

ARTICLES OF INCORPORATION

OF

DUTCH FIELDS HOMEOWNERS' ASSOCIATION

A NON-PROFIT CORPORATION

249390 Bk 0580 Pg 0707-0714
ELIZABETH PARCELL, Recorder
WASATCH COUNTY CORPORATION
2002 OCT 4 3:46pm Fee 51.00 MWC
FOR WATTS RUSS

KNOW ALL MEN BY THESE PRESENTS:

THAT WE, the undersigned, natural persons of the age of twenty-one years or more, hereby associate ourselves for the purpose of forming a corporation under the Utah Non-Profit Corporation Act and do hereby adopt the following Articles of Incorporation for such Corporation:

ARTICLE I

NAME AND DURATION

The name of the Corporation is **DUTCH FIELDS HOMEOWNERS' ASSOCIATION** and the duration of the corporation shall be perpetual.

ARTICLE III

PURPOSES

The Corporation is organized exclusively for non-profit purposes, and the specific purposes for which this non-profit corporation is organized are to provide for maintenance, preservation and architectural control of the Living Units, Lots, and Common Areas within that real property located in Wasatch County, State of Utah, more particularly described on Schedule "A" attached hereto and incorporated herein by reference, and to promote the health, safety and welfare of the residents within the above described real property and any additions thereto as may hereafter be brought within the jurisdiction of this Association. For this purpose the Association is authorized to:

- (a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions of Dutch Fields (hereinafter called the "Declaration") dated October 4, 2002, and recorded October 4, 2002, as Entry No. 249391 in Book 0580, beginning at page 0715-0745 of the Official Records of the Wasatch County Recorder, wherein Watts Dutch Fields, L.L.C., a Utah limited liability company, is designated as "Declarant", applicable to the property, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) borrow money, and with the assent of three-fourths (3/4) of each class of Members, mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell or transfer all or any part of the Common Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members; provided, however, that the Association may grant such easements as shall be necessary for the development of the Property without the consent of the members. Except with respect to easements, no such dedication, sale or transfer shall be effective unless the same has been approved by three-fourths (3/4) of each class of members having voting rights, agreeing to such dedication, sale or transfer;

(f) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Areas (except as provided in the Declaration for Additional Land), provided that any such merger, consolidation or annexation shall have the assent of those holding three-fourths (3/4) of each class of members having voting rights;

(g) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Act of the State of Utah may now or hereafter have or exercise.

ARTICLE IV

MEMBERSHIP

Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot which is subject to the Declaration, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest in any Lot merely as security for the performance of any obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

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ARTICLE V

VOTING RIGHTS

The Association shall have two (2) classes of voting membership, Class A and Class B.

Class A: Class A Members shall originally be all Lot 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 set forth 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 as set forth below.

Class B: Class B Member shall be the Declarant which shall be entitled to the following votes:

- a. With respect to each Living Unit or Lot in which it holds the interest required for membership in the Association, three (3) votes;
- b. With respect to each acre (to the nearest tenth of an acre) of Additional Land, not previously submitted to the Project, or with respect to each acre (to the nearest tenth of an acre) of each Parcel submitted to the Project, for which no Living Units have been constructed or no Lots have been created or subdivided, in which it holds the interest required for Membership in the Association, ten (10) votes.

The Class B membership shall automatically cease and be converted to a Class A membership on the first to occur of the following events:

1. When the total number of votes held by all Class A Members equals the total number of votes held by the Class B Member; or
2. The expiration of twenty (20) years after the date on which the Declaration is filed for record in the Office of the County Recorder of Wasatch County, Utah.

Vote Distribution: When fee simple title to a Living Unit, Lot, Parcel, or portion of Additional Land is held by more than one person ("Co-owners"), 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 appurtenant to such Lot. Fractional votes shall not be allowed and the Class A vote for each Lot shall be exercised, if at all, as a unit. Co-owners of each Lot may from time to time designate in writing one of their number to vote. In the event a voting Co-owner is not designated, or if such designation has been revoked, the vote for a co-owned Lot shall be exercised as the majority of the Co-owners of the Lot mutually agree. Unless the Board receives a written objection from a Co-owner, it shall be presumed that the 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 the Co-owners present in person or by proxy and representing such Lot cannot agree to said vote or other action. The number of votes appurtenant to each Unit shall have a permanent character and shall not be altered without the unanimous written consent of all Owners expressed in a duly recorded amendment to the Declaration.

ARTICLE VI

REGISTERED OFFICE AND AGENT

The address of the initial registered office of the Corporation is **5200 South Highland Drive, Salt Lake City, Utah 84117**, and the name of the registered agent at such address is **Russell K. Watts**.

ARTICLE VII

CORPORATION POWERS

The Corporation shall have such powers and authority as are provided by Statute, Section 16-6-22, et seq., Utah Code Annotated (1953, as amended). Specifically, the Corporation shall have power and authority to sue or be sued and defend in the Corporate name; maintain a corporate seal; receive gifts, devisees, bequests of personal and real property, to purchase or lease personal or real property and to otherwise acquire, hold, improve, use, and possess the same; to convey, mortgage, pledge, lease, exchange, transfer, bargain, or otherwise dispose of any or all of its property and assets; to conduct its normal and ordinary affairs, transact business, and carry on operations with such offices as are necessary within the State of Utah or the Continental United States; to elect a Board of Trustees, and to appoint officers and agents of the Corporation and to define, by bylaw and otherwise, the duties and compensation of said officers and agents; to make and alter bylaws and resolutions, not otherwise inconsistent with the Articles of Incorporation, the Declaration or the laws of the State of Utah for the administration of the affairs of the Corporation; to indemnify any Trustee, officer, or agent of the Corporation for expenses actually and necessarily incurred in furthering the activities and operations of the Corporation or in the defense of any litigation or action in which any said Trustee, officer, or agent is made a party; and to exercise all other powers necessary and reasonably convenient to effect any and all of the purposes for which the Corporation is now authorized or hereafter may be authorized by the laws of the United States and the State of Utah.



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ARTICLE VIII

LIMITATIONS ON DISPOSITION OF
EARNINGS AND ASSETS

The Corporation's objectives are not for pecuniary profit and no part of the net earnings of the Corporation, if any, shall inure to the benefit of any member of the Board of Trustees, officer or Member of the Corporation or any other individual, and no Trustee, officer or member of the Corporation or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution or liquidation of the Corporation. No part of the activities of the Corporation shall be to provide propaganda, or otherwise attempting to influence legislation, or participate in or intervene in any political campaign on behalf of any political party or any candidate for public office. Notwithstanding any other provision of these Articles to the contrary, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income taxes under Section 501(c) of the Internal Revenue Code of 1954, as amended or, (b) by a corporation contributions to which are deductible under Section 17(c) (2) of the Internal Revenue Code of 1954, as amended.

ARTICLE IX

INCORPORATORS AND BOARD OF TRUSTEES

The conduct of the affairs of the Corporation shall be governed and controlled by a Board of Trustees consisting of not less than three (3) nor more than five (5) individuals. The qualifications of individuals permitted to serve on the Board of Trustees shall be established in the Bylaws of the Corporation. Said Board of Trustees shall exercise such powers as are provided by these Articles of Incorporation, the laws of the State of Utah, and the Bylaws of the Corporation. The names and addresses of the persons who are to severally serve as the initial incorporators are as follows:

Russell K. Watts
5200 South Highland Drive
Salt Lake City, Utah 84117

The names and addresses of the persons who are to severally serve as the initial Board of Trustees of the Corporation until the first meeting of the Board of Trustees, or until their successors are duly elected and qualified, are as follows:

Russell K. Watts
5200 South Highland Drive
Salt Lake City, Utah 84117

Kam Kohler
P.O. Box 182
Heber, Utah 84032

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Grant Kohler
P.O. Box 182
Heber, Utah 84032

ARTICLE X

OFFICERS

The Board of Trustees is authorized to elect and appoint officers and agents of the Corporation as shall be necessary and appropriate. Such officers and agents shall hold office until their successors are duly elected or appointed and qualified or until they are removed. All officers and agents of the Corporation, as between themselves and the Corporation, shall have such authority and perform such duties in the management of the affairs of the Corporation as may be provided in these Articles of Incorporation, the Bylaws or the Declaration or as may be determined by resolution of the governing Board of Trustees not inconsistent with these Articles of Incorporation, the Bylaws or the Declaration.

ARTICLE XI

BYLAWS

The Members may adopt, amend and repeal at will such Bylaws as are not inconsistent with law, these Articles of Incorporation, the Declaration and the Utah Non-Profit Corporation Act, provided that any such amendments shall require the consent of members holding two-thirds (2/3) of each class of members entitled to vote and as further provided in the Bylaws attached to the Declaration.

ARTICLE XII

DISSOLUTION

The Association may be dissolved only upon the termination of the Declaration in accordance with terms thereof and with the assent given in writing and signed by Members holding not less than three-fourths (3/4) of each class of Members entitled to vote. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

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ARTICLE XIII

LIABILITY

The Board of Trustees, members of the Board, officers, employees and Members of this Corporation shall not be liable, either jointly or severally, for any obligation, indebtedness or charge against the Corporation.

ARTICLE XIV

INDEMNITY OF OFFICERS AND BOARD OF TRUSTEES

The Corporation shall indemnify any and all of its officers or members of the Board of Trustees, or former officers or members of the Board of Trustees, or any person who may have served at its request as a member of the Board of Trustees against expenses actually and necessarily incurred by them in connection with the defense of any action, suit or proceeding in which they or any of them are made parties, or a party, by reason of being or having been members of the Board of Trustees or officers of the Corporation, except in relation to matters as to which any member of the Board of Trustees or officer or former officer or member of the Board of Trustees or person shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty. Such indemnification shall not be deemed exclusive of any or all other rights to which those indemnified may be entitled, under any Bylaws, agreement, vote of subscribers or otherwise.

ARTICLE XV

AMENDMENT

Any amendment to these Articles of Incorporation shall require the assent of Members holding sixty-seven percent (67%) of each class of Members entitled to vote; provided, however, that annexation of Additional Property as defined in the Declaration may be made upon satisfaction of the terms and conditions of the Declaration.


IN WITNESS WHEREOF, the undersigned Incorporators have set their hands this 4 day of October, 2002.



RUSSELL K. WATTS

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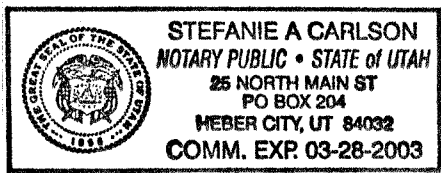
The undersigned hereby agrees to act as the Registered Agent for the above Corporation.


RUSSELL K. WATTS

STATE OF UTAH)
 WASATCH : SS
COUNTY OF SALT LAKE)

I hereby certify that on the 4 day of October, 2002, personally appeared before me RUSSELL K. WATTS, who being by me first duly sworn, declared that he is the person who signed the foregoing instrument as an incorporator and Registered Agent, and that the statements contained therein are true.


NOTARY PUBLIC



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