

State of Utah
Department of Commerce
Division of Corporations and Commercial Code

I Heroby certify that the foregoing has been filed
and approved on the 24 day of April 1995
in the office of this Division and hereby issue
this Certificate thereof.

Examiner JK Date 4-24-95



Karla S. Woods
KORLA T. WOODS
Division Director

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UT DIV. OF CORP. & COMM. CODE

ARTICLES OF INCORPORATION
OF
HERITAGE ESTATES OWNERS' ASSOCIATION

KNOW ALL PERSONS BY THESE PRESENTS:

That we, the undersigned have this day voluntarily associated ourselves together for the purpose of forming a corporation under the laws of the State of Utah and to that end, do hereby adopt Articles of Incorporation as follows:

ARTICLE I

Name

The name of the corporation is HERITAGE ESTATES OWNERS' ASSOCIATION.

ARTICLE II

Duration

The period of duration of this corporation is perpetual.

ARTICLE III

Purposes

The purposes for which the corporation is organized are:

- (a) The specific and primary purposes are to bring about civic betterment and social improvements by providing for the preservation of the architecture and appearance of a cluster housing development subdivision known as HERITAGE ESTATES

("Properties") and by owning, operating and maintaining common area properties and facilities, including water rights under Weber - Box Elder Conservation District, a political subdivision of the State of Utah and an irrigation water distribution system, for the use of all residents and the entire Properties, located in Perry, Box Elder County, State of Utah.

(b) The general purposes and powers are:

(i) To promote the common good, health, safety and general welfare of all of the residents within the Properties.

(ii) To exercise all of the powers and privileges, and to perform all of the duties and obligations of the Association arising from the Declaration of Covenants, Conditions, Restrictions and Reservation of Easements (the "Declaration") applicable to the Properties, as amended, from time to time, and recorded or to be recorded in the office of the Box Elder County Recorder.

(iii) To enforce applicable provisions of HERITAGE ESTATES' Declaration, Bylaws and Rules and Regulations, and any other instruments, for the management and control of the Properties; to fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to contract for and pay all expenses in connection with the maintenance, gardening, utilities, materials, supplies and services relating to the Common area (as defined in the

Declaration) and facilities; to employ personnel reasonably necessary for administration and control of the Common Area for architectural control of all of the Properties, including lawyers and accounts, where appropriate; and to pay all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes and special assessments which are or would become a lien on any portion of the Properties.

(iv) To have and to exercise any and all powers, rights and privileges, including delegation of powers as permitted by law, which a corporation organized under the Utah Non-Profit Corporation and Cooperative Association Act by law may now or hereafter have or exercise; and

(v) To act in the capacity of principal, agent, joint venturer or partner, or otherwise.

The foregoing statement of purposes shall be construed as a statement of both powers and purposes, and powers and purposes in each clause shall not be limited or restricted by reference to or interference from the terms or provisions of any other clause, but shall be broadly construed as independent powers and purposes. The Association shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of the Association.

ARTICLE III

Non-Profit

The Association is organized pursuant to the Utah Non-Profit Corporation and Cooperative Association Act as a non-profit corporation.

ARTICLE IV

Principal Office

The initial principal office for the transaction of the business of the Association is located in Brigham City, Box Elder County, State of Utah, at the following street address: 695 South Main Street, Suite 1, Brigham City, UT 84302.

ARTICLE V

Membership in the Corporation

and Voting Rights

Section 1. Membership. Every Owner of a Lot shall be a member of the Association and no Owner shall have more than one membership in the Association. Membership in the Association shall not be assignable, except to the successor in interest of the Owner (including a Mortgagee) and every membership in the Association shall be appurtenant to and may not be separated from the fee ownership of such Lot. Ownership of such Lot shall be the sole qualification for membership in the Association.

Each member shall be issued a Certificate of Membership in the Association. The Certificate of Membership shall include the following:

CERTIFICATE NUMBER
CLASS OF MEMBERSHIP
THE NAME OF THE ASSOCIATION
THE NAME OF THE MEMBER
RESTRICTIONS ON TRANSFER
DATE OF ISSUANCE
THE LOT(S) TO WHICH THE MEMBERSHIP IS APPURTENANT

There shall be as many Members as there are Owners of Lots in the Properties.

Section 2. Transfer. The Association Membership held by any Owner of a Lot shall not be transferred, pledged or alienated in any way, except upon the sale or encumbrance of such Lot, and then only to the purchaser or mortgagee of such Lot. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association. A Class A Member who has sold his Lot to a contract purchaser under an agreement to purchase shall be entitled to delegate to such contract purchaser his membership rights in the Association. Such delegation shall be in writing and shall be delivered to the Board of Trustees before such contract purchaser may vote. However, the contract seller shall remain liable for all charges and assessments attributable to his Lot until fee title to the Lot sold is transferred. In the event the Owner of any Lot should fail or refuse to transfer the

membership registered in his name to the purchaser of such Lot upon transfer of fee title thereto, the Board of Trustees shall have the right to record the transfer upon the books of the Association. The Board of Trustees shall have the right to charge a reasonable Special Assessment against any Owner and his Lot equal to the cost of the Association of effectuating any such transfer of his membership upon the books of the Association.

Section 3. Classes of Voting Membership. The Association shall have two (2) classes of voting membership respecting the Lots, as follows:

Class A. Class A Members shall originally be all Owners, with the exception of the Declarant, for so long as there exists a Class B Membership. Class A Members shall be entitled to one (1) vote for each Lot owned. Declarant shall become a Class A Member with regard to Lots owned by Declarant upon conversion of Declarant's Class B Membership as provided below. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised in accordance with Article IV, Section 2 of the Declaration, and in no event shall more than one (1) vote be cast with respect to any Lot.

Class B. The Class B Membership shall be the Declarant, and it shall be entitled to three (3) votes for each Lot owned by Declarant. The Class B Membership shall cease and be converted to

Class A Membership on the happening of any of the following events, whichever occurs earliest:

(a) When the total votes outstanding the Class A Membership, inclusive of votes attributable to any property annexed to the Properties, equals the total votes outstanding in the Class B Membership; or

(b) Three (3) years from the date of recording the Declaration; or

(c) On the voluntary cancellation of the Class B Membership by Declarant.

Section 4. Vote Distribution. Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership. When more than one person holds such interest or interests in any Lot ("co-owner") all such co-owners shall be Members and may attend any meetings of the Association, but only one such co-owner shall be entitled to exercise the vote to which the Lot is entitled. Such co-owners may, from time to time, all designate in writing one of their number to vote. Fractional votes shall not be allowed and the Class A vote for each Lot shall be exercised, if at all, as a unit. Where no voting co-owner is designated or if such designation has been revoked, the vote for such Lot shall be exercised as the majority of the co-owners for such Lot mutually agree. Unless the Board of Trustees receives a

written objection from a co-owner, it shall be presumed that the corresponding voting co-owner is acting with the consent of his or her co-owners. No vote shall be cast for any Lot where the majority of co-owners, present in person or by proxy and representing such Lot, cannot agree to vote or other action. The non-voting co-owner or co-owners shall be jointly and severally responsible for all of the obligations imposed upon the jointly held Lot and shall be entitled to all other benefits of ownership. All agreements and determinations lawfully made by the Association in accordance with the voting percentages established herein, or by the Bylaws of the Association, shall be deemed to be binding on all Owners, their successors and assigns. Said voting rights shall be subject to the restrictions and limitations provided in the Declaration and the Articles of Incorporation and Bylaws of the Association.

ARTICLE VI

Trustees

The number of Trustees of the Association shall be three (3) and said number may be changed by a duly adopted amendment to the Bylaws of the Association, except that in no event may the number of Trustees be less than three (3).

The names and addresses of the persons who are appointed to act as the first Trustees of this corporation and to continue to act as such Trustees until the election and qualification of their

successors are as follows:

NAME

ADDRESS

Preston L. Keller

2365 South Highway 89
Perry, UT 84302

Dale B. Bess

182 North 600 East
Brigham City, UT 84302

Noel R. Bess

323 East 700 North
Brigham City, UT 84302

ARTICLE VII

Incorporators

The incorporators of this corporation are as follows:

NAME

ADDRESS

Preston L. Keller

2365 South Highway 89
Perry, UT 84302

Dale B. Bess

182 North 600 East
Brigham City, UT 84302

Noel R. Bess

323 East 700 North
Brigham City, UT 84302

ARTICLE VII

Registered Agent

The name and street address of the Registered Agent is as follows:

NAME

ADDRESS

Noel R. Bess

323 East 700 North
Brigham City, UT 84302

ARTICLE VIII

Amendment

Amendment to these Articles of Incorporation shall require the vote or written consent of the Owners representing at least a majority of the voting power of the Association, and shall be subject to the requirements of the Declaration.

ARTICLE IX

Dissolution

The Association may be dissolved with the vote or written consent of the membership representing at least a majority of the voting power of the Association, subject to the requirements of the Declaration.

The Association is one which does not contemplate pecuniary gain or profit to the Members thereof, and it is organized solely for non-profit purposes. Upon the winding up and dissolution of the Association, after paying or adequately providing for the debts and obligations of the Association, the remaining assets shall be distributed to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event such dedication is refused acceptance, such assets shall be disposed of in such manner as may be directed by decree of the Court of Box Elder County, State of Utah, upon petition therefor by

any person concerned in the liquidation.

IN WITNESS WHEREOF, the undersigned, constituting the Incorporators and Registered Agent of this Association, have executed these Articles of Incorporation this _____ day of April, 1995.

INCORPORATORS:

Preston L. Keller
PRESTON L. KELLER

Dale B. Bess
DALE B. BESS

Noel R. Bess
NOEL R. BESS

REGISTERED AGENT:

Noel R. Bess
NOEL R. BESS

STATE OF UTAH)
 : ss.
COUNTY OF BOX ELDER)

PRESTON L. KELLER, DALE B. BESS and NOEL R. BESS, being first duly sworn upon oath, depose and say: that they are the Incorporators of HERITAGE ESTATES OWNERS' ASSOCIATION; that they

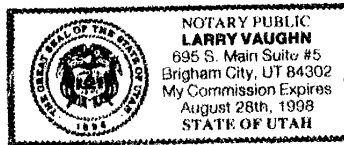
have read the foregoing ARTICLES OF INCORPORATION OF HERITAGE ESTATES OWNERS' ASSOCIATION; that they know the contents thereof and that the same is true according to their best knowledge, information and belief.

Preston L. Keller
PRESTON L. KELLER

Dale B. Bess
DALE B. BESS

Noel R. Bess
NOEL R. BESS

ACKNOWLEDGED TO BEFORE ME this 24th day of April, 1995.



Larry Vaughn
NOTARY PUBLIC