

BYLAWS OF
GAZEBO HILL HOMEOWNERS ASSOCIATION, INC.

SECTION 1. CREATION AND TERM OF ASSOCIATION

(a) The Owners of the Gazebo Hill Subdivision have created and established a not-for-profit corporation known as “Gazebo Hill Homeowners Association, Inc.”, hereafter the “Association”, with all the rights, powers and privileges as provided herein and in the Declaration of Restrictions Gazebo Hill Subdivision as restated and amended, all referred to hereafter as the “Declaration”.

(b) The Association shall be perpetual but may be dissolved pursuant to Wisconsin law.

SECTION 2. PURPOSES

The purposes for which the Association is organized and shall operate are as follows:

(a) To serve as an association of property owners who own lots in Gazebo Hill Subdivision (the “Owners”).

(b) To serve as a means through which the Owners may collectively and efficiently administer, manage, operate and control Gazebo Hill Subdivision (the “Subdivision”) in accordance with the Declaration and these Bylaws.

(c) To engage in any lawful activity included in and permitted under Wisconsin law, the Declaration and the purposes for which a nonstock, not for profit corporation may be organized.

SECTION 3. OFFICES

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The principal office of the Association shall be located in the City of Mequon, County of Ozaukee. The Association may have such other offices, either within or without the State of Wisconsin, as the Board of Directors (“Board”) may designate from time to time. The registered agent’s office shall be the principal office. The initial registered agent is Michael C. Williams and the initial registered agent’s office is 4123 W. Gazebo Hill Boulevard, Mequon, WI 53092.

SECTION 4. MEMBERSHIP

(a) Each Owner of a lot shall automatically be a member of the Association and shall be entitled to one membership and one vote for each lot owned, with ownership of a lot being the sole qualification for membership. The membership in the Association based on ownership of a lot or appurtenant thereto shall be owned jointly and severally by all co-Owners of the lot, regardless of the form of tenancy, estate or interest in the lot.

(b) Association membership and voting rights shall be appurtenant to each lot and shall not be assigned, conveyed or transferred in any way except upon transfer of an ownership interest in the lot and then only to the transferee. No membership or voting rights shall be retained except upon retention of an ownership interest in the lot. Any attempt to make a prohibited transfer or retention of such rights shall be null and void.

(c) Notwithstanding any provision in the Declaration to the contrary, the Developer, as defined in the Declaration, shall be entitled to one membership and one vote for each lot owned by the Developer.

SECTION 5. VOTING

(a) The vote appurtenant to each lot shall be cast as a whole (in person or by proxy) by the Owner or any co-Owner. The Board may allow voting via email on a case-by-case

basis. Fractional votes will not be allowed. If co-Owners of a lot do not agree on how the vote shall be cast or if a fractional vote is attempted, the right to vote on the matter in question shall be forfeited by such Owners. Co-Owners shall inform the Board in writing who shall be entitled to cast votes for the co-Owners of a lot and such notification, being executed by all the co-Owners of such lot, shall be filed with the Secretary before the vote takes place.

(b) The Secretary (as defined below) of the Association shall maintain a Membership Roster which states the name and address of each individual or entity entitled to cast a vote on behalf of a lot. Co-owners of a lot shall provide to the Secretary in writing the name of the individual or entity entitled to vote on behalf of the lot. Any change in the designation of the individual or entity entitled to vote shall be delivered to the Secretary of the Association.

(c) A quorum for voting purposes shall consist of five percent (5%) of the votes entitled to be cast. Owners may vote in person or by valid proxy.

(d) There shall be no cumulative voting for election of Officers or on any other matters. All decisions and motions of the Association except as otherwise specifically provided shall be a majority of the votes present and entitled to be cast.

(e) An Owner shall not be entitled to vote on a matter if the Owner is delinquent on the payment of any funds, including fines, penalties, special or general assessments, owed the Association.

(f) Proxies shall be valid only for the particular meeting or time period designated in the proxy but not more than 180 days, unless sooner revoked, and must be filed with the Secretary at or before the appointed time of the meeting.

SECTION 6. MEMBERSHIP LIST NOTICES

(a) The Board shall maintain a current membership list. Each Owner shall furnish the information necessary for the Board to maintain such membership list.

(b) All notices required to be given to an Owner shall be deemed to have been duly given as follows: At the time of personal delivery to the Owner or the home of the Owner; or if mailed, shall be deemed given on the date of mailing to the Owner's mailing address shown in the membership list. Notice to one co-Owner of a lot shall be deemed effective notice to all other co-Owners of such lot.

SECTION 7. ASSOCIATION MEETINGS

(a) Written notice of all meetings of the Association stating the time, place and purpose for which the meeting is called shall be given by the President or Secretary to each Owner not less than five nor more than 30 days prior to the date of such meeting provided, however, that notice of any meeting may be waived in writing before or after the meeting.

(b) The annual meeting of the Association shall be held between September 1 and December 15 of each year for the purpose of electing the members of the Board and transacting any other business authorized to be transacted by the Association. The Board shall select the specific date, time and place of the annual meeting and shall give written notice to each Owner as above provided.

(c) Special meetings of the Association shall be held whenever called by the President or two officers; however, such meetings must be called upon receipt by the President of a written request signed by Owners with one-fourth or more of all votes entitled to be cast.

(d) The act of a majority of the votes at any meeting at which a quorum is present shall be the act of the Association unless a greater percentage is required under the Declaration or by law.

(e) If a quorum is not present at a meeting, no business of the Association may be conducted; however, the majority of votes present (in person or by proxy) may adjourn the meeting from time to time without further notice. If such adjourned meeting is held within 15 days of the meeting originally noticed and if a quorum is present at such adjourned meeting, any business may be transacted which might have been transacted at the meeting as originally noticed.

SECTION 8. POWERS OF THE ASSOCIATION

(a) Without limitation, the Association shall have the following powers in addition to any others which may be necessary or incidental to performance of any duties or powers of the Association specified in the Declaration:

(1) to levy and enforce payment of general and special assessments on the lots and against Owners for purposes reasonable and necessary for the benefit of the Subdivision as provided in Sections 12, 13 and 14 hereof.

(2) to enforce the Declaration and rules and regulations, if any, adopted by the Board of Directors of the Association;

(3) to purchase, sell and convey lots (including the improvements thereon) incident to the foreclosure of a lien for any assessments and to acquire real estate as additional Common Area;

(4) to enter into and execute contracts, deeds, mortgages and documents on behalf of the Association which relate to any Common Area or improvements therefore;

(5) to incur indebtedness on behalf of the Association (but only for the purposes of and as may be reasonably necessary for carrying out its duties and obligations hereunder) and to execute drafts and other negotiable instruments;

(6) to employ the services of any person, firm, or corporation to maintain the Common Areas or to construct, install, repair or rebuild improvements thereon;

(7) to acquire, sell, transfer or exchange goods, equipment and other personal property or fixtures in the name of the Association for the operation of the Association;

(8) to commence, prosecute, settle, defend or be a party to any suit, hearing or proceeding (whether administrative, legislative or judicial) involving the enforcement of the Declaration or otherwise involving the exercise of any powers, duties or obligations of the Association;

(9) to adopt rules and regulations for the management, operation, use and enjoyment of the Common Areas and uses of individual lots, including fines and penalties which may be enforceable by special assessment and/or lien against any Owner or his/her family or guests violating such rules or regulations; and

(10) to exercise all other powers necessary to maintain the park and other Common Areas including the berms on the lots abutting Donges Bay Road and River Road, and operate the Association for the mutual use and enjoyment of all Owners.

(b) The President, together with one other Officer of the Association, is empowered to negotiate, execute and enter into contracts, agreements and other undertakings or documents of any kind on behalf of the Association necessary or incidental to exercise any powers or obligations of the Association or of the Board as provided herein or in the Declaration.

SECTION 9. OFFICERS; BOARD OF DIRECTORS OF ASSOCIATION

(a) The Officers of the Association shall be:

(1) a President, who shall: be the chief executive officer of the Association and a member of the Association's Board; be responsible for the proper execution of the business and affairs of the Association (subject to the approval of the Board); preside, when present, at all meetings of the Association and the Board; have the authority to appoint various committees; have all the general powers and duties usually vested in the office of President, as well as such other powers and duties as may be prescribed from time to time by resolution of the Board.

(2) a Secretary, who shall: be a member of the Board; keep the minutes of all meetings of the Board and of the Association; have charge of all the Association's books and records; maintain the membership list and keep it current; have charge of delivering all notices and approvals on behalf of the Board and the Association; and, in general, perform all duties incident to the office of Secretary, together with such other powers and duties as may be prescribed from time to time by resolution of the Board.

(3) a Treasurer, who shall: be a member of the Board; be responsible for the Association's funds and assets; keep complete and accurate accounts of all receipts and disbursements, financial records, and books of accounts; deposits all monies in the name and to the credit of the Association in depositories as may from time to time be designated by the Board; assess and collect all general and special assessments made by the Board; and exercise such other powers and duties as may be prescribed from time to time by resolution of the Board.

(4) no more than four Vice-Presidents. A vice president, in addition to serving on the Board, shall have such other powers, duties and restrictions as may be prescribed from time to time by resolution of the Board.

(b) All Directors shall be elected annually by the Association. Each Director shall hold a seat on the Board until a successor is duly elected or until death, resignation, or removal, whichever first occurs. No director may hold two or more offices at any one time.

(c) The initial officers of the Association are as follows:

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|----------------|-----------------|
| President | Mike Williams |
| Vice President | Dave Schroeder |
| Vice President | Marc Marotta |
| Treasurer | James Meyer |
| Secretary | Marcia Schwager |

A person must be an Owner or a co-Owner of a lot in order to be eligible to serve either as an officer of the Association or a Director of the Board.

(d) Vacancies in any officer position and on the Board shall be filled by a majority vote of the Directors then in office. Each person so elected shall serve until a successor is elected at the next annual meeting of the Association.

(e) An annual meeting of the Board shall be held immediately after the annual meeting of the Association. No notice of the annual meeting of the Board shall be required.

(f) Regular meetings of the Board shall be held at such times and places as the Board by resolution determines to be appropriate. After such initial notice, no further notice of regular meetings shall thereafter be required.

(g) Special meetings of the Board may be called by any officer on three (3) days prior written notice to each officer or orally, if notice is thereafter waived in writing by a majority of the Board.

(h) Before, at, or after any meeting of the Board, any officer may (in writing) waive notice of such meeting and such waiver shall be deemed equivalent to the giving of notice.

(i) For all meetings of the Board, a quorum necessary to transact business shall consist of a majority of the officers and the act of such majority shall be the act of the Board. If there is less than a quorum present at any meeting of the Board, no business shall be transacted; however, the majority of those present may adjourn the meeting from time to time without further notice. If such adjourned meeting is held within 15 days of the meeting originally scheduled and if a quorum is present at such adjourned meeting, any business may be transacted which might have been transacted at the meeting as originally noticed.

(j) Any action which the Board is authorized to take may be taken upon the unanimous consent of all officers without a meeting.

(k) The Board may require that some or all officers and/or employees of the Association handling or responsible for Association funds furnish adequate fidelity bonds, the premiums for which shall be paid for by the Association as a common expense.

SECTION 10. MANAGEMENT OF THE ASSOCIATION BY THE BOARD.

(a) The Association and its business activities and affairs shall be managed by the Board which shall consist of all the officers of the Association. The Board shall exercise and perform, in addition to its specified powers, duties and obligations, all powers, duties and obligations of the Association except to the extent the Declaration may otherwise expressly require the prior vote of the Association on a particular matter. Except as otherwise provided herein, all officers of the Association shall be elected by the members of the Association.

(b) Except as otherwise provided, the Board may appoint committees consisting of one or more Owners to make recommendations to the Board or the Association on any matter.

(c) No person shall receive any payment for services rendered as an officer or Director of the Board of the Association or as a member of any committee unless specifically authorized by prior resolution of the Association. The Board may reimburse out-of-pocket expenses incurred by an officer, director or committee member in the performance of his/her duties.

(d) All decisions of the Board on any matter shall be enforceable against any Owner if made in the good faith exercise of the judgment or discretion of its members so long as such decision is not clearly in conflict with the express provisions of this Declaration. Any Owner or other person seeking to avoid, set aside or challenge any such decision of the Board shall have the burden of proof to establish that such standards were not met at the time the decision was made.

SECTION 11. INDEMNIFICATION

(a) For the purposes of this Section 11, the following terms shall have the meanings ascribed to them in this section:

(1) "Director or Officer" shall mean any of the following:

(i) a natural person who is or was a Director or Officer of the Association;

(ii) unless the context requires otherwise, the estate or personal representative of a former Director or Officer, if such Director or Officer is deceased at the time of the indemnification.

(2) "Expenses" shall include fees, costs, charges, disbursements, attorney fees and any other expenses incurred in connection with a proceeding.

(3) “Liability” shall include the obligation to pay a judgment, settlement, penalty, assessment, forfeiture or fine, and reasonable expenses.

(4) “Party” shall mean a natural person who was or is, or who is threatened to be made, a named defendant or respondent in a proceeding.

(5) “Proceeding” shall mean any threatened, pending or completed civil, criminal, administrative or investigative action, suit, arbitration or other proceeding, whether formal or informal, which involves foreign, federal, state or local law and which is brought by or in the right of the Association or by any other person.

(b) The Association shall indemnify a Director or Officer, to the extent he has been successful on the merits or otherwise in the defense of a Proceeding, for all reasonable Expenses incurred in the Proceeding if the Director or Officer was a Party because he is a Director or Officer of the Association.

(c) In cases not included under subparagraph (b), above, the Association shall indemnify a Director or Officer against Liability incurred by the Director or Officer in a Proceeding to which the Director or Officer was a Party because he is a Director or Officer of the Association, unless Liability was incurred because the Director or Officer breached or failed to perform a duty he owes to the Association and the breach or failure to perform constitutes any of the following:

(1) a willful failure to deal fairly with the Association or its Members in connection with a matter in which the Director or Officer has a material conflict of interest;

(2) a violation of criminal law, unless the Director or Officer had reasonable cause to believe his conduct was lawful or no reasonable cause to believe his conduct was unlawful;

(3) a transaction from which the Director or Officer derived an improper personal profit; or

(4) willful misconduct.

Determination of whether indemnification is required under this subparagraph (c) shall be made under the provisions of subparagraph (f) below. The termination of a Proceeding by judgment, order, settlement or conviction, or upon a plea of no contest or an equivalent plea shall not, by itself, create a presumption that indemnification of the Director or Officer is not required under this subparagraph (c).

(d) A Director or Officer who seeks indemnification under this Section shall make a written request to the Association. In the written request, the Director or Officer shall identify every source from which the Director or Officer may be entitled to reimbursement or indemnification, provide a copy of any requests seeking reimbursement or indemnification and advise as to what funds have been received, are pending or have been rejected pursuant to any such requests.

(e) Indemnification under this Section is not required if the Director or Officer has previously received indemnification or allowance of the same Expenses from any person, including the Association, in connection with the same Proceeding.

(f) Unless provided otherwise by a written agreement between the Director or Officer and the Association, determination of whether indemnification is required under subsection (c) above shall be made by one of the following methods: (i) by a majority vote of a quorum of the Board of Directors consisting of the Directors who are not at the time parties to the Proceedings or, if a quorum of disinterested Directors cannot be obtained, by a majority vote of a committee duly appointed by the Board of Directors (which appointment by the Board may

be made by Directors who are parties to the Proceeding but must be disinterested parties) consisting solely of two or more Directors who are not at the time parties to the Proceedings; (ii) by a panel of three arbitrators consisting of (a) one arbitrator selected by a quorum of the Board of Directors or its committee constituted as required under (i), above, or, if unable to obtain such a quorum or committee, by a majority vote of the full Board of Directors, including directors who are parties to the Proceedings, (b) one arbitrator selected by the Director or Officer seeking indemnification and (c) one arbitrator selected by the other two arbitrators; (iii) by a court of competent jurisdiction; or (iv) by any other method provided for under subparagraph (h) below.

(g) Upon written request by a Director or Officer who is a Party to a Proceeding, the Association may pay or reimburse his reasonable Expenses as incurred if the Director or Officer provides the Association with all of the following:

(1) a written affirmation of his good faith belief that he or she has not breached or failed to perform his duties to the Association; and

(2) a written undertaking, executed personally or on his behalf, to repay the allowance and, if required by the Association, to pay reasonable interest on the allowance to the extent that it is ultimately determined under subparagraph (f) above that indemnification under subparagraph (c) above is not required and that indemnification is not ordered by a court under subparagraph (i) below. The undertaking under this subparagraph shall be an unlimited general obligation of the Director or Officer and may be accepted without reference to his ability to repay the allowance. The undertaking may be secured or unsecured.

(h) Except as provided in this subparagraph (h), the provisions of subparagraphs (b), (c) and (g) hereof do not preclude any additional right to indemnification or allowance of Expenses that a Director or Officer may have under: (i) the written agreement

between the Director or Officer and the Association; or (ii) a resolution of the Board of Directors. Regardless of the existence of an additional right to indemnification or allowance of Expenses, the Association shall not indemnify a Director or Officer or permit a Director or Officer to retain any allowance of Expenses unless it is determined by or on behalf of the Association that the Director or Officer did not breach or fail to perform a duty he owes to the Association which constitutes conduct under subparagraphs (c)(1)-(4). A Director or Officer who is a Party to the same or related Proceeding for which indemnification or an allowance of Expenses is sought may not participate in a determination under this subparagraph. None of the provisions contained in this Section 11 shall affect the Association's power to pay or reimburse Expenses incurred by a Director or Officer in any of the following circumstances:

(1) as a witness in a Proceeding to which he is not a Party; or

(2) as a plaintiff or petitioner in a Proceeding because he or she is or was an employee, agent, Director or Officer of the Association.

(i) Except as provided otherwise by written agreement between the Director or Officer and the Association, a Director or Officer who is a Party to a Proceeding may apply for indemnification to the court conducting the Proceeding or to another court of competent jurisdiction.

(j) The assumption by a person of a term of office as a Director or Officer of the Association, and the continuance in office or service of those persons who are any such Directors or Officers as of the adoption of this Section 11, shall constitute a contract between such person and the Association entitling him during such term of office or service to all of the rights and privileges of indemnification afforded by this Section 11 as in effect as of the date of his assumption or continuance in such term of office or service, but such contract shall not

prevent, and shall be subject to modification by, amendment of this Section 11 at any time prior to receipt by the Association of actual notice of a claim giving rise to any such person's entitlement to indemnification hereunder.

(k) The Association shall have power to purchase and maintain insurance on behalf of any person who is or was a Director or Officer of the Association, against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Section 11 or Chapter 181 of the Wisconsin Statutes.

(l) The invalidity or unenforceability of any provision of this Section 11 shall not affect the validity or enforceability of any other provision of this Section or of these Bylaws.

SECTION 12. COMMON EXPENSES AND ASSESSMENTS
AGAINST LOTS OF OWNERS

(a) The Board shall pay or arrange for payment for all costs, expenses and liabilities incurred by the Association out of the proceeds of assessments. The Board may, at any time, levy assessments for such purposes against the Owners and against all lots.

(b) "Special Assessments" may be made and levied by the Board against a particular Owner, and his, her or their lot (without levying against other lots) for:

(1) costs and expenses (anticipated or incurred) for repair or damage of Common Areas caused by or at the direction of such Owner or the family or guest of such Owner;

(2) costs, expenses and actual attorneys and consultants fees incurred in, or in anticipation of, any suit, action or other proceeding to enforce the Declaration, these Bylaws, or the Rules and Regulations, if any, adopted by the Board, against such Owner;

(3) interest due on general or special assessments; and

(4) all other costs and expenses anticipated or incurred by the Association which are subject to special assessments as provided hereunder or under the Declaration or the Rules and Regulations.

(c) "General Assessments" for common expenses shall be made and levied by the Board equally against each Owner, and his, her or their lot for the following "common expenses" which may be anticipated, incurred or paid by the Association for:

(1) maintenance, repairs, upkeep and operation of Common Areas and any additional Common Areas (such as any contiguous real estate) a may be acquired by the Association;

(2) any insurance maintained by the Association;

(3) taxes, assessments and charges of any kind made or levied by any governmental authority against the Association or upon any property of the Association;

(4) all costs and expenses for the operation and administration of the Association, including legal, accounting and management fees and other costs incident to the exercise of any of its powers or obligations;

(5) costs and expenses for additional improvements to Common Areas beyond those installed by Developer;

(6) all items subject to special assessment which have not been collected from an Owner at the time payment of such items is due, provided that upon collection of the special assessment from that Owner, all other Owners shall receive an appropriate adjustment, reimbursement or credit on future general assessments, as the Board may determine, for payments made under this paragraph;

(7) all damages, costs, expenses and attorney fees incurred in, or in anticipation of, any suit or proceeding (whether administrative, legislative or judicial) which are not otherwise collected by special assessment;

(8) costs and expenses of services, if any, made available to all lots and/or for any Common Areas;

(9) all other costs and expenses declared to be common expenses under the Declaration, these Bylaws or the Rules and Regulations.

(d) The Association shall further have the right to levy and collect an assessment against all Lots in the Subdivision for reimbursement of costs and attorneys' and consultants' fees incurred by the Association in the enforcement of the Declaration, these Bylaws or the Rules and Regulations provided that (i) said assessment shall be equally allocated to all platted Lots in the Subdivision, and (ii) any enforcement costs recovered from the violating Lot Owner shall be credited or refunded to Owners of Lots against which the assessments were made.

(e) The Association shall maintain separate books and records for general and special assessment accounts of the Owners, as may be necessary, provided that all funds received from either assessment may be commingled and thereafter disbursed to pay any costs or expenses incurred by the Association which would be subject to general or special assessment.

(f) The fiscal year of the Association shall commence on January 1 of each year (except that the first fiscal year shall commence upon the recording of the Restatement of Declaration) and terminate on December 31 of such year unless otherwise determined by the Board.

(g) On or before December 1 of each year, the Board shall determine the estimated expenses of the Association and prepare an annual operating budget in order to determine the amount of the annual general assessments necessary to meet the estimated common expenses of the Association for the ensuing year and shall furnish a copy to each Owner or one of the co-Owners of the lot.

SECTION 13. PAYMENT OF ASSESSMENTS

(a) Each Owner, or anyone deriving an interest from or through him, shall promptly pay, when due, all general and special assessments levied by the Board against such Owner and his, her or their lot, together with all costs, expenses and reasonable attorneys fees incurred by the Association in collection of any delinquent assessment(s). All assessments shall become due as the Board may determine appropriate (in a lump sum or in installments with or without interest). Time is of the essence with respect to all payments.

(b) All co-Owners of a lot, or anyone deriving an interest from and through them, shall be jointly and severally liable for all general and special assessments levied against the lot, regardless of the type or tenancy, estate or interest in the lot (whether as joint tenants, tenants-in-common, land contract purchaser(s) or seller(s), or otherwise).

SECTION 14. DELINQUENT ASSESSMENTS; INTEREST, LIEN AND COLLECTION

(a) All general and special assessments which are not paid when due: shall bear interest at twelve percent (12%) per annum or at such other maximum rate as may then be permitted by law until the assessment is paid in full; shall constitute a lien on the lot; and shall be collectible and enforceable by the Board (in its own name or the name of the Association) by suit against the Owner, by foreclosure of the lien, and/or in any other manner or method provided hereunder, or under the Declaration or laws of the State of Wisconsin. The lien granted

hereunder shall also cover and include all interest accruing on delinquent assessments, plus costs, expenses and attorney's fees for collection. The assessment, interest and expenses thereon shall further be the personal obligation of the applicable Lot Owner.

(b) The Association (through the Board) shall have the exclusive right and power to collect or enforce collection of all general and special assessments levied by the Board and shall further have the exclusive right to bring any and all actions and proceedings for the collection thereof and/or the enforcement of liens arising therefrom. The Association may bring an action at law against any Owner personally to collect such assessments and/or to foreclose the lien for such assessments against the lot in the same manner and method as an action to foreclose a real estate mortgage under Chapter 846 of the Wisconsin Statutes or as may be amended. The Board shall have the right at any time to notify all Owners within the Subdivision of the delinquency of any Owner.

SECTION 15. RULES AND REGULATIONS.

(a) The Association, through the Board, may from time to time adopt or change rules or regulations (hereafter "Rules and Regulations") governing the operation, maintenance and use of the Common Areas by the Owners and their respective families and guests. Such Rules and Regulations shall be designed to facilitate and encourage the peaceful use and enjoyment of the Common Areas by the Owners and their respective families, without unduly interfering with the peaceful use and enjoyment of the surrounding lots. All Owners, lessees, licensees, invitees, other occupants, and guests of any lot in the Subdivision shall abide by all such Rules and Regulations.

(b) A violation of any such Rule or Regulation shall be a violation of the Declaration and these Bylaws and may be enforced in the same manner as any other term or

provision of the Declaration or as otherwise may be designated in the Rule or Regulation, including without limitation the imposition of forfeitures, penalties, or other charges against the Owner, which shall be collectible by special assessment against the lot and Owner.

SECTION 16. OWNER'S LACK OF AUTHORITY TO BIND ASSOCIATION.

No Owner, other than the Officers of the Association, shall have an authority to act for the Association or the other Owners, as agent or otherwise, nor to bind the Association or the other Owners to contracts, negotiable instruments or other obligations or undertakings of any kind.

SECTION 17. SERVICE OF PROCESS.

Service of process upon the Association for all matters shall be made upon the President of the Association or the registered agent of the Association.

**SECTION 18. ENFORCEMENT OF DECLARATION, BYLAWS
NO REVERSION OF TITLE**

(a) The Association, through the Board, shall have the exclusive right to enforce, by proceedings at law or in equity, all the terms, conditions, and provisions of the Declaration, these Bylaws, and any Rules or Regulations adopted by the Association or by the Board; however, any Owner may proceed at such Owner's expense, in accordance with Section 21 and subject to the limitations of Section 11 of the Declaration, to enforce any such terms, conditions or provisions (other than for collection of assessments against Owners of other lots) if the Association fails to take such action within 60 days following a written request by such Owner for the Association to do so. Any Owner violating any of the terms, conditions or provisions of the Declaration or any Rules or Regulations shall pay all costs, expenses and actual attorney's fees incurred by the Association or by a prosecuting Owner in the successful enforcement thereof. Neither the Association, the Board, the Architectural Control Committee

nor the Developer shall be subject to any suit or claim by any Owner for failure to take any action requested by such Owner against another Owner.

(b) If an Owner brings a claim or action against the Association, the Board, a Director, Officer, Grievance Committee member or Architectural Control Committee member for acts taken by the Director, Officer, Grievance Committee member or Architectural Control Committee member on behalf of the Association, which claim or action is unsuccessful, then the Owner shall pay the reasonable attorney fees of the Association, the Board, Director, Officer, Grievance Committee member or Architectural Control Committee member.

(c) Each remedy set forth in the Declaration and/or in Rules or Regulations shall be in addition to all other rights and remedies available at law or in equity. All such remedies shall be cumulative and the election of one shall not constitute a waiver of any other. Any forbearance or failure of the Association or the Board to exercise any such right or remedy for any violation shall not be a waiver of such right or remedy under any circumstances unless a written waiver is obtained from the Board.

(d) Under no circumstances shall any violation of the Declaration, these Bylaws or any Rule or Regulation result in any reverter or reversion of title to any Lot.

(e) In furtherance and not in limitation of any of the terms of the Declaration, these Bylaws or the Rules and Regulations, the Association intends that the Declaration, these Bylaws and the Rules and Regulations shall be and remain at all times until expiration thereof, fully enforceable against all Lots and any person, entity, trust, organization, governmental unit or sovereign nation which may become a Lot Owner. Accordingly, any such person, entity, trust, organization, governmental unit or sovereign nation which becomes a Lot Owner, whether by virtue of conveyance, operation of the law or otherwise, shall be conclusively deemed to have

waived any and all defenses to and immunity from enforcement of the Declaration, these Bylaws or the Rules and Regulations based upon the legal or ethnic status of such Lot Owner, including without limitation sovereign immunity, the Declaration, these Bylaws and the Rules and Regulations serving as full and adequate public notice of said waiver. Said waiver shall apply to the terms, conditions and encumbrances established in the Declaration, these Bylaws and the Rules and Regulations, together with any future liens, claims, easements or encumbrances expressly permitted thereunder.

SECTION 19. NO WAIVER; LIMITATION OF ACTION.

The failure of Developer, the Association, Board, Architectural Control Committee, or any Owner or co-Owner of a lot to enforce any of the provisions hereof or the Declaration or Rules and Regulations shall not be deemed a waiver of the right to thereafter do so; however, no action may be taken or brought to enforce any of the provisions hereof or the Declaration, these Bylaws or the Rules and Regulations as a result of a violation of any such provision more than six (6) years after such violation was first discovered by the Developer, the Association or Owner.

SECTION 20. SEVERABILITY.

The invalidity or unenforceability of any term, condition or provision of this Agreement shall not affect the validity or enforceability of any other term, condition, or provision of this Agreement, all of which shall remain in full force and effect.

SECTION 21. AMENDMENTS.

This document may be amended by a vote of at least 51% of the votes entitled to be cast by the Owners except where any other provision herein or of any law or other applicable agreement requires a larger vote.

