

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 mortgages upon any lot or The Property subject to this Declaration and any amendments thereto.

Section 1. This Declaration and other constituent documents are intended to create a Planned Unit Development (hereinafter called "PUD") within the meaning of the regulations of the Federal Home Loan Mortgage Corporation and otherwise.

Section 2. Any first mortgagee who obtains title to a lot pursuant to the remedies provided in the mortgage or foreclosure of the mortgage will not be liable for such lot'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 (based upon one vote for each first mortgage owned) or owners (other than the sponsor, developer or builder) of the individual lots or residences have given their prior written approval, the owners, residents, members and Association, 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 owners of any lot (the granting of easements for public utilities or for other public purposes consistent with the intended use of such common area 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 lot owner;

(c) by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of lots, the exterior maintenance of lots, the maintenance of the common area party