

DECLARATION
OF
RESTRICTIONS

Document Number

Document Title

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REGISTER'S OFFICE
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MICHAEL J. HASSLINGER
REGISTER OF DEEDS

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Name and Return Address

CARITY LAND CORP
12720 W. NORTH AVE - B
BROOKFIELD WI 53005
Pd 24/8

MSKC 2172.997

Parcel Identification Number (PIN)

STATE OF WISCONSIN
COUNTY OF WAUKESHA--REGISTER OF DEEDS

CERTIFICATE NO. 11954
THE UNDERSIGNED HEREBY CERTIFIES THAT THIS IS A
TRUE AND CORRECT COPY OF THE ORIGINAL ON FILE OR
RECORD IN THE REGISTER OF DEEDS OFFICE.
WITNESS MY HAND AND SEAL.

8-11-2000

DATE

Michael Hasslinger
MICHAEL J. HASSLINGER
REGISTER OF DEEDS

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**DECLARATION OF RESTRICTIONS
FOR
QUIETWOOD CREEK**

KNOW ALL PERSONS BY THESE PRESENTS; that **QUIETWOOD CREEK LLC** is a limited liability corporation duly organized and existing under and by the virtue of the State of Wisconsin. (herein referred to as "Developer", which terms shall also include the duly authorized agent to Developer). Developer is the owner of the premises described as follows (herein referred to as "QUIETWOOD CREEK").

QUIETWOOD CREEK

Being a part of the Southeast Quarter (SE 1/4) of the Southeast Quarter (SE 1/4) of Section 3, and the Northeast Quarter (NE 1/4) and Southeast Quarter (SE 1/4) of the Northeast Quarter (NE 1/4), and the Northeast Quarter (NE 1/4) and Southeast Quarter (SE 1/4) of the Southeast Quarter (SE 1/4) of Section 10, Town 5 North, Range 20 East, City of Muskego, Waukesha County, Wisconsin.

Developer, intending to establish a general plan for the use, occupancy and enjoyment of Quietwood Creek does hereby declare that, for the mutual benefit of present and future owners, Quietwood Creek shall be subject to the following restrictions.

1. **General Applicability** Unless specifically stated otherwise within this Declaration, all of the restrictions stated in this Declaration are applicable to all lots 1-142 of the Plat of Quietwood Creek.

2. **Building Restrictions** The following restrictions are applicable to all single-family lots:
 - a. Only one 1-story, 1 1/2 story, 2 story, split-level or bi-level single-family residential building and attached garage may be erected per lot.
 - b. The minimum living area of a 1-story home shall be 1600 square feet.
 - c. The minimum living area of the first floor of a 1 1/2-story home shall be 1100 square feet.
 - d. The minimum living area of a 2-story home shall be 1100 square feet on the first floor, and 1900 square feet total.
 - e. The minimum living area of a split-level or bi-level home shall be 1300 square feet total on the upper two levels.
 - f. Garages must be attached to the home directly, by breezeway, or in the basement of the home, and must be constructed at the same time as the home. The maximum size of any garage shall be 900 square feet.
 - g. The house, garage and paved driveways to the garage must be completed within one year after the first start of construction.
 - h. Minimum setbacks shall be 30 feet from the front lot line with side yard

setbacks a minimum of 10 feet on one side, all other sides shall be 15 feet. Rear yard setbacks shall not be less than 20 feet. Corner lots shall have a 30 foot street setback from both streets.

- i. There will be no outside storage of boats, trailers, buses, trucks, RV. campers or other vehicles or items deemed unacceptable by the Developer.
- j. All building plans, including the exterior design of each building, and basic site features such as landscaping, lighting, fences, garden structures, satellite dishes, swimming pools, additions and other temporary or permanent structures which affect the overall aesthetics of the Development, must be approved by the Developer in writing prior to construction, and prior to application for a building permit when one is required.
- k. In lieu of public street lights, one outdoor electric post-mounted lamp with photoelectric controls, must be installed.

3. **Lot Grading** Each lot owner must strictly adhere to and finish grade his lot in accordance with the Master Grading Plan on file in the office of the Subdivider and the office of the City Building Inspector unless a change is approved by the City Engineer. The Subdivider and/or the City and/or the agents, employees or independent contractors shall have the right, but not the responsibility, to enter upon any lot, at any time, for any purpose of inspection, maintenance, correction of any drainage conditions and the property owner is responsible for the cost of the same.

4. **Pond Liability** Storm water retention ponds have been created and are required by the City of Muskego to assist in the removal of sediment and detention of storm water in Quietwood Creek. The storm water retention ponds are not intended to be used for swimming or recreational facilities, and any use of the storm water retention ponds for such use is strictly prohibited. Any person entering into or using the storm water retention ponds for such use is strictly prohibited. Any persons entering into or using the storm water retention ponds either intentionally or accidentally do so at their own risk. By purchase of a Lot in Quietwood Creek, each Owner and its respective successors, assigns, heirs and personal representatives thereby waives, to the fullest extent permitted by law, any and all claims for liability against the City of Muskego, the Developer, the Quietwood Creek Homeowner's Association, and their respective agents, contractors, employees, officers, directors and shareholders, for injury or damage to person or property sustained in or about or resulting from the use or existence of the storm water retention ponds. In addition, each Owner (and its successors, assigns, heirs and personal representatives) agrees to indemnify, defend and hold harmless the City of Muskego, the Developer, the Quietwood Creek Homeowner's Association, and their respective agents, contractors, employees, officers, directors and shareholders, from and against any and all liabilities, claims, demands, costs and expenses of every kind and nature (including attorney's fees), including those arising from any injury or damage to any person

(including death) or property sustained in or about or resulting from the use or existence of the storm water retention ponds.

5. **Business Parcel** Quietwood Creek is part of an Overlay Planned Development District which includes an area north of the residential development which shall initially be known as lot 143 in Quietwood Creek with frontage on Janesville Road which has been conceptually zoned Business (B-3) by the City of Muskego. Owners are hereby put on notice that the Business area may contain future construction of a Business nature that may be approved exclusively by the City of Muskego. No owner shall have the right to object to any such Business use or construction, nor shall any Owner assert the right to claim that it has incurred or will incur a loss or damage as a result thereof.
6. **Parade of Homes** Declarant discloses that Declarant may arrange for the Subdivision or any phase thereof to be included in a "Parade of Homes" or similarly titled event in which members of the public are invited to inspect, at one time, a number of Lots improved by buildings constructed by one or more contractors. Such events may result in temporary periods of significant construction activity, traffic slow downs, and large crowds, and may continue for a period of several weeks. By acceptance of a deed or other conveyance to a Lot, an Owner is deemed to acknowledge the possibility of such event and is deemed to have waived any objection to the issuance of any municipal permits required for such event. Developer is not, however, required to include the Subdivision in any such event, and may base its decision of whether or not to do so on Developer's individual needs.
7. **Owner's Association** An incorporated association of the owners of single family lots in Quietwood Creek is hereby created for the purposes of managing and controlling Common Areas, as defined below, and performing other duties as set forth herein for the common benefit of the Owners. This owner's association will formally be titled Quietwood Creek Homeowner's Association, and it is referred to herein as the Association. The membership of the Association will be comprised of the owners, or the authorized agents of the owners, of lots in the Development. Members of the Association are referred to herein as the Owners.
8. **Management Committee** The Association will be governed by a Board of Directors as referred to herein as the Board. The Board will conduct and manage all of the responsibilities of the Association. The members of the Board will be selected as follows:
 - a. At any time that the Developer owns Fifty Percent (50%) or more of the lots including all future additions to the Development, all three of the Board members will be appointed by the Developer.
 - b. At any time that the Developer owns between Twenty and Fifty Percent (20-50%) of the lots in the Development, including all future additions to the

Development, two members of the Board will be appointed by the Developer, and one member will be chosen according to the procedure stated below.

- c. At any time that the Developer owns between Five and Twenty Percent (5-20%) of the lots in the Development, including all future additions to the Development, one member of the Board will be appointed by the Developer and two members will be chosen according to the procedure below.
- d. At any time that the Developer owns fewer than Five Percent (5%) of the lots in the Development, including all future additions to the Development, all three members of the Board will be chosen according to the procedure stated below.

9. **Election of Committee Members** The initial members of the Committee will be William W. Carity, P. Kenneth Servi, and Kristin N. Carity. The initial members will serve until December 31, 2002.

- a. No later than sixty (60) days before the expiration of any term of the Board members, a notice of the election of Board members will be sent to all Owners. The notice will state the number of board positions that are subject to election, according to the criteria stated in sections 8a, 8b, 8c, and 8d, and will solicit nominations for those positions. The notice will also state the date, time and place for a meeting of the Association, to be held no later than ten (10) days prior to the expiration of any term of the Board members, at which time an election of Board membership will take place.
- b. At the election meeting, the nominations for the Board membership will be announced, and additional nominations may be taken from the floor. Only owners may be nominated for Board membership, except for the initial members named above, who may be re-appointed to successive terms by the Developer, subject to the criteria of sections 8a, 8b, 8c, and 8d.
- c. Each owner is entitled to vote in person or by written proxy in elections for selecting members of the Board. Owners will have one vote for each single family lot owned.
- d. Board membership will be assigned to those Owners receiving the greater number of votes at the meeting.
- e. Except for the initial members, Board members terms will be as specified in the By-Laws of the Association. If any member of the Board dies, resigns, becomes unable to act or is no longer an Owner, the unexpired term of such member must be filled by a special election by the Board Members, or appointment by the Developer, if applicable, at a meeting called as soon as possible after the Board vacancy exists.

10. **Common Area Definition** Wherever used in this Declaration or the By-Laws of the Association, the term Common Area shall include:

- a. All areas within Quietwood Creek which are not owned by any Owner, or which are owned by the Association.
- b. The areas which are generally identified as such on the plat of Quietwood Creek which is attached as Exhibit "B".
- c. Outlots 1-7 in Quietwood Creek.
- d. All lawn and landscaped areas, and any entrance monuments, fencing and lighting, contained within the public right-of-way associated with Quietwood Circle; and all such areas contained within landscaping easements or pedestrian easements within Quietwood Creek.
- e. Any storm water drainage easements contained on private lots within Quietwood Creek.
- f. Any future stages of the development that will be designated as a Common Area by the Association or the Developer.

11. **No Agency for Other Owners** No Owner, other than members of the Board, has any authority to act for the Association or the other Owners, as agent or otherwise to bind the Association or the other Owners to contracts, negotiable instruments or other obligations or undertakings of any kind.

12. **Wetland Buffer** The State of Wisconsin Department of Natural Resources, according to Permit No. 3-SE-99-0230 / 0246 as amended, has required that all lots adjacent to jurisdictional wetlands as shown on the Final Plat of Quietwood Creek shall have a natural unmowed buffer of 25 feet that shall be maintained around the wetland area of the subject lot. This requirement affects lots # 9, 10, 11, 20, 101, 102, 103, 104, 105, 106, and 107 in the plat of Quietwood Creek. An exception to this requirement is lots 109 and 111 which shall maintain a natural unmowed buffer of 12 feet around the wetland area.

13. **Utility Easements** Developer has the right to grant and convey easements to the City or to any public or private utility company or individual party upon, over, through or across those portions of any lot in the Development for purposes of allowing the City, individual party or utility service to any lot or lots or through any portions of the Subdivision or for purposes of facilitating said services within or through the Subdivision. Such easements may be granted by Developer, in its own name and without the consent or approval of any lot Owner, until such time as Developer has conveyed legal title to all lots platted or to be platted in the Subdivision to persons other than a successor - Developer.

14. **Maintenance Easements** Certain lots in Quietwood Creek have or will have storm water drainage or maintenance easements. These easements are within defined boundaries in these lots, and are restricted to only such areas, methods of access and duration as are reasonably required to perform necessary maintenance to the

easements or storm water retention ponds or drainage ways. If a property owner does not perform required maintenance in the easement area, the City of Muskego is authorized but not required to perform said maintenance. The costs and expenses associated with said maintenance shall be entered on the tax roll as a special assessment against the property and collected with any other taxes levied thereon for the year in which the work is completed.

15. **No Waiver of Rights** Any failure of the Association or the Committee to enforce any provisions contained in this Declaration will not be deemed to be a waiver of the rights to do so, or an acquiescence in any subsequent action.
16. **Future Development** The Developer, its successors and assigns have the right to bring within this Declaration future stages of the Development, provided such future stages are adjacent to the existing Development. Any future stages added to this Declaration authorized under this sub-section will be added by recording a Supplemental Declaration of Covenants and Restrictions with respect to the future stages which will extend the provisions of this Declaration to such future stages. Except with respect to increasing the numbers of Owners, such supplementary declaration may not revoke, modify or add to the covenants established by this Declaration.
17. **Amendments** This Declaration may be amended by recording in the office of the Register of Deeds for Waukesha County, Wisconsin, a document to that effect executed by the Developer (so long as it owns any lots) and the owners of at least fifty percent (50%) of all then-existing owners of platted lots in the Development, and their mortgagors, with all signatures duly notarized. After full conveyance of all lots by Developer, such amendments shall be executed by the owners of at least sixty (60%) of all the existing owners of platted lots. Such amendment will become effective only upon recording. Notwithstanding the foregoing provisions of this Section, Developer may amend this Declaration without the consent of any of the lot Owners solely to effect an expansion of Quietwood Creek to include contiguous parcels of real estate as may be acquired by Developer from time to time, or to amend the Declaration for subsequent phases of Quietwood Creek.
18. **Duration of Restrictions** These restrictions will be in force perpetually from the date hereof and will be deemed to run with the land, to bind the owners and their successors and assigns, and be enforceable by any Owner. This Declaration is executed by the Developer's signatures below, and is effective upon recording by the Waukesha County Register of Deeds.

William W. Carity
William W. Carity Co Managing Member

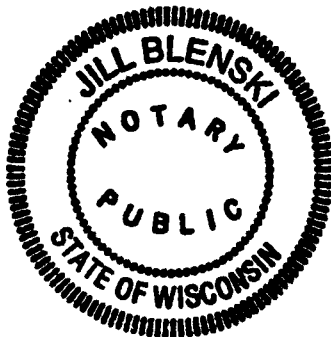
8-7-00
Date

P. Kenneth Servi
P. Kenneth Servi Co Managing Member

8-7-00
Date

STATE OF WISCONSIN }
 } ss.
WAUKESHA COUNTY }

Personally came before me this 7th day of August, 2000, the above
named William W. Carity and P. Kenneth Servi, to me known to be the person who
executed the foregoing instrument and acknowledged the same.



Jill Blenski
Notary Public, Waukesha County, Wisconsin
My commission expires 9-17-2000

THIS INSTRUMENT DRAFTED BY:
WILLIAM W. CARITY
CO CARITY LAND CORP.
12720 W. NORTH AVE.
BROOKFIELD, WI 53005

RECEIVED - DEPT OF
FINANCIAL INSTITUTIONS
STATE OF WISCONSIN

2000 JUL 11 AM 10:10

ARTICLES OF INCORPORATION
OF

QUIETWOOD CREEK HOMEOWNERS ASSOCIATION, INC.
(A Nonstock, Non-Profit Corporation)

The undersigned, being a natural person over the age of eighteen (18) years and acting as incorporator of a nonstock nonprofit corporation under the provisions of the Wisconsin Nonstock Corporation Law, Chapter 181 of the Wisconsin Statutes, does hereby adopt the following as Articles of Incorporation of such corporation:

ARTICLE I.

Name

The name of the Corporation shall be Quietwood Creek Homeowners Association, Inc. (the "Association").

ARTICLE II.

Period of Existence

The period of existence of the Association shall be perpetual.

ARTICLE III.

Purposes

The purposes for which this Association is organized are as follows:

A. To serve as an association of owners of real estate and improvements in Quietwood Creek, and any additions thereto (the "Property"), subject to the terms and conditions of the Declaration of Deed Restrictions for the Property recorded in the Office of the Register of Deeds for Waukesha County, Wisconsin, as the same may be amended from time to time (hereinafter referred to as "Deed Restrictions");

B. To serve as a means through which the owners may collectively and efficiently administer, manage, operate and control the Property in accordance with the Deed Restrictions and the By-Laws of the Association; and

C. To engage in lawful activity included in and permitted under the Deed Restrictions within the purposes for which a nonstock, nonprofit corporation may be organized under the Wisconsin Nonstock Corporation Law.

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ARTICLE IV.**Powers**

The Association shall have and exercise all of the powers enumerated in the Wisconsin Nonstock Corporation Law, to the extent not inconsistent with the Deed Restrictions, or the By-Laws, including without limitation, the following:

A. To hire, engage or employ and discharge such persons or entities as it may deem necessary or advisable to assist in the management of its affairs or to properly effectuate the duties and responsibilities of the Association as set forth in the Deed Restrictions;

B. To maintain, repair, replace, reconstruct, operate and protect certain entrance signs, landscaping and other improvement affecting the Property as set forth in the Deed Restrictions;

C. To determine, levy and collect assessments against the owners and use the proceeds thereof in the exercise of its powers and duties, including without limitation, the payment of operating expenses of the Association and the common expenses relating to the maintenance, repair, replacement, reconstruction, operation and protection of the areas described above as set forth in the Deed Restrictions;

D. To enter into contracts on behalf of the owners and act as agent of the owners, with regard to, among other things, common services as required for each separate tract or parcel of land within the Property; utilities and such other matters as may be determined by the members of the Association;

E. To make and amend By-Laws and reasonable rules and regulations governing, among other things, the use and operation of the Property in the manner provided by the Deed Restrictions;

F. To enforce by legal means the provisions of the Deed Restrictions, the By-Laws, assessments and liens, and any rules and regulations governing the use and operation of the Property;

G. To establish and maintain one or more bank accounts for deposit and withdrawal of the funds of the Association; and

H. To do all things necessary or advisable to effectuate the purpose of this Association and the Deed Restrictions.

ARTICLE V.

Members

All owners of land in Quietwood Creek shall be entitled and required to be members of the Association, and membership shall be limited to such owners. The respective rights, qualifications and obligations of membership shall be as set forth in the By-Laws of the Association.

ARTICLE VI.

Principal Office and Registered Agent

The location of the initial principal office of the Association shall be 12720 West North Avenue, Brookfield, Wisconsin 53005 and the initial registered agent at such address shall be William W. Carity.

ARTICLE VII.

Directors

The number of directors of the corporation shall be as fixed in the By-Laws, but in no event shall be less than three. The manner in which directors shall be elected, appointed or removed shall be provided in the By-Laws.

The number of directors constituting the initial Board of Directors shall be three and the names and addresses of the initial directors are:

- | | |
|-------------------|---|
| William W. Carity | 12720 West North Avenue
Brookfield, WI 53005 |
| Kenneth P. Servi | 12720 West North Avenue
Brookfield, WI 53005 |
| Kristin N. Carity | 12720 West North Avenue
Brookfield, WI 53005 |

ARTICLE VIII.**Officers**

The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer. The officers shall be elected, appointed or removed in the manner provided by the By-Laws, and shall have and exercise the powers and duties assigned in the By-Laws.

ARTICLE IX.**Incorporator**

The names and address of the incorporator of this Association is: William W. Carity, 12720 West North Avenue, Brookfield, Wisconsin 53005.

ARTICLE X.**Stock, Dividends, Dissolution**

The Association shall not have or issue shares of stock. No dividend shall ever be paid to members of the Association, and no part of the income, assets or surplus of the Association shall be distributed to its members, directors or officers except upon dissolution of the Association. The Association may pay compensation in reasonable amounts to employees, members, directors or officers for services rendered except as limited in the By-Laws, and may confer benefits upon its members in conformity with its purposes.

In the event of dissolution of the Association, all of the Association's assets, after payment of its liabilities and obligations, shall be distributed to the members of the Association in accordance with the number of lots owned in Quietwood Creek Subdivision.

ARTICLE XI.**Amendment**

These Articles may be amended in the manner provided by law at the time of amendment, as limited by applicable provision in the By-Laws.

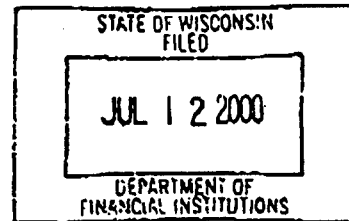
IN WITNESS WHEREOF, the undersigned has executed these Articles in duplicate this 10th day of July, 2000.

William W. Carity
William W. Carity, Incorporator

STATE OF WISCONSIN)
) SS.
MILWAUKEE COUNTY)

Personally came before me this 10th day of July, 2000, the above named William W. Carity to me known to be the person whose name is subscribed to the foregoing Articles of Incorporation and he acknowledged that executed the same for the purposes therein contained.

Kim Shapiro
Notary Public, State of Wisconsin
My Commission *expires 6-03-01*



THIS INSTRUMENT WAS DRAFTED BY AND AFTER RECORDING SHOULD BE RETURNED TO:

George B. Erwin, III
Schmidt, Darling & Erwin
2300 North Mayfair Road
Suite 1175
Milwaukee, WI 53226
(414) 258-4300

artincor.gc

BY-LAWS

OF

QUIETWOOD CREEK HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

Name and Purpose

Pursuant to the Articles of Incorporation of Quietwood Creek Homeowners Association, Inc. and the Declaration of Deed Restrictions for Quietwood Creek recorded in the Office of the Register of Deeds for Waukesha County, Wisconsin (hereinafter "Deed Restrictions"), the following are adopted as the By-Laws of QUIETWOOD CREEK HOMEOWNERS ASSOCIATION, INC. INC. (hereinafter sometimes referred to as the "Association"), which is a non-profit nonstock corporation formed and organized to serve as an association of owners of real estate and improvements located in Quietwood Creek Subdivision, City of Muskego, State of Wisconsin (together, the "Property") subject to the terms and conditions of the Deed Restrictions.

These By-Laws shall be deemed covenants running with the land and shall be binding on the Owners and their heirs, administrators, personal representatives, successors and assigns.

ARTICLE II

Members, Voting and Meetings

2.1 **Members.** The rights and qualifications of the members are as follows:

a. **Defined.** Members of the Association shall be all owners of individual lots in the Subdivision (the "Owners"). Each Owner shall have the number of votes, including fractions thereof, equal to the number of Lots (as that term is defined in the Deed Restrictions) owned by said Owner. If title to any Lot is held by more than one Owner, the membership in the Association related to that Lot shall be shared by such Owners in the same proportionate interests and by the same type of tenancy in which title to the Lot is held. Every Owner upon acquiring title shall automatically become a member of the Association and shall remain a member thereof until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically cease.

b. **Membership List.** The Association shall maintain a current Membership List showing the names of Owners, the address to which notice of meetings of the Association shall be sent, any mortgagee of the Lot, and the person designated to cast the votes.

Only the person so designated shall be entitled to cast a vote in person or by proxy. A designation may be limited in time or may be changed by notice in writing to the Secretary of the Association signed by a majority of the persons having an ownership interest in the Lot.

c. Transfer of Membership. Each membership shall be appurtenant to the separate parcel of land within the Property (the "Lot") upon which it is based and shall be transferred automatically upon conveyance of that Lot. Membership in the Association may not be transferred, except in connection with the transfer of a Lot. Upon transfer of a Lot, the Association shall, as soon as possible thereafter, be given written notice of such transfer, name of the person designated to vote, name and address of mortgagee, if any, and any other information about the transfer which the Association may deem pertinent, and the Association shall make appropriate changes to the Membership List effective as of the date of transfer.

2.2 Quorum and Proxies for Members' Meetings. A quorum for members' meetings shall consist of thirty percent (30%) of the votes in the Association. Votes may be cast in person or by proxy in accordance with designations in the Membership List. Proxies shall be valid only for the particular meeting(s) or time period designated therein, up to a maximum of 180 days, unless sooner revoked, and must be filed with the Secretary before the appointed time of the meeting. If any meeting of members cannot be organized because a quorum is not present, a majority of the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present, without further notice. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally noticed.

2.3 Act by Majority. Unless specifically provided otherwise herein, or under the Wisconsin Nonstock Corporation Law, the act of a majority of votes of the Association present in person or by proxy at any meeting at which a quorum is present shall be the act of the Association.

2.4 Time, Place, Notice and Calling of Members' Meetings. Written notice of all meetings stating the time and place and the purposes for which the meeting is called shall be given by the President or Secretary, unless waived in writing by all Owners, to each member at his address as it appears on the books of the Association and shall be mailed or personally delivered not less than five (5) days or more than sixty (60) days prior to the date of the meeting. Notice of meetings may be waived before or after meetings. Meetings shall be held at such time and place as may be designated by the Board of Directors.

2.5 Annual and Special Meetings. The annual meeting shall be held on the first Tuesday in May of each year for the purpose of electing directors and of transacting any other business authorized to be transacted by the members. Special meetings of the members shall be held whenever called by the President or any two members of the Board of Directors and must be called by such officers upon receipt of a written request signed by members with ten percent (10%) or more of all votes entitled to be cast.

ARTICLE III

Board of Directors

3.1 Initial Board of Directors. The initial Board of Directors shall consist of three (3) persons, appointed by Quietwood Creek, LLC ("Developer"), who need not be members of the Association. The initial Board of Directors shall serve until such time as the members elect a Board of Directors pursuant to Section 3.4 below.

3.2 Number and Qualifications of Directors. The Board of Directors shall consist of three (3) persons, to be classified with respect to the terms for which they severally hold office as set forth in Section 3.4 below. Except for those members of the Board designated by the Developer, each member of the Board of Directors shall be a member of the Association or, in the event that such member of the Association is not a natural person, the appointee of such member of the Association. In no event shall more than one (1) member of the Board of Directors be the owner of, or the appointee of an owner who is not a natural person, of a single lot.

3.3 Powers and Duties of the Board of Directors. The affairs of the Association including management and operation of the Property shall be governed by the Board of Directors. All powers and duties as shall be necessary for the administration of the affairs of the Association shall be exercised by the Board of Directors. Such powers and duties shall be exercised in accordance with the provisions of the Deed Restrictions, the Articles of Incorporation, and these By-Laws.

3.4 Election and Term of Directors. Subject to Section 8 of the Deed Restrictions, at the first annual meeting of the Association, the members shall elect three (3) directors to be classified with respect to the terms for which they hold office by dividing them into two (2) classes as follows:

- a. One (1) director whose terms will expire after one (1) year, at the next annual meeting of the Association (Class "A" Directors).

b. Two (2) directors whose terms will expire after two (2) years, at the second annual meeting of the Association after their election (Class "B" Directors).

The successors to the class of directors whose terms expire as set forth above shall be elected to hold office for a term of two (2) years or until their successors are duly elected and qualified, or until any of said directors shall have been removed in the manner hereinafter provided, so that the term of one class of directors shall expire in each year.

3.5 Vacancies on Board. Subject to the rights of the Developer under the Deed Restrictions, vacancies on the Board of Directors caused by any reason other than the removal of a director by a vote of the members shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum, and each person so elected shall be a director until a successor is elected at the next annual meeting of the members at which that class of directors is to be elected.

3.6 Removal of Directors. Subject to the rights of the Developer, at any regular or special meeting duly called, any one or more of the directors may be removed with or without cause by a majority of the votes of the membership present or represented at such meeting, providing a quorum in attendance, and a successor may then and there be elected to fill the vacancy thus created.

3.7 Annual Meetings and Notice. An annual meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of the members, for the purpose of election of officers and transacting such business as may come before the meeting. Notice of the regular annual meeting of the Board of Directors shall not be required.

3.8 Regular Meetings and Notice. The Board of Directors may provide by a resolution for regular or periodic meetings of the Board, to be held at a fixed time and place, and upon the passage of any such resolution, such meetings shall be held at the stated time and place without the necessity of other notice than such resolution.

3.9 Special Meetings and Notice. Special meetings of the Board of Directors may be called by the President or by two (2) directors on three (3) days prior written notice to each director, given personally or by mail, which notice shall state the time, place and purpose of the meeting.

3.10 Waiver of Notice. Before, at or after any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver by him of notice of the time and place

