
DECLARATION OF COVENANTS AND RESTRICTIONS

“WILDFLOWER”

JACK MATTHEWS DEVELOPMENT, LLC. (“Developer”), is the Owner of the following described real estate:

SEE ATTACHED EXHIBIT “A”

Known as **WILDFLOWER** Subdivision, a subdivision in the part of the West half of the Northwest Quarter of Section 34, Township 9 North, Range 5 West of the Third Principal Meridian, situated in Montgomery County, Illinois (the “Subdivision”).

Now therefore the undersigned do by these presents declare that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions which are for the purpose of protection the value and desirability of and which shall run with the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns and shall insure to the benefit of each owner thereof.

PREAMBLE

This Declaration sets forth the covenants and restrictions (“Restrictions”) to be imposed on the Subdivision. These Restrictions contained herein are in addition to the reservations, easements, and rights of way to be imposed by the Subdivision plat as recorded. The Covenants and Restrictions are to run with the land and be binding on all parties, and automatically extended for successive periods of 10 years, unless by a vote of all Owners of at least 67 percent of the lots, it is agreed to revise said Covenants and Restrictions in whole or in part.

The buildings to be constructed in this Subdivision will be single unit buildings on lots 1-33, and multi-family on lots 34-45. Each owner of a lot will own the land as shown on the Plat of said Subdivision.

RESTRICTIONS

The following restrictions are hereby imposed on all of the lands, lots, and Units, located and to be constructed in the Subdivision.

1. **LAND USE AND BUILDING TYPE.** No Lot shall be used except for residential purposes. All buildings to be erected, altered, placed, or permitted to remain on any Lot shall be residential dwellings, not to exceed two (2) stories in height, excluding the basement, and must include an attached garage.

The dwellings on all lots shall face the internal streets of the Wildflower Subdivision. No lot shall have access from Clark Street for temporary or permanent use, paved or unpaved without prior written approval from both the Wildflower Subdivision Architectural Control Committee and the City of Litchfield.

2. **BUILDING LOCATION.** No building or appurtenances thereto shall be located on any Lot nearer to any street line than the building lines shown on the Plat of the Subdivision as approved by the City of Litchfield and attached hereto as Exhibit "B" (Hereinafter "Subdivision Plat"). No structure shall be located closer than ten (10) feet from any side lot line. For purposes of the setback requirements herein, eaves, steps, and open porches shall not be considered a part of the building, provided however, that this shall not be construed to permit any portion of a building to encroach upon another Lot or conflict with the Plat of Subdivision.

3. **PLANS AND SPECIFICATIONS.** An Architectural Control Committee is hereby established, which shall initially be comprised of individuals appointed by the Developer (hereinafter called the "Architectural Committee"). The Architectural Committee shall have three (3) members. The following documents shall be submitted to the Architectural Committee for review and approval prior to the issuance of permits from the City of Litchfield or commencement of any site preparation or construction on any Lot, to-wit:

- A. Floor Plans;
- B. Front, sides and rear elevations;
- C. Exterior materials and color selections;
- D. Name of General Contractor and Construction Company;
- E. Plot plan showing front, side and rear setback lines, driveways, parking areas, and location of all structures on the Lot prepared by a surveyor licensed in Montgomery County;
- F. Landscaping plan;
- G. Grading plan;

The items in 3A-G shall collectively be "Plans".

Any Plans submitted to the Architectural Control Committee must be in compliance with the Subdivision Plat. No structure may be constructed or altered until the Plans for same have been approved as hereafter set forth. The Architectural Committee shall have the sole and absolute discretion in the approval or disapproval of all Plans in the Subdivision pursuant to these Restrictions. All Plan items shall be submitted to the Architectural Committee; the Architectural Committee shall have thirty (30) days to approve or disapprove of Plans. Any Plans not disapproved within said period shall be deemed approved. The members of the Architectural Committee shall serve without pay and, in discharging the duties imposed upon them hereunder, are hereby granted an easement prior to, during, and after completion of the construction of any structure or improvement whatsoever, and in discharging their duties

hereunder, to enter upon any Lot in the Subdivision, and will not be deemed to be trespassers thereby, and may enter into contracts, and employ agents, servants and counsel as the deem necessary in the performance of their duties. In carrying out their duties hereunder, no member of the Architectural Committee shall be held personally liable for negligence or for injury to person or damage to property, or for any other act or omission in the absence of willful and deliberate misconduct. The initial members of the Architectural Committee shall be appointed by the Developer and hold office until 30 Lots in the Subdivision are sold. In case of the death, dissolution or resignation of any of the initial members while holding such office, Developer shall have the right to name substitute members and new members of the Architectural Committee until 30 of the 45 Lots in the Subdivision are sold. Commencing with the sale of the first 30 Lots in the Subdivision, the Homeowners Association described below shall elect three members of the Architectural Committee. At the first such meeting, two members of the Architectural Committee shall be elected for one-year terms, and one member for a two-year term. At subsequent meetings of the Homeowners Association, their successors shall be elected for two-year terms, to replace the member or the members of the Architectural Committee whose term expires.

4. DWELLING SIZE AND MISCELLANEOUS.

4.1 Each dwelling unit shall contain not less than:

Lots 1-23 (Group A):

Minimum Square Footage Ranch: 1,400

Minimum Square Footage 2-Story: 1,800

Lots 14,15,24-33 (Group B):

Minimum Square Footage Ranch: 2,000

Minimum Square Footage 2-Story: 2,400

Lots 34-45 (Group C) Multi-Family:

Minimum 3 units per lot

4.2 Only one-story, one-and-one half story, or two-story dwellings shall be permitted on any Lot.

4.3 No split-foyer dwelling shall be permitted.

4.4 Each dwelling unit shall have a garage fully capable of housing a minimum of two automobiles. The character and design of garages must conform to the character and design of the dwelling structure. No detached garages are permitted on any Lot. Each Lot shall have a concrete driveway capable of parking a minimum of two automobiles leading from street to garage.

4.5 No temporary or permanent antennae or solar arrays will be allowed to be mounted on the ground. One satellite dish per unit may be attached to the dwellings, but only installed on the rear of the dwellings.

4.6 Recreational apparatus including, but not limited to playground equipment, basketball goals, or similar devices are prohibited in the Subdivision. Swing sets for the private use of lot owners may be placed in the rear 25' of lots 9 through 30. No above ground swimming pools will be permitted.

4.7 No noxious or offensive trade or activity shall be carried on upon any Lot, nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood.

4.8 No Lot or driveway, outside the exterior wall of the main residential structure or garage, shall be used for blocking or jacking of vehicles or automobiles of any kind for repair, or for repairing any one or more automobiles, for any period of time.

4.9 No shed, trailer, recreational vehicle, tent, shack, barn, garage, basement, or outbuilding erected on any Lot shall at any time be used as a residence, temporarily or permanently, nor shall any structure of a temporary character be used as a residence.

4.10 No trucks, trailers, or commercial vehicles will be allowed to stand on any Lot, other than service vehicles making deliveries and light pickup and panel trucks. No boats, campers, trucks, mobile equipment, vans, motor homes or recreational vehicles will be permitted to stand or be stored, for any length of time, outside the dwelling or garage on any Lot in the Subdivision.

4.12 Any and all mechanical work, or vehicle maintenance (except for washing or waxing) will be performed in the garage of each residence.

4.13 No structure of any kind shall be allowed on any Lot, except the building housing the Units, and nothing shall be stored in the open, outside said dwelling or garage, except during the period of construction of the dwelling house, it being the intent that, among other things, by way of example and not by way of limitation, no lawn buildings, visible garbage cans or clotheslines shall be allowed.

4.14 The building which may be erected on a Lot shall be constructed of good quality, new materials, suitable for the use in the construction of residences and no old buildings or buildings shall be placed on or moved to the premises. No tin, tar paper, composition paper, or similar materials may be used as the exterior covering of any building. No A-frame design, modular or mobile homes, or underground homes are allowed. Lots 1-23 (Group A) shall have a minimum of 25% of the front exterior elevation (excluding windows, doors, and gables) of each dwelling shall be constructed of brick or natural/manufactured stone. Lots 14,15,24-33 (Group B) shall have a minimum of 50% of the front exterior elevation (excluding windows, doors, and gables) of each dwelling shall be constructed of brick or natural/manufactured stone. Lot 34-45 (Group C) shall require the approval of by the Architectural Committee. The balance of the exterior walls may be finished with lap-style LP SmartSide hard siding or equal, no vinyl siding shall be allowed. All exterior portions of all structures shall be fully enclosed and finished, including, by way of example and not by way of limitation, all soffit, under-eave, overhang and porch areas.

4.15 All exterior lighting, including but not limited to directional lighting, shall be so located, shaded, and of such intensity so as not to become a visual nuisance to any adjoining or nearby Unit Owner, and shall be subject to the approval of the Architectural Committee.

4.16 No retail business of any kind shall be permitted in the Subdivision, nor any business whatsoever except home offices not open to the public which are permitted under the ordinances of the City of Litchfield.

4.17 Garden plots not greater than 200 square feet in size are allowed on Lots 1-33 in the rear yards only. Garden plots shall be NOT allowed on Lots 34-45.

4.18 No walls, fences of any kind, or retaining walls shall be allowed in the front or side yard of any lot. Fences not greater than four feet in height shall be allowed only within the rear yard in or on any part of any Lot within the Subdivision. No fences shall be allowed in easement areas or closer than one foot to any property line. Fences shall be black aluminum picket style fence only. No chain link, wire, wood, or other metal fences are allowed. Underground dog fences shall be permitted upon approval by the Architectural Committee.

4.19 Each Lot Owner shall strictly comply with the setback and building lines shown on the aforesaid Subdivision Plat.

4.20 All dwellings shall be landscaped within ninety (90) days of completion, including but not limited to planting beds across the dwelling's front elevation, which shall consist of ornamental shrubs, ground covers, mulch, ornamental rock and other materials. Each lot shall also be required to plant a minimum of one canopy tree, 2" or larger in caliper in the front yard. The front yards of each lot will have sod installed, seeding is only acceptable at the rear and side yards. Lots 1-8 and 31-33 shall also be required to plant 6-8 ft evergreen trees along the frontage with Clark Street at a minimum initial quantity of one tree for every 15 feet of frontage. Landscaping plans shall be approved by the Architectural Committee prior to installation.

4.21. Only furniture designed for patio/outdoor use is allowed on front porches. No interior furniture shall be used or kept on the exterior of any home.

5. **ROOFS.** All main roof slopes must be constructed with pitch of not less than 4/12. Shingles must be heavyweight architectural shingles having a textured design and appearance, and be constructed of fiberglass, asphalt shingle, or wood materials. Any questions on architectural shingles meeting requirements will be addressed to the Architectural Committee.

6. **MAILBOXES.** All Lot Owners will be required to utilize cluster mailboxes installed by the Developer.

7. **LIVESTOCK AND PETS.** No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except dogs or cats kept inside as house pets. No pets of any kind will be permitted to be kept outside the dwelling in exterior kennels or houses or maintained for any commercial purpose. No more than two pets shall be kept in any Dwelling Unit.

8. **CONSTRUCTION OF RESIDENCES, MAINTENANCE OF PROPERTY.**

8.1 During the entire duration of construction on individual lots of the Subdivision, Lot Owner is required to provide a 20 cubic yard trash container, portable restroom for workers, temporary aggregate drive, and perimeter siltation fencing. During the construction, maintenance or refurbishment of any building, Unit or Lot, and littering or damage to the public and private roadways and easements of the Subdivision, and any cleanup or restoration of them, (including dirt or mud), shall be the responsibility of the Owner of any Lot upon which such work is being performed.

8.2 Developer shall be responsible for mowing, landscape, trimming, and snow removal of common areas until the date when 30 of the 45 lots of the Subdivision have been sold; Developer may collect reasonable assessments from each Lot Owner to reimburse itself for the cost of such services, all

as more fully described below in Article 13 hereof. Thereafter, the Owners Association shall be responsible for mowing and landscape maintenance of Subdivision, and up to the street or curbs, such that the Subdivision will always present a neat, clean and attractive appearance. Landscaping shall be completed within 90 days of substantial completion of the dwelling.

8.3 The burning of any material outside of any dwelling is prohibited, except the burning of leaves in conformity with the Statutes of the State of Illinois and Ordinances of the City of Litchfield.

8.4 All sites shall have a finish grade that will allow the natural flow of surface water drainage from one lot to another without erosion or damage. Under no circumstances shall the owner of any Lot or parcel of land in the Subdivision alter the topographic conditions of said Owner's property in any way that will permit or cause additional quantities of water to flow from or across said owner's property and onto any adjoining property or public right-of-way. Grading shall be sloped and tapered at the side or rear Lot lines in such a manner as to permit construction on an adjacent Lot without the need for retaining walls. Gutter downspouts run-off shall be connected underground to storm sewers whenever permitted by municipal regulations but shall never be connected to any sanitary sewer.

8.5 It shall be the responsibility of the Lot Owner to construct 60 inch wide by 4 inch thick concrete sidewalks along the entire Lot frontage prior to occupancy permit. Sidewalks and driveway paving shall be located and constructed in compliance with all applicable specifications of the City of Litchfield.

8.6 All permits and approvals shall be in place and construction is to commence within thirty-six (36) months of purchase of lot from Developer. Construction of the residence must be completed within twelve (12) months of commencement thereof.

9. LIMITED COMMON AREA.

9.1 a "Limited Common Area" is a part of the common area as shown on the Subdivision Plat, however the use of such area is limited to the Members of the Owners Association.

9.2 Sanitary sewer and domestic water laterals from the public main to the dwelling are the responsibility of lot owners to install and maintain in compliance with City of Litchfield ordinances.

9.3 All common ground areas and detention areas are owned and maintained by the Owners Association.

10. RESERVED.

11. **GARBAGE AND REFUSE DISPOSAL.** No Lot shall be used or maintained as a dumping ground for rubbish, trash or garbage. Trash, rubbish, garbage or other waste shall not be kept, except in sanitary containers located inside the dwelling, except at which time the trash receptacles are placed at the street curb for municipal pick up.

12. **EASEMENTS.** Easements for installation, construction, reconstruction and maintenance of utilities, drainage facilities, and sidewalks are reserved, as shown on the above-mentioned recorded Subdivision Plat. No building or any other structure of any kind shall be placed on, in, or over any such easement; any such building or structure shall be removed at the expense of the Lot Owner.

13. **ASSESSMENTS.** Annual and special assessments may be established and levied against each Lot and its Owners by Developer and, when applicable, by the Homeowners' Association, for payment of the costs of the services to be provided by Developer pursuant to Paragraph 8.2 above, and Section 14, below, SERVICES TO BE PROVIDED BY DEVELOPER, and to pay the cost of: maintenance of street and entrance monuments and landscaping, subdivision fences, berms, detention basins, drainage and entrance improvements, mailbox structures, any amenities in the Subdivision for the use of the Lot owners, and for any other duties, powers and responsibilities of the Homeowners Association. Annual assessments shall be established by the directors of the Homeowners Association. Payment of an assessment shall be made within 30 days' notice of said assessment. Any unpaid assessment against a Lot shall be the personal obligation of each Owner of that Lot at the time of assessment, jointly and severally, and shall also become a lien against that Lot upon recording a notice thereof in the Montgomery County, Illinois Recorder's Office; if such notice is not filed on or before one year from the due date of said assessment, said right to a lien shall expire. Any purchaser, lender or title company shall have the right to rely on any statement or assurance by any office of the Homeowners Association, of the amount or payment of any such lien.

14. **SERVICES TO BE PROVIDED BY DEVELOPER.** Until 30 of the 45 Lots in the Subdivision are sold, Developer will provide lawn mowing, landscape trimming, and snow removal of the Common Ground Areas. Snow removal will be provided whenever there is measurable accumulation in excess of three (3) inches. After the sale of 30 of the 45 Lots of the Subdivision, the Owners Association will be responsible for performance of these duties.

15. **RESERVED.**

16. **HOMEOWNERS ASSOCIATION.** After 30 of the 45 total homes have been sold by Developer, "WILDFLOWER OWNERS Association" (or a name substantially similar thereto) shall be established as a not-for-profit corporation, herein called the "Owners Association", which shall be vested with all powers, duties, and responsibilities of the Owners Association set out in these Restrictions and as provided by law; title to all commons, amenities, landscaping, Subdivision fences, entrance improvements, easements, and Subdivision appurtenances shall be conveyed by Developer to the Owners Association. The Owners Association will assume responsibility for the maintenance of all common grounds, (except limited common areas as herein provided), and properties at such time. The Developer shall convey all common areas and green space areas to the Owners Association 90 days from the date that the Owners Association is established as a not-for-profit corporation. The Owners of each Lot shall collectively own one (1) share in the Owners Association. The Owners Association shall from time to time adopt bylaws for its constitution, operation and deliberations, in conformity with these Restrictions. The Owners Association shall have the right to assess dues for maintenance of the Subdivision and to provide funds reasonably sufficient to perform its duties. The Owners Association shall have the right, concurrent with any other Lot Owner, and with Developer, to enforce these Restrictions. Majority rule shall prevail except as otherwise set out herein, and Roberts Rules of Order are hereby adopted for conducting any and all meetings of the Owners Association, except as set out herein or in the bylaws adopted by the Owners Association. The members of the Architectural Committee at the time of formation of the Owners Association shall be the Organizers of the not-for-profit corporation and will be the original Board of the Association until Board members who are Lot owners have been selected by a majority of the Unit owners. Thereafter the Owners Association, through the duly elected Board, will function pursuant to law and the bylaws, which are attached hereto as Exhibit B.

17. **TIME PERIOD AND ENFORCEMENT OF RESTRICTIONS.** These Restrictions run with the land and shall be binding on all parties, and all parties and all persons claiming under them, until twenty (20) years from the date of recording hereof, at which time the Restrictions shall automatically be extended for successive periods of ten (10) years, unless by a vote of the Owners of at least sixty percent (60%) of the Lots, it is agreed to change said Restrictions in whole or in part. Until the last Lot in the Subdivision is sold by the undersigned, these Restrictions may be amended by Developer as to administrative manners and as to matters that are for the benefit and welfare of the Subdivision. These restrictions may be amended at any time prior to twenty (20) years from the date of recording hereof, or thereafter, by approving vote of at least sixty percent (60%) of the Units, which shall be effective upon recording of said rescission or amendment, together with an affidavit certifying said vote by the secretary of the Homeowners Association hereinbelow established, in the Montgomery County, Illinois Recorder's Office. If the parties hereto, or any of them, or their heirs, successors, personal representative, or assigns shall violate or attempt to violate any of the Restrictions herein, it shall be lawful, and power of authority is hereby given, to any other person owning any of the above described real property, and to the Homeowners Association, without further authority or direction, to enforce, or to prosecute any proceeding at law or in equity to enforce these Restrictions, or to prevent any violation thereof, or to recover damages resulting directly or consequentially from such violation, together with expenses, court costs and attorney's fees incurred in such proceeding. Invalidation of any one of these Restrictions, or any portion thereof, by judgment or court order, shall in no way affect any of the other provisions which shall remain in full force and effect.

SIGNATURES ON FOLLOWING PAGE

NOW THEREFORE, Developer, in order to implement the provisions of the foregoing Restrictions, does hereby set its hand on the date hereafter set forth, by its authorized manager and/or representative.

IN WITNESS WHEREOF, the undersigned has set its hand, but its authorized representative or agent this ____ day of _____, 2026.

DEVELOPER
JACK MATTHEWS DEVELOPMENT, LLC.

Matthew J. Pfund, President

STATE OF ILLINOIS)
) SS
COUNTY OF MONTGOMERY)

The undersigned, a Notary Public, in and for said County and State aforesaid, DOES HEREBY CERTIFY THAT Matthew J. Pfund, personally known to me to be the President of Jack Matthews Development and the same person whose name are subscribed to the foregoing instrument appeared before me in person and acknowledged that he signed and delivered the said instrument as his free and voluntary act for the uses and purposes herein set forth.

Given under my hand and seal this ____ day of _____, 2026.

Notary Public

EXHIBIT "A"
LEGAL DESCRIPTION

Part of Lot 1 of Schmidt Estates, a minor subdivision, reference being had to the plat thereof in the Montgomery County Record's Office on Slide 496 as Document #202500000168, being part of the West Half of the Northwest Quarter of Section 34, Township 9 North, Range 5 West of the Third Principal Meridian, County of Montgomery, State of Illinois, and being more particularly described as follows:

Beginning at a found iron pin at the northwest corner of said Lot 1; thence on an assumed bearing of South 89 degrees 03 minutes 17 seconds East, on the north line of said Lot 1, a distance of 1318.58 feet to the northeast corner of said Lot 1; thence South 00 degrees 40 minutes 02 seconds East, on the east line of said Lot 1, a distance of 668.98 feet to the southeast corner of said Lot 1; thence North 88 degrees 59 minutes 49 seconds West, on the south line of said Lot 1, a distance of 1320.04 feet to the southwest corner of said Lot 1; thence North 00 degrees 32 minutes 42 seconds West, on the west line of said Lot 1, a distance of 492.62 feet; thence North 89 degrees 27 minutes 18 seconds East, 10.00 feet; thence North 00 degrees 32 minutes 42 seconds West, on a line being 10.00 feet easterly of and parallel with said west line of Lot 1, a distance of 50.00 feet; thence South 89 degrees 27 minutes 18 seconds West, 10.00 feet to said west line of Lot 1; thence North 00 degrees 32 minutes 42 seconds West, on said west line, 124.99 feet to the Point of Beginning.

Said parcel contains 20.22 acres, more or less.

Subject to right of ways, easements, conditions and restrictions of record.

EXHIBIT "B"

BY-LAWS OF WILDFLOWER

**ARTICLE I
APPLICABILITY**

Section 1.01 The Development

The development is located along Clark Street in Litchfield, IL.

Section 1.02 Applicability of the By-Laws

The provisions of these By-Laws shall be applicable to the development as described in Section 1.01.

Section 1.03 Personal Application

A.) All present and future owners, tenants, future tenants or their employees or any other person, who might use the facilities of the development in any manner, are subject to the regulations set forth in these By-Laws. The mere purchase, acquisitions, rental or mere occupancy of any of said lots will signify that these By-Laws are accepted and ratified and will be complied with. It will be the responsibility of the seller to provide copy of the By-Laws to potential buyers and real estate listing agents.

**ARTICLE II
VOTING, MAJORITY OF OWNERS, QUORUM AND PROXIES**

Section 2.01 Voting

Voting shall be on a one (1) vote per lot basis and only the owner or the owner's Proxy may vote. There are forty-five (45) votes possible in the Association.

Section 2.02 Majority of Owners

As used in these By-Laws, the term majority of owners shall mean those lot owners holding at least eight (8) of the votes at any given meeting.

Section 2.03 Quorum

In any meeting of the Association where a voice of the lot owners is required for approval of any action, at least eight (8) of the voters shall be present either in person or by proxy in order to have a quorum.

Section 2.04 Proxies

Votes may be cast in person or by proxy. Proxies must be filed with the secretary before the appointed time of each meeting. An owner may file written notice with the Association designating an individual who shall vote at meetings of the Association and receive notices and other communications from the Association on behalf of such owner. Said notice shall state the name and address of the individual representative so designated, the number of lots owned by the owner and the name and address of the owner and shall be signed by the owner. The owner may change the individual representative at any time by filing a new notice as required herein.

Section 2.05 Changes

Any changes to the By-Laws or Covenants must be approved by the defined majority of owners. Any request for changes must be submitted in writing to the officers. The proposal will be reviewed and submitted to the homeowners for vote.

ARTICLE III ASSOCIATION OF OWNERS

Section 3.01 Creation and Responsibilities

The owners of the lots shall be herein referred to as The Wildflower Owners Association which will have the responsibility of administering the development, approving the annual budget, establishing and collecting annual special assessments and enforcing the Declaration of Covenants and Restrictions. These duties may be delegated to the Officers by the provision of these By-Laws or by duly approved resolution of the Association. Merger or consolidation of the Association, the sale, exchange, mortgage, pledge or other disposition of all or substantially all of the assets of the Association and the purchase or sale of land or lots on behalf of all the owners shall require approval by the majority of the lot owners. Except as otherwise provided in these By-Laws or the Declarations. The decisions and resolutions of the Association shall require approval by a majority of owners. The Association shall be organized and operated as a not-for-profit corporation under the laws of the State of Illinois.

Section 3.02 Place of Meetings

Meetings of the Association shall be held at a suitable place convenient to the owners as may be designated by the Association officers.

Section 3.03 Annual Meetings

The annual meetings of the Association shall be held on the second week of June each year. At such meeting there shall be elected officers of the Association in accordance with Section 4.04 of these By-Laws. The owners may also transact other business of the Association as may properly come before them.

Section 3.04 Special Meetings

It shall be the duty of the President to call a special meeting of the owners as directed by resolution of the Association officers or upon a petition signed by 13 of the lot owners and presented to the Secretary. The President may upon his/her own initiative, call special meetings of the owners. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice, unless accompanied by the consent of the majority of the owners present either in person or proxy.

Section 3.05 Notice of Meetings

It shall be the duty of the Secretary to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each owner of record, at least ten (10) days but not more than thirty (30) days prior to such meeting. The mailing of notice in the manner provided in this section shall be considered notice served.

Section 3.06 Adjourning Meetings

If any meeting of owners cannot be organized because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 3.07 Order of Business

The following order of business at all meetings of the owners shall be as follows:

- a. Roll Call
- b. Proof of notice of meeting or waiver of notice
- c. Reading of minutes of preceding meeting
- d. Reports of officers
- e. Report of committees
- f. Election of inspectors or election
- g. Election of officers
- h. New business

ARTICLE IV OFFICERS SECTION

Section 4.01 Number and Qualification

The affairs of the Association shall be governed by officers composed of four (4) persons, all of whom must be owners of lots in the development.

Section 4.02 General Power and Duties

The officers shall have the power and duties necessary for the administration of the law affairs of the Association and may do all such acts and things as are not prohibited by law or these By-Laws directed to be exercised and done by the owners.

Section 4.03 Specific Duties

In addition to duties imposed by these By-Laws by resolution of the Association, the officers shall be responsible for the following:

- A.) Care, upkeep and surveillance of the development, the common area and facilities, including disbursement of funds from the account of the Association to cover payments.
- B.) Obtaining adequate and appropriate kinds of insurance.
- C.) Owning, conveying, encumbering, leasing or otherwise dealing with lots or other property conveyed to or purchased by it.
- D.) Preparation, adoption and distribution of the annual budget for the Association.
- E.) Adoption and amendment of rules and regulations covering the details of the operation and use of the common areas including, but not limited to, setting amounts of annual assessments and fines for violations of the Covenants and Restrictions or these By-Laws. The officers shall, within 30 days of the last day of a calendar year, provide Owners with a schedule of fees and assessments that will be applicable in the succeeding year.
- F.) Appointment of the Architectural Control Committee.

Section 4.04 Election and Term of Office

At the first annual meeting of the Association the term of office of four (4) officers shall be fixed at: President, two (2) years. Vice President, one (1) year. Secretary, two (2) years. Treasurer, one (1) year. At the expiration of the initial term of office of each officer, his/her successor shall be elected to serve the

same term. The officers shall hold office until their successors have been elected and hold their first meeting.

Section 4.05 Vacancies

Vacancies among the officers of the Association caused by any reason other than the removal of an officer by a vote of the Association shall be filled by vote of the majority of the remaining officers, even though they may constitute less than quorum and each person so elected shall be an officer until a successor is elected at the next annual meeting of the Association.

Section 4.06 Removal of Officers

At any regular meeting duly called, any one or more of the officers may be removed with or without cause by a majority of the owners and a successor may then and there be elected to fill the vacancy thus created. Any officer whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

Section 4.07 Organization Meeting

The first meeting of newly elected officers shall be held within ten (10) days of the election at such place as shall be fixed by the officers at the meeting at which such officers were elected and no notice shall be necessary to the newly elected officers in order for such meeting to be legally constituted, provided a majority of all the officers shall be present.

Section 4.08 Regular Meetings

Regular meetings of the officers may be held at such time and place as shall be determined, from time to time, by majority of the officers, but at least four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the officers shall be given to each officer at least forty-eight (48) hours prior to the day named for such meeting held to discuss litigation in which the Association is involved or is likely to become involved.

Section 4.09 Special Meetings

Special meetings of the officers may be called by the President on at least forty-eight (48) hours' notice to each officer in the manner specified in Section 4.08, which notice shall state the time, place (as provided above) and purpose of the meeting. Special meetings of the officers shall be called by the president or Secretary in like manner and on like notice on the written request of at least three (3) officers.

Section 4.10 Fiduciary Insurance Coverage

The Association shall obtain and maintain fidelity insurance covering persons who control or disburse association funds, consisting of a fidelity bond that covers the maximum amount of funds that will be the custody of the Association plus the Association reserve fund and officers liability coverage at a level that should be determined to be reasonable by the officers, if not otherwise established in the Declaration or By-Laws.

Section 4.11 Indemnification of Officers

The officers shall be entitled to indemnification from the Association for any and all liabilities resulting from acts or omissions done or failed to be done by them, either individually or collectively, in the reasonable discharge of their duties, responsibilities and authority under these By-Laws, except for liabilities arising from willful and wanton misconduct or gross negligence. The officers shall procure a policy of insurance, in the name of the Association, covering such indemnification. The officers shall

provide ten (10) days written notice to each lot owner before any payment is made to any officer under this clause.

Section 4.12 Architectural Control Committee

The officers shall appoint at least three (3) members of the Association to be on the Architectural Control Committee. Such committee shall be annually appointed by the officers at the organization meeting of each new officer and shall continue on the committee at the pleasure of the officers. The committee shall strictly adhere to the requirements for architectural review and written approval required by such committee in the Declaration of Covenants and Restrictions.

ARTICLE V OFFICERS

Section 5.01 Designation of Officers

The principal officers of the Association shall be President, a Vice President, Secretary and Treasurer, all of whom shall be elected by and from the Association.

Section 5.02 President

The President shall be the chief executive officer of the Association. He/she shall preside over all meeting of the Association and of the officers. They shall have all of general powers and duties which are usually vested in the office of President of an Association, including but not limited to that power to appoint committee from among the owners from time to time as he/she may in his/her discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5.04 Vice President

The Vice President shall take the place of the president and perform his/her duties whenever the president shall be absent or unable to act. If neither the President nor the Vice President is able to act, the officers shall appoint some other member of the officers to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him/her by the officers.

Section 5.05 Secretary

The Secretary shall keep the minutes of all meetings of the officers and the minutes of all meetings of the Association. He/she shall have charge of such books and papers as the officers may direct and he/she shall, in general, perform all the duties incident to the office of the Secretary.

Section 5.06 Treasurer

The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He/she shall be responsible for the deposit of all moneys and other valuable affects in the name, and to the credit, of the Association such depositories as may from time to time by designated by the officers.

Section 5.07 Compensation of Officers

The officers shall receive no compensation for their services but shall be entitled to reimbursement from the Association for all expenses reasonably incurred in the discharge of their duties and responsibilities.

**ARTICLE VI
FINANCE AND ADMINISTRATION**

Section 6.01 Books and Records

The officers, through the treasurer and management agent, shall keep accurate books and financial records of the project and the Association, including but not limited to, a detailed account of the expenditures and receipts affecting the project. Such expenses shall be determined and allocated as hereinafter provided.

Section 6.02 Periodic Financial Statements

The officers shall cause to be prepared and distributed to each lot owner annually an itemized account of the common expenses actually incurred and paid during the preceding period, together with a tabulation of the amounts collected pursuant to the annual budget or by assessment and showing the net excess or deficit of income over expenditures plus reserves. Any lot owner, upon ten (10) days' notice to the officers and payment of a reasonable fee not to exceed the actual cost of preparation, shall be furnished with a statement of account setting forth unpaid assessments or other charges due and owing.

Section 6.03 Access to Books and Records

The books and records of the Association and all other documents pertaining to the project shall be open to inspection by any owner at all reasonable times during regular business hours.

Section 6.04 Preparation of Annual Budget

In preparing the annual budget of the Association, the officers shall include provision for reasonably anticipated expenses resulting from normal maintenance and wear and tear to the common areas and facilities and extraordinary expenses that will be required, salaries and compensation for any employees of the Association not in excess of the prevailing rate, insurance premiums, reasonably incidental expenses related to the administration of the project and reserves required under these By-Laws or deemed necessary by the officers to meet unanticipated expenses and such other items as are designated as expenses of the Association by the Declaration, these By-Laws, or by law. All expenses shall be itemized specifically and in detail the anticipated amount of each such item or service shall whenever possible be determined from a contract with or estimate from a good-faith determination as to the cost at which such item or service can be obtained. Each lot owner must be provided with a copy of the annual budget at least thirty (30) days prior to its adoption by the officers.

Section 6.05 Insurance

A.) The officers shall provide a policy of insurance, covering loss or damage by fire and such other hazards as are covered under standard extended coverage provisions, for the full insurable replacement cost of the common areas and facilities, if any.

B.) The officers shall also purchase a comprehensive public liability policy in the amount of \$1,000,000.00 or such other amount as may be determined by the officers, the management agent and all other agents or employees of the project for liabilities arising in connection with the ownership, use, existence or management of the common areas.

Section 6.06 Remedies

A.) The rules and regulations adopted by the officers may impose reasonable fines for noncompliance with the provisions thereof and may provide for reasonable interest and late charges on past due assessments.

B.) Any dispute, claim or grievance arising out of, or relating to the interpretation or application of the Declaration, By-Laws or management agreement, if any, shall upon request of the parties thereto, be submitted to arbitration before the disinterested officers, or, if the officers or the Association is a party, each party shall select an arbitrator and both of the arbitrators so selected shall in turn select a third arbitrator. The commercial arbitration rules of the American Arbitration Association shall be applicable so any Arbitration commenced hereunder, and the parties thereto shall accept the decision of the arbitrators as final and binding. The management agreement shall contain provisions making this section applicable to all parties thereto.

C.) The owners, Association, management agent and any interested parties shall additionally have such judicial remedies as are established or permitted by law, except insofar as such remedies are validly limited by paragraph b above.

Section 6.07 Liens

A.) The procedures in the event of attachment of a mechanic's lien shall be as set forth in the Condominium Property Act.

B.) All sums assessed by the Association but unpaid for the share of the common expenses chargeable to any lot shall constitute a lien on such lot as more particularly described in and governed by the Declaration and shall be the same procedure as set forth in the Condominium Property Act.

ARTICLE VII OBLIGATIONS OF OWNERS

Section 7.01 Assessments

All owners are obligated to pay annual and special assessments imposed by the Association to meet the expenses set forth in its annual budget. The assessments shall be made pro rata in accordance with the number of lots or fraction thereof.

7.02 Use of Common Areas and Facilities

Lot owners shall not place or cause to be placed any furniture, lawn equipment or other property on any common property of the Association for such owner's exclusive or limited use or otherwise limit the use of any such common property.