

ARTICLES OF CORPORATION  
OF  
NORTHERN MANOR TWO TOWNHOUSE ASSOCIATION

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned persons, all of whom are residents of the State of Arizona, have this day voluntarily associated themselves together for the purpose of forming a corporation under and pursuant to the rules of the State of Arizona, and for that purpose hereby adopt the following Articles of Incorporation:

ARTICLE I

The name of the corporation shall be:

NORTHERN MANOR TWO TOWNHOUSE ASSOCIATION

ARTICLE II

This corporation is organized pursuant to the general non-profit corporation laws of the State of Arizona.

ARTICLE III

The names and post office addresses of the incorporators are as follows:

C. Phil Hanson	8611 North Black Canyon Phoenix, Arizona 85021
George H. Vincent	8611 North Black Canyon Phoenix, Arizona 85021
Barbara F. Reilly	8611 North Black Canyon Phoenix, Arizona 85021

The number of directors of this corporation to act initially shall be three (3), but such number may be changed by the By-Laws duly adopted. The following persons were elected at Phoenix, Arizona, on the 15th day of June, 1978, to serve as directors until the election of their successors:

C. Phil Hanson	8611 North Black Canyon Phoenix, Arizona 85021
George H. Vincent	8611 North Black Canyon Phoenix, Arizona 85021
Barbara F. Reilly	8611 North Black Canyon Phoenix, Arizona 85021

ARTICLE V

The principal place of business of the corporation shall be at the City of Phoenix, Arizona, but the corporation may establish other offices within Maricopa County, Arizona, and hold its meetings at such places within Maricopa County, Arizona, as the By-Laws may provide.

ARTICLE VI

The general nature of the business to be transacted and the objectives and purposes of the corporation shall be as follows:

A. To own, operate and/or maintain certain property and improvements to be used in common by and for the benefit of the owners of residences constructed within the following described premises and any additions thereto as may hereafter be brought within the jurisdiction of this association by annexation as provided in Article XX herein and for this purpose:

NORTHERN MANOR UNIT TWO AMENDED, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, in Book 205 of Maps, page 13 thereof.

B. To accept such property and improvements as may be conveyed to the corporation and to maintain and otherwise manage landscaping, parking areas, walk areas, common elements, recreational areas and facilities upon such property. To pay all taxes and assessments, if any, which may properly be levied against such property or other property acquired by or owned by the corporation. To repair, maintain, rehabilitate and restore the real property and any improvements located thereon; to impress liens against the individual residence units and their fractional or percentage ownership interests in the townhouse corporation, to secure the payment of obligations due from the owners thereof to the corporation and to collect, foreclose or otherwise enforce, compromise, release, satisfy and discharge said demands, and to do all other acts necessary to the filing, maintenance and discharge of said liens; to take any action necessary to enforce the covenants, restrictions, reservations and conditions which at present or in the future affect the property described in Article VI, Paragraph A above, either by recording restrictions, By-Laws of the corporation, rules and regulations of the corporation, or in any other way created; and in addition thereto, to do any and all lawful things and acts which the corporation, at any time, and from time to time, shall, in its discretion, deem to be in the best interests of the members of the corporation, and to pay all costs and expenses in connection therewith and in connection with any and all the

purposes of the corporation, and further, to do any and all lawful things which may be advisable, proper, authorized or permitted to be done by the corporation under and by virtue of any condition, covenant, restriction, reservation, charge or assessment affecting the property or any portion thereof, and to do and perform any and all acts which may be either necessary for or incidental to the exercise of any of the foregoing powers, or for the peace, health, comfort, safety or general welfare of the members of the corporation, and further, to do any and all things and exercise all rights and powers permitted to non-profit corporations under the laws of the State of Arizona, including the power to mortgage or encumber any property owned by it.

C. To enter into, perform and carry out contracts of any kind necessary to, or in connection with, or incidental to, the accomplishment of the purposes of the corporation.

D. To borrow and loan money, and give, take and hold security and collateral; to execute, make and issue and take and receive bonds, notes, debentures, mortgages, pledges and other evidences of indebtedness and security, of any and all kinds whatsoever, in furtherance of any or all of the objects of its business, only with the consent of two-thirds (2/3) of each class of membership.

E. To make contracts of all kinds and descriptions with third parties, firms and corporations.

F. To do and perform any and all acts and things and to transact any business, not inconsistent with law, which may be necessary, incidental to or convenient in carrying out any of the business or purposes of the corporation.

#### ARTICLE VII

The corporation shall be a non-stock corporation and shall be owned by its members, who shall be collectively called the Members of the Association, and no dividends or pecuniary profits shall be paid to its members. Membership in the Association, except for membership of the incorporators and the first Board of Directors, shall be limited to record owners of equitable title (or legal title if the equitable title has merged) of the townhouses constructed or planned to be constructed on the property described above, and any additions thereto as may hereafter be brought within the jurisdiction of this Association by annexation as provided in Article XX herein and for this purpose. An owner of a townhouse shall automatically, upon becoming the owner of a townhouse, be a member of the Association, and shall remain a member of the Association until such time as his ownership ceases for any reason, at which time his membership in the

Association shall automatically cease. Nothing herein is intended to include as members of the Association persons or entities who hold an interest merely as security for the performance of an obligation. No certificates of membership shall be issued. Membership shall be evidenced by an official list of the members which list shall be kept by the Secretary of the Association. No membership shall be issued to any other person or persons except as they may be issued in substitution for outstanding memberships assigned to the new record owners of equitable title (or legal title if equitable title has merged). Membership shall be appurtenant to and may not be separated from ownership of any lot.

In the event any such townhouse is owned by two or more persons, whether by joint tenancy, tenancy in common, community property or otherwise, the membership as to each townhouse unit shall be joint and a single membership for such townhouse shall be issued in the names of all, and they shall designate to the Association in writing at the time of issuance one of their number who shall hold the membership and have the power to vote the membership, and in the absence of such designation and until such designation is made, the Board of Directors of the Association shall make the designation.

#### ARTICLE VIII

The Association shall have two classes of voting membership:

Class A. Class A members shall be all those owners as defined in Article VII. A Class A member shall be entitled to one vote for each lot owned by the member, as provided above.

Class B. The Class B member shall be the Declarant (as defined in the Declaration of Covenants, Conditions and Restrictions recorded for the property referred to in Article VI A above). 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 VII, provided that the Class B membership shall cease and be converted to Class A membership on 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) Five (5) years from the date of the above-referred to Declaration.

#### ARTICLE IX

The time of commencement of this corporation shall be the date upon which the Arizona Corporation Commission shall issue its Certificate of Incorporation and it shall have perpetual life.

#### ARTICLE X

The affairs of the corporation shall be conducted by a Board of Directors consisting of an odd number of not less than three (3) nor more than nine (9) members, except for the initial directors as provided in Article IV above, and such other officers as the Board of Directors may select from time to time, including a President, a Vice President, a Secretary and a Treasurer. The same person may hold any two offices, except that the President may not, at the same time, hold the office of the Vice President or Secretary.

The Directors shall be elected by the Members of the Association at the first and each ensuing annual meeting thereof, as provided for in the By-Laws of this corporation. The Directors need not be members of the Association. The Board of Directors will adopt By-Laws for the corporation and such By-Laws may be amended, supplemented, repealed or suspended and new By-Laws may be adopted as provided for therein.

#### ARTICLE XI

Any indebtedness or liability, direct or contingent, must be authorized by an affirmative vote of a majority of the votes cast by 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 Members of the Association.

#### ARTICLE XII

Any mortgage by the Association of the Common Area, as defined in the Declaration of Covenants, Conditions and Restrictions for the property referred to in Article VI of these Articles of Incorporation, 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 XIII

The private property of each and every officer, director and member of the Association of this corporation shall at all times be exempt from all debts and liabilities of the corporation.

ARTICLE XIV

This corporation hereby appoints Marshall A. Lehman, 919 North First Street, Phoenix, Arizona 85004, who is now and has been for more than three (3) years last past, a bona fide resident of the State of Arizona, as its lawful statutory agent, upon whom all notices and processes, including service of summons, may be served, and which, when so served, shall be lawful, personal service upon this corporation. The Directors may, at any time, appoint another agent for such purpose, and the filling of such other appointment shall revoke this or any other previous appointment of such agent.

ARTICLE XV

The first annual meeting of the Members of the Association of the corporation shall be held within sixty (60) days after the builder has constructed and conveyed sixty-six percent (66%) of the total number of residence units to be constructed within the premises as described in Article II of the By-Laws, or within one (1) year from the date of incorporation, whichever is sooner. Thereafter, the annual meetings of the Members of the Association shall be on the anniversary of the first annual meeting of the Membership. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday, or, the annual meeting shall be held at such other time as shall be specified by the By-Laws of this corporation duly adopted or amended. Any such amendment of the By-Laws, thus duly adopted, changing the date of the annual meetings shall be valid and effective without the necessity of amending the Articles of Incorporation of the corporation. The annual meetings of the Board of Directors and the Members of the Association shall be held at the office of the corporation or at such other office or offices at such other places within the County of Maricopa, State of Arizona, as may be designated by the Board of Directors. There shall be no less than two (2) meetings of the Board of Directors during each fiscal year.

ARTICLE XVI

The corporation shall not execute, file or record any documents which impose a restriction upon the sale, lease or occupancy of property solely on the basis of race, color or creed.

ARTICLE VII

These Articles of Incorporation may be amended by the affirmative vote of seventy-five percent (75%) of the entire membership. As long as there is a Class B membership, amendment of these Articles will require the prior approval of the Federal Housing Administration.

ARTICLE XVIII

The corporation 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 Class A membership and two-thirds (2/3) of the votes of the Class B membership, if any, agreeing to such dedication, sale or transfer.

ARTICLE XIX

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 practicable, 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 non-profit 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 XX

The Association may, at any time, annex additional residential properties and common areas to the properties described in Article VI, and so add to its membership under the provisions of Article VII, provided, however, that any such annexation 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 XXI

To the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided, however, 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 VIII

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

IN WITNESS WHEREOF, the undersigned persons have here-  
unto set their hands this 27th day of ~~June~~, 1978.  
October

\_\_\_\_\_  
GEORGE H. VINCENT

\_\_\_\_\_  
C. PHIL HANSON

\_\_\_\_\_  
BARBARA F. REILLY

STATE OF ARIZONA     )  
                                  ) ss.  
County of Maricopa )

This instrument was acknowledged before me this 27th  
October  
day of ~~June~~, 1978, by GEORGE H. VINCENT, C. PHIL HANSON, and  
BARBARA F. REILLY.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires:

\_\_\_\_\_  
By \_\_\_\_\_