

Section 1. The Declarant covenants with the Association, on behalf of itself and on behalf of each subsequent owner of a lot within the properties, and each owner of any lot within the properties, by acceptance of a deed therefor, whether or not it shall be so expressed in said deed, or by exercise of any act of ownership, is deemed to covenant:

(1) The Association shall obtain a group or blanket insurance policy equal to the full replacement value of the project. Said policy shall contain a Replacement Cost Endorsement providing for replacement of a unit from insurance loss proceeds.

(2) The owner shall apply the full amount of any insurance proceeds to the rebuilding or repair of any dwelling unit (subject to the provisions and covenants contained in any mortgage or mortgages creating a lien against any lot).

(3) The owner shall rebuild or repair the dwelling in the event of damage thereto provided the dwelling is insured under a group or blanket hazard insurance policy which contains a replacement cost endorsement providing for replacement of a dwelling from insurance proceeds.

(4) The owner shall keep the dwelling in good repair except for repairs required of the Association.

(5) Premiums for the group or blanket hazard insurance policy shall be a common expense and shall be collectible in the same manner and to the same extent as provided for annual and special assessments in Article V. The lien for assessments for insurance premiums shall be subordinate to the lien of any first mortgage in the same manner provided for annual and special assessments.

(6) Such policies shall provide that insurance proceeds payable on account of loss of, or damage to, the real property shall be adjusted with the carrier(s) by Park Row Homeowners Association, Inc. and shall be payable solely to the homeowner's mortgagee, if any, and the Park Row Homeowners Association, Inc. as Insurance Trustee for the homeowner(s). Such insurance proceeds shall be applied to repair or restoration