

Monday *Ed New*

ARTICLES OF INCORPORATION
OF
CENTURY PLACE TOWNHOME CORP.

KNOW ALL MEN BY THESE PRESENTS:

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

ARTICLE I

The name of the corporation shall be CENTURY PLACE TOWNHOME CORP., and its principal place of business shall be at 56th Street and Oakhurst Way in Phoenix, Arizona, but other offices may be established and maintained within Maricopa County, Arizona, at such places as the Board of Directors may designate, where meetings of members of the corporation and Directors may be held.

ARTICLE II

The purpose for which this corporation is formed shall be non-profit and the general nature of the activities of the corporation shall be the following:

To create an organization consisting of members who are or become owners of property in and known as Century Place Townhomes, 56th Street and Oakhurst Way, Phoenix, Arizona, hereinafter referred to as the Subdivision:

To provide for the maintenance of common areas;

To own, purchase, acquire, hold, sell, assign, transfer, mortgage, control, manage, maintain and repair real and personal property, but not more than is reasonably necessary for the objects of the corporation;

To provide services for the members;

To levy and collect assessments against each lot owner and each lot in said Subdivision, to provide necessary funds to carry out the purpose and activities of the corporation;

To maintain and enforce any and all deed restrictions or any Declaration of Restrictions which are or may become applicable to said Subdivision;

To expel or suspend members of the association for misconduct or nonpayment of assessments and to restore membership to such persons expelled or suspended;

To borrow money and issue bonds, debentures, notes, contracts, and other evidences of indebtedness or obligations, and to invest or lend its funds, and to make and perform contracts of every kind and description, and to do any and all things which a natural person might or could do, and which now or hereafter may be authorized by law, and to do all other things incident to or implied from the foregoing, consistent with the lawful objects of a non-profit corporation;

To establish and adopt Bylaws and rules and regulations deemed necessary and expedient to carry into effect the objects and purposes heretofore recited in accordance with the laws of the State of Arizona relating to a non-profit corporation.

The designation of any object, purpose or activity shall not be construed to be a limitation or qualification, or in any manner to limit or restrict the objects, purposes or activities of the corporation, consistent with the lawful objects of a non-profit corporation.

ARTICLE III

The commencement of this corporation shall be from the date of issuance of a Certificate of Incorporation by the Corporation Commission of the State of Arizona, and it shall endure until the termination thereof as provided by the laws of the State of Arizona.

ARTICLE IV

The affairs of the corporation shall be conducted by a Board of Directors and such officers as the Directors may elect or

appoint. All Directors must be members of the corporation, but the officers need not be members of the corporation. The number of Directors shall not be fewer than three (3), nor more than seven (7). The organization meeting of the corporation was held on the 11th day of May, 1972, at the hour of 10:00 o'clock A.M. at 34 West Monroe Street, Phoenix, Arizona, and the following Directors were elected until the election of their successors.

JAMES ANDROPOULOS
ANGELINE ANDROPOULOS
ERNEST G. CHEONIS

Directors shall be elected by the members of the corporation at the annual meeting thereof to be held on the first Friday in the month of May, beginning in May of 1973. Directors shall hold office for three (3) years, or until their successors are elected and qualified, except that at the annual meeting to be held in May 1973, the first two (2) Directors to be elected shall be elected for a term of one (1) year; the second two (2) Directors to be elected shall be elected for a term of two (2) years, and any other Directors shall be elected for a term of three (3) years, so as to stagger the terms of office of the Directors. Any vacancy occurring on the Board of Directors by reason of death, resignation, or disqualification of any such Director shall be filled by the remaining Directors, such replacement Director to serve the unexpired portion of the prior Director's term. The Board of Directors is expressly authorized to adopt, amend and rescind Bylaws for the corporation, and to appoint from their own members an Executive Committee and to vest said Committee with all powers granted the Directors by these Articles.

ARTICLE V

The highest amount of indebtedness or liability, direct or contingent to which the corporation is any time to subject itself is Five Hundred Thousand Dollars (\$500,000.00).

ARTICLE VI

The private property of the members, directors, and officers of this corporation shall be forever exempt from its debt and obligations, except as hereinafter set forth.

ARTICLE VII

Each owner of a lot in the Subdivision referred to above, by virtue of being an owner and for so long as he or she remains an owner, shall be a member of the corporation. The rights and obligations of a member shall not be assigned, transferred, pledged, conveyed, or alienated in any way except upon transfer of title to the owner's lot and then only to the transferee of title to such lot. Any attempt to make a prohibited transfer is void. The rights, duties, privileges, and obligations of a member of the corporation shall be those set forth in this Articles of Incorporation, and the Bylaws of the corporation and any recorded Declaration of Restrictions covering said Subdivision. The Association shall have two classes of memberships with respect to voting. Class A members shall be all those owners as defined in the recorded Declaration of Restrictions covering said Subdivision. In association voting, there shall be one vote for each lot, regardless of the number of owners having an interest therein. The vote for each lot must be cast as a unit, and fractional votes shall not be allowed. In the event that joint owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. In the event more than one vote is cast for a particular lot, none of said votes shall be counted as the vote shall be deemed void. If any owner or owners cast a vote representing a certain lot, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of any other owners of the same lot. Every owner entitled to vote at any election of the members of the Board of Directors may cumulate the votes which he is entitled to cast and give one candidate, or divide among the candidates, a number of votes equal to the number of Directors to be elected multiplied by the number of votes to which he is entitled to in accordance with the number of lots owned. The right to vote may not be severed or separated from the lot ownership to which it is appurtenant, and any sale, transfer, or conveyance of such lot to a new owner or owners shall operate to transfer the appurtenant vote without any requirements of any express reference thereto. A class B member shall be Century Townhouse Development, its successors and assigns, if such successors and assigns should acquire more than one undeveloped lot from Century Townhouse Development for the purpose of development. The Class B members shall be entitled to three votes for each lot in which it holds the interest required for membership. The Class B membership will automatically cease to exist when all lots are sold to an original purchaser from Century Townhouse Development. In the event any owner shall be in arrears

in the payment of any amounts due under any of the provisions of any recorded Declaration of Restrictions for a period of thirty (30) days, or shall be in default in the performance of or in breach of any of the terms of any such recorded Declaration of Restrictions for a period of thirty (30) days, said owner's right to vote as a member of the association shall be suspended and shall remain suspended until all payments are brought current and all defaults and breaches remedied. The right to be a member of the corporation and to vote shall cease and terminate immediately upon said member conveying his or her entire interest in any lot.

ARTICLE VIII

For the purpose of providing necessary funds for the carrying out of the purposes of this corporation as aforesaid and the necessary operating expenses of this corporation, there shall be levied against each lot and each lot owner in said Subdivision, an annual assessment and other assessments, in the amounts and by the procedures set forth in the recorded Declaration of Covenants, Conditions and Restrictions for said Subdivision, which said assessments shall be due, payable and enforceable in the manner set forth in said Declaration.

ARTICLE IX

Subject the further provisions hereof, the corporation shall indemnify any and all of its directors, officers, former directors and former officers, against all expenses incurred by them and each of them, including but not limited to legal fees, judgments and penalties which may be incurred, rendered or levied in any legal action brought against any of them for or on account of any action or omission alleged to have been committed while acting within the scope of employment as director or officer of the corporation. Whenever any director, officer, former director or former officer shall report to the President of the corporation or the Chairman of the Board of Directors that he has incurred or may incur expenses, including but not limited to legal fees, judgment and penalties in a legal action brought or about to be brought against him for on or account of any action or omission alleged to have been committed by him while acting within the scope of his employment as a director or officer of the corporation, the Board of Directors shall, at its next regular or at a special meeting held within a reasonable time thereafter, determine in

good faith whether, in regard to the matter involved in the action or contemplated action, such person acted, failed to act, or refused to act wilfully, with gross negligence or with fraudulent or criminal intent. If the Board of Directors determines in good faith that such person did not act, failed to act, or refused to act wilfully or with gross negligence or with fraudulent or criminal intent in regard to the matter involved in the action or contemplated action, indemnification shall be mandatory and shall be automatically extended as specified herein, and as provided for in A.R.S. 10-198, provided, however, that no such indemnification shall be available with respect to liabilities under the Securities Act of 1933, and provided further, that the corporation shall have the right to refuse indemnification in any instance in which the person to whom indemnification would otherwise have been applicable shall have unreasonably refused to permit the corporation, at its own expense and through counsel of its own choosing, to defend him in the action.

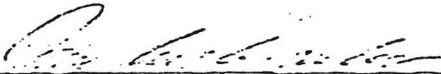
ARTICLE X

These Articles of Incorporation may be amended by the affirmative vote of a majority of the votes entitled to be cast by the members of the corporation at any annual or special meeting of the corporation called for that purpose.

ARTICLE XI

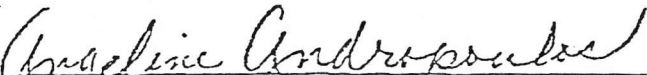
John G. Thomas, whose address is 34 West Monroe Street, Phoenix, Arizona, and who has been a bona fide resident of the State of Arizona for more than three (3) years last past, is hereby appointed and designated statutory agent for the corporation, for the State of Arizona, upon whom service of process may be had. This appointment may be revoked at any time by the filing of the appointment of another agent.

IN WITNESS WHEREOF, we, the undersigned have executed this Articles of Incorporation this 11 day of May, 1972.



JAMES ANDROPOULOS

5335 N. Wilkinson Road
Paradise Valley, Arizona



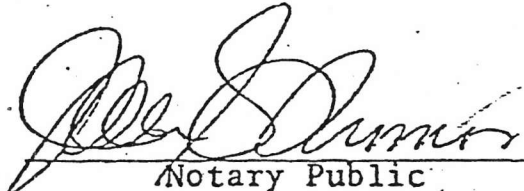
ANGELINE ANDROPOULOS

5335 N. Wilkinson Road
Paradise Valley, Arizona

STATE OF ARIZONA)
) ss.
County of Maricopa)

ON THIS, the 11th day of May, 1972,
before me, the undersigned Notary Public, personally appeared
JAMES ANDROPOULOS and ANGELINE ANDROPOULOS, known to me to be
the persons whose names are subscribed to the within instrument,
and acknowledged that they executed the same for the purpose
therein contained.

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



Notary Public

My Commission Expires:
8-27-73



Veterans.
Administration.

In Reply Refer To: 345/262.

CENTURY PLACE HOASSOC.
c/o JAMES L. CHAPMAN.
11423 N. 56TH ST.
SCOTTSDALE, AZ, 85254.

CENTURY PLACE P.U.D.
LOTS 1-45.
V.A. FILE # 5416.
SCOTTSDALE.

Gentlemen:

The documents submitted are acceptable evidence that the requirements for THE ABOVE. PUD have been complied with.

The lots listed above are now eligible for the VA Loan Guaranty program.

Sincerely,

CONSTRUCTION & VALUATION SECTION

NOTE:

Century Place Townhome Association is also approved for F.H.A. Financing.

Board of Directors
Century Place Townhome Association