

**LAKE ROCKPORT ESTATES
PROPERTIES OWNERS ASSOCIATION, INC.**

A NON-PROFIT CORPORATION



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EXHIBIT C

**ARTICLES OF INCORPORATION
OF
LAKE ROCKPORT ESTATES
PROPERTY OWNERS ASSOCIATION, INC.
A NON-PROFIT CORPORATION**

The undersigned natural person over the age of twenty-one (21) years, acting as the incorporator of a non-profit corporation under the Utah Non-Profit Corporation Cooperative Association Act, hereby adopts the following Articles of Incorporation for said corporation:

ARTICLE I

NAME

The name of the corporation hereby created shall be:
**LAKE ROCKPORT ESTATES
PROPERTY OWNERS ASSOCIATION, INC.**

ARTICLE II

DURATION

The corporation shall continue in existence perpetually unless dissolved according to law.

ARTICLE III

PURPOSES

The purposes for which the corporation is organized are:

- (a) To engage in the business of property management and to act as an agent for its members in acquiring, holding, improving, and otherwise dealing with and in respect of real property and real property improvements;
- (b) To engage in such other business activities and pursuits as may be reasonably related to the foregoing;
- (c) To engage in any and all other lawful purposes, whether similar or dissimilar to the foregoing.

ARTICLE IV

MEMBERSHIP

The corporation shall have members consisting of persons owning one (1) or more of the lots (hereinafter designated the "lots") contained within the Lake Rockport Estates, Rockport, Summit County, State of Utah, (hereinafter designated the "Project"). There shall be one membership in the corporation appurtenant to each of said lots. No person who has conveyed or otherwise disposed of his ownership interest in a lot shall thereafter be entitled to hold or retain the membership in the corporation which is appurtenant to said lot. The conveyance or other disposition by a person entitled to membership in the corporation of all such person's ownership interest in a lot shall be deemed to constitute, and may be treated by the corporation as, a transfer and conveyance by such person to such person's successor in interest in ownership of said lot of the membership appurtenant to said lot, and the corporation shall be entitled to cancel the membership certificate with relation to such membership, whether or not said certificate is surrendered, and reissue the same to the new owner or owners upon such terms and conditions as the Board of Trustees shall direct. On all matters presented to a vote of the members, the holder of each membership shall have one (1) vote per lot.

ARTICLE V

MEMBERSHIP CERTIFICATES

The corporation shall issue a membership certificate to each person entitled to membership in the corporation, as above provided, to evidence such person's membership interest therein. In the event a particular lot is owned by more than one person, the membership certificate with relation to such lot shall be issued in the names of all persons having an ownership interest therein.

ARTICLE VI

TRUSTEES

The corporation shall have a Board of Trustees, which shall consist of a variable number of trustees of from three (3) to nine (9) as the majority of the members may from time to time determine. Election or removal of Trustees may be accomplished by cumulative voting of the members. Until a determination is made in the future by the Board of Trustees, the Board shall consist of three (3) trustees. In the event the majority of members decides to increase its number from time to time, the members shall themselves have the right to fill vacancies occasioned by such increase, and such newly elected trustees shall serve until the next annual meeting of the members and until their successors are duly elected and qualified. The names and addresses of the persons who are to serve as trustees until the first annual meeting of members and until their successors are duly elected and qualified are:

- Jay C. McGregor 720 Three Fountains Drive, Number 71, Murray, Utah
- Horace W. Kimball 4921 East Palamino Road, Phoenix, Arizona
- Joseph Rawle 2609 South 18th East, Salt Lake City, Utah

ARTICLE VII

INCORPORATOR

The name and address of the incorporator of the corporation is:
Jay C. McGregor 720 Three Fountains Drive, Number 71, Murray, Utah

ARTICLE VIII

INITIAL PRINCIPAL OFFICE

The location and street address of the initial principal office of the corporation is:
1566 South Main Street
Salt Lake City, Utah 84115

which office may be changed at any time by the Board of Trustees without amendment of these Articles of Incorporation.

DATED this 24 day of May, 1972.

Jay C. McGregor

STATE OF UTAH)
) ss.
COUNTY OF SALT LAKE)

On the 24 day of May, 1972, personally appeared before me Jay C. McGregor, who, being by me first duly sworn, declared that he is the person who signed the foregoing Articles of Incorporation as Incorporator and that the statements contained there are true.

My Commission Expires:
July 9, 1972

NOTARY PUBLIC
Residing at Murray, Utah

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EXHIBIT D

Entry No. 116454 Book M 39 Recorded
7-28-72 at 1:34 P.M. Page 672-79
Summit County Recorder

BY-LAWS
OF
LAKE ROCKPORT ESTATES
PROPERTY OWNERS ASSOCIATION, INC.
A NON-PROFIT CORPORATION

ARTICLE I

OFFICE

The principal office of the Association shall be in the Lake Rockport Estates Project (hereinafter designated the "Project") situated upon the following described real property in Rockport, Summit County, State of Utah:

ARTICLE II

MEETINGS OF MEMBERS

Section 2.1—Annual Meeting. The annual meeting of the members shall be held at 7:00 p.m. on the second Monday in June of each year at the principal office of the Association, or at such other place as shall be stated in the notice of meeting or in a duly executed waiver of notice; provided, however, that, whenever such date falls upon a legal holiday, the meeting shall be held on the next succeeding business day and further provided that the Board of Trustees may by resolution fix the date of the annual meeting at such other date as the Board may deem appropriate. At such meeting, the members shall elect trustees for one (1) year term to serve until their successors shall be elected and shall qualify. Only members of the Association shall be elected trustees; provided, however, that officers and/or duly authorized agents of corporate members may also be elected trustees of the Association.

Section 2.2—Special Meetings. Special meetings of the members may be called by the President, by a majority of the Board of Trustees, or by any number of members whose holdings shall not be less than one-third (1/3) of the memberships of the Association.

Section 2.3—Notice of Meetings. Notice of all annual and special meetings of the members shall be given in accordance with the statutes of the State of Utah. Whenever all of the members shall meet in person or by proxy, such meetings shall be valid for all purposes without call or notice, or waiver of call and notice. No notice of any meeting of members shall be necessary if waiver of notice be signed by all of the members, whether before or after the time of the meeting.

Section 2.4—Presiding Officer. The President, and in his absence a Vice President, shall preside at all such meetings.

Section 2.5—Voting Requirements. When a quorum is present in person or represented by proxy at any meeting, the vote of a majority of the membership shall decide any question brought before such meeting, including the election of trustees unless the question is one upon which, by express provision of the statutes of the State of Utah or of the Articles of Incorporation or of these By-Laws, a different vote is required, in which case such express provision shall govern and control the decision of such question. All votes may be cast by the members either in person or by proxy. All proxies shall be in writing, and, in the case of proxies for the annual meeting, they shall be delivered to a credentials committee consisting of the President, a Vice President and Secretary of the Association at least ten (10) days prior to said annual meeting. Proxies for special members meetings must be of record with the credentials committee at least five (5) days prior to the holding of such special members meetings. If instructed, the Secretary shall enter a record of such proxies in the minutes of the meeting. On all matters presented to a vote of the members, the holder of each membership shall have one vote per lot. No matter shall be deemed to have been approved by the members unless it shall have been presented to and received

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the affirmative vote of the majority of the members. In the case of a membership owned as joint tenants, each such joint tenant shall have that number of votes determined by dividing the number of votes attributable to the membership by the number of joint tenants who own the membership.

Section 2.6—Registered Members. At annual meetings of the members, only such persons shall be entitled to vote in person or by proxy as appear as members upon the transfer books of the Association on the 30th day before such annual members meeting. The Board of Trustees may, by resolution, fix a date in advance of the date of special members meetings upon which a member must appear as a member of record on the Association's transfer books in order to be entitled to vote at such special members meetings; provided, however, that said date shall in no event be fixed at less than ten (10) nor more than thirty (30) days prior to the date set for such meeting.

Section 2.7—Quorum. At any meeting of the members a majority of memberships of the Association present in person or by proxy shall constitute a quorum of the members for all purposes. In the absence of a quorum, the chairman of the meeting may adjourn the meeting from time to time, without notice other than by announcement at the meeting, until holders of the amount of memberships requisite to constitute a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 2.8—Waiver of Irregularities. All inaccuracies and/or irregularities in calls, notices of meeting and in the manner of voting, form of proxies, credentials and method of ascertaining those present shall be deemed waived if no objection is made at the meeting.

ARTICLE III

BOARD OF TRUSTEES

Section 3.1—Responsibilities. The business and property of the Association shall be managed by its Board of Trustees (herein designated and referred to as the "Board of Trustees"). The Board of Trustees may, however, enter into such management agreement or agreements with third persons as it may deem advisable.

Section 3.2—Vacancies. In case of any vacancy in the Board of Trustees, the remaining members of the Board may elect a successor trustee or trustees to hold office until the next meeting of the members.

Section 3.3—Regular Meetings. A regular annual meeting of the trustees shall be held immediately after the adjournment of each annual members meeting at the place at which such members meeting was held. Regular meetings, other than the annual meeting, shall be held at regular intervals at such places and at such times as the Board of Trustees may from time to time by resolution provide.

Section 3.4—Special Meetings. Special meetings of the Board of Trustees shall be held whenever called by the President, the Vice President or by a majority of the Board. By unanimous consent of the trustees, special meetings of the Board may be held without call or notice at any time or place. Notice of all calls and meetings of the Board of Trustees shall be as provided in these By-Laws.

Section 3.5—Quorum. A quorum for the transaction of business at any meeting of the trustees shall consist of a majority of the trustees then in office.

Section 3.6—Committees. The Board of Trustees may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of two (2) or more of the members of the Association, which, to the extent provided in said resolution, shall have and may exercise the powers in said resolution set forth. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Trustees. Such committees shall keep regular minutes of their proceedings and report the same to the Board of Trustees when required. The President may appoint persons to fill vacancies on each of said committees occasioned by death, resignation, removal or inability to act for any extended period of time.

Section 3.7—Compensation. Trustees shall not receive any stated salary for their services.

Section 3.8—Additional Facilities. The Board of Trustees shall have the authority to provide such facilities, in addition to those for which provision has already been made, as it may deem to be in the interest of the members.

ARTICLE IV

OFFICERS

Section 4.1—Selection of Officers. The trustees shall elect or appoint the officers of the Association. Such election or appointment shall regularly take place at the first meeting of the trustees immediately following the annual meeting of the members; provided, however, that election of officers may be held at any other meeting of the Board of Trustees.

Section 4.2—Additional Officers. The Board of Trustees may appoint such other officers, in addition to the officers hereinbelow expressly named, as they shall deem necessary, who shall have such authority to perform such duties as may be prescribed from time to time by the Board of Trustees or by the President.

Section 4.3—Removal. All officers and agents shall be subject to removal, with or without cause, at any time by the affirmative vote of the majority of the then members of the Board of Trustees.

Section 4.4—President. President shall be Chief Executive Officer of the Association and shall exercise general supervision over its property and affairs. He shall sign on behalf of the Association all membership certificates, conveyances, mortgages and contracts and shall do and perform all acts and things which the Board of Trustees may require of him. He shall receive such compensation for his services as may be fixed or approved by the Board of Trustees. President shall be invited to attend meetings of each committee.

Section 4.5—Vice President. In the event of the President's absence or inability to act, the Vice President shall have the powers of the President. He shall perform such other duties as the Board of Trustees may impose upon him and shall receive such compensation as may be fixed or approved by the Board of Trustees.

Section 4.6—Secretary. The Secretary shall keep the minutes of the Association, its membership books and such books and records as these By-Laws or any resolution of the trustees may require him to keep. He shall be the custodian of the seal of the Association and shall affix the seal to all papers and instruments requiring it. He shall perform such other services as the Board of Trustees may impose upon him and shall receive such compensation as the Board of Trustees may fix or approve. One or more Assistant Secretaries may be elected, who shall, in the event of the Secretary's absence or inability to act, perform the duties and functions of the Secretary.

Section 4.7—Treasurer. The Treasurer shall have the custody and control of the funds of the Association, subject to the action of the Board of Trustees and shall, when requested by the President so to do, report the state of the finances of the Association at each annual meeting of the members and at any meeting of the trustees. He shall perform such other services as the Board of Trustees may require of him and shall receive compensation as the Board of Trustees may fix or approve.

ARTICLE V

SEAL

The seal of the Association shall be impressed as follows:

ARTICLE VI

MEMBERSHIP CERTIFICATES

Section 6.1—Form of Certificates. The Association shall issue certificates evidencing each membership.

Section 6.2—Issuance. All membership certificates shall be signed by the President or Vice President and by the Secretary or an Assistant Secretary, and the seal of the Association shall be impressed thereon. The name of the initial owner of each certificate shall be entered on its stub. Each owner of a lot (hereinafter designated a "lot") in the Project shall be issued a membership certificate for each lot owned by him. The conveyance or other disposition by a members of all of such member's entire ownership interest in a lot shall be deemed to constitute, and may be treated by the Association as, a transfer and conveyance by such member

to his successor in interest in ownership of said lot of the membership in the Association which is appurtenant to the lot sold or disposed of, and the Association shall be entitled to cancel the certificate evidencing such membership whether or not said certificate is surrendered and reissue the same to the new owner or owners of such lot upon such terms and conditions as the Board of Trustees may, in each case, direct.

Section 6.3—Transfer. Except as provided in Section 6.1, membership certificates shall be transferred on the books of the Association by assignment made by the owner, his attorney-in-fact or legal representative, and by delivery of the certificate to the Secretary of the Association for transfer, together with such further supporting documents as the Association may reasonably require. Each certificate surrendered for transfer shall be marked "Cancelled" by the Secretary and the cancelled certificate shall be affixed to its stub

Section 6.4—Lost Certificates. Should the owner of any membership certificate make application to the Association for the issuance of a duplicate certificate by reason of the loss or destruction of his certificate, he shall accompany his application by an affidavit setting forth the time, place and circumstances of such loss or destruction, together with a bond in such amount and with such surety or sureties as are acceptable to the Secretary of the Association, agreeing to indemnify the Association against such loss as the Association may suffer by reason of the issuance of a duplicate certificate or the refusal to recognize the certificate that was allegedly lost or destroyed. Upon satisfaction of the foregoing, a duplicate certificate may be issued. The duplicate certificate shall be marked "Duplicate," and the stub of the certificate lost or destroyed shall indicate the issuance of the duplicate. The Board of Trustees may, in its discretion, waive the requirement of a surety or sureties on the bond.

ARTICLE VII

DIVIDENDS

There shall be no dividends paid or payable by the Association. It is hereby acknowledged that the Association is organized as a non-profit corporation under the Utah Non-Profit Corporation Cooperative Association Act solely and strictly as an association of property owners to act as an agent for said owners in the management of the Project. It is not intended that the Association realize any profit on any transactions.

ARTICLE VIII

ANNUAL STATEMENT

The Board of Trustees shall present at each annual meeting, and when called for by a vote of the members at any special meeting of the members, a full and complete statement of the business and condition of the Association.

ARTICLE IX

FISCAL YEAR

The fiscal year of the Association shall be fixed by a resolution of the Board of Trustees.

ARTICLE X

BUILDING RULES

The Board of Trustees shall have the power to adopt and establish, by resolution, such building, management and operational rules as the Board of Trustees may deem necessary for the maintenance, operation, management and control of the Project, and the Board may from time to time, by resolution, alter, amend and

repeal such rules. Members, who shall also be the owners of lots in the Project, shall at all times obey such rules and see that they are faithfully observed by those persons over whom they have or may exercise control and supervision, it being understood that such rules shall apply and be binding upon all members of the Association and upon all owners and occupants of the Project.

ARTICLE XI

AMENDMENTS

These By-Laws may be altered or repealed by the affirmative vote of majority of the members at any regular meeting of the members or at any special meeting of the members if notice of the proposed alteration or repeal be contained in the notice of such special meeting.

ARTICLE XII

PROJECT MANAGER

The Board of Trustees may employ a Project Manager for the Project which may be either an individual, partnership or corporation under a Management Agreement containing such terms and conditions as the Board shall deem to be in the interest of the members. Said Project Manager shall be responsible for managing the Project, for and on behalf of the Association, in accordance with these By-Laws and said Management Agreement.

JAY C. MCGREGOR

Trustee

HORACE W. KIMBALL

Trustee

JOSEPH M. RAWLE

Trustee

STATE OF UTAH)
 : ss.
COUNTY OF SUMMIT)

On the 1st day of June, 1972, personally appeared before me JAY C. MCGREGOR, HORACE W. KIMBALL, JOSEPH RAWLE, who, being by me duly sworn, acknowledged to me that they executed the above and foregoing By-Laws.

Notary Public
Residing at Park City, Utah

My Commission Expires:
June 1, 1976

**DECLARATION AND RESTRICTIONS
FOR
LAKE ROCKPORT ESTATE**

THIS DECLARATION is made this 12th day of July, 1972, by LAKE ROCKPORT PROPERTIES, INC., a Utah Corporation.

I. DEFINITIONS.

1.1 **Declarant:** "Declarant" means LAKE ROCKPORT PROPERTIES, INC, together with its assigns and successors.

1.2 **Real Property:** "Real Property" means that certain real property located in Summit County, Utah, known as Lake Rockport Estates.

1.3 **Building:** "Building" means any building constructed on the Real Property.

1.4 **The Project:** "Project" means the Real Property and all Buildings and other improvements on the Real Property.

1.5 **Record of Survey Map:** "Record of Survey Map" means the Record of Survey Map for Lake Rockport Estates filed with this Declaration, dated _____ and consisting of _____ pages, prepared by _____.

1.6 **Lot:** "Lot" means each individual lot and the air space above it designated in the Record of Survey together with all fixtures and improvements therein contained.

1.7 **Common Areas:** "Common Areas" means all of the Project which has been designated for common use by lot owners.

1.8 **Owner:** "Owner" means any person or entity, including the Declarant, at any time owning the record. The term "Owner" shall not refer to any Mortgagee unless such Mortgagee has acquired title for other than security purposes.

1.9 **Mortgage:** "Mortgage" means any mortgage, deed of trust, or other security instrument by which a lot or any part thereof is encumbered.

1.10 **Association:** "Association" means the Lake Rockport Property Owners Inc., a Utah non-profit corporation, its successors and assigns, organized to be the Association referred to herein.

II. STATEMENT OF INTENTION AND PURPOSE.

2.1 **Declaration:** Declarant hereby declares that the Project and every part thereof is held and shall be held, conveyed, devised, leased, rented, encumbered, used occupied and improved and otherwise affected in any manner subject to the provisions of this Declaration, each and all of which provisions are hereby declared to be in furtherance of the general plan and scheme of ownership referred to herein and are further declared to be for the benefit of the Project and every part thereof and for the benefit of each Owner. All provisions hereof shall be deemed to run with the land as covenants running with the land or as equitable servitudes as the case may be, and shall constitute benefits and burdens to the Declarant, its successors and assigns, and to all parties hereafter owning any interest in the Project.

III. NATURE AND INCIDENTS OF LOT OWNERSHIP.

3.1 **Estates of an Owner:** The Project is hereby divided into lots each consisting of a fee interest in a lot.

3.2 **Right to Combine Lots:** With the written consent of Declarant, two or more lots may be utilized by the Owner or Owners thereof as if they were one lot.

3.3 **Title:** Title to a lot may be held or owned by an entity and in any manner in which title to any other real property may be held or owned in the State of Utah, including, but without limitations, joint tenancy or tenancy in common.

3.4 **Ad valorem Taxation:** Each lot shall be assessed separately for all taxes, assessments and other charges of the State of Utah or of any political subdivision or of any special improvement district or of any other taxing or assessing authority. The Association shall furnish to the assessor all necessary information with respect to such apportionment. No forfeiture or sale of any lot for delinquent taxes, assessments or other governmental charges shall divest or in any way affect the title to any other lot.

3.5 **Easement for Access to Lot:** Each lot shall have access to a public street by an Access Easement shown on the Record of Survey Map. In the event Declarant or the Association provides a suitable substitute easement at any time in the future, each Owner, by acceptance of a conveyance of a lot, agrees for himself and his successors in interest to reconvey to Declarant upon 30 days' notice by Declarant all of such Owner's right, title and interest in the original easement or easements. Each Mortgagee, by acceptance of a Mortgage on a lot, agrees for itself and its successors in interest to release the original easement or easements from such Mortgage upon like notice and subject to like proviso, upon receipt of proper instruments subjecting the suitable substitute easement to the lien of the Mortgage, provided that the Mortgage shall have the same priority with respect to the substitute easement as it had with respect to the original easement or easements.

3.6 **Easements of Access for Repair, Maintenance and Emergencies:** Some of the Common Areas are or may be located within the lot or may be conveniently accessible only through the lots. The Owners of other lots shall have the irrevocable right, to be exercised by the Association as their agent, to have access to each lot and to all Common Areas from time to time during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Areas located therein or accessible therefrom or for making emergency repairs at any time therein necessary to prevent damage to the Common Areas or to another lot or lots.

3.7 **Easements Deemed Created:** All conveyances of lots hereafter made, whether by the Declarant or otherwise, shall be construed to grant and reserve such reciprocal easements as are provided for herein, even though no specific reference to such easements appears in any such conveyance.

IV. DESCRIPTION OF A LOT.

4.1 **Method of Description:** Every contract for the sale of a lot and every instrument other than a deed affecting title to a lot may describe a lot by its identifying number or symbol as designated in this Declaration or as shown on the Record of Survey Map.

V. MECHANIC'S LIEN RIGHTS.

5.1 **Mechanic's Liens:** No labor performed or material furnished for use in connection with any lot with the consent or at the request of an Owner or his agent or subcontractor shall create any right to file a statement of mechanic's lien against the lot of any other Owner not expressly consenting to or requesting the same.

VI. THE ASSOCIATION.

6.1 **Membership:** Every Owner shall be entitled and required to be a member of the Association. If title to a lot is held by more than one person, the membership related to that lot shall be shared by all such persons in the same proportionate interests and by the same type of tenancy in which the title to the lot is held. An Owner shall be entitled to one membership for each lot owned by him. Each such membership shall be appurtenant to the lot upon which it is based and shall be transferred automatically by conveyance of that lot. No person or entity other than an Owner may be a member of the Association, and a membership in the Association may not be transferred except in connection with the transfer of a lot; provided, however, that the right of membership may be assigned to a Mortgagee as further security for a loan secured by a lien on a lot.

6.2 **Amplification:** The provisions of this Article are to be amplified by the Articles of Incorporation of the Association and by the By-Laws of the Association; provided, however, that no such amplification shall substantially alter or amend any of the rights or obligations of the Owners set forth herein.

VII. CERTAIN RIGHTS AND OBLIGATIONS OF THE ASSOCIATION.

7.1 **The Common Areas:** The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Areas and all improvements thereon, and shall keep the same in good, clean, attractive and sanitary condition, order and repair. The Association shall be responsible for utility lines and all other improvements or material located within or used in connection with the Common Areas; the maintenance and repair of parking spaces and structures constituting part of the General or Limited Common Areas; and the payment of utility and repair costs involved in the operation and repair of roads or driveways serving the parking facilities and pathways, which form a part of this Project, if any. The specification of duties of the Association with respect to particular Common Areas shall not be construed to limit its duties with respect to other Common Areas, as set forth in the first sentence in this Section.

7.2 **Miscellaneous Services:** The Association may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall determine to be necessary or desirable for the proper operation of the Project, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Declaration. The Association may arrange with others to furnish lighting, heating, water, trash collection, sewer service and other common services to each lot.

7.3 **Rules and Regulations:** The Association may make reasonable rules and regulations governing the use of the lots and of the Common Areas, which rules and regulations shall be consistent with the rights and duties established in this Declaration. The Association may also take judicial action against any Owner to enforce compliance with such rules, regulations or other obligations or to obtain damages for noncompliance, all to the extent permitted by law.

7.4 **Implied Rights:** The Association may exercise any other right or privilege given to it expressly by this Declaration or by law, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

VIII. ASSESSMENTS.

8.1 **Agreement to Pay Assessment:** Declarant, for each lot owned by it within the Project, and for and as the owner of the Project and every part thereof, hereby covenants, and each Owner of any lot by the acceptance of a deed therefore, whether or not it be so expressed in the deed, shall be deemed to covenant and agree with each other and with the Association to pay to the Association annual assessments made by the Association for the purposes provided in this Declaration, and special assessments for capital improvements and other matters as provided in this Declaration. Such assessments shall be fixed, established and collected from time to time in the manner provided in this Article.

8.2 **Amount of Total Annual Assessments:** The total annual assessments against all lots shall be based upon advance estimates of cash requirements by the Association to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Common Areas or furnishing utility services to the Lots, which estimates may include, among other things, expenses of management; taxes and special assessments until the lots are separately assessed as provided herein; premiums for all insurance which the Association is required or permitted to maintain pursuant hereto; common electrical; common charges; trash collection; repairs and maintenance; wages for Association employees; legal and accounting fees; any deficit remaining from a previous period; the creation of a reasonable contingency reserve, surplus and/or sinking fund; and any other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under or by reason of this Declaration.

8.3 **Apportionment of Annual Assessments:** Expenses attributable to the Common Areas and to the Project as a whole shall be apportioned among all Owners in proportion to their respective undivided interests in the Common Areas.

8.4 **Notice of Annual Assessments and Time for Payment Thereof:** Annual assessments shall be made on a May 1 through April 30 fiscal year basis. The Association shall give written notice to each Owner as to the amount of the annual assessment with respect to his lot on or before March 1 each year for the fiscal year commencing on May 1 following such date. Such assessment shall be due and payable in quarterly installments on or before May 1, August 1, November 1 and February 1 next succeeding the date of assessment; provided, however, that the first annual assessment shall be for the balance of the fiscal year remaining after the date hereof as the date of commencement of the Project. Each annual assessment shall bear interest at the maximum legal interest rate from the date it becomes due and payable if not paid by such date. Failure of the Association to give timely notice of any assessment as provided herein shall not affect the liability of the Owner of any lot for such assessment, but the date when payment shall become due in such case shall be deferred to a date thirty days after such notice shall have been given, but not sooner than May 1 of the fiscal year to which such assessment relates.

8.5 **Special Assessments for Capital Improvements:** In addition to the annual assessments authorized by this Article, the Association may levy, at any time and from time to time by a ¾ majority vote of the Lot Owners excluding the vote of the developer, special assessments, payable over such period as the Association may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Project or any part thereof, or for any other expense incurred or to be incurred as provided in this Declaration. This Section shall not be construed as an independent source of authority for the Association to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other Sections hereof. Notice in writing of the amount of such special assessments and the time for payment thereof shall be given promptly to the Owners, and no payment shall be due less than thirty days after such notice shall have been given. A special assessment shall bear interest at the maximum legal interest rate from the date it becomes due and payable.

8.6 **Lien for Assessments:** All sums assessed to the Owner of lot pursuant to this Article, together with interest thereon as provided herein, shall be secured by a lien on such lot in favor of the Association.

8.7 **Personal Obligation of Owner:** The amount of any annual or special assessment against any lot shall be the personal obligation of the Owner thereof to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any personal obligation by waiver of the use and enjoyment of any of the Common Areas or by abandonment of his lot.

IX. PROVISIONS APPLICABLE FOR ALL PROPERTY.

9.1 **The Architectural Committee:** The Architectural Committee shall consist of five members. The committee shall consist of three members from the Rockport Properties, Inc. with the remaining two members being selected by the Lake Rockport Estates Property Owners Association. At such time as 80 percent of the lots are sold or in five years, whichever comes first, one membership of the Rockport Properties, Inc. will be passed to the Home Owners Association. The following required documents are to be submitted for the Architectural Committee review:

1. Lot plot plan
2. Floor Plan
3. Exterior Elevations

The architectural plans and specifications must be submitted in duplicate, together with a fee of \$20 for the time and effort required for review prior to approval. No lot owner shall make any changes in drainages or topography without prior approval of the Architectural Committee.

