

ARTICLE 7
RIGHTS OF FIRST MORTGAGEES

In addition to all other rights of first mortgagees pursuant to this Declaration, and notwithstanding any other provisions herein to the contrary:

- 7.01 Right of Approval. Unless at least 75% of the first mortgagees (based upon one vote for each Lot encumbered by a mortgage) of individual Lots ("First Mortgagees") have given their prior written approval, the Association shall not:
- a. By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer any real estate or improvements thereon which are owned, directly or indirectly, by the Association for the benefit of the Lots and the Owners. (The granting of easements for public utilities or for other purposes consistent with the intended use of such property by the Association shall not, for purposes of the foregoing, be deemed to be a transfer.)
 - b. Change the method of determining the obligations, assessments, dues or other charges which may be levied against a Lot and the Owner thereof as provided in Article 6, subject, however, to the provisions in Section 6.03 thereof, if applicable.
- 7.02 Examination of Books and Records. First Mortgagees shall have the right to examine the books and records of the Association at reasonable times during normal business hours.
- 7.03 Option to Pay Taxes, Insurance Premiums. First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Maintenance Area and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy for the Maintenance Area and First Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.
- 7.04 Notice of Default. Any First Mortgagee, at its written request, shall be entitled to written notice from the Board of any default by an Owner in the performance of such Owner's obligations hereunder or under the By-laws or rules and regulations of the Association which has not been cured within thirty (30) days.
- 7.05 Amendment. This Article 7 may be amended only with the written consent of 75% of the First Mortgagees (based upon one vote for each Lot encumbered by a mortgage).