

use of a specific lending institution or a particular type of lender. Lenders being referred to includes Federal National Mortgage Association (FNMA).

ARTICLE XIV.

RIGHTS OF FIRST MORTGAGEES

The following provisions, in addition to provisions set forth elsewhere in this Declaration, shall be applicable to the holders of first mortgagees and other parties as may be indicated, upon the individual dwelling subject to this Declaration and any amendments thereto.

Section 1. This Declaration and other constituent documents create a Planned Unit Development, hereinafter referred to as "PUD".

Section 2. Any first mortgagee who obtains title to a PUD unit (residence) pursuant to the remedies provided in the mortgage or foreclosure of the mortgage will not be liable for such unit's unpaid dues or charges which accrue prior to the acquisition of title to such unit by the mortgagee.

Section 3. Unless at least two-thirds (2/3) of the first mortgagees provided they request the right and inform the Association of their addresses in writing (based upon one vote for each first mortgage owned) or owners (other than the sponsor, developer or builder) of the individual units in the PUD have given their prior written approval, the PUD homeowners association, corporation or trust shall not be entitled to:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the common property owned, directly or indirectly, by such homeowners association, corporation or trust for the benefit of the units in the PUD (the granting of easements for other public purposes consistent with the intended use of such common property by the PUD shall not be deemed a transfer within the meaning of this clause);

(b) change the method of determining the obligations, assessments, dues or other charges which may be levied against a PUD unit owner;