

BY-LAWS
OF
GREAT HILLS HOMEOWNERS ASSOCIATION, INC.

ADOPTED BY UNANIMOUS VOTE OF THE BOARD OF DIRECTORS ON MAY 7,1'991

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**BY-LAWS OF
GREAT HILLS HOMEOWNERS ASSOCIATION, INC.**

ARTICLE I

Purposes

The Great Hills Homeowners Association, Inc., is organized under Chapter 180 of the Massachusetts General laws as a charitable, non-profit corporation, to associate all Owners of residential lots in The Great Hills Subdivision, for the following purposes:

To enforce restrictive provisions applicable to real property in The Great Hills Subdivision; specifically, the DECLARATION OF COVENANTS, RESTRICTIONS AND RESERVATIONS FOR GREAT HILLS, EAST SANDWICH, BARNSTABLE COUNTY, MASSACHUSETTS, dated 15 August 1974, as amended on 3 January 1975, which records are on file at the Land Record Office in Barnstable, Massachusetts;

To represent the Owners in dealing with the Town of Sandwich and other governmental bodies in matters related to the purposes of The Great Hills Homeowners Association, (hereinafter "The Association");

To represent the Owners with respect to any future development or improvement in The Great Hills Subdivision;

To hold and maintain, for the exclusive use and benefit of the owners, the common areas of The Great Hills Subdivision, including the private ways, and the recreation and conservation areas, and other real and personal property incidental to the purposes of the Association,;

To preserve the natural beauty and tranquility of The Great Hills Subdivision, including its recreation and conservation areas; and,

To take such other action as may be necessary or desirable to promote the foregoing purposes.

**Article II
Membership**

Section 1. Definitions

(a) "Member": Every Owner of a lot in The Great Hills Subdivision shall be a Member of the Association. Only lot owners may be Members. In these By-Laws the terms ~ "Member" and "Owner" are used interchangeably.

(b) "Owner": The term "Owner" means the record owner, whether one or more persons or entities, of a fee simple title. When more than one person holds such title to a lot, all such persons shall be members of the Homeowners Association.

(c) "Owner in Good Standing": Every Owner who is not then delinquent in the payment of assessments against that Owner's lot (including, if applicable, interest and costs of collection) and whose membership rights have not been suspended by the Board of Directors for violation of one or more of the Covenants, By-Laws, Rules, or Regulations of the Association, shall be an "Owner in Good Standing", as that term is used in these By-Laws.

(d) "Simple Majority": Unless otherwise specified in the Covenants or in these By-Laws the assent of a simple majority of those voting shall be sufficient to decide any vote at any meeting of the Membership, the Board of Directors, or any Committee.

Section 2. Use of Common Areas. Every Owner in good standing shall have the right to use and enjoy the common areas, which right is a part of and shall pass with the title to every lot, subject to the following restrictions:

(a) Restrictions set forth in the Covenants and published Rules and Regulations of The Great Hills Homeowner's Association;

(b) The right or-the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the common areas of The Great Hills Subdivision;

(c) The right of the Association to suspend the use of the recreational facilities by an Owner for any period during which any assessment against the Owner's lot remains delinquent, and for a period not to exceed sixty (60) days for any infraction of its published Rules and Regulations;

Section 3. Delegation of Rights. Any Owner in Good Standing may delegate his right of enjoyment of the common areas and facilities to the members of his family, to his tenants who reside on the property, or to guests. Suspension of the right to use the common areas or facilities shall also apply to members of the Owner's family, his tenants, and his guests.

Section 4. Meetings of Members.

(a) General Provisions.

(1) Voting Rights. Every Owner in good standing shall have the right to vote on any issues that may come before the membership at the Annual Meeting and all Special Meetings of the Association. The vote for each lot shall be exercised as the Owners of that lot shall determine among themselves. Only one vote shall be cast on any issue with respect to anyone lot. Owners in Good Standing owning multiple lots may cast one vote for each lot owned.

(2) Proxies. At all meetings of Owners, each Owner may vote in person or by proxy. All proxies shall be in writing and filed with the Clerk. Every proxy shall be revocable and shall automatically cease upon conveyance of a lot by its Owner. A proxy given for any meeting shall remain in effect for any adjournments thereof unless expressly revoked or limited.

(3) Quorum. At any Annual or Special Meeting of the Membership, the applicable quorum, if any, shall be calculated as a percentage of the number of lots in The Great

Hills Subdivision that are owned by Owners in Good Standing as of the date of that meeting. No quorum shall be required except as to issues that may come before the Membership which require a vote of the Membership as a whole.

(b) Annual Meetings.

(1) Purpose. The purpose of the Annual Meeting shall be to report to the ..

Membership the financial and other operations of the Association for the previous year and the proposed budget for the coming year, to fix the Annual Assessment if one has not already been adopted by the Board of Directors, to elect the Directors for the coming year, to elect the members of the Architectural Control Committee, to decide upon any Special Assessments that may have been announced in the notice for the meeting, and to act upon any other issues that may properly be brought before the Members.

(2) Date. The Annual Meeting of the Membership shall be held on a day in the first two weeks of June of each year, at an hour of the afternoon or evening, and at a place, selected and announced in advance by the Board of Directors.

(3) Notice. Written notice of the date, time, and place of the Annual Meeting shall be sent to all Owners not less than 30 days nor more than 60 days in advance of the Meeting.

(4) Quorum. The presence of Owners in person or by proxy representing forty per cent (40) of the lots then owned by Owners in Good Standing shall constitute a quorum at the Annual Meeting. If a quorum is not present, an adjourned meeting may be called, subject to the same notice requirement, and the required quorum at the adjourned meeting shall be one-half (1/2) of the quorum required at the preceding meeting.

(c) Special Meetings.

(1) Who may call Special Meetings. Special Meetings of the Owners may be called at any time by the President' or by the Board of Directors. A Special Meeting may also be called upon written application of any member of the Board of Directors by three or more Owners in Good Standing. Such application shall specify the purpose of the requested Special Meeting and any matters to be considered or voted on at such meeting.

(2) Notice. Written notice of each Special Meeting of the Owners shall be given by, or at the direction of the Clerk or other person authorized by the Board of Directors to give such notice, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each Owner addressed to the Owner's address last appearing on the books of the Association, or supplied by such Owner to the Association for the purpose of notice. Such notice shall specify the place, day, and hour of the meeting, and the purpose of the meeting. No action may be taken at a Special Meeting other than on matters announced in the notice for such meeting.

(3) Quorum. The presence at a Special Meeting of Owners (in person or by " proxy) representing forty percent (40) of the lots then owned by Owners in Good Standing shall constitute a quorum for any action taken at a Special Meeting. If a quorum is not present at any Special Meeting, the Owners entitled to vote thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At any adjourned Special Meeting, the required quorum shall be one-half (1/2) of the quorum required at the preceding meeting.

Article III Board of Directors

Section 1. General Provisions. The property, affairs, and business of the Association shall be managed by a Board of Directors (herein after called the Board) which shall be governed by the provisions set out in this Article.

(a) Number and Term. The Board shall consist of not less than three nor more than seven persons, as the majority of Owners in Good Standing may determine and elect at the Annual Meeting. Each director shall be elected to serve for a one year term and until his or her successor is elected and qualified. Directors may be elected to successive terms.

(b) Eligibility. Directors must be chosen from among the Owners in Good Standing.

(c) Nomination. Nomination for election to the Board shall be made by the Nominating Committee. Nominations may also be made from the floor at the Annual Meeting.

(d) Election. Election to the Board shall be by secret written ballot of the Owners in Good Standing present (in person or by proxy) at the Annual Meeting, unless such Owners otherwise determine at the Annual Meeting. At such election the Owners representing each lot may cast up to as many votes as there are positions to be filled. The persons receiving the largest number of votes shall be elected.

(e) Removal or Resignation of Directors. Any Director may be removed from the Board, with or without cause, by a majority vote of the owners at a Special Meeting called for this purpose. Any Director may be removed for cause by a two-thirds ($2/3$) vote of the Board (the affected director not voting).

Any Director may resign at any time by giving written notice to the Board, the President or the Clerk. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

(f) Replacement. In the event of the death, resignation, or removal of a Director a successor shall be elected by the remaining members of the Board and shall serve for the unexpired term of the predecessor.

(g) Conflict of Interest. Directors shall abstain from voting on questions which might involve a conflict of interest, which abstention shall be made a matter of record.

(h) Organization. The Board shall organize itself to consist of a President, a Vice-president, a Clerk, and a Treasurer, each of which shall be selected by a majority of the Board and whose duties are given in Article IV below.

(i) Compensation. No Director shall receive compensation for service as a Director.

However, any Director may be reimbursed for actual expenses incurred in the performance of duties and may be compensated for services performed for the Association other than services as a Director.

Section 2. Meetings

(a) Regular Meetings. Regular meetings of The Board of Directors may be held at such date, hour, and place as may be fixed from time to time by resolution of the Board. The date, hour and place shall be announced for all Members who wish to attend such meetings in the published minutes of the previous meeting that is made available to the Membership, and shall be available to the Members at least 3 days before the scheduled meeting.

(b) Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of The Association, or by any two directors, after notice to each Director.

(c) Quorum. A majority of the number of Directors then in office shall constitute a quorum for the transaction of business of the Board. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

(d) Actions Without Meeting. Any action required or permitted to be taken at any meeting of the Board or of any Committee thereof may be taken without a meeting if a majority of the members of the Board or Committee, as the case may be, consent thereto in writing and such writing is filed with the minutes of the proceeding of the Board or Committee.

(e) Emergency Actions. In the event of an emergency, the President (or Acting President if the President is unavailable) may take such action as he or she deems necessary, after first consulting with as many of the Directors as are available.

The existence of an emergency shall be determined by the President, or, in his absence, by the Acting President. An emergency shall be defined as an issue or business item which falls within the scope of the duties of the Board, as to which action must be taken before a meeting of the Board can be held. Such emergencies shall include, but not be limited to: legal action to prevent Covenant violations, spending of Association monies to insure safety, and payment for services rendered when waiting would incur a financial penalty. Once an emergency action has been taken, the President or Acting President must notify each of the Directors, as soon as possible, of the action taken.

Section 3. Powers and Duties.

(a) Powers. The Board shall exercise all of the powers of the Association except such as are by law, the Articles of Organization, or these By-Laws conferred upon or reserved to the Owners, including but not limited to the following:

(1) The Board may adopt and publish "Rules and Regulations" governing the use of the common areas and facilities, and the personal conduct of the Owners and their guests thereon, and to establish penalties for the infraction thereof. Such penalties may include, but shall not be limited to fines, suspension of voting rights, suspension of the right to use the common areas (not to exceed 60 days for each infraction), and suspension of other rights and privileges of Membership.

(2) The Board may declare the office of a member of The Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of The Board of Directors.

(3) The Board may employ a manager, and such other employees or

independent contractors, as they deem necessary, and prescribe their duties.

(4) The Board may take whatever actions it deems necessary, including the spending of the Association monies to protect present or past Directors or Committee members from, harassment or vandalism concerning which there is a reasonable belief that such acts are in response to policies or actions of The Board or its committee members.

(b) Duties. It shall be the duty of the Board to do the following:

(1) The Board shall cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Owners at the Annual Meeting of the Association, or at any Special Meeting when such statement is requested in writing by one-fourth (1/4) of the Owners.

(2) The Board shall determine whether an Owner is delinquent in his financial obligations to the Homeowner's Association. The Board shall suspend the voting rights and right to use of the recreational facilities of an Owner) including his/her household, tenants, and guests, during any period in which such Owner shall be delinquent in the payment Of any assessment levied by The Association.

(3) The Board shall issue, or cause an appropriate officer to issue, upon - demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the -
issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

(4) The Board shall cause the common area to be maintained.

(5) The Board shall supervise all Officers, agents, and employees of the Association to see that their duties are properly performed.

(6) The Board shall procure and maintain adequate Directors' and Officers' insurance and Hazard and General Liability Insurance, as it may deem appropriate.

(7) The Board shall cause all Officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

Article IV Officers

Section 1. Officers. The Officers of the Association shall be a President, a Vice-President, a Clerk and a Treasurer, who shall at all times be members of the Board of Directors. No person shall simultaneously hold more than two of any of the offices except in the case of special Officers.

Section 2. Election of Officers. The election of Officers shall take place at the first meeting of the Board following each Annual Meeting of the Owners.

Section 3. Term of Office. The Officers of the Association shall be elected annually by the,

Board and each shall hold office for one (1) year or until his successor is elected and qualified unless the officer shall sooner resign, or shall be removed or otherwise be disqualified from service.

Section 4. Removal or Resignation. Any Officer may be removed from office, with or without cause, by a two-thirds (2/3) vote of The Board of Directors (the affected director not voting). Any Officer may resign at any time by giving written notice to The Board, the President, or the Clerk. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Replacement. In the event of the death, resignation, or removal of an Officer a successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of the predecessor.

Section 6. Duties. The duties of the Officers are as follows:

(a) President. The President shall preside at meetings of the Board; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments; shall co-sign all checks and promissory notes in an amount above one thousand dollars (\$1,000); and may delegate signature authority below that amount to the Treasurer.

(b) Vice-President. The Vice-President shall act in the place and stead of the President in the event of his absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Clerk. The Clerk shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Owners; serve notice of meetings of the board and of the Owners; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by The Board.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board; shall sign all checks and promissory notes of the Association; shall keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Owners at the regular Annual Meeting of The Association.

Section 7. Special Officers. The Board may elect or appoint special Officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties time as the Board may, from time to, determine.

Article V Committees

Section 1. Nominating Committee. The Board shall appoint a Nominating Committee prior to each Annual Meeting, to serve from the close of such Annual Meeting until the close of the next Annual Meeting. Members of the Nominating Committee shall be chosen from among the Owners in good Standing. Such appointment shall be announced at each Annual Meeting. Before the Annual Meeting, the Nominating Committee shall make as many nominations for election to the Board as it shall in

its discretion determine, but not less than three. The Committee shall also nominate for election at least four persons, chosen from among the Owners in Good Standing, to serve on the Architectural Control Committee.

Section 2. The architectural Control Committee. The ACC shall oversee the enforcement of the architectural restrictions described in the Covenants, shall give approvals for new constructions or changes to the exterior of all existing homes or existing landscapes that meet the restrictions set forth in the Covenants, and shall deny any requests for changes or plans that do not meet those restrictions. The ACC shall consist of a Chairman, who shall be a member of the Board and two Owners in Good Standing plus one Owner in good standing who will serve as an alternate in cases where one of the regular ACC members has a conflict of interest. The members of the ACC shall be elected by a majority vote of the Owners in good standing at the Annual Meeting, the candidates receiving the most number of votes being selected.

Any member of the ACC may be removed, with or without cause, by a majority vote of the owners at a Special Meeting called for this purpose, or may be removed for cause by a two-thirds (2/3) vote of the board

Any vacancy created by removal or resignation shall be filled by appointment by the Board and the appointed member shall serve for the unexpired term of the previous member.

Section 3. Other Committees. The Board may create and appoint other committees as The Board deems appropriate in carrying out the purposes of the Association. The Board shall decide upon the duties and scope of each committee and, if appropriate, publish rules and procedures for each committee. The Board will have the sole discretion over who may or may not be a member of each of these committees and may appoint or remove members from each of these committees as it may determine.

Article VI

Indemnification of Directors and Officers

To the extent permitted by law, the Association shall indemnify the Directors and Officers of the Association from, and shall pay on behalf of the Directors and Officers, any and all losses sustained or incurred by them as a result of any claim made or action brought against them (or anyone or any group of them) for any actual or alleged negligent act or failure to act, error, omission, misstatement, misleading statement, neglect, or breach of duty by the Directors and Officers, individually or collectively, in the discharge of their duties solely in their capacity as Directors and Officers of the Association. As used in this paragraph, the term "loss" means damages, judgments, settlements, court costs, and costs of defense, including reasonable attorneys fees, costs, and expenses, out does not include punitive or exemplary damages, criminal or civil fines, or penalties imposed by law. The term "Officers and Directors" includes the members of the Board of Directors, the elected Officers of the Association, members of the Architectural Control Committee, any Chairpersons or members of any committees or subcommittees of the Board of Directors, and employees or volunteers of the Association or of any of its Boards or Committees; and includes all such persons past, present, and future; and, in the event of their death, incapacity, or bankruptcy, includes their estates, heirs, legal representatives, or assigns.

The Association shall not, however, indemnify the Directors and Officers from losses resulting from claims brought against them:

1. by or at the behest of the Association or its Board of Directors;
2. brought about or contributed to by any dishonest, fraudulent, or criminal act or omission;
3. based upon or attributable to said Directors or Officers gaining in fact any personal profit or advantage to which they were not legally entitled;
4. for any actual libel, slander, or other defamation, unless the subject statements were made in official correspondence or reports of the Association or any of its Boards or committees or in the official minutes of a meeting of the Board of Directors or any of its committees; or
5. for any actual assault, battery, or other intentional torts.

Article VII
Assessments

Each owner shall pay to the Association for each lot owned Annual and Special Assessments as prescribed in the following, sections:

Section 1. Annual Assessment.

(a) Purpose. Annual Assessments shall be levied exclusively to pay taxes, and other charges assessed by the Town of Sandwich against the common areas; to pay local, state, and federal taxes levied against the Association; to improve and maintain the common areas; to perform necessary administrative functions; to purchase insurance coverage required or permitted under these By-Laws; to employ persons as permitted in these By-Laws; and otherwise to promote the recreation, health, safety, and welfare of the residents of The Great Hills Subdivision.

(b) Limits. Without the vote or approval of the Owners, the Board of Directors may fix the Annual Assessment at an amount not to exceed one hundred twenty-five percent (125) of the previous year's assessment, excluding increases for taxes, insurance, legal and accounting support, and snow removal. The Annual Assessment may exceed the limit set in this paragraph only if such higher amount is authorized or ratified by vote of the Owners at the Annual Meeting or at a Special Meeting of the Owners called for that purpose.

The Annual Budget and the Annual Assessment shall not include any funds intended for any single discretionary project the total cost of which will, exceed \$13,500 unless the allocation of such funds shall, have been approved by the Owners under the procedures set forth in Article VII, Section 2, for Special Assessments.

(c) Supplements to the Annual Assessment.

If, after the adoption of the Annual Budget and the levying of the Annual Assessment, the Association shall become liable for or required to pay additional taxes, insurance premiums, legal fees, accounting support expenses, snow removal expenses, legal judgments, fines or penalties, or other non-discretionary expenses, the Board of Directors may, without vote of the Owners, amend the Annual Budget as necessary and levy a supplemental assessment therefore.

(d) Notice. The proposed Annual Budget and Annual Assessment for the coming fiscal year shall be distributed to all Members at least 10 days before The Board votes on their adoption. In the event that a vote, of the Membership is required to adopt the budget, notice and procedure shall be in accordance with the provisions for Special- Meetings.

Section 2. Special Assessments.

(a) Purpose. In addition to the Annual Assessment, Special Assessments may be levied to construct, reconstruct, repair, or replace any capital improvement upon the common areas, including fixtures, roads, tennis courts buildings or recreational facilities, or to promote the recreation, health, safety, or welfare of the residents of The Great Hills Subdivision.

(b) Procedure. Any Special Assessment must be approved by 2/3 of the votes cast by Owners in Good Standing at a Special meeting called for the purpose of voting on a Special Assessment.

Section 3. Assessment In Equal Shares. Both Annual and Special Assessments shall be assessed against the Owners of all of the numbered lots in The Great Hills Subdivision, in equal shares for each lot.

Section 4. No Waiver. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the common areas or abandonment of his or her lot.

Section 5. Assessment Due. Assessments become due as follows:

(a) Annual Assessment. The Annual Assessment becomes due at the latest of the following dates:

(1) on July 1, if the Assessment is adopted by The Board of Directors before or at the Annual Meeting;

(2) thirty days after the Owners are notified of The Board's adoption of the Assessment; or

(3) thirty days after adoption by the Owners at the Annual Meeting.

(b) Special assessment. Special Assessments become due 30 days after their announcement to the Owners in the minutes of the meeting at which they were adopted .

Section 6. Delinquent Assessments.

(a) An Assessment is deemed" delinquent" if not paid in full within thirty days after it becomes due under the provisions of Section 5, above.

(b) Delinquent Assessments begin accruing interest at the rate of 18 per annum, compounded monthly, on the date when they become delinquent.

(c) Collection proceedings .can begin, and liens, attachments, or court actions may be implemented, against delinquent Owners at any time during which Assessments, including interest or collection costs thereupon, remain outstanding. The Owner of the property at the time the assessment becomes due shall be responsible for any attorney's fees or collection costs associated with the collection of this debt.

(d) The voting rights of any Owner who becomes delinquent shall be suspended for the entire time during which the assessment, including interest or collection costs, remains outstanding.

Section 7. Liens. The Annual and Special Assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such Assessment is made, and shall also be the personal obligation of the person who was the owner' of such property at the time when the Assessment fell due. The lien

provided for herein shall be subordinate to the lien of any first mortgage held by any bank, or other commercial lender, or any person not related to the Owner of such lot. No sale or transfer of a lot shall relieve an Owner from personal liability for any Assessments or other debts to the Association.

Section 8. Certificate Regarding Assessments. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association as to the amounts and due dates of any outstanding assessments, and any purchaser or mortgage lender shall be **entitled** to rely on the correctness of such certificate as of its date.

Article VIII Books and Records

The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Owner. The Articles of Incorporation, Declaration of Covenants, the By-Laws, and any Rules and Regulations of the Association shall be available for inspection by any Owner at the principal office of the Association, where copies may be purchased at reasonable cost.

Article IX Amendments

These By-Laws may be changed or amended:

- a. by a majority vote of the Board of Directors after notification to the Owners.

Notification shall be made not less than thirty (30) nor more than sixty (60) days in advance of a vote to amend or change the By-Laws. Notice shall describe the proposed changes or offer to provide to the Owners upon request, copies of any proposed changes or amendments to be voted on.

- b. by a majority vote of the Owners in good standing at the Annual Meeting or at any special meeting called for that purpose .. A quorum for such meeting is forty percent (40) of the Owners in good standing.

Article X Interpretation and Construction

The Board of Directors shall resolve all questions pertaining to the interpretation and construction of the Covenants, these By-Laws and of any Rules and Regulations adopted under the authority granted herein.