

**ARTICLES OF INCORPORATION
OF
DAVE BROWN AT MOUNTAIN & UNIVERSITY HOMEOWNERS' ASSOCIATION**

The undersigned, for the purpose of forming a nonprofit corporation pursuant to sections 10-2301 through 10-2594, inclusive, of the Arizona Revised Statutes, do hereby adopt the following Articles of Incorporation:

ARTICLE I - The name of this Arizona nonprofit corporation will be DAVE BROWN AT MOUNTAIN & UNIVERSITY HOMEOWNERS' ASSOCIATION (the "Association"). The duration of the Association will be perpetual.

ARTICLE II - The incorporator of the Association is Robert C. Venberg, 2164 E. Broadway Road, Suite 300, Tempe, Arizona 85282.

ARTICLE III - The principal offices of the Association are located at 2164 E. Broadway Road, Suite 300, Tempe, Arizona 85282.

ARTICLE IV - The name and address of the initial Statutory Agent of the Association is Burgess J.W. Raby, 2164 E. Broadway Road, Suite 280, Tempe, Arizona 85282.

ARTICLE V - The purpose for which the Association is organized is to act as a tax-exempt homeowners' association in accordance with section 528 of the Internal Revenue Code of 1986, as amended, or if the Corporation so elects, pursuant to section 501(c)(4) of the Internal Revenue Code of 1986, as amended, and under the laws of the State of Arizona, and as such will serve as a homeowner's association for the owners of lots and homes under the Declaration of Covenants, Conditions, and Restrictions for Dave Brown at Mountain & University (the "Declaration"), recorded in the office of the County Recorder of Maricopa County, Arizona. The Association does not contemplate pecuniary gain or profit to the Members thereof. In furtherance of, and in order to accomplish the general purposes of the Association, the Association may transact any and all lawful business for which nonprofit corporations may be incorporated under the laws of the State of Arizona, as they may be amended from time to time. The specific purpose for which the Association is formed is to provide for the maintenance, preservation, and architectural control of the homes and lots in the subdivision known as "Dave Brown at Mountain & University" according to the plat of record in the office of the Maricopa County Recorder, as more particularly described in the Declaration, and to which additional property may be annexed, and all of which property, including any property annexed to the Declaration, by this reference, is incorporated herein.

ARTICLE VI - The Association will have all of those powers provided by law, including those set forth in the Arizona Revised Statutes, as they may be amended from time to time, and all those powers necessary and convenient to effect the Association's purpose as set forth above, including but not limited to the power to exercise all of the rights and privileges and perform all duties and obligations of the Association as set forth in the Declaration, as the same may be amended from time to time. In particular, the Association is formed to promote the health,

safety, and welfare of the residents within the property covered by the Declaration, and additions thereto and as may hereafter be brought within the jurisdiction of the Association, and for this purpose to:

(a) Exercise all of the powers and privileges, and perform all of the duties and obligation of the Association as set forth in the Declaration as the same may be amended from time to time as provided therein and, which, by this reference are incorporated herein;

(b) Fix, levy, collect, and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith, and all office and other expenses incidental to the conduct of business of the Association, including all licenses, taxes, and 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, if otherwise provided in the Declaration;

(d) Borrow money, and with the consent of two-thirds of each class of members, mortgage, pledge, or hypothecate any or all of the property of the Association as security for borrowed money or debts incurred, if allowable under the Declaration; and

(e) Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional property or common areas, provided that any such merger, consolidation, or annexation will have the consent of two-thirds of each class of the members and the United States Department of Housing and Urban Development and the Veterans Administration (collectively, "HAD/VA"), as otherwise provided herein.

ARTICLE VII - Every person or entity who is a record owner of any lot or home subject to the Declaration will be a member of the Association, subject to and in accordance with the Declaration. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation, either legal or equitable. The Association will have no shareholders other than its Members, and no capital stock will be authorized or issued.

ARTICLE VIII - The Association will have two classes of voting membership, namely Class A and Class B, as provided below:

Class A - Class A Members will be all Owners, with the exception of Declarant (as such term is defined in the Declaration). Each Class A Member will be entitled to one vote for each lot or home owned. When more than one person holds interest in any lot or home, all such persons will be Members. The voting for such lot or home will be exercised as such persons among themselves determine, but in no event will more than

one vote be cast with respect to any such lot or home. If any owner(s) cast(s) a vote representing a certain lot or home, it will thereafter be conclusively presumed for all purposes that such owner(s) was (were) acting with the authority and consent of any other owner(s) of the same lot or home.

Class B - The Class B Member will, at the inception of the Association, be Declarant, who will be entitled to three votes for each lot or home owned. Each Class B membership representing lots owned by Declarant will cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) When the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership;
- (b) On January 1, 2008; or
- (c) Five years after Declarant has ceased offering Lots or Residences for sale in the ordinary course of business.

If any lender to whom Declarant has or may hereafter assign, as security, all or substantially all of its rights under the Declaration succeeds to the interests of such Declarant by virtue of said assignment, the Class B memberships will not be terminated thereby, and such lender will hold the Class B memberships on the same terms as they were held by Declarant.

The first annual meeting of the Members of the Association will be held within 30 days after the conversion of all the Class B memberships to Class A memberships, as above provided, or at such earlier time as the Board of Directors will designate. The dates of subsequent annual meetings will be as provided in the Bylaws of the Association. Until such time as the first annual meeting is required to be held, as herein provided, the provisions of Arizona Revised Statutes section 10-1013(B) are hereby waived.

ARTICLE IX - The affairs of the Association will be conducted by a Board of not less than three nor more than 25 directors and by a president, one or more vice presidents, a secretary, and a treasurer appointed by the Board of Directors, and such other officers as such Board may determine. The number of directors may be changed by amendment of the Bylaws of the Association. The initial Board of Directors of the Association will be:

Robert C. Venberg, 2164 E. Broadway, Suite 300, Tempe, Arizona 85282

Walter W. Venberg, 2164 E. Broadway, Suite 300, Tempe, Arizona 85282

David J. Piccoli, 2164 E. Broadway, Suite 300, Tempe, Arizona 85282

ARTICLE X - This Association initially will have the officers set forth below. The names and addresses of the persons who initially will serve as such officers at the pleasure of the Board of Directors are:

President	Walter W. Venberg, 2164 E. Broadway, Suite 300, Tempe, Arizona 85282
Vice President	David J. Piccoli, 2164 E. Broadway, Suite 300, Tempe, Arizona 85282
Secretary/Treasurer	Robert C. Venberg, 2164 E. Broadway, Suite 300, Tempe, Arizona 85282

ARTICLE XI - The private property of the Members, directors, and officers of the Association will be forever exempt from the Association's debts and obligations.

ARTICLE XII - Pursuant to the provisions contained in section 10-2305, Arizona Revised Statutes, the Association will indemnify and hold harmless each of (i) its directors and officers, (ii) each Member of any committee appointed pursuant to the Bylaws of the Association, and (iii) Declarant, pursuant to the Declaration, and each of Declarant's directors and officers (collectively referred to as "Declarant"), against all contractual and other liabilities to others arising out of contracts made by, or other acts of such director(s), officer(s), committee(s), or Declarant, including but not limited to, judgments paid and satisfied and amounts in compromise and settlement, unless any such contract or act will have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification will include indemnification against all costs and expenses, including but not limited to, attorneys' fees reasonably incurred in connection with the defense of any claim, action, suit, or proceeding, whether civil, criminal, administrative, or other, in which any such director, officer, committee member, or Declarant may be involved by virtue of such person(s) being or having been such director, officer, committee member, or Declarant, as allowable under section 10-2305, Arizona Revised Statutes.

ARTICLE XIII - The Association may be dissolved upon a vote approving such dissolution by at least two-thirds of the Class A Members and the Class B Member; provided, however that if the Class B Member determines that the need for the Association is no longer required or necessary for the Members of the Association, the Association will be dissolved upon the sole vote of the Class B Member. Upon the dissolution of the Association, all of the assets of the Association will be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created or will be distributed to one or more other nonprofit corporations with purposes similar to that of the Association.

ARTICLE XIV - Membership in the Association will automatically terminate when an Owner ceases for any reason to be an Owner, any new Owner will automatically succeed to such membership in the Association. A membership in the Association will not be transferred,

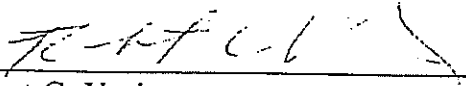
pledged, hypothecated, or alienated in any way, except upon sale of the lot to which it appertains (and then only with respect to such purchaser(s)) or by intestate succession, testamentary disposition, foreclosure, or other legal process transferring fee simple title to such lot (and then only to the person to whom such fee simple title is transferred). Notwithstanding the foregoing, in the event that an Owner has granted an irrevocable proxy or otherwise pledged or alienated the voting right of his lot regarding special matters to a Mortgagee as additional security, only the vote of such Mortgagee will be recognized in regard to such special matters, if a copy of such proxy or other instrument has been filed with the Board of Directors. In the event that more than one such instrument has been filed, the Board of Directors will recognize the rights of the first Mortgagee to so file, regardless of the priority of the Mortgages themselves. Any attempt to make a prohibited transfer of a membership is void and will not be recognized by or reflected upon the books and records of the Association.

ARTICLE XV - Amendment to these Articles of Incorporation will require a vote of two-thirds of the votes entitled to be cast at a meeting called for that purpose, and will be subject to approval of HAD/VA to the extent otherwise provided herein.

ARTICLE XVI - As long as there is a Class B Member, each of the following actions will require the prior approval of HAD/VA, as applicable: annexation of additional properties, mergers and consolidations, mortgaging or encumbering of any common areas and or dedication of any common areas (if such common areas come within the control of the Association), dissolution of the Association, or amendment of these Articles of Incorporation.

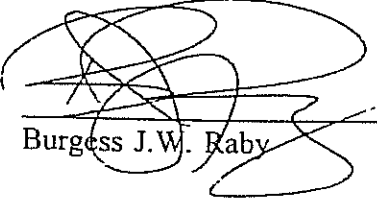
ARTICLE XVII - The fiscal year of the Association will be the calendar year from January 1 through December 31 of each year.

IN WITNESS WHEREOF, the undersigned has executed these Article of Incorporation as of the 14th day of January, 1998.



Robert C. Venberg

Burgess J.W. Raby, having been designated to act as Statutory Agent for Dave Brown at Mountain & University Homeowners' Association, hereby consents to act in that capacity until his removal or his resignation is submitted in accordance with the laws of the State of Arizona.



Burgess J.W. Raby

**ACTION IN WRITING
OF THE
BOARD OF DIRECTORS
OF
DAVE BROWN AT MOUNTAIN & UNIVERSITY**

**RECEIVED
FEB 4 - 1999
CPMC**

The undersigned, constituting all of the members of the Board of Directors of the Dave Brown at Mountain & University Homeowners Association, an Arizona nonprofit corporation, hereby take the following actions in writing and without a meeting pursuant to Section 10-1095, Arizona Revised Statutes, which actions shall have the same force and effect as if taken by the Board at a duly called meeting of the Board:

RESOLVED, that Tracts A through O in the Dave Brown Mountain & University Homeowners Association recorded in Book 460 of Maps, page 9, records of Maricopa County, Arizona, be and they hereby are accepted for maintenance by the Association, subject to the items of correction noted on the attached Attachment A.

Dated this 15th Day of January, 1999



David Piccoli



Walter Venberg



Robert Venberg