

- (4) **Easements.** To grant, maintain, and convey easements to the Real Estate or any portion thereof that the Association may own as may become necessary and as provided in Article VI;
- (5) **Employment of Agents.** To employ, enter into contracts with, delegate authority to and supervise such persons or entities as may be appropriate to manage, conduct and perform the business obligations and duties of the Association;
- (6) **Enforcement of Governing Documents.** To perform acts, as may be reasonably necessary or appropriate, including bringing suit, causing a lien to be foreclosed or suspending membership rights, and to enforce or effectuate any of the provisions of the Governing Documents; and
- (7) **Membership Meetings.** To call the first annual meeting of the Members of the Association, which shall be called no later than 180 days after 90% of the total Lots or Duplex Units of the Subdivision have been sold to Owners who are Class A Members as opposed to a contractor or builder (Class C Members), or can be held earlier at the Developer's discretion if the Developer chooses to turn over control of the Association sooner. The foregoing notwithstanding, failure to call such meeting during this time frame shall not otherwise invalidate the Association or the Governing Documents. Written notice of the first annual membership meeting shall be sent to the Members at least ten (10) days in advance of such meeting. Notwithstanding anything to the contrary in this Declaration, until the date of said first annual membership meeting, no Class "A" or Class "C" members shall have any voting rights, and the right of each such Class "A" and Class "C" member to vote on any matter is hereby denied until such meeting. Each annual meeting of the Members of the Association following such first annual membership meeting shall be held at the time and place specified in the Bylaws of the Association or as otherwise set from time to time by the Board.

#### **ARTICLE IV**

#### **ASSOCIATION MEMBERSHIP CLASSES AND VOTING RIGHTS**

##### **Section 1**

**Membership and Voting.** Every person or entity who is the record owner of a fee interest in any Lot or Duplex Unit that is subject to this Declaration shall be deemed to have a membership in the Association. The foregoing is not intended to include persons who hold an interest merely as a mortgagee or as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership. No Owner, whether one or more persons, shall have more than one membership per Lot or Duplex Unit. Membership shall be appurtenant to and may not be separated from ownership of any Lot or Duplex Unit. Ownership of a Lot or Duplex Unit

shall be the sole qualification for membership. The rights and privileges of membership including the right to vote and to hold office may be exercised by a member, but in no event shall more than one vote be cast nor office held for each Lot or Duplex Unit.

## **Section 2**

**Membership Classes.** The Association shall have three classes of membership, Class "A," Class "B," and Class "C" as follows:

(1) **Class "A".** Class "A" members are Owners as defined in Article I. An Owner that owns a Duplex Unit shall mean a person who owns one of the two residential areas in a duplex building, and such Owners shall have one vote per Duplex Unit if there are separate Owners for each Duplex Unit. A person that owns both Duplex Units shall have two votes, i.e. one for each Duplex Unit. Class "A" members shall be entitled to one vote for each Lot or Duplex Unit they own. When more than one person holds such interest in any Lot or Duplex Unit, the vote for such Lot or Duplex Unit shall be exercised as those Owners themselves may determine and advise the Secretary of the Association prior to any meeting. In the absence of such advice, the Lot or Duplex Unit's vote shall be suspended in the event more than one person seeks to exercise it. If a Lot or Duplex Unit is owned by a corporation, partnership or trust, such entity shall designate the person authorized to vote on behalf of such entity. Members may vote in person or by proxy, but there shall be only one vote for each Lot and Duplex Unit even if there is more than one person holding title.

(2) **Class "B".** The Class "B" member shall be the Developer only. The Class "B" member shall be entitled to four (4) votes for each Lot or Duplex Unit it owns.

(3) **Class "C."** The Class "C" members are Owners as defined in Article I. A Class "C" member shall be any person or entity that owns a Lot or Duplex Unit that is holding the lot for purposes of building improvements for sale to another. A Class "C" member would include contractors and builders. However, a contractor or builder who owns a lot for purposes of building improvements for his or her own residence is not a Class "C" member but would be a Class "A" member. Class "C" members shall have no voting rights.

## **ARTICLE V**

### **MEMBERSHIP FEES, ASSESSMENTS, AND BUDGET**

#### **Section 1**

**A. Common Areas.** The Developer hereby designates certain Lots of the Subdivision Final Plat as Common Areas for the use, benefit, and enjoyment of all residents of the Subdivision. Said Common Areas are designated as Lot 1000, Lot 1001, and Lot 1002 in the "Final Plat of Springcrest Subdivision." The Common Areas can be used by the residents and their guests for purposes of recreation subject to any reasonable rules adopted by the Board of Directors regarding the use of the Common Areas. At such time as when 90% of all Lots and Duplex Units are no longer owned by Developer, Developer shall convey ownership of the Common Areas to the Association. Developer, in its discretion, can convey these lots to the Association earlier. However, said transfer