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ARIZONA
STATE OF AZ.

SECRETARY OF STATE
STATE OF AZ.

ARTICLES OF INCORPORATION

OCT 13 1985

OCT 13 4 51 PM '85

OF

Retha Thomas
11-8-85

ESTATES AT DREAMY DRAW

APPROVED
BY
Lorna Brew
10/23/85 2:30pm.

180030-8

HOMEOWNERS' ASSOCIATION

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned persons have this day, in compliance with the requirements of Arizona Revised Statutes Section 10-1001 et seq., as amended, voluntarily associated themselves 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

The name of this corporation (the "Association") shall be ESTATES AT DREAMY DRAW HOMEOWNERS' ASSOCIATION.

ARTICLE II

This Association is organized pursuant to the general non-profit corporation laws of the State of Arizona.

ARTICLE III

The names and addresses of the incorporators are as follows:

M. J. Cuomo	John R. Amoroso
3228 East Indian School Road	3228 East Indian School Road
Phoenix, Arizona 85018	Phoenix, Arizona 85018

ARTICLE IV

The principal place of business of the Association shall be located at 3228 East Indian School Road, Phoenix, Arizona/ but 85018 the Association may establish other offices within or without Phoenix, Arizona, and may hold its meetings at such places within or without Phoenix, Arizona, as the Bylaws may provide.

ARTICLE V

The Association does not contemplate pecuniary gain or profit, direct or indirect, to its Members. The general nature of the business to be transacted and the objectives, powers and purpose of the Association shall be as follows:

A. To operate, administer, maintain and preserve that certain property and improvements to be used in common by and for the benefit of the owners of property and improvements upon and within the area described in Exhibit "A" attached hereto and incorporated herein by this reference.

B. To provide any and all services which the Association may from time to time deem necessary or appropriate for the benefit of the Members of the Association or for the enjoyment of the Property or any property of the Association, or any portion thereof; to do any and all lawful things and acts which the Association at any time, and from time to time, shall, in its discretion, deem to be in the best interest of the Members of the Association, and to pay all costs and expenses in connection therewith and in connection with any and all of the purposes of the Association; to take any action necessary to enforce and preserve the covenants, restrictions, reservations, easements and conditions which, at present or in the future, affect the Property or any property of the Association; and to do any and all lawful things which may be advisable, proper, authorized or permitted to be done by the Association under and by virtue of any covenant, restriction, reservation, easement or condition affecting the Property or any property of the Association, or any portion thereof, including that certain Declaration of Covenants, Conditions and Restrictions recorded in Docket 84-104844, in the office of the County Recorder of Maricopa County, Arizona, as the same may be duly amended from time to time in accordance with their terms (the "Declaration").

C. To enter into, perform and carry out contracts of any kind or description with third parties, firms and corporations, whether or not affiliated with this Association or any of its Members, directors or officers, which are necessary or appropriate to, or in connection with, or incidental to the accomplishment of, the purposes of the Association.

D. To borrow and loan money, and give, take and hold security and collateral securing the same, and to execute, make and issue and take and receive bonds, notices, debentures, mortgages, pledges and other evidences of indebtedness and security, of any and all kinds whatsoever, in furtherance of any or all of its purposes.

E. To make, fix, levy, collect and enforce payment by any lawful means, charges and assessments against the Members of the Association for the proper purposes of the Association and to receive funds therefrom and from other sources, and to deposit the same in one or more bank accounts or invest the same in such securities or other property as the Board of Directors of the Association may deem appropriate, pending their use for the proper purposes of the Association; and to impress liens against the individual property interests of the Members of the Association and their fractional or percentage ownership interests in the Property and otherwise to secure the payment of obligations due from such Members to the Association; to collect, foreclose or otherwise enforce, compromise, release, satisfy and discharge said obligations, and to do all other acts necessary to the filing, maintenance and discharge of said liens.

F. To establish and adopt such Bylaws, rules and regulations of the Association as are deemed necessary and expedient to carry into effect any of the objects or purposes of the Association.

G. To accept such property and improvements as may be conveyed to the Association, whether by deed, lease or otherwise; to hold, acquire, improve, repair, maintain, dispose of and/or otherwise deal with all property of all kinds, whether tangible or intangible, real or personal, for use in connection with or for the benefit of all or any portion of the Property; and to pay all taxes, assessments, and other charges, if any, which may be levied against such property.

H. To do and perform any and all acts which may be either necessary or appropriate for or incidental to the exercise of any of the foregoing powers, or for the peace, health, comfort, safety or general welfare of the Members of the Association; and further, to do any and all things and exercise all rights and powers permitted to nonprofit corporations under the laws of the State of Arizona, including those set forth in Arizona Revised Statutes Section 10-1005, as amended.

No part of the net earnings of the Association shall inure to the benefit of, or be distributed to, its Members, directors, officers or other private persons, except as permitted by Section 528 of the Internal Revenue Code of 1954, as amended. The Association shall be authorized and empowered to pay reasonable compensation for the ser-

vices rendered and make payments and distributions in furtherance of the purposes set forth herein.

ARTICLE VI

The Association shall be a non-stock Association and shall be owned by its Members, who shall be collectively called the "Members of the Association." Membership in the Association shall be limited to "Owners," as such term is defined in the Declaration. Other defined terms used herein shall, where appropriate by context, have the definitions given said terms in the Declaration.

Any person, corporation or other entity shall automatically, upon becoming an Owner, be a Member of the Association and shall remain a Member of the Association until such time as he ceases to be an Owner for any reason, at which time his membership in the Association shall automatically cease. Ownership of a Patio Home Unit shall be the sole qualification and criterion for membership, and memberships shall be appurtenant to and may not be separated from such ownership. Certificates of Membership need not be issued, and membership shall be evidenced by an official list of Members, which list shall be kept by the Secretary of the Association.

The Board of Directors may prescribe, pursuant to the method set forth in the Declaration, reasonable rules and regulations relating to the rights and obligations of the Members of the Association, including rules and regulations governing use and enjoyment of the Property and the property of the Association, and fees (if any) chargeable with respect thereto, and the suspension of voting and other rights and privileges of Members failing promptly to fulfill their obligations as such. Further, membership in the Association shall be subject to the terms of the Declaration.

ARTICLE VII

A. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners other than Declarant. The Class A member shall be entitled to one (1) vote for each Patio Home Unit owned by said member.

Class B. The Class B member shall be the Declarant. The Class B member shall be entitled to five (5) votes for each Patio Home Unit of which it is the Owner; pro-

vided, however, that the Class B membership shall cease and be converted to Class A membership as follows:

(a) When the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership; or

(b) Five (5) years from the date of recordation of the Declaration; or

(c) Such earlier time as the Declarant shall designate in writing.

B. Whenever, pursuant to these Articles, the assent or vote of Members is required to effect or authorize a particular act, and a percentage or proportion of such Members so consenting or voting is specified, unless otherwise required by law, said percentage or proportion shall be measured in terms of the aggregate number of votes eligible to be cast by all Members of the Association, irrespective of class of membership.

C. In the event any Owner shall be in arrears in the payment of any amount due under any of the provisions of these Articles, the Declaration, or any Bylaws, rules or regulations promulgated pursuant thereto, for a period of in excess of fourteen (14) days, or shall be in default in the performance of any other obligation provided or contemplated by said Declaration, these Articles, or any Bylaws, rules or regulations promulgated pursuant thereto, for a period in excess of fourteen (14) days, in addition to any other available remedies, said Owner's (and those claiming through him) right to vote and other rights and privileges as an Owner and a Member (including rights to use of all as a portion of the Common Elements) shall be suspended and shall remain suspended until all such payments are brought current and all such defaults remedied, unless otherwise determined by a majority of the Association's Board of Directors.

D. Voting and other rights of membership (but not obligations) in the Association may be delegated in writing by an Owner, but only to a person holding

an interest (whether as lessee, beneficial owner, seller pursuant to an agreement for sale, Mortgagee, or otherwise) in the Patio Home Unit with respect to which such voting and other rights exist. In addition to the foregoing, a revocable proxy for any meeting of Members may be granted to a person holding an interest in any other Patio Home Unit, or to an employee, agent or representative of Declarant. Any such proxy shall be subject to such reasonable requirements as may from time to time be promulgated in the Bylaws or otherwise by the Board of Directors of the Association.

ARTICLE VIII

The time of commencement of this Association shall be the date of filing of these Articles of Incorporation with the Arizona Corporation Commission, and its existence shall be perpetual.

ARTICLE IX

The affairs of the Association shall be conducted by a Board of Directors and such officers as the Board of Directors may select from time to time, all as shall be set forth in the Association's Bylaws.

The members of Directors of this Association shall be initially set at three (3), but such number may be changed by the Board of Directors in accordance with the Bylaws of the Association, as the same may be duly adopted or amended from time to time. The following persons shall serve as the initial Board of Directors of the Association until the first annual meeting of the Members of the Association or until their successors shall have been duly elected and qualify.

<u>Name</u>	<u>Address</u>
M. J. Cuomo	3228 East Indian School Rd., Phoenix, Arizona 85018
John R. Amoroso	3228 East Indian School Rd., Phoenix, Arizona 85018
Renato Ettorre	3228 East Indian School Rd., Phoenix, Arizona 85018

The Board of Directors will adopt Bylaws for the corporation, and such Bylaws may be amended, supplemented, repealed or suspended, and new Bylaws may be adopted by the Board of Directors or otherwise as provided for therein.

ARTICLE X

Any mortgage or disposition by the Association of all or substantially all of its property shall have the assent of not less than two-thirds (2/3) of the Members of this Association.

ARTICLE XI

The private property of each and every incorporator, officer, director and Member of this Association shall at all times be exempt from all obligations, debts and liabilities of the Association.

ARTICLE XII

Subject to the further provisions hereof, the Association shall indemnify any and all of its directors, officers, former directors and former officers, to the full extent permitted under applicable law against all expense incurred by them and each of them, including but not limited to legal fees, costs, judgments, fines and amounts paid in settlement which have or may be incurred, rendered or levied in any legal action, whether civil, criminal, administrative, investigative or otherwise, 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 his duties as a director or officer of the Association. Whenever any present or former director or officer shall report to the President of the Association that he has incurred or may incur such expenses and it is thereafter determined (within a reasonable time and in accordance with applicable law) that such person acted, failed to act, or refused to act in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association in regard to the matter involved in the action or contemplated action and, with respect to any criminal action or proceeding, that he had no reasonable cause to believe his conduct was unlawful, indemnification shall be mandatory and shall be automatically extended as specified herein; provided, however, that the Association 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 Association, at its own expense and through counsel of its own choosing, to defend him in the action. Nothing contained herein is intended to nor shall it limit any right of indemnification provided by Arizona Revised Statutes Section 10-1005, or other applicable law.

ARTICLE XIII

The Association may be dissolved with the assent of not less than two-thirds (2/3) of the Members of the Association. Upon dissolution of the Association, the assets, both real and personal, of the Association shall be distributed pursuant to a plan of distribution adopted by a majority vote of the Members as required by applicable law.

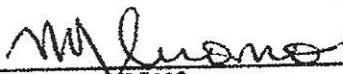
ARTICLE XIV


These Articles of Incorporation may be amended by the affirmative vote of not less than two-thirds (2/3) of the Members of the Association. The Articles may not be amended insofar as such amendment would be inconsistent with the Declaration, and in the event of any conflict or inconsistency the Declaration shall control.

ARTICLE XV

This Association hereby appoints MEYER, HENDRICKS, VICTOR, OSBORN & MALEDON, A Professional Association, 2700 North Third Street, Suite 4000, Phoenix, Arizona, ³⁵⁰⁰⁴ as statutory agent of 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.

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 15th day of October, 1985.



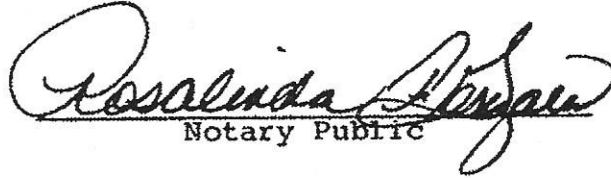
M. J. CUOMO


JOHN R. AMOROSO

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this, the 15th day of October, 1985, before me, the undersigned Notary Public, personally appeared M. J. CUOMO and JOHN R. AMOROSO, known to me 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 have hereunto set my hand and official seal.


Notary Public

My Commission Expires:
My Commission Expires Feb. 8, 1988

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Acceptance as Statutory Agent

MEYER, HENDRICKS, VICTOR, OSBORN & MALEDON, A Professional Association, having been designated to act as statutory agent, hereby consents to act in that capacity until it is removed, or submits its resignation, in accordance with the Arizona Revised Statutes.

MEYER, HENDRICKS, VICTOR, OSBORN &
MALEDON, A Professional Association

By

Walter C. Crappitt
Authorized Officer

EXHIBIT A

PARCEL NO. 1:

The North half of the Southeast quarter of the Northwest quarter of the Southwest quarter of Section 26, Township 3 North, Range 3 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

EXCEPT that portion of the North half of the Southeast quarter of the Northwest quarter of the Southwest quarter of Section 26, Township 3 North, Range 3 East beginning at the Northwest corner of the South half of the Southeast quarter of the Northwest quarter of the Southwest quarter; thence North 89 degrees 36 minutes 17 seconds East 250 feet to a point; thence North 68 degrees 25 minutes 50 seconds West 267.91 feet to a point on the West line of the North half of the Southeast quarter of the Northwest quarter of the Southwest quarter of Section 26, Township 3 North, Range 3 east; thence South 0 degrees 26 minutes 10 seconds West 100 feet to a point of beginning;

EXCEPTING therefrom all coal, oil, gas and other mineral deposits, as reserved in instrument recorded in Docket 1393, page 64; and

EXCEPTING all uranium, thorium, or any other materials which is or may be determined to be peculiarly essential to the production of fissionable materials as reserved in instrument recorded Docket 1393, page 64.

PARCEL NO. 2:

The South half of the Northeast quarter of the Northwest quarter of the Southwest quarter of Section 26, Township 3 North, Range 3 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

EXCEPTING therefrom all coal, oil, gas and other mineral deposits, as reserved in instrument recorded in Docket 1393, page 65; and

EXCEPTING all uranium, thorium, or any other materials which is or may be determined to be peculiarly essential to the production of fissionable materials as reserved in instrument recorded Docket 1393, page 65.