

ARTICLE 12

COVENANT AGAINST PARTITION

12.1 Covenant Against Partition. By acceptance of his deed, each Owner shall be deemed to covenant for himself, and for his heirs, representatives, successors and assigns, that he will not institute legal proceedings to effect judicial partition of his interest in the Project, unless the Project: (a) has been in existence in excess of fifty (50) years, (b) is obsolete and uneconomical, and (c) the Owners of fifty percent (50%) of the total of all Lots in the Project join in such action for partition.

ARTICLE 13

INSURANCE

13.1 Required Insurance Coverage. The Association, acting by and through the Board, shall obtain for the Association and shall maintain and pay the premiums for the following insurance coverage:

a. Casualty and Fire Insurance. A policy or policies of casualty and fire insurance ("special form") with extended coverage endorsement in an amount equal to one hundred percent (100%) of the current replacement cost (without deduction for depreciation or co-insurance) of insurable improvements located on the Common Property installed by Declarant, any Merchant Builder or the Association. Said policies shall be maintained for the benefit of the Association, the Owners and their respective Mortgagees, as their interests may appear. The loss payable clause shall be in the name of the Association, or in the name of an insurance trustee for the benefit of the Owners. Unless a higher maximum amount is required by California law, the maximum deductible amount shall be the lesser of Ten Thousand Dollars (\$10,000.00) or one percent (1%) of the policy face amount. Such policy must be written by an insurance carrier that meets the requirements of FNMA and/or FHLMC, as applicable.

b. Public Liability Insurance. A comprehensive policy or policies of full coverage general liability insurance (with cross-liability endorsement, if obtainable) insuring the Association, the Board, the Owners, the County, Declarant and the agents and employees of each of the foregoing against any liability to the public or to any Owner, his family, invitees and/or tenants, arising from or incident to the ownership, occupation, use, maintenance and/or repair of the Common Property. The limits of liability under this section shall be set by the Board and shall be reviewed at least annually by the Board and increased or decreased at the discretion of the Board; provided, however, that said limits shall not be less than Three Million Dollars (\$3,000,000.00) per occurrence for bodily injury, including deaths of persons and property damage arising out of a single occurrence; and provided further, that if FHLMC and/or FNMA participate in the financing of Lots