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AZ. CORP. COMMISSION
FOR THE STATE OF AZ.
FILED

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ARTICLES OF INCORPORATION
OF
FOOTHILLS CLUB WEST COMMUNITY ASSOCIATION

APPR *Sonia Stein*
DATE APPR 7/19/89 FILED
TERM _____
DATE _____ TIME _____

216247

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, voluntarily associated ourselves together at a meeting held at 4820 South Mill Avenue, Tempe, Arizona, 85282, at 10:00 o'clock a.m. on July 24, 1989, for the purpose of forming a private, non-profit corporation, the object of which is not pecuniary profit, having the purpose hereinafter set out, under and pursuant to Chapter 5, Title 10 of the Arizona Revised Statutes, and for the further purpose of electing directors for said corporation. We do hereby adopt the following Articles of Incorporation:

1. Name: The name of the corporation shall be FOOTHILLS CLUB WEST COMMUNITY ASSOCIATION (hereinafter referred to as the "Association").

2. Purpose: The Association is organized and shall be operated for the purposes set forth for the "Association" in that certain Declaration of Covenants, Conditions and Restrictions for Foothills Club West (the "Declaration") recorded on July 21, 1989, at Recorder's No. 89-337438 in the office of the Maricopa County, Arizona Recorder, including, but not limited to, the acquisition, construction, management, maintenance and care of association property, provided, however, that the foregoing shall not be construed as a limitation on the activities and businesses in which the Association may ultimately engage. (Except as expressly set forth herein, capitalized terms shall have the meanings assigned to them in the Declaration.)

3. Business: The Association initially intends to engage in the following activities (which shall be construed as the character of the non-profit business which the Association initially intends to conduct in the State of Arizona):

a. Provide for the acquisition, construction, management, maintenance and care of association property; and

b. Perform all matters to be performed by the "Association," as that term is used in the Declaration.

1 Such initial intention shall in no manner whatever limit the
2 character of the activities and businesses in which the
Association may ultimately engage.

3 4. Authorized Stock: The Association shall have no
4 capital stock.

5 5. Statutory Agent: The name and address of the
6 initial statutory agent of the Association is C. Randall Bain,
2901 North Central Avenue, P. O. Box 400, Phoenix, Arizona
85001-0400.

7 6. Known Place of Business. The known place of
8 business of the Association shall be 4820 South Mill Avenue,
9 Tempe, Arizona 85282, but different and other offices and
places for conducting business, both within and without the
State of Arizona, may be established from time to time by the
Board.

10 7. Board of Directors; Annual Meetings of Members:
11 The business and affairs of the Association shall be conducted
12 by a Board of Directors (herein referred to as the "Board").
13 The annual meetings of the Members of the Association shall be
14 held on the first Wednesday of March in each year, commencing
15 with Wednesday, March 7, 1990, or such other time as the Board
shall designate. The following three persons, elected by the
incorporators at a meeting held on July 24, 1989, at Tempe,
Arizona, shall constitute the Board and shall serve in such
capacity until their successors are elected and qualified:

16 Brian Baehr
4820 South Mill Avenue
17 Tempe, Arizona 85282

18 Jerry Schulz
4820 South Mill Avenue
19 Tempe, Arizona 85282

20 Mark Borushko
4820 South Mill Avenue
21 Tempe, Arizona 85282

22 Otherwise, the number of persons to serve on the Board shall be
23 fixed by the Bylaws but in no event shall it be less than three
or more than seven; further, each member of the Board shall be
24 elected for such term as shall be fixed by the Bylaws,
provided, however, that in no event shall any change in the
25 length of such term effected by an amendment to the Bylaws be
applied so as to shorten the term being served by any member of
the Board at the time such amendment is adopted. No person
26 shall be eligible for election as a director who is not at the

1 time of election a Member of the Association, except such
2 persons as may be designated by the Declarant or by a
3 corporate, partnership or other non-individual Owner. If,
4 after election: (a) any director except for a director
5 designated by the Declarant or by a corporate, partnership or
6 other non-individual Owner ceases to be a Member, he or she
7 shall thereupon cease to be a director and his or her office
8 shall become vacant; or (b) a corporation, partnership or other
9 non-individual entity ceases to be a Member, any director
10 serving by virtue of having been designated for election by
11 such corporation, partnership or other non-individual entity
12 shall thereupon cease to be a director and his or her office
13 shall become vacant.

14 8. Quorum: A quorum at a meeting of the Board shall
15 consist of one-half (1/2) of the number of directors then
16 serving (except that if three (3) directors are then serving, a
17 quorum shall be two (2), and if one (1) director is then
18 serving, a quorum shall be one (1)). Except as may otherwise
19 be provided by applicable law or by the Declaration (and, in
20 particular, except with respect to the imposition of Special
21 Assessments or certain increases in the Maximum Annual
22 Assessment with respect to which a quorum at a meeting of
23 Members is to be determined as provided in the Declaration), a
24 quorum at a meeting of Members shall consist of Members holding
25 ten percent (10%) of the votes in each class of Members
26 (whether represented in person or by valid proxy).

9. Incorporators: The names and addresses of the
incorporators of the Association are:

Brian Baehr
4820 South Mill Avenue
Tempe, Arizona 85282

William Dougherty
4820 South Mill Avenue
Tempe, Arizona 85282

10. Net Earnings: No part of the net earnings of the
Association shall inure (other than by acquiring, constructing
or providing management, maintenance and care of association
property, and other than by a rebate to Members of excess
membership dues, fees and assessments (and not net earnings))
to the benefit of or be distributable to any Member, director
or officer of the Association, or to any private individual,
except that reasonable compensation may be paid for services
rendered to or for the Association and other payments and
disbursements may be made in furtherance of one or more of its
purposes. Upon the dissolution of the Association, the assets

1 of the Association, whether real or personal, after rebate to
2 Members of excess membership dues, fees and assessments (and
3 not net earnings), shall be dedicated to an appropriate public
4 agency or utility to be devoted to purposes as nearly as is
5 practicable the same as those to which they were required to be
6 devoted by the Association. In the event that such dedication
7 is refused acceptance, such assets shall be granted, conveyed
8 and assigned to any non-profit corporation, association, trust
9 or other organization to be devoted to purposes as nearly as is
10 practicable the same as those to which they were required to be
11 devoted by the Association.

12 11. Members: The Members of the Association and
13 their voting rights shall be determined in the manner set forth
14 in the Declaration.

15 12. Amendments: The Articles and Bylaws may only be
16 amended by following the procedure hereinafter set out and by
17 complying, to the extent applicable, with the Declaration. The
18 Board shall adopt a resolution setting forth the proposed
19 amendment and directing that it be submitted to a vote at a
20 meeting of Members, which may be either an annual or a special
21 meeting, and if approved by Members holding (either personally
22 or by valid proxy) the Applicable Percentage (defined below) of
23 the votes eligible to be cast on the amendment (including votes
24 otherwise eligible to be cast but not represented personally or
25 by valid proxy at such meeting), such amendment shall have been
26 adopted, provided, however, that a copy of any such proposed
27 amendment or a summary of the changes to be effected shall have
28 been given to each Member in good standing at least ten (10)
29 days prior to said meeting of the Members. For purposes
30 hereof, the "Applicable Percentage" shall mean, in the case of
31 an amendment to the Articles, sixty-seven percent (67%), and in
32 the case of an amendment to the Bylaws, fifty-one percent
33 (51%). Any number of amendments may be submitted and voted
34 upon at any one meeting. Notwithstanding the foregoing but
35 subject to Section 11.21 of the Declaration, so long as the
36 Class B membership is in existence, the following actions shall
37 require the prior approval of the Federal Housing
38 Administration and the Veterans Administration: (a) amendment
39 of these Articles or the Bylaws; (b) dissolution of the
40 Association; (c) merger or consolidation of the Association
41 with any other entity; (d) dedication by the Association of any
42 or all of the Common Area; and (e) annexation of any additional
43 properties to the Property (except where such annexation is in
44 accordance with a plan of annexation or expansion previously
45 approved by such agencies).

46 13. Private Property: Private property of the
47 incorporators, Members, directors and officers of the
48 Association shall be forever exempt from all corporate debts of

1 any kind whatsoever, provided, however, that nothing contained
2 in this Article shall limit the liability of Members' property
3 for payment of Assessments levied by the Association.

4 14. Fiscal Year: The fiscal year of the Association
5 shall run from January 1 through December 31 of each year.

6 15. Indemnification of Officers, Directors, Employees
7 and Agents: Subject to the further provisions hereof, the
8 Association shall indemnify any and all of its existing or
9 former directors, officers, employees and agents against all
10 expenses incurred by them and each of them, including but not
11 limited to, legal fees, judgments, penalties and amounts paid
12 in settlement in any legal action brought or threatened against
13 any of them for or on account of any action or omission alleged
14 to have been committed while acting within the scope of his or
15 her service as a director, officer, employee or agent of the
16 Association, whether or not any action is or has been filed
17 against them and whether or not any settlement or compromise is
18 approved by a court. Indemnification shall be made by the
19 Association whether the legal action brought or threatened is
20 by or in the right of the Association or by any other person.
21 Whenever any existing or former director, officer, employee or
22 agent shall report to the president of the Association or the
23 chairman of the board that he or she has incurred or may incur
24 expenses, including, but not limited to, legal fees, judgments,
25 penalties and amounts paid in settlement or compromise in a
26 legal action brought or threatened against him or her for or on
account of any action or omission alleged to have been
committed by him or her while acting within the scope of his or
her service as a director, officer, employee or agent of the
Association, the Board shall, at its next regular meeting 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 willfully or with gross
negligence or with fraudulent or criminal intent. If the Board
determines in good faith that such person did not act, fail to
act or refuse to act willfully 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, provided, however, that the Association 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
Association, at its own expense and through counsel of its
choosing, to defend him or her in the action. The
indemnification provided by this Article 15 is not exclusive of
any other rights to indemnification provided by Section 10-1005


1 of Arizona Revised Statutes (or the corresponding provision of
2 any future Arizona Nonprofit Corporation Act) or otherwise
provided by law.

3 16. Director Liability: A director of the
4 Association shall not be personally liable to the Association
5 or its Members for monetary damages for breach of fiduciary
6 duty as a director. This article shall not eliminate or limit
7 the liability of a director for any conduct described in
8 clauses (a) through (e), inclusive, of Section 10-1029(A)(8),
9 Arizona Revised Statutes. If the Arizona Revised Statutes are
10 amended to authorize further elimination or limitation of the
11 liability of a director, then the liability of a director of
12 the Association shall be eliminated or limited to the fullest
13 extent permitted by the Arizona Revised Statutes as so
14 amended. Any repeal or modification of this article shall not
15 increase the liability of a director of the Association arising
16 out of acts or omissions occurring before the repeal or
17 modification becomes effective.

18 IN WITNESS WHEREOF, for the purpose of forming the
19 Association under the laws of the State of Arizona, we, the
20 undersigned incorporators, have executed these Articles of
21 Incorporation as of July 24, 1989.

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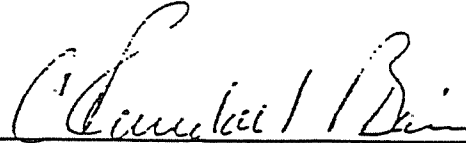

Brian Baehr



William Dougherty

ACCEPTANCE OF STATUTORY AGENT

C. Randall Bain, having been appointed to serve as statutory agent for Foothills Club West Community Association, hereby accepts said appointment and agrees to serve in that capacity until replaced by the Association in accordance with A.R.S. § 10-1009(A) and (B), or until the effective date of any resignation submitted by the undersigned in accordance with A.R.S. § 10-1009(C).



C. Randall Bain

