

Town Square

9/85

ARTICLES OF INCORPORATION

OF

ALTA MESA UNIT 11 HOMEOWNERS ASSOCIATION

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned persons, all of whom are residents of Arizona, have this day voluntarily associated themselves together for the purpose of forming a corporation under and pursuant to the rules of the State of Arizona, and for that purpose hereby adopt the following Articles of Incorporation:

ARTICLE I

The name of the corporation shall be Alta Mesa Unit 11 Homeowners Association, hereafter referred to as "Association".

ARTICLE II

This corporation is organized pursuant to the general nonprofit corporation laws of the State of Arizona.

ARTICLE III

The names and post office addresses of the incorporators are as follows:

William L. Diana
17416 North 6th Place
Phoenix, Arizona 85022

Sondra Diana
17416 North 6th Place
Phoenix, Arizona 85022

ARTICLE IV

The number of directors of this corporation to act initially shall be three (3), but such number may be changed by the By-Laws duly adopted. The following persons shall serve as directors until the election of their successors:

William L. Diana
17416 North 6th Place
Phoenix, Arizona 85022

Ken Heistand
17416 North 6th Place
Phoenix, Arizona 85022

Donald C. Kaiser
17416 North 6th Place
Phoenix, Arizona 85022

ARTICLE V

The principal place of business of the corporation shall be 17416 North 6th Place, Phoenix, Arizona, but the corporation may establish other offices within Maricopa County, Arizona, and hold its meetings at such places within Maricopa County, Arizona, as the By-Laws may provide.

ARTICLE VI

The general nature of the business to be transacted and the objectives and purposes of the corporation shall be as follows:

A. To own, operate and/or maintain certain property and improvements to be used in common by and for the benefit of the owners of residences constructed within the following described premises and any additions

thereto as may hereafter be brought within the jurisdiction of this Association by annexation as provided in Article XX herein and for this purpose:

a subdivision of a portion of the East one-half of Section 2, Township 1 North, Gila and Salt River Base and Meridian, Maricopa County, Arizona.

B. To accept such property and improvements as may be conveyed to the Association and to maintain and otherwise manage landscaping, common elements, recreational areas and facilities upon such property. To pay all taxes and assessments, if any, which may properly be levied against such property or other property acquired by or owned by the Association and any improvements located thereon; to impress liens against the individual residential lots and their fractional or percentage ownership interests in this Association, to secure the payment of obligations due from the owners thereof to the Association and to collect, foreclose or otherwise enforce, compromise, release, satisfy and discharge said demands, and to do all other acts necessary to the filing, maintenance, and discharge of said liens; to take any action necessary to enforce the covenants, restrictions, reservations, and conditions which at present or in the future affect said property described in Article VI, Paragraph A above, either by recording restrictions, By-Laws of the Association, rules and regulations of

the Association, or in any other way created; and in addition thereto, 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 to the best interests of the members of the Association, and to pay all costs and expenses in connection therewith and in connection with any and all the purposes of the Association, and further, 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 condition, covenant, restriction, reservation, charge, or assessment affecting said property or any portion thereof, and to do and perform any and all acts which may be either necessary 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 the power to mortgage or encumber any property owned by it.

C. To enter into, perform, and carry out contracts of any kind necessary 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; to execute, make, issue take, and receive bonds, notes, debentures, mortgages,

pledges and other evidences of indebtedness and security, of any and all kinds whatsoever, in furtherance of any or all of the objects of its business, only with the consent of two-thirds (2/3) of each class of membership.

E. To make contracts of all kinds and descriptions with third parties, firms, and corporations.

F. To do and perform any and all acts and things and to transact any business, not inconsistent with law, which may be necessary, incidental to or convenient in carrying out any of the business or purposes of the Association.

G. To 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, Restrictions, and Reservations, hereinafter called the "Declaration," applicable to the property and recorded or to be recorded in the Office of the County Recorder, Maricopa County, Arizona, 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 VII

The Association shall be a nonstock corporation and shall be owned by its members, who shall be collectively called the Members of the Association, and no dividends or pecuniary profits shall be paid to its members. Membership

in the Association, except for membership of the incorporators and the first Board of Directors, shall be limited to record owners of equitable title (or legal title if the equitable title has merged) of the residential units constructed or planned to be constructed in the subdivision of which the property described above is a part, and any additions thereto as may be hereafter be brought within the jurisdiction of this Association by annexation as provided in Article XX herein and for this purpose. An owner of a lot shall automatically, upon becoming the owner of a lot, be 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 said Association shall automatically cease. Nothing herein is intended to include as members of the Association persons or entities who hold an an interest merely as security for the performance of an obligation. No certificates of membership shall be issued and membership shall be evidenced by an official list of said members, which list shall be kept by the Secretary of the Association. No membership shall be issued to any other person or persons except as they may be issued in substitution for outstanding memberships assigned to the new record owners of equitable title (or legal title if equitable title has merged). Membership shall be appurtenant to and may not be separated from ownership of any lot.

In the event any such lot is owned by two or more persons, whether by joint tenancy, tenancy in common, community property or otherwise, the membership as to each lot unit shall be joint and a single membership for such lot shall be issued in the names of all, and they shall designate to the Association in writing at the time of issuance one of their number who shall hold the membership and have the power to vote said membership, and in the absence of such designation and until such designation is made, the Board of Directors of the Association shall make such designation.

ARTICLE VIII

The Association shall have two classes of voting membership:

Class A. Class A members shall be all those owners as defined in Article VII. A Class A member shall be entitled to one (1) vote for each lot owned by said member, as provided above.

Class B. The Class B member shall be the Declarant (as defined in the Declaration of Covenants, Conditions, Restrictions and Reservations recorded for the property referred to in Article VI-A above). The Class B member 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) Three (3) years from the date of the Declaration referred to above.

ARTICLE IX

The existence of this Corporation shall be perpetual.

ARTICLE X

The affairs of the Association shall be conducted by a Board of Directors consisting of an odd number of not less than three (3) nor more than nine (9) members, and such other officers as the Board of Directors may select from time to time, including a President, a Vice President, a Secretary and a Treasurer. The same person may hold any two offices, except that the President may not, at the same time, hold the office of the Vice President or Secretary.

The Directors shall be elected by the Members of the Association at the first and each ensuing annual meeting thereof, as provided for in the By-Laws of this corporation. The Directors need not be members of the Association. The Board of Directors will adopt By-Laws for the corporation and such By-Laws may be amended, supplemented, repealed, or suspended and new By-Laws may be adopted as provided for therein.

ARTICLE XI

Any indebtedness or liability, direct or contingent, must be authorized by an affirmative vote of a majority of the votes cast by members of the Board of Directors at a lawfully held meeting, and approved by the Arizona

Corporation Commission, to the extent required by the laws of the State of Arizona. The highest amount of indebtedness or liability, direct or contingent, to which this corporation may be subject at any one time shall not exceed one hundred and fifty percent (150%) of its income for the previous fiscal year, except that additional amounts may be authorized by an affirmative vote of two-thirds ($\frac{2}{3}$) of each class of the Members of the Association.

ARTICLE XII

Any mortgage by the Association of the Common Area, as defined in the Declaration of Covenants, Conditions, Restrictions, and Reservations for the property referred to in Article VI of these Articles of Incorporation, shall have the assent of two-thirds ($\frac{2}{3}$) of the entire Class A membership and two-thirds ($\frac{2}{3}$) of the entire Class B membership, if any, as well as the assent of the holders of first mortgage liens on all units.

ARTICLE XIII

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

ARTICLE XIV

This Association hereby appoints McCabe, Polese & Pietzsch, A Professional Association, an Arizona professional corporation, as its lawful statutory agent, upon whom

all notices and processes, including service of summons, may, be served, and which, when so served, shall be lawful, personal service upon this corporation. The Directors may, at any time, appoint another agent for such purpose, and the filling of such other appointment shall revoke this or any other previous appointment of such agent.

ARTICLE XV

The first annual meeting of the Members of the Association of the corporation shall be held within sixty (60) days after the builder has constructed and conveyed two-thirds (2/3) of the total number of residential units to be constructed within the premises as described in Article VI of the By-Laws, or within one (1) year from the date of incorporation, whichever is sooner. Thereafter, the annual meeting of the Members of the Association shall be on the third Wednesday of June of each year. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday; or, said annual meeting shall be held at such other time as shall be specified by the By-Laws of this Association duly adopted or amended. Any such amendment of the By-Laws, thus duly adopted, changing the date of the annual meetings shall be valid and effective without the necessity of amending the Articles of Incorporation of the Association. The annual meetings of the Board of Directors and the members of the

Association shall be held at the office of the Association or at such other office or offices at such other places within the County of Maricopa, State of Arizona, as may be designated by the Board of Directors.

ARTICLE XVI

The Association shall not execute or file for record any documents which impose a restriction upon the sale, lease, or occupancy of property solely on the basis of race, color, creed, or national origin.

ARTICLE XVII

These Articles of Incorporation may be amended by the affirmative vote of seventy-five percent (75%) of the entire membership.

ARTICLE XVIII

The Association shall have power to 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 members entitled to cast two-thirds (2/3) of the votes of the Class A membership and two-thirds (2/3) of the votes of the Class B membership, if any, agreeing to such dedication, sale or transfer.

ARTICLE XIX

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of the entire Class A membership and two-thirds (2/3)

of the entire Class B membership, if any. Upon dissolution of the Association, the assets, both real and personal, of the Association shall be dedicated to an appropriate public agency to be devoted to purposes, as nearly as practicable, the same as those to which they were required to be devoted by the Association. 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 purposes and uses that would most nearly reflect the purposes and uses to which they were required to be devoted by the Association.

ARTICLE XX

In the event any additional property is dedicated to the Association, such additional property shall be owned, operated, and maintained by the Association as if acquired originally by the Association. The consent of the Members of the Association shall not be required if such annexation is within three (3) years of this instrument, provided that the annexation is in accord with the initial General Plan of Development.

A. In the event a General Plan of Development of the said properties has been submitted and approved by the Federal Housing Administration (FHA) and Veterans Administration (VA), then the FHA and VA must determine the annexation is in accord with any General Plan of Development heretofore approved by them.

B. In the event of any such annexation the owners of lots in the area or areas annexed shall automatically become members of the Association in accordance with Article VII herein.

ARTICLE XXI

To the extent permitted by law, the Association may participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, provided, however, that any such merger or consolidation shall have the assent of two-thirds (2/3) of the entire Class A membership and two-thirds (2/3) of the entire Class B membership, if any.

ARTICLE XXII

As long as there is a Class B membership, or providing FHA or the VA has approved a General Plan of Development, the following actions will require the prior approval of the FHA or the VA: Annexation of additional properties, mergers, and consolidations; mortgaging of Common Area; dedication of Common Area; dissolution and amendment of these Articles.

ARTICLE XXIII

The fiscal year of the Association shall begin on the first day of January and end on the last day of December of every year, except the first fiscal year shall begin on the date of incorporation of this Association.

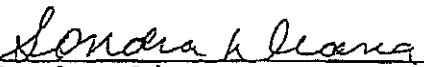
ARTICLE XXIV

The Association and the rights of its members are subject and subordinate to the provisions of the Alta Mesa First Amended and Restated Declaration of Covenants, Conditions, and Restrictions (the "Alta Mesa Declaration") recorded July 18, 1984, in the Records of Maricopa County, Arizona, at Recording No. 84-312771, the Articles of Incorporation and By-Laws of the Alta Mesa Association, the Alta Mesa Rules, and the architectural rules and guidelines adopted pursuant to the Alta Mesa Declaration.

IN WITNESS WHEREOF, the undersigned persons have hereunto set their hands this 3rd day of June 1984.



William L. Diana



Sondra Diana

"Incorporators"

STATE OF ARIZONA)
) ss.
County of Maricopa)

This instrument was acknowledged before me this
3 day of December, 1984, by WILLIAM L. DIANA and
SONDRA DIANA.

WITNESS my hand and official seal.



Notary Public

My Commission Expires:
9/28/85

