

ARTICLES OF INCORPORATION

FOR
FESTIVA TEMPE
HOA

EXPEDITED
AZ CORP COMMISSION
FILED

MAR 23 2 35 PM '95

APPR 26
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FESTIVA TEMPE COMMUNITY ASSOCIATION

**ARTICLES OF AMENDMENT
OF
CYPRESS VILLAGE COMMUNITY ASSOCIATION**

The undersigned, for purposes of amending the articles of incorporation of Cypress Village Community Association, hereby adopts the following Articles of Amendment in accordance with § 10-1035 of the Arizona Nonprofit Corporation Act, as amended (the "Nonprofit Act"):

1. The name of the corporation is Cypress Village Community Association.
2. Article I of the Articles of Incorporation is hereby deleted in its entirety and

the following inserted in lieu thereof:

ARTICLE I

NAME

The name of the corporation, which is a nonprofit corporation, is Festiva Tempe Community Association and shall be referred to herein as the "Association."

2. The first sentence of Article X is hereby deleted and the following inserted in lieu thereof:

(a) Subject to the provisions of Article VIII and Article IX hereof, the members may, at any duly noticed and convened regular or special meeting called for such purpose, amend, alter or repeal any provision of these Articles by the affirmative vote of Members entitled to cast at least seventy-five percent (75%) of the votes in the Corporation.

3. Except as amended hereby, said Articles of Incorporation shall remain in full force and effect.

4. These Articles of Amendment of Cypress Village Community Association were duly adopted by unanimous written consent of the Members of the corporation on February 8, 1995, in accordance with the Nonprofit Act.

Dated this 8th day of February, 1995.

**CYPRESS VILLAGE COMMUNITY
ASSOCIATION**

By: [Signature]
Its: President

By: [Signature]
Its: Secretary

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MARCIA WEEKS
CHAIRMAN

T. O. JENNINGS
COMMISSIONER

DALE H. MORGAN
COMMISSIONER

JAMES MATTHEWS
EXECUTIVE SECRETARY

ARIZONA CORPORATION COMMISSION

October 17, 1994

CYPRESS VILLAGE COMMUNITY ASSOCIATION

We are pleased to notify you that your Articles of Incorporation were filed on September 13, 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 4-15-95.

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,

F. J. Kneuder
Examiner
Corporations Division
Arizona Corporation Commission

ARTICLES OF INCORPORATION

OF

CYPRESS VILLAGE COMMUNITY ASSOCIATION

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42 Kreuder
10-17-94

0731734-4

ARTICLE I

NAME

The name of the corporation, which is a nonprofit corporation, is Cypress Village Community Association and shall be referred to herein as the "Association."

ARTICLE II

PURPOSES

The primary purposes for which this corporation is formed are:

- (a) to act as the "Association" in accordance with and subject to that certain Declaration of Covenants, Conditions, Restrictions and Easements for Kaufman and Broad at Cypress Village recorded as Document No. 94-0662458 in the Official Records of Maricopa County, Arizona, as the same may be amended from time to time (the "Declaration");
- (b) to manage, maintain, preserve and care for the Common Areas within the Project;
- (c) to perform all of the duties and obligations and to exercise all of the powers and privileges of the Association as set forth in the Declaration;
- (d) to provide for the orderly development, maintenance, preservation and architectural control of the Project, as provided in the Declaration; and
- (e) to do all other things and exercise all powers and rights of a corporation which are lawful and consistent with the foregoing purposes and the nonprofit character of the corporation, including but not limited to the purposes set forth in Section 10-1005(A), Arizona Revised Statutes.

Unless otherwise expressly provided herein, all capitalized terms used in these Articles shall have the meanings set forth in the Declaration. Notwithstanding any other provisions of these Articles, if the corporation elects to qualify under Section 501(c)(4) or Section 501(c)(7) of the Internal Revenue Code of 1986, as amended (the "Code"), the corporation shall not conduct or engage in any activity which would or could result in the revocation of its status as a corporation qualified under such Section of the Code. The corporation does not contemplate securing any gain or profit to the Members of the corporation; the Members shall have no individual interest in the profits of the corporation, if any, and no part of the net earnings of the corporation, if any, shall inure (other than by promoting social and recreational activities for Members, by a rebate of excess membership dues, fees or Assessments, or by acquiring, constructing or providing management, maintenance and care of Association property) to the benefit of any Member of the corporation or other individual.

ARTICLE III

INITIAL ACTIVITY

The character of the business the corporation intends to conduct initially shall be to act as a property owners' association performing the duties and exercising the rights of the Association set forth in the Declaration.

ARTICLE IV

MEMBERSHIP AND VOTING

The corporation shall be a non-stock corporation and shall be owned by all of its Members. No dividends or pecuniary profits shall be paid to the corporation's Members. Membership in the corporation shall be limited to Owners, including Declarant (for so long as Declarant is a Class A or Class B Member). All of the Owners, including Declarant (for so long as Declarant is a Class A or Class B Member), shall be Members of the corporation. An Owner's Membership in the corporation shall cease and terminate immediately when a Person ceases to be an Owner. Membership shall be appurtenant to, and may not be separated from ownership of, a Lot. Neither Membership in the corporation nor a Member's share, right, title or interest in and to the funds and assets of the corporation can be transferred, assigned or hypothecated except as an appurtenance to the Member's ownership of a Lot. Membership may be evidenced by an official list of Owners, which list shall be kept by the secretary of the corporation. Termination of Membership in the corporation shall be in accordance with the Declaration and the Bylaws of the corporation.

The corporation shall have two classes of Members. The Class A Members shall consist of all Owners. A Class A Member shall have the number of votes provided in Section 7.2 of the Declaration. The Class B Member shall be Declarant. The Class B Member shall have the number of votes provided in Section 7.2 of the Declaration. The Class B Membership shall automatically cease and be converted to Class A Membership as provided in Section 7.2 of the Declaration.

Other limitations (including suspension of voting rights), privileges, obligations and rights of Membership in the corporation are set forth in the Declaration and Bylaws.

ARTICLE V

BOARD OF DIRECTORS

The affairs of the corporation shall be conducted by a Board of Directors. The initial Board and each Board thereafter for so long as there is a Class B Member shall consist of three Members or other Persons. Commencing with the first annual meeting of the Members when there is no longer a Class B Member, the Board shall consist of, and the voting Members shall elect, seven directors, all of whom must be Members (or individuals designated by corporate, partnership or other nonindividual Members). The number of directors shall be subject to increase as provided in the Bylaws. The term of each director shall be for one year until there is no longer a Class B Member. Thereafter, the initial terms of the directors shall be four directors for a one-year term and three directors for a two-year term, thus establishing a staggered board. In succeeding years, each director shall be elected for a two-year term. Until the first meeting of the Members when there is no longer a Class B Member, and until their successors are designated or elected and qualified, Declarant shall have the right to appoint all directors. The following three persons shall constitute the initial Board of Directors of the corporation:

Robert Clark
432 N. 44th Street, Suite 115
Phoenix, Arizona 85008

Luis Gonzales
432 N. 44th Street, Suite 115
Phoenix, Arizona 85008

Ben Redman
432 N. 44th Street, Suite 115
Phoenix, Arizona 85008

ARTICLE VI

NO PERSONAL LIABILITY

The private property of the Members, directors and officers of the corporation shall be forever exempt from the corporation's debts; provided, however, that each Owner shall be personally liable for any Assessments levied against his Lot.

ARTICLE VII

INDEMNIFICATION OF DIRECTORS AND OFFICERS, LIMITATION ON DIRECTORS' LIABILITY

A. Subject to any limitations imposed by Arizona law, the corporation shall indemnify any and all of its existing and former directors, officers and committee members (including, but not limited to, existing and former members of the Design Review Committee) against all expenses incurred by all or each of them, including but not limited to, legal fees and costs, judgments, penalties and amounts paid in settlement or compromise, which may arise or be incurred, rendered or levied in any legal action brought or threatened against any one of them for or on account of any act or omission alleged to have been committed by such person while acting within the scope of his or her employment as a director, officer or committee member of the corporation, whether or not any action is or has been filed against the person and whether or not any settlement or compromise is approved by a court. Except as otherwise required by Arizona law, whenever such a director, officer or committee member reports to the President of the corporation or to the Board that he or she has incurred or may incur such expenses, the Board shall, at its next regular meeting or at a special meeting held within a reasonable time thereafter, determine in good faith whether, in regard to the matter involved in the action or contemplated action, such person (i) acted, failed to act, or refused to act in good faith, and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, and (ii) with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. Upon an affirmative determination by the Board with respect to the foregoing, indemnification shall be mandatory and shall be automatically extended as specified herein to the extent permitted by Arizona law, provided, however, that the corporation shall have the right to refuse indemnification in any instance in which the person to whom indemnification would otherwise have been applicable shall have unreasonably refused to permit the corporation, at its own expense and through counsel of its own choosing, to defend him or her in the action.

B. A director shall have no personal liability to the corporation or its Members for monetary damages for breach of fiduciary duty as a director; provided

that the foregoing shall not eliminate or limit the liability of a director for any of the following:

- (a) Any breach of the director's duty of loyalty to the corporation or its Members;
- (b) Acts or omissions which are not in good faith or which involve intentional misconduct or a knowing violation of law;
- (c) A violation of § 10-1026, Arizona Revised Statutes;
- (d) Any transaction from which the director derived an improper personal benefit, including, but not limited to, embezzlement; and
- (e) A violation of § 10-1097, Arizona Revised Statutes.

ARTICLE VIII

CONFLICT WITH DECLARATION AND OTHER LIMITATIONS

To the extent that any part or provision of these Articles is contrary to or inconsistent with provisions of the Declaration, the terms and provisions of the Declaration shall prevail. As set forth in the Declaration, the corporation is subject to certain limitations. No amendment hereof, nor any action taken by the corporation pursuant hereto, shall be contrary to, or in conflict with, the limitations set forth in the Declaration, and any such amendment or action shall be void to the extent of such inconsistency.

ARTICLE IX

APPROVALS REQUIRED

For as long as there is a Class B Member and if VA or FHA certification is desired by Declarant, the following actions will require the prior approval of the VA and FHA, unless such agencies have waived such requirements or unless the last sentence of this section applies: (i) annexation of additional properties into the Project (unless such annexation is in accordance with a plan of annexation or expansion previously approved by such agencies); (ii) mergers and consolidations; (iii) mortgaging or otherwise encumbering Common Area; (iv) dedication or other transfer of Common Areas; (v) dissolution of the corporation; and (vi) amendment of these Articles, the Declaration or the Bylaws. Consent of the FHA and VA to the foregoing will not be required if the FHA and VA have elected not to approve the Project for certification or if such approval has been revoked, withdrawn, canceled or suspended.

ARTICLE X

AMENDMENTS

Subject to the provisions of Article VIII and Article IX hereof, the Members may, at any duly noticed and convened regular or special meeting called for such purpose, amend, alter or repeal any provision of these Articles by the affirmative vote of sixty-seven percent (67%) of the votes of all Class A and Class B Members. Anything in this Article to the contrary notwithstanding, Declarant reserves the right to amend these Articles as may be requested or required by the FHA, VA or any other governmental agency with whom Declarant elects to do business as a condition precedent to such governmental agency's approval of these Articles. Any such amendment shall be effected by Declarant filing with the Arizona Corporation Commission, in accordance with applicable law, a Certificate of Amendment duly executed by Declarant specifying the governmental agency requesting the amendment and setting forth the requested or required amendment(s). Filing of such a Certificate shall be deemed conclusive proof of the governmental agency's request or requirement and such Certificate, when filed, shall be binding upon the Property and all persons having an interest therein.

ARTICLE XI

BYLAWS

The initial Bylaws shall be adopted by the Board herein designated. Amendments, alterations and repeal of the Bylaws may be made only as provided in the Bylaws. The Bylaws and any amendments thereto shall be valid only if consistent with the Declaration and these Articles.

ARTICLE XII

KNOWN PLACE OF BUSINESS

The known place of business of the corporation shall be 1300 East Missouri, Suite A100, Phoenix, Arizona 85014-2324, or such other place as may be designated from time to time by the Board. In addition, different and other offices and places for conducting business, both within and without the State of Arizona, may be established from time to time by the Board.

ARTICLE XIII

STATUTORY AGENT

Associated Asset Management, Inc., an Arizona corporation, whose address is 1300 East Missouri, Suite A100, Phoenix, Arizona 85014-2324, is hereby appointed the initial statutory agent of the corporation upon whom all notices and process, including summonses, may be served. The Board may revoke the appointment of such agent at any time, and shall have the power to fill any vacancy.

ARTICLE XIV

DISSOLUTION

Upon dissolution of the corporation, or the winding up of its affairs, the assets of the corporation shall be distributed exclusively to one or more public agencies, utilities, non-profit corporations, trusts or other organizations to be devoted to purposes as nearly as is practicable to those to which they were required to be devoted by the Association. If the corporation has elected to qualify as a non-profit corporation under Internal Revenue Codes Section 501(c)(4) or 501 (c)(7), then distribution may be only made to permitted recipients under the applicable Code Section. Subject to the restrictions imposed by the Declaration and by Article IX of these Articles of Incorporation, the corporation may be dissolved with the written consent of not less than two-thirds of each class of Members.

ARTICLE XIV

INCORPORATORS

The name and addresses of the incorporators are:

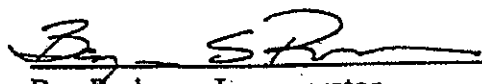
Robert Clark
432 N. 44th Street, Suite 340
Phoenix, Arizona 85008

Ben Redman
432 N. 44th Street, Suite 340
Phoenix, Arizona 85008

IN WITNESS WHEREOF, the undersigned incorporators have hereunto set our hands this 17 day of August, 1994.



Robert Clark, Incorporator



Ben Redman, Incorporator

APR-18-95 TUE 1 33 AMERISCRIBE

P.04

COPY

STATE OF ARIZONA
ACC/FAX
DATE FILED

APR 18 1995

DATE APPR 4-18-95
TERM

BY C. Thomas
0741281-1

ARTICLES OF INCORPORATION
OF

~~THE GROVES COMMUNITY ASSOCIATION~~
an Arizona nonprofit corporation

In compliance with the requirements of Ariz. Rev. Stat. § 10-1001 et seq., the undersigned, both of whom are residents of Maricopa County, Arizona and both of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a nonprofit corporation and do hereby certify:

ARTICLE I

NAME

The name of the corporation is THE GROVES COMMUNITY ASSOCIATION, hereinafter called the "Association."

ARTICLE II

PRINCIPAL OFFICE

The principal office of the Association shall be initially located at 4040 East Camelback Road, Suite 250, Phoenix, Arizona, 85018.

ARTICLE III

STATUTORY AGENT

Mariscal, Weeks, McIntyre & Friedlander, P.A., whose address is 2901 North Central Avenue, Suite 200, Phoenix, Arizona, 85012, is hereby appointed the initial registered agent of the Association.

ARTICLE IV

PURPOSES AND POWERS OF THE ASSOCIATION

The Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to manage and maintain, repair, replace and improve the License Area and the Fee Area, together with Improvements located thereon, to perform related activities and to perform all other functions and duties assigned to the Association to the extent provided in the Declaration (as herein defined) within those certain parcels of real property (the "Property") described on Exhibits "A" and "B" attached hereto and made a part hereof, and to promote the health, safety and welfare of Owners and others of and

ARTICLES OF INCORPORATION

OF

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(a) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions, Restrictions, Assessments, Liens, and Rights of Use, hereinafter called the "Declaration", applicable to the Property and recorded in the Office of the Maricopa County, Arizona Recorder on September 2, 1994 as Recorder's Instrument No. 94-0656742, as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) Fix, levy, collect and enforce payment, or assure the levying, collection and enforcement by any lawful means, of all charges or Assessments pursuant to the terms of the Declaration; and pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the Association or 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, including, without limitation, License Area and the Fee Area, in connection with the affairs of the Association;

(d) Borrow money, and, with the assent of at least fifty-one percent (51%) of the Members, mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) Dedicate, sell or transfer all or any part of the License Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument has been signed with the assent of at least fifty-one percent (51%) of the Members agreeing to such dedication, sale or transfer; and

(f) Have and exercise any and all powers, rights and privileges which a corporation organized under the Nonprofit Corporation Laws of the State of Arizona by law may now or hereafter have or exercise.

ARTICLE V

MEMBERSHIP

No stock shall be issued by the Association and no dividends or pecuniary profits shall be paid to its Members. Every person or entity who is a record Owner of any Parcel or other portion of the Property shall be a member of the Association ("Member"). The

foregoing is not intended to include persons or entities who hold an interest in a Parcel or other portion merely as security for the performance of an obligation so long as the holder of beneficial title to such Parcel or other portion has an interest of record. Membership shall be appurtenant to, and may not be separated from, ownership of any Parcel or any other portion of the Property.

ARTICLE VI

VOTING RIGHTS

The Association shall have only a single class of voting Membership:

Class A Membership. Class A Memberships shall be held by the Owner of the Apartment Parcel and the Single Family Association. Each Class A Member shall be entitled to one (1) vote per dwelling unit (whether single or multi-family) which is approved, from time to time, for development upon real property owned by such Owner or located within the Single-Family Parcel, respectively. It is presently contemplated that there will be 212 apartment units on the Apartment Parcel and 105 single-family units on the Single-Family Parcel and therefore votes shall be apportioned, if final approvals are in accord with the above described figures, 105 to the Single-Family Parcel and 212 to the Apartment Parcel. However, in the event that final approval of dwelling units is either less or more with respect to either such parcel, votes shall be adjusted accordingly.

The Association acknowledges that although it was initially contemplated that the Association would have two classes of Membership, the condition precedent to the expiration of the Class B Membership has heretofore occurred and therefore no Class B Membership shall be deemed to exist with respect to the Association.

Neither the License Area, the Fee Area nor any area contained in any street, roadway or other right-of-way dedicated to any governmental entity shall be included in the determination of area of land for purposes of establishing voting rights and no such governmental entity shall have any Membership or voting rights with respect to such area.

Suspension of Voting and Other Rights. In the event any Owner shall be in arrears in the payment of any amount due under any of the provisions of the Declaration for a period of fifteen (15) days after notice of such default or shall be in default in the performance of any of the terms of this Declaration for a period of fifteen (15) days after notice of such default said Owner's rights to vote and all other rights as a Member of the Association are and shall be suspended until said defaulting Owner's payments are brought current and all other defaults cured.

In addition, in the event any Owner is in violation of any of the terms and conditions of this Declaration, such Owner shall have no right to petition the Association and/or Declarant for any items which such Owner wishes accomplished or to enforce the purported obligations of any of the foregoing parties until such default (whether in performance or payment) is cured to the satisfaction of the Association and Declarant.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board of not less than three (3) Directors, who need not be Members of the Association. The number of Directors may be changed by a majority vote of the Members of the Association wherein votes shall be counted in accordance with the provisions of Article VI above. The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors are:

| <u>NAME</u> | <u>ADDRESS</u> |
|------------------|---|
| Robert Coulter | 4040 E. Camelback Rd., #250 Phoenix, Arizona 85018 |
| Nancy Hempy | 4040 E. Camelback Rd., #250 Phoenix, Arizona 85018 |
| Steven M. Ellman | 4040 E. Camelback Rd., #250 Phoenix, Arizona 85018 |

The election of the members of the Board of Directors is hereby ratified and the Directors shall serve until the first annual meeting of the Members or until otherwise removed in accordance with the terms hereof, the terms of the Bylaws or otherwise in accordance with law and until their successors have been elected and qualified. Two or more of the Directors named above shall also constitute the initial officers of the Association.

ARTICLE VIII

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by 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 or private agency or corporation 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 and assigned to any nonprofit corpora-

tion, association, trust or other organization to be devoted to such similar purposes.

ARTICLE IX

DURATION

The Association shall exist perpetually.

ARTICLE X

AMENDMENTS

Amendment of these Articles shall require the vote of a majority vote of the Members of the Association wherein votes shall be counted in accordance with the provisions of Article VI above.

ARTICLE XI

PARTIAL INVALIDITY

If any provision of these Articles or the Bylaws of the Association adopted by the Board of Directors should be invalid for any reason, such invalidity shall in no way affect any other provisions, which shall remain in full force and effect.

ARTICLE XII

PRIVATE PROPERTY EXEMPT

The private property of each and every Officer, Director and Member of the Association shall at all times be exempt from all debts and liabilities of the Association.

ARTICLE XIII

INDEMNIFICATION AND EXCULPATION

The present and former Officers and Directors of the Association shall be indemnified against, and they shall not be liable to third parties for, any or all claims made against them in such capacity and present or former Officers and Directors of the Association shall not be liable to the Association or to its Members or to any third party for monetary damages for breach of fiduciary duty or otherwise, all to the greatest extent permitted by law. If subsequent legislation permits the Association to indemnify, exculpate or limit the liability of its present and former Officers and Directors to a greater extent than is currently permitted under existing law, then the Association shall indemnify, exculpate and limit the liability of its present and former Officers and Directors to the extent permitted by such subsequent legislation. The power of indemnification, the right of exculpation, and the limitation of liability set forth above and under

the Arizona Revised Statutes shall not be denied or limited by the Bylaws.

ARTICLE XIV

ASSESSMENT

For the purpose of providing necessary funds for the carrying out of the purposes of this Association as aforesaid and the necessary operating expenses of this Association, there shall be levied against all of the Property except the License and Fee Areas Annual Assessments and other Assessments in the amounts and by the procedures set forth in the Declaration, which Assessments shall be due, payable and enforceable in the manner set forth in the Declaration, as the same may be amended from time to time. The Assessment shall be apportioned among the Lots on the single-family parcel as more fully set forth in the Declaration.

ARTICLE XV

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 as of the date of its incorporation. The fiscal year may be changed by the Board of Directors from time to time.

ARTICLE XVI

DEFINITIONS

All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Declaration, unless the context clearly requires otherwise.

IN WITNESS WHEREOF, for the purpose of forming this nonprofit corporation under the laws of the State of Arizona, we, the undersigned, constituting the Incorporators of this Association, have executed these Articles of Incorporation effective as of the 23 day of February, 1995.

INCORPORATORS

R. Coulter
Robert Coulter

Nancy Hemy
Nancy Hemy

The undersigned has been named as the Statutory Agent of THE GROVES COMMUNITY ASSOCIATION, an Arizona nonprofit corporation (the "Association").

The undersigned has been notified of its appointment as statutory agent of and for the Association and does hereby accept such appointment.

MARISCAL, WEEKS, McINTYRE
& FRIEDLANDER, P.A.

By 

Fred C. Fathe
For the Firm
2901 North Central Avenue
Suite 200
Phoenix, Arizona 85012

DATED: February 22, 1995

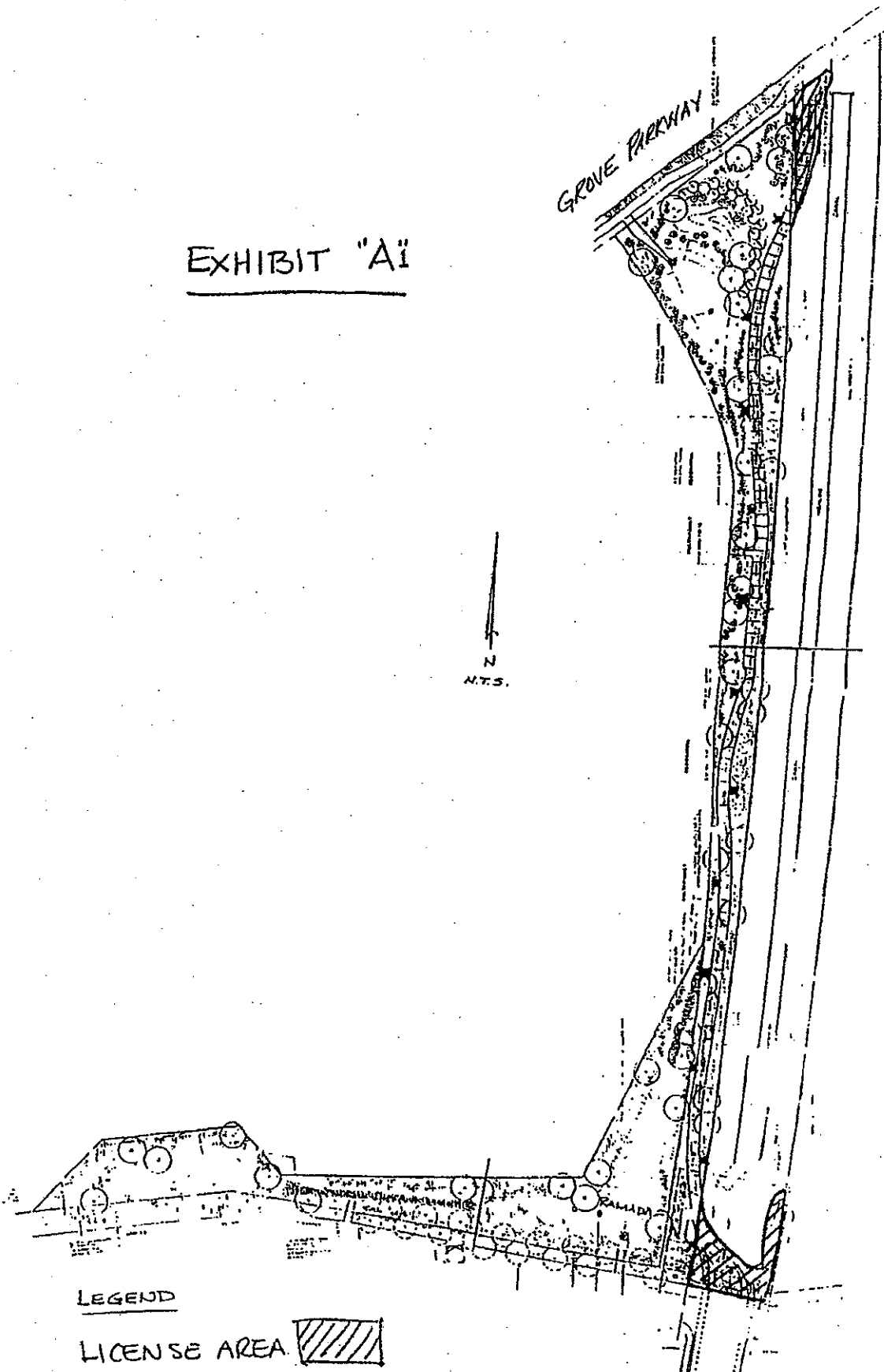
EXHIBIT A

LICENSE AREA

That portion of the land owned by the Salt River Project Agriculture and Power District located in the southwest quarter of Section 9, Township 1 South, Range 4 East, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, as shown on Exhibit A-1 attached and made a part hereto.

EXHIBIT "A"

GROVE PARKWAY



LEGEND


LICENSE AREA 

EXHIBIT B

FEE AREA

Tract B, Final Plat of The Groves, Second Amended,
shown on Book 370, Page 30, Maricopa County
Records.

ARIZONA CORPORATION COMMISSION
CORPORATIONS DIVISION

Phoenix Address: 1200 West Washington
Phoenix, Arizona 85007

Tucson Address: 400 West Congress
Tucson, Arizona 85701

CERTIFICATE OF DISCLOSURE

A.R.S. Sections 10-128 & 10-1084

PLEASE SEE REVERSE SIDE

THE GROVES COMMUNITY ASSOCIATION
EXACT CORPORATE NAME

CHECK APPROPRIATE BOX(ES) A or B
ANSWER "C"

THE UNDERSIGNED CERTIFY THAT:

- A. No persons serving either by elections or appointment as officers, directors, incorporators and persons controlling, or holding more than 10% of the issued and outstanding common shares or 10% of any other proprietary, beneficial or membership interest in the corporation:
1. Have been convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate.
 2. Have been convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses, or restraining the trade or monopoly in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate.
 3. Have been or are subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven-year period immediately preceding the execution of this Certificate where such injunction, judgment, decree or permanent order:
 - (a) Involved the violation of fraud or registration provisions of the securities laws of that jurisdiction; or
 - (b) Involved the violation of the consumer fraud laws of that jurisdiction; or
 - (c) Involved the violation of the antitrust or restraint of trade laws of that jurisdiction.

- B. For any person or persons who have been or are subject to one or more of the statements in Items A.1 through A.3 above, the following information MUST be attached:

1. Full name and prior name(s) used.
2. Full birth name.
3. Present home address.
4. Prior addresses (for immediate preceding 7-year period).
5. Date and location of birth.
6. Social Security number.
7. The nature and description of each conviction or judicial action, date and location, the court and public agency involved and file or cause number of case.

STATEMENT OF BANKRUPTCY, RECEIVERSHIP OR REVOCATION

A.R.S. Sections 10-128.01 and 10-1083

- C. Has any person serving (a) either by election or appointment as an officer, director, trustee or incorporator of the corporation or, (b) major stockholder possessing or controlling any proprietary, beneficial or membership interest in the corporation, served in any such capacity or held such interest in any corporation which has been placed in bankruptcy or receivership or had its charter revoked? YES ___ NO ___

IF YOUR ANSWER TO THE ABOVE QUESTION IS "YES", YOU MUST ATTACH THE FOLLOWING INFORMATION FOR EACH CORPORATION:

1. Name and address of the corporation.
2. Full name, including alias and address of each person involved.
3. State(s) in which the corporation:
 - (a) Was incorporated.
 - (b) Has transacted business.
4. Dates of corporate operation.
5. A description of the bankruptcy, receivership or charter revocation, including the date, court or agency involved and the file or cause number of the case.

Under penalties of law, the undersigned incorporators/Officers declare that we have examined this Certificate, including any attachments, and to the best of our knowledge and belief it is true, correct and complete.

BY R. Coulter DATE 2/23/95
TITLE Robert Coulter, Incorporator

BY Nancy Hempy DATE 2/23/95
TITLE Nancy Hempy, Incorporator

BY _____ DATE _____
TITLE _____

BY _____ DATE _____
TITLE _____

FISCAL DATE: 12/31