

NOV 5- 2002

Utah Div. Of Corp.&Col'lflfl.0.

**ARTICLES OF INCORPORATION
OF
CHASE CREEK CONDOMINIUM HOMEOWNER'S ASSOCIATION**

The undersigned, whose address appears *opposite his* name below, acting as incorporator pursuant to the Utah Revised Nonprofit Corporation Act, hereby forms a nonprofit corporation under the laws of the State of Utah, and for that purpose does hereby adopt the following Articles of Incorporation:

ARTICLE 1.**Name**

The name of this corporation shall be Chase Creek Condominium Homeowner's Association (the "Association").

ARTICLE 2.**Duration**

The Association shall exist perpetually.

ARTICLE 3.**Business and Purpose**

Section 3.1. This Association is formed as a nonprofit corporation to serve as the governing body for every "Owner" of a "Unit", as those terms are defined in that certain DECLARATION OF CONDOMINIUM AND DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CHASE CREEK CONDOMINIUM, recorded in the official records of the County Recorder of Salt Lake County, Utah (the "Declaration"). All capitalized terms as used in these Articles of Incorporation shall have the same meanings as set forth in the Declaration.

As provided in and pursuant to the Declaration, this Association shall, to the extent permitted by applicable law, serve as the governing body for all of the Owners for the maintenance, repair, replacement, administration and operation of the Common Areas and Facilities, and the performance of such duties and functions, and the exercise of such rights, as are given and assigned to it by said Declaration, as the same may hereafter be amended.

Section 3.2. Notwithstanding anything herein contained to the contrary, no part of the activities of the Association shall be devoted to carrying on propaganda or otherwise attempting to influence legislation and the Association shall make no gift, donation or contribution to any institution or organization engaged in such activities. No part of the net earnings of the Association shall inure to the benefit of any private member or individual (other than by acquiring, constructing, or providing management, maintenance, and care of the Common Areas and Facilities and other than by a rebate of excess Assessments).

Section 3.3. In the conduct of its business, this Association, to the extent authorized by its Board of Directors and in accordance *with* the provisions of the Declaration, shall be empowered to do all things that a private person or individual might do under the laws of the State of Utah, including but not limited to the following:

- (a) to accept such properties, improvements, rights, and interests as may be conveyed, leased, assigned, or transferred to this Association and to assume such obligations and duties as may be contained in any lease assigned or transferred to this Association;



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(b) to maintain and otherwise manage all of the Common Areas and Facilities, including all facilities, and landscaping thereon, and all other property acquired by the Association; to pay all taxes and assessments, if any, which may properly be levied against the Property other than taxes separately assessed to the Units; to repair, rehabilitate, and restore the Property; to insure the Property against such risks as the Board of Directors shall determine or as provided by the Declaration; to levy and collect Assessments for the Common Expenses of the Association as the Board of Directors shall determine in accordance with the Declaration and the Bylaws of this Association; and to impose liens against Units in order to secure the payment of obligations due from the Owners thereof, and to collect, sue, foreclose, or otherwise enforce, compromise, release, satisfy, and discharge such obligations, demands and liens in accordance with the Declaration;

(c) to do all things necessary to carry out and enforce the terms and provisions of the Declaration, and to do all things and acts, including the payment of all maintenance, operating and other costs, which in the sole discretion of the Board of Directors shall be deemed to be in the best interest of the members of this Association or for the peace, comfort, safety, or general welfare of the Owners, all in accordance with the Declaration;

(d) to enter into management agreements with third parties authorizing such parties to carry on any activities which might legally be carried on by the Association and delegated by the Association to third parties;

(e) to develop, construct, purchase, lease, own, improve, maintain, operate and hold real and personal property of every kind and description as is reasonably necessary for the objects of the Association; to sell, convey and lease such property; and to mortgage, assign, and pledge or otherwise encumber such property;

(f) to borrow money and to issue notes, bonds and other evidences of indebtedness in furtherance of any or all of the objects and purposes of this Association and to secure the same by mortgage, trust deed, pledge or other lien on or security interest in property of this Association;

(g) to enter into, perform, and carry out leases and contracts of any kind necessary to, in connection with, or incidental to the accomplishment of any one or more of the objects and purposes of this Association;

(h) to lend or invest its working capital and reserves with or without security;

(i) to act as surety or guarantor, agent, trustee, broker, or in any other capacity when appropriate to the fulfillment and furtherance of its objects and purposes;

G) to adopt, amend, and repeal reasonable Association Rules;

(k) to do all other acts and things authorized in the Declaration, as amended or supplemented from time to time, but not explicitly set out above;

(l) to sue and be sued; and

(m) in general to do and perform such acts and things and to transact such business in connection with the foregoing objects and purposes as may be necessary and to do any and all things which a natural person could do or which now or hereafter may be authorized by law.

Section 3.4. The character of business that the Association initially intends to conduct in the State of Utah is the operation of a condominium management association to provide for the management, maintenance and care of the Common Areas and Facilities for the benefit of the members of the Association.

ARTICLE 4.
Place of Business and Initial Registered Office

The principal place of business and initial registered office of this Association is located at 175 East 400 South, Suite 700, Salt Lake City, Utah 84111.

ARTICLES.
Registered Agent

This Association does hereby appoint **R. Fred Healey**, located at 175 East 400 South, Suite 700, Salt Lake City, Utah 84111, its lawful registered agent in and for the State of Utah for and on behalf of said Association, in any of the courts in said State of Utah, such service of process or notice, or the acceptance thereof, by said agent endorsed thereon to have the same force and effect as if served upon an officer of the Association. The foregoing appointment may be revoked at any time by filing a statement in accordance with Section 16-6a-503 of the Utah Code Annotated, or any amendment thereto.

ARTICLE 6.
Membership

Section 5.1. The Association shall be a non-stock corporation and shall be owned by its members, and no dividends or pecuniary profits shall be paid to its members. Membership in the Association shall be limited to the Owners. The Owners shall not include persons or entities who hold an interest merely as security for the performance of an obligation. An Owner shall automatically be a member of the Association and shall remain a member of the Association until such time as his or her ownership ceases for any reason, at which time his or her membership in said Association shall automatically cease. The membership of an Owner shall be appurtenant to and may not be separated from the fee ownership of a Unit.

Section 5.2. No certificates of membership shall be issued and membership shall be evidenced by an official list of said members, which list shall be kept by the Secretary of the Association. The membership held by any Owner shall not be transferred, pledged or alienated in any way, except upon the conveyance of a Unit, and then only to the purchaser of such Unit. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association.

Section 5.3. The Association shall have two (2) classes of voting membership.

Class A. Class A Members shall be all Owners (including the Declarant). Class A Members shall be entitled to a percentage vote for each Unit owned based on the percentage vote attributed to that Unit in Exhibit C of the Declaration or any amendment or supplement thereto. When more than one Person owns an interest in a Unit, each such Person shall be a member of the Association and each co-Owner shall be entitled to a percentage vote calculated by dividing the current percentage vote for the Unit, as reflected in Exhibit C of the Declaration, by the number of co-owners for such Unit, but in no event shall more than the allotted percentage vote, as contained in Exhibit C of the Declaration, be cast with respect to any Unit.

Class B. The Class B Member shall be the Declarant. The Declarant shall be entitled to control the Association to the extent of having the exclusive right (either directly or through a person designated by the Declarant) to elect, appoint and remove the members of the Board and the officers of the Association until the Turnover Date (as hereinafter defined). The special control rights of the Declarant, as the Class B Member, shall cease and terminate upon the earlier of the following (the "Turnover Date"):

- (a) The date upon which Declarant has conveyed seventy-five percent (75%) of the Units which may be created at any time or from time to time by the Declaration to Owners (other than Declarant or an affiliate of Declarant); or
- (b) The date which is the third (3rd) anniversary of the first conveyance of a Unit by Declarant to an Owner other than Declarant.

Upon the Turnover Date, Declarant shall retain the voting rights of the Class A Member even though the special voting and control rights of the Class B Member have ceased and terminated.

ARTICLE 7.

Board of Directors

The control and management of the affairs of this Association shall be vested in a Board of Directors of not less than three (3) nor more than five (5) members. The number of directors constituting the initial Board of Directors is three (3) and the names and addresses of the persons who are to serve as directors beginning with the incorporation of this Association and until the first annual election of Directors or until their successors shall be duly elected and qualified are:

- (1) Richard C. Bennion
175 East 400 South, Suite 700
Salt Lake City, Utah 84111
- (2) R. Fred Healey
175 East 400 South, Suite 700
Salt Lake City, Utah 84111
- (3) Forest S. Baker, III
175 East 400 South, Suite 700
Salt Lake City, Utah 84111

The method of election, term of office, and removal and filling of vacancies shall be as set forth in the Bylaws.

ARTICLES.

Private Property

The Owners, directors, and officers of this Association shall not be liable for the debts of this Association, and the private property of the Owners, directors and officers of this Association shall be forever exempt from corporate debts of any kind whatsoever, provided, however, that nothing herein contained shall limit or restrict any liability, obligation or responsibility of the Owners hereof to each other or to this Association as are set forth in the Declaration.

ARTICLE 9.

Indemnification

The Association shall indemnify any and all of its present or former directors, officers, employees, or agents to the maximum extent permitted by applicable law. Without limiting the generality of the foregoing, the Association shall indemnify any and all of its directors and officers, or former directors and officers, against expenses incurred by them, including legal fees, or judgments or penalties rendered or levied against any such persons in a legal action brought against any such person for actions or omissions alleged to have been committed by any such person while acting within the scope of his employment as a director or officer of the Association, provided that the Board of Directors shall determine in good faith that such person did not act, fail to act or refuse to act willfully or with gross negligence or with fraudulent or criminal intent in

regard to the matter involved in the action or omission. In addition, the Association shall obtain director's and officer's liability insurance for officers and directors of the Association as provided in the Declaration.

ARTICLE 10.
Director Liability

A director of the Association shall not be personally liable to the Association or its members for monetary damages for breach of fiduciary duty as a director, except for liability for any of the following:

- (a) any breach of the director's duty of loyalty to the Association or its members;
- (b) acts or omissions which are not in good faith or which involve intentional misconduct or a knowing violation of law;
- (c) a violation of Utah Code Annotated Section 16-6a-824 (which prohibits distribution of income to members);
- (d) any transaction from which the director derived an improper personal benefit; or
- (e) a violation of the laws of Utah with respect to fiduciary duties and obligations of directors (including without limitation such duties as may be listed under the Utah Revised Nonprofit Corporation Act, or any amendment thereto).

Any repeal or modification of the foregoing paragraph shall not adversely affect any right or protection of a director of the Association existing hereunder with respect to any act or omission occurring prior to or at the time of such repeal or modification.

ARTICLE 11.
Amendments

These Articles may be amended by following the procedure set forth in the Utah Revised Nonprofit Corporation Act, Section 16-6a-1001 et seq. Notice of proposed amendments and the meeting at which such will be considered shall be given to the members in accordance with the notice provisions set forth in the Bylaws. So long as there is a Class B Membership, however, the following actions will require the prior approval of the Federal Housing Administration ("FHA") or the Veterans Administration ("VA"), as applicable, if such agencies have previously approved of these Article of Incorporation upon application by Declarant: annexation of additional property (unless already provided for in the Declaration or in a phasing plan approved by FHA or VA, in which case Declarants may accomplish such Annexation without further consent), mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles. Declarant reserves the absolute right of Declarant's own volition, and without any other consent, to amend these Articles should such amendment be required in order to achieve compliance with the regulations of FHA, VA or the Federal National Mortgage Association.

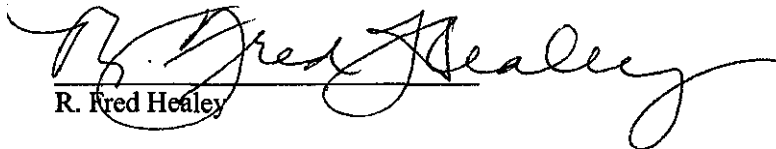
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IN WITNESS WHEREOF, I the undersigned incorporator, have hereunto signed my name
this_ day of October, 2002.

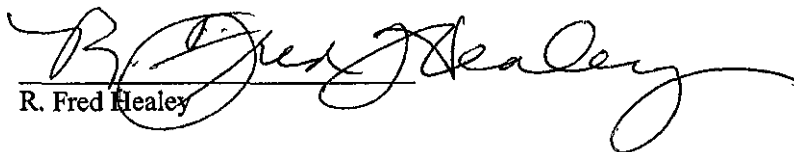
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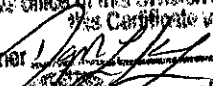

R. Fred Healey

175 East 400 South, Suite 700
Salt Lake City, Utah


R. Fred Healey

I, R. Fred Healey, do hereby
acknowledge and accept my
appointment as Registered Agent
of the Chase Creek Condominium Homeowner's Association.


R. Fred Healey

State of Utah
Department of Commerce
Division of Corporations and Commercial Code
I hereby certify that the foregoing has been filed
and approved on this 02 day of Nov, 20 02
in the office of this Division and hereby issued
this Certificate.
Examiner  Date 11-06-02

Kathy Borg
Division Director