RENZ D. JENNINGS
CHAIRMAN

MARCIA WEEKS
COMMISSIONER

CARL J. KUNASEK
COMMISSIONER



JAMES MATTHEWS
EXECUTIVE SECRETARY

ARIZONA CORPORATION COMMISSION

November 4, 1996

Woodlands Village Residential Owners Association, Inc.

We are pleased to notify you that your Articles of Incorporation were filed on November 4, 1996.

You must publish a copy of your Articles of Incorporation WITHIN SIXTY (60) DAYS from the File Date. The publication must be in a newspaper of general circulation in Coconino County, for three (3) consecutive publications. An affidavit from the newspaper, evidencing such publication, must be delivered to the Commission for filing WITHIN NINETY (90) DAYS from the File Date.

All corporations transacting business in Arizona are required to file an Annual Report with the Commission, no later than the 15th day of the fourth (4th) month following the close of each fiscal year. Your fiscal year end is December 31, 1996. Each year, a preprinted Annual Report Form will be mailed to you prior to the due date of the report.

Your first annual report will be due April 15, 1997.

If you have any questions or need further information, please contact us at (602) 542-3135 or Toll Free (Arizona residents only) at 1-800-345-5819.

Very truly yours,

Sonia Greer

Examiner
Corporation Division
Arizona Corporation Commission

EXPEDITED
AZ CORP COMMISSION
FILED

Nov 4 1 19 PM '96

APPR
DATE 11/4/96
TERM

ARTICLES OF INCORPORATION

OF

WOODLANDS VILLAGE RESIDENTIAL OWNERS ASSOCIATION, INC.

0791205-3

In compliance with the requirements of § 10-1001, et seq., Arizona Revised Statutes, as amended, the undersigned, all of whom are of full age, have this date voluntarily associated themselves for the purpose of forming a non-profit corporation, and do hereby certify:

ARTICLE I

NAME

The name of the corporation is Woodlands Village Residential Owners Association, Inc.

ARTICLE II

DEFINED TERMS

Capitalized terms used in these Articles without definition shall have the meanings specified for such terms in the Declaration of Covenants, Conditions and Restrictions for WOODLANDS VILLAGE UNIT IV, recorded with the County Recorder of Coconino County, Arizona, at Docket 1896, Pages 109-124, (the "Declaration" which, by this reference, is made a part of these Articles as though fully set forth herein.

ARTICLE III

PRINCIPAL OFFICE

The principal office of the Association shall be located at 5070 N. 40th Street, #250, Phoenix, Arizona 85018, but other offices may be established at such places as the Board of Directors may determine from time to time.

ARTICLE IV

STATUTORY AGENT

Anthony M. Burd, whose street address is 4548 E. Beryl Lane, Phoenix, Arizona 85028, 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 the initial statutory agent for the corporation.

ARTICLE V

PURPOSE OF THE ASSOCIATION

The object and purpose for which this Association is organized, consistent with the requirements of Section 528 or, if the Association so elects, Section 501(c) (4) of the Internal Revenue Code of 1986, as amended, and the regulations pertaining thereto, is to provide for the management, maintenance, and care of the Common Area and other property owned by the Association or property placed under its jurisdiction. In furtherance of, and in order to accomplish the foregoing object and purpose, the Association may be incorporated under the laws of the State of Arizona, as they may be amended from time to time.

ARTICLE VI

THE CHARACTER OF THE BUSINESS

The general nature and character of the business to be transacted by the Association shall be as follows:

(a) To own, repair and maintain the Common Area and all other property and improvements to be used in common by and for the benefit of the Owners of Lots within the real property described in the Declaration and known as Woodlands Village and any additions thereto as may hereafter be brought within the jurisdiction of the Association by act of the Association;

(b) To accept the Common Area and such other property and improvements as may be conveyed to the Corporation and to maintain, repair and replace all landscaping upon such property, to pay all taxes and assessments, if any, which may properly be levied against such property or other liens against the individual Lots to secure the payment of assessments and other obligations due from the Owners thereof to the Association 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

Project Documents; to do nay and all lawful things and acts which the Association, at any time, and from time to time, shall in its discretion, deem to be in the best interests of the Members, and to pay all costs and expenses in connection therewith and in connection with nay and all the purposes of the Association; to do any and all lawful things which may be advisable, proper, authorized or permitted to be done by the Association under and by virtue of nay condition, covenant, restriction, reservation, charge or assessment affecting the property, the Lots, 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; and further, to do any and all things and exercise all rights and powers permitted to nonprofit corporations under the laws of the State of Arizona, including the power to mortgage or encumber any property owned by it and to take any action necessary to enforce the Project Documents;

(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 purpose 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 or indebtedness and security, of any and all kinds whatsoever, in furtherance of any or all of the objects of its business, but 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 corporation;

(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 or to convenient in the carrying out of any of the business or purposes of the Association, including, without limitation, all acts necessary to perform all obligations and duties of the Association under the Project Documents;

(g) To sue and be sued; and

(h) To do such other things as are authorized in the Declaration for the Association or the Board to perform, as well as such things as are reasonable necessary or proper for, or incidental to, the exercise thereof, including without limitation to levy, collect and enforce Assessments, Assessment Liens and to expend funds as provided in the Declaration.

ARTICLE VII

MEMBERSHIP

Identify of Members. The Association shall be a nonprofit corporation and no stock shall be issued and no dividends or pecuniary profits shall be paid to its members. Membership in the Association shall be limited to Owners of Lots. An Owner of a Lot VOTING shall automatically, upon becoming the Owner thereof, 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

Transfer of Membership. Membership in the Association shall be appurtenant to each Lot and a membership in the Association shall not be transferred, pledges or alienated in any way, except upon the sale of a lot and then only to such Purchaser, or by intestate succession, testamentary disposition, foreclosure of mortgage or deed of trust of record, foreclosure or an Assessment Lien, or other legal process. Any attempt to make a prohibited transfer shall be void and shall not be reflected upon the books and records of the Association.

ARTICLE VIII

VOTING RIGHTS

Classes of Members. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners, except for the Declarant so long as the Declarant is a Class B Member, of Lots. Each Class A Member shall be entitled to one vote for each Lot owned.

Class B. The Class B Member shall be the Declarant. The Declarant shall be entitled to three (3) votes for each vote which the Declarant would be entitled to receive if the Declarant were a Class A Member. For the purposes of this Article only and in order to pursue the development of the Project, the Class B Member shall at any time be deemed to be the owner of 450 Lots, less the number of Lots owned my Class A Members. The Class B Membership shall cease and be converted to Class A Membership when the total votes outstanding in the Class A Membership equal the votes outstanding in the Class B Membership.

Right to Vote. No change in the ownership of a Lot shall be effective for voting purposes unless and until the Board is given actual written notice of such change and is provided satisfactory proof thereof. The vote for each such Lot must be cast as a unit, and fractional votes shall not be allowed. In the event that Lot is owned by more than

ARTICLE X

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.

Anthony M. Burd	President
Lon Franklin	Vice President
Karen Burd	Secretary/Treasurer

ARTICLE XI

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of the authorized votes of each class of Membership. 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 non-profit corporation, association, trust or other organization to be devoted to such similar purpose.

ARTICLE XII

AMENDMENTS

These Articles may be amended by Members representing at least seventy-five percent (75%) of the total authorized votes entitled to be cast by Members of the Association; provided, however, that the Board, without a vote of the Members, may amend these Articles in order to conform these Articles to the requirements or guidelines of the Federal National Mortgage Association, the Federal Housing Administration, the Federal Home Loan Mortgage Corporation, the Veterans Administration or any federal, state or local governmental agency whose approval of the Project, the Plat or the Project Documents is required by law or requested by the Declarant. So long as there is a Class B membership in the Association, any amendment by the Bylaws of the Board must be approved by the Veterans Administration or the Federal Housing Administration.

ARTICLE XIII

DURATION

The corporation shall exist perpetually.

ARTICLE XIV

RESTRICTIONS

Not withstanding anything herein contained to the contrary, no part of the activities of the Association shall be devoted to carrying on propaganda or otherwise attempting to influence legislation and the Association shall make no gift, donation or contribution to any institution or organization engaged in such activities. No part of the net earning of the Association shall inure to the benefit of any Member or individual (other than by acquiring, constructing, or providing management, maintenance, and care of the Association's property and other than be a rebate of excess Assessments).

ARTICLE XV

NONPROFIT

This Association shall be a nonprofit corporation. No stock shall be issued by this Association and no dividends or pecuniary profits shall be paid to its Members or directors or to any private individuals. All of the earnings of this Association shall be used to further the purpose of this Association as hereinabove set forth.

ARTICLE XVI

PRIVATE PROPERTY

The incorporators, members, directors and officers of this Association shall not be individually liable for the Association's debts or other liabilities and the private property of such incorporators, members, directors and officers shall be exempt from all corporate debts and obligations. However, nothing herein contained shall limit or restrict any liability, obligation or responsibility of the members hereof to each other or to this Association as set forth in the Declaration, as amended or supplemented from time to time. Similarly, nothing in these Articles shall limit or restrict any liability, obligation or responsibility of directors and officers to this Association.

ARTICLE XVII

INDEMNIFICATION

This Association shall indemnify any and all of its present or former directors, officers or employees against any expenses incurred by them, including legal fees, or judgments or penalties rendered or levied against any such person while acting within the scope of his authority, provided that the Board shall determine 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 matters involved in the action or omission.

ARTICLE XVIII

FISCAL YEAR

The fiscal year of the Association shall be the calendar year and shall begin on the first day of January of every year, except that the fist fiscal year of the Association shall begin on the date of incorporation. The commencement date of the fiscal year herein established shall be subject to change by the Board should corporate practice subsequently dictate.

ARTICLE XIX

CONFLICT

These Articles shall not be amended or otherwise changed or interpreted, for any reason, so as to be inconsistent with the Declaration. To the extent that these Articles shall be contrary to or inconsistent with provisions of the Declaration, these Articles shall be considered superseded by the Declaration.

ARTICLE IX

BOARD OF DIRECTORS

The affairs of the Association shall be conducted by a board of directors (the "Board") and such officers and committees as the directors may elect and appoint. So long as there is a Class B membership in the Association, the directors shall be appointed by the Architectural Committee and need not be Members of the Association. After the termination of the Class B Membership, all directors must be Members of the Association. The Board may increase the number of directors on the Board but the number of directors must always be an odd number and shall not be less than three (3) not exceed nine (9) directors. The number of directors constituting the initial Board shall be three (3). The names and addresses of the initial directors of the Association are as follows:

Name	Mailing Address
Anthony M. Burd	5070 N. 40th Street, Suite 250 Phoenix, AZ 85018
Karen C. Burd	5070 N. 40th Street, Suite 250 Phoenix, AZ 85018
Lon Franklin	1900 N. Country Club Drive Flagstaff, AZ 86004

The initial directors shall serve until the first annual meeting of the Members and until their successors have been elected and qualified. Commencing with the first annual meeting of the Members, all directors shall be elected for a term of one (1) year.

Any vacancy occurring on the Board by reason of death, resignation, or disqualification of any director shall be filled by the remaining directors, such replacement director to serve the unexpired portion of the prior directors term.

The Board shall adopt Bylaws for the Association, by a majority vote of the members of the Board, at a regular or special meeting called therefor. The power to alter, amend or repeal the Bylaws is reserved to the Members except that the Board, without a vote of the Members, may amend the Bylaws in order to conform the Bylaws to the requirements or guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or any federal, state or local governmental agency whose approval of the Project, the Plat or the Project Documents is required by law or requested by the Declarant. So long as there is a Class B membership in the Association, any amendment of the Bylaws by the Board must be approved by the Veterans Administration.

one person or entity and such 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. If any Member casts a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that he was acting with the authority and consent of all other Owners of the same Lot unless objection thereto is made at the time the vote is cast. In the event more than one vote is cast by a Class A Member for a particular Lot, none of the said votes shall be counted and all said votes shall be deemed void.

Corporate Ownership. In the event any Lot is owned by a corporation, partnership or other association, the corporation, partnership or association shall be a Member and shall designate in writing at the time of acquisition of the Lot an individual who shall have the power to vote said membership, and in the absence of such designation and until such designation is made, the president or general partner of such corporation, partnership or association shall have the power to vote the membership.

Suspension of Voting Rights. In the event any Owner shall be in arrears in the payment of any Assessments or other amounts due under any of the provisions of the Project Documents for a period of fifteen (15) days, said Owner's right to vote as a Member of the Association shall be suspended and shall remain suspended until all payments, including accrued interest and attorneys' fees, are brought current, and for a period not to exceed sixty (60) days for any other infractions of the Project Documents.

ARTICLE XX

INCORPORATORS

The name and addresses of the incorporators of the Association are:

Name	Address
Anthony M. Burd	5070 N. 40th Street, Suite 250 Phoenix, AZ 85018
Karen C. Burd	5070 N. 40th Street, Suite 250 Phoenix, AZ 85018

ARTICLE XXI

FHA/VA APPROVAL

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: annexing of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, undertaking self-management of the Project or the Association and dissolution and amendment of these Articles of Incorporation.

Dated this 4 day of November, 1996.

Anthony M. Burd

Karen C. Burd