

walls or common fences, walks and driveways, or the upkeep of lawns and plantings in the property;

(d) fail to maintain fire and extended coverage insurance on insurable common area property and all buildings on all lots on a current replacement cost basis in an amount not less than one hundred per cent (100%) of the insurable value (based on current replacement cost);

(e) use hazard insurance proceeds for losses to any common area property or buildings on any lot other than the repair, replacement or reconstruction of the same.

Section 4. First mortgagees of any lot may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any common area property and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such common area property and first mortgagees making such payments shall be owed immediate reimbursement therefor from the Association. Entitlement to such reimbursement is hereby reflected in this Declaration as an agreement in favor of all first mortgagees of lots in the Property duly executed by the Association, and an original or certified copy of such agreement is possessed by the Declarant.

Section 5. No provision of any PUD constituent documents gives a lot owner, or any other party, priority over any rights of the first mortgagee of a lot pursuant to its mortgage in the case of a distribution to lot owner of insurance proceeds or condemnation awards for losses to or a taking of common area property.

Section 6. A first mortgagee, upon request, is entitled to written notification from the Association of any default in the performance by lot owner Borrower of any obligation under the PUD constituent documents which is not cured within sixty (60) days.

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