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HEMZ D. JENNINGS
COMMISSIONER

DALE H. MORGAN
COMMISSIONER



JAMES MATTHEWS
EXECUTIVE SECRETARY

ARIZONA CORPORATION COMMISSION

July 12, 1994

Amberwood Community Association, Inc.

We are pleased to notify you that your Articles of Incorporation were filed on July 12, 1994.

You must publish a copy of your Articles of Incorporation WITHIN SIXTY (60) DAYS from the File Date. The publication must be in a newspaper of general circulation in Maricopa County, for three (3) consecutive publications. An affidavit from the newspaper, evidencing such publication, must be delivered to the Commission for filing WITHIN NINETY (90) DAYS from the File Date.

All corporations transacting business in Arizona are required to file an Annual Report with the Commission, no later than the 15th day of the fourth (4th) month following the close of each fiscal year. Your fiscal year end is December 31, 1994. Each year, a preprinted Annual Report Form will be mailed to you during that month.

Your first annual report will be due April 15, 1995.

If you have any questions or need further information, please contact us at (602) 542-3135 or Toll Free (Arizona residents only) at 1-800-345-5819.

Very truly yours,

Sonia Greer

Examiner
Corporations Division
Arizona Corporation Commission

JUL 12 3 16 PM '94

APPROVED
DATE
FILED
DATE

Soni Burd
7/12/94

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ARTICLES OF INCORPORATION
OF
AMBERWOOD COMMUNITY ASSOCIATION, INC.

In compliance with the requirements of § 10-1001, et seq., Arizona Revised Statutes, as amended, the undersigned, all of whom are of full age, have this date voluntarily associated themselves for the purpose of forming a non-profit corporation, and do hereby certify:

ARTICLE I

NAME

The name of the corporation is Amberwood Community Association, Inc.

ARTICLE II

DEFINED TERMS

Capitalized terms used in these Articles without definition shall have the meanings specified for such terms in the Declaration of Covenants, Conditions and Restrictions for AMBRWOOD UNIT I recorded with the County Recorder of Coconino County, Arizona, at Docket 1669, Page 250 (the "Declaration") which, by this reference, is made a part of these Articles as though fully set forth herein.

ARTICLE III

PRINCIPAL OFFICE

The principal office of the Association shall be located at 5070 N. 40th Street, #250, Phoenix, Arizona, 85018, but other offices may be established at such places as the Board of Directors may determine from time to time.

ARTICLE IV

STATUTORY AGENT

Anthony M. Burd, whose street address is 4548 E. Beryl Lane Phoenix, Arizona 85028, and who has been a bona fide resident of the State of Arizona for more than three (3) years last past, is hereby appointed and designated the initial statutory agent for the corporation.

ARTICLE V

PURPOSE OF THE ASSOCIATION

The object and purpose for which this Association is organized, consistent with the requirements of Section 528 or, if the Association so elects, Section 501(c) (4) of the Internal Revenue Code of 1986, as amended, and the regulations pertaining thereto, is to provide for the management, maintenance, and care of the Common Area and other property owned by the Association or property placed under its jurisdiction. In furtherance of, and in order to accomplish the foregoing object and purpose, the Association may be incorporated under the laws of the State of Arizona, as they may be amended from time to time.

ARTICLE VI

THE CHARACTER OF THE BUSINESS

The general nature and character of the business to be transacted by the Association shall be as follows:

(a) To own, repair and maintain the Common Area and all other property and improvements to be used in common by and for the benefit of the Owners of Lots within the real property described in the Declaration and known as Amberwood Unit I and any additions thereto as may hereafter be brought within the jurisdiction of the Association by act of the Association;

(b) To accept the Common Area and such other property and improvements as may be conveyed to the Corporation and to maintain, repair and replace all landscaping upon such property; to pay all taxes and assessments, if any, which may properly be levied against such property or other liens against the individual Lots to secure the payment of assessments and other obligations due from the Owners thereof to the Association and to collect, foreclose or otherwise enforce, compromise, release, satisfy and discharge said demands, and to do all other acts necessary to the filing, maintenance and discharge of said liens; to take any action necessary to enforce the Project Documents; to do any and all lawful things and acts which the Association, at any time, and from time to time, shall in its discretion, deem to be in the best interests of the Members, and to pay all costs and expenses in connection therewith and in connection with any and all the purposes of the Association; to do any and all lawful things which may be advisable, proper, authorized or permitted to be done by the Association under and by virtue of any condition, covenant, restriction, reservation, charge or assessment affecting the property, the Lots, or any portion thereof, and to do and perform any and all acts which may be either necessary for or incidental to the exercise of any of the foregoing powers, or for the peace, health, comfort, safety or general welfare of the Members; and further, to do any and all things and exercise all rights and powers permitted to nonprofit corporations under the laws of the State of Arizona, including the power to mortgage or encumber any property owned by it and to take any action necessary to enforce the Project Documents;

(c) To enter into, perform and carry out contracts of any kind necessary to, or in connection with, or incidental to, the accomplishment of the purpose of the corporation;

(d) To borrow and loan money, and give, take and hold security and collateral, to execute, make and issue and take and receive bonds, notes, debentures, mortgages, pledges and other evidences of indebtedness and security, of any and all kinds whatsoever, in furtherance of any or all of the objects of its business, but only with the consent of two-thirds (2/3) of each class of membership;

(e) To make contracts of all kinds and descriptions with third parties, firms and corporation;

(f) To do and perform any and all acts and things and to transact any business, not inconsistent with law, which may be necessary, incidental to or convenient in the carrying out of any of the business or purposes of the Association, including, without limitation, all acts necessary to perform all obligations and duties of the Association under the Project Documents;

(g) To sue and be sued; and

(h) To do such other things as are authorized in the Declaration for the Association or the Board to perform, as well as such things as are reasonably necessary or proper for, or incidental to, the exercise thereof, including without limitation to levy, collect and enforce Assessments, Assessment Liens and to expend funds as provided in the Declaration.

ARTICLE VII

MEMBERSHIP

Identity of Members. The Association shall be a nonprofit corporation and no stock shall be issued and no dividends or pecuniary profits shall be paid to its members. Membership in the Association shall be limited to Owners of Lots. An Owner of a Lot shall automatically, upon becoming the Owner thereof, be a Member of the Association and shall remain a Member of the Association until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically cease.

Transfer of Membership. Membership in the Association shall be appurtenant to each Lot and a membership in the Association shall not be transferred, pledged or alienated in any way, except upon the sale of a Lot and then only to such Purchaser, or by intestate succession, testamentary disposition, foreclosure of mortgage or deed of trust of record, foreclosure of an Assessment Lien, or other legal process. Any attempt to make a prohibited transfer shall be void and shall not be reflected upon the books and records of the Association.

ARTICLE VIII

VOTING RIGHTS

Classes of Members. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners, except for the Declarant so long as the Declarant is a Class B Member, of Lots. Each Class A Member shall be entitled to one vote for each Lot owned.

Class B. The Class B Member shall be the Declarant. The Declarant shall be entitled to three (3) votes for each vote which the Declarant would be entitled to receive if the Declarant were a Class A Member. For the purposes of this Article only and in order to pursue the development of the Project, the Class B Member shall at any time be deemed to be the owner of 76 Lots, less the number of Lots owned by Class A Members. The Class B Membership shall cease and be converted to Class A Membership when the total votes outstanding in the Class A Membership equal the votes outstanding in the Class B Membership.

Right to Vote. No change in the ownership of a Lot shall be effective for voting purposes unless and until the Board is given actual written notice of such change and is provided satisfactory proof thereof. The vote for each such Lot must be cast as a unit, and fractional votes shall not be allowed. In the event that a Lot is owned by more than one person or entity and such Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Member casts a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that he was acting with the authority and consent of all other Owners of the same Lot unless objection thereto is made at the time the vote is cast. In the event more than one vote is cast by a Class A Member for a particular Lot, none of the said votes shall be counted and all said votes shall be deemed void.

Corporate Ownership. In the event any Lot is owned by a corporation, partnership or other association, the corporation, partnership or association shall be a Member and shall designate in writing at the time of acquisition of the Lot an individual who shall have the power to vote said membership, and in the absence of such designation and until such designation is made, the president or general partner of such corporation, partnership or association shall have the power to vote the membership.

Suspension of Voting Rights. In the event any Owner shall be in arrears in the payment of any Assessments or other amounts due under any of the provisions of the Project Documents for a period of fifteen (15) days, said Owner's right to vote as a Member of the Association shall be suspended and shall remain suspended until all payments, including accrued interest and attorneys' fees, are brought current, and for a period not to exceed 60 days for any other infractions of the Project Documents.

ARTICLE IX

BOARD OF DIRECTORS

The affairs of the Association shall be conducted by a board of directors (the "Board") and such officers and committees as the directors may elect and appoint. So long as there is a Class B membership in the Association, the directors shall be appointed by the

Architectural Committee and need not be Members of the Association. After the termination of the Class B membership, all directors must be Members of the Association. The Board may increase the number of directors on the Board but the number of director must always be an odd number and shall not be less than three (3) nor exceed nine (9) directors. The number of directors constituting the initial Board shall be three (3). The names and addresses of the initial directors of the Association are as follows:

<u>Name</u>	<u>Mailing Address</u>
Anthony M. Burd	5070 N. 40th Street, Suite 250 Phoenix, Arizona 85018
^u K y ren C. Burd	5070 N. 40th Street, Suite 250 Phoenix, Arizona 85018
Lon Franklin	1900 N. Country Club Dr. #B Flagstaff, AZ 86004

The initial directors shall serve until the first annual meeting of the Members and until their successors have been elected and qualified. Commencing with the first annual meeting of the Members, all directors shall be elected for a term of one (1) year.

Any vacancy occurring on the Board by reason of death, resignation, or disqualification of any director shall be filled by the remaining directors, such replacement director to serve the unexpired portion of the prior directors term.

The Board shall adopt Bylaws for the Association, by a majority vote of the members of the Board, at a regular or special meeting called therefor. The power to alter, amend or repeal the Bylaws is reserved to the Members except that the Board, without a vote of the Members, may amend the Bylaws in order to conform the Bylaws to the requirements or guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or any federal, state or local governmental agency whose approval of the Project, the Plat or the Project Documents is required by law or requested by the Declarant. So long as there is a Class B membership in the Association, any amendment of the Bylaws by the Board must be approved by the Veterans Administration.

ARTICLE X

OFFICERS

The following persons shall be the initial officers of the Association and shall hold the positions opposite their names until the first annual meeting of the Association and until their successors have been elected and qualified:

Anthony M. Burd
Lon Franklin
Karen Burd

President
Vice President
Secretary/Treasurer

ARTICLE XI

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of the authorized votes of each class of Membership. 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 the Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed, or assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purpose.

ARTICLE XII

AMENDMENTS

These Articles may be amended by Members representing at least seventy-five percent (75%) of the total authorized votes entitled to be cast by Members of the Association; provided, however, that the Board, without a vote of the Members, may amend these Articles in order to conform these Articles to the requirements or guidelines of the Federal National Mortgage Association, the Federal Housing Administration, the Federal Home Loan Mortgage Corporation, the Veterans Administration or any federal, state or local governmental agency whose approval of the Project, the Plat or the Project Documents is required by law or requested by the Declarant. So long as there is a Class B membership in the Association, any amendment of the Bylaws by the Board must be approved by the Veterans Administration or the Federal Housing Administration.

ARTICLE XIII

DURATION

The corporation shall exist perpetually.

ARTICLE XIV

RESTRICTIONS

Notwithstanding anything herein contained to the contrary, no part of the activities of the Association shall be devoted to carrying on propaganda or otherwise attempting to influence legislation and the Association shall make no gift, donation or contribution to any institution or organization engaged in such activities. No part of the net earning of the

Association shall inure to the benefit of any Member or individual (other than by acquiring, constructing, or providing management, maintenance, and care of the Association's property and other than be a rebate of excess Assessments).

ARTICLE XV

NONPROFIT

This Association shall be a nonprofit corporation. No stock shall be issued by this Association and no dividends or pecuniary profits shall be paid to its Members or directors or to any private individuals. All of the earnings of this Association shall be used to further the purpose of this Association as hereinabove set forth.

ARTICLE XVI

PRIVATE PROPERTY

The incorporators, members, directors, and officers of this Association shall not be individually liable for the Association's debts or other liabilities and the private property of such incorporators; members, directors and officers shall be exempt from all corporate debts and obligations. However, nothing herein contained shall limit or restrict any liability, obligation or responsibility of the members hereof to each other or to this Association as set forth in the Declaration, as amended or supplemented from time to time. Similarly, nothing in these Articles shall limit or restrict any liability, obligation or responsibility of directors and officers to this Association.

ARTICLE XVII

INDEMNIFICATION

This Association shall indemnify any and all of its present or former directors, officers or employees against any expenses incurred by them, including legal fees, or judgments or penalties rendered or levied against any such person while acting within the scope of his authority, provided that the Board shall determine in good faith that such person did not act, fail to act, or refuse to act willfully or with gross negligence or with fraudulent or criminal intent in regard to the matters involved in the action or omission.

ARTICLE XVIII

FISCAL YEAR

The fiscal year of the Association shall be the calendar year and shall begin on the first day of January of every year, except that the first fiscal year of the Association shall begin on the date of incorporation. The commencement date of the fiscal year herein established shall be subject to change by the Board should corporate practice subsequently dictate.

ARTICLE XIX

CONFLICT

These Articles shall not be amended or otherwise changed or interpreted, for any reason, so as to be inconsistent with the Declaration. To the extent that these Articles shall be contrary to or inconsistent with provisions of the Declaration, these Articles shall be considered superseded by the Declaration.

ARTICLE XX

INCORPORATORS

The names and addresses of the incorporators of the Association are:

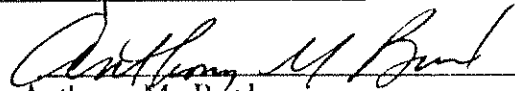
<u>Name</u>	<u>Address</u>
Anthony M. Burd	5070 N. 40th Street, Suite 250 Phoenix, Arizona 85018
Karen C. Burd	5070 N. 40th Street, Suite 250 Phoenix, Arizona 85018

ARTICLE XXI


FHA/VA APPROVAL

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexing of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, undertaking self-management of the Project or the Association and dissolution and amendment of these Articles of Incorporation.

Dated this 11 day of July, 1994.



Anthony M. Burd



Karen C. Burd

ARTICLE 5

INDEMNIFICATION

5.0. Directors and Officers Third Party Action. The Association shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the Association, by reason of the fact that he is or was a Member, director, officer, employee or agent of the Association or is or was serving at the request of the Association as a Member, director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorney fees, and against judgments, fines and amounts paid in settlement actually and reasonable incurred by him in connection with such action, suit or proceeding if he acted, or failed to act, in good faith and in a manner he reasonable believed to be in or not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person acted or failed to act other than in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was lawful.

5.1. Directors and Officers Derivative Actions. The Association shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a Member, director, officer, employee or agent of the Association or is or was serving at the request of the Association as a Member, director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, including attorney fees, but excluding judgments and fines, and, except as hereinafter set forth, amounts paid in settlement, actually and reasonable incurred by him in connection with the defense or settlement of such action or suit, if he acted, or failed to act, in good faith and in a manner he reasonably believed to be in or not opposed of the best interest of the Association, and, except that no indemnification may be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper. The court in which any such action or suit was brought may determine upon application that, in view of all circumstances of the case, indemnify for the amounts so paid in settlement and for the expenses, including attorney fees, actually and reasonably paid in connection with such application, to the extent the court deems proper.

5.2. Employees and Agents. To the extent that a Member, director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 5.0 and 5.1 of these Bylaws or in defense of any claim, issue or matter therein, he shall be indemnified against expenses, including attorney fees, actually and reasonably incurred by him in connection therewith.

5.3. Procedure of Effecting Indemnification. Any indemnification under Section 5.0 or 5.1 of these Bylaws, unless ordered by a court, shall be made by the Association only as authorized in the specific case upon a determination that indemnification of a Member, director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 5.0 or 5.1 of these Bylaws. Such determination shall be made by any of the following:

(a) By the Board by a majority vote of a quorum consisting of directors who were not parties to the action, suit or proceeding;

(b) If such a quorum is not obtainable, in a written opinion of independent legal counsel appointed by a majority of the disinterested directors for that purpose;

(c) If there are no disinterested directors, by the court or other body before which the action, suit or proceeding was brought or any court of competent jurisdiction upon the approval of or application by any person seeking indemnification, in which case indemnification may include the expenses, including attorney fees, actually and reasonably paid in connection with such application; or

(d) By majority vote of the members.

5.4 Advancing Expenses. Expenses, including attorney fees, incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of the action, suit or proceeding as authorized in the manner provided in Section 5.3 of these Bylaws upon receipt of an undertaking by or on behalf of the member, director, officer, employee or agent to repay the amount unless it is ultimately determined that he is entitled to be indemnified by the Association as authorized in this Article.

5.5. Scope of Article. The indemnification provided by this Article is not exclusive of any other rights to which those indemnified may be entitled under any agreement, vote of Members or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office and shall continue as to a person who has ceased to be a member, director, officer, employee or agent of the Association and shall inure to the benefit of the heirs, executors and administrators of such a person.

ARTICLE 6

ARCHITECTURAL CONTROL

6.0. Committee Composition. The Architectural Committee shall consist of at least three (3) members. None of such members shall be required to be an architect or to meet any other particular qualifications for membership. A Member need not be, but may be, a member of the Board or an officer of the Association. The Board may increase the number of members on the Architectural Committee but the number of members must always be an odd number.

6.1. Terms of Office. The term of office for members of the Architectural Committee shall be a period of one (1) year, or until the appointment of successor. Any new member appointed to replace a member who has resigned or been removed shall serve such member's unexpired term. Members who have resigned, been removed or whose terms have expired may be reappointed.

6.2. Appointment and Removal. The right to appoint and remove all members of the Architectural Committee at any time shall be and is hereby vested solely in the Board; provided, however, that no member may be removed from the Architectural Committee by the Board except by the vote or written consent of fifty-one percent (51%) of all of the members of the Board.

6.3. Resignations. Any member of the Architectural Committee may at any time resign from the Committee by giving written notice thereof to the Board.

6.4. Vacancies. Vacancies on the Architectural Committee, however caused, shall be filled by the Board. A vacancy on the Architectural Committee shall be deemed to exist in case of the death, resignation or removal of any member.

6.5. Duties. It shall be the duty of the Architectural Committee to consider and act upon any and all proposals or plans submitted to it pursuant to the terms of the Declaration, to adopt Architectural Committee Rules, to perform other duties delegated to it by the Board, and to carry out all other duties imposed upon it by the Declaration.

6.6. Meetings and Compensation. The Architectural Committee shall meet from time to time as necessary to perform its duties. The vote or written consent of a majority of the members of the Committee, at a meeting or otherwise, shall constitute the act of the Committee unless the unanimous decision of the Committee is required by any other provision of the Declaration. The Committee shall keep and maintain a written record of all actions taken by it at such meeting or otherwise. Members of the Architectural Committee shall not be entitled to compensation for their services.

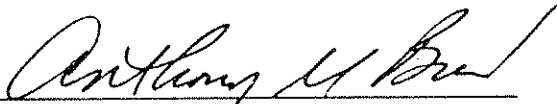
6.7. Architectural Committee Rules. The Architectural Committee may adopt, amend and repeal, by unanimous vote or written consent, rules and regulation. Said rules shall interpret and implement the Declaration by setting forth the standards and procedures for Architectural Committee review and the guidelines for architectural design, placement of buildings, landscaping, color schemes, exterior finishes and material and similar features which are required for use within Amberwood Unit I.

6.8. Waiver. The approval by the Architectural Committee of any plans, drawings, or specifications for any work done or proposed, or for any other matter requiring the approval of the Architectural Committee under the Declaration, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval.

6.9. Time for Approval. In the event the Architectural Committee fails to approve or disapprove any application for approval within thirty (30) days after the application, together with supporting plans and specifications, have been submitted to it, approval will not be required and this Article will be deemed to have been complied with.

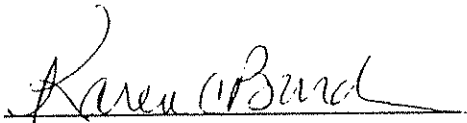
CERTIFICATION

I hereby certify that the foregoing Bylaws were duly adopted by the Board of Directors of the Association on the 11 day of July, 1994.



President

ATTEST:



Secretary