

condominium except as provided by statute in the case of failure to repair, reconstruct or rebuild the residences and common elements and limited common elements of the condominium project following damage or destruction to all or part of the condominium property;

(v) use hazard insurance proceeds for losses to any condominium property (whether to residences or to common elements of limited common elements) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in case of substantial loss to the residences and/or common elements of the project.

- D. In the event any mortgage is owned by the Federal Home Loan Mortgage Corporation (FHLMC), the Owners Association agrees to give FHLMC notice in writing of any loss to, or taking of, the common elements or limited common elements of the condominium project if such loss or taking exceed \$10,000.00.
- E. The prior written approval of each institutional holder of a first mortgage lien on units in the Project will be required for at least the following:
- (a) The Abandonment or termination of the Project, except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condominium or eminent domain;
 - (b) Any material amendment to the Declaration or the By-Laws of the Owners Association, including, but not limited to, any amendment which would change the percentage interests of the unit owners in the Project except, changes in percentage interests of each stage of development for future stages;
 - (c) The effectuation of any decision by the Owners Association to terminate professional management and assume self-management of the Project.
- F. Any lien which the Owners Association may have on any unit in the Project for the payment of common expense assessments attributable to such unit will be subordinate to the lien or equivalent security interest of any first mortgage on the unit recorded prior to the date any such common expense assessments become due.