


EXHIBIT "A"

State of Utah
Department of Commerce
Division of Corporations and Commercial Code
I hereby certified that the foregoing has been filed
and approved on this 22 day of March 2010
in this office of this Division and hereby issued
This Certificate thereof.

Examiner [Signature] Date 3/24/10

[Signature]
Kathy Berg
Division Director

ARTICLES OF INCORPORATION

OF

RED CANYON ESTATES WATER USERS ASSOCIATION

I, the undersigned, for the purpose of forming a corporation pursuant to the Utah Non-Profit Corporation and Co-Operative Association Act Utah Code Ann. § 16-6-18 et. seq. (1953, as amended) in the capacity of incorporator, adopt the following Articles of Incorporation.

ARTICLE I

NAMES

The name of the corporation is RED CANYON ESTATES WATER USERS ASSOCIATION. For convenience the corporation shall be referred to in this instrument as the Association.

ARTICLE II

NAME

The existence of this corporation shall be perpetual.

ARTICLE III

PURPOSES

This Association does not contemplate pecuniary gain or profit to the members thereof. No part of the income of the Association will be distributable to its members, trustees, 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 operation expenses.

The specific purposes for which it is formed are:

- (a) to provide for maintenance, supply and distribution of water rights on the

03-22-10 P04:52 RCVD

Date: 03/23/2010
Receipt Number: 3161981
Amount Paid: \$50.00

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Lots and Common Area within RED CANYON ESTATES SUBDIVISION, located in Iron County, Utah, as the same may be constituted or provided in the Declaration of Covenants;

(b) to promote any other lawful purpose as may be permitted by law or by statute.

For this purpose, the Association shall have the power to:

(a) exercise all the powers and privileges and to perform all of the duties and obligations of the Association;

(b) fix, levy, collect and enforce payment of all charges, or assessments pursuant to the terms of the Bylaws; to pay all expenses in connection therewith and 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;

(c) 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;

(d) abandon, partition, subdivide, encumber, sell or transfer the common property owned, directly or indirectly by the Association, but only as provided in the Bylaws;

(e) borrow money and with the prior written assent of the members, as provided in the Bylaws, 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;

(f) 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 Bylaws;

(g) purchase insurance for the protection of the Association and its members;

- (h) reconstruct improvements after casualty loss and carry out the further improvement of the property;
- (i) make and amend reasonable regulations respecting the use of the water systems;
- (j) enforce by legal means these Articles, the Bylaws of the Association and the Regulations for the use of the common area;
- (k) contract or the management of all powers, duties and responsibilities of the Association except such as are specifically required by the Bylaws to have approval of the Board of Trustees or the membership of the Association, and
- (l) employ personnel to perform the services required for proper operations;
- (m) 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;
- (n) have and exercise any and all powers, rights, and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Utah by law may now or hereafter have or exercise.

ARTICLES IV

MEMBERSHIP

Every person or entity who is a record owner of any Lot which is has a water right, which lot is subject by covenants or record to assessment by the Homeowners Association, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of the water right

which is subject to assessment by the Association. Membership in the Association shall automatically transfer upon transfer of title by the record owner to another person or entity.

ARTICLE V

VOTING RIGHTS

All members shall have the same voting rights as the number of shares they own in the company. All shares shall have equal voting rights.

ARTICLE VI

GOVERNING BOARD

The affairs of this Association shall be managed by a Governing Board of three (3) trustees who need not be members of the Association. The number of trustees may be changed by amendment of the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of trustees until the selection of their successors are:

<u>NAME</u>	<u>RESIDENCE</u>
Christopher Whitney	28676 Terrace Dr., Highland, CA 92346
Barbara Hutchins	P.O. Box 1054 Parowan, UT 84761
Michelle Portolese	1061 Vista Rd., P.O. Box 971 Parowan, UT.

ARTICLE VII

UNCCAA AND BYLAWS

The affairs of the corporation shall be conducted in accordance with the Utah Non-Profit Corporation and Co-Operative Association Act and Bylaws adopted and amended from time to time, by its trustees.

ARTICLE VII

INDEMNIFICATION

Every trustee, committeeman, and officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding or any settlement of any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a trustee, committeeman, or officer of the Association, whether or not he is a trustee, committeeman, or officer at the time such expenses are incurred, except when the trustee, committeeman or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification shall apply only when the board of trustees approves such settlement and reimbursement as being or 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 trustee, committeeman or officer may be entitled.

ARTICLE IX

RIGHT OF INSPECTION

All books and records of the Association may be inspected for any proper purpose at any reasonable time by any member of the Association and any first mortgagee or beneficiary of a first trust deed or each lienholder with first priority with respect to any of the water rights associated to Lots within RED CANYON ESTATES SUBDIVISION located in Parowan, Utah, as the same may be constituted from time to time.

ARTICLE X

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than seventy-five (75%) of the members. 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 non-profit corporation, associated, trust or other organization to be devoted to such similar purposes.

ARTICLE XI

AMENDMENTS

Amendments of these Articles shall require the assent of seventy-five percent (75%) of the entire membership.

ARTICLE XII

INCORPORATOR

The name and address of the incorporator is: Justin W. Wayment, 51 East 400 North, Suite 1, Cedar City, Utah 84720.

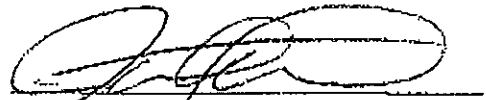
ARTICLE XIII

PRINCIPAL OFFICE

The location and address of the initial principal office is P.O. Box 1054, Parowan, Utah 84761. The registered agent is Justin W. Wayment at 51 East 400 North, Suite 1, Cedar City, Utah 84720. This office and the name of the agent may be changed by the governing board without amendment of the articles of incorporation.


IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Utah, the undersigned being the incorporator of this Association, has

executed these Articles of Incorporation this ____ day of March, 2010.



JUSTIN W. WAYMENT
Incorporator

I, JUSTIN W. WAYMENT, hereby accept appointment as the registered agent of this corporation.



JUSTIN W. WAYMENT
Registered Agent