

AZ. CORP. COMMISSION
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TERM *Louis S. Lee*

DATE *4/9/84* TIME *10:55 AM*

AZ. CORP. COMMISSION
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DATE _____

TERM *Louis S. Lee*

DATE *3/29/84* TIME *12:00*

ARTICLES OF INCORPORATION
OF
VIRGINIA PARK VILLAS HOMEOWNERS ASSOCIATION

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, have this day associated ourselves together for the purpose of forming a nonprofit corporation under and pursuant to the laws of the State of Arizona and for that purpose do hereby adopt these Articles of Incorporation.

ARTICLE I

NAME: The name of the corporation shall be: VIRGINIA PARK VILLAS HOMEOWNERS ASSOCIATION INCORPORATED.

ARTICLE II

The principal place of business shall be 5150 North 16th Street, Suite A-112, Phoenix, Maricopa County, Arizona 85016.

ARTICLE III

PURPOSE: The purpose for which this corporation is organized is the transaction of 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 IV

INITIAL BUSINESS: Said corporation is organized exclusively to establish a nonprofit Homeowners Association. This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residence Lots and Common Area within that certain tract of property described as:

Lots One (1) through Fourteen (14), inclusive, and Tracts "A" and "B", VIRGINIA PARK VILLAS, as shown in Book 252 of maps, page 23, records of Maricopa County, Arizona.

and to promote the health, safety and welfare of the residents within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose 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 that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to the property and recorded or to be recorded in the Office of Maricopa County Recorder and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

ARTICLE VI

(b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to 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 of the Association;

(c) 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;

(d) borrow money, and with the assent of two-thirds (2/3) of each class of members mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;

(f) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members;

(g) 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 V

No part of the net earning of the corporation shall inure to the benefit of, or be distributable to its members, directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distribution in furtherance of the purposes set forth in Article IV. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements,) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on: (a) by a corporation exempt from Federal Income Tax under Section 501 (c) (3) of the Internal Revenue Code of 1954, (or the corresponding provision of any provision of any future United States Internal Revenue Law) or: (b) by a corporation, contributions to which are deductible under Section 170 (c)(2) of the Internal Revenue Code of 1954, (or the corresponding provisions of any future United States Internal Revenue Laws).

ARTICLE VI

Upon the dissolution of the corporation, the Board of Directors, shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of its assets exclusively for the purposes of the corporation in such manner, or to such organizations organized and operated exclusively for charitable, educational, religious or scientific purposes as

shall at the time qualify as an exempt organization or organizations under Section 501 (c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any further United States Internal Revenue Laws) as the Board of Directors shall determine. Any such assets not disposed of shall be disposed of by the Superior Court of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE VII

The annual meeting is to be held at a place within or without the state as fixed by the bylaws.

ARTICLE VIII

MEMBERSHIP: Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

ARTICLE IX

VOTING RIGHTS: The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) two years from the date of recording of the Covenants, Conditions and Restrictions,

ARTICLE X

STATUTORY AGENT: The name and address of the initial statutory agent of the corporation is:

Stephen W. Sadler
5150 N. 16th Street
Suite A-112
Phoenix, Arizona 85016

ARTICLE XI

BOARD OF DIRECTORS: The affairs of this Association shall be managed by a Board of three (3) Directors, who need not be members of the Association.

The number of directors may be changed by amendment of the By-Laws of the Association. The names and addresses of the persons who are to act in the capacity of directors, until the selection of their successors are:

<u><i>James M. Adams</i></u> President	<u>5150 N. 16th St., A-112, Phoenix, AZ 85016</u>
<u><i>Patricia Buechel</i></u> Secretary	<u>5150 N. 16th St., A-112, Phoenix, AZ 85016</u>
<u><i>Patricia Buechel</i></u> Treasurer	<u>5150 N. 16th St., A-112, Phoenix, AZ 85016</u>

ARTICLE XII

DISSOLUTION: The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. Upon dissolution of the Association, other than incident to a merger or 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 nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE XIII

DURATION: The corporation shall exist perpetually.

ARTICLE XIV

AMENDMENTS: Amendment of these Articles shall require the assent of 75 percent of the entire membership.

ARTICLE XV

FHA/VA APPROVAL: As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

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 20th day of March, 1984.

Stephen W. Sadler

I, Stephen W. Sadler, having been designated to act as Statutory Agent, hereby consent to act in that capacity until removed, or resignation is submitted in accordance with the Arizona Revised Statutes.

Stephen W. Sadler
Stephen W. Sadler