

11/11/31

(6) In the event that any dwelling located on the Property is substantially destroyed by fire or other hazard, and the dwelling is not insured under a group or hazard insurance policy which contains a replacement cost endorsement providing for replacement of a dwelling from insurance proceeds, the owner shall give written notice to the Association within thirty (30) days following such destruction of whether he intends to repair or reconstruct the dwelling; and if the owner fails to give such notice to the Association, it shall be conclusively considered, for purposes of this section, as notice that he does not intend to repair or reconstruct the dwelling. If the owner elects not to repair or reconstruct the dwelling, the Association shall have the first right and option to purchase such lot and dwelling in the manner hereinafter provided. The purchase option shall be effective for a period of ninety (90) days following notice of the owner's election not to repair or reconstruct.

(a) Exercise of Option. The Board of Directors shall appoint a committee, or shall designate an existing committee of the Association, to determine whether failure to reconstruct the damaged dwelling will result in substantial pecuniary injury to the Association or diminution in value of the remaining Property. The committee may employ such persons, including, but not limited to, real estate appraisers, realtors, architects, and engineers, as are reasonably necessary to make its determination, and shall report its conclusions, with supporting data, in writing to the Board within fifteen (15) days from the date of appointment. The report shall set forth such matters as the Board and committee deem pertinent, but shall contain estimates of the pecuniary injury and diminution in value along with an estimate of cost of purchase and reconstruction of the townhouse.

If the Board of Directors determines that it would be advantageous to the Association and/or to the remaining Property to purchase and reconstruct the dwelling, it shall call a special meeting by giving written notice thereof, setting forth the purpose of the meeting, to all members within seven (7) days following submission of the committee report. The special meeting of members shall be held not less than seven (7) days nor more than fifteen (15) days following notice to members. Upon an affirmative vote of at least sixty six and two thirds percent (66 2/3%) of each class of membership present and voting, the Board will be authorized to purchase and reconstruct

0037

4328 RV-2