

ARTICLES OF INCORPORATION

OF

WINFIELD PHASE I ASSOCIATION, INC.

AT 3000 COMMISSION  
PHOENIX, ARIZONA

MAY 12 3 57 PM '81

APPROVED BY \_\_\_\_\_  
DAY \_\_\_\_\_ 6/5  
TELEPHONE \_\_\_\_\_ 138315  
DATE \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, having associated ourselves together for the purpose of forming a non-profit corporation under and by virtue of the laws of the State of Arizona, do hereby adopt the following Articles of Incorporation.

ARTICLE I - NAME. The name of this corporation shall be WINFIELD PHASE I ASSOCIATION, INC. (sometimes referred to as the "Condominium Association").

ARTICLE II - INCORPORATORS: The names and addresses of the incorporators are as follows:

Tim Fyke  
3300 North Central Avenue  
Suite 1800  
Phoenix, Arizona 85012

Gail Schleinz  
3300 North Central Avenue  
Suite 1800  
Phoenix, Arizona 85012

ARTICLE III - PURPOSE. The purpose for which this corporation is formed is to act as a "residential real estate management association" within the meaning of Section 528 of the Internal Revenue Code of 1954, and any amendments thereto; to provide for the maintenance of the common elements and facilities and to act as the council of co-owners (as that term is used in §33-551, et seq., Arizona Revised Statutes) for WINFIELD PLACE Phase I, a condominium development (the "Development"),

for the benefit of all the owners of Units therein, as contemplated and provided for in that certain Declaration Submitting Property to Horizontal Property Regime Together with Additional Covenants, Conditions and Restrictions for Phase I, Winfield Place, recorded in Docket 13987, commencing at page 1231; and re-recorded in Docket 14035, commencing at page 1557; records of Maricopa County, Arizona ("Condominium Declaration"); the Condominium Plat therein referred to recorded in Book 217 of Maps, page 1, records of Maricopa County, Arizona; the Plan Ownership and Declaration of Covenants, Conditions and Restrictions recorded in Docket 13987, commencing at page 1201, records of Maricopa County, Arizona ("Master Declaration"); and to perform all of the duties and obligations and exercise all of the powers and privileges of the Condominium Association as set forth in the Condominium Declaration and the Master Declaration; and to conduct any and all lawful affairs for which non-profit corporations may be incorporated pursuant to Chapter 5 of Article 10 of Arizona Revised Statutes.

No part of the net earnings of this corporation shall inure (other than by acquiring, constructing or providing management, maintenance and care of Condominium Association property, and other than a rebate of excess membership dues, fees or assessments) to the benefit of any member, owner, director or other individual; provided that the provisions of the Condominium Declaration shall prevail as to distributions upon condemnation or destruction of assets. The Condominium Association shall not

Association shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax under Section 528 of the Internal Revenue Code of 1954, as amended.

ARTICLE IV - INITIAL BUSINESS. The character of the business the corporation initially intends to conduct in Arizona is acting as the council of co-owners, as set forth in §33-551, et seq., Arizona Revised Statutes, and homeowners association assessing its members and providing for the maintenance, repairs and activities for the Development as contemplated by and provided in the Condominium Declaration and the Master Declaration.

ARTICLE V - MEMBERSHIP. This corporation shall be a non-stock corporation and shall be owned equally by its members who shall also constitute and be collectively called the Condominium Association or Council of Co-Owners, and no dividends or, pecuniary profits shall be paid to its members. Membership in the Condominium Association shall be limited to Owners of Units in the Development, and all of the Owners of Units in the Development shall be members of the Condominium Association. An Owner's membership in the Condominium Association shall cease and terminate, immediately, upon the Owner ceasing to be an Owner of a Unit in the Development. Membership in the Condominium Association, and any member's share, right, title or interest in and to the funds or assets of the

Condominium Association cannot be transferred, assigned or hypothecated in any manner whatsoever, except as an appurtenance to the member's ownership of a Unit in the Development. The aggregate number of votes for all members of the Association shall be one hundred (100), and each member of the Association shall be entitled to cast the number of votes for each Unit owned as that Unit's percentage of ownership of the Common Elements, all as set forth in the Condominium Declaration. In the event that more than one Unit is owned by an individual, firm, partnership or corporation, that individual, firm, partnership or corporation shall be entitled to as many votes as is set forth in the Declaration for the Units so owned. Other limitations, privileges, obligations and rights of membership in the Association are set forth in the Declaration.

ARTICLE VI - BOARD OF DIRECTORS. The affairs of the Condominium Association shall be conducted by a Board of who shall be selected in the manner herein stated and as stated in the By-Laws. The initial Board shall consist of three (3) individuals. Declarant shall have the right to select all directors until July 1, 1980, or until the date upon which twenty-five percent (25%) of the Units have been conveyed by the Declarant to ultimate purchasers thereof as evidenced by recorded deeds (or recorded Agreement of Sale), whichever date is first in time. Within thirty (30) days after that date a meeting of the members shall be called and by majority vote of the members of the

Association, other than Declarant, one (1) additional member of the Board shall be elected. Similarly, a second additional member shall be elected at a meeting of the members held within thirty (30) days after fifty percent (50%) of the Units are sold, or within thirty (30) days after December 31, 1980, whichever date is first to occur. Declarant shall continue to have the right to appoint and designate three (3) directors until the date seventy-five percent (75%) of the Units are sold, or July 1, 1981, whichever date is first to occur. Thereupon all members of the Board shall be elected by the members. After the date Declarant no longer has the right to appoint directors, the Board shall consist of not less than five (5) nor more than eleven (11) persons. Except for individuals designated by Declarant each director shall be an Owner or a member of the immediate family of an Owner (or if an Owner is a corporation, partnership or trust, a director may be an officer, director, partner or beneficiary of such Owner). Board members shall serve until their successors are designated by Declarant or elected and qualified, as applicable. If a director shall cease to meet such qualifications during his term, he will thereupon cease to be a director and his place on the Board shall be deemed vacant. Any vacancy in the initial three (3) positions on the Board shall be filled by a person designated by Declarant until the date Declarant no longer has such rights. Thereafter, all vacancies

shall be filled in accordance with law. The following persons shall constitute the initial Board of Directors, to serve until their successors are selected or elected:

Michael W. Martindale  
7430 East Chaparral Road  
Scottsdale, Arizona

Edward Allen  
7430 E. Chapparal Road  
Scottsdale, Arizona

Richard McNabb  
1140 West 7th Avenue  
Vancouver, British Columbia  
Canada V6H 1B4

ARTICLE VII - CONFLICT OF INTEREST. To the maximum extent allowed by applicable law, no contract, agreement, transaction or arrangement between this corporation and any person, corporation, partnership or other entity shall be affected or invalidated in any way by the fact that any one or all of the directors or officers of this corporation are pecuniarily or otherwise interested in same or are the directors partners, officers or other personnel of any such other corporation, partnership or entity. No director or officer shall be incapacitated or in any way prohibited from acting or voting by reason of any interest in the contract, agreement, transaction or arrangement and no person, corporation, partnership or other entity, shall be liable to account to this corporation for any profit realized on account of any such contract, agreement, transaction or arrangement by reason of such interest, unless it is affirmatively

shown that said profit, was obtained through actual fraud.

ARTICLE VIII - LIMITATIONS. As set forth in the Condominium Declaration and the Master Declaration, the Condominium Association is subject to certain limitations, and no amendment to these Articles, nor any action taken by the Condominium Association shall be contrary to, or in conflict with, the limitations and other matters set forth in the Condominium Declaration and the Master Declaration.

ARTICLE IX - INDEMNIFICATION. The directors shall be indemnified in connection with actions taken while a director, in accordance with Arizona law.

ARTICLE X - INCONSISTENCIES. In the event that any part or provision of these Articles of Incorporation are in conflict or inconsistent with the Condominium Declaration or the Master Declaration, the terms and provisions of the Condominium Declaration and the Master Declaration shall prevail and supersede such conflicting or inconsistent provisions hereof.

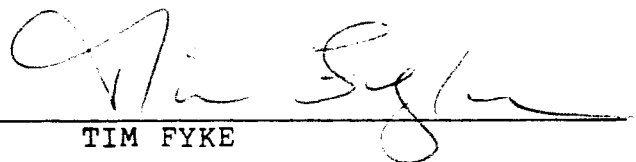
ARTICLE XI - AMENDMENTS. Subject to the terms and conditions herein set forth, and expressly subject to the terms and conditions of the Condominium Declaration and Master Declaration, these Articles of Incorporation may be amended, altered or repealed only by the affirmative vote of a majority of the votes of the members of the Association then entitled to vote at any regular or special meeting, in person or by proxy,

and upon fifteen (15) days' prior written notice to all First Mortgagees (as defined in the Condominium Declaration).

ARTICLE XII - BY-LAWS. The initial By-Laws of the Association may be adopted by the Board of Directors, herein designated. Amendments, alterations and repeal of the By-Laws may be made only upon the affirmative vote of a majority of votes of the members of the Condominium Association then entitled to vote at any regular or special meeting, in person or by proxy and upon fifteen (15) days' prior written notice to all First Mortgagees (as defined in the Condominium Declaration). The By-Laws and any amendments or alterations thereto shall be valid only if consistent with the Declaration and these Articles of Incorporation.

ARTICLE XIII - STATUTORY AGENT. This corporation does hereby appoint Tim Fyke, 3300 North Central Avenue, Suite 1800, Phoenix, Arizona 85012, as its initial statutory agent.

IN WITNESS WHEREOF, we have hereunto set our hands this 12th day of May, 1980.

  
TIM FYKE

  
GAIL SCHLEINZ