

GLENEAGLES LLC
470 EAST 3900 SOUTH, #200
SALT LAKE CITY, UAH 84107

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CALLEEN B. PESHELL, Recorder
Filed By: RGL
For: FIRST AMERICAN TITLE INS CO
TOOELE COUNTY CORPORATION

ARTICLES OF INCORPORATION

OF

GLENEAGLES COMMUNITY ASSOCIATION INC.

A Utah Non-Profit Corporation

FILED

MAR 09 2001

Utah Div. Of Corp. & Comm. Code

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The undersigned natural person over the age of 21 years, acting as incorporator of a non-profit corporation under the Utah Non-Profit Corporation and Cooperative Association Act (Section 16-6-18 through 16-6-111, Utah Code Annotated (1953)), hereby adopts these Articles of Incorporation for such Corporation.

The name of the Corporation is Gleneagles Community Association, Inc. The Corporation shall continue in existence perpetually unless dissolved or otherwise terminated according to law.

I. DEFINITIONS

When used in these Articles, the following terms shall have the meaning indicated:

1. Articles shall mean and refer to these Articles of Incorporation of Gleneagles Community Association, Inc.
2. Association shall mean and refer to Gleneagles Community Association, Inc., the Utah non-profit corporation which is created by the filing of these Articles.
3. Declaration shall mean and refer to the instrument entitled "Declaration of Covenants, Conditions and Restrictions of Gleneagles" executed and acknowledged by Developer and filed for record in the Office of the County Recorder of Tooele County, Utah, concurrently with the filing of the Plat.
4. Developer shall mean and refer to Chesapeake Meadows L.L.C., a Utah limited liability company, its successor and assigns.
5. Member shall mean and refer to every person who holds membership in the Association.
6. Lot shall mean and refer to any of the separately number and individually described plots of land shown on the Plat.
7. Owner shall mean and refer to the person who is the owner of record (in the Office of the County Recorder of Tooele County, Utah) of a fee or an undivided fee interest in any Lot. Notwithstanding any applicable theory relating to a mortgage, deed of trust, or like instrument, the term "Owner" shall not mean or include a mortgagee or a beneficiary or trustee under a deed of trust, unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.
8. Plat shall mean and refer to the subdivision plats covering the Property executed and acknowledged by Developer, prepared and certified by a registered Utah Land Surveyor and filed for record in the Office of the County Recorder of Tooele County, Utah, on or about the date that these Articles are filed with the office of the Secretary of State of Utah and any plats recorded

FIRST AMERICAN TITLE CO.
CORPORATION RECORDING ONLY

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among the Recorder's Office in substitution there for or amendment thereof, plus any plats hereafter recorded among the Recorder's Office of any Additional Property that may hereafter expressly be made subject to the Declaration by an instrument in writing, duly executed, and recorded among the Recorder's Office .

9. Property shall mean and refer to the entirety of the real property, situated in Tooele City, State of Utah and described in the Declaration, as the same may be amended or supplemented from time to time.

II. POWERS AND PURPOSES

1. Purposes. The Association is organized and shall be operated as a non-profit corporation for the purpose of collecting and disbursing the assessments and charges provided for in the Declaration, and otherwise administering, enforcing, and carrying out the terms of the Declaration (including, without limitation, architectural standards and use restrictions), and generally providing for and promoting the recreation, health, safety, and welfare of residents of the Property.

2. Powers. The Association shall have all of the following powers conferred upon it by the Declaration and all powers allowed by law, including all powers referred to or described in Section 16-6-22, Utah Code Annotated (1953):

(a) To borrow or to raise money for any of the purposes of the Corporation, and to issue bonds, debentures, notes, or other obligations of any nature, and in any manner permitted by law, for money so borrowed or in payment for property purchased, or for any other lawful consideration, and, upon authorization of two-thirds (2/3) of the Class A members in the Corporation (except the Developer if the Developer is a Class A member) to secure the payment of the money borrowed and of the interest thereon, by mortgage upon, or pledge or conveyance or assignment in trust of, the whole or any part of the property of the Corporation.

(b) To participate in mergers and consolidations with other nonprofit organizations, organized for the same purpose, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of the members of each class of the membership in the Corporation, voting separately thereon.

(c) To annex to the Property, at any time, and from time to time, other and additional residential property and open space, provided that any annexation of such other additional residential property and open space shall have the assent of two-thirds (2/3) of each Class of members of the Corporation, voting separately thereon.

3. Limitation. Notwithstanding the foregoing, in no event shall the Corporation: (i) carry on any propaganda or otherwise attempt to influence any legislation or any public administrative action; (ii) participate or intervene in any political campaign on behalf of any candidate for public office, by any means, including the publication or distribution of any statement for or against any candidate; (iii) carry on any activity not permitted to be carried on by a corporation exempt from Federal Income Tax under Section 501(c) or 528 of the Internal Revenue Code of 1986, as amended to date, or corresponding provision of any future United States Internal Revenue law; or (iv) invest in or use any property in such a manner as to jeopardize the exemption of the Corporation from taxation under the aforesaid Section 501(c) or 528 of the Internal Revenue Code of 1986, as now in force or hereafter amended.

III. MEMBERSHIP AND VOTING RIGHTS

The Corporation is not authorized to issue any capital stock. Each record owner, as hereinafter defined, of a lot now or hereafter laid out or established in the Community or in any part of such additional property that may be brought within the jurisdiction of the Corporation shall be a member of the Corporation. Each member shall be designated either a Class A member or a Class B member. A description of each class of membership, with the voting rights and powers of each class, is as follows:

1. Class A member: Except for the Declarant, who shall initially be the Class B member, a Class A member shall be a record owner holding title to one or more lots laid out in the Community as well as any Owner of Commercial Property and Apartment Property, or in any part of such additional property that may be brought within the jurisdiction of the Corporation. Each Class A member shall be entitled to one (1) vote per lot, for each such lot owned by such member, in all proceedings in which action shall be taken by members of the Corporation; provided however, that the Owners of Apartment Property and Commercial Property shall have the number of votes more particularly described in the Declaration.

2. Class B member: The Class B member shall be the Declarant. The Class B member shall be entitled to three (3) votes per lot, for each such lot owned by such member, in all proceedings in which the action shall be taken by members of the Corporation.

3. Conversion: The Class B membership shall be converted to a Class A membership upon the earlier to occur of: (i) December 31, 2011; or (ii) at such time as the total number of votes entitled to be cast by Class A members of the Corporation equals or exceeds the total number of votes entitled to be cast by the Class B members of the Corporation. After such conversion, if additional property is made subject to the Declaration then the Class B membership of the Class B member shall be reinstated until December 31, 2015 or such earlier time as the total number of votes entitled to be cast by Class A members again equals or exceeds the total number of votes entitled to be cast by the Class B member.

The term "record owner," as used in these Articles, means and includes the person, firm, corporation, trustee, or legal entity, or the combination thereof, including contract sellers, holding the record title to a lot in the Community or located on any part of such additional property that may be brought within the jurisdiction of the Corporation and subjected by covenants of record to a lien for charges and assessments levied by the Corporation, as said lot is now or may from time to time hereafter be created or established, either in his, her, or its own name, or as joint tenants, tenants in common, tenants by the entirety, or tenancy in co-partnership, if the lot is held in such real property tenancy or partnership relationship.

If more than one (1) person, firm, corporation, trustee, or other legal entity, or any combination thereof, hold the record title to any one lot, whether in a real property tenancy, partnership relationship, or otherwise, all of same, as a unit, and not otherwise, shall be deemed a single record owner and shall be or become a single member of the Corporation by virtue of ownership of such lot. The term "record owner," however, shall not include any contract purchaser, nor the owner of any redeemable ground rent issuing out of any lot, nor shall it include any mortgagee, trustee or other grantee named in any mortgage, deed of trust or other security instrument covering any lot, designed solely for the purpose of securing performance of an obligation or payment of a debt. Membership in the Corporation shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Corporation.

Conversely, every owner of a lot which is subject to assessment by the Corporation shall become and be a member of the Corporation.

If any single membership in the Corporation is comprised of two (2) or more persons, firms, corporations, trustees or other legal entities, or any combination thereof, then each constituent may cast such portion of the vote of the member as shall equal his, her or its proportionate interest in the lot or lots held by said member, provided, however, that if only one (1) votes, he, she or it may cast the entire vote of the member and such act shall bind all.

IV. BOARD OF DIRECTORS

The affairs of the Association shall be managed initially by a Board of three (3) directors, which number may be increased or decreased pursuant to the By-Laws of the Corporation, but shall never be less than three (3) nor more than seven (7); and the names of the directors who shall act until the first annual meeting or until their successors are duly chosen and qualified are John Aldous, David Irwin and Gordon Etter. No Director need be a member of the Corporation.

From and after the first annual meeting of members, the term of office of the directors shall be staggered. At the first annual meeting, the members shall elect one-third (1/3) of the directors for a term of one (1) year, one-third (1/3) of the directors for a term of two (2) years and one-third of the directors for a term of three (3) years; and at each annual meeting thereafter the members shall elect one-third of the total number of directors for a term of three (3) years.

V. MISCELLANEOUS

1. Duration and Dissolution. The duration of the Corporation shall be perpetual. The Corporation, however, may be dissolved under and in accordance with the laws of the State of Utah, provided such dissolution shall first be authorized, in writing, signed by not less than two-thirds (2/3) of the members of the Corporation, or, if there be more than one class of members, then by not less than two thirds (2/3) of each class of members of the Corporation, computed separately. Upon any dissolution of the Corporation, after discharge of all corporate liabilities, the Board of Directors shall dispose of all assets of the Corporation, by dedication thereof to any appropriate public agency to be used for purposes similar to those for which the Corporation was formed. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned, if practicable, to any nonprofit corporation, association, trust or other organization as shall at the time qualify as an organization or organizations exempt from taxation under Sections 501(c) or 528 of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States Internal Revenue law, as the Board of Directors may determine, preferably to a semi-public agency, to be used in furthering, facilitating or effectuating purposes similar to those for which the Corporation was formed. Any dissolution authorized pursuant to this Section shall be accompanied by an officer's or director's certified statement that the required vote to dissolve the Corporation under this Section has occurred, which document shall be filed with the Secretary of State of Utah at the time of the dissolution.

2. Registered Office and Agent. The registered office of the Association shall be located in Salt Lake City, Utah. The name and address of the initial registered agent and the registered office of the Association is as follows:

John Aldous
470 East 3900 South
Suite 200
Salt Lake City, Utah 84107

3. Amendment. Amendment of these Articles shall require the assent of two-thirds (2/3) of the entire membership, provided, however, that the Federal Housing Administration, the Veterans Administration or the Department of Housing and Urban Development (collectively the "Federal Agencies"), or any successor agencies thereto, shall have the right to veto amendments while there is a Class B membership if any such agency or any successor agencies thereto have approved the Property, or any part thereof, or any Lot, for federal financing by one of the Federal Agencies. Any amendment authorized pursuant to this Section shall be accomplished through the filing with the Office of the Secretary of State of Utah appropriate Articles of Amendment, executed by the President or Vice-President of the Association, and also executed by the Developer and Builder should the Class B membership still exist, and shall then be approved by the Office of the Tooele County Attorney. In such Articles of Amendment, the President or Vice-President shall certify that the vote required by this section for amendment has occurred.

4. Consent in Lieu of Vote. In any case in which these Articles require for authorization or approval of a transaction the assent or affirmative vote of a stated percentage of the votes present or represented at a meeting, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from members entitled to cast at least the stated percentage of all membership votes outstanding in connection with the Class of membership concerned. The following additional provisions shall govern any application of this Section:

(a) All necessary consents must be obtained prior to the expiration of ninety (90) days after the first consent is given by any member.

(b) The total number of votes required for authorization or approval under this Section 6 shall be determined as of the date on which the last consent is signed.

(c) Except as provided in the following sentence, any change in ownership of a Lot which occurs after consent has been obtained from the member having an interest therein shall not be considered or taken into account for any purpose. A change in ownership which would otherwise result in an increase in the total number of Class A votes outstanding shall, however, be effective in that regard and shall entitle the new member to give or withhold his consent.

(d) Unless the consent of all members whose membership are appurtenant to the same Lot are secured, the consent of none of such members shall be effective.

5. Resolutions. The Board of Directors may adopt, amend, and repeal resolutions for regulation and management of the affairs of the Association not inconsistent with the Articles, the Declaration or law.

6. Construction. The captions which precede the various portions of these Articles are

for convenience only, and shall in no way affect the manner in which any provisions hereof are construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, and any gender shall include the other gender. The invalidity or unenforceability of any provision contained in these Articles shall not affect the validity or enforceability of the remainder hereof. These Articles have been prepared in conjunction with the Declaration, and should be read and construed in light of that fact and liberally construed so as to give effect to all of the purposes of both instruments. To the extent the provisions of the Utah Non-Profit Corporation and Cooperative Association Act (Sections 16-6-18 through 16-6-111, Utah Code Annotated (1953)), and any modifications, amendments, and additions thereto are inconsistent with these Articles and the Declaration, such legislation shall supplement the terms hereof.

7. Approval of Federal Agencies. As long as there is a Class B member, if any of the Federal Agencies or any successor agencies thereto, whether public or private, approve the Property or any part thereof or any lot therein for federally approved mortgage financing, the following actions will require the prior approval of the Federal Agencies: annexation of additional properties; mergers and consolidations; dissolution; and amendment of these Articles.

8. Incorporator. The name and address of the Incorporator is John Aldous, 470 East 3900 South, Suite 200, Salt Lake City, Utah 84107.

Dated this 9th day of March, 2001.

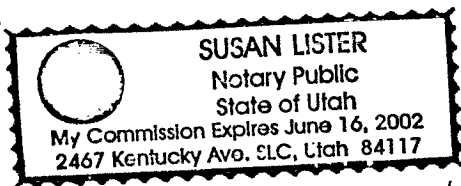
John Aldous
John Aldous, Incorporator

I HEREBY ACCEPT THE POSITION AS RESIDENT AGENT:

John Aldous
John Aldous, Resident Agent

STATE OF UTAH
COUNTY OF _____

On the 9th day of March, 2001, personally appeared before me John Aldous, who being by me duly sworn did say, that he, the said John Aldous, is the Incorporator and Resident Agent of Gleneagles Community Association, Inc., and that the within and foregoing instrument was signed on behalf of said Association.



Susan Lister
NOTARY PUBLIC, Residing at
SLC, Ut 84117

My Commission expires: 6/16/02

PARCEL 1

Lots 101 through 163, GLENEAGLES NO. 1 SUBDIVISION, according to the official plat thereof, as recorded in the office of the Tooele County Recorder.

Tax ID No. 13-074-0101 through 13-074-0-0163
Being 63 Lots and Park

PARCEL 2

Lots 201 through 254, GLENEAGLES P.U.D. PHASE 1, according the official plat thereof, as recorded in the office of the Tooele County Recorder.

Also all the common areas and private roads

Tax ID No.(s) 13-082-0-0201 through 13-082-0-0255
Being 54 lots and common areas

PARCEL 3

Beginning at the Northeast corner of Section 20, Township 3 South, Range 4 West, Salt Lake Base and meridian; and running thence North 89°42'47" East 451.18 feet more or less along the North section line of Section 21; thence South 43°55'15" West 174.43 feet; thence North 89°42'47" East 27.90 feet more or less to the West right of Way of the Los Angeles & Salt Lake Railroad; thence South 43°55'15" West 2571.68 feet more or less along said Railroad right of way to a point on the North line of the property owned by James and Daniel O. Clegg, Trustee; thence along said North line North 88°44'00" West 860.86 feet; more or less to an existing fence; thence along said fence line North 00°09'35" East 1466.36 feet more or less; thence continuing along said fenceline North 01°07'58" East 479.16 feet, more or less to the North section line of Section 20; thence along said section North 89°43'06" East 2272.92 feet to the point of beginning.

Tax ID No. 02-003-0-0001, 02-002-0-0001, 02-002-0-0019, 02-02-0-0017, 02-002-0-0022 and 02-002-0-0023

LESS AND EXCEPTING THE FOLLOWING:

✓ Lots 101 through 163, GLENEAGLES NO. 1 SUBDIVISION, according to the official plat thereof, as recorded in the office of the Tooele County Recorder.

Tax ID No. 13-074-0101 through 13-074-0-0163
Being 63 Lots and Park

✓ Lots 201 through 254, GLENEAGLES P.U.D. PHASE 1, according the official plat thereof, as recorded in the office of the Tooele County Recorder.

Also all the common areas and private roads

Tax ID No.(s) 13-082-0-0201 through 13-082-0-0255
Being 54 lots and common areas

AND LESS AND EXCEPTING PROPERTY LYING WITHIN ROADS.