

ARTICLES OF INCORPORATION

OF

MULBERRY GROVE HOMEOWNERS ASSOCIATION, INC.

The undersigned, for the purpose of forming a non-profit corporation under the laws of the State of Utah, and in accordance therewith, hereby executes and acknowledges these Articles of Incorporation and certify as follows:

ARTICLE I

Name

The name of this non-profit corporation shall be MULBERRY GROVE HOMEOWNERS ASSOCIATION, INC. (the "Association").

ARTICLE II

Term

The terms contained herein are defined herein and in the Declaration of Covenants, Conditions, and Restrictions (the "Declaration") for Mulberry Grove and any supplements or amendments thereto, recorded or to be recorded in the real property records of Grand County, Utah. The term of the Association shall be perpetual, unless the Association is terminated sooner by the unanimous action of its members. The Association shall be terminated by the termination of the Project in accordance with the provisions of the Declaration.

ARTICLE III

Purpose

The purpose for which the Association is organized is to provide an entity for governance of property located in Grand County, Utah, the legal description of which is contained in the Subdivision Plat for Mulberry Grove filed or to be filed for record in Grand County, Utah, (the "Project") as the same may be supplemented, augmented and/or amended by additional Plats filed for record, and which Project shall be developed pursuant to the Declaration.

ARTICLE IV

Powers

4.1 The Association shall have all of the common law and statutory powers of a Utah non-profit corporation which are not in conflict with these Articles and the Declaration.

4.2 The Association shall have all of the powers and duties reasonably necessary to operate the Association as set forth in the Declaration and as it may be amended from time to time, including but not limited to the following:

4.2.1 To acquire, own, lease, hold, use, transfer and convey any and all real or personal property that may be necessary to attain the purposes of the Association.

4.2.2 To make and collect periodic assessments against Members based upon an annual budget approved by 75% of the total memberships of the Association to defray the costs, expenses and losses of the Association, including, without limitation the cost and expense of the improvement and repair of the Common Space and infrastructure of the Project.

4.2.3 To use the proceeds of assessments in the exercise of its powers and duties.

4.2.4 To maintain, care for, repair, replace and operate the Project.

4.2.5 To purchase insurance upon the Common Space of the Project and to provide protection for the Association and its members.

4.2.6 To reconstruct Common Space improvements after casualty and to further improve the Project.

4.2.7 To make and amend reasonable rules and regulations respecting the use of the Association's property and the Project.

4.2.8 To enforce by legal means the provisions of the Utah Revised Non-profit Corporation Act §16-6a-101, *et seq.*, Utah Code Annotated ("Act"), the Declaration, these Articles, the Bylaws of the Association, and the rules and regulations for the use of the Project.

4.2.9 To contract for the management of the Project and to delegate to such manager all powers and duties of the Association except as such are specifically required by the Declaration to have approval of the Executive Board or a requisite percentage of the membership of the Association.

4.2.10 To employ personnel to perform the services required for proper operation of the Association and of the Project.

4.2.11 To collect delinquent assessments, together with interest of 18% per annum and costs and reasonable attorney fees by suit or otherwise and to enjoin or seek damages, costs and reasonable attorney fees from a Member in violation in the Declaration.

4.2.12 To protect and defend in the name of the Association any part or all of the Project from loss and damages by suit or otherwise.

4.2.13 To borrow funds in order to pay for any expenditure or outlays required or permitted pursuant to authority granted by provisions of the Declaration, these Articles of Incorporation and Bylaws, and to execute all such instruments (evidencing such indebtedness) deemed necessary.

4.2.14 To execute contracts to carry out the duties and powers of the Association.

4.2.15 To engage in activities which may now or hereafter be allowed or permitted by law for a non-profit corporation to actively foster, promote and advance the common interest of the members.

4.2.16 To exercise all powers provided by the Utah Community Association Act §57-8a-101, *et seq.*, Utah Code Annotated, as now in effect or hereinafter amended.

4.3 All funds and the titles of all properties acquired by the Association and the proceeds thereof shall be held in trust for the Members of the Association in accordance with the provisions of the Declaration, these Articles and the Bylaws of the Association.

4.4 The powers of the Association shall be subject to and shall be exercised in accordance with the provisions of the Declaration and exercised pursuant to the provisions of the Bylaws of the Association.

ARTICLE V
Members

5.1. The Association shall have voting Members who shall be all of the owners of Lots in the Project.

5.2. Each Lot in the Project shall have one (1) membership and one (1) vote in all matters. In the case of Twin Home Lots each residence on a Lot shall have one (1) membership and one (1) vote.

5.3. Change of membership in the Association shall be effected and established by the recording in the public records of Grand County, Utah, of a deed or other instrument establishing a change in record title to a Lot and the delivery to the Association of a certified or machine copy of such instrument. The membership of the prior Member shall thereby be terminated; provided, however, that the rights of membership may be assigned to the holder of a mortgage, deed of trust, or other security instrument on a Lot as further security for a loan secured by a lien on such Lot.

5.4. The share of a Member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to that Member's Lot.

5.5. The manner of exercising Member's voting rights shall be determined by the Bylaws of the Association. Failure to comply with any Rules and Regulations adopted by the Association, this Declaration or the Bylaws of the Association or with any other obligations of the owners of the Lot under the Declaration shall suspend the right of a Member to vote during the period of delinquency.

ARTICLE VI
Executive Board

6.1. Except where the vote of a required percentage of the Members is required by the Declaration, the affairs of the Association shall be managed by an Executive Board elected by the Members consisting of the number of members as shall be determined by the Bylaws of the Association.

6.2. The Bylaws shall fix the number of Executive Board Members ("EBMs" each an "EBM") and their terms and qualifications. The names and addresses of the persons who are to serve as the first EBMs until their successors are elected and qualified are:

Susan A. Harrington
Douglas K. Jones
Daniel B. Stenta
Michelle L. Stenta
Peter Q. Lawson
Anne L. Wilson

P.O. Box 264, Moab, UT 84532
P.O. Box 264, Moab, UT 84532
472 Tusher St., Moab, UT 84532
472 Tusher St., Moab, UT 84532
HC 64 Box 1803, Moab, UT 84532
P.O. Box 509, Moab, UT 84532

ARTICLE VII
Officers

The Bylaws shall fix the number, designation, terms and qualification of officers. The officers shall be EBMs and elected by the Members as provided in Bylaws. The names of the persons who are to serve as officers until their respective successors are duly elected and qualified are as follows:

President: Michelle L. Stenta
Vice-President: Anne L. Wilson
Secretary: _____
Treasurer: _____

ARTICLE VIII
Registered Office

The registered office of the Association shall be 472 Tusher Street, Moab, Utah 84532, and the Registered Agent of the Association shall be Michelle L. Stenta.

ARTICLE IX
Indemnification

No EBM or officer shall be personally liable to the Association or to its Members for monetary damages for breach of fiduciary duty as an EBM or officer. However, the foregoing provisions shall not eliminate or limit the liability of an EBM or officer to the Association or to its Members for monetary damages for: (a) any breach of the EBM's or officer's duty of loyalty to the Association or its Members; (b) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law; (c) any transaction from which the Executive Board member derived an improper personal benefit. Further provision for indemnification may be contained in the Bylaws.

ARTICLE X
Bylaws

The first Bylaws of the Association shall be adopted by the initial Executive Board and may be altered, amended or revoked in the manner provided by the Bylaws.

ARTICLE XI
Amendments

Amendments to these Articles of Incorporation shall be proposed and adopted in compliance with the provisions of the Utah Non-Profit Corporation Act, as amended from time to time. If no provision is made therefore, amendment may only be made upon the affirmative vote of 90% of the entire number of memberships of the Association.

ARTICLE XII
Dissolution and Liquidation

Upon the dissolution of the Association, the Executive Board shall, after paying or making provision for the payment of all of the liabilities of the Association, adopt a plan for the distribution of the assets of the Association.

ARTICLE XIII
Non-profit Association

This Association is not organized for profit. No Member, EBM, officer, or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any EBM, officer, or Member; provided, however, always (a) that reasonable compensation may be paid to any member, EBM or officer while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association with the approval of the Executive Board, and (b) that any Member, EBM or officer may, from time to time, be reimbursed for actual and reasonable expenses incurred in connection with the administration of the affairs of the Association with the approval of the Executive Board.

ARTICLE XIV
Incorporator

The name and address of the incorporators of these Articles of Incorporation is:

Susan A. Harrington	P.O. Box 264, Moab, UT 84532
Douglas K. Jones	P.O. Box 264, Moab, UT 84532
Daniel B. Stenta	472 Tusher St., Moab, UT 84532
Michelle K. Stenta	472 Tusher St., Moab, UT 84532
Peter Q. Lawson	HC 64, Box 1803, Moab, UT 84532
Anne L. Wilson	P.O. Box 509, Moab, UT 84532

ARTICLE XV
Conflict With
Declaration and Bylaws

In the event of any conflict of the provisions hereof with the provisions of the Declaration, the Declaration shall govern. In the event of any conflict of the provisions hereof with the Bylaws, these Articles shall govern. Provided, however, the foregoing notwithstanding, in any case wherein the provisions of the Declaration, the Bylaws or these Articles conflict with a mandatory provision of the Act, the Act shall govern.

IN WITNESS WHEREOF, the above named incorporators hereby executes these Articles of Incorporation this ___ day of _____, 2008.

Susan A. Harrington, Executive Board Member
P.O. Box 264, Moab, UT 84532

Daniel B. Stenta, Executive Board Member
472 Tusher St., Moab, UT 84532

Douglas K. Jones, Executive Board Member
P.O. Box 264, Moab, UT 84532

Michelle K. Stenta, Executive Board Member
472 Tusher St., Moab, UT 84532

Anne L. Wilson, Executive Board Member
P.O. Box 509, Moab, UT 84532

Peter Q. Lawson, Executive Board Member
HC 64, Box 1803, Moab, UT 84532

STATE OF UTAH)
) ss.
COUNTY OF GRAND)

I, _____, a Notary Public in and for said County, In the State aforesaid, to hereby certify that Michelle L. Stenta, Daniel B. Stenta, Anne L. Wilson, Peter, Q. Lawson, Susan A. Harrington and Douglas K. Jones whose names are subscribed and annexed to the foregoing Articles of Incorporation, appeared before me this ___ day of _____, 2008, in person and acknowledged that he or she signed, sealed and delivered the said instrument in writing as his or her free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this ___ day of _____, 2008.

My Commission expires: _____

(SEAL)

Notary Seal