

ARTICLES OF INCORPORATION  
OF  
HERITAGE HILLS HOME OWNERS ASSOCIATION

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned persons, all of whom are residents 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:

HERITAGE HILLS HOME OWNERS 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:

Larry Ludden  
4602 North Arcadia Drive  
Phoenix, Arizona

Jerry L. Murphree  
6320 North 13th Place  
Phoenix, Arizona

ARTICLE IV

The number of directors of this corporation to act initially shall be two (2), but such number may be changed by the By-Laws duly adopted. The following persons were elected on the 30 day of January, 1970, at Phoenix, Arizona, to serve as directors until the election of their successors:

Larry Ludden  
4602 North Arcadia Drive  
Phoenix, Arizona

Jerry L. Murphree  
6320 North 13th Place  
Phoenix, Arizona

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 the State of Arizona and hold its meetings at such places 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:

Tract 5 and Tract 6 VALHALLA Replatted also known as Heritage Hills Unit 1, Heritage Hills Unit 2 and Heritage Hills Unit 3 according to plats of record and to be of record in the Maricopa County Recorder's Office.

B. To enable the financing of construction of such residences and common elements with or without the assistance of mortgage insurance under the National Housing Act.

C. 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 said 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 to the best interests of the members of the corporation,

his ownership ceases for any reason, at which time his membership in said 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 and membership shall be evidenced by an official list of said 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 legal title. Membership shall be appurtenant and may not be separated from the 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 said membership, and in the absence of such designation and until such designation is made, the Board of Directors of the Association shall make such 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 said 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 the termination of the corporation shall be twenty-five (25) years thereafter, with the power and privilege of renewal as provided by law. Application for the renewal of such corporate existence shall be made in a timely manner prior to the date of termination of the original corporation charter.

ARTICLE X

The affairs of the corporation shall be conducted by a Board of Directors consisting of not less than two (2) nor more than nine (9) members, except for the initial directors as provided in ARTICLE IV above, or as may be fixed from time to time by the members, 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 Vice President or Secretary.

The directors shall be elected by the members at the first and each ensuing annual meeting thereof with the annual meeting to be the second Thursday in February commencing in 1971. The directors, other than those named in ARTICLE IV above, must be members. In addition to those eligible to be a director, as indicated above, any director, officer or employee of a corporation which is a member, shall be eligible to be a director of the townhouse corporation upon being so authorized by said member corporation.

ARTICLE XI

Any indebtedness or liability, direct or contingent, must be authorized by an affirmative vote of a majority of the votes cast by the 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 total votes entitled to be cast by the members.

#### 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, shall have the assent of two-thirds (2/3) of the total votes entitled to be cast by the members.

#### ARTICLE XIII

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

#### ARTICLE XIV

This corporation hereby appoints F. BRITTON BURNS, 1301 United Bank Building, Phoenix, Arizona, 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 filing 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 corporation shall be held on the second Thursday in February, 1971, and on each such date thereafter until otherwise changed by the Board of Directors in accordance with the provisions of the By-Laws hereof. The annual meetings of the Board of Directors and the members 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 or file for 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 XVII

These Articles of Incorporation may be amended by the affirmative vote of seventy-five per cent (75%) of the total votes entitled to be cast by the members. However, no amendment shall be made which would in any manner be deemed to be in conflict with or contrary to the terms of any promissory note, mortgage, regulatory agreement, document and/or instrument executed by the corporation in obtaining insurance under the National Housing Act.

ARTICLE XVIII

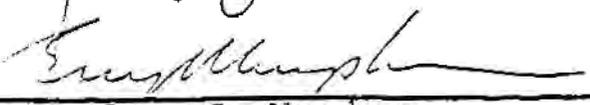
The corporation shall have power to dedicate, sell or transfer all or any part of the common area to any public agency, authority, or utility, for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of the members 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 members. 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 nonprofit 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.

IN WITNESS WHEREOF, the undersigned persons have hereunto set their hands this 23 day of January, 1970.

  
 \_\_\_\_\_  
 Larry Ludden

  
 \_\_\_\_\_  
 Jerry L. Murphree

STATE OF ARIZONA )  
COUNTY OF MARICOPA ) ss.

This instrument was acknowledged before me this  
23 day of January, 1970, by LARRY LUDDEN and JERRY L.  
MURPHREE.

WITNESS my hand and official seal.

Mildred M. Williams  
Notary Public



My commission expires:

10-15-70

ENT 8062 PAGE 188

78867  
ARIZONA CORPORATION COMMISSION  
INCORPORATING DIVISION

FILED

MAR 27 1970

At 3:00 P.M. at request of  
Burns, Ferrin & Ehrenreich  
Address 1301 United Bank Bldg.  
Phoenix, Arizona 85012  
By Kay A. Rogers,  
Charles D. Hadley,

STATE OF ARIZONA }  
County of Maricopa } ss

I hereby certify that the with-  
in instrument was filed and re-  
corded at request of

BURNS, FERRIN & EHRENREICH

MAR 27 70-430

in Docket 8062

on page 175-188

Witness my hand and official  
seal the day and year aforesaid.

Paul H. Silvestri  
County Recorder

By [Signature]  
Deputy Recorder

2 cc

# STATE OF ARIZONA

54843

20-ART



## Corporation Commission

To all to Whom these Presents shall Come, Greeting:

I, CHARLES D. HADLEY, SECRETARY OF THE ARIZONA CORPORATION COMMISSION, DO HEREBY CERTIFY THAT the annexed is a true and complete copy of the ARTICLES OF INCORPORATION

of

HERITAGE HILLS HOME OWNERS ASSOCIATION

which were filed in the office of the Arizona Corporation Commission on the 27th day of March, 1970, as provided by law.

**IN WITNESS WHEREOF**, I HAVE HEREUNTO SET MY HAND AND AFFIXED THE OFFICIAL SEAL OF THE ARIZONA CORPORATION COMMISSION, AT THE CAPITOL, IN THE CITY OF PHOENIX, THIS 27th DAY OF March A. D. 1970.

*Charles D. Hadley*  
BY SECRETARY