their families, agents, or social guests, and the reasonable enjoyment by others of their Townhome Unit, and the General Common Elements.

c. No commercial, industrial, agricultural, or other non-residential use shall be permitted within the Property even if such use would be permitted under applicable zoning ordinances. The Association may make exceptions to this restriction for commercial uses that do not result in any significant additional use of the Common Areas (including the improvements therein), and will not unreasonably interfere with any other Owner's use or enjoyment of the Property.

d. Children and pets will be the direct responsibility of the Owner whose family, invitees, or social guests they are. Such Owner shall be responsible for full supervision of children and pets while within the Property and for compliance by them with all rules and regulations of the Association.

e. Owners are prohibited from renting out their Townhome Unit or any part thereof or improvement thereon for a period of time less than 6 months.

f. The personal property of Owners must be stored within buildings on their Townhome Unit. No supplies, materials or other articles may be stored outside of any approved structures. No linens, clothing, or laundry of any kind shall be hung outside on any Townhome Unit. Vehicles, boats, campers, and recreational vehicles shall be kept fully enclosed in a garage as depicted on the Plat. No more than two (2) vehicles, except the temporary parking of social guests' vehicles, shall be parked on a Unit. Vehicles which are not in running condition or are in a state of disrepair, and all motorcycles, ATVs, snowmobiles and other like vehicles, and all machinery and equipment, shall not be placed or stored anywhere on a Townhome Unit unless enclosed in a garage and out of the view of other Owners. Vehicles which are in violation of these rules and regulations shall be subject to being towed by the Association at the owners' expense (in addition to all other remedies available to the Association) and subject to applicable laws and ordinances.

g. Motorcycles, ATV's, snowmobiles and similar vehicles may be used only on the designated roads within the Property, and not otherwise on any Townhome Unit or within the Common Areas, or in any unsafe, noisy or offensive manner.

h. No Owner shall make or permit any disturbing noise, play or permit to be played any musical instrument, nor operate or permit to be operated any equipment, in such a manner within the Property as to disturb or annoy other Owners, and their families, agents, or social guests. A "reasonable person" standard shall be applied to determine what is disturbing or annoying to others. Owners may make written request in advance, and the Association may from time to time approve, temporary and occasional exceptions to this rule for extraordinary events, construction needs, or other purposes.

i. No hazardous, illegal, noxious, or offensive activities or materials shall be permitted within the Property, nor shall anything be done or placed within the Property which is or may become a nuisance. No flammable, combustible, explosive or hazardous fluids, chemicals or substances shall be kept, stored or distributed on a Townhome Unit or on the Common Areas, except as permitted by the Association.

j. No electronic equipment may be permitted in the Property which interferes with the television, radio, telephone or internet reception of another Owner.

k. Only high quality, exterior lighting shall be used to illuminate a Townhome Unit and/or the structures thereon. Such lighting shall only be installed and maintained as approved by the Association. All outside lighting shall be arranged, directed and/or shielded so as to prevent any significant light from shining onto adjacent Common Areas and/or other Townhome Units. Owners may also install temporary holiday lighting and decorations.

l. Pets shall not be allowed on General Common Elements except in the presence and control of the pet owner. Pet owners shall be responsible for picking up and cleaning up after their Pets. If the Board receives complaints from more than two owners regarding barking or aggressive behavior by the Pet, the Board is authorized to require suitable remedial measures, including, but not limited to, requiring a working barking collar and obedience training.

m. No livestock of any nature shall be kept, raised or maintained on a Lot. "Livestock" shall include but not be limited to: horses, donkeys, cattle, sheep, pigs, goats, llamas, alpacas, peacocks, turkeys, chickens, ducks, geese, or any other such animals not customarily kept as household pets in the area. Animal husbandry shall not be practiced in any form, and all pets shall be maintained for personal and family use and enjoyment only.

n. No hunting or trapping is allowed within the Property. No weapons may be shot or discharged within the Property. The killing or collection of fish (except as permitted above), amphibians, birds, and other wildlife is prohibited. The Association may make exceptions to these provisions when extraordinary circumstances (such as pest control needs) reasonably require it.

3. Remedies for non-compliance with rules and regulations. Failure of any Owner, or their family, agents, or social guests, to comply with the Association's rules and regulations shall be grounds for immediate action by the Association, which may include, but shall not be limited to: (a) an action to recover sums due for damage; (b) injunctive relief; (c) suspension of use of General Common Elements; (d) fines; (e) liens on the Townhome Unit or other property of Owner; or (f) any combination of such remedies, or other legal remedies, determined appropriate by the Association. If enforcement action is determined appropriate by the Association, the Association shall adhere to the following enforcement guidelines:

a. **Notice.** The Association shall notify the Owner in writing of the infraction or infractions. The notice shall include a description of how the infraction(s) may be cured (if the nature of the infraction is such that it can be cured), and give a time frame of not less than ten (10) calendar days from delivery of the notice to cure. The notice may also include a description of the recourse that will be imposed and/or taken by the Association (fines, legal action, suspension of rights) if the infraction(s) is(are) not timely cured.

b. **Opportunity to cure.** The applicable Owner shall be given between five (5) and ten (10) calendar days from delivery of the notice to cure the infraction(s) or present good reason why action should not be taken by the Association.

c. **Special meeting.** The Association may, but shall not be required to, meet to discuss the infraction(s) and hear from the applicable Owner.

d. **Association determination.** After delivery of notice, failure of the Owner to timely cure the infraction (if the nature of the infraction is such that it can be cured), and consideration of any reasons timely presented by the Owner why action should not be taken by the Association, as described above, the Association may take such further action and/or impose such remedy as is described herein, or as the Association deems appropriate for the infraction(s).

e. **Fines.** Fines shall not be construed to be an exclusive remedy for any infraction(s), and may be imposed in addition to all other rights and remedies to which the Association may be otherwise legally entitled. Fines shall be paid not later than five (5) days after notice of the imposition of the fine. If fines are not paid when due, they shall be treated as Special Assessments subject to the provisions for collection of assessments set forth herein. The Association may impose fines against an Owner as follows: (1) First infraction: a fine not in excess of \$100; (2) Second infraction: a fine not in excess of \$500; (3) Third and subsequent infractions, or infractions which are of a continuing nature: a fine not in excess of \$1,000.

II. THE HOMEOWNERS ASSOCIATION

1. **Formation.** Severson Townhomes Homeowners Association Inc., a Wyoming nonprofit corporation ("Association") shall be created once the Declarant has sold or transferred all four units within the Property.

2. **Board of Directors.** The Association shall be governed by a Board of Directors ("Board") consisting of three members. The initial Board shall be appointed or removed solely by the Declarant. The Declarant shall have sole control to appoint and remove all members of the Board for a period of one (1) year from the registration date of the Association. Thereafter, the members of the Board shall be elected by the majority vote of the Members.

3. **Terms of the Board.** The terms of Board members shall be two (2) years, provided that initial terms may be staggered so that at least one Board member shall be elected or designated

at each annual meeting of the Owners thereafter. The Board shall have full power and authority to manage the business and affairs of the Association, as more fully set forth in the Articles of Incorporation and Bylaws of the Association, and to enforce the provisions of this Declaration. Without limiting the foregoing, the Board shall have the authority to:

- Conduct all business and affairs of the Association.
- Enforce the provision of this Declaration.
- Adopt, amend, administer, and enforce any rule or regulation, and carry out the intent of these Covenants.
- Adopt, enact, and enforce a fine schedule for violations of these Covenants, or rules and regulations adopted by the Board.
- Contract for the removal of snow to provide necessary access by emergency vehicles, as required by Alpine Fire Service.
- To do all other acts necessary and desirable for the administration, operation and maintenance of the Property as provided in this Declaration.

4. Membership. Every Owner shall be a Member of the Association (“Member”). Membership shall be appurtenant to and may not be separated from Ownership of a Townhome Unit, and Ownership of a Townhome Unit shall be the sole qualification for membership. Each person and/or entity in any multi-owned Townhome Unit shall collectively constitute one Member.

5. Bylaws. The Association may have bylaws, which if adopted, shall supplement the provisions of this Declaration. In the event of a conflict between any such bylaws and this Declaration, the Declaration shall control.

6. Voting. Voting by Members of the Association upon any matter allowing or requiring a vote of the Members shall be as follows: there shall be one (1) vote allowed for each Townhome Unit. If an Owner includes more than one person and/or entity, the vote for such Member shall be cast in such manner as the persons or entities constituting the same shall determine, but the decision of the Board as to the authority conferred upon one or more of the Owners in casting the vote of the Owner shall be conclusive and binding. Except for special assessments, adoption of the budget or amendments to this Declaration as set forth herein, all matters before the Association shall be governed by: (i) majority vote of the quorum present for votes taken at a meeting of the Owners, or (ii) a majority vote of the Owners for votes taken by written ballot without meeting.

7. Annual meetings. There shall be an annual meeting of the Association on a date and time and at a location in Lincoln County, Wyoming, designated by the Board. The Board shall give written notice of each annual meeting not less than ten (10) days and not more than sixty (60) days in advance of such meeting in accordance with Wyoming Law. At each annual meeting

of the Association, the Members shall elect members of the Board, and shall adopt the Association's annual budget, and conduct such other business as determined by the Members.

8. Special meetings. Special meetings of the Members may be called by the Board, or by the written request of not less than fifty percent (50%) of the Owners. The business to be conducted at a special meeting of the Members shall be specified in the notice of the special meeting. The Board shall give written notice of each special meeting not less than ten (10) days and not more than sixty (60) days in advance of such meeting.

III.

LOT CONSTRUCTION REQUIREMENTS; ARCHITECTURAL CONTROL

1. Purpose of architectural control. The intent of these Covenants is to ensure that all improvements constructed within the Property are of higher-than-average quality, appearance and styling, and are compatible with the theme and nature of the Property. Accordingly, all modifications to structures or landscaping shall be subject to the review and approval of the Association. Any such modifications or new improvements shall only be allowed by the Association if they are appropriate, as determined by the Association, in its sole discretion, to be compatible in character, design, color and architecture with the Property. The Association will not approve any construction that it considers to be an unusual design or style, or that it considers to be an unusual construction method. All improvements, modifications and landscaping shall satisfy the design depicted on the Plat. No accessory structures shall be allowed.

2. Single family residences only. No structure shall be erected, placed, or permitted to remain on any Unit of the Property other than single family dwellings, garage buildings, and other structures incidental to single family residential use of the Unit.

3. Mobile homes prohibited. No mobile home, trailer home, or other similar structure shall be permitted on any Unit of the Property without prior approval by the Association. Any proposed erection or installation of any dwelling or outbuilding which is prefabricated shall be subject to Association approval prior to such erection or installation, which approval or denial shall be final and not subject to appeal.

4. Submission of proposed plans. Whenever an Owner of a Townhome Unit wishes to modify or construct any building, landscaping, or any other improvement, the Owner shall submit to the Association plans for such proposed construction or improvement for the Association's review and approval.

5. Compliance with laws. It shall be the Owner's responsibility (and not the Association's) to see that all plans and work, including any changes or alterations, comply with applicable governmental laws, statutes, ordinances, building codes, rules, regulations, orders and decrees.

6. Inspection of work—noncompliance and correction. The Association may at any reasonable time inspect any work completed on any Townhome Unit. If the Association finds that such work is not being carried out or was not completed in substantial compliance with the

approved plans, it shall notify the Owner in writing of such noncompliance and shall require the Owner to remedy the same. The Owner shall remedy or remove the noncompliance within a period of not more than thirty (30) days from the date notice from the Association is delivered, unless otherwise approved by the Association. If the Owner does not comply with the Association ruling within such period, the Association, at its option, may remove the non-complying improvement, otherwise remedy the noncompliance, and/or pursue such other remedies as it deems appropriate. In that event, the Owner shall reimburse the Association upon demand for all expenses and costs incurred by the Association, including attorneys' fees and an administrative charge to be determined by the Association. If such expenses and charges are not promptly paid by the Owner to the Association, the Association may levy and enforce a special assessment for reimbursement against such Owner and their Townhome Unit.

7. Non-liability of Association Members. Neither the Association nor any Member thereof, nor its duly authorized representatives, shall be liable, to the Association or to any Owner or any other person or entity, for any loss, damage or injury arising out of or in any way connected with the performance of the Association's duties hereunder, other than arising from the willful wrongdoing. The Association shall review, and approve or disapprove, in their discretion all plans submitted on the basis of compliance with these Covenants, aesthetic considerations, the potential benefit or detriment to other Owners and the Property, and other pertinent factors. The Association shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, or warranty as to any plan or design from the standpoint of structural safety or conformance with any governmental requirements.

IV. ROADS, EASEMENTS, AND COMMON AREAS

1. Common Areas. The Association may designate certain areas and/or facilities within the Common Areas for specific purposes subject to such rules and regulations as the Association may adopt. The Common Areas shall not be obstructed nor used for any purpose other than the purposes set forth herein or otherwise approved by the Association.

The Association has the right to levy and collect assessments against each Owner for the purpose of maintaining the roads and Common Area in compliance with the intent and provisions of this Declaration. The Association may suspend the right of an Owner, and their agents, and social guests, from using the Common Area (except for legal access) for any period during which an applicable assessment remains unpaid, and for an infraction of lawfully adopted and published rules and regulations. The Association may charge reasonable admission fees, use fees, and/or other fees for the use of Common Areas amenities or improvements.

The Association may adopt and enforce rules and regulations governing the use of the Common Areas. The Association may dedicate portions of the Common Areas to a public agency under such terms as the Association deems appropriate.

Common Areas designated for Owner or guest parking by the Association, if any, may be used only for the purpose specified by the Association. No Owner may alter in any way portions of the Common Areas, including, but not limited to, landscaping, drainage and natural features,

without obtaining the prior written consent of the Association. No driveway or vehicular access shall be permitted to any Townhome Unit across Common Areas except as expressly permitted by the Association.

2. General Common Element use. Each Owner is hereby granted and shall have a permanent and perpetual non-exclusive license for the use and enjoyment of all the roads and General Common Elements in common with all other Owners. General Common Elements shall not be used by Owners for storage, parking or any other purposes not expressly permitted by the Association.

3. Utility easements. The Association, and its respective designees, are hereby granted the right to install, use and maintain public and/or private utilities (such as, but not limited to, water, sewer, electric, gas, television and phone lines) underground and along those easement routes shown on the Plat (or otherwise granted or reserved) in order to service the Townhome Units, Common Areas, and/or other properties.

4. Public easements. The Town of Alpine, the County of Lincoln, as well as regional fire, police, health and sanitation, and other public service personnel and vehicles shall have a permanent and perpetual easement for ingress and egress over and across the Common Areas in the performance of their respective duties.

5. Easements appurtenant. The easements granted herein and, on the Plat, shall be appurtenant to and shall run with land and with the title to each Townhome Unit and the Common Areas.

6. Common Area maintenance. The Common Areas shall be maintained by the Association without cost to the general taxpayers of Lincoln County, and without direct, individual expense to the Owners, except for their share of the common expenses levied by assessment as provided herein. Such maintenance by the Association shall extend to all the Common Areas, including but not limited to landscaping, fences, roads, pathways, trails, drainage structures, lighting fixtures, ditches, streams, ponds, signs, utilities (except public utilities), and other improvements, facilities and structures located therein and/or a part thereof. All work in or on the Common Areas and all expenses hereunder shall be paid for by the Association through assessments imposed in accordance with these Covenants. No Owner may escape liability for assessments for such maintenance by waiving or suspending the Owner's right to use the Common Areas or any part thereof.

7. Owner maintenance of easement areas. To the extent any Association rights-of-way or other easement areas are contained within particular Units the Association shall only be responsible for maintaining the Association's improvements located within such areas. The Owners of such Unit shall otherwise be responsible for maintaining, at the Owners' expense, such easement areas and any of the Owner's improvements located therein.

8. Snow removal. The Association will contract, as needed, for snow removal without direct, individual expense to the Owners, except for their share of the common expenses levied by assessment as provided herein. If an Owner contracts for snow removal from common

areas before receiving approval from the Board, the Owner shall be responsible for said snow removal costs.

V. ASSESSMENTS

1. Personal obligation of Owners and lien for assessments. The Owner of each Townhome Unit, by acceptance of a deed, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (a) regular monthly, quarterly and/or annual assessments ("Regular Assessments"), and (b) other special assessments ("Special Assessments"), as provided herein or as determined by the Association in its sole discretion. Owners become responsible for paying assessments upon purchase of a Townhome Unit and regardless of whether they occupy a structure thereon or use the roads or Common Areas. Assessments, together with late charges, interest, attorneys' fees, and other costs of collection and foreclosure, shall be the personal obligation of the person, entity, trust or other owner who was the Owner of such Townhome Unit at the time when the assessment fell due. The personal obligation of each Owner to pay assessments, late charges, interest, and costs of collection, shall pass to their successors in interest with recourse against the Owner and their successors in title. Such assessments, together with late charges, interest, attorneys' fees, and other costs of collection, shall also be a charge on and continuing lien upon the Townhome Unit against which each such assessment is made. The Association may foreclose any lien on any Townhome Unit in accordance with the Advertisement and Sale foreclosure provisions of Wyoming law.

2. Purpose of assessments. Assessments shall be used, as determined appropriate by the Association: for improvement, maintenance, operation, management and insurance of the Common Areas; to promote the health, safety, welfare and recreational opportunities of the Owners, their families residing with them, and their agents and invitees; to enhance and maintain the aesthetics of the Property; and for other Association and/or Property purposes as determined by the Association in its sole discretion. Among other things, Regular Assessments and/or Special Assessments may include reasonable reserves as the Association may deem necessary for the future repair, maintenance or improvement of the Common Areas.

3. Regular assessments. Regular Assessments are intended to cover the reasonably foreseeable and ongoing costs of operating, managing, and maintaining the Common Areas, as well as managing the Property as an integrated whole. The initial amount of, and payment schedule for Regular Assessments shall be \$_____ annually per calendar year; such Regular Assessments may be increased annually by the Association at the rate of not more than \$25.00 per month as required to meet the Association's financial needs for managing the Property.

4. Special Assessments. Special Assessments may be made by the Association at any time for any purpose approved by the Association and not provided for or covered by Regular Assessments, including, but not limited to: extraordinary maintenance or repair costs, replacement or addition of capital improvements or equipment, or unusual increases in operating costs. The due date of any Special Assessment shall be fixed by the Association and will be payable within 30 days of assessment.

5. **Association assessment duties.** All assessments, late charges, interest, attorneys' fees, and other costs of collection provided for herein shall accrue to the benefit of the Association. The Association shall set and may change the date of assessments and the amount of assessments as provided herein. Written notice of applicable assessments shall be sent to every Owner at least thirty (30) days prior to the date payments are due, unless emergency circumstances require otherwise. Failure to timely send or deliver bills or notices of assessments shall not relieve Owners from their obligations to pay assessments when due. The Association shall, upon written request by any owner liable for assessments, provide a certificate (or estoppel letter) signed by the Association stating that all applicable assessments have been paid by that Owner or what assessments are outstanding and unpaid.

6. **Effect of non-payment of assessment; Association lien and remedies.** If an assessment is not paid by the due date, then such assessment shall be delinquent. The assessment, together with late charges, interest and costs of collection, shall be a continuing lien on the applicable Townhome Unit and shall bind such Owner, their heirs, personal representatives, successors and assigns. The Association shall have such remedies for collection and enforcement of assessments as may be permitted by this Declaration and/or applicable Wyoming laws, including foreclosure of such lien in accordance with Wyoming's Advertisement and Sale procedures. All remedies are intended to be cumulative.

7. **Late fees and other charges.** If any installment of an assessment is not paid by the due date, a late charge of up to five percent (5%) of the past due amount may be imposed, as determined appropriate by the Association. The Association shall also be entitled to interest on any unpaid assessment at the highest rate permitted by law (but not greater than 18% per annum) from the due date of the assessment until paid. The Association may also bring an action at law against any Owner personally obligated to pay the same, and/or may record a Lien Statement against the Townhome Unit on which the assessments are unpaid. In addition, the Association may foreclose the lien against the Townhome Unit on which the assessment is unpaid in accordance with Wyoming's Advertisement and Sale procedures, and/or pursue one or more of such remedies at the same time or successively. In any collection action, the Association shall be entitled to payment of its actual attorneys' fees and legal costs, whether or not a lawsuit is filed. If litigation is pursued, the Association shall be entitled to a judgment for all sums provided herein, plus attorneys' fees and legal costs actually incurred, in the applicable action and any appeal thereof.

No sale or other disposition of Townhome Units shall be permitted until an estoppel letter is received from the Association acknowledging payment in full of all assessments and other sums due. In addition to the collection rights for assessments stated herein, any and all persons acquiring the title to or the interest in a Townhome Unit as to which the assessment is delinquent including, without limitation, persons acquiring title by operation of law and by judicial sale, shall not be entitled to the occupancy of such Townhome Unit or the enjoyment of the Common Areas until such time as all unpaid and delinquent assessments, together with late charges, interest and costs of collection, have been fully paid.

8. **Subordination of the Lien.** The lien for assessments, late charges, interest and costs of collection, provided for in this Declaration shall be subordinate only to real property tax

liens and to the lien of any first mortgage recorded prior to recordation of a Lien Statement or other claim of assessment lien.

9. Special assessment for specific damage. Owners shall be responsible for repair of any damage to any portion of the roads or Common Areas as the result of misuse, negligence, failure to maintain, or otherwise caused either entirely or partially by such Owners, their families residing with them, and their agents, and social guests. Notwithstanding any other provision herein, such Owners shall be directly liable to the Association for the cost of repairs of such damage and a Special Assessment may be levied therefor against such Owners (rather than all Owners).

VI. INSURANCE

1. Association Insurance. The Board shall at all times keep it and its property reasonably insured against loss or damage by fire or other hazards normally insured against, and other such risks, including public liability insurance, upon such terms and for such amounts as may be reasonably necessary from time to time to protect the interests of the Association, which insurance proceeds shall be payable in case of loss to the Association.

2. Owner's Insurance. It shall be the responsibility of each Owner to maintain and cover the cost of insurance on their unit, its contents, and all appurtenances thereto. Each Owner at all times shall maintain fire and extended coverage insurance or other appropriate damage and physical loss insurance, in an amount equal to 100% of the current replacement value of the improvements on the Townhome Unit.

Each Owner at all times shall maintain an umbrella liability insurance policy in the amount of not less than \$1,000,000.00.

In the event of any damage or destruction of the improvements on a Townhome Unit, the insurance proceeds from any insurance policy on a Townhome Unit, unless retained by a mortgagee of a Townhome Unit, shall be applied first to the repair, restoration, or replacement of the damaged or destroyed improvements.

VII. MISCELLANEOUS PROVISIONS

1. Duration of Covenants. The covenants and restrictions of this Declaration shall run with and bind each Townhome Unit and the Property, and shall inure to the benefit of and be enforceable by Declarant and/or the Association, and their respective legal representatives, heirs, successors and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time said Covenants shall be automatically extended for successive periods of thirty (30) years unless an instrument signed by the Association has been recorded agreeing to change said Covenants in whole or in part.

