

e. If the Board of Directors of the Association shall fail to provide a purchaser, as required by this instrument, or if a purchaser furnished by it shall default in his agreement to purchase, then notwithstanding the disapproval, the proposed transaction will be deemed to have been approved and said Board will furnish a certificate of approval as elsewhere provided.

2. Lease. If the transaction is a lease and the lease is not approved, the lease shall not be made.

ARTICLE XII

LEGAL REQUIREMENTS

For the purpose of compliance with the requirements for Federally insured loans, for issuance of mortgages on condominium projects, the Unit Owners adopt and incorporate the following provisions:

A. Notwithstanding any provisions of this Declaration to the contrary, nothing in this Declaration of Condominium may be construed to:

1. By virtue of any right of first refusal, create an adverse impact on the right of the mortgagee or its assigns to a foreclosure take title to a condominium Unit pursuant to the remedies in the mortgage.

2. Accept a deed or assignment in lieu of foreclosure in the event of default by a mortgagor; or

3. Sell or lease a Unit acquired by the mortgagee or its assignee.

B. Termination and Amendment.

1. Any amendment to this Declaration which would have a material adverse impact upon the rights of any mortgagee must be approved by at least fifty-one percent (51%) of Owners who have Units subject to mortgages.

2. Any action to terminate the condominium after substantial destruction or condemnation will only occur if agreed to by at least fifty-one percent (51%) of Owners who hold mortgages on individual Units.

3. Any time approval of a mortgagee is required, submission of a request to that mortgagee, if not responded to within sixty (60) days after the mortgagee has received proper notice of the proposed amendment, provided the notice was delivered certified or registered mail with a return receipt requested, may be presumed to be assent by the mortgagee.

C. Timely Notice to Mortgagees and Guarantors. Any mortgagee of record or guarantor of a mortgage will be entitled to receive timely written notice of:

1. Any condemnation or casualty loss that affects either a material portion of the project or the Unit securing its mortgage;

2. Any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of any Unit on which it holds the mortgage;

3. A lapse, cancellation or material modification of any insurance policy maintained by the homeowners' association; and

4. Any proposed action that requires the consent of a specified percentage of mortgagees.

D. Additional Rights of Mortgagees. At no time may any provision of these Condominium documents be deemed to create a priority for a condominium Unit Owner or any other party over the rights of a first mortgagee, pursuant to its mortgage, to receive payments of insurance proceeds or condemnation awards. As provided in Florida Statute 718.116, any mortgagee who obtains title to a condominium Unit pursuant to the remedies in its mortgage or through foreclosure will not be liable for more than six (6) months of the Unit's unpaid regularly budgeted assessments.

ARTICLE XIII

USE RESTRICTIONS

The use of the condominium property shall be in accordance with the following provisions as long as the condominium exists and the Unit building or buildings in useful condition exist upon the land.

A. Units. Each of the Units shall be occupied only by a family, its servants, and guests, as a residence and for no other purpose. No Unit may be divided or subdivided into a smaller Unit nor any portion sold or otherwise transferred without first amending this Declaration to show the changes in the Unit being affected.

B. Common Elements. The common elements shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Unit Owners, guests, family members, and invitees.

C. Recreational and Common Use Property. All recreational property and common use property shall be used only for the purposes for which such property is intended in the furnishing of services and facilities for the enjoyment of the Unit Owners.