

ARTICLES OF INCORPORATION
OF
CONTINENTAL VILLAS
ASSOCIATION

In compliance with the requirements of Article 16, 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 for the purpose of forming a corporation not for profit and do hereby certify:

ARTICLE I

The name of the corporation is CONTINENTAL VILLAS ASSOCIATION, hereinafter called the "Association".

ARTICLE II

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

ARTICLE III

HARVEY E. MINKLER, whose address is 3443 North Central Avenue, Phoenix, Arizona 85012, is hereby appointed the initial registered agent of this 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 Areas within that certain tract of property described as:

RECORDED DOCKET 7463, Page ¹⁶³⁻¹⁷⁴ ~~164-173~~, February 4, 1969
RETYPE & DISTRIBUTED: May 1981

CONTINENTAL VILLAS - a subdivision of part of the Southwest quarter Section 12, Township 2 North, Range 4 East, Gila and Salt River Base and Meridian, Maricopa County, Arizona, as recorded in Book 121, Page 35, official records Maricopa County, Arizona.

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) to 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) on January 1, 1971.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of 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 January 31, 1969 at Phoenix, Arizona, to serve as Directors until the election of their successors:

JOHN W. PAYNE
1004 North 27th. Avenue
Phoenix, AZ. 85009

RICHARD GAFFNEY
1004 North 27th. Avenue
Phoenix, AZ. 85009

JOHN B. HYMAN
1004 North 27th. Avenue
Phoenix, AZ. 85009

GENE BILYEU
1004 North 27th. Avenue
Phoenix, AZ. 85009

CLYDE WILLIAMS
1004 North 27th. Avenue
Phoenix, AZ. 85009

MRS. VIRGINIA NULTY
1004 North 27th. Avenue
Phoenix, AZ. 85009

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 first Tuesday of February commencing with the year 1970. 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 two directors for a term of three years.

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 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 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 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 practicably 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 to it of the 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 GOVERNED 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 30 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, except for Article IX, Section 2, where the quorum requirement is specifically set forth. 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.

ARTICLE XVII

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 Administrations: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

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 28th day of January, 1969.

R.P.R. ENTERPRISES, INC.

HARRY M. RUBENSTEIN, President
1004 North 27th. Avenue
Phoenix, Arizona 85009

JOHN W. PAYNE, Secretary
1004 North 27th. Avenue
Phoenix, Arizona 85009

JOHN B. HYMAN
1004 North 27th. Avenue
Phoenix, Arizona 85009

RICHARD GAFFNEY
1004 North 27th. Avenue
Phoenix, Arizona 85009

GENE BILYEU
1004 North 27th. Avenue
Phoenix, Arizona 85009

STATE OF ARIZONA)
County of Maricopa) SS.

On this, the 28 day of January, 1969, before me, the undersigned Notary Public, personally appeared:

known to me to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same.

WITNESS my hand and official seal.

ELEANOR McNABB

Notary Public

My commission expired:

My Commission Expires Oct. 16, 1970

STATE OF ARIZONA)
County of Maricopa) SS.

On this, the 28 day of January, 1969, before me, the undersigned Notary Public, personally appeared Harry M. Rubenstein and John W. Payne, who acknowledged themselves to be the President and Secretary, respectively, of R.P.R. Enterprises, Inc., an Arizona corporation, and that they as such officers, being suthorized so to do executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by themselves as such officers.

IN WITNESS THEREOF, I hereunto set my hand and officcal seal.

ELEANOR McNABB

Notary Public

My commission expires:

My Commission Expires Oct. 16, 1970

AZ STATE COMMISSION
FOR THE STATE OF AZ.

DEC 27 9 14 AM '93
APPR *Christine J...*
DATE APR 28 1994
TERM _____ TIME _____
DATE _____ #0075155-7

NONPROFIT AMENDMENT
ARTICLES OF AMENDMENT
TO
ARTICLES OF INCORPORATION
OF
CONTINENTAL VILLAS ASSOCIATION

Pursuant to the provisions of Title 10, Sections 1034 and 1035, Arizona Nonprofit Corporation Act, the undersigned corporation adopts the attached Articles of Amendment to its Articles of Incorporation:

FIRST: The name of the corporation is CONTINENTAL VILLAS ASSOCIATION

SECOND: The document attached hereto as Exhibit A sets for the amendment to the Articles of Incorporation which were adopted by a majority of the members of the corporation on December 20, 1993, in the manner prescribed by the Arizona Nonprofit Corporation Act.

THIRD: The resolution of the Board of Directors to amend the Articles of Incorporation was duly adopted by an act of the members of the corporation on December 20, 1993 in the manner prescribed by the Arizona Nonprofit Corporation Act.

DATED 22 December, 1993

CONTINENTAL VILLAS ASSOCIATION

BY: *Susan Crawford*
SUSAN CRAWFORD

TITLE President

BY: *Dave M. Gibson*
DAVE GIBSON

TITLE: Secretary

STATE OF ARIZONA)
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 22nd day of DECEMBER, 1993, by Susan Crawford and Dave Gibson, President and Secretary respectively, of CONTINENTAL VILLAS ASSOCIATION, an Arizona Corporation, on behalf of said corporation.

My Commission Expires April 28, 1994

Theresa Scathop
Notary Public

EXHIBIT A

ARTICLES OF AMENDMENT
TO THE

ARTICLES OF INCORPORATION
OF
CONTINENTAL VILLAS ASSOCIATION

1. ARTICLE XIV is amended to read as follows:

ARTICLE XIV DURATION "The time of commencement of this corporation shall be the issuance to it of the Certificate of Incorporation by the Arizona Corporation Commission, and the duration shall be perpetual."