

**ARTICLES OF INCORPORATION  
OF  
T-1 MANAGEMENT COUNCIL**

**ARTICLE I**

The name of the corporation shall be T-1 MANAGEMENT COUNCIL, and its principal place of business shall be at AHWATUKEE, Phoenix, Maricopa County, Arizona.

Membership in the corporation, 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 equitable title has merged) of residential units constructed or planned to be constructed in the T-1 Tract, AHWATUKEE, Phoenix, Arizona.

“AHWATUKEE” shall mean all that real property included within the AHWATUKEE Master Plan of Development as prepared by A. Wayne Smith and Associates and filed with Maricopa County, Arizona, and such additions thereto as ay hereafter be brought within the development.

**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:

Daniel A. Verska	-Wayne Unruh	<u>Suzanne E. Seigler</u>
2933 West Indian School Rd Phoenix, Arizona-85017	2933 West Indian School Rd Phoenix, Arizona-85017	<u>2933 West Indian School Rd</u> Phoenix, Arizona 85017

**ARTICLE IV**

The general nature of the business in which the corporation is engaged is as follows:

To do anything and everything lawfully necessary in the interest of the members of the corporation including, without limitation, the following:

1. To own, manage and maintain the “common elements” in the T-1 tract, AHWATUKEE, Phoenix, Arizona, and promote efficiency and cooperation for the full enjoyment thereof by any of the grantees of the units within the T-1 tract.
2. To accept such property and improvements as may be conveyed to the corporation and to maintain and otherwise manage the “common elements” in the T-1 tract, AHWATUKEE, Phoenix, Arizona. 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 corporation. To repair, maintain, rehabilitate and restore the real property and any improvements located thereon: to impress liens against the individual residences units and/or their fractional or percentage interests in the common elements appurtenant thereto; to secure the payment of obligations due from the owners thereof to the corporation 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, conditions and restrictions, which at present or in the future affect said property described herein, either by recording Restrictions, Bylaws of the corporation, Rules and Regulations of the corporation, or in any other way created; and in addition thereto, to do any and all lawful things and acts which the corporation, at any time, and from time to time, shall, in its discretion deem to be in the best interests of the members of the corporation, and to pay all costs and expenses in connection therewith and in connection with any and all the purposes of the corporation, and further, to do any and all lawful things which may be advisable, proper, authorized or permitted to be done by

- the corporation 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 corporation, 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.
3. To enter into, perform, and carry out contracts of any kind necessary to, or in connection with, or incidental to, the accomplishment of the purpose of the corporation.
  4. To borrow and lend money, and give, take and hold security and collateral, to execute, make and issue and take and receive notes, bonds, debentures, mortgages, pledges and other evidence of indebtedness and security, of any and all kinds whatsoever, in furtherance of any or all of the objects of its business.
  5. To make contracts of all kinds and description with third parties, firms and corporations; to make contracts with any of the officers, directors, members or employees of this corporation, individually or otherwise and without limitation, restriction or prejudice which contracts shall be considered and construed on the same basis as contracts with third persons, all in furtherance of the organization, management, operation, objects or purposes of the corporation.
  6. To do and perform any and all acts and things and to transact any business, not inconsistent ~~6.~~with law, which may be necessary, incidental to or convenient in carrying out of any of the business or purposes of the corporation.

#### ARTICLE V

The affairs of the corporation shall be conducted by a Board of Directors and such officers as the Board may elect or appoint. The Board shall select from its own members a president, vice president, secretary and a treasurer; one or more of which may be held by a single director except for the position of president which may not be held concurrently with any other officer position. ~~It may select an assistant secretary and an assistant treasurer who may or may not be member of the Board.~~

At a meeting held at 10:00 a.m. January 31, 1974, at 2933 West Indian School Road, Phoenix, Arizona the following persons were elected to serve as directors:

Daniel A. Verska  
Wayne Unruh  
Suzanne E. Seigler

The directors shall serve as the Board of Directors of the corporation until the developer of AHWATUKEE has constructed and sold 90% of the total number of residential units to be constructed in the T-1 tract within AHWATUKEE. The annual meeting of the corporation shall be held on the second Thursday in February or any other such date in the month of February as deemed appropriate by the Board of Directors. At the First annual meeting after the developer of AHWATUKEE has constructed and sold 90% of the total number of residential units to be constructed in the T-1 tract within AHWATUKEE, the number of directors elected shall be nine (9). Three (3) directors shall be elected for one (1) year, three (3) directors shall be elected to serve for two (2) years and three (3) directors shall be elected to serve for (3) years. Thereafter, directors shall be elected by the members at the annual meeting of the corporation. ~~Three (3) d~~Directors shall be elected each year, according to the staggered terms created herein, to serve for a term of three (3) years and shall serve until their successors are elected and qualified, all as prescribed in the bylaws of the corporation. No single residence unit may have more than one member serve on the board at any given time. However, members who collectively own more than a single unit may each serve provided they are elected from their membership interest in different units. may be re-elected or appointed to the Board who has been elected to a three (3) year term or served an elective term or appointive term of two (2) or more years. After the recording of these amended Articles, no member may serve more than three (3) consecutive full or partial terms without first sitting out one full year. Such year is designated as the time period between (2) consecutive annual meetings of the membership.

The Directors shall have the power to adopt by-laws for the corporation which may cover any subject and may supplement and add to the provisions of these Articles of Incorporation so long as they are not in direct conflict with any other provisions herein contained.

The by-laws may be amended, modified, revised or revoked by the Directors or by the members per the procedure established by the by-laws. In the event of conflict concerning the by-laws as amended, modified, revised or revoked by the Directors the action of the members shall prevail.

The Directors shall have the power to fill vacancies occurring in the Board or in any office. ~~The Board may appoint from its own number an executive committee and invest such committees with such power as may be approved by the Directors.~~

The by-laws of the corporation shall prescribe the qualifications of members, define a member in good standing for voting purposes, and the terms of admission to membership, provided that the voting rights of all members shall be equal and all members shall have equal rights and privileges and be subject to equal responsibilities. Such by-laws shall also provide the method for determining assessments to be paid by the members.

#### **ARTICLE VI**

This corporation shall have no power to issue capital stock, and no dividends or pecuniary profits shall be declared or inure to any member, director, officer of the corporation or any private individual (except that reasonable compensation may be paid for services rendered to or for the corporation affecting one or more of its purposes), and no member, director, officer of the corporation, or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the corporation.

#### **ARTICLE VII**

The time of commencement of this corporation shall be the date upon which the Arizona Corporation shall issue its Certificate of Incorporation and the duration of the corporation shall be perpetual. ~~termination of the corporation shall be twenty five (25) years thereafter, with the power and privilege of renewal as provided by law.~~

#### **ARTICLE VIII**

The highest amount of indebtedness of liability, direct or contingent, to which the corporation may at any time subject itself shall be limited to not more than Fifty Thousand Dollars and no/100400 four hundred per cent (400%) of the total assessment levied during the year prior to the date of incurring the indebtedness (\$50,000.00) or any greater amount which may be if such greater amount is authorized by three--fourths (3/4) of the members present at a duly called and noticed meeting of the membership, or in such amount as may be authorized by the Arizona Corporation Commission.

#### **ARTICLE IX**

The private property of the incorporators, members, directors and officers of this corporation shall be forever exempt from the debts and obligations of the corporation.

#### **ARTICLE X**

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, judgements and penalties which may be incurred, rendered or levied in any legal action brought against any of them for on account of any action or omission alleged to have been committed while acting within the scope of a 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 service~~ 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, fail to act, or refuse 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 specific herein, 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 XI**

These Articles of Incorporation may be amended at any meeting of the members called for that purpose by the Board of Directors or by a petition of at least ~~two-twenty~~ (20) percent of the total membership as of the first day of the preceding January. Amendments shall be adopted by an affirmative vote of a majority of the members of the corporation present at that meeting. Notice of any proposed amendment shall be given by written notice, published, posted, and noticed as required by the laws of the State of Arizona and by compliance with any additional requirements required by the by-laws of the corporation. ~~Suzanne E. Seigler, whose address is 2933 West India School Road, Phoenix, Arizona, 85017, who has been a bona fide resident of the State of Arizona for more than three (3) years last past, is hereby appointed and designed Statutory Agent for the corporation for the State of Arizona upon whom service off process may be had. This appointment may be revoked at any time by filing the appointment of another agent.~~