

projects whether they be Horizontal Property Regimes, apartment projects, planned unit developments, single family residences, or otherwise.

Section 5. Certain Rights of Holders of Institutional First Mortgages. Any institutional holder of a first mortgage on a Townhome will, upon request, be entitled to: (a) inspect the books and records of the Property and the Association during normal business hours; and (b) receive an annual audited financial statement of the Association within 90 days following the end of any fiscal year; and (c) written notice of all meetings of the Owners. Any such mortgage holder shall also be permitted to designate a representative to attend all such meetings. In the event of substantial damage to or destruction of any unit or any part of the General or Limited Common Elements, any institutional holder of a first mortgage on a Townhome will be entitled to timely written notice of any such damage or destruction and no provision of any document establishing the Regime will entitle the Owner of a Townhome or other party to priority over such institutional holder with respect to the distribution of insurance proceeds attributable to the Townhome. If any Townhome or portion thereof or any of the General or Limited Common Elements or any portion thereof is made the subject matter of any condemnation of eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then such first mortgage holder will be entitled to timely written notice of any such proceeding or proposed acquisition; and no provision of any document establishing the Regime will entitle the Owner of a Townhome or other party to priority over such institutional holder with respect to the distribution to such Townhome of the proceeds of any award or settlement.

Section 6. Condemnation. In the event that one or more Townhomes, or any part or parts thereof, shall be taken by any authority having the power of eminent domain, the awards or proceeds therefrom shall be distributed directly to the Owners of such Townhomes and/or their mortgagees. Following the completion of such procedure, this Regime shall be deemed and considered amended to the extent necessary to delete such Townhome and its Owner from the Regime

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