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ARTICLES OF INCORPORATION

MAR 10 1987

OF

CLUB SCOTTSDALE CONDOMINIUM ASSOCIATION

ARIZONA CORP. COMMISSION
CORPORATIONS DIVISION

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, have this day associated ourselves for the purpose of forming a corporation under the laws of the State of Arizona, and for that purpose do hereby adopt the following Articles of Incorporation.

1. Name. The name of this corporation (hereinafter "Association") is CLUB SCOTTSDALE CONDOMINIUM ASSOCIATION.

2. Duration. The period of duration of the Association shall be perpetual.

3. Principal Place of Business. The principal office for the transaction of business of the Association is located in Maricopa County, Arizona.

4. Statutory Agent. The name and address of the initial Statutory Agent for the Association are:

David W. Kreutzberg, Esq.
Storey & Ross
Court One - Fourth Floor
4742 North 24th Street
Phoenix, Arizona 85016

5. Nonprofit Corporation. This Association is organized as a nonprofit corporation under the laws of the State of Arizona.

6. Purpose and Powers. This Association does not contemplate the distribution of gains, profits or dividends to its Members and the specific primary purposes for which it is formed are to provide for the acquisition, construction, management, operation, administration, maintenance, repair, improvement, preservation and architectural control of the Common Elements and Association property within that certain tract of property situated in Scottsdale, Maricopa County, Arizona, which is more particularly described in that certain Declaration of Covenants, Conditions and Restrictions (the "Declaration") which was recorded on the 6th day of March, 1987, as Document No. 87 137049, of the official records of the Maricopa County Recorder, and to promote the health, safety and welfare of all of the residents within the above-described Property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose, all according to the Declaration.

In furtherance of said purposes, this Association shall have the powers to:

a. Perform all of the duties and obligations of the Association as set forth in the Declaration;

b. Fix, levy, collect and enforce Assessments and fines as set forth in the Declaration;

c. Pay all expenses and obligations incurred by the Association in the conduct of its business, including without limitation all licenses, taxes or governmental charges levied or imposed against the property owned by the Association (not including Common Elements);

d. 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 (but Common Elements are owned by Owners as provided in the Declaration);

e. Borrow money and, only with the assent (by vote or written consent) of two-thirds (2/3) of each class of "Members" (as defined in the Declaration), mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property (not including Common Elements owned by Owners) as security for money borrowed or debts incurred;

f. Grant easements over the Common Elements to any public agency, authority or utility company as provided in the Declaration;

g. Convey the Common Elements or subject the same to a Mortgage or other security interest, further subject to the provisions of the Declaration and the Arizona Condominium Act.

h. Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, provided that any merger or consolidation shall have the assent of Members as required by the Arizona Condominium Act, further subject to the provisions of the Declaration; and

i. Have and exercise any and all powers, rights and privileges which a corporation organized under the Arizona Nonprofit Corporation Act and Arizona Condominium Act by law may now or hereafter have or exercise.

7. Membership Voting Rights. The number and qualifications of Members of the Association, the different classes of membership, if any, the property, voting and other rights and privileges of Members, their liability for "Assessments" (as

defined in the Declaration) and the method of collection thereof shall be as set forth in the Declaration and Bylaws.

8. Board of Directors. The affairs of this Association shall be managed by a Board of not less than three (3) nor more than seven (7) Directors (the exact number of which shall be fixed by the Bylaws, or amendments thereof, duly adopted by the members or by the Board of Directors). While Class B Membership exists, the Directors are appointed by Declarant and a Director may be a Condominium Unit Owner or an agent of Declarant (while Declarant remains a Unit Owner) as provided more fully in the Bylaws. After Class B Membership terminates, the Directors are elected by the entire Association Membership and at least a majority of the Directors must be Condominium Unit Owners. The number of Directors may be changed by amendment to the Bylaws of the Association. The initial Board of Directors, the members of which shall serve until their successors are elected or appointed according to the Bylaws, is as follows:

LARRY S. KUSH
3933 South McClintock
Suite 505
Tempe, Arizona 85282

BRUCE W. BILTON
3933 South McClintock
Suite 505
Tempe, Arizona 85282

SUZANN KASMAR
3933 South McClintock
Suite 505
Tempe, Arizona 85282

9. Dissolution. In the event of the dissolution, liquidation or winding up of the Association, after paying or adequately providing for the debts and obligations of the Association, the Directors or Persons in charge of the liquidation shall divide the remaining assets among the Members in accordance with their respective rights therein as set forth in the Declaration, except as otherwise required by law.

10. Amendments. These Articles may be amended by the vote or written assent of Members representing seventy-five percent (75%) of the total voting power of the Association, provided however, that the percentage of the voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause or provision. For so long as two classes of membership exist, amendment of the Articles shall require the vote or written assent of the prescribed percentage of each class of membership. The Bylaws may be amended by the Members as provided in the Bylaws.

11. FHA/VA Approval. As long as there is Class B Membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration if either of those agencies has approved the proposed development plan of the Project: annexation of additional properties, mergers and consolidations, mortgage of Common Elements, dedication of Common Elements, and dissolution and amendment of these Articles.

12. Incorporators. The Incorporators and their names and addresses are:

David W. Kreutzberg, Esq.
Storey & Ross
Court One - Fourth Floor
4742 North 24th Street
Phoenix, Arizona 85016

Phyllis H. Parise, Esq.
Storey & Ross
Court One - Fourth Floor
4742 North 24th Street
Phoenix, Arizona 85016

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 10th day of March, 1987.

By *David W. Kreutzberg*
DAVID W. KREUTZBERG
Incorporator

By *Phyllis H. Parise*
PHYLLIS H. PARISE
Incorporator