

ARTICLES OF INCORPORATION
OF
RED MOUNTAIN VILLAS CONDOMINIUMS ASSOCIATION

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, have this day associated ourselves together for the purpose of forming a nonprofit corporation under and pursuant to the laws of the State of Arizona, and for that purpose hereby adopt the following Articles of Incorporation:

ARTICLE I

Name

Name. The name of the corporation is: RED MOUNTAIN VILLAS CONDOMINIUMS ASSOCIATION.

ARTICLE II

Incorporators

The incorporators are: Ken Osborn, Lorenzo Contreras, and Freda DiMartin, 2222 E. Jenson St., Mesa, Arizona 85203.

ARTICLE III

Business and Powers

A. This corporation is organized for any and all lawful purposes not specifically prohibited to nonprofit corporations under the laws of the State of Arizona and to conduct any and all lawful business. It shall have and exercise all powers necessary or convenient to effect its purposes, including those set forth in A.R.S. Section 10-1001 et seq. and the corporation's Bylaws.

B. The corporation shall initially engage in the business of a condominium association, including but not limited to managing the common elements and enforcing the recorded Declaration of Restrictive Covenants.

ARTICLE IV

Duration

The corporation shall be perpetual unless terminated in accordance with law.

ARTICLE V

Membership

The association does not contemplate pecuniary gain or profit to its members and no shares of stock will be issued. Membership in the association, except for membership of the incorporators and the first Board of Directors, is limited to owners of Units in Red Mountain Villas Condominiums.

The association shall have two classes of voting membership as follows:

Class A. Class A members shall be all owners with the exception of Declarant Haime Development, Inc., an Arizona corporation, and shall be entitled to one (1) vote for each Apartment Unit owned. When more than one person holds an interest in an Apartment Unit, all such persons shall be members. The vote for such Apartment Unit shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Apartment Unit.

Class B. The Class B member shall be the Declarant, Haime Development, Inc., an Arizona corporation, and shall be entitled to three (3) votes for each Apartment Unit owned and annexed to the Association pursuant to the recorded Declaration. Initially, therefore, Declarant shall be entitled to cast its votes based upon 29 Apartment Units. The Class B membership shall cease and be converted to Class A membership upon the earlier of the expiration of one hundred twenty (120) days after the date when the total votes outstanding in the Class A

membership equal the total votes outstanding in the Class B membership, or July 1, 1989, or when no new unit construction has been initiated for a period of six (6) months and there is no evidence of continuing construction.

ARTICLE VI

Statutory Agent

The name and address of the initial Statutory Agent of the corporation is: Lars O. Lagerman, 6900 East Camelback Road, Suite 800, Scottsdale, Arizona 85251.

ARTICLE VII

Indemnification

The association shall indemnify any person who incurs any loss, cost or expense by reason of the fact such person is or was an officer, director, employee or agent of the association, and, except as may be otherwise provided by the Bylaws, such indemnification for an officer or director shall be mandatory in all circumstances in which indemnification is permitted by law.

ARTICLE VIII

Board of Directors

The initial Board of Directors shall consist of three Directors. The persons who are to serve as Directors until the first annual meeting of the members, or until their successors are elected and have qualified, are: Ken Osborn, Lorenzo Contreras, and Freda DiMartin, 2222 E. Jenson St., Mesa, Arizona 85203. The Board of Directors shall consist of not fewer than three (3) nor more than nine (9) persons, as established in the association's Bylaws from time to time.

ARTICLE IX

Dissolution

The association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of 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 this association was created. 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 such similar purposes.

ARTICLE X

Amendments

Amendment of these Articles shall require the assent of seventy-five percent (75%) of the entire membership.

ARTICLE XI

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: 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 have hereunto set his
hand this 12 day of December, 1984.

Kenneth D. Osborn
Kenn Osborn

Lorenzo Contreras
Lorenzo Contreras

Freda DiMartin
Freda DiMartin