

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 (PHLMC), the Association agrees to give PHLMC 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 exceeds \$10,000.

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 condemnation or eminent domain;

(b) Any material amendment to the Declaration or the By-Laws of the 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 Association to terminate professional management and assume self-management of the Project.

F. Any lien which the 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.

G. Any institutional holder of a first mortgage on a unit, the insurer of such first mortgage and the unit holder in the project shall, upon request, be entitled to: (a) inspect the books and records of the Project during normal business hours; and

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