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**COUNTY OF LAKE**

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**2011R009206**

**FRANK A. SUPONCIC, CPA, CFE, CFF  
RECORDER**

LAKE COUNTY OHIO  
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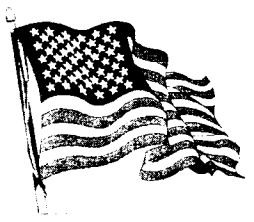
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HEISLEY PARK HOMEOWNERS ASSOCIATION, INC.  
HOME OWNER ASSOCIATION CODE OF REGULATIONS

KNOW ALL PEOPLE BY THESE PRESENTS that Heisley Park Homeowners Association, Inc. ("HOA") pursuant to certain covenants and restrictions recorded as Instrument No. 2004R011368 in the offices of the Lake County Recorder, as may be amended, has adopted bylaws ("Bylaws").

A true and complete copy of the Bylaws, with all amendments if any, is attached hereto and incorporated herein by reference as Exhibit A.

The Bylaws are hereby placed of record pursuant to and in compliance with Ohio Revised Code Section 5312.02(D)(2).

April IN WITNESS WHEREOF, the HOA has set its hand as of this 4<sup>th</sup> day of \_\_\_\_\_, 2011.

HEISLEY PARK HOMEOWNERS  
ASSOCIATION, INC.

By: 

Its: 

STATE OF OHIO )  
 ) SS:  
COUNTY OF CUYAHOGA )

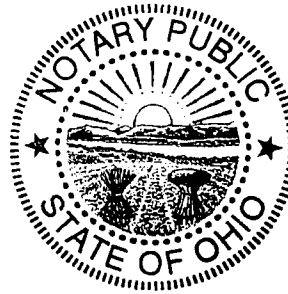
BEFORE ME, a Notary Public in and for said County and State, personally appeared Barry Barnett, the Managing Agent of Heisley Park Homeowners Association, Inc., an Ohio nonprofit corporation, who acknowledged that he did sign the foregoing instrument and that the same is the free act and deed of said association and the free act and deed of himself personally as such agent.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at Cleveland, Ohio, this 4<sup>th</sup> day of April, 2011.

  
\_\_\_\_\_  
Notary Public

This instrument prepared by:

Evan S. Hirsch, Esq.  
Singerman, Mills, Desberg & Kauntz Co., L.P.A.  
3333 Richmond Road, Suite 370  
Beachwood, Ohio 44122  
(216) 292-5807



EVAN S. HIRSCH, Attorney at Law  
Notary Public - State of Ohio  
My Commission Has No Expiration Date  
Sec. 147.03 R.C.

EXHIBIT A  
**CODE OF REGULATIONS  
FOR  
HEISLEY PARK HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I  
GENERAL**

**SECTION 1. Name and Nature of the Association.** The name of the Association shall be Heisley Park Homeowners Association, Inc., and shall be an Ohio nonprofit corporation.

**SECTION 2. Membership.** Each owner upon acquisition of title to a Lot shall automatically become a member of the Association (a "Member"). Such Membership shall terminate upon the sale or other disposition by such Member of his or her Lot ownership, at which time the new Owner of such Lot shall automatically become a Member of the Association.

**SECTION 3. Definitions.** The terms used in this Code of Regulations shall have the same meaning as set forth in the Declaration of Covenants, Conditions and Restrictions and Reservation of Easements recorded with the Recorder of Lake County as Instrument No. \_\_\_\_\_ (the "Declaration"), unless the context shall prohibit.

**ARTICLE II  
MEETINGS OF MEMBERS**

**SECTION 1. Place of Meetings.** Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Trustees either in Painesville, Lake County, Ohio or as convenient thereto as possible and practical.

**SECTION 2. Annual Meetings.** The first meeting of the Members, whether a regular or special meeting, shall be held within sixty (60) days after the conveyance of Forty (40%) percent of the Lots (including Lots and/or units to be included on the Additional Land) to Owners other than Declarant or any Builder, but no later than three (3) years from the date of incorporation of the Association. The next annual meeting shall be set by the Board so as to occur no later than thirty (30) days before the close of the Association's fiscal year. Subsequent annual meetings of the Members shall be held within thirty (30) days of the same day of the same month of each year thereafter at an hour set by the Board. The annual meeting of the Members shall be held at a date and time as set by the Board.

**SECTION 3. Special Meetings.** The President may call special meetings. In addition, it shall be the duty of the President to call special meetings of the Association if so directed by resolution of a majority of a quorum of the Board of Trustees or a written petition signed by at least twenty-five (25%) percent of the total votes of the Association. The notice of

special meetings shall state the date, time and place of such meeting and the purpose thereof. No business shall be transacted at special meetings except as stated in the notice.

**SECTION 4. Notice of Meetings.** It shall be the duty of the Secretary to mail or cause to be delivered to the Owner of record of each Lot a notice of each annual or special meetings of the Association stating the purpose of the special meetings, as well as the time and place where it is to be held. If an Owner wishes notice to be given at an address other than his or her Lot, he or she shall designate such address by written notice to the Secretary. The mailing or delivering of a notice of a meeting in the manner provided in this Section shall be considered service of notice. Notices shall be served not less than ten (10) nor more than sixty (60) days before a meeting.

**SECTION 5. Waiver of Notice.** Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after the holding of such meeting. Attendance of any Member at any meeting without protesting, prior to or at the commencement of the meeting, the lack of proper notice shall be deemed to be a waiver by him or her of such meeting.

**SECTION 6. Adjournment of Meetings.** If any meetings of the Association cannot be held because a quorum is not present, a majority of the Members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place of the adjourned meeting are not fixed by those in attendance at the original meeting, or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed for regular meetings.

Those present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that any action taken shall be approved by at least a majority of Members required to constitute a quorum.

**SECTION 7. Voting Rights.** Each Lot shall have one vote. If only one of several Owners for a Lot is present at a meeting of the Association, that Owner is entitled to cast the vote allocated to that Lot. If more than one of the Owners is present, the vote allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of the Owners. There is majority agreement if any one of the Owners casts a vote allocated to that Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Lot. The Association may adopt rules regarding deadlocks. No votes allocated to a Lot owned by the Association may be cast. Voting at elections and votes on other matters may be conducted by mail.

Unless expressly reserved and the Association is notified of such reservation, a land contract vendee as defined in Chapter 5313 of the Revised Code, shall be deemed the proxy of a land contract vendor for purposes of this section.

**SECTION 8. Proxies.** A vote allocated to a Lot may be cast pursuant to a proxy duly executed by an Owner. If a Lot is owned by more than one person, each Owner of the Lot may vote or register protest to the casting of votes by the Owners of a Lot through a duly executed proxy. An Owner may revoke a proxy given pursuant to this section only by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. Except as hereinafter provided, a proxy shall terminate one year after its date, unless it specifies a shorter time. If a first mortgagee has been designated a proxy under the terms of a first mortgage covering the Lot, its presentation to the Board of a copy of the mortgage shall be notice of the proxy designation, and if the mortgage so states, of the irrevocability of that designation. Written notice to the Board or notice in a meeting of a revocation of a proxy designation shall not affect any vote or act previously taken. Each proxy shall automatically cease upon conveyance of the Lot.

**SECTION 9. Majority of Owners.** As used in this Code of Regulations, the term majority shall mean those votes, Owners, Members or other group as the context may indicate totaling more than fifty (50%) percent of the total number.

**SECTION 10. Quorum.** Except as otherwise provided in these Code of Regulations or in the Declaration, those Members present in person or by proxy shall constitute a quorum at all meetings of the Association. Any provision in the Declaration concerning quorums is specifically incorporated herein.

**SECTION 11. Conduct of Meetings.** The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in the minute book all resolutions adopted, as well as a record of all transactions occurring thereat.

**SECTION 12. Action Without A Meeting.** Any action which may be authorized or taken at a meeting of the members, except the election of Board members, may be authorized or taken without a meeting with the affirmative vote or approval, and in writing or writings signed by not less than a majority of the Members. Any such writing shall be entered into the minute book of the Association.

### **ARTICLE III BOARD OF TRUSTEES**

**SECTION 1. Governing Body.** Except as otherwise provided by law, the Articles of Incorporation, the Declaration or this Code of Regulations, all of the authority of the Association shall be exercised by or under the direction of the Board of Trustees.

**SECTION 2. Number and Qualification of Trustees.** The initial Board of Trustees in the Association shall consist of three (3) persons and shall be those named in the Articles of Incorporation or other such person or persons as may be substituted by the Declarant pursuant to Article XIII, Section 13.3 of the Declaration. At such time as the Owners are entitled to elect the members of the Board, the Board of Trustees shall be expanded to consist of five (5) persons. Except those appointed by the Declarant, all Trustees must be Owners. The spouse of an Owner is qualified to act as a Trustee if both the Owner and the spouse occupy the Lot. No person and his or her spouse may serve on the Board at the same time.

**SECTION 3. Nomination of Trustees.** Except for Trustees selected by the Declarant, nominations for election of the Board of Trustees shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board at each annual meeting of the Members to serve from the close of such annual meeting until the close of the next annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine but in no event less than the number of vacancies or terms to be filled. Nominations shall be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

**SECTION 4. Election of Trustees.** The Trustees shall be elected at each annual meeting of the Members of the Association or at a special meeting called for the purpose of electing Trustees. At a meeting of Members of the Association at which Trustees are to be elected, only persons nominated as candidates shall be eligible for election as Trustees and the candidates receiving the greatest number of votes shall be elected. The Board may adopt rules regarding nominations and procedure for elections. Election to the Board shall be by secret written ballot and at such elections, the Members or their proxies may cast, in respect to each vacancy, such voting power as they are entitled to exercise under the provisions of the Declaration.

**SECTION 5. Term of Office; Resignations.** Except for those Trustees appointed by the Declarant, each Trustee shall hold office for a term of two (2) years and until his or her successor is elected, or until his or her earlier resignation, removal from office, or death. It is intended by these Code of Regulations that the terms of the Trustees shall be staggered with three (3) Trustees being elected in odd numbered years and two (2) Trustees being elected in even numbered years. The initial terms of the Trustees elected by the Owners shall be adjusted to carry out this intent.

Any Trustee may resign at any time by oral statement to that effect made at a meeting of the Board of Trustees or in writing to that effect delivered to the Secretary of the Association, such resignation to take effect immediately or at such other time as the Trustee may specify. In the event of death or resignation of a Trustee, his or her successor shall be selected by a majority of the remaining members of the Board and shall serve for the unexpired term of the predecessor.

**SECTION 6. Compensation.** Members of the Board of Trustees shall serve without compensation, except that they may be reimbursed for actual expenses incurred on behalf of the Association.

**SECTION 7. Removal of Trustees.** Except for those appointed by the Declarant, at any regular or special meeting of the Association duly called, any one or more of the members of the Board of Trustees may be removed, with or without cause, by a majority vote of the Members, and a successor may then and there be elected to fill the vacancy thus created. A Trustee whose removal has been proposed shall be given at least ten (10) days notice of the calling of the meeting and the purposes thereof and shall be given an opportunity to be heard at the meeting. Additionally, any Trustee who has three (3) unexcused absences from Board meetings or who is delinquent in payment of an Assessment for more than twenty (20) days may be removed by a majority vote of the Trustees at meeting, a quorum being present.

**SECTION 8. Organization Meetings.** The first meeting of the Board of Trustees following each annual meeting of the Members shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board.

**SECTION 9. Regular Meetings.** Regular meetings of the Board of Trustees may be held at such time and place as shall be determined from time to time by a majority of the Trustees, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter.

**SECTION 10. Special Meetings.** Special meetings of the Board of Trustees shall be held when called by written notice signed by the President or Secretary of the Association, or by any two (2) Trustees. The notice shall specify the time and place of the meeting and the nature of any special business to be considered.

**SECTION 11. Notice of Meetings; Waiver.** Notice of the time and place of each meeting of the Trustees, whether regular or special, shall be given to each Trustee by one of the following methods: (a) personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the Trustee or to a person at the Trustee's home or place of business who would reasonably be expected to communicate such notice promptly to the Trustee; (d) by facsimile transmission or (e) by electronic mail. All such notices shall be given or sent to the Trustee's address or telephone number as shown on the records of the Association. Notice sent by first class mail shall be deposited into a United States mailbox, at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, facsimile transmission, or electronic mail shall be given at least seventy-two (72) hours before the time set for the meeting.

Waiver of notice of meetings of the Trustees shall be deemed the equivalent of proper notice. Any Trustee may, in writing, waive notice of any meeting of the Board, either before or after the holding of such meeting. Such writing shall be entered into the minutes of the meeting. If any Trustee attends a meeting without protesting the lack of proper



notice, either prior to or at the commencement of the meeting, then such Trustee shall be deemed to have waived notice of such meeting..

**SECTION 12. Quorum of the Board of Trustees.** At all meetings of the Board of Trustees, a majority of the Trustees shall constitute a quorum for the transaction of business, and the votes of a majority of the Trustees present at a meeting at which a quorum is present shall constitute the decision of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of the Trustees, if any action taken is approved by at least a majority of the required quorum for that meeting. Notice of adjournment of a meeting need not be given if the time and place to which it is adjourned are fixed and announced at such meeting. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted.

**SECTION 13. Conduct of Meetings.** The President shall preside over all meetings of the Board of Trustees, and the Secretary shall keep the minutes of the meeting and record in the minute book all resolutions adopted, as well as a record of all transaction occurring thereat.

**SECTION 14. Open Meetings.** All meetings of the Board of Trustees shall be open to all Members of the Association, but Members other than the Trustees may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Board.

**SECTION 15. Executive Session.** The Board may, with approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, or orders of business of similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

**SECTION 16. Action Without A Meeting.** Any action which may be authorized or taken at a meeting of the Board of Trustees may be authorized or taken without a meeting with the affirmative vote or approval, and in writing or writings signed by all the Trustees. Any such writing shall be entered into the minute book of the Association. An explanation of the action taken shall be posted at a prominent place or places within the Property within three (3) days after written consents of all the Board members have been obtained.

**SECTION 17. Voting By Trustees.** A Trustee who is present at a meeting of the Board or any committee meeting when corporate action is taken shall be deemed to have assented to the action taken unless:

a) He or she objects at the beginning of the meeting (or promptly upon arrival) to holding it or transacting business at the meeting;

b) His or her dissent or abstention from the action taken is entered in the minutes of the meeting; or

c) He or she delivers written notice of his or her dissent or abstention to the presiding officer of the meeting before its adjournment or to the Association immediately after adjournment of the meeting. This right of dissent or abstention shall not be available to a Trustee who votes in favor of the action taken.

#### ARTICLE IV OFFICERS

**SECTION 1. Officers.** The officers of the Association shall be a President, Vice President, Secretary and Treasurer. The Board of Trustees may elect such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board. Any two or more offices may be held by the same person, excepting the offices of President and Secretary. The President and Treasurer shall be elected from among members of the Board of Trustees.

**SECTION 2. Election; Term of Office; Vacancies.** The officers of the Association shall be elected annually by the Board of Trustees at the first meeting of the Board following each annual meeting of the Members, as herein set forth in Article III. A vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Board for the unexpired portion of the term.

**SECTION 3. Removal.** Any officer may be removed by the Board of Trustees whenever in its judgment the best interests of the Association would be served thereby.

**SECTION 4. Powers and Duties.** The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time be specifically conferred or imposed by the Board. The President shall be the chief executive officer of the Association. The Treasurer shall have the primary responsibility for the preparation of the budget and may delegate all or part of the preparation and notification duties to a finance committee, management agent or both.

**SECTION 5. Resignation.** Any officer may resign at any time by giving written notice to the Board of Trustees, the President, or the Secretary. Such resignation shall take effect on the date of the 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.

#### ARTICLE V COMMITTEES

**SECTION 1. General.** Committees to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the Trustees present at a meeting at which a quorum is present are hereby authorized. Such committees shall perform such duties and have such powers as may be provided in the resolution. Each committee shall be composed as required by law and operate in accordance with the terms of the resolution of the Board designating such committee or with rules adopted by the Board and to the full extent permitted by law.

**SECTION 2. Executive Committee.** The Board of Trustees may, by resolution adopted or signed by all of the Trustees, appoint an Executive Committee to consist of three (3) Trustees. The Board may delegate any or all of its duties to such committee. Any resolution or writing appointing such committee must acknowledge the responsibility of all of the Trustees for the operation and administration of the Association.

**SECTION 3. Design Review Committee.** The Board of Trustees may appoint a Design Review Committee which shall be responsible for plan approval in accordance with Article IX of the Declaration. In addition, the committee shall develop and promulgate architectural standards and guidelines with respect to those matters that are within the Association's authority to regulate.

## **ARTICLE VI DETERMINATION AND PAYMENT OF ASSESSMENTS**

**SECTION 1. Adoption of Budget.** It shall be the duty of the Board to prepare and adopt a budget covering the estimated Common Expenses of the Association for the coming fiscal year. The budget shall also include a capital contribution or reserve in accordance with a capital budget separately prepared. After adoption of the budget, the Board shall cause the summary of the budget and the Assessments to be levied against each Lot for the following year to be delivered to each Owner. Such summary shall be delivered at least thirty (30) days prior to the start of the fiscal year. The budget and Assessments shall take effect on the first day of the fiscal year.

**SECTION 2. Capital Budget and Contribution.** The Board shall annually prepare a capital budget, which shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, with respect to both amount and timing by annual assessments over the period of the budget. The capital contribution required shall be fixed by the Board and included within the budget and assessment, as provided in Section 1 of this Article. A copy of the capital budget shall be distributed to each Owner in the same manner as the operating budget.

**SECTION 3. Petition for Reconsideration of Budget Increase.** If the Board receives a petition for reconsideration of budget increase as set forth in Article VII, Section 7.7 of the Declaration, then the Board shall forthwith call a special meeting of the Members. At such meeting, the Members in good standing, in person or by proxy, exercising at least sixty-six and two thirds (66 2/3%) percent of voting power of the Association, may vote to reduce the increase by any amount proposed in the petition, but not lower than the previous year's budget.

**SECTION 4. Failure to Adopt Budget.** The failure or delay of the Board to adopt a budget as provided herein shall not constitute a waiver or release of the obligation of an Owner to pay the Assessments. In such event, the Assessments based upon the budget last adopted shall continue until such time as the Board adopts a new budget.

**SECTION 5. Computation of Assessments.** The Assessments for Common Expenses for each Lot shall be determined in accordance with the operating budget and the capital contribution budget as they apply to the various Lots. Unless otherwise determined by the Board, all Assessments shall be charged on an annual basis.

**SECTION 6. Payment, Delinquency and Acceleration.** Unless otherwise determined by the Board, all Assessments shall be payable annually. Any installment of an Assessment shall become delinquent if not paid on the due date as established by the Board. With respect to each installment of an Assessment not paid within five (5) days after its due date, the Board may, at its election, require the Owner to pay a reasonable late charge, together with interest at the rate provided in Section 1343.03 of the Ohio Revised Code calculated from the date of delinquency to and including the date full payment is received by the Association. If any installment of an Assessment is not paid within thirty (30) days after its due date, the Board may, at its election, declare all of the unpaid balance of the Assessment for the then current fiscal year, attributable to that Lot, to be immediately due and payable without further demand and may enforce collection of the full Assessment and all charges thereon in any manner authorized by law, the Declaration and these Code of Regulations.

**SECTION 7. Remedies for Default.** If an Owner is in default of payment of an Assessment, the Board may authorize collection through any lawful means, including foreclosure of the lien. Interest and all costs of such collection, including but not limited to court costs, lien fees, attorney fees shall be included in the amount due from the Owner and may be collected. The Board may authorize the Association to bid its interest at any foreclosure sale and to acquire, hold, lease, mortgage and convey any Lot.

## **ARTICLE VII MISCELLANEOUS**

**SECTION 1. Fiscal Year.** The Association may adopt any fiscal year as determined by the Board.

**SECTION 2. Parliamentary Rules.** Except as may be modified by Board resolution establishing modified procedures, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Ohio law, the Articles of Incorporation, the Declaration, or this Code of Regulations.

**SECTION 3. Conflicts.** If there are conflicts or inconsistencies between the provisions of Ohio law, the Articles of Incorporation, the Declaration, and these Code of Regulations, the provisions of Ohio law, the Declaration, the Articles of Incorporation, and this Code of Regulations (in that order) shall prevail.

**SECTION 4. Books and Records.**

**Inspection by Members.** The membership book, account books and minutes of the Association, the Board and any committee shall be made available for inspection and copying by any Member or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as a Member at the office of the Association or at such other place within Lake County, Ohio, as the Board shall prescribe.

**b. Rules for Inspection.** The Board shall establish reasonable rules with respect to:

**i.** notice to be given to the custodian of the records by the Members desiring to make the inspection;

**ii.** hours and days of the week when such inspection may be made;  
and

**iii.** payment of the cost of reproducing copies requested by a Member.

**c. Inspection by Trustees.** Every Trustee shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Trustee includes the right to make extracts and copies of documents at the expense of the Association.

**SECTION 5. Notices.** Unless otherwise provided in this Code of Regulations, all notices, demands, bills, statements, or other communications under this Code of Regulations shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by first class mail, postage prepaid:

if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if not such address has been designated, at the address of the residence of such Member; or

if to the Association, the Board of Trustees, or the Managing Agent, at the principal office of the Association or the Managing Agent, if any, or at such other address as shall be designated by the Board with written notice to the Members.

**SECTION 6. Amendment.** Except as otherwise provided by law or the Declaration, this Code of Regulations may be amended by a majority of the Members. During such time as the Declarant has the right to appoint Trustees of the Association pursuant to Article XIII, Section 13.3 of the Declaration, the Declarant shall have the right to veto any amendment to this Code of Regulations which unreasonably impact Declarant's ability to sell Lots. Likewise, during such period, the Federal Housing Administration or the Veterans Administration shall have the right to veto any amendment, if either such agency is insuring or guaranteeing the mortgage on any Lot.

**SECTION 7. Financial Review.** A review of the accounts of the Association shall be made annually in the manner as the Board of Trustees may decide, provided, however, after having received the Board's report at the annual meeting, the Owners, by majority vote, may require the accounts of the Association to be audited as a Common Expense by a public accountant.