

ARTICLES OF INCORPORATION
OF THE LAKESHORE VILLAGE
CONDOMINIUM ASSOCIATION, INC.

In compliance with the requirements of Section 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 nonprofit corporation, and do hereby certify:

ARTICLE I
NAME

The name of the corporation is The Lakeshore Village Condominium Association, Inc.

ARTICLE II
DEFINED TERMS

Terms in all capital letters used in these Articles without definition shall have the meanings specified for such terms in the Declaration of Condominium and Declaration of Covenants, Conditions and Restrictions for The Lakeshore Village Condominium, recorded on October 24, 1988 with the County Recorder of Mohave County, Arizona, as Instrument Number 88-44718, as amended by that First Amendment To Declaration of Covenants, Conditions and Restrictions for the Lakeshore Village Condominium, dated December 8, 1988.

ARTICLE III
PRINCIPAL OFFICE

The principal office of the ASSOCIATION shall be located at 7250 North 16th Street, Suite 404, Phoenix, Arizona, Attention: Mr. Gerald L. Clark.

ARTICLE IV
STATUTORY AGENT

Roger K. Spencer, a bona fide resident of the State of Arizona for the last three (3) years, whose address is 2300 Great American Tower, 3200 N. Central Avenue, Phoenix, Arizona 85012, is hereby appointed the initial statutory agent of the ASSOCIATION.

ARTICLE V
PURPOSE OF THE ASSOCIATION

The object and purpose of which the ASSOCIATION is organized is to provide for the management, maintenance and care of the GENERAL COMMON ELEMENTS and to perform such other duties as are imposed upon the ASSOCIATION under the CONDOMINIUM DOCUMENTS. In furtherance of, and in order to accomplish the foregoing object and purpose, the ASSOCIATION may transact any or all lawful business for which nonprofit corporations may be incorporated under the laws of the State of Arizona, as they may be amended from time to time.

ARTICLE VI
CHARACTER OF INITIAL BUSINESS

The character of the business which the ASSOCIATION intends to conduct in Arizona is to provide for the acquisition, construction, management, maintenance and care of the GENERAL COMMON ELEMENTS and to perform such other duties as are imposed upon the ASSOCIATION under the CONDOMINIUM DOCUMENTS, and to promote and protect the common good and general welfare of the people of the community encompassed within the ASSOCIATION, through the preservation and maintenance of the architecture, ecology and aesthetic beauty of the GENERAL COMMON ELEMENTS, LIMITED COMMON ELEMENTS and the UNITS included within the CONDOMINIUM.

ARTICLE VII
POWERS

The ASSOCIATION shall have all of those powers provided by Arizona nonprofit corporation law, as the same may be amended from time to time, and all of those powers necessary or convenient to effect the corporation's purposes as set forth above, including, but without limitation, the power to exercise all of the rights and privileges and to perform all of the duties and obligations of the ASSOCIATION as set forth in the CONDOMINIUM DOCUMENTS.

ARTICLE VIII
MEMBERSHIP

Identity of Members. Membership in the ASSOCIATION shall be limited to OWNERS of UNITS. Each MEMBER shall be entitled to one (1) vote per UNIT owned. Each OWNER of a UNIT shall automatically be, upon becoming an OWNER thereof, 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. The ASSOCIATION membership of each OWNER of a UNIT shall be appurtenant to each such UNIT. The rights and obligations of an OWNER and membership in the ASSOCIATION shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon transfer of ownership of such UNIT, or by intestate succession, testamentary disposition, foreclosure of mortgage of record, exercise of a power of sale under a deed of trust or such other legal process as is now in effect or as may hereafter be established under or pursuant to the laws of the State of Arizona. Any attempt to make a prohibited transfer shall be void and shall not be reflected upon the books and records of the ASSOCIATION. Any transfer of ownership to said UNIT shall operate to transfer said membership to the new OWNER thereof.

ARTICLE IX
VOTING RIGHTS

Identity. Each OWNER of a UNIT shall be a MEMBER of the ASSOCIATION and shall be entitled to one (1) vote per UNIT owned.

Declarant Control. Established by the DECLARATION is a period of DECLARANT CONTROL of the ASSOCIATION which shall terminate no later than the earlier of:

(1) Ninety (90) days after conveyance of seventy-five percent (75%) of the UNITS which may be created to UNIT OWNERS other than DECLARANT. Said seventy-five percent (75%) refers to all UNITS in every PHASE after completion of all PHASES of the CONDOMINIUM as described in the DECLARATION.

(2) Four (4) years after DECLARANT has ceased to offer UNITS for sale in the ordinary course of business.

During the period of DECLARANT CONTROL, DECLARANT or person(s) designated by him may appoint and remove the officers and directors on the BOARD. The DECLARANT may voluntarily surrender this right before termination of the period as stated above, but in that event he may require, for the duration of the period of DECLARANT CONTROL, that specified actions of the ASSOCIATION or BOARD, as described in a recorded instrument executed by the DECLARANT, be approved by the DECLARANT before they become effective.

Joint Ownership. When more than one person is the OWNER of a UNIT, all such persons shall be MEMBERS. The vote for such UNIT shall be exercised as they among themselves determine, but in no event shall more than one ballot be cast with respect to any UNIT. The vote for each such UNIT must be cast as a UNIT, and fractional votes shall not be allowed. In the event that 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 only one of the JOINT OWNERS of a UNIT is present at a meeting of the ASSOCIATION, he shall be entitled to cast that UNIT's vote and 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 UNIT. In the event more than one ballot is cast for a particular UNIT, none of said votes shall be counted and said votes shall be deemed void.

Corporate or Partnership Ownership. In the event a UNIT is owned by a corporation, partnership or association, the corporation, partnership or association shall be a MEMBER and shall designate in writing to the ASSOCIATION at the time of acquisition of the UNIT, the name and title of a person who shall have the power to vote the membership of the corporation, partnership or association in the ASSOCIATION. The person so designated shall be the only person who shall be entitled to cast the vote for the UNIT owned by such corporation, partnership or association. If the corporation, partnership or association fails to designate the person who shall have the right to vote the membership of the corporation, partnership or association, then until such designation is made, such corporation, partnership or association shall lose its right to vote and it shall not be considered a MEMBER for the purpose of determining the requirement for a quorum or any other purpose requiring the approval of a person entitled to cast the vote for the UNIT owned by such corporation, partnership or association.

Suspension of Rights. In the event any OWNER of a UNIT is in arrears in the payment of any assessment or other amounts due under the terms of the CONDOMINIUM DOCUMENTS for a period of fifteen (15) days or more, the ASSOCIATION shall impose charges for late payment of assessments, and after such fifteen (15) day notice, said OWNER's right to vote as a MEMBER of the ASSOCIATION shall be automatically suspended and shall remain suspended until all payments, including any late charges and attorney's fees, are brought current and for a period not to exceed sixty (60) days for any infraction of the CONDOMINIUM DOCUMENTS.

ARTICLE X BOARD OF DIRECTORS

The affairs of the ASSOCIATION shall be conducted by the BOARD of DIRECTORS and such officers and committees as the BOARD may elect and appoint in accordance with these ARTICLES and the BYLAWS. The BOARD, and the DECLARANT during the period of DECLARANT CONTROL, may increase or decrease the number of directors on the BOARD but the number of directors must always be an odd number and may not be less than three (3) nor more than nine (9). The number of directors constituting the initial BOARD OF DIRECTORS shall be three (3). The name and post office addresses of the first directors of the ASSOCIATION are as follows:

<u>NAME</u>	<u>MAILING ADDRESS</u>
Thomas F. Flatly	c/o American Realty Group 575 East Swedesford Road Suite 200 Wayne, Pennsylvania 19087
Robert Kramer, Esq.	c/o American Realty Group 575 East Swedesford Road Suite 200 Wayne, Pennsylvania 19087
Gerald L. Clark	7250 North 16th Street Suite 404 Phoenix, Arizona 85020

The initial directors shall serve until the first annual meeting of the MEMBERS after the period of DECLARANT CONTROL has been terminated and until their successors have been elected and qualified. Commencing with the first annual meeting of the MEMBERS after the period of DECLARANT CONTROL has been terminated, one (1) director shall be elected for a term of one (1) year, one (1) director for a term of two (2) years, and one (1) director for a term of three (3) years. At each annual meeting thereafter, the MEMBERS shall elect one (1) director for a term of three (3) years. In the event the number of directors on the BOARD is increased, the BOARD shall provide for the election of the directors in such a manner that the terms of the directors shall be staggered with one-third of all directors being elected at each annual meeting.

So long as there is DECLARANT CONTROL in the ASSOCIATION, the directors need not be MEMBERS of the ASSOCIATION. After the termination of DECLARANT CONTROL, all directors must be MEMBERS of the ASSOCIATION.

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 director's term.

ARTICLE XI DISSOLUTION

Except for a dissolution that would result in a Withdrawal of the CONDOMINIUM from The Lakeshore Village Condominium Association, Inc., created by the recording of the DECLARATION, and except for an involuntary dissolution as provided by Arizona nonprofit corporation law, the ASSOCIATION may be dissolved with the consent given in writing and signed by MEMBERS representing not less than sixty-seven percent (67%) of the total authorized votes entitled to be cast by MEMBERS of the ASSOCIATION. Upon any such dissolution of the ASSOCIATION, other than incident to a merger or consolidation, the assets of the ASSOCIATION shall be dedicated, granted, conveyed or assigned to any nonprofit corporation, association, trust or other organization designated by the MEMBERS approving the dissolution as being the entity which will thereafter perform the duties and obligations of the ASSOCIATION under the CONDOMINIUM DOCUMENTS. Any dissolution of the ASSOCIATION which would result in a Withdrawal of the CONDOMINIUM from The Lakeshore Village Condominium Association, Inc., must be approved by the OWNERS of the UNITS and shall be evidenced by a Declaration of Withdrawal executed, acknowledged, and recorded by the OWNERS of all of the UNITS. If at the time of any such dissolution there are any encumbrances or liens against any of the UNITS, such holding such encumbrances or liens also execute and acknowledge such Declaration of Withdrawal or their encumbrances or liens are satisfied other than by foreclosure against the UNITS or expiration by operation of law.

ARTICLE XII AMENDMENTS

These ARTICLES may be amended by MEMBERS representing at least sixty-seven percent (67%) of the total authorized votes entitled to be cast by MEMBERS of the ASSOCIATION; provided, however, that so long as there is DECLARANT CONTROL in the ASSOCIATION, the DECLARANT shall have the right to amend these ARTICLES without obtaining the approval or consent of any other OWNER or FIRST MORTGAGEE in order to conform these ARTICLES to the requirements or guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration or other administrative body.

In cases of conflict between the ARTICLES and the DECLARATION, the provisions contained in the DECLARATION shall prevail over the provisions contained in the ARTICLES.

**ARTICLE XIII
DURATION**

The corporation shall exist perpetually.

**ARTICLE XIV
INCORPORATORS**

The names and addresses of the incorporators of this ASSOCIATION are:

<u>NAME</u>	<u>ADDRESS</u>
Robert Kramer, Esq.	c/o American Realty Group 575 East Swedesford Road Suite 200 Wayne, Pennsylvania 19087
<i>[Signature]</i> Thomas F. Flatly	c/o American Realty Group 575 East Swedesford Road Suite 200 Wayne, Pennsylvania 19087

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 31st day of December, 1988.

[Signature]
Robert Kramer, Esq.

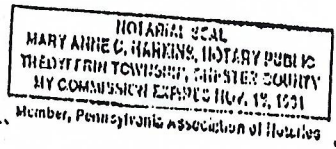
[Signature]
Thomas F. Flatly

STATE OF Pennsylvania)
County of Chester) ss

On this 31st day of December, 1988 before me, the undersigned Notary Public, personally appeared Robert M. Kramer, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he/she executed the same for the purposes therein contained.

[Signature]
Notary Public

My commission Expires: _____



STATE OF Pennsylvania
county of Chester } ss

On this 31st day of December, 1988 before me, the undersigned, Mary Ann C. Gankins Notary Public, personally appeared Mary Ann C. Gankins, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he/she executed the same for the purposes therein contained.

Mary Ann C. Gankins
Notary Public

My Commission Expires:

NOTARIAL SEAL
MARY ANN C. GANKINS, NOTARY PUBLIC
TOWNSHIP OF CHESTER, CHESTER COUNTY
MY COMMISSION EXPIRES NOV. 17, 1991
Member, Pennsylvania Association of Notaries