

I hereby certify that the foregoing has been filed
and approved on the 6 day of Sept 94
in the office of this Division and hereby issue
this Certificate thereof.

Respectfully, LKT Date 9-6-1994



Karla T. Woods
KARLA T. WOODS
Division Director

ARTICLES OF INCORPORATION
OF

THE SILVERCREEK TOWNHOMES ASSOCIATION

A Non-Profit Corporation

Gregory N. Barrick, the undersigned natural person over the age of twenty-one years, acting as incorporator of a non-profit corporation pursuant to the Utah Nonprofit Corporation and Co-operative Association Act, hereby adopts the following Articles of Incorporation for said corporation:

ARTICLE I

NAME

The name of the nonprofit corporation is The Silvercreek Townhomes Association, hereinafter called the "Association."

ARTICLE II

DURATION

The duration of the Association shall be perpetual unless earlier dissolved pursuant to law.

ARTICLE III

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide for operation, maintenance, preservation and architectural control of the Common Areas and of the exterior portions of the Lots and Townhomes within that certain tract of property located in Washington County, Utah (hereinafter called the "Subdivision"), which is known as Silvercreek Townhomes Phase I, according to the official plat thereof on file in the office of the Washington County Recorder (and other subdivisions which may in the future be constructed in the proximity of the Subdivision as may hereafter be brought within the jurisdiction of this Association, referred to herein as "Additional Subdivisions"), and to promote the health, safety and welfare of the residents within the above described Subdivision and any Additional Subdivisions, and for these purposes 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

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and Restrictions of Silvercreek Townhomes (hereinafter called the "Declaration") applicable to the Subdivision and recorded or to be recorded in the Office of the County Recorder of Washington County, Utah, and as the same may be amended from time to time as therein provided;

(b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration, these Articles of Incorporation and the Bylaws of the Association, and pay all expenses in connection therewith and all other expenses incident to the conduct of the affairs 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 Members having a majority of the votes of each class of membership, mortgage, pledge, deed in trust, 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. Except as otherwise provided in the Declaration with respect to easements and rights-of-way for public utilities, no such dedication or transfer shall be effective unless an instrument has been signed by Members having a majority of the votes of each class of membership, agreeing to such dedication, sale or transfer;

(f) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, provided that any such merger or consolidation shall have the affirmative vote of not less than two-thirds (2/3) of the total number of votes of each class of membership which Members present in person or represented by proxy are entitled to cast at a regular or special meeting of the Members at which a quorum is present; provided that written notice of such meeting setting forth the proposed action to be taken shall have been given to each Member in the manner provided in the Bylaws;

(g) have and exercise any and all powers, rights and privileges which a corporation organized under the Utah Nonprofit

Corporation and Co-Operative Association Act by law may now or hereafter have or exercise.

ARTICLE IV

MEMBERSHIP

Every person or entity who is the Owner of record (in the office of the County Recorder of Washington County, Utah), whether one or more persons or entities, of a fee interest in any Lot included within the above described Subdivision, including contract sellers, shall be a Member of the Association. Notwithstanding any applicable legal concept or theory relating to a mortgage, deed of trust or like instrument, the foregoing is not intended to include a mortgagee, a trustee or beneficiary under a deed of trust or holder of a similar interest given merely as security for an obligation unless and until such party has acquired title pursuant to foreclosure or an arrangement or proceeding in lieu thereof. Membership shall be appurtenant to and may not be separated from the Lot in which the Member holds the necessary interest.

ARTICLE V

VOTING RIGHTS

The Association shall have two (2) classes of voting membership:

CLASS A. Class A Members are all Members with the exception of the Declarant, as defined in the Declaration. Class A Members are entitled to one vote for each lot owned. When more than one person holds an interest in any lot, the group of such persons shall be a Member. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. A vote cast at any Association meeting by any of such co-owners, whether in person or by proxy, is conclusively presumed to be the vote attributable to the Lot concerned unless written objection is made prior to that meeting, by another co-owner of the same Lot. In the event an objection is made, the vote involved shall not be counted for any purpose except to determine whether a quorum exists.

CLASS B. The Class B Member is the Declarant. The Class B Member is entitled to three (3) votes for each Lot owned. The Class B membership will cease and be converted to Class A membership on the happening of one of the following events, whichever occurs earlier:

(a) upon conveyance of one hundred fifty (150) Lots subject to the Declaration to purchasers; or

(b) the expiration of seven (7) years from the first Lot conveyance to a purchaser; or

(c) the surrender of Class B membership status by the express written action of the Declarant. In the case of expansion (as provided under the Declaration) which occurs while the Declarant has Class B membership, the Declarant's memberships appurtenant to the Lots in the expansion area shall be Class B memberships.

ARTICLE VI

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 VII

PRINCIPAL OFFICE AND REGISTERED AGENT

The address of the initial principal office of the Association is 50 South Main, Suite 1600, Salt Lake City, Utah 84144, and the name of the initial registered agent of the Association at such address is Gregory N. Barrick.

ARTICLE VIII

APPOINTMENT OF BOARD OF TRUSTEES BY DECLARANT

Until the date three (3) years after the aforesaid Declaration is filed for record in the Official Records of the County Recorder of Washington County, Utah, the Declarant shall have the right and option to appoint, remove and replace all of the members of the Board of Trustees of the Association. In the event the Declarant fails to exercise this option or in the event the Declarant by written notice to the Association voluntarily turns over to the Members of the Association the responsibility for electing the Board of Trustees before the termination of said three-year period, the Board of Trustees shall be elected by the Members of the Association in accordance with the Declaration, these Articles of Incorporation and the Bylaws of the Association.

ARTICLE IX

BOARD OF TRUSTEES

The affairs of the Association shall be managed by a Board of Trustees, consisting of not fewer than three (3) nor more than fifteen (15) Trustees, as prescribed in the Bylaws. Except for Trustees appointed as provided in Article VIII above, Trustees must be Members of the Association. 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 Trustees until the first annual meeting of the Members held after responsibility for electing Trustees is turned over to the Members pursuant to Article VIII above and until the successors of such Trustees are appointed or elected and shall qualify are as follows:

Hans R. Kuhni	2458 Silver Cloud Drive P.O. Box 681153 Park City, Utah 84068
E. Blaine Webber	3589 South 1470 West St. George, Utah 84770
Edwin L. Braithwaite	465 South Bluff Street P.O. Box 347 St. George, Utah 84770

ARTICLE X

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 XI

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

ARTICLE XII

INCORPORATOR

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

Gregory N. Barrick	50 South Main, Suite 1600 Salt Lake City, Utah 84144
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ARTICLE XIII

AMENDMENTS

These Articles of Incorporation may be amended in accordance with Utah law upon the affirmative vote of not less than two-thirds (2/3) of the total number of votes of each class of membership which Members present in person or represented by proxy are entitled to cast at a regular or special meeting of the Members at which a quorum is present; provided that written notice of such meeting setting forth the proposed amendment or a summary of the change to be effected thereby shall have been given to each Member in the manner provided in the Bylaws. These Articles of Incorporation may not be amended in any manner inconsistent with the Declaration, and in the event of any conflict between these Articles of Incorporation and the Declaration, the Declaration shall control.

ARTICLE XIV

DISSOLUTION

The Association may be dissolved in accordance with Utah law upon the affirmative vote of not less than two-thirds (2/3) of the total number of votes of each class of membership which Members present in person or represented by proxy are entitled to cast at a regular or special meeting of the Members at which a quorum is present; provided that written notice of such meeting stating that one of the purposes of such meeting is to consider the advisability of dissolving the Association shall have been given to each Member in the manner provided in the Bylaws. Upon dissolution of the Association other than incident to a merger or consolidation, after payment or adequate provision is made for the debts and obligations of the Association, the remaining assets of the Association shall be dedicated to an

MAILING ADDRESS

If, upon completion of filing of the above Articles of Incorporation, the Division elects to send a copy of the said Articles of Incorporation to the Corporation by mail, the address to which the copy should be mailed is:

Gregory N. Barrick, Esq.
Van Cott, Bagley, Cornwall & McCarthy
50 South Main, Suite 1600
Salt Lake City, Utah 84144