

# **ARTICLES OF INCORPORATION**

A. C. C. - INCORPORATED  
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JUN 29 1979

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ARTICLES OF INCORPORATION  
OF  
SUN GARDENS HOMEOWNERS ASSOCIATION

ARTICLE I

Name. The name of this corporation, which is incorporated as a nonprofit corporation under the laws of the State of Arizona, is SUN GARDENS HOME OWNERS ASSOCIATION.

ARTICLE II

Principal Place of Business. The principal place of business of the corporation shall be located in the City of Mesa, Maricopa County, Arizona, but the corporation may transact business anywhere in the world as may be directed by the Board of Directors.

ARTICLE III

A. General Nature of Business. The general nature of the business to be transacted by the corporation and the objects and purposes for which the corporation is established shall be and are to provide for the maintenance, preservation and architectural control of the townhouse project situated on that certain real property located in the City of Mesa, County of Maricopa, State of Arizona, and all structures and improvements thereon, described as follows:

SUN GARDENS, a subdivision of record in the Maricopa County Recorder's Office in Book 212 of Maps, Page 19.

B. Powers. In furtherance and not in limitation of the general powers conferred upon corporations by the laws of the State of Arizona, and in furtherance and not in limitation of the objects and purposes set forth in these articles (but, however, subject to the limitations imposed by the laws of Arizona on Arizona nonprofit corporations), this corporation shall have and exercise all powers necessary for, incidental to, desirable for or useful or convenient in carrying out each and all of its objects and purposes (including implied objects and purposes). These powers shall include but not be limited

to, desirable for or useful or convenient in carrying out each and all of its objects and purposes (including implied objects and purposes). These powers shall include but not be limited to the following:

(1) To promote the health, safety and welfare of the residents within the above described property;

(2) To exercise all of the powers and privileges and to perform all of the duties and obligations of the corporation arising from any declaration, covenant or restriction applicable to the above described property.

(3) To fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the declaration (Establishing a Plan for Townhouse Ownership); to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the corporation, including all licenses, taxes or governmental charges levied or imposed against the property of the corporation;

(4) To 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 corporation;

(5) to borrow money and with the assent of a majority of each class of member, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(6) To have and to exercise any and all powers, rights, and privileges which a nonprofit corporation organized under Arizona law may now or hereafter have or exercise;

(7) To do any and all things set forth or included in these Articles by implication or otherwise as an object or purpose or otherwise, either alone, or as an agent, as principal through the agency of others, by contract with any person, firm, association, partnership or incorporation, as a joint adventurer or partner, and in any other manner whatsoever;

(8) To apply for, obtain, lease, register, purchase or otherwise acquire, hold, own, control, sell and dispose of letters patent, patents, patent rights, rights to patents pending, applications for patents, copyrights, licenses

and privileges, inventions, improvements, processes, trademarks and trade names; labels, brands, franchises, dealerships, and any other rights, permits, or privileges of any kind or character whatsoever relating to or useful in connection with any business of the corporation, and to use, develop, exercise, grant license in respect of, sell, let, protect, maintain, exchange or otherwise deal in and with the same;

(9) To carry on business in its own name, in any assumed business name, and through any partially or wholly owned corporation and to sue and be sued in its own name, and any assumed business name;

(10) To act as an incorporator of subsidiary corporations formed to carry out any part of its objects, purposes and functions;

(11) To act as agent, trustee, guardian, executor, administrator, broker and in any other representative or fiduciary capacity, with or without revealing such relationship; the power to accept and execute trusts, whether created by will, grant or order of any court, and regardless of the kind of the fiduciary relationship or the kind of assets held or to be held by it as such fiduciary; and the power to carry out all responsibilities upon it imposed by the instrument or order creating the relationship, including the exercise of powers not specifically or by implication herein set forth.

(12) To buy, acquire, acquire rights in, hold, lease (as lessee or lessor), sell, transfer, convey and otherwise dispose of improved or unimproved real property and interest therein of every kind and description, whether or not in possession;

(13) To acquire and hold all licenses from governmental agencies, necessary or desirable for the conduct of any business undertaken by the corporation.

This Article III shall be construed as a statement both of purposes and powers, and purposes and powers in each clause shall be in no wise limited or restricted by reference to or inference from the terms or provisions of any other clause, but shall be broadly construed as independent purposes and powers. Notwithstanding any of the above statements of purposes and powers, the corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of

the corporation.

C. Restriction on Powers. During any period of that this corporation is a non-profit corporation or a private foundation, this corporation's powers shall be restricted specifically as follows:

(1) The corporation shall be without power to engage in any act of self-dealing.

(2) The corporation shall be without power to retain any excess business holdings.

(3) The corporation shall be without power to make any investment in any manner which would subject it to tax as a corporation for profit.

(4) The corporation shall be without power to make any taxable expenditure that would subject it to tax by the Internal Revenue Service as a corporation for profit.

D. Required Distribution of Income While a Non-Profit Corporation or a Private Foundation. During any period that it is a private foundation or a non-profit corporation as that term is defined by the Internal Revenue Service, it shall be required to distribute such amounts at such time and in such manner as to prevent it from becoming liable for the tax imposed by the Internal Revenue Code on corporations for profit.

#### ARTICLE IV

Nonstock, Membership Corporation. This shall be a nonstock corporation. This shall be a membership corporation. The authorized number and qualifications of members of the corporation, the different classes of membership, if any, the property, voting and other rights and privileges of members, and their liability for dues and assessments and the method of collection thereof, shall be as set forth in the By-Laws.

#### ARTICLE V

Incorporators. The names, residences and post office addresses of the incorporators are as follows:

<u>Name</u>	<u>Address</u>
JOSEPH L. PORTER	525 W. Southern Mesa, Arizona
HAROLD L. ALLEN	525 W. Southern Mesa, Arizona

#### ARTICLE VI

Time and Commencement. The time of commencement of this corporation shall be the day a Certificate of Incorporation shall be issued to it by the Arizona Corporation Commission and its duration shall be perpetual.

#### ARTICLE VII

Conduct of Affairs. This corporation shall be not-for-profit corporation and shall have no stock. The affairs of this corporation shall be conducted by the Board of Directors and such officers and committees as the directors may from time to time appoint. The number of directors shall be fixed by the By-laws but shall not exceed the maximum number of directors permitted by law. The directors shall serve without compensation and no director shall receive any pecuniary benefit as a direct result of being a director of the corporation. The initial Board of Directors named herein and any subsequent Board of Directors shall have power to increase the size of the Board of Directors subject to the restrictions imposed by this Article. Such new positions and any vacancies on the Board of Directors resulting from death, resignation or inability to serve shall be filled in a manner provided in the Bylaws. The failure to fill any vacancy on the Board of Directors shall not operate to reduce the size of the Board of Directors, but the directors actually in office shall at any time constitute the Board of Directors, provided, however, that should the number of directors actually in office fall below three, the remaining directors shall be without power to take any action except to fill the vacancy. The Board of Directors shall have the power to appoint committees, to act on behalf of the corporation and to define, by appropriate bylaw, each committee's purposes and powers. The committees appointed by the Board of Directors may have all the powers available to the Board under these Articles of Incorporation and permitted by the Bylaws except the power to amend the Bylaws or to fill vacancies on the Board of Directors or any committee. The Board of Directors shall have the exclusive

power to adopt, amend and rescind the Bylaws. The Bylaws shall provide the method for election of directors. The annual meeting of the corporation shall be held each year on May 15, or such later date as may be specified by notice duly given in accordance with the Bylaws to each director. The initial directors of the corporation were elected at a meeting of the incorporators on June 25, 1979, at 525 W. Southern, Mesa, Arizona.

JOSEPH L. PORTER, 525 W. Southern, Mesa, Arizona.

CRAIG A. CARDON, 626 S. Esquire Way, Mesa, Arizona.

ELIJAH A. CARDON, 134 W. Broadway, Mesa, Arizona.

#### ARTICLE VIII

Indebtedness. The highest amount of indebtedness or liability, direct or contingent, to which the corporation is at any time to subject itself, is the sum of one million dollars (\$1,000,000.00).

#### ARTICLE IX

Exemption of Private Property. The private property of the incorporators, directors, officers, employees and agents of this corporation shall be forever exempt from liability for its debts or obligations.

#### ARTICLE X

Amendment of Articles. These Articles of Incorporation may be amended by the membership at any regular or special meeting of members by the affirmative vote of two-thirds of the number of members present at the meeting in person or by proxy. At least ten days written notice of any proposed amendment to these Articles must be given each member in advance of the meeting at which such proposed amendment is to be considered.

#### ARTICLE XI

Devolution of Assets on Dissolution. Upon the dissolution of this corporation, whether such dissolution shall result from voluntary action on the part of the board of directors, court order, or lapse of time, no part of the remaining assets of the corporation, after the discharge of all corporate liabilities, shall inure to the private profit, benefit or advantage of any member or former member, but the

whole of such remaining assets shall be by the directors distributed in cash or or kind, in fee, absolutely and without possibility of reversion, as absolute gifts without return consideration, direct or indirect, and in such amounts and proportions as the directors shall determine, to such not-for-profit foundations, corporations, associations, societies, or institutions, as the directors shall direct, provided, however, that the area of selection shall be limited to not-for-profit foundations, corporations, societies, associations, and institutions which have purposes and objects similar to those of this corporation. A determination of the directors with respect to all such distribution shall be final.

## ARTICLE XII

Indemnification of Directors and Officers. Subject to the further provisions hereof, the corporation shall indemnify any and all of its directors, officers, former directors and former officers against all expenses incurred by them and each of them, including but not limited to legal fees, judgments and penalties which may be incurred, rendered or levied in any legal action brought 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 or officer of the corporation. Whenever any director, officer, former director or former officer shall report to the president of the corporation or the chairman of the board of directors that he has incurred or may incur expenses, including but not limited to legal fees, judgments and penalties in a legal action brought or about to be brought against him for or on account of any action or omission alleged to have been committed by him while acting within the scope of his employment as a director or officer of the corporation, the Board of Directors of the corporation 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, with gross negligence or with fraudulent or criminal intent. If the Board of Directors determines in good faith that such person did not act, failed to act, or refused 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 and shall be automatically extended as specified herein, provided, however, 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 the action.

ARTICLE XIII

Statutory Agent. FRANKLIN K. GIBSON, whose address is 525 West Southern Avenue, Suite 5, Mesa, Arizona, a bona fide resident of the State of Arizona for the period of three years immediately preceding the date hereof, is hereby appointed the agent of the corporation, upon whom all notices and processes, including service of summons, may be served, and the service upon such agent shall be lawful personal service on the corporation. This appointment may be revoked at any time by the filing of the appointment of another agent as provided by law.

IN WITNESS WHEREOF, the incorporators hereunto set their hands as of the 26<sup>TH</sup> day of June, 1979.

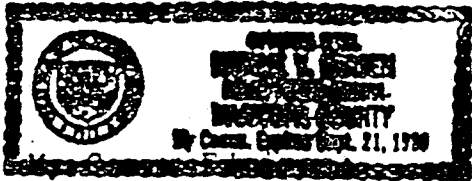
**AMERICAN GROWTH DEVELOPMENT**  
**CO. INCORPORATED**  
**1000 N. CENTRAL AVENUE**  
**MESA, ARIZONA 85201**

Joseph L. Porter  
JOSEPH L. PORTER

Harold L. Allen  
HAROLD L. ALLEN

STATE OF ARIZONA     )  
                                  )     ss.  
County of Maricopa    )

The foregoing instrument was acknowledged before me this 26th day of June, 1979, by JOSEPH L. PORTER and HAROLD L. ALLEN.



Natalie G. Larson  
Notary Public

9-21-80

A. C. C. - INCORPORATING DIV.  
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JUN 29 1979  
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ARIZONA CORPORATION COMMISSION  
INCORPORATING DIVISION

FILED

JUL 10 1979

At 1:30 pm. at request  
GIBSON & VELENTIC  
Address 525 W. SOUTHERN  
MESA 85202  
By SHAFFER SECRETARY  
G. C. ANDERSON, JR.

#97293

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