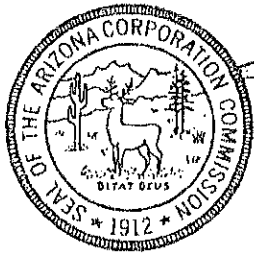


STATE OF ARIZONA



Corporation Commission

To all to Whom these Presents shall Come, Greeting:

BE IT KNOWN THAT McCORMICK RANCH PROPERTY OWNERS' ASSOCIATION, INC.

HAVING SUBMITTED TO THE ARIZONA CORPORATION COMMISSION EVIDENCE OF COMPLIANCE WITH THE LAWS OF THE STATE OF ARIZONA GOVERNING THE INCORPORATION OF COMPANIES, IS, BY VIRTUE OF THE POWER VESTED IN THE COMMISSION UNDER THE CONSTITUTION AND THE LAWS OF THE STATE OF ARIZONA, HEREBY GRANTED THIS

CERTIFICATE OF INCORPORATION

AUTHORIZING SAID COMPANY TO EXERCISE THE FUNCTIONS OF A CORPORATION, UNDER THE LAWS NOW IN EFFECT IN THE STATE OF ARIZONA, AND SUBJECT TO SUCH LAWS AS MAY HEREAFTER BE ENACTED, FOR A PERIOD OF TWENTY-FIVE YEARS FROM THE DATE HEREOF, UNLESS SOONER REVOKED BY AUTHORITY OF LAW.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

In Witness Whereof, RUSSELL WILLIAMS

THE CHAIRMAN, HAVE HEREUNTO SET MY HAND AND CAUSED THE OFFICIAL SEAL OF THE ARIZONA CORPORATION COMMISSION TO BE AFFIXED AT THE CAPITOL, IN THE CITY OF PHOENIX, THIS 21st
DAY OF September, A. D. 1972

Russell Williams
CHAIRMAN.

ATTEST:

George W. Kempsey
SECRETARY.

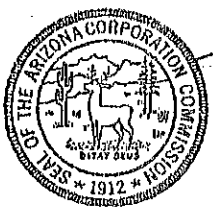
BY

ASSISTANT SECRETARY.

NO. 88763

STATE OF ARIZONA

Corporation Commission



News

To all to Whom these Presents shall Come, Greeting;

I, GEORGE M. DEMPSEY, SECRETARY OF THE ARIZONA CORPORATION COMMISSION, DO HEREBY CERTIFY THAT the annexed is a true and complete copy of the ARTICLES OF INCORPORATION of McCORMICK RANCH PROPERTY OWNERS' ASSOCIATION, INC.

which were filed in the office of the Arizona Corporation Commission on the 21st day of September, 1972 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 21st DAY OF September, A. D. 1972

George M. Dempsey
 BY George M. Dempsey SECRETARY.

ASSISTANT SECRETARY

ARTICLES OF INCORPORATION
OF
McCORMICK RANCH PROPERTY OWNERS' ASSOCIATION, INC.

In compliance with the requirements of ARS §10-451 the undersigned, all of whom are residents of Maricopa County, Arizona, and all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

ARTICLE I
DEFINITIONS

The words and terms used herein shall be deemed to have the same meanings as are given those words and terms in the Declaration of Covenants, Conditions, Assessments, Charges, Servitudes, Liens, Reservations, and Easements for McCormick Ranch, hereinafter termed the "Declaration", which is of record in the Office of the County Recorder of Maricopa County, Arizona, in Docket 9148, commencing at page 706.

ARTICLE II

NAME

The name of the corporation is McCORMICK RANCH PROPERTY OWNERS' ASSOCIATION, INC., hereafter called the "Association".

ARTICLE III

PRINCIPAL PLACE OF BUSINESS

The principal place of business of the Association is located at Scottsdale, Arizona.

ARTICLE IV

STATUTORY AGENT

CHARLES R. HOOVER, a bona fide resident of the State of Arizona for the last three years, whose address is 111 West Monroe, Phoenix, Arizona 85003, is hereby appointed the initial

statutory agent of this Association.

ARTICLE V

GENERAL NATURE OF BUSINESS

This Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are:

(1) to provide for the orderly development, maintenance, preservation and architectural control, as provided in the Declaration, of that certain tract of property described as:

(a) At the time of recordation of the Declaration, the following land:

Parcel No. 1: That portion of Section 2, Township 2 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, described as follows:

COMMENCING at the Northwest corner of said Section 2; thence along the Westerly line of the Northwest quarter of said Section 2, South 01 degrees 44 minutes 00 seconds East, 475.00 feet; thence leaving said Westerly line North 89 degrees 37 minutes 25 seconds East, 1077.23 feet to the beginning of a tangent curve concave Southwesterly and having a radius of 1200.00 feet; thence Southeasterly along said curve through a central angle of 49 degrees 42 minutes 48 seconds an arc distance of 1041.19 feet; thence tangent to said curve South 40 degrees 39 minutes 47 seconds East, 1027.07 feet to the beginning of a tangent curve concave Northeasterly and having a radius of 1200.00 feet; thence Southeasterly along said curve through a central angle of 2 degrees 00 minutes 14 seconds an arc distance of 41.97 feet to the TRUE POINT OF BEGINNING of this description, said point to be known hereinafter as point "A", a radial at said point bears North 47 degrees 19 minutes 59 seconds East; thence North 41 degrees 55 minutes 00 seconds East, 226.29 feet; thence North 27 degrees 31 minutes 00 seconds East, 428.00 feet; thence North 44 degrees 40 minutes 00 seconds East, 618.00 feet; thence North 81 degrees 19 minutes 00 seconds East, 476.00 feet; thence South 73 degrees 37 minutes 00 seconds East, 557.00 feet; thence South 16 degrees 52 minutes 00 seconds East, 1337.00 feet; thence South 50 degrees 16 minutes 00 seconds West, 508.00 feet; thence South 5 degrees 51 minutes 00 seconds West, 216.00 feet; thence South 73 degrees 45 minutes 00 seconds West, 290.00

feet; thence South 1 degree 43 minutes 00 seconds East, 334.00 feet; thence South 56 degrees 41 minutes 00 seconds West, 251.00 feet; thence South 3 degrees 59 minutes 00 seconds West, 274.00 feet; thence South 37 degrees 22 minutes 19 seconds West, 238.24 feet; thence South 87 degrees 48 minutes 00 seconds West, 910.00 feet; thence North 25 degrees 21 minutes 00 seconds West, 761.00 feet; thence North, 302.00 feet; thence North 33 degrees 41 minutes 00 seconds East, 230.85 feet; thence North 3 degrees 08 minutes 00 seconds East, 482.87 feet; thence North 25 degrees 47 minutes 00 seconds West, 252.00 feet; thence North 41 degrees 55 minutes 00 seconds East, 102.71 feet to the TRUE POINT OF BEGINNING.

Parcel No. 2: Portions of the East one half of Section 2 and the West one half of Section 1, both of Township 2 North, Range 4 East, of the Gila and Salt River Base and Meridian, County of Maricopa, State of Arizona, described as a whole as follows:

BEGINNING at the Southeast corner of said Section 2; thence along the Southerly line of the Southeast one quarter of said Section 2 North 89 degrees 25 minutes 37 seconds West, 1284.17 feet; thence leaving said Southerly line North 39 degrees 19 minutes 00 seconds West, 924.01 feet; thence North 21 degrees 39 minutes 00 seconds East, 68.00 feet; thence North 54 degrees 06 minutes 00 seconds East, 259.00 feet; thence North 87 degrees 25 minutes 00 seconds East 289.00 feet; thence North 67 degrees 26 minutes 00 seconds East, 83.00 feet; thence North 32 degrees 30 minutes 00 seconds East, 1513.00 feet; thence South 86 degrees 18 minutes 00 seconds East, 171.00 feet; thence North 11 degrees 29 minutes 00 seconds East, 387.00 feet; thence North 46 degrees 24 minutes 00 seconds East, 330.48 feet to a point in a non-tangent curve concave Southwesterly and having a radius of 1200.00 feet, a radial to said point bears South 38 degrees 04 minutes 23 seconds West; thence Southeasterly along said curve through a central angle of 4 degrees 43 minutes 15 seconds an arc distance of 98.87 feet; thence tangent to said curve South 47 degrees 12 minutes 22 seconds East, 756.97 feet to the beginning of a non-tangent curve concave Southeasterly and having a radius of 2500.00 feet, to which said last mentioned course is normal; thence Southwesterly along said curve through a central angle of 43 degrees 12 minutes 33 seconds an arc distance of 1885.36 feet; thence tangent to said curve South 0 degrees 24 minutes 55 seconds East, 564.95 feet to the POINT OF BEGINNING.

Parcel No. 3: That portion of Section 1, Township 2 North, Range 4 East, together with a portion of the Southeast one quarter of Section 36, Township 3 North, Range 4 East, both of the Gila and Salt River Base and Meridian, County of Maricopa, State of Arizona, described as a whole as follows:

BEGINNING at the Southwest corner of said Section 1; thence North 0 degrees 24 minutes 55 seconds West, 564.95 feet to the beginning of a tangent curve concave Southeasterly and having a radius of 2500.00 feet; thence Northeasterly along said curve through a central angle of 43 degrees 12 minutes 33 seconds an arc distance of 1885.36 feet to a point hereinafter referred to as Point "A"; thence tangent to said curve North 42 degrees 47 minutes 38 seconds East, 2538.20 feet to the beginning of a tangent curve concave Northwesterly and having a radius of 2500.00 feet; thence Northeasterly along said curve through a central angle of 41 degrees 36 minutes 04 seconds an arc distance of 1815.19 feet to a point hereinafter referred to as Point "B"; thence radial to said curve South 88 degrees 48 minutes 26 seconds East, 99.22 feet to the beginning of a tangent curve concave Southwesterly and having a radius of 1500.00 feet; thence Southeasterly along said curve through a central angle of 17 degrees 40 minutes 06 seconds an arc distance of 462.56 feet; thence tangent to said curve South 71 degrees 08 minutes 20 seconds East, 1131.79 feet to the beginning of a tangent curve concave Northeasterly and having a radius of 1500.00 feet; thence Southeasterly along said curve through a central angle of 18 degrees 38 minutes 47 seconds an arc distance of 488.16 feet; thence tangent to said curve South 89 degrees 47 minutes 07 seconds East, a distance of 100.80 feet to the Northeast corner of said Section 1; thence along the Easterly line of the Northeast one quarter of said Section 1, South 0 degrees 12 minutes 53 seconds West, 2644.78 feet to the Southeast corner of the Northeast one quarter of said Section 1; thence along the Southerly line of the Northeast one quarter of said Section 1, North 89 degrees 53 minutes 52 seconds West, 2631.68 feet to the Northeast corner of the Southwest one quarter of said Section 1; thence along the Easterly line of said Southwest one quarter, South 0 degrees 01 minutes 21 seconds East, 2644.81 feet to the Southeast corner of said Southwest one quarter; thence along the Southerly line of said Southwest one quarter, North 89 degrees 28 minutes 59 seconds West, 2614.20 feet to the POINT OF BEGINNING.

Exception No. 1 to Parcel No. 3: The South 33.00 feet of said Southwest one quarter and the East 33.00 feet of said Northeast one quarter, as shown on map recorded in Book 4 of Maps, Page 9, in the office of the County Recorder of said County.

Exception No. 2 to Parcel No. 3: COMMENCING at a point hereinbefore referred to as Point "A"; thence South 47 degrees 12 minutes 22 seconds East, 305.00 feet to the TRUE POINT OF BEGINNING of this description; thence South 42 degrees 47 minutes 38 seconds West, 115.00 feet to the beginning of a tangent curve concave Easterly and having a radius of 300.00 feet; thence Southerly

along said curve through a central angle of 55 degrees 13 minutes 09 seconds an arc distance of 289.13 feet; thence tangent to said curve South 12 degrees 25 minutes 31 seconds East, 189.32 feet; thence North 77 degrees 34 minutes 29 seconds East, 30.00 feet; thence North 86 degrees 41 minutes 41 seconds East, 358.40 feet; thence North 42 degrees 47 minutes 38 seconds East, 974.82 feet to the beginning of a tangent curve concave Northwesterly and having a radius of 90.00 feet; thence Northeasterly along said curve through a central angle of 53 degrees 24 minutes 53 seconds an arc distance of 83.90 feet; thence tangent to said curve North 10 degrees 37 minutes 15 seconds West, 108.83 feet; thence South 79 degrees 22 minutes 45 seconds West, 526.00 feet; thence North 10 degrees 37 minutes 15 seconds West, 263.72 feet to the beginning of a tangent curve concave Southeasterly and having a radius of 250.00 feet; thence Northeasterly along said curve through a central angle of 20 degrees 44 minutes 22 seconds an arc distance of 90.49 feet; thence radial to said curve North 79 degrees 52 minutes 53 seconds West, 94.52 feet; thence North 47 degrees 12 minutes 22 seconds West, 65.00 feet to a point in that certain course hereinbefore mentioned as having a bearing of North 42 degrees 47 minutes 38 seconds East, and a distance of 2538.20 feet; thence along said last mentioned certain course South 42 degrees 47 minutes 38 seconds West, 480.00 feet; thence South 47 degrees 12 minutes 22 seconds East, 305.00 feet to a line parallel with and distant 305.00 feet Southeasterly, measured at right angles to that certain course hereinbefore mentioned as having a bearing of North 42 degrees 47 minutes 38 seconds East and a distance of 2538.20 feet; thence along said parallel line South 42 degrees 47 minutes 38 seconds West, 195.00 feet to the TRUE POINT OF BEGINNING.

Exception No. 3 to Parcel No. 3: BEGINNING at a point hereinbefore mentioned as being Point "B"; thence South 88 degrees 48 minutes 26 seconds East, 99.22 feet to the beginning of a tangent curve concave Southwesterly and having a radius of 1500.00 feet; thence Southeasterly along said curve through a central angle of 17 degrees 40 minutes 06 seconds an arc distance of 462.56 feet; thence tangent to said curve South 71 degrees 08 minutes 20 seconds East, 1131.79 feet to the beginning of a tangent curve concave Northeasterly and having a radius of 1500.00 feet; thence Southeasterly along said curve through a central angle of 18 degrees 38 minutes 47 seconds an arc distance of 488.16 feet; thence tangent to said curve South 89 degrees 47 minutes 07 seconds East, 100.80 feet to the Northeast corner of said Section 1; thence along the Easterly line of the Northeast one quarter of said Section 1 South 0 degrees 12 minutes 53

along said curve through a central angle of 55 degrees 13 minutes 09 seconds an arc distance of 289.13 feet; thence tangent to said curve South 12 degrees 25 minutes 31 seconds East, 189.32 feet; thence North 77 degrees 34 minutes 29 seconds East, 30.00 feet; thence North 86 degrees 41 minutes 41 seconds East, 358.40 feet; thence North 42 degrees 47 minutes 38 seconds East, 974.82 feet to the beginning of a tangent curve concave Northwesterly and having a radius of 90.00 feet; thence Northeasterly along said curve through a central angle of 53 degrees 24 minutes 53 seconds an arc distance of 83.90 feet; thence tangent to said curve North 10 degrees 37 minutes 15 seconds West, 108.83 feet; thence South 79 degrees 22 minutes 45 seconds West, 526.00 feet; thence North 10 degrees 37 minutes 15 seconds West, 263.72 feet to the beginning of a tangent curve concave Southeasterly and having a radius of 250.00 feet; thence Northeasterly along said curve through a central angle of 20 degrees 44 minutes 22 seconds an arc distance of 90.49 feet; thence radial to said curve North 79 degrees 52 minutes 53 seconds West, 94.52 feet; thence North 47 degrees 12 minutes 22 seconds West, 65.00 feet to a point in that certain course hereinbefore mentioned as having a bearing of North 42 degrees 47 minutes 38 seconds East, and a distance of 2538.20 feet; thence along said last mentioned certain course South 42 degrees 47 minutes 38 seconds West, 480.00 feet; thence South 47 degrees 12 minutes 22 seconds East, 305.00 feet to a line parallel with and distant 305.00 feet Southeasterly, measured at right angles to that certain course hereinbefore mentioned as having a bearing of North 42 degrees 47 minutes 38 seconds East and a distance of 2538.20 feet; thence along said parallel line South 42 degrees 47 minutes 38 seconds West, 195.00 feet to the TRUE POINT OF BEGINNING.

Exception No. 3 to Parcel No. 3: BEGINNING at a point hereinbefore mentioned as being Point "B"; thence South 88 degrees 48 minutes 26 seconds East, 99.22 feet to the beginning of a tangent curve concave Southwesterly and having a radius of 1500.00 feet; thence Southeasterly along said curve through a central angle of 17 degrees 40 minutes 06 seconds an arc distance of 462.56 feet; thence tangent to said curve South 71 degrees 08 minutes 20 seconds East, 1131.79 feet to the beginning of a tangent curve concave Northeasterly and having a radius of 1500.00 feet; thence Southeasterly along said curve through a central angle of 18 degrees 38 minutes 47 seconds an arc distance of 408.16 feet; thence tangent to said curve South 89 degrees 47 minutes 07 seconds East, 100.80 feet to the Northeast corner of said Section 1; thence along the Easterly line of the Northeast one quarter of said Section 1 South 0 degrees 12 minutes 53

seconds West, 835.00 feet; thence leaving said Easterly line North 89 degrees 47 minutes 07 seconds West, 100.80 feet to the beginning of a tangent curve concave Northeasterly and having a radius of 2335.00 feet; thence Northwesterly along said curve through a central angle of 18 degrees 38 minutes 47 seconds an arc distance of 759.90 feet; thence tangent to said curve North 71 degrees 08 minutes 20 seconds West, 1498.78 feet; thence North 71 degrees 41 minutes 21 seconds West, 65.00 feet to a point in that certain curve hereinbefore mentioned as being concave Northwesterly and having a radius of 2500.00 feet, to which said last mentioned course is normal; thence Northeasterly along said certain curve through a central angle of 17 degrees 07 minutes 05 seconds an arc distance of 746.92 feet to the POINT OF BEGINNING.

- (b) From and after the addition of each parcel of land subjected to the Declaration pursuant to Article XIV thereof, each such new parcel of land and the Permanent Improvements thereon; and
- (c) From and after the building, installation or erection of each new Permanent Improvement on the land described in subparagraph (a) or added pursuant to subparagraph (b) above, each such new Permanent Improvement.

(2) to promote the health, safety and welfare of the owners and residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association, and

(3) for these purposes, and subject to any limitations set forth in the Declaration, to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) fix, levy, collect and enforce payment of by any lawful means, all charges or assessments pursuant

to the terms of the Declaration;

(c) pay all expenses in connection with the foregoing and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(d) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(e) borrow money, guarantee payment or performance of obligations, and mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(f) dedicate, sell or transfer all or any part of the Association Land to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members;

(g) participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional property and Association Land;

(h) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Arizona, by law may now or hereafter have or exercise.

ARTICLE VI

MEMBERSHIP

Every person or entity who is a record holder of legal title to the fee simple interest in any Lot, including contract

sellers, but excluding others who hold such title merely as security, shall be a Member of the Association. In the case of Lots the fee simple title to which is vested of record in a trustee pursuant to Arizona Revised Statutes, Section 33-801 et seq., legal title shall be deemed to be in the Trustor. Membership shall be appurtenant to and pass with the title of any Lot and may not be in any manner alienated or encumbered except as an appurtenance thereto as part and parcel thereof. When more than one person holds an interest in any one Lot, all such persons shall be Members. The Association shall have no stockholders other than the Members as hereinbefore set forth and no capital stock, other than the membership hereinbefore set forth shall be authorized or issued. The private property of the Members, directors, officers and agents is to be exempt from corporate debts.

ARTICLE VII

VOTING RIGHTS

Voting rights shall be vested in all Members who are Owners of Assessable Property, provided, however, that no change of ownership of Assessable Property shall be effective for voting purposes unless and until the Association is given actual notice and is provided satisfactory proof thereof.

Class A. The Class A Voting Owners shall, initially, include all such Owners except Declarant; and each such Voting Owner shall be entitled to one vote for each Dwelling Unit (except Rental Apartment Dwelling Units, for which each Voting Owner shall be entitled to one-tenth (1/10) vote each) and undeveloped Lot owned, provided, however, that there shall not be more than one Voting Owner on account of ownership in any single Dwelling Unit,

Rental Apartment or Lot. If the Voting Owner consists of more than one person, such persons shall decide who among themselves shall cast the vote.

Class B. The only Class B Voting Owner shall be the Declarant, who shall be entitled to three (3) votes for every full unit of density authorized by the City of Scottsdale with respect to portions of the Assessable Property owned by Declarant. The authorized number of such votes as of any given date shall be calculated by:

(a) ascertaining the total units of density last authorized by the City of Scottsdale, by its approval of the Master Plan or otherwise, for the entire Property; (b) deducting therefrom the total number of Dwelling Units upon portions of the Property which are not owned by or in trust for Declarant; and (c) multiplying the balance (which represents Declarant's total residuary units of authorized density) by three. Alternatively, any Voting Owner shall have the independent right at any time, at such Owner's own cost and expense, to request a determination by the City of Scottsdale as to the total units of density authorized with respect to that portion of the Property then owned by Declarant; and the City's determination in such regard shall be and remain binding on all Owners unless and until revised. Declarant's Class B voting rights shall cease and be converted to Class A voting rights on the happening of either of the following events, whichever first occurs:

- (a) When the number of Dwelling Units constructed upon portions of the Property not owned by Declarant exceeds the number of Class B votes to which Declarant is

entitled; or

(b) On December 31, 1991.

From that date forward, unless and until the Class B Membership is reinstated, Declarant shall be entitled, as in the case of other Voting Owners, to only one vote for each Dwelling Unit (except Rental Apartment Dwelling Units, for which he shall be entitled to one-tenth (1/10) vote each) and undeveloped Lot owned. Nothing contained herein shall preclude the Declarant from adding property pursuant to the provisions of Article XIV of the Declaration for the purpose of maintaining or reinstating the Class B Membership, and all property added pursuant to such Article shall be included in the determination of the existence and voting rights of the Class B Membership. The Class B Membership may be reinstated by the addition of such property.

The aforesaid Class A and B voting rights are, effectively, limited as set forth herein elsewhere and in the Declaration until the last stages of development of the Property by Declarant.

ARTICLE VIII

BOARD OF DIRECTORS

The Association shall be managed by a Board of Directors, who need not be Members of the Association and shall have the exclusive right of determining and transacting the affairs of the Association. Except as hereinafter provided, directors shall hold office for one year or until their successors are elected and qualified. They shall be elected as hereinafter set forth at the annual meeting of Members which is to be held at 10 o'clock a.m. on the second

*AMENDED
8/31/79*

Monday in September of each year commencing with the year 1973, provided, however, that directors may be replaced as hereinafter provided. The time for holding the annual meeting of the Members may be altered by majority vote of the Voting Owners voting at any meeting of the Members. The Board initially will consist of five (5) directors, each of whom, and each of whose replacement, shall be an employee, representative or designee of Declarant, and who shall be elected and subject to removal by Declarant only. The directors of the Association may also serve as directors of one or more Subsidiary Associations. Upon the completion of construction, sale and initial occupation of each two thousand (2,000) Dwelling Units within the Property, the Owners shall be entitled to have one director added to the initial five-man Board, until the total number of directors on the Board equals nine (9). At that time (when 8,000 Dwelling Units have been constructed, sold and initially occupied within the Property), the total number of directors on the Board shall remain static at nine. Upon the first to occur of either of the following events:

- (a) a total of eleven thousand (11,000) Dwelling Units are constructed, sold and initially occupied within the Property; or
- (b) December 31, 1991;

the Owners thereafter shall be entitled to elect the entire Board (including the 5 directors, or their respective successors, theretofore elected by Declarant) of the Association. The names and addresses of the persons who were elected at a meeting of the incorporators held in Scottsdale, Arizona, on the 24th day of May, 1972, to act in the capacity of directors until the selection of their successors are:

<u>Names</u>	<u>Addresses</u>
Richard F. Boultinghouse	5923 Calle Del Norte Phoenix, Arizona 85018
George H. Fretz	4608 North 82nd Street Scottsdale, Arizona 85251
Edward H. Connor	6649 Bar 4 Lane Scottsdale, Arizona 85253
Frank McCullough	6002 Lafayette Boulevard Scottsdale, Arizona 85251
John S. Pearson	3313 North 68th Street Scottsdale, Arizona 85251

ARTICLE IX

OFFICERS

The affairs of the Association are to be conducted by such officers as are specified in the By-Laws and they shall be elected by the Board of Directors as provided in the By-Laws.

ARTICLE X

BY-LAWS

The Board of Directors shall have the power and authority to enact By-Laws and amendments thereto which are not inconsistent with the provisions hereof.

ARTICLE XI

DURATION

The Association shall commence as of the date the Corporation Commission shall issue to the Association a Certificate of Incorporation and it shall continue to exist for the maximum period now or hereafter authorized by law, subject to renewal as authorized law.

ARTICLE XII

AMENDMENTS

Amendment of these Articles shall require the assent of eighty percent (80%) of the votes cast by the Voting Owners

at an election duly noticed and held for such purpose, all as more particularly set forth in the Declaration, provided, however, that until December 31, 1991 no amendment of these Articles shall be authorized, valid or effective unless the proposed amendment is first presented to the Board and expressly recommended for adoption by resolution of the Board. The procedures for amendment, including the necessity for a petition therefor, shall be as provided in the Declaration with respect to amendment of the Declaration. Anything in this Article to the contrary notwithstanding, Declarant reserves the right to amend all or any part of these Articles to such extent and with such language as may be requested by the Federal Housing Administration (FHA) and to further amend to the extent requested by any other Federal, State or local governmental agency which requests such an amendment as a condition precedent to such agency's approval of the Declaration or of these Articles, or by any federally chartered lending institution as a condition precedent to lending funds upon the security of the Property or any portion thereof, or as may be appropriate to bring these Articles into conformity with the Declaration, as the same may be from time to time amended. It is the desire and intention of Declarant (but without obligation) to retain control of the Association and its activities during the anticipated period of planning and development. If any amendment requested pursuant to the provisions of this Article or any judicial decision or interpretation deletes, diminishes or alters such control, Declarant shall have the right to prepare, provide for and adopt as an amendment hereto other and different control provisions.

ARTICLE XIII

DISSOLUTION

The Association may be dissolved by affirmative vote

of Voting Owners casting not less than seventy-five percent (75%) of the total votes to be cast by each class of Members at an election held for such purpose, provided, however, that in the event the Declaration is terminated by affirmative vote of Voting Owners authorized to cast seventy-five percent (75%) of the total votes authorized this Association may be dissolved by a similar vote, and, provided, further, that until December 31, 1991 no such dissolution shall be authorized, valid or effective unless first proposed to the Board and expressly recommended by resolution of the Board. Upon dissolution of the Association, other than incident to a merger of 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 XIV

MAXIMUM INDEBTEDNESS

The highest amount of indebtedness or liability, direct or contingent, to which the corporation is at any time to subject itself shall be as determined and limited by applicable law.

ARTICLE XV

INCORPORATORS

The names, residences and post office addresses of the incorporators are as follow:

<u>Name</u>	<u>Residence</u>	<u>Post Office Address</u>
Richard F. Boultinghouse	5923 Calle Del Norte Phoenix, Az 85018	7001 N. Scottsdale Rd. Scottsdale, Az 85253
George H. Fretz	4608 N. 82nd St. Scottsdale, Az 85251	7001 N. Scottsdale Rd. Scottsdale, Az 85253
Edward H. Connor	6649 Bar Z Lane Scottsdale, Az 85253	7001 N. Scottsdale Rd. Scottsdale, Az 85253

Frank McCullough

6002 Lafayette Blvd. 7001 N. Scottsdale Rd
Scottsdale, Az 85251 Scottsdale, Az 85253

John S. Pearson

3313 N. 68th St. 7001 N. Scottsdale Rd
Scottsdale, Az 85251 Scottsdale, Az 85253

ARTICLE XVI

INTERPRETATION

In the event that any provision hereof is inconsistent with or in derogation of the Declaration, the provisions of the Declaration shall be deemed to control.

ARTICLE XVII

INDEMNIFICATION

The Association shall indemnify all of its Directors and Officers, and its former Directors and Officers, to the maximum extent authorized by law, against expenses incurred by them, including without limitation legal fees, and judgments and penalties rendered or levied against them or any of them in any legal action brought against any such person for actions or omissions alleged to have been committed by any such person while acting within the scope of his employment as a Director or Officer of the Association, provided that the Board of Directors shall determine in good faith that such person did not act, fail to act, or refuse to act wilfully or with gross negligence, or with fraudulent or criminal intent in regard to the matter involved in the action, and provided further that no such indemnification shall be available with respect to liabilities under the Securities Act of 1933, and provided further that the corporation 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 corporation, at its own expense and through counsel of its own choosing, to defend him in any such legal action. Whenever any such present or former Director or Officer shall report to the President of the corporation or the Chairman of the Board of Directors that

he has incurred or may incur any such expenses, the Board of Directors shall, at its next regular or at a special meeting held within a reasonable time thereafter, determine in good faith whether such person acted, failed to act, or refused to act willfully, with gross negligence or with fraudulent or criminal intent in regard to the matter involved in the action. If the Board of Directors 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, indemnification shall be mandatory and shall be automatically extended as specified herein, except as otherwise provided hereinbefore.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Arizona, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 24th day of May, 1972.



Richard F. Boultinghouse
 Richard F. Boultinghouse

George H. Pretz
 George H. Pretz

Edward H. Connor
 Edward H. Connor

Frank McCullough
 Frank McCullough

John S. Pearson
 John S. Pearson

STATE OF ARIZONA)
County of Maricopa) SS.

On this, the 6 day of September, 1972,
before me, the undersigned Notary Public, personally appeared
RICHARD F. BOULTINGHOUSE, GEORGE H. FRETZ, EDWARD H. CONNOR,
FRANK McCULLOUGH, and JOHN S. PEARSON, each of whom is known
to me, and acknowledged that they and each of them have executed
the foregoing instrument for the purposes and in the capacity
therein set forth.

IN WITNESS WHEREOF, I hereunto set my hand and official
seal.

John A. Lissell
Notary Public

My Commission Expires:
My Commission Expires Oct. 19, 1974

DCR 3710 PAGE 000

88763

ARIZONA CORPORATION COMMISSION
INCORPORATING DIVISION

FILED

SEP 21 1972

2:10 P.M.

At Jennings, Strouss, Salmon & Trask, Attorneys

By All W. Monroe

Phoenix, Arizona 85003

By Trudy Kriegel

SECRETARY

George M. Dempsey

STATE OF ARIZONA
County of Maricopa

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

JENNINGS, STROUSS & SALMON

SEP 21 1972-3 59

in Book 9710

on page 943-966

Witness my hand and official
seal this 21st day of September, 1972.

Paul M. ...

By *[Signature]*
County Clerk
Dorothy ...

900

AMENDMENT TO ARTICLES OF INCORPORATION OF McCORMICK
RANCH PROPERTY OWNERS' ASSOCIATION, INC.

A. Article VIII of the Articles is amended to read as follows:

ARTICLE VII

BOARD OF DIRECTORS

The Association shall be managed by a Board of Directors, who need not be Members of the Association and shall have the exclusive right of determining and transacting the affairs of the Association. Except as herein-after provided, directors shall hold office for one year or until their successors are elected and qualified. They shall be elected as hereinafter set forth at the annual meeting of Members which is to be held at 10 o'clock a.m. on the second Monday in September of each year commencing with the year 1973, provided, however, that directors may be replaced as hereinafter provided. The time for holding the annual meeting of the Members may be altered by majority vote of the Voting Owners voting at any meeting of the Members. The Board initially will consist of five (5) directors, each of whom, and each of whose replacement, shall be an employee, representative or designee of Declarant, and who shall be elected and subject to removal by Declarant only. The directors of the Association may also serve as directors of one or more Subsidiary Associations. Upon the completion of construction, sale and initial occupation of each two thousand (2,000) Dwelling Units within the Property, the Owners shall be entitled to have one director added to the initial five-Man Board, and upon the completion of construction, sale and initial occupancy of each additional one thousand (1000) dwelling units, the Owners shall be entitled to have one additional director added until the total number of directors on the Board equals nine (9). At that time (when ~~8,000~~ 5,000 Dwelling Units have been constructed

sold and initially occupied within the Property), the total number of directors on the Board shall remain static at nine. Upon the completion of construction, sale and initial occupancy of six thousand (6000) dwelling units, the number of directors elected by the Declarant shall be reduced to four (4) and the owners thereupon shall be entitled to elect the remaining five (5) directors. Upon the completion of construction, sale and initial occupation of 7000 dwelling units, or on December 31, 1985, whichever shall first occur, the number of directors elected by the Declarant shall be reduced to three (3) and the Owners shall be entitled to elect the remaining six (6) directors. Upon the first to occur of either of the following events:

- (a) A total of eleven eight thousand (11,800 8,000) Dwelling Units are constructed, sold and initially occupied within the Property; or
- (b) December 31, ~~1985~~ 1986;

the Owners thereafter shall be entitled to elect the entire Board (including the 5 directors, or their respective successors, theretofore elected by Declarant) of the Association.

Vacancies for the position of a director elected by the Owners may be filled, for the unexpired term, by the Board of Directors. Vacancies for the position of a director elected by the Declarant may be filled by the Declarant.

The names and addresses of the persons who were elected at a meeting of the incorporators held in Scottsdale, Arizona, on the 24th day of May, 1972, to act in the capacity of directors until the selection of their successors are:

<u>Names</u>	<u>Addresses</u>
Richard F. Boultinghouse	5923 Calle Del Norte Phoenix, Arizona 85018
George H. Arata	1608 North 82nd Street Scottsdale, Arizona 85251

Edward H. Connor

6649 Bar Z Lane
Scottsdale, Arizona 85253

Frank McCullough

6002 Lafayette Boulevard
Scottsdale, Arizona 85251

John S. Pearson

3313 North 68th Street
Scottsdale, Arizona 85251

All directors elected by the Owners, as distinguished
from those elected by the Declarant, must be members of the
Association.

B. Article VII of the Articles is amended to read:

ARTICLE VII
VOTING RIGHTS

Voting rights shall be vested in all Members who are Owners of Assessable Property, provided, however, that no change of ownership of Assessable Property shall be effective for voting purposes unless and until the Association is given actual notice and is provided satisfactory proof thereof.

Class A. The Class A Voting Owners shall, initially, include all such Owners except Declarant; and each such Voting Owner shall be entitled to one vote for each Dwelling Unit (except Rental Apartment Dwelling Units, for which each Voting Owner shall be entitled to one-tenth (1/10) vote each) and undeveloped Lot owned, provided, however, that there shall not be more than one Voting Owner on account of ownership in any single Dwelling Unit, Rental Apartment or Lot. If the Voting Owner consists of more than one person, such persons shall decide who among themselves shall cast the vote.

Class B. The only Class B Voting Owner shall be the Declarant, who shall be entitled to three (3) votes for every full unit of density authorized by the City of Scottsdale with respect to portions of the Assessable Property owned by Declarant. The authorized number of such votes as of any given date shall be calculated by: (a) ascertaining the total units of density last authorized by the City of Scottsdale, by its approval of the Master Plan or otherwise, for the entire Property; (b) deducting therefrom the total number of Dwelling Units upon portions of the Property

which are not owned by or in trust for Declarant; and
(c) multiplying the balance (which represents Declarant's
total residuary units of authorized density) by three.
Alternatively, any Voting Owner shall have the independ-
ent right at any time, at such Owner's own cost and
expense, to request a determination by the City of
Scottsdale as to the total units of density authorized
with respect to that portion of the Property then owned
by Declarant; and the City's determination in such
regard shall be and remain binding on all Owners unless
and until revised. Declarant's Class B voting rights
shall cease and be converted to Class A voting rights
on the happening of either of the following events,
whichever first occurs:

- (a) When the number of Dwelling Units constructed
upon portions of the Property not owned by
Declarant exceeds the number of Class B votes
to which Declarant is entitled; or
- (b) On December 31, ~~1991~~ 1986.

From that date forward, unless and until the Class B
Membership is reinstated, Declarant shall be entitled
as in the case of other Voting Owners, to only one vote
for each Dwelling Unit (except Rental Apartment Dwelling
Units, for which he shall be entitled to one-tenth (1/10)
vote each) and undeveloped Lot owned. Nothing contained
herein shall preclude the Declarant from adding property,
pursuant to the provisions of Article XIV of the Declara-
tion for the purpose of maintaining or reinstating the
Class B Membership, and all property added pursuant to
such Article shall be included in the determination of
the existence and voting rights of the Class B Mem-ber-
ship. The Class B Membership may be reinstated by the
addition of such property.

The aforesaid Class A and B voting rights are effectively limited as set forth herein elsewhere and in the Declaration until the last stages of development of the property by Declarant.

C. Article VIII of the Articles is amended by adding a new paragraph which reads as follows:

In order that the Association may determine the members entitled to notice of or to vote at any meeting of members or any adjournment thereof, or entitled to express consent to corporate action in writing without a meeting, or entitled to exercise any rights or for the purpose of any other lawful action, the board of directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days nor less than ten days prior to any such other action.

D. Article VIII of the Articles is amended by adding a new paragraph which reads as follows:

At the meetings of the members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association.

E. Article VIII of the Articles is amended by adding a new paragraph which reads as follows:

Notwithstanding any and all other provisions hereof, any member who fails to pay the annual or special assessments or installments when due or to pay maintenance charges assessed pursuant to Article XI, Sections 2 or 3 of the Declaration, shall have all voting rights suspended and shall not be allowed to serve as an officer and/or director of the Association and shall not be eligible to be elected to or to hold any office within the Association.

A. C. C. - INCORPORATING DIV.
RECEIVED
NOV 28 1979
DOCUMENTS ARE SUBJECT
TO REVIEW BEFORE FILING.

Mail to

*Gary Keltner
111 W. Monroe
17th FL. 85003
PHX*

L
9
14
22

*Non-Profit
Amaled.
Mail*

038763-9

ARIZONA INCORPORATION COMMISSION
INCORPORATING DIVISION

FILED

NOV 30 1979

At *1:30 P.M.* at request of

Larry Keltner
Address *111 W. Monroe - 17th Floor*
Phoenix, Az 85003

By *Daphne Soy*
D.C. Anderson, Jr. SECRETARY

MAR 06 2013

FILE NO. 00887639

ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF

MCCORMICK RANCH PROPERTY OWNERS' ASSOCIATION, INC.

1. The name of the corporation is McCormick Ranch Property Owners' Association, Inc.
2. Article VIII of the Articles, BOARD OF DIRECTORS, is amended in its entirety to read as follows:

"The Association shall be managed by a Board of Directors who shall have the exclusive right of determining and transacting the affairs of the Association.

(a) The Board of Directors shall consist of nine (9) Directors, all of whom must be members of the Association. Notwithstanding any and all other provisions hereof, any member who fails to pay the annual or special assessments or installments when due or to pay maintenance charges assessed pursuant to Article XI, Sections 2 or 3 of the Declaration, shall have all voting rights suspended and shall not be allowed to serve as an officer and/or director of the Association and shall not be eligible to be elected to or to hold any office within the Association.

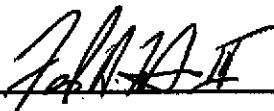
(b) The Directors will serve for three-year staggered terms, until their successors are elected and qualified, as more specifically provided in the Bylaws. Except as otherwise provided herein, Directors shall be elected by the members at the annual meeting of the members, held at a date and time as provided in the By-Laws. Vacancies on the Board of Directors, however created, may be filled by the Board of Directors for the unexpired term. Directors of the Association may also serve as directors of one or more Subsidiary Associations.

(c) In order that the Association may determine the members entitled to notice of or to vote at any meeting of members or any adjournment thereof, or entitled to express consent to corporate action in writing without a meeting or entitled to exercise any rights or for the purpose of any other lawful action, the board of directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days nor less than ten days prior to any such other action."

3. These Articles of Amendment were duly adopted by the act of the members of the corporation on December 5, 2012.

Dated February 27, 2013

MCCORMICK RANCH PROPERTY OWNERS ASSOCIATION, INC.,
an Arizona nonprofit corporation

Signature: 

Printed Name: FRED A. LOFT, III

President

N:\HOA\McCormick Ranch - 3311\General Counsel\Terms for Directors\Documents\Articles of Amendment-01.doc