

Chanticleer Towns Homeowners Association, Inc. and any failure by any lessee to comply with the terms of such documents shall be a default under the lease.

Section 5. Conflicts. In the event of any irreconcilable conflict between the Declaration and the By-laws of the Association, the provisions of this Declaration shall control. In the event of any irreconcilable conflict between this Declaration or the By-laws of the Association and the Articles of Incorporation of the Association, the provisions of the Articles of Incorporation shall control.

Section 6. Contracts. The Homeowners Association, prior to passage of control to it, is not bound either directly or indirectly to contracts or leases (including a management contract) unless there is a right of termination of any such contract or lease, without cause, which is exercisable without penalty at any time after transfer of control, upon not more than ninety (90) days notice to the other party.

Section 7. The constituent documents do not restrict the lot owners right to mortgage his or her unit. In addition, they do not limit the lot owners financing options by requiring the use of a specific lending institution or a particular type of lender. Lenders being referred to includes Federal National Mortgage Association (FNMA).

ARTICLE XV.

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". The word Unit shall also mean Residence.

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: