

part of the common elements, the institutional holder of any first mortgage on a residence will be entitled to timely written notice of any such damage or destruction and no provision of any document establishing the project will entitle the owner of a residence or other party to priority over such institutional holder with respect to the distribution to such residence of any insurance proceeds.

I. If any residence or portion thereof or the common elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the institutional holder of any first mortgage on a residence will be 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 residence or other party to priority over such institutional holder with respect to the distribution to such residence of the proceeds of any award or settlement.

J. In the event any portion of the common elements encroaches upon any residence or any residence 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.

K. The legal estate of each co-owner will be held in fee simple.

L. The right of a co-owner to sell, transfer, or otherwise convey the co-owner's residence will not be subject to any right of first refusal or any similar restriction in favor of the Owner's Association.

M. The failure of any co-owner to comply with the provisions of this Declaration, By-laws, and any Articles of Incorporation will give rise to a cause of action in the Owner's Association and any aggrieved co-owner for the recovery of damages, or for injunctive relief, or both.

N. Each holder of a first mortgage lien on a residence who comes into possession of the residence 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 residence free of any claims for unpaid assessments and charges against the residence which accrue prior to the time such holder comes into possession of the residences, except for claims for a pro-rata share of such assessments or charges resulting from pro-rata reallocation of such assessments or charges to all project residences including from pro-rata reallocation of such assessments or charges to all project residences including the mortgaged residence.

O. The Board hereby agrees to give the Federal Home Loan Mortgage Corporation (FHLMC) care of the Servicer of any mortgage in said Regime owned by FHLMC at Servicer's address, notice in writing of any damage to a condominium residence in said Regime covered by a mortgage purchased in whole or in part by FHLMC in excess of One Thousand

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