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AZ CORP COMMISSION

602 5424100 P.02/08

STATE OF ARIZONA
ACC/FAX
DATE FILED

OCT 30 1998

DATE APPR 10/30/98
BY [Signature]
-0815784-0

ARTICLES OF INCORPORATION

OF

COTTONWOOD VILLAS CONDOMINIUM OWNERS ASSOCIATION

In compliance with the requirements of § 10-2301, et seq., Arizona Revised Statutes, the undersigned, who is a person capable of contracting, does hereby certify:

ARTICLE I
NAME

The name of the corporation is Cottonwood Villas Condominium Owners Association (the "Association").

ARTICLE II
DEFINED TERMS

Capitalized terms used in these Articles of Incorporation without definition shall have the meanings specified for such terms in the Amended and Restated Condominium Declaration for Cottonwood Villas recorded at Recorder's No. 98-0851946, records of Maricopa County, Arizona.

ARTICLE III
PRINCIPAL OFFICE

The principal office of the Association shall be located at 8500 East Indian School Road, Suite 102, Scottsdale, Arizona 85251.

ARTICLE IV
STATUTORY AGENT

Jonathan R. Feldman, whose address is One East Camelback Road, Suite 1100, Phoenix, Arizona 85012-1656, and who has been a bona fide resident of the State of Arizona for more than three (3) years last past, is hereby appointed and designated as the initial statutory agent for the Association.

ARTICLE V
PURPOSE OF THE ASSOCIATION

The object and purpose for which the Association is organized is to provide for the management, maintenance and care of the Common Elements and other property owned by the

Association or property placed under its jurisdiction and to perform all duties and exercise all rights imposed on or granted to the Association by the Condominium Documents. In furtherance of, and in order to accomplish the foregoing object and purpose, the Association may transact any or all lawful business for which corporations may be incorporated under the laws of the State of Arizona, as they may be amended from time to time.

ARTICLE VI CHARACTER OF BUSINESS

The character of the business which the Association intends to conduct in Arizona is to provide for the management, maintenance and care of the Common Elements and to exercise and perform such other powers and duties as are imposed on or granted to the Association by the Condominium Documents.

ARTICLE VII MEMBERSHIP AND VOTING RIGHTS

Membership in the Association shall be limited to Unit Owners of Units. Each Unit Owner shall have such rights, privileges and votes in the Association as are set forth in the Condominium Documents.

ARTICLE VIII BOARD OF DIRECTORS

The number of directors constituting the initial Board of Directors shall be three (3). The names and addresses of the initial directors of the Association who shall serve until the first annual meeting of the Members or until their successors are elected and qualified are as follows:

<u>Name</u>	<u>Mailing Address</u>
Lewis Martin	832 Norwick Road Newmarket, Ontario L3X 1K8 Canada
John Cranfield	142 Senator Reesors Drive Markham, Ontario L3P 3E7 Canada
Mary Martin	16745 E. Saguaro Blvd., #105 Fountain Hills, Arizona 85268

The Board shall adopt the initial Bylaws of the Association. The power to alter, amend or repeal the Bylaws is reserved to the Members except that during the Period of Declarant

Control, the Declarant, without the consent of any Unit Owner, shall have the right to amend the Bylaws in order to: (i) comply with the Condominium Act or any other applicable law if the amendment does not adversely affect any Unit Owner; (ii) correct any error or inconsistency in the Bylaws if the amendment does not adversely affect the rights of any Unit Owner; or (iii) comply with the requirements or guidelines in effect from time to time of any governmental or quasi-governmental entity or federal corporation guarantying or insuring mortgage loans or governing transactions involving mortgage instruments including, without limitation, the Federal National Mortgage Association ("FNMA"), the Federal Home Loan Mortgage Corporation ("FHLMC"), the Federal Housing Administration ("FHA") or the Veterans Administration ("VA"). So long as the Declarant owns any Unit, any amendment of the Bylaws must be approved in writing by the Declarant.

ARTICLE IX OFFICERS

The following persons shall be the initial officers of the Association and shall hold the positions opposite their names until the first annual meeting of the Association and until their successors have been elected and qualified:

Lewis Martin	President
John Cranfield	Vice President
Mary Martin	Secretary/Treasurer

ARTICLE X LIMITATION ON LIABILITY OF DIRECTORS

The personal liability of a director of the Association to the Association or its Members for monetary damages for breach of his or her fiduciary duties as a director is hereby eliminated to the extent permitted by the Arizona Nonprofit Corporation Act, as it may be amended from time to time.

ARTICLE XI AMENDMENTS

These Articles of Incorporation may be amended by Members representing at least eighty percent (80%) of the total authorized votes entitled to be cast by Members of the Association; provided, however, that the Declarant, during the Period of Declarant Control, and thereafter the Board, without a vote of Members, may amend these Articles of Incorporation in order to conform these Articles of Incorporation to the requirements or guidelines of the FNMA, the FHLMC, the FHA, the VA or any federal, state or local governmental agency whose approval of the Condominium, the Plat or the Condominium Documents is required by law or requested by the Declarant or the Association. So long as the Declarant owns any Unit, any amendment to these Articles of Incorporation must be approved in writing by the Declarant.

ARTICLE XII DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by Unit Owners representing not less than eighty percent (80%) of the total authorized votes entitled to be cast by the Members. 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 the Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed or assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purpose.

ARTICLE XIII FHA/VA APPROVAL

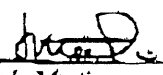
To the extent that any First Mortgages insured by the FHA or guaranteed by the VA are held on any of the Units at the time of the following described actions, and to the extent that it is required by any regulations governing FHA/VA mortgages, until the expiration of the Period of Declarant Control, the following actions will require the prior approval of the FHA or the VA; (i) mergers and consolidations; (ii) mortgaging of Common Elements; (iii) amendment of the Declaration; and (iv) termination of the Condominium. In addition, no additional property may be annexed to the Condominium without the prior written consent of the FHA, the VA, the FNMA and the FHLMC, to the extent that each holds, insures or guarantees any mortgage in the Condominium at the time of the proposed annexation.

ARTICLE XIV INCORPORATOR

The name and address of the incorporator of the Association is:

Name	Address
Lewis Martin	832 Norwick Road Newmarket, Ontario L3X 1K8 Canada

Dated this 28th day of September, 1998.



Lewis Martin

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ACCEPTANCE OF APPOINTMENT AS STATUTORY AGENT

The undersigned, having been designated to act as statutory agent for the Association, hereby accepts such appointment and agrees to act in that capacity until removal or resignation is submitted in accordance with applicable provisions of the Arizona Revised Statutes.

Dated this 23 day of September 1998.

Jonathan R. Feldman

