

**ARTICLES OF INCORPORATION
OF
COVE ESTATES HOMEOWNERS ASSOCIATION**

I, the undersigned, desiring to form a corporation pursuant to the Utah Revised Nonprofit Corporation Act, do hereby adopt the following Articles of Incorporation:

ARTICLE I

NAME

The name of the Corporation is Cove Estates Homeowners Association, Inc., a Utah Corporation (the "Corporation").

Ent 295212 Bk 822 Pg 63-74
Date: 12-JAN-2006 4:22PM
Fee: \$77.00 Check Filed By: MWC
ELIZABETH PALMIER, Recorder
WASATCH COUNTY CORPORATION
For: FOUNDERS TITLE COMPANY HEBER

ARTICLE II

DURATION

The period of its duration is perpetual, or until dissolved pursuant to law.

ARTICLE III

GENERAL PURPOSES

The purposes of this Corporation, which is organized as a nonprofit corporation, shall be to exercise all the powers and privileges and to perform all of the duties and obligations of this Corporation as set forth in the Declaration of Covenants, Conditions, and Restrictions of Cove Estates as recorded in the office of the County Recorder of Wasatch County, State of Utah, as the same may be amended from time to time as therein provided (the "Declaration"), which shall include the 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 Exhibit "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 general powers as enumerated in Utah Code Annotated Section 16-6a-302 as may be amended from time to time that are not in conflict with the Declaration;

(b) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration.

(c) to acquire, own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property, including the Common Areas as defined in the Declaration, in connection with the affairs of the Corporation, subject to the limitations contained in the Declaration.

(d) To do everything necessary and proper for the accomplishment of the purposes enumerated in these Articles of Incorporation, or any amendment thereof, or necessary or incidental to the protection and benefit of the Corporation and, in general, to carry on any lawful business necessary or incidental to the attainment of the purposes of the Corporation, whether or not such business is similar in nature to the purposes set forth in the Articles of Incorporation of the Corporation, or any amendment thereof.

ARTICLE IV

NONPROFIT CORPORATION

This Corporation is not organized for pecuniary profit. It shall not have any power to issue certificates of stock or declare dividends and no part of its net earnings shall inure to the benefit of any Member, trustee or individual. The balance, if any, of all money received by the Corporation from its operations, after the payment in full of all debts and obligations of the Corporation of whatever kind or nature, shall be used and distributed exclusively for the purposes set forth in

Article III hereof.

The Board of Trustees of the Corporation may designate such committee or committees as it determines in accordance with law to exercise such authority as the Board of Trustees shall delegate in the resolution designating such committee or committees.

ARTICLE V

BOARD OF TRUSTEES

The Board of Trustees shall initially consist of three (3) Members which can be increased up to as many as five (5) Members upon the majority vote of the existing Board of Trustees or the majority vote of the Members at a duly called meeting of the Members. It is understood that the Declarant (as defined by the Declaration) had reserved the right to appoint all of the Members of the Board of Trustees until the first of the following occurs:

- (a) When Class B Membership ceases as defined in Article XI below; or
- (b) 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..

The names and addresses of the persons who are to serve as Trustees until their successors are elected and shall qualify are as follows:

<u>Name</u>	<u>Address</u>
Paul Ritchie	P.O. Box 127 1130 North Pine Circle Heber City, UT 84032 Fax: (435) 654-5546
David M. Nelson	380 E. Main, Bldg. B, 2 nd Floor Midway, UT 84049
Brent Ritchie	1245 Brickyard Road, Suite 70 Salt Lake City, UT 84106 Fax: (801) 466-9147

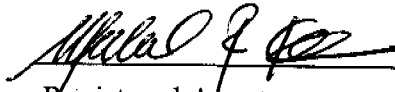
ARTICLE VI

**INITIAL REGISTERED OFFICE AND
INITIAL REGISTERED AGENT**

The address of the registered office of the Company is 1245 Brickyard Road, Suite 70, Salt Lake City, Utah 84106. The name of the Company's registered agent at such address is The Ritchie Group, L.C., Attn: Michael R. Klein.

The undersigned hereby accepts and acknowledges appointment as the initial registered agent of this Corporation and confirms that he meets the necessary requirements.

THE RITCHIE GROUP, L.C.



Registered Agent

ARTICLE VII

INCORPORATORS

The incorporator of the Corporation is as follows:

<u>Name</u>	<u>Address</u>
MWE-Cove, L.L.C.	380 E. Main Street, Bldg. B 2 nd Fl. Midway, UT 84049 Fax: (435)

ARTICLE VIII

DISSOLUTION

In the event of the dissolution of this Corporation, or in the event it shall cease to carry out the objects and purposes herein set forth, all the business, property and assets of the Corporation

shall be distributed in accordance with Utah Code Ann. Section 16-6a-1402-1419, as the same may be amended from time to time.

ARTICLE IX

PRINCIPAL OFFICE

The location and street address of this Corporation's initial principal office is 1245 E. Brickyard Road, Suite 70, Salt Lake City, Utah 84106.

ARTICLE X

MEMBERSHIP

The Corporation has Members. 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 that 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. Membership shall begin immediately and automatically upon becoming an Owner and shall terminate immediately and automatically upon ceasing to be an Owner. If title to a Unit is held by more than one person, the membership appurtenant to that Unit shall be shared by all such persons in the same proportionate interests and by the same type of tenancy in which title to the Unit is held. Each membership shall be appurtenant to the Unit to which it relates and shall be transferred automatically by conveyance of that Unit. Ownership of a Unit within the Project cannot be separated from membership in the Association appurtenant thereto, and any devise, encumbrance, conveyance, or other disposition of a Unit shall be construed to be a devise, encumbrance, conveyance or other disposition, respectively, of the Owner's membership in the

Association, and the rights appurtenant thereto. No person or entity other than an Owner may be a Member of the Association, and membership in the Association may not be transferred except in connection with the transfer of a Unit.

ARTICLE XI

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.

Class B: The 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, four (4) 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 Lots 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 XII

BYLAWS

Bylaws will be hereafter adopted. Such Bylaws may be amended or replaced, in whole or in part, in the manner provided therein, and the amendments to the Bylaws shall be binding upon all Members.

ARTICLE XII

OTHER

Indemnification. The Corporation shall indemnify its officers, trustees, agents and other persons against liabilities incurred by them that result from their acts that are performed in furtherance of the business of the Corporation to the full extent now or hereafter permitted by the laws of the State of Utah.

Amendment. These Articles may be amended, in whole or in part, by the affirmative vote of two (2) Trustees if the total number of Trustees is three (3), or three (3) Trustees if the total number of Trustees is five (5).

IN WITNESS WHEREOF, the above-named incorporator has executed these Articles of Incorporation this 11th day of January, 2006.

INCORPORATOR:

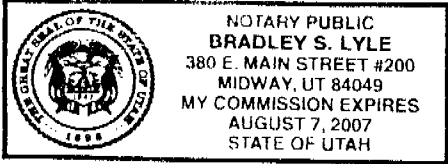
MWE-COVE, L.L.C.



By: Paul W. Ritchie, Manager

STATE OF UTAH)
 : ss.
COUNTY OF WASATCH)

I, a Notary Public, hereby certify that on the 11 day of January, 2006, personally appeared before me Paul W. Ritchie, who being by me first duly sworn, did declare that he is the person who signed the foregoing Articles of Incorporation as a Manager of the Incorporator, and the statements therein contained are true.



Bradley S. Lyle
NOTARY PUBLIC
Residing at: Wasatch Co

My Commission Expires:

2/7/07

EXHIBIT ALEGAL DESCRIPTIONParcel 1

Commencing at a point located S89°44'50"W 1339.53 feet and North 1491.02 feet from the Wasatch County Monument for the Southeast corner of Section 29, Township 3 South, Range 5 East, Salt Lake Base & Meridian (brass cap set in 1976), said point being the Southeast corner of the Cove at Valley Hills; thence North along said boundary 1518.07 feet to the point of beginning; thence North 966.68 feet; thence East 310.44 feet; thence South 130.00 feet; thence S25°34'08"E 66.51 feet; thence S00°28'02"W 375.01 feet; thence S03°31'25"E 127.47 feet; thence S07°13'17"W 201.83 feet; thence S07°55'06"W 66.01 feet to the beginning of a non-tangent curve concave to the Northwest having a radius of 300 feet; thence Southwesterly along said curve 72.25 feet through a central angle of 13°47'57" (chord bearing and distance of said curve being S82°56'56"W 72.08 feet); thence West 237.93 feet to the point of beginning. Contains 7.33 acres.

OZA-1066 — OZA-1077

Said property also known as Cove Estate Phase 1.

Parcel 2:

Commencing at a point located S89°44'50"W 1339.53 feet and North 1491.02 feet from the Wasatch County Monument for the Southeast corner of Section 29, Township 3 South, Range 5 East, Salt Lake Base & Meridian (brass cap set in 1976) said point being the Southeast corner of the Cove at Valley Hills Plat; thence North along said boundary 761.10 feet to the true point of beginning; thence North 567.62 feet; thence East 5.00 feet; thence North 189.35 feet; thence East 232.93 feet to the beginning of a tangent curve to the left having a radius of 300 feet; thence Northeasterly along said curve a distance of 72.25 feet through a central angle of 13°47'57" (chord bearing and distance of said curve being N82°56'56"E 72.08 feet); thence N07°55'06"E 66.01 feet; thence N07°13'17"E 201.83 feet; thence N03°31'25"W 127.47 feet; thence N00°28'02"E 375.01 feet; thence N25°34'08"W 66.51 feet; thence North 130.00 feet; thence East 762.91 feet; thence S16°46'42"W 155.31 feet to the beginning of a non-tangent curve to the right having a radius of 60.00 feet; thence Southeasterly along said curve a distance of 163.78 feet through a central angle of 156°23'40" (chord bearing and distance of said curve being S10°24'42"E 117.46 feet); thence S22°14'03"E 97.18 feet; thence S00°12'40"W 65.49 feet to the centerline of the canal and the beginning of a non-tangent curve to the right having a radius of 784.79 feet; thence southwesterly along said curve a distance of 44.70 feet through a central angle of 03°15'48" (chord bearing and distance of said curve being S67°35'15"W 44.69 feet) to the beginning of a reverse curve to the left having a radius of 1194.88 feet; thence Southwesterly along said curve a distance of 100.91 feet through a central angle of 04°50'20" (chord bearing and distance of said curve being S66°47'59"W 100.88 feet); thence S64°22'47"W a distance of 123.53 feet to the

beginning of a tangent curve to the left having a radius of 150.66 feet; thence Southwesterly along said curve a distance of 133.45 feet through a central angle of $50^{\circ}45'03''$ (chord bearing and distance of said curve being $S39^{\circ}00'15''W$ 129.13 feet); thence $S13^{\circ}37'44''W$ a distance of 26.14 feet to the beginning of a tangent curve to the right having a radius of 698.14 feet; thence Southwesterly along said curve a distance of 244.22 feet through a central angle of $20^{\circ}02'35''$ (chord bearing and distance of said curve being $S23^{\circ}39'01''W$ 242.98 feet); thence $S33^{\circ}40'19''W$ a distance of 333.69 feet to the beginning of a tangent curve to the left having a radius of 138.95 feet; thence Southwesterly along said curve a distance of 32.61 feet through a central angle of $13^{\circ}26'49''$ (chord bearing and distance of said curve being $S26^{\circ}57'03''W$ 32.54 feet); thence $S19^{\circ}57'54''W$ a distance of 104.88 feet to the beginning of a tangent curve to the right having a radius of 725.99 feet; thence Southwesterly along said curve a distance of 76.17 feet through a central angle of $06^{\circ}00'42''$ (chord bearing and distance of said curve being $S22^{\circ}58'14''W$ 76.14 feet); thence $S25^{\circ}58'34''W$ a distance of 116.78 feet to the beginning of a tangent curve to the right having a radius of 1198.17 feet; thence Southwesterly along said curve a distance of 97.89 feet through a central angle of $04^{\circ}40'52''$ (chord bearing and distance of said curve being $S28^{\circ}19'00''W$ 97.87 feet); thence $S30^{\circ}39'23''W$ a distance of 133.18 feet to the beginning of a tangent curve to the left having a radius of 136.11 feet; thence Southwesterly along said curve a distance of 67.82 feet through a central angle of $28^{\circ}32'54''$ (chord bearing and distance of said curve being $S16^{\circ}22'56''W$ 67.12 feet) thence West a distance of 206.28 feet to the point of beginning. Containing approximately 19.30 acres.

Said property also known as Cove Estate Phase 2.

OZA-2078 - OZA-2110

EXHIBIT B

ADDITIONAL LAND

Together with any other real property adjacent to the Property or that is described on this Exhibit "B".

All of Parcel 1 Buckwheat Subdivision Agricultural Exemption Area according to the official Plat thereof recorded in the Office of the County Recorder of Wasatch County, State of Utah.

For informational purposes only, Tax Serial Number: OBW-0001.