ARTICLES OF INCORPORATION
OF
THE VILLAGE AT UNIVERSITY HEIGHTS OWNERS ASSOCIATION

Article I
Name

The name of the corporation shall be THE VILLAGE AT UNIVERSITY HEIGHTS OWNERS ASSOCIATION (the "Association").

Article II
Definitions

Unless defined herein, capitalized terms used herein shall be deemed to have the same definitions and meanings for such terms as in the Arizona Condominium Act, A.R.S. § 33-1201 *et seq.* (the "Condominium Act") and the Condominium Declaration for The Village at University Heights Condominium, which has been or will be recorded in the office of the County Recorder of Coconino County, Arizona, as it may thereafter be amended or supplemented from time to time (the "Declaration"), and the terms of which are incorporated herein by reference.

Article III
Duration

The Association shall exist perpetually, subject to the right of Members to dissolve the Association pursuant to the Declaration.

Article IV
Purposes and Powers

The Association is organized as a nonprofit corporation under the Arizona Nonprofit Corporation Act, A.R.S. § 10-3101 *et seq.* (the "Corporation Act"). The object and purpose for which the Association is organized is to provide for the management, maintenance, and care of the Common Elements within the residential condominium commonly known as "The Village at University Heights Condominium" and to perform such other duties as are imposed upon the Association under the Declaration and the Condominium Act. In furtherance of, and in order to accomplish the foregoing object and purpose, the Association may transact any or all lawful business for which corporations may be incorporated under the laws of the State of Arizona, as amended from time to time, and may exercise all powers granted to the Association by the Declaration, the Condominium Act or the Corporation Act.

Article V
Character of Business

The character of business which the Association intends to conduct in Arizona is to provide for the management, maintenance and care of the Common Elements and the fulfillment of all its

duties and responsibilities and the exercise of all its rights, powers and prerogatives under the Condominium Act and the Declaration.

Article VI
Membership; Classes of Members; Voting Rights

The Members of the Association shall be as provided in the Declaration. Other than its Members, the Association shall have no shareholders, and no capital stock shall be authorized or issued. The voting rights of the Members shall be as provided in the Declaration and the Bylaws.

Article VII
Statutory Agent/Place of Business

Nearhood Agency Services, Inc., 7537 East McDonald Drive, Scottsdale, Arizona 85250-6062, is appointed as the statutory agent of the Association for the State of Arizona.

The initial place of business for the Association is 3200 South Litzler Drive, Flagstaff, Arizona 86001.

Article VIII
Board of Directors and Officers

The business, property and affairs of the Association shall be managed, controlled and conducted by a Board of Directors (the "Board"). The number of directors, who shall serve without compensation, shall not be less than one nor more than seven, as shall be specified in the Bylaws. The initial Board shall consist of one director. The name and address of the person who is appointed to serve as the initial director is:

Name	Address
Leo Crowley	510 N. Humphreys Flagstaff, Arizona 86001

The Board shall have the power to adopt the initial Bylaws, provided, however, that the Bylaws may be amended as provided therein.

The principal officers of the Association shall be a president, vice president, secretary, and treasurer, all of whom shall be elected by the Board. The officers of the Association shall have those powers, duties and responsibilities provided in the Declaration and the Bylaws.

Article IX
Incorporator

The name and address of the incorporator is: Leo Crowley, 510 N. Humphreys, Flagstaff, Arizona 86001.

Article X
Private Property

Declarant and the Members, directors, officers, and committee members of the Association shall not be individually or personally liable for the debts or other liabilities of the Association and the private property of Declarant and the Members, directors, officers, and committee members of the Association shall be forever exempt from corporate debts or liabilities of any kind whatsoever.

Article XI
Interdealing

Subject to any restrictions set forth in the Declaration, no transaction, contract or act of the Association shall be either void or voidable or in any other way affected or invalidated by reason of the fact that Declarant, any Owner, or any officer, director, committee member or Member of the Association, or any other corporation or other entity of which it or he may be an officer, director, member or shareholder, is in any way interested in such transaction, contract or act, provided the interest of Declarant, Owner, officer, director, committee member or Member is disclosed in accordance with the requirements of A.R.S. § 33-1243(C), as amended, to the members of the Board or such Members or directors as shall be present at any meeting at which action is taken upon any such transaction, contract or act. Nor shall Declarant, or any Owner, officer, director, committee member or Member be accountable or otherwise responsible to the Association for or in connection with any such action, contract or transaction or for any gains or profits realized by him by reason of the fact that he, or any other corporation or other entity of which he is an officer, director, member or shareholder, is interested in any such transaction, contract or act. To the fullest extent permitted under Arizona law, Declarant or any Owner, officer, director, committee member or Member, if he is a director, after making full disclosure of his interest, may be counted in determining the existence of a quorum at any meeting of the Board which shall authorize or take action upon any such transaction, contract or act, and he may vote at any such meeting to authorize, adopt, ratify or approve any such transaction, contract or act to the same extent as if he, or any other corporation or other entity of which he is an officer, director, member or shareholder, were not interested in such transaction, contract or act.

Article XII
Limitation of Liability

To the fullest extent permitted under Arizona law, every director and officer of the Association shall be exempt from personal liability to the Association, its Members, every Owner and every other person for monetary damages for action taken in his capacity as a director or officer of the Association, so long as such action does not constitute a criminal act, was taken in good faith, and without intentional misconduct.

Article XIII
Indemnification

To the fullest extent permitted by Arizona law, every director and every officer of the Association shall be indemnified by the Association, and every other person serving as an employee or direct agent of the Association, or on behalf of the Association as a member of a committee or otherwise, or at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, may, in the discretion of the Board, be indemnified by the Association, against all expenses and liabilities, including, but not limited to, attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having served in such capacity on behalf of the Association, or any settlement thereof, whether or not he is a director or officer, or serving in such other specified capacity at the time such expenses are incurred, provided that the Board shall determine, in good faith, that the person to be indemnified hereunder did not commit a criminal act, and that he acted in good faith and without intentional misconduct. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such persons may be entitled at law or otherwise.

Article XIV
Amendments

The Articles may be amended in accordance with the following procedures:

(a) The amendment of the Articles shall require:

(1) the affirmative vote of two-thirds (2/3) of the Board, and

(2) the affirmative vote of two-thirds (2/3) of all of the Members.

(b) Further, notwithstanding the foregoing provisions of this Article XIV, the percentage of a quorum or of the voting power of the Members necessary to amend a specific clause or provision in the Articles shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause or provision.

(c) Further, notwithstanding the foregoing provisions of this Article XIV, the Articles shall not be amended or modified to contain any provisions that would be contrary to or inconsistent with the Declaration, and any provision of or purported amendment or modification to the Articles which is contrary to or inconsistent with the Declaration shall be void to the extent of such inconsistency.

Article XV
Inconsistency; Priority

The Association was formed and continues to exist pursuant to and for the purpose of effectuating the provisions of the Declaration. In the event of any inconsistency between the terms of the Declaration, as amended from time to time, and the terms of the Articles, as amended from

time to time, the terms of the Declaration shall control. The numbers and gender of words used herein shall be deemed to apply to such number and gender as the context requires.

IN WITNESS WHEREOF, the undersigned incorporator has hereunto affixed his signature this 3rd day of February, 2006.

Leo Crowley
Incorporator

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