

entitled to timely written notice of any such proceeding or proposed acquisition and no provision of any document establishing the Project will entitle the owner of a unit or other party to priority over such institutional holder with respect to the distribution to such unit of the proceeds of any award or settlement.

K. In the event any portion of the common elements encroaches upon any unit or any unit encroaches upon the common elements, as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the Project, a valid easement for the encroachment and for the maintenance of the same shall exist so long as the encroachment exists.

L. The legal estate of each unit owner will be held in fee simple.

M. The right of a unit owner to sell, transfer, or otherwise convey the owner's unit will not be subject to any right of first refusal or any similar restriction in favor of the Board of Administration.

N. The failure of any unit owner to comply with the provisions of the Declaration, By-Laws and any Articles of Incorporation will give rise to a cause of action in the Board of Administration and any aggrieved unit owner for the recovery of damages, or for injunctive relief, or both.

O. Each holder of a first mortgage lien on a unit who comes into possession of the unit by virtue of foreclosure of the mortgage, or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, will take the unit free of any claims for unpaid assessments and charges against the unit which accrue prior to the time such holder comes into possession of the unit, except for claims for a pro-rate share of such assessments or charges resulting from a pro-rata reallocation of such assessments or charges to all Project units including the mortgaged unit.

IN WITNESS WHEREOF, the undersigned hereby sets its hand and seal the day and year first above written.

IN THE PRESENCE OF:

Burlin S. Cooner
Shirley H. Osburn

GOVERNORS SQUARE ASSOCIATES, a
General Partnership
R E Gregory & Co., LTD
BY: *Robert E. Gregory* President
PEACE REALTY CO., INC.
BY: *Dale H. Peace* President

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