

ARTICLES OF INCORPORATION
OF
COUNTRY CLUB HEIGHTS
UNIT THREE TOWNHOUSE CORPORATION

In compliance with the requirements of Article 10, Title 10, Arizona Revised Statutes, the undersigned, all of whom are residents of the State of Arizona and all of whom are of full age, have this day voluntarily associated themselves together as Incorporators for the purpose of forming a corporation not for profit and do hereby certify:

ARTICLE I

The name of the corporation is COUNTRY CLUB HEIGHTS UNIT THREE TOWNHOUSE CORPORATION, hereinafter called the "Association."

ARTICLE II

The principal office of the Association is located at Phoenix, Maricopa County, Arizona.

ARTICLE III

FERRIS W. BELLAMAK, whose address is 7020 Third Avenue, Scottsdale, Arizona 85251 and who has been a resident of the State of Arizona for the last three years, is hereby appointed the initial Statutory Agent of the Association.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate 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 residence Lots and Common Area within that certain tract of property situate in Maricopa County, Arizona, and described as:

Lots One (1) through One Hundred Fifty Two (152), inclusive, and Tracts A, B, C & D, inclusive, COUNTRY CLUB HEIGHTS UNIT THREE AMENDED, per Map recorded in Book 151 of Maps, Page 2, in the office of the County Recorder of said County,

and to promote the health, safety and welfare of the residents within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association by annexation, as provided in Article IX herein, and for this purpose 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 the "Declaration", applicable to the property and recorded or to be recorded in the Office of Maricopa County Recorder, Phoenix, 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 the Declaration; to 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 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;

(d) Borrow money, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; and

(e) Have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Arizona by law may now or hereafter have or exercise.

ARTICLE V

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. No owner shall have more than one

membership. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

ARTICLE VI

VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all those Owners as defined in Article V with the exception of the Declarant. Class A members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Article V. When more than one person holds such 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 vote be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant (as defined in the Declaration). The Class B member shall be entitled to three (3) votes for each Lot in which it holds the interest required for membership by Article V, provided that the Class B membership shall cease and be converted to Class A membership or 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) August 1, 1973.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of not less than four (4) nor more than six (6) Directors, who need not be members of the Association. The number of directors may be changed by amendment of the By-Laws of the Association. The following persons were elected June 2, 1972 at Phoenix, Arizona, to serve as Directors until the election of their successors:

OTTO W. SPITZ
N 115 W 16628 Royal Court
Lake Park Germantown
Wisconsin 53022

VIRVE SPITZ
N 115 W 16628 Royal Court
Lake Park Germantown
Wisconsin 53022

HOWARD C. McCOY
10050 N. 26th Street
Phoenix, Arizona 85028

ERMA LEE McCOY
10050 N. 26th Street
Phoenix, Arizona 85028

Thereafter the Board shall be elected at the regular annual meeting of the Members which shall be held at Phoenix, Maricopa County, Arizona, on the 2nd Tuesday of May commencing with the year 1973. At the first annual meeting the members shall elect two directors for a term of one year, two directors for a term of two years and two directors for a term of three years; and at each annual meeting thereafter the members shall elect the number of directors necessary to fill any expired terms.

ARTICLE VIII
LIABILITIES

Any indebtedness or liability, direct or contingent, must be authorized by an affirmative vote of a majority of the votes cast by the members of the Board of Directors at a lawfully held meeting, and approved by the Arizona Corporation Commission, to the extent required by the laws of the State of Arizona. 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 two-thirds (2/3) of the membership. The private property of each and every officer, director and member of this corporation shall, at all times, be exempt from all debts and liabilities of the corporation.

ARTICLE IX
ANNEXATION OF ADDITIONAL PROPERTIES

Except as set out in Section 2, Article II of the Declaration of Covenants, Conditions and Restrictions, the Association may, at any time, annex additional residential properties and common areas to the Properties described in Article IV and so add to its membership under the provisions of the Article V, provided that any such annexation shall

have the assent of two-thirds (2/3) of the entire Class A membership and two-thirds (2/3) of the entire Class B membership, if any.

ARTICLE X

MERGERS AND CONSOLIDATIONS

To the extent permitted by law, the Association may participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of the entire Class A membership and two-thirds (2/3) of the entire Class B membership, if any.

ARTICLE XI

AUTHORITY TO MORTGAGE

Any mortgage by the Association of the Common Area defined in the Declaration shall have the assent of two-thirds (2/3) of the entire Class A membership and two-thirds (2/3) of the Class B membership, if any.

ARTICLE XII

AUTHORITY TO DEDICATE

The Association shall have power to 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 be 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 of the entire Class A membership and two-thirds (2/3) of the entire Class B membership, if any, agreeing to such dedication, sale or transfer.

ARTICLE XIII
DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of the entire Class A membership and two-thirds (2/3) of the entire Class B membership, if any. Upon dissolution of the Association, the assets, both real and personal of the Association shall be dedicated to an appropriate public agency to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to purposes and uses that would most nearly reflect the purposes and uses to which they were required to be devoted by the Association.

ARTICLE XIV
DURATION

The time of the commencement of this corporation shall be the issuance of it of a Certificate of Incorporation by the Arizona Corporation Commission, and the termination thereof shall be twenty-five (25) years from and after said date with the privilege of renewal as provided by law.

ARTICLE XV

MEETINGS FOR ACTIONS COVERED BY
ARTICLES VIII THROUGH XIII

In order to take action under Articles VIII through XIII, there must be a duly held meeting. Written notice, setting forth the purpose of the meeting shall be given to all members not less than 15 days nor more than 60 days in advance of the meeting. The presence of members or of proxies entitled to cast sixty percent (60%) of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth above, and the required quorum at such subsequent meeting shall be one-half of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting. In the event that two-thirds (2/3) of the Class A membership or two-thirds (2/3) of the Class B membership, if any, are not present in person or by proxy, members not present may give their written assent to the action taken thereat.

ARTICLE XVI

AMENDMENTS

Amendment of these Articles shall require the assent of 75 percent (75%) of the entire membership.

IN WITNESS WHEREOF, for the purpose of forming this Association under the laws of the State of Arizona, we, the undersigned, constituting the incorporators of this

Association, have executed these Articles of
Incorporation this 21st day of June, 1972.

Otto W. Spitz
OTTO W. Spitz, Incorporator
N 115 W 16628 Royal Court
Lake Park Germantown, Wisconsin

Virve Spitz
Virve Spitz, Incorporator
N 115 W 16628 Royal Court
Lake Park Germantown, Wisconsin

Howard C. McCoy
Howard C. McCoy, Incorporator
10050 N. 26th Street
Phoenix, Arizona 85028

Erma Lee McCoy
Erma Lee McCoy, Incorporator
10050 N. 26th Street
Phoenix, Arizona 85028

STATE OF ARIZONA }
County of Maricopa } ss:

On this, the 21st day of June, 1972, before the undersigned notary public, personally appeared OTTO W. SPITZ, VIRVE SPITZ, HOWARD C. McCOY and ERMA LEE McCOY, known to me to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

William R. Cooke
Notary Public

My commission expires:
June 13, 1976

87659

ARIZONA CORPORATION COMMISSION
INCORPORATING DIVISION

FILED

JUN 28 1972

W.P.

(7) 500 - Profit

At 2:40 P.M. at request of

Pellegrino & Mitchell, atty.

Address 7000 - 3rd Ave -

P.O. Box 1296 - Scottsdale, Ariz. 85252

By Paul J. King

SECRETARY

George W. Kempney

R. 8682

7/1/72 OK. in
Article checked
by - [unclear]