CORP COMMISSION
OF THE STATE OF AZ.
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ARTICLES OF INCORPORATION
OF THE
COUNTRY HILLS WEST ASSOCIATION, INC.

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1. Name. The name of this corporation, which is a nonprofit Arizona corporation, is the COUNTRY HILLS WEST ASSOCIATION, INC., hereinafter called the "Association."

2. Incorporators. The name, residence and mailing address of each of the incorporators are as follows: DAVID A. CHANCE, P. O. Box 524, Flagstaff, Arizona 86002, JEAN CHANCE, P. O. Box 524, Flagstaff, Arizona 86002, and FREDERICK M. ASPEY, 123 North Leroux, Flagstaff, Arizona 86001.

3. Board of Director. The business of this Association shall be conducted by a Board of three Directors and such officers and committees as may from time to time be appointed by the Directors.

3.1 Initial Board. The names and addresses of the persons who are to serve on the initial Board of Directors are:

DAVID A. CHANCE
P. O. Box 524
Flagstaff, Arizona 86002

JEAN CHANCE
P. O. Box 524
Flagstaff, Arizona 86002

FREDERICK M. ASPEY
123 North Leroux
Flagstaff, Arizona 86001

3.2 Selection of Directors. The Directors shall be selected in accordance with the procedures described in these Articles and in the Bylaws. Each Director shall be elected by a majority vote of the Members voting in the manner provided in Sections 8 and 9 of these Articles.

3.3 Terms of Directors. Directors shall hold office for a term of one year or until their successor is duly elected and qualified. Directors may succeed themselves and may resign at any time by written notice to the Board. Directors may be removed for cause by a majority vote of the Directors. Any vacancy occurring in the Board of Directors may be filled at any meeting of Directors by the remaining Director or Directors.

3.4 Officers. The following persons shall serve as officers until their successors are elected at any time by the Directors:

DAVID A. CHANCE	President
FREDERICK M. ASPEY	Vice President
JEAN CHANCE	Secretary/Treasurer

4. Principal Place of Business. The principal place of business of the Association shall be at 123 North Leroux, Flagstaff, Arizona 86001, but the Association may establish other offices within or without the State of Arizona and hold its meetings at such places therein as the Bylaws may provide.

5. Statutory Agent. FREDERICK M. ASPEY, whose address is 123 North Leroux, Flagstaff, Arizona 86001, is hereby appointed the lawful agent of this Association upon whom all notices and process, including summons, may be served and which, then so served, shall be lawful, personal service upon the Association. 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.

6. Purpose of the Association. The Association is established as a nonprofit corporation and does not contemplate pecuniary profit, gain or private advantage for the incorporators, Directors, officers of the Association. No part of the net earnings, if any, of the Association shall inure to the benefit of any member or private individual other than by acquiring, constructing or providing management, maintenance and care of Association property including areas privately owned but which affect the overall appearance and structure of the subdivision and other than by rebate of excess dues, fees or assessments. The specific purpose for which the Association is formed is to provide for maintenance, preservation and architectural control of the Apartment Units and Common Area (the "Property") within the Country Hills West Condomimium, a horizontal property regime according to the plat recorded in Case 4, Map 37A, B, C & D, records of Coconino County, Arizona, as and if amended. The Property is subject to the Declaration of Horizontal Property Regime and of Covenants, Conditions and Restrictions recorded in the office of the Coconino County Recorder in Docket 1013 at pages 451 through 515, as and if amended (the "Declaration"), which contemplates the establishment of this Association and the enactment of these Articles upon the terms and conditions and subject to the provisions of such Declaration. Any capitalized terms used in these Articles or in the Bylaws and not otherwise defined shall have the meaning established in the Declaration. Neither the Articles nor the Bylaws shall be construed or amended to be inconsistent with the

Declaration. In case of any conflict between these Articles and the Declaration, the Declaration shall control.

7. Powers of the Association. The Association shall promote the health, safety and welfare of the owners of the Property and in that connection shall perform the following functions:

7.1 Declaration. Exercise all of the powers and privileges and 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, the Declaration being incorporated herein by reference as if set forth at length;

7.2 Assessments. Fix, levy, collect and enforce payment by any lawful means of all charges or assessments pursuant to the terms of the Declaration; pay all expenses in connection therewith 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;

7.3 Property. 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;

7.4 Borrow. Borrow money, mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

7.5 Transfer. Dedicate, sell or transfer in accordance with A.R.S. §33-556 all or any part of the Common Elements to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Board of Directors;

7.6 Contract. Enter into, perform and carry out contracts of any kind necessary to, in connection with, or incidental to, the accomplishment of the purposes of the Association; and

7.7 Miscellaneous. Have and exercise any and all powers, rights and privileges which a corporation organized under the nonprofit corporation law of the State of Arizona now or hereafter lawfully may have or exercise.

8. Membership. The Association shall be a nonstock corporation owned by its Members. Every person or entity who is a record owner of a fee or undivided fee interest in any Apartment Unit within the Property, including contract vendees, shall be a Member of the

Association. The foregoing is not intended to include perons or entities who hold an interest merely as security for the performance of any obligation. Membership shall be appurtenant to and may not be separated from ownership of an Apartment Unit within the Property. It shall be discretionary with the Board of Directors as to whether membership certificates shall be issued. Each Director shall be elected by a majority vote of the Members voting in the manner described herein. Section 9 of these Articles specifies the number of votes each Class A and Class B Member shall have in the election of Directors. The votes for each Apartment Unit must be cast as a lot, and a division of votes shall not be allowed. If joint 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 or Members casts a vote or votes representing a certain Unit, it thereafter will be conclusively presumed for all purposes that he or they were acting with the authority and consent of all other owners of the same Unit. In the event more than one voter casts the vote or votes for a particular Unit, none of the votes shall be counted and such votes shall be void. At the option of the Board, the election of Directors may be conducted either by written ballot duly mailed to the Members or at a meeting of the Members. The three candidates receiving the highest number of votes shall be deemed elected.

9. Membership and Voting Rights. The Association shall have two classes of voting membership:

Class A. The Class A members shall be all Owners, with the exception of the Declarant and shall be entitled to one (1) vote for each Apartment Unit owned.

Class B. The Class B member(s) shall be the Declarant which shall be entitled to three (3) votes for each Apartment Unit owned and annexed to the Declaration of Horizontal Property Regime and to the Covenants, Conditions and Restrictions of the COUNTRY HILLS WEST CONDOMINIUM. 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 June 1, 1988, or when no new unit construction has been initiated for a period of six (6) months and there is no evidence of continuing construction.

10. Time of Commencement. The Association shall come into existence on the date of the filing of these Articles with the Arizona Corporation Commission.

11. Dissolution. The Association may be dissolved by a resolution of a majority of the Board of

Directors and approved by two-thirds of each class of Members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets, if any, 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 nonprofit corporation, association, trust or other organization to be devoted to such similar purposes. In the event of dissolution, as provided herein, the COUNTRY HILLS WEST CONDOMINIUM shall continue to be operated by a council of co-owners as provided in A.R.S. §33-561.

12. Exemption of Private Property. The private property of each and every officer, Director and Member of this Association shall at all times be exempt from all debts and liabilities of the Association.

13. Indemnification of Officers, Directors, Employees, and Agents. Subject to the further provisions hereof, the Association shall indemnify any and all of its existing and former Directors and officers, and may indemnify any and all of its existing and former employees and agents, against all expenses incurred by them and each of them, including but not limited to legal fees, judgment, penalties, and amounts paid in settlement or compromise , which may arise or be incurred, rendered, or levied in any legal action brought or threatened against any of them for or on account of any action or omission alleged to have been committed while acting within the scope of employment as Director, officer, employee or agent of the Association, whether or not any settlement or compromise is approved by a court. Indemnification shall be made as to officers and directors, and may be made as to employees or agents, by the Association whether the legal action brought or theatened is brought by or in the right of the Association or by any other person, whenever any Director, officer, employee or agent shall report to the president of the Association that he or she has incurred or may incur expenses, including but not limited to legal fees, judgments, penalties, and amounts paid in settlement or compromise in a legal action brought or threatened against him or her for or on account of any action or omission alleged to have been committed by him or her while acting within the scope of his or her employment as Director, officer, employee or agent of the Association. 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, in regard to the matter involved in the action or contemplated action, such person acted, failed to act, or refused to act willfully or with gross negligence or with fraudulent or criminal intent. 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 or contemplated action, indemnification shall be mandatory as to officers and Directors, and discretionary as to employees and agents, provided, however, that no such indemnification shall be available with respect to liabilities under the Securities Act of 1933, and, provided further, that the Association shall have the right to refuse indemnification in any instances in which the person to whom indemnification would otherwise have been applicable shall have unreasonably refused to permit the Association, at its own expense and through counsel of its own choosing, to defend him or her in the action.

14. Amendments. The Association reserves the right to amend, alter, change or repeal any provision contained in these Articles and all rights acquired by the Members of the Association under these Articles are acquired subject to that reservation. The Articles may be amended only by the affirmative vote of seventy-five (75%) of the members of the Association.

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 Incorportion this 31st day of January 1985.

David A. Chance

DAVID A. CHANCE

Jean R. Chance

JEAN CHANCE

Frederick M. Aspey

FREDERICK M. ASPEY

STATE OF ARIZONA)
) ss.
County of Coconino)

On this, the 21st day of January, 1985, before me , the undersigned officer, personally appeared DAVID A. CHANCE, JEAN CHANCE and FREDERICK M. ASPEY, known to me (or satisfactorily proven) to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same for the purposes therein contained.

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

Deborah D. Winchester
Notary Public

My Commission Expires:
My Commission Expires Jan. 28, 1987

ACCEPTANCE OF APPOINTMENT
BY STATUTORY AGENT

Pursuant to the provisions of Section 10-1008, Arizona Revised Statutes, the undersigned hereby acknowledges and accepts the appointment as statutory agent of the COUNTRY HILLS WEST ASSOCIATION, INC. effective this 21st day of January, 1985.

FREDERICK M. ASPEY
123 North Leroux
Flagstaff, Arizona 86001