

**ARTICLES OF INCORPORATION
OF
Inverness Square HOMEOWNERS ASSOCIATION, INC.**

A Utah Non-Profit Corporation

The undersigned natural person over the age of 21 years, acting as incorporator of a non-profit corporation under the Utah Non-Profit Corporation and Cooperative Association Act (Section 16-6-18 through 16-6-111, Utah Code Annotated (1953)), hereby adopts these Articles of Incorporation for such Corporation.

The name of the Corporation is Inverness Square Homeowners Association, Inc. The Corporation shall continue in existence perpetually unless dissolved or otherwise terminated according to law.

I. DEFINITIONS

When used in these Articles, the following terms shall have the meaning indicated:

1. Articles shall mean and refer to these Articles of Incorporation of Inverness Square Homeowners Association, Inc.
2. Association shall mean and refer to Inverness Square Homeowners Association, Inc., the Utah non-profit corporation, which is created by the filing of these Articles.
3. Member shall mean and refer to every person who holds membership in the Association.
4. Developer shall mean and refer to Inverness Square L.L.C., a Utah limited liability company, its successor and assigns.
5. Property shall mean and refer to the entirety of the following-described tract of real property, situated in Murray City, Salt Lake County, State of Utah:

Lots 101 through 149 and lots 201 through 256 , inclusive, shown and designated and the Homeowners Association Open Space shown on the plat entitled, "INVERNESS SQUARE P.U.D." to be recorded among the Recorder's Office of Salt Lake County, Utah, and any additional property designated by the Developer.

6. Plat shall mean and refer to the subdivision plat covering the Property, entitled "INVERNESS SQUARE P.U.D." executed and acknowledged by Developer, prepared and certified by Matt W. Clark of The Keith Companies, Inc. registered Utah Land Surveyor holding Certificate No. 323716 and filed for record in the Office of the County Recorder of Salt Lake County, Utah, on or about the date that these Articles are filed with the office of the Secretary of State of Utah and any plats recorded among the Recorder's Office in substitution there for or amendment thereof, plus any plats hereafter recorded among the Recorder's Office of any Additional Property that may hereafter expressly be made subject to the Declaration by an instrument in writing, duly executed, and recorded among the Recorder's Office.

7. Declaration shall mean and refer to the instrument entitled "Declaration of Covenants, Conditions and Restrictions of Inverness Square Homeowners Association, Inc." executed and acknowledged by Developer and filed for record in the Office of the County Recorder of Salt Lake County, Utah, concurrently with the filing of the Plat.

8. Lot shall mean and refer to any of the separately number and individually described plots of land shown on the Plat.

9. Common Areas shall mean and refer to that part of the Property which is not included within the Lots, including all improvements other than utility lines now or hereafter constructed or located thereon.

10. Owner shall mean and refer to the person who is the owner of record (in the Office of the County Recorder of Salt Lake County, Utah) of a fee or an undivided fee interest in any Lot. Notwithstanding any applicable theory relating to a mortgage, deed of trust, or like instrument, the term "Owner" shall not mean or include a mortgagee or a beneficiary or trustee under a deed of trust, unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

II. POWERS AND PURPOSES

1. Purposes. The Association is organized and shall be operated as a non-profit corporation for the purpose of maintaining and administering the Common Areas and any other areas described in the Declaration to be maintained by the Association, collecting and disbursing the assessments and charges provided for in the Declaration, and otherwise administering, enforcing, and carrying out the terms of the Declaration, and generally providing for and promoting the recreation, health, safety, and welfare of residents of the Property.

2. Powers. The Association shall have all of the following powers conferred upon it by the Declaration and all powers allowed by law, including all powers referred to or described in Section 16-6-22, Utah Code Annotated (1953):

(a) To borrow or to raise money for any of the purposes of the Corporation, and to issue bonds, debentures, notes, or other obligations of any nature, and in any manner permitted by law, for money so borrowed or in payment for property purchased, or for any other lawful consideration, and, upon authorization of two-thirds (2/3) of the Class A members in the Corporation (except the Developer if the Developer is a Class A member) to secure the payment of the money borrowed and of the interest thereon, by mortgage upon, or pledge or conveyance or assignment in trust of, the whole or any part of the property of the Corporation.

(b) To dedicate, sell or otherwise transfer all or any part of the Common Areas, property and facilities of the Corporation to any public agency, authority or utility for such purpose and subject to such conditions as may be agreed upon by the members, provided, however, that no such dedication, sale or transfer shall be effective unless approved in writing by two-thirds (2/3) of the Class A members in the Corporation (except the Developer if the Developer is a Class A member) agreeing to such dedication, sale or transfer.

(c) To participate in mergers and consolidations with other nonprofit organizations, organized for the same purpose, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of the members of each class of the membership in the Corporation, voting separately thereon.

(d) To annex to the Property, at any time, and from time to time, other and additional residential property, open space and Common Areas, provided that any annexation of such other additional residential property, open space and Common Areas shall have the assent of two-thirds (2/3) of each Class of members of the Corporation, voting separately thereon.

3. Limitation. The Association is not organized for pecuniary profit. Notwithstanding the breadth of the foregoing portion of this Article II: (i) no dividend shall be paid to, no part of the Association's funds shall be distributed to, and no part of any net income of the Association shall inure to the benefit of, any of its members, Directors, or officers or any other person; and (ii) the powers of the Association shall be subject to all limitations or restrictions contained herein or in the Declaration.

III. MEMBERSHIP AND VOTING RIGHTS

1. Membership. Every Owner shall be a member of the Association. Membership in the Association shall be mandatory, shall be appurtenant to the Lot in which the Owner has the necessary interest, and shall not be separated from the Lot to which it appertains. Neither the issuance nor the holding of shares of stock shall be necessary to evidence membership in the Association.

2. Voting Rights. The Association shall have the following-described two classes of voting membership:

Class A. Class A members shall be all Owners other than the Developer and Builder, as those terms are defined in the Declaration. Class A members shall be entitled to one (1) vote for each Lot in which the interest required for membership in the Association is held. In no event, however, shall more than one (1) Class A vote exist with respect to any Lot.

Class B. The Class B member shall be the Developer and any Builder. The Class B members shall be entitled to three (3) votes for each Lot in which they hold the interest required for membership in the Association. The Class B membership shall automatically cease and be converted to a Class A membership on the first to occur of the following: (i) December 31, 2008; provided, however, that the Developer shall transfer control of the Association after 75% of the Units in the Association have been conveyed to Class A members; or (ii) at such time as the total number of votes entitled to be cast by Class A members of the Association equals or exceeds the total number of votes entitled to be cast by the Class B members of the Association. If after such conversion additional property is made subject to the Declaration, then the Class B membership shall be reinstated until December 31, 2010, or such earlier time as the total number of votes entitled to be cast by Class A members again equals or exceeds the total number of votes entitled to be cast by Class B members.

3. Multiple Ownership Interests. In the event there is more than one Owner of a particular Lot, the vote relating to such Lot shall be exercised as such Owners may determine among themselves. A vote cast at any Association meeting by any of such Owners, whether in person or by proxy, shall be conclusively presumed to be the vote attributable to the Lot concerned unless an objection is immediately made by another Owner of the same Lot. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

4. Membership List. The Association shall maintain up-to-date records showing the name of each person who is a member, the address of such person, and the Lot to which the membership of such person is appurtenant. In the event of any transfer of a fee or undivided fee interest in a Lot, either the transferor or transferee shall furnish the Association with evidence establishing that the transfer has occurred and that the Deed or other instrument accomplishing the transfer is of record in the Office of the County Recorder of Salt Lake County, Utah. The Association may for all purposes act and rely on the information concerning members and Lot ownership which is thus acquired by it or, at its option, the Association may act and rely on current ownership information respecting any Lot or Lots which is obtained from the Office of the County Recorder of Salt Lake County, Utah. The address of a member shall be deemed to be the address of the Living Unit situated on such member's Lot unless the Association is otherwise advised.

5. Quorum. The quorum required for any action by the members, unless otherwise specifically set forth in these Articles, the Declaration or By-Laws, shall be as follows: At the first meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all outstanding votes shall constitute a quorum. If a quorum is not present at the first meeting or any subsequent meeting, another meeting may be called at which a quorum shall be one-half of the quorum which was required at the immediately preceding meeting. No such subsequent meeting shall be held more than forty-five (45) days following the immediately preceding meeting.

6. Proxies. At any meeting of the members, a member may vote by proxy executed in writing by the member or by his duly authorized attorney-in-fact. All proxies shall be filed with the Secretary of the Association before or at the time of the meeting. Unless otherwise provided therein, no proxy shall be valid after eleven (11) months from the date of its execution.

7. Cumulative Voting. There shall be no cumulative voting.

8. Necessary Vote. Except as concerns the election of Directors and except with respect to those proposals which under these Articles, under the Declaration, or the By-Laws require a greater proportion for adoption, the affirmative vote of a majority of all votes which members present in person or represented by proxy are entitled to cast at a meeting, shall be sufficient for the adoption of any matter voted on by the members.

IV. BOARD OF DIRECTORS

1. Number. The affairs of this Association shall be managed initially by a Board of three (3) directors, who need not be members of the Association. A majority of the entire Board of Directors is authorized to increase the number of Directors to a maximum of nine (9). In addition, the Board may designate a representative to act for it.

2. Term of Office. From and after the first annual meeting of the members, the terms of office of the directors shall be staggered. At the first annual meeting the members shall elect one-third (1/3) of the directors for a term of one (1) year, one-third (1/3) of the directors for a term of two (2) years, and one-third (1/3) of the directors for a term of three (3) years; and at each annual meeting thereafter the members shall elect one-third (1/3) of the total number of directors for a term of three (3) years.

3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his or her successors shall be selected by the remaining members of the Board and shall serve for the unexpired term of his or her predecessor.

4. Compensation. No director shall receive compensation for any service he or she may render to the Association. However, any director may be reimbursed for actual expenses incurred in the performance of his or her duties.

5. Action Taken Without A Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take under Utah law at a closed meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a closed meeting of the directors.

6. Initial Board. The persons who are to serve as Directors until the first annual meeting of members are as follows:

<u>Name</u>	<u>Address</u>
John Aldous	308 East 4500 South, Suite 200 Murray, Utah 84107
David Irwin	308 East 4500 South, Suite 200 Murray, Utah 84107
Phil Turner	308 East 4500 South, Suite 200 Murray, Utah 84107

V. MISCELLANEOUS

1. Duration and Dissolution. The duration of the Corporation shall be perpetual. The Corporation, however, may be dissolved under and in accordance with the laws of the State of Utah, provided such dissolution shall first be authorized, in writing, signed by not less than two-thirds (2/3) of the members of the Corporation, or, if there be more than one class of members, then by not less than two thirds (2/3) of each class of members of the Corporation, computed separately. Upon any dissolution of the Corporation, after discharge of all corporate liabilities, the Board of Directors shall dispose of all assets of the Corporation, by dedication thereof to any appropriate public agency to be used for purposes similar to those for which the Corporation was formed. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned, if practicable, to any nonprofit corporation, association, trust or other organization as shall at the time qualify as an organization or organizations exempt from taxation under Sections 501(c) or 528 of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States Internal Revenue law, as the Board of Directors may determine, preferably to a semi-public agency, to be used in furthering, facilitating or effectuating purposes similar to those for which the Corporation was formed. Any dissolution authorized pursuant to this Section shall be accompanied by an officer's or director's certified statement that the required vote to dissolve the Corporation under this Section has occurred, which document shall be filed with the Secretary of State of Utah at the time of the dissolution.

2. Manager. The Association may carry out through a property manager any of its functions which are properly the subject of delegation. Any manager so engaged shall be an independent contractor and not an agent or employee of the Association, shall be responsible for managing the property for the benefit of the Association, and shall, to the extent permitted by law and the terms of the agreement with the Association, be authorized to perform any of the functions or acts required or permitted to be performed by the Association itself.

3. Registered Office and Agent. The registered office of the Association shall be located in Salt Lake City, Utah. The name and address of the initial registered agent and the registered office of the Association is as follows:

John Aldous
308 East 4500 South, Suite 200
Murray, Utah 84107

4. Amendment. Amendment of these Articles shall require the assent of two-thirds (2/3) of the entire membership, provided, however, that the Federal Housing Administration, the Veterans Administration or the Department of Housing and Urban Development (collectively the "Federal Agencies"), or any successor agencies thereto, shall have the right to veto amendments while there is a Class B membership if any such agency or any successor agencies thereto have approved the Property, or any part thereof, or any Lot, for federal financing by one of the Federal Agencies. Any amendment authorized pursuant to this Section shall be accomplished through the filing with the Office of the Secretary of State of Utah appropriate Articles of Amendment, executed by the President or Vice-President of the Association, and also executed by the Developer and Builder should the Class B membership still exist, and shall then be approved by the Office of the Salt Lake County Attorney. In such Articles of Amendment, the President or Vice-President shall certify that the vote required by this section for amendment has occurred.

5. Consent in Lieu of Vote. In any case in which these Articles require for authorization or approval of a transaction the assent or affirmative vote of a stated percentage of the votes present or represented at a meeting, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from members entitled to cast at least the stated percentage of all membership votes outstanding in connection with the Class of membership concerned. The following additional provisions shall govern any application of this Section 6:

(a) All necessary consents must be obtained prior to the expiration of ninety (90) days after the first consent is given by any member.

(b) The total number of votes required for authorization or approval under this Section 6 shall be determined as of the date on which the last consent is signed.

(c) Except as provided in the following sentence, any change in ownership of a Lot which occurs after consent has been obtained from the member having an interest therein shall not be considered or taken into account for any purpose. A change in ownership which would otherwise result in an increase in the total number of Class A votes outstanding shall, however, be effective in that regard and shall entitle the new member to give or withhold his consent.

(d) Unless the consent of all members whose membership are appurtenant to the same Lot are secured, the consent of none of such members shall be effective.

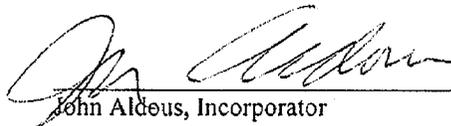
6. Resolutions. The Board of Directors may adopt, amend, and repeal resolutions for regulation and management of the affairs of the Association not inconsistent with the Articles, the Declaration or law.

7. Construction. The captions which precede the various portions of these Articles are for convenience only, and shall in no way affect the manner in which any provisions hereof are construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, and any gender shall include the other gender. The invalidity or unenforceability of any provision contained in these Articles shall not affect the validity or enforceability of the remainder hereof. These Articles have been prepared in conjunction with the Declaration, and should be read and construed in light of that fact and liberally construed so as to give effect to all of the purposes of both instruments. To the extent the provisions of the Utah Non-Profit Corporation and Cooperative Association Act (Sections 16-6-18 through 16-6-111, Utah Code Annotated (1953)), and any modifications, amendments, and additions thereto are inconsistent with these Articles and the Declaration, such legislation shall supplement the terms hereof.

8. Approval of Federal Agencies. As long as there is a Class B member, if any of the Federal Agencies or any successor agencies thereto, whether public or private, approve the Property or any part thereof or any lot therein for federally approved mortgage financing, the following actions will require the prior approval of the Federal Agencies: annexation of additional properties; mergers and consolidations; mortgaging of or dedication of any of the Common Areas; dissolution; and amendment of these Articles.

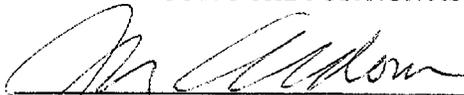
9. Incorporator. The name and address of the Incorporator is John Aldous, 308 East 4500 South, Suite 200, Murray, Utah 84107.

Dated this 3RD day of May 2005.



John Aldous, Incorporator

I HEREBY ACCEPT THE POSITION AS RESIDENT AGENT:



John Aldous, Resident Agent

STATE OF : UTAH
COUNTY OF : SALT LAKE

On the 3rd day of May 2005, personally appeared before me John Aldous, who being by me duly sworn did say, that he, the said John Aldous, is the Incorporator and Resident Agent of Inverness Square Homeowners Association, Inc., and that the within and foregoing instrument was signed on behalf of said Association.

Debra Anders
NOTARY PUBLIC, Residing at
West Jordan, UT

My Commission expires: Nov 2, 2005



EXHIBIT "A"

All Lots in INVERNESS SQUARE PHASE 1, according to the official plat thereof on file and of record in the County Recorder's Office.

All Lots in INVERNESS SQUARE PHASE 2A, according to the official plat thereof on file and of record in the County Recorder's Office.

All Lots in INVERNESS SQUARE PHASE 2B, according to the official plat thereof on file and of record in the County Recorder's Office.

All Lots in INVERNESS SQUARE PHASE 2C, according to the official plat thereof on file and of record in the County Recorder's Office.

21-01-453-079-0000
21-01-453-080-0000
21-01-453-081-0000
21-01-453-082-0000
21-01-453-083-0000
21-01-453-084-0000
21-12-204-013-0000
21-12-204-012-0000
21-12-204-011-0000
21-12-204-010-0000
21-12-204-009-0000
21-12-204-008-0000
21-01-453-086-0000
21-01-453-085-0000
21-01-453-078-0000
21-01-453-077-0000
21-01-453-076-0000
21-01-453-075-0000
21-01-453-074-0000
21-01-453-073-0000
21-01-453-072-0000
21-01-453-071-0000
21-01-453-070-0000
21-01-453-069-0000
21-01-453-068-0000
21-01-453-067-0000
21-01-453-094-0000
21-01-453-093-0000
21-01-453-092-0000
21-01-453-091-0000
21-01-453-090-0000
21-01-453-089-0000
21-01-453-088-0000
21-01-453-087-0000
21-01-453-095-0000
21-01-453-096-0000
21-01-453-097-0000
21-01-453-098-0000
21-01-453-099-0000
21-01-453-100-0000
21-01-453-101-0000
21-01-453-102-0000
21-01-453-103-0000
21-01-453-104-0000
21-01-453-105-0000
21-12-204-014-0000

21-12-204-015-0000
21-12-204-016-0000
21-12-204-017-0000
21-01-453-066-0000
21-01-453-179-0000 all as to phase 1
and
21-01-453-153-0000
21-01-453-154-0000
21-01-453-155-0000
21-01-453-156-0000
21-01-453-157-0000
21-01-453-158-0000
21-01-453-159-0000
21-01-453-160-0000
21-01-453-161-0000
21-01-453-162-0000
21-01-453-163-0000
21-01-453-164-0000
21-01-453-131-0000
21-01-453-130-0000
21-01-453-129-0000
21-01-453-128-0000
21-01-453-127-0000
21-01-453-126-0000
21-01-453-125-0000
21-01-453-124-0000
21-01-453-123-0000
21-01-453-122-0000
21-01-453-121-0000
21-01-453-132-0000
21-01-453-133-0000
21-01-453-134-0000
21-01-453-135-0000
21-01-453-136-0000
21-01-453-137-0000
21-01-453-138-0000
21-01-453-139-0000
21-01-453-140-0000
21-01-453-141-0000
21-01-453-142-0000
21-01-453-147-0000
21-01-453-146-0000
21-01-453-145-0000
21-01-453-144-0000
21-01-453-143-0000
21-01-453-148-0000

21-01-453-149-0000
21-01-453-150-0000
21-01-453-151-0000
21-01-453-152-0000
21-01-453-179-0000 all as to Ph 2a

and

21-01-453-106-0000
21-01-453-107-0000
21-01-453-108-0000
21-01-453-109-0000
21-01-453-110-0000
21-01-453-111-0000
21-01-453-112-0000
21-01-453-113-0000
21-01-453-114-0000
21-01-453-115-0000
21-01-453-116-0000
21-01-453-117-0000
21-01-453-066-0000
21-01-453-179-0000 al to phase 2b

21-01-453-171-0000
21-01-453-170-0000
21-01-453-169-0000
21-01-453-168-0000
21-01-453-167-0000
21-01-453-166-0000
21-01-453-165-0000
21-01-453-172-0000
21-01-453-173-0000
21-01-453-174-0000
21-01-453-175-0000
21-01-453-176-0000
21-01-453-177-0000
21-01-453-178-0000
21-01-453-179-0000 all as to phase 2c