

**ARTICLES OF INCORPORATION**  
**OF**  
**THE COTTAGES AT FOSSIL HILLS OWNERS ASSOCIATION**

THE UNDERSIGNED, for the purpose of forming a non-profit corporation pursuant to the Utah Revised Nonprofit Corporation Act (the "Act"), Title 16, Chapter 6a of the Utah Code (1953, as amended), and in the capacity of incorporator, adopts the following Articles of Incorporation.

**Article I**  
**Name**

The name of the corporation is **THE COTTAGES AT FOSSIL HILLS OWNERS ASSOCIATION**. For convenience the corporation shall be referred to in this instrument as the "*Association*."

**Article II**  
**Purposes**

A. **General Purposes.** The Association is organized and formed to: (i) serve its members by acting to preserve, protect, and enhance property values within The Cottages at Fossil Hills, a planned unit development located in Washington County, Utah; (ii) manage and maintain Association property for the benefit of the members; (iii) exercise the rights and powers and to perform the duties and obligations of a property owners association in accordance with the Association's Governing Documents and applicable law, as each may be amended from time to time; and (iv) to engage in any lawful act for which a nonprofit corporation may be organized under the Act.

B. **General Powers.** In furtherance of its purposes, the Association shall have and exercise (i) all the rights, powers, and privileges enumerated, provided by, or otherwise conferred upon the Association in the Governing Documents, as the same may be amended from time to time; (ii) all rights, powers, and privileges conferred on property associations by the laws of the State of Utah; and (iii) all rights, powers, and privileges which a nonprofit corporation organized under the Act may now or hereafter have or exercise. These powers and privileges include but are not limited to the following:

- (1) Fix, levy, collect and enforce payment of all charges, assessment, and liens pursuant to the terms of the Declaration or applicable law;
- (2) To pay all office and other expenses incident to the conduct of the business of the Association, including but not limited to, all licenses, taxes or governmental charges levied or imposed against the property of the Association;
- (3) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, and maintain, real or personal property in connection with the affairs of the Association;
- (4) Abandon, partition, subdivide, encumber, contract for the use of, sell or transfer the Common Area or other property, real or personal, owned, directly or indirectly, by the Association, but only as provided in the Declaration;
- (5) Borrow money and with the prior written assent of the members, as provided in the Declaration, mortgage, pledge, deed in trust, or hypothecate any or all of its other real or personal property as security for money borrowed or debts incurred;
- (6) Participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and common area, as provided in the Declaration;
- (7) Purchase insurance upon the Common Area;
- (8) Reconstruct improvements after casualty loss and carry out the further improvement of the property;
- (9) Make and amend reasonable regulations as authorized in the Declaration; and
- (10) Make and perform any contracts and to do any acts and things, and exercise any powers suitable, convenient, proper or incidental for the accomplishment of any objects enumerated herein or elsewhere in the Governing Documents.

C. No Pecuniary Gain or Benefit. The Association does not contemplate pecuniary gain or profit to its Members. No part of the income of the Association will be distributable to its Members, Directors, or officers, no part of its earnings may inure to the benefit of any private shareholder or individual, and all income collected shall be used solely to meet its losses and operating expenses.

**Article III**  
**Membership; Voting Rights**

The Association will have voting members. The Bylaws will designate whether there are different classes of members and the qualifications and rights of each class. The qualifications of members of the Association shall be set forth in the Declaration.

**Article IV**  
**Shares of Stock and Membership Certificates**

The Association will not issue shares of stock or membership certificates to evidence membership in the Association.

**Article V**  
**Governing Board; Initial Directors**

The affairs of the Association shall be governed by a Board of Directors. The initial Board of Directors shall consist of three individuals, who shall serve at the pleasure of the Declarant. The names and addresses of the initial three directors are:

<u>Name</u>	<u>Address</u>
Bryce Burns	1122 E. 1100 N. Orem, UT 84097
Bryan Sparks	387 S. 520 W., Ste 215 Lindon, UT 84042
Brad Sparks	387 S. 520 W., Ste 215 Lindon, UT 84042

**Article VI**  
**Terms and Definitions**

Unless otherwise indicated herein, capitalized terms used in these Articles shall have the same meaning as defined in the Declaration and the Bylaws.

**Article VII**  
**Limitation on Liability; Indemnification**

A. No director, officer, or committee member of the Association shall be personally liable to the Association or its members for monetary damages arising from acts or omissions made in the performance of his or her duties as a director, officer, or committee member, unless the acts or omissions are the result of his or her intentional infliction of harm on the Association or its members, a violation of criminal law, or an unlawful distribution.

B. To the extent not prohibited by law, every director, officer, and committee member of the Association, and any member volunteering services to the Association, shall be indemnified by the Association against all expenses and liabilities, including attorney fees, reasonably incurred by or imposed upon the director, officer, committee member, or volunteer in connection with any proceeding or any settlement of any proceeding to which the director may be a party or in which the director may become involved by reason of being or having been a director, committee member, officer, or volunteer of the Association, whether or not he or she is a director, committee member, officer, or volunteer at the time such expenses are incurred, except when the director, committee member or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties; provided that in the event of a settlement the indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director, committee member, or officer may be entitled by applicable law.

**Article VIII**  
**Dissolution; Manner of Distribution**

The Association may be dissolved in accordance with the procedures set forth in the Act and upon the affirmative vote of not less than seventy-five percent (75%) of all members of the Association. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association will belong to its members and will be distributed, liquidated, or conveyed in accordance with the terms of a plan of dissolution approved by not less than seventy-five percent (75%) of all members of the Association. Notwithstanding the above, if dissolution is sought during the Declarant Control Period, the dissolution and the plan of dissolution shall require the express written approval of the Declarant.

**Article IX**  
**Amendment**

A. General Requirements. These Articles may be amended or restated in accordance with the applicable provisions of the Act, subject to the following: (1) an amendment may not conflict with the Declaration, the Bylaws, or applicable law; and (2) an amendment may not impair or dilute any right or privilege granted to the Declarant or any Mortgagee by the Declaration unless the prior written consent to the amendment is obtained from the Declarant or Mortgagee, as the case may be.

B. Amendment by Board. The Board of Directors may unilaterally amend or restate these Articles, without a vote of the members, for the following purposes: (1) to delete the names and addresses of the initial directors; (2) to delete the name and address of the initial registered agent or registered office, if a statement of change is on file with the Utah Division of Corporations and Commercial Code; or (3) to make any other change expressly permitted by the Act to be made without member action.

C. Amendment by Members. For all other purposes, an amendment shall require the affirmative vote of not less than sixty-seven percent (67%) of the total number of votes of the Association, or, if there are different classes of members, sixty-seven percent (67%) of the total number of votes of each class. Votes may be obtained in person or by proxy at a regular or special meeting of the Members at which a quorum is present or by written consent in the manner provided for by the Act or the Bylaws.

D. Third Party Approval. Notwithstanding the above, no amendment to these Articles or the Bylaws shall be made or effective during the Declarant Control Period without the prior express written approval of the Declarant.

**Article X**  
**Incorporator**

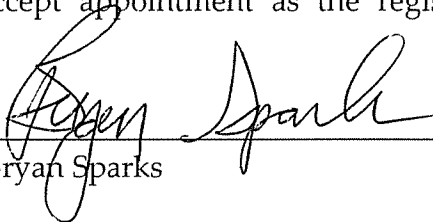
The name and address of the incorporator is:

<u>Name</u>	<u>Street Address</u>
Bryan Sparks	387 S. 520 W., Ste 215 Lindon, UT 84042

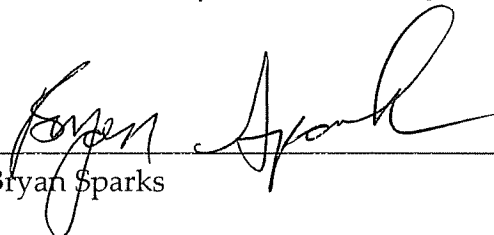
**Article XI**  
**Initial Registered Office and Agent**

The location and street address of the initial registered office shall be 387 S. 520 W., Suite 215, Lindon, Utah 84042. The registered agent at this address is Bryan Sparks. This office and the name of the agent may be changed by the Board of Directors in the manner provided for by law, without amendment to these Articles.

I, Bryan Sparks, hereby accept appointment as the registered agent of this Association.

  
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Bryan Sparks

IN WITNESS WHEREOF, for the purpose of forming this Association under the laws of the State of Utah, the undersigned being the incorporator of this Association, has executed these Articles of Incorporation this 19<sup>th</sup> day of October, 2006.

  
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Bryan Sparks