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WASATCH CO RECORDER-ELIZABETH M PARCELL  
1999 JUN 03 14:55 PM FEE \$98.00 BY MMC  
REQUEST: KAUFMAN & BROAD

ARTICLES OF INCORPORATION  
OF  
HEBER LANDING SUBDIVISION HOME OWNERS ASSOCIATION  
A UTAH NONPROFIT CORPORATION  
for

Heber Landing Subdivision, Phases 1 and 2 consisting of lots 1-73

RICHARD WELCH, the undersigned natural person over the age of twenty-one years, acting as incorporator of a nonprofit corporation pursuant to the Utah Nonprofit Corporation and Cooperative Association Act, hereby adopts the following Articles of Incorporation for such nonprofit corporation.

ARTICLE I  
NAME

The name of the nonprofit corporation is HEBER LANDING SUBDIVISION HOME OWNERS ASSOCIATION, hereinafter referred to as the "Association."

ARTICLE II  
DEFINITIONS

Except as otherwise provided herein or as may be required by the context, all terms defined in Article I of the Declaration of Covenants, Conditions and Restrictions for of Heber Landing subdivision, phases 1 & 2, hereinafter referred to as the "Declaration," shall have such defined meanings when used in these Articles of Incorporation.

ARTICLE III  
DURATION

The Association shall exist perpetually or until dissolved pursuant to Utah law.

ARTICLE IV  
PURPOSES

The Association is organized as a nonprofit corporation and shall be operated exclusively for the purpose of maintaining, operating and governing the Lots and Common Facilities situated within that certain Project known as Heber Landing Subdivision, Phases 1 & 2 as more particularly described in the Declaration, hereinafter referred to as the "Project," which is located upon real property in the City of Heber, County of Wasatch, State of Utah, described in the Declaration.

The Association is organized and shall be operated to perform the functions and provide the services contemplated in the Declaration, which document is to be recorded in the office of the County Recorder of Wasatch County, State of Utah. No dividend shall be paid and no part of the any of the Association, shall be distributed to the Members, Trustees or Officers of the Association, except as otherwise provided herein, in the Declaration or under Utah law.

#### ARTICLE V POWERS

Subject to the purposes declared in Article IV above and any limitations herein expressed, the Association shall have and may exercise each and all of the following powers and privileges:

(A) The power to do any and all things that the Association is authorized or required to do under the Declaration, as the same may from time to time be amended, including, without limiting the generality of the foregoing, the specific power to fix, levy and collect the charges and assessments provided for in the said Declaration;

(B) The power to purchase, acquire, own, hold, lease, mortgage, sell and dispose of any and all kinds and character of real, personal and mixed property (the foregoing particular enumeration in no sense being used by way of exclusion or limitation), and while the owner of any of the foregoing, to exercise all rights, powers and privileges appertaining thereto; and

(C) The power to do any and all things that a nonprofit corporation may now or hereafter do under the laws of the State of Utah.

#### ARTICLE VI MEMBERSHIP

The Members of the Association shall be all of the record owners of Lots in the Project, as such owners are shown on the records of the County Recorder of Wasatch County, State of Utah. The term "record owner" shall not include any mortgagee, trustee or beneficiary under any mortgage, trust deed or other security instrument by which a Lot or any part thereof is encumbered (unless such mortgagee, trustee or beneficiary has acquired title for other than security purposes). If record ownership of a Lot in the Project is jointly held, the Membership appertaining to such Lot shall also be jointly held. Membership in the

Association shall be mandatory and not optional. Each Membership in the Association shall be appurtenant to and shall not be separated from the Lot to which it relates. No person or entity other than an owner of a Lot in the Project may be a Member of the Association.

#### ARTICLE VII MEMBERSHIP CERTIFICATES

The Association may issue certificates of Membership, but such certificates shall not be necessary to evidence Membership in the Association. Membership in the Association shall begin immediately and automatically upon becoming a record owner of the Lot to which such Membership appertains and shall cease immediately and automatically upon an Owner ceasing to be a record owner of such Lot. Any certificates issued by the association shall not be transferable and membership in the association shall automatically terminate on the sale of a lot in the subdivision.

#### ARTICLE VIII VOTING RIGHTS

All voting rights of the Association shall be exercised by the Members, each Membership being entitled to the number of votes relating to the Lot appertaining to such Membership, as set forth in the Declaration. If a Membership is jointly held, any or all holders thereof may attend any meeting of the Members, but such holders must act unanimously to cast the votes relating to their joint Membership. Any designation of a proxy to act for joint holders of a membership must be signed by all such holders. With respect to matters to be voted upon by the Members as provided in the Declaration, the voting requirements and proportions shall be as set forth in the Declaration. Cumulative voting is not permitted.

#### ARTICLE IX ASSESSMENTS

Members of the Association shall be subject to assessments by the Association from time to time in accordance with the provisions of the Declaration and shall be liable to the Association for payment of such assessments. Members shall not be individually or personally liable for the debts or obligations of the Association.

ARTICLE X  
PRINCIPAL OFFICE AND REGISTERED AGENT

The address of the initial principal office of the Association is 1225 East Fort Union Blvd., Suite 215, Midvale, Utah 84047. The name and address of the initial registered agent of the Association is Ken Krivanec, c/o Kaufman & Broad of Utah, Inc., 1225 East Fort Union Blvd., Suite 215, Midvale, Utah 84047.

ARTICLE XI  
BOARD OF TRUSTEES

The affairs of the Association shall be managed by a Board of Trustees consisting of three (3) Trustees, as prescribed in the Bylaws. The number of Trustees constituting the initial Board of Trustees shall be three (3). The names and addresses of the persons who are to serve as the initial Trustees and until the successors of such Trustees are elected or appointed and shall qualify are as follows:

<u>Name</u>	<u>Address</u>
Ken Krivanec	1225 East Fort Union Blvd. Suite 215 Midvale, Utah 84047
Benjamin Williams	1225 East Fort Union Blvd. Suite 215 Midvale, Utah 84047
Dave Kurian	1225 East Fort Union Blvd. Suite 215 Midvale, Utah 84047

ARTICLE XII  
MANAGER

The Board of Trustees may by written contract delegate to a professional management organization or individual such of its managerial duties, responsibilities, functions and powers as are properly delegable.

ARTICLE XIII  
BYLAWS, RULES AND REGULATIONS

The Board of Trustees may adopt, amend, repeal and enforce Bylaws and reasonable rules and regulations governing the operation of the Association and the operation and use of the

Project, to the extent that the same are not inconsistent with these Articles of Incorporation or the Declaration.

#### ARTICLE XIV CONTRACTS WITH TRUSTEES OR OFFICERS

No Trustee, Officer, agent, employee or other person shall derive a principal economic benefit from the operation of the Association. However, any person, including a Trustee or Officer, may deal or contract with the Association, provided that no person or entity shall be paid any fee, salary, rent or other payment of any kind in excess of the fair market value for the service rendered, goods furnished or facilities or equipment rented; provided further, that at a meeting of the Trustees or a committee thereof having authority to authorize or confirm such contract or transaction, the interest of such Trustee, Officer or other person or entity is disclosed or made known and there shall be present a quorum of the Trustees or such committee and such contract or transaction shall be approved by a majority of such quorum consisting of Trustees or committee members not so interested.

No Trustee or Officer shall be liable to account to the Association for any transaction or contract of the Association ratified or approved as herein provided, and they are relieved from any liability that might otherwise exist with respect to such transactions or contracts.

#### ARTICLE XV INDEMNIFICATION

A. The Association shall indemnify any person who was or is party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a Trustee, Officer or committee member of the Association, or is or was serving at the request of the Association as a director, trustee, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding, if he acted in good faith and in an manner he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by an adverse judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and

in a manner which he reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

B. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a Trustee, Officer or committee member of the Association, or is or was serving at the request of the Association as a director, trustee, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

C. To the extent that a person has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Paragraphs A or B of this Article XV, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith. Any other indemnification under Paragraphs A or B of this Article XV shall be made by the Association only upon a determination that indemnification of the person is proper in the circumstances because he has met the applicable standard of conduct set forth respectively in Paragraphs A or B of this Article XV. Such determination shall be made either (i) by the Board of Trustees by a majority vote of disinterested Trustees or (ii) by independent legal counsel in a written opinion, or (iii) by the Members by the affirmative vote of at least fifty percent (50%) of the voting power of the Members of the Association at any meeting duly called for such purpose.

D. Expenses incurred in defending a civil or criminal action, suit, or proceeding as contemplated in this Article XV may be paid by the Association in advance of the final disposition of such action, suit, or proceeding upon a majority vote of a quorum of the Board of Trustees and upon receipt of an undertaking by or on behalf of the person to repay such amount or amounts unless it

ultimately be determined that he is entitled to be indemnified by the Association as authorized by this Article XV or otherwise.

E. The indemnification provided for by this Article XV shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any provision in these Articles of Incorporation, the Bylaws of the Association, agreements, votes of disinterested Members or Trustees, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. The indemnification authorized by this Article XV shall apply to all present and future Trustees, Officers, employees, and agents of the Association and shall continue as to such persons who cease to be Trustees, Officers, employees, or agents of the Association and shall inure to the benefit of the heirs and personal representatives of all such persons and shall be in addition to all other rights to which such persons may be entitled as a matter of law.

#### ARTICLE XVI INCORPORATOR

The name and address of the incorporator of the Association is as follows:

Richard Welch	1225 East Fort Union Blvd Suite 215 Midvale, Utah 84047
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#### ARTICLE XVII AMENDMENTS

Except as otherwise provided by law or by the Declaration, these Articles of Incorporation may be amended in accordance with Utah law upon the affirmative vote of not less than sixty-six and two-thirds percent (66.66%) of the voting power of the Members of the Association.

DATED this 28 day of May, 1999.



\_\_\_\_\_  
Richard Welch, Incorporator

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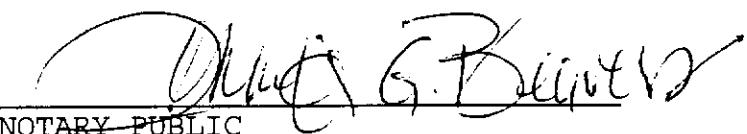
VERIFICATION

STATE OF UTAH )  
COUNTY OF ~~UTAH~~ Salt Lake, ss.

On the 3 day of ~~May~~, 1999 personally appeared before me, RICHARD WELCH, who being by me duly sworn did say that he is the incorporator of Heber Landing Subdivision Home Owners Association, that he signed the foregoing Articles of Incorporation of Heber Landing Subdivision Home Owners Association, as incorporator of such nonprofit corporation, and that the statements therein contained are true and correct.

IN WITNESS WHEREOF, I have hereunto set my hand this 3 day of ~~May~~, 1999.

*June  
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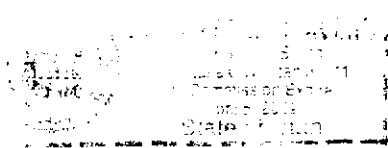
  
NOTARY PUBLIC

My Commission Expires:

4/5/07

Residing in:

Salt Lake



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**ACKNOWLEDGEMENT AND ACCEPTANCE OF  
APPOINTMENT AS REGISTERED AGENT**

Pursuant to the provisions of Section 16-6-25.1(2)(a) of the Utah Nonprofit Corporation and Co-Operative Association Act, Ken Krivanec herewith acknowledges and accepts his appointment as the registered agent for Heber Landing Subdivision Home Owners Association, a Utah nonprofit corporation. This acknowledgement and acceptance of appointment as registered agent is freely and voluntarily made and given by the undersigned.

Dated this 27 day of May, 1999.

Ken Krivanec  
Registered Agent

STATE OF UTAH )  
: ss.  
COUNTY OF SALT LAKE )

On the 3 day of May, 1999 personally appeared before me, KEN KRIVANEC, who being by me duly sworn has stated that the above Acknowledgement and Acceptance of Appointment as Registered Agent is true and correct and that he freely and voluntarily executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_ day  
of May, 1999.

## NOTICE TO BIDERS

My Commission Expires:

Residing in:

4/2/03

Salt lake

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