

ARTICLES OF INCORPORATION

OF

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COURTLAND VILLAGE II ASSOCIATION

APP: *Garrett*
DATE APR 3 1974 FILE
TERM _____
DATE _____ TIME

The undersigned, as incorporators, have this date voluntarily associated themselves together for the purpose of forming a private non-profit membership corporation under and by virtue of the laws of the State of Arizona and do hereby adopt the following Articles of Incorporations:

ARTICLE I

NAME

The name of this corporation shall be COURTLAND VILLAGE II ASSOCIATION.

ARTICLE II

PRINCIPAL OFFICE

The principal place of business and office for the transaction of business of this Association shall be located at 5333 N. 7th Street, Suite 310, Phoenix, Maricopa County, State of Arizona.

ARTICLE III

PURPOSE OF THE ASSOCIATION AND STATEMENT
ON THE CHARACTER OF AFFAIRS OF THE ASSOCIATION

This Association shall be a non-profit corporation without pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residential Lots and Common Areas within that certain tract of property described as:

Lots 1-149 of Courtland Village II as it appears in the books and records of the County of Maricopa, Arizona Book 292 of Maps, Page 3.

And to promote the health, safety and welfare of the residents within the above described Properties and any additions thereto as may hereafter be brought within the jurisdiction of this Association and, for these purposes, to:

(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 and Restrictions, hereinafter called "Declaration", applicable to the property recorded or to be recorded in the Office of the County Recorder of Maricopa County, Arizona, and 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 by any lawful means all charges or assessments pursuant to the terms of said Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of business of the Association, including all licenses, taxes or 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 Association;

(d) Borrow money and, with the assent of two-thirds (2/3) of the votes in each class of membership, 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 Common 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 by Members entitled to cast two-thirds (2/3) of the votes in each class of membership, agreeing to such dedication, sale or transfer;

(f) Participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and common area, provided that any such merger, consolidation or annexation shall be at the sole direction of the Declarant until December 1990, after which date, such action shall have the assent of two-thirds (2/3) of the

votes in each class of membership;

(g) Perform any acts or functions which may be legally carried out by a non-profit corporation organized under the laws of the State of Arizona as they presently exist and as they may be amended.

ARTICLE IV MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association.

ARTICLE V VOTING RIGHTS

The Association shall have two (2) classes of voting membership:

Class A. Class A Members shall be all Owners with the exception of the Developer and shall be entitled to one (1) vote for each Lot owned. When more than (1) person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine; but in no event, shall more than one (1) vote be cast with respect to any Lot.

Class B. The Class B Member(s) shall be the Developer (as defined in the Declaration) and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall 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 the total votes outstanding in the Class B membership,

or

(b) December 31, 1990.

ARTICLE VI
BOARD OF DIRECTORS

The business and affairs of this corporation shall be managed by a Board of not less than three (3) who need not be Members of the Association. The number of directors may be changed by amendment of the Bylaws of the Association. The following persons were elected on December 15, 1985, at Phoenix, Arizona, to serve as directors until the election of their successors.

Alan D. Hamberlin
5333 N. 7th St., Ste. 310
Phoenix, Arizona 85014

Larry H. Gingrich
5333 N. 7th St., Ste. 310
Phoenix, Arizona 85014

William B. Wood
5333 N. 7th St., Ste. 310
Phoenix, Arizona 85014

Thereafter, the Board shall be elected at the regular annual meeting of the Members which shall be held in Phoenix, Maricopa County, Arizona, on a date set forth in the Bylaws.

ARTICLE VII
INITIAL OFFICERS

The initial officers of the Corporation shall be as follows:

Larry H. Gingrich - President

Alan D. Hamberlin - Vice President

William B. Wood - Secretary/Treasurer

ARTICLE VIII
LIABILITIES

The highest amount of indebtedness or liability, direct or contingent, to which this corporation may be subject at any one time shall not exceed ONE HUNDRED FIFTY PERCENT (150%) of its income for the previous fiscal year, except that additional amounts

may be authorized by an affirmative vote of members entitled to cast two-thirds (2/3) of the votes for the membership. The private property of each and every officer, Director or Member of this corporation shall, at all times, be exempt from all debts and liabilities of the corporation.

ARTICLE IX
DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by Members entitled to cast not less than two-thirds (2/3) of the votes for 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 this Association was created. In the event that such dedication is not accepted by an appropriate public agency, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organizations to be devoted to similar purposes as described herein.

ARTICLE X
AMENDMENTS

These Articles may be amended during the first twenty (20) year period by an instrument signed by not less than seventy-five percent (75%) of the lot owners, and thereafter by an instrument signed by not less than fifty-one percent (51%) of the lot owners. Any amendment must be recorded.

ARTICLE XI
DECLARATION

The property which is described in Article III of these Articles is subject to the Declaration of Covenants, Conditions and Restrictions referred to in said Article III; and each purchaser of a Lot in the COURTLAND VILLAGE II subdivision takes his deed subject to all of the rights and obligations, including but

not limited to the levy of assessments, contained in said Declaration of Covenants, Conditions and Restrictions as recorded in recording number 85 605496, Maricopa County.

ARTICLE XII
STATUTORY AGENT

O'Connor, Cavanagh, Anderson, Westover, Killingsworth and Beshears, One East Camelback Road, Suite 1100, Phoenix, Arizona 85012-1656, which is duly authorized by law to act as Statutory Agent in the State of Arizona, is hereby appointed and made the agent to this corporation on whom all notices and processes, including service of summon, may be served and when so served shall be lawful personal service on this corporation. This appointment may be revoked at any time by the filing of the appointment of another agent.

ARTICLE XIII
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: Annexation of additional properties, mergers and consolidations, mortgaging of common area, dedication of common area, dissolution and amendment of these Articles.

ARTICLE IVX
INCORPORATORS

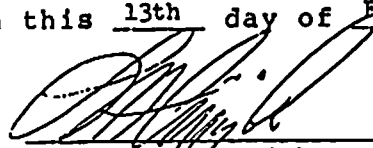
The name and address of the Incorporators are as follows:

Larry H. Gingrich
971 N. 85th Place
Scottsdale, Arizona 85257

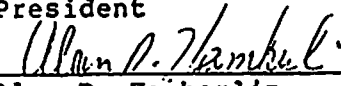
Alan D. Hamberlin
2425 S. El Dorado
Mesa, Arizona 85202

William B. Wood
1113 E. Michelle Drive
Phoenix, Arizona 85022

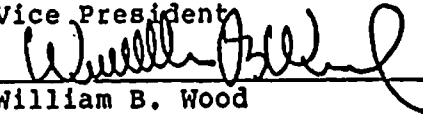
IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Arizona, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 13th day of February 1986.



Larry H. Gingrich
President



Alan D. Hamberlin
Vice President



William B. Wood
Secretary-Treasurer

STATE OF ARIZONA)
) ss:
COUNTY OF MARICOPA)

The foregoing Articles of Incorporation for COURTLAND VILLAGE II were acknowledged before me this 13 day of February, 1986 by Larry H. Gingrich, Alan D. Hamberlin and William B. Wood.



Notary Public

My commission expires:
December 26, 1987